

SECOND REGULAR SESSION

HOUSE BILL NO. 1847

93RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES AULL (Sponsor), PAGE, SWINGER, CHAPPELLE NADAL, LeVOTA, SCHOEMEHL, OXFORD, ROBINSON, WHORTON, YAEGER, ROORDA, LAMPE, BROWN (50), SKAGGS, KUESSNER, CORCORAN, STORCH, SHOEMYER, BAKER (25), WITTE AND HENKE (Co-sponsors).

Read 1st time February 22, 2006 and copies ordered printed.

STEPHEN S. DAVIS, Chief Clerk

4968L.011

AN ACT

To repeal section 163.031 as enacted by conference committee substitute for house committee substitute for senate substitute for senate committee substitute for senate bill no. 287, ninety-third general assembly, first regular session and to enact in lieu thereof one new section relating to state aid for schools, with an emergency clause.

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

Section A. Section 163.031 as enacted by conference committee substitute for house
2 committee substitute for senate substitute for senate committee substitute for senate bill no. 287,
3 ninety-third general assembly, first regular session, are repealed and one new section enacted in
4 lieu thereof, to be known as section 163.031, to read as follows:

163.031. 1. The department of elementary and secondary education shall calculate and
2 distribute to each school district qualified to receive state aid under section 163.021 an amount
3 determined by multiplying the district's weighted average daily attendance by the state adequacy
4 target, multiplying this product by the dollar value modifier for the district, and subtracting from
5 this product the district's local effort and, in years not governed under subsection 4 of this
6 section, subtracting payments from the classroom trust fund under section 163.043.

7 2. Other provisions of law to the contrary notwithstanding:

8 (1) For districts with an average daily attendance of more than three hundred fifty in the
9 school year preceding the payment year:

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 (a) For the 2006-07 school year, the state revenue per weighted average daily attendance
11 received by a district from the state aid calculation under subsections 1 and 4 of this section, as
12 applicable, and the classroom trust fund under section 163.043 shall not be less than the state
13 revenue received by a district in the 2005-06 school year from the foundation formula, line 14,
14 gifted, remedial reading, exceptional pupil aid, fair share, and free textbook payment amounts
15 multiplied by the sum of one plus the product of one-third multiplied by the remainder of the
16 dollar value modifier minus one, and dividing this product by the weighted average daily
17 attendance computed for the 2005-06 school year;

18 (b) For the 2007-08 school year, the state revenue per weighted average daily attendance
19 received by a district from the state aid calculation under subsections 1 and 4 of this section, as
20 applicable, and the classroom trust fund under section 163.043 shall not be less than the state
21 revenue received by a district in the 2005-06 school year from the foundation formula, line 14,
22 gifted, remedial reading, exceptional pupil aid, fair share, and free textbook payment amounts
23 multiplied by the sum of one plus the product of two-thirds multiplied by the remainder of the
24 dollar value modifier minus one, and dividing this product by the weighted average daily
25 attendance computed for the 2005-06 school year;

26 (c) For the 2008-09 school year, the state revenue per weighted average daily attendance
27 received by a district from the state aid calculation under subsections 1 and 4 of this section, as
28 applicable, and the classroom trust fund under section 163.043 shall not be less than the state
29 revenue received by a district in the 2005-06 school year from the foundation formula, line 14,
30 gifted, remedial reading, exceptional pupil aid, fair share, and free textbook payment amounts
31 multiplied by the dollar value modifier, and dividing this product by the weighted average daily
32 attendance computed for the 2005-06 school year;

33 (d) For each year subsequent to the 2008-09 school year, the amount shall be no less than
34 that computed in paragraph (c) of this subdivision, multiplied by the weighted average daily
35 attendance pursuant to section 163.036, less any increase in revenue received from the classroom
36 trust fund under section 163.043;

37 (2) For districts with an average daily attendance of three hundred fifty or less in the
38 school year preceding the payment year:

39 (a) For the 2006-07 school year, the state revenue received by a district from the state
40 aid calculation under subsections 1 and 4 of this section, as applicable, and the classroom trust
41 fund under section 163.043 shall not be less than the greater of state revenue received by a
42 district in the 2004-05 or 2005-06 school year from the foundation formula, line 14, gifted,
43 remedial reading, exceptional pupil aid, fair share, and free textbook payment amounts
44 multiplied by the sum of one plus the product of one-third multiplied by the remainder of the
45 dollar value modifier minus one;

