

FIRST REGULAR SESSION

[PERFECTED]

# HOUSE BILL NO. 320

## 93RD GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVES MUSCHANY (Sponsor),  
CUNNINGHAM (86) AND MOORE (Co-sponsors).

Read 1st time January 25, 2005 and copies ordered printed.

Read 2nd time January 26, 2005 and referred to the Committee on Elementary and Secondary Education February 17, 2005.

Reported from the Committee on Elementary and Secondary Education March 30, 2005 with recommendation that the bill Do Pass.  
Referred to the Committee on Rules pursuant to Rule 25(26)(f).

Reported from the Committee on Rules April 4, 2005 with recommendation that the bill Do Pass with no time limit for debate.

Taken up for Perfection April 18, 2005. Bill ordered Perfected and printed.

STEPHEN S. DAVIS, Chief Clerk

0146L.02P

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### AN ACT

To repeal section 162.081, RSMo, and to enact in lieu thereof one new section relating to lapse of district corporate organization.

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*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Section 162.081, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 162.081, to read as follows:

162.081. 1. Whenever any school district in this state fails or refuses in any school year to provide for the minimum school term required by section 163.021, RSMo, or is classified unaccredited for two successive school years by the state board of education, its corporate organization shall lapse. The corporate organization of any school district that is classified as unaccredited shall lapse on June thirtieth of the second full school year of such unaccredited classification after the school year during which the unaccredited classification is initially assigned; **however, if the district has been classified as unaccredited within the previous five school years, and the district is subsequently classified as provisionally accredited, then the district is subject to lapse on June thirtieth of any school year in which the state board of**

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

10 **education withdraws provisional accreditation or at a later date as determined by the state**  
11 **board of education.**

12         **2.** The territory theretofore embraced within any district that lapses pursuant to this  
13 section or any portion thereof may be attached to any district for school purposes by the state  
14 board of education[; but no school district, except a district classified as unaccredited pursuant  
15 to section 163.023, RSMo, and section 160.538, RSMo, shall lapse where provision is lawfully  
16 made for the attendance of the pupils of the district at another school district that is classified as  
17 provisionally accredited or accredited by the state board of education].

18         [2. Prior to or at the time any school district in this state shall lapse, but]

19         **3.** After the school district has been classified as unaccredited **but at least sixty days**  
20 **prior to the initial date of lapse**, the department of elementary and secondary education shall  
21 conduct a public hearing at a location in **or near** the unaccredited school district **regarding the**  
22 **continuing operation of the educational programs within the lapsed district.** [The purpose  
23 of the hearing shall be to:

24             (1) Review any plan by the district to return to accredited status; or

25             (2) Offer any technical assistance that can be provided to the district.

26         3.] **4.** Except as otherwise provided in section 162.1100, [in a metropolitan school  
27 district or an urban school district containing most or all of a city with a population greater than  
28 three hundred fifty thousand inhabitants and in any other school district if the local board of  
29 education does not anticipate a return to accredited status,] the state board of education may  
30 appoint a special administrative board to [supervise] **monitor** the financial operations, maintain  
31 and preserve the financial assets or, if warranted, continue operation of the educational programs  
32 within the district or what provisions might otherwise be made in the best interest of the  
33 education of the children of the district. The special administrative board shall consist of two  
34 persons who are residents of the school district, who shall serve without compensation, and a  
35 professional administrator, who shall chair the board and shall be compensated, as determined  
36 by the state board of education, in whole or in part with funds from the district. **A majority of**  
37 **the members of a special administrative board shall be deemed to have standing in a court**  
38 **of a competent jurisdiction to enjoin any action of the school board of the unaccredited**  
39 **district to prevent wastage of the assets of the district.**

40         [4.] **5.** Upon lapse of the district, the state board of education may:

41             (1) Appoint a special administrative board, if such a board has not already been  
42 appointed, and authorize the special administrative board to retain the authority granted to a  
43 board of education for the operation of all or part of the district;

44             (2) Attach the territory of the lapsed district to another district or districts for school  
45 purposes; [or]

46 (3) Establish one or more school districts within the territory of the lapsed district, with  
47 a governance structure consistent with the laws applicable to districts of a similar size, with the  
48 option of permitting a district to remain intact for the purposes of assessing, collecting, and  
49 distributing property taxes, to be distributed equitably on a per eligible pupil basis, but to be  
50 divided for operational purposes, which shall take effect sixty days after the adjournment of the  
51 regular session of the general assembly next following the state board's decision unless a statute  
52 or concurrent resolution is enacted to nullify the state board's decision prior to such effective  
53 date; or

54 **(4) Continue operation of the school district under the existing governance**  
55 **structure under terms and conditions established by the state board of education.**

56 **6.** The special administrative board may retain the authority granted to a board of  
57 education for the operation of the lapsed school district under the laws of the state in effect at the  
58 time of the lapse.

59 [5.] **7.** The authority of the special administrative board shall expire at the end of the  
60 third full school year following its appointment, unless extended by the state board of education.  
61 If the lapsed district is reassigned, the special administrative board shall provide an accounting  
62 of all funds, assets and liabilities of the lapsed district and transfer such funds, assets, and  
63 liabilities of the lapsed district as determined by the state board of education.

64 [6.] **8.** Upon recommendation of the special administrative board, the state board of  
65 education may assign the funds, assets and liabilities of the lapsed district to another district or  
66 districts. Upon assignment, all authority of the special administrative board shall transfer to the  
67 assigned districts.

68 [7.] **9.** Neither the special administrative board nor any district or other entity assigned  
69 territory, assets or funds from a lapsed district shall be considered a successor entity for the  
70 purpose of employment contracts, unemployment compensation payment pursuant to section  
71 288.110, RSMo, or any other purpose.

72 [8.] **10.** If additional teachers are needed by a district as a result of increased enrollment  
73 due to the annexation of territory of a lapsed or dissolved district, such district shall grant an  
74 employment interview to any permanent teacher of the lapsed or dissolved district upon the  
75 request of such permanent teacher.

76 [9.] **11.** (1) The governing body of a school district, upon an initial declaration by the  
77 state board of education that such district is provisionally accredited, may, and, upon an initial  
78 declaration by the state board of education that such district is unaccredited, shall develop a plan  
79 to be submitted to the voters of the school district to divide the school district if the district  
80 cannot attain accreditation within three years of the initial declaration that such district is  
81 unaccredited. In the case of such a district being declared unaccredited, such plan shall be

82 presented to the voters of the district before the district lapses. In the case of such a district being  
83 declared provisionally accredited, such plan may be presented before the close of the current  
84 accreditation cycle.

85 (2) The plan may provide that the school district shall remain intact for the purposes of  
86 assessing, collecting and distributing taxes for support of the schools, and the governing body  
87 of the district shall develop a plan for the distribution of such taxes equitably on a per pupil basis  
88 if the district selects this option.

89 (3) The makeup of the new districts shall be racially balanced as far as the proportions  
90 of students allow.

91 (4) If a majority of the district's voters approve the plan, the state board of education  
92 shall cooperate with the local board of education to implement the plan, which may include use  
93 of the provisions of this section to provide an orderly transition to new school districts and  
94 achievement of accredited status for such districts.

95 [10. In the event that a school district with an enrollment in excess of five thousand  
96 pupils lapses, no school district shall have all or any part of such lapsed school district attached  
97 without the approval of the board of the receiving school district.]