46 (b) For the 2007-08 school year, the state revenue received by a district from the state
47 aid calculation under subsections 1 and 4 of this section, as applicable, and the classroom trust
48 fund under section 163.043 shall not be less than the greater of state revenue received by a
49 district in the 2004-05 or 2005-06 school year from the foundation formula, line 14, gifted,
50 remedial reading, exceptional pupil aid, fair share, and free textbook payment amounts
51 multiplied by the sum of one plus the product of two-thirds multiplied by the remainder of the
52 dollar value modifier minus one;

53 (c) For the 2008-09 school year, the state revenue received by a district from the state
54 aid calculation under subsections 1 and 4 of this section, as applicable, and the classroom trust
55 fund under section 163.043 shall not be less than the greater of state revenue received by a
56 district in the 2004-05 or 2005-06 school year from the foundation formula, line 14, gifted,
57 remedial reading, exceptional pupil aid, fair share, and free textbook payment amounts
58 multiplied by the dollar value modifier;

59 (d) For each year subsequent to the 2008-09 school year, the amount shall be no less than
60 that computed in paragraph (c) of this subdivision;

61 (3) The department of elementary and secondary education shall make an addition in the
62 payment amount specified in subsection 1 of this section to assure compliance with the
63 provisions contained in this subsection.

64 3. School districts that meet the requirements of section 163.021 shall receive categorical
65 add-on revenue as provided in this subsection. The categorical add-on for the district shall be
66 the sum of: seventy-five percent of the district allowable transportation costs under section
67 163.161; the career ladder entitlement for the district, as provided for in sections 168.500 to
68 168.515, RSMo; the vocational education entitlement for the district, as provided for in section
69 167.332, RSMo; and the district educational and screening program entitlements as provided for
70 in sections 178.691 to 178.699, RSMo. The categorical add-on revenue amounts may be
71 adjusted to accommodate available appropriations.

72 4. In the 2006-07 school year and each school year thereafter for five years, those
73 districts entitled to receive state aid under the provisions of subsection 1 of this section shall
74 receive state aid in an amount as provided in this subsection.

75 (1) For the 2006-07 school year, the amount shall be fifteen percent of the amount of
76 state aid calculated for the district for the 2006-07 school year under the provisions of subsection
77 1 of this section, plus eighty-five percent of the total amount of state revenue received by the
78 district for the 2005-06 school year from the foundation formula, line 14, gifted, remedial
79 reading, exceptional pupil aid, fair share, and free textbook payments less any amounts received
80 under section 163.043. **In determining the district's amount of state aid for the 2006-07**
81 **school year, the total amount of state aid received by the district for the 2005-06 school**

82 **year from sources under this subdivision shall be recalculated by adding two one-**
83 **hundredths to all proration factors used in computing the foundation formula and line 14**
84 **moneys in the 2005-06 formula.**

85 (2) For the 2007-08 school year, the amount shall be thirty percent of the amount of state
86 aid calculated for the district for the 2007-08 school year under the provisions of subsection 1
87 of this section, plus seventy percent of the total amount of state revenue received by the district
88 for the 2005-06 school year from the foundation formula, line 14, gifted, remedial reading,
89 exceptional pupil aid, fair share, and free textbook payments less any amounts received under
90 section 163.043. **In determining the district's amount of state aid for the 2007-08 school**
91 **year, the total amount of state aid received by the district for the 2005-06 school year from**
92 **sources under this subdivision shall be recalculated by adding four one-hundredths to all**
93 **proration factors used in computing the foundation formula and line 14 moneys in the**
94 **2005-06 formula.**

95 (3) For the 2008-09 school year, the amount of state aid shall be forty-four percent of the
96 amount of state aid calculated for the district for the 2008-09 school year under the provisions
97 of subsection 1 of this section plus fifty-six percent of the total amount of state revenue received
98 by the district for the 2005-06 school year from the foundation formula, line 14, gifted, remedial
99 reading, exceptional pupil aid, fair share, and free textbook payments less any amounts received
100 under section 163.043. **In determining the district's amount of state aid for the 2008-09**
101 **school year, the total amount of state aid received by the district for the 2005-06 school**
102 **year from sources under this subdivision shall be recalculated by adding six one-**
103 **hundredths to all proration factors used in computing the foundation formula and line 14**
104 **moneys in the 2005-06 formula.**

105 (4) For the 2009-10 school year, the amount of state aid shall be fifty-eight percent of
106 the amount of state aid calculated for the district for the 2009-10 school year under the provisions
107 of subsection 1 of this section plus forty-two percent of the total amount of state revenue
108 received by the district for the 2005-06 school year from the foundation formula, line 14, gifted,
109 remedial reading, exceptional pupil aid, fair share, and free textbook payments less any amounts
110 received under section 163.043. **In determining the district's amount of state aid for the**
111 **2009-10 school year, the total amount of state aid received by the district for the 2005-06**
112 **school year from sources under this subdivision shall be recalculated by adding eight one-**
113 **hundredths to all proration factors used in computing the foundation formula and line 14**
114 **moneys in the 2005-06 formula.**

115 (5) For the 2010-11 school year, the amount of state aid shall be seventy-two percent of
116 the amount of state aid calculated for the district for the 2010-11 school year under the provisions
117 of subsection 1 of this section plus twenty-eight percent of the total amount of state revenue

118 received by the district for the 2005-06 school year from the foundation formula, line 14, gifted,
119 remedial reading, exceptional pupil aid, fair share, and free textbook payments less any amounts
120 received under section 163.043. **In determining the district's amount of state aid for the**
121 **2010-11 school year, the total amount of state aid received by the district for the 2005-06**
122 **school year from sources under this subdivision shall be recalculated by adding ten one-**
123 **hundredths to all proration factors used in computing the foundation formula and line 14**
124 **moneys in the 2005-06 formula.**

125 (6) For the 2011-12 school year, the amount of state aid shall be eighty-six percent of
126 the amount of state aid calculated for the district for the 2011-12 school year under the provisions
127 of subsection 1 of this section plus fourteen percent of the total amount of state revenue received
128 by the district for the 2005-06 school year from the foundation formula, line 14, gifted, remedial
129 reading, exceptional pupil aid, fair share, and free textbook payments less any amounts received
130 under section 163.043. **In determining the district's amount of state aid for the 2011-12**
131 **school year, the total amount of state aid received by the district for the 2005-06 school**
132 **year from sources under this subdivision shall be recalculated by adding twelve one-**
133 **hundredths to all proration factors used in computing the foundation formula and line 14**
134 **moneys in the 2005-06 formula.**

135 (7) (a) Notwithstanding subdivision (18) of section 163.011, the state adequacy target
136 may not be adjusted downward to accommodate available appropriations in any year governed
137 by this subsection.

138 (b) If a school district experiences a decrease in summer school average daily attendance
139 of more than fifteen percent from the district's 2005-06 summer school average daily attendance
140 in any year governed by this subsection, an amount equal to the product of the percent reduction
141 in the district's summer school average daily attendance multiplied by the funds generated by the
142 district's summer school program in the 2005-06 school year shall be subtracted from the
143 district's current year payment amount.

144 (c) If a school district experiences a decrease in its gifted program enrollment of more
145 than twenty percent from its 2005-06 gifted program enrollment in any year governed by this
146 subsection, an amount equal to the product of the percent reduction in the district's gifted
147 program enrollment multiplied by the funds generated by the district's gifted program in the
148 2005-06 school year shall be subtracted from the district's current year payment amount.

149 5. For any school district meeting the eligibility criteria for state aid as established in
150 section 163.021, but which is considered an option district under section 163.042 and therefore
151 receives no state aid, the commissioner of education shall present a plan to the superintendent
152 of the school district for the waiver of rules and the duration of said waivers, in order to promote

153 flexibility in the operations of the district and to enhance and encourage efficiency in the delivery
154 of instructional services as provided in section 163.042.

155 6. (1) No less than seventy-five percent of the state revenue received under the
156 provisions of subsections 1, 2, and 4 of this section shall be placed in the teachers' fund, and the
157 remaining percent of such moneys shall be placed in the incidental fund. No less than
158 seventy-five percent of one-half of the funds received from the school district trust fund
159 distributed under section 163.087 shall be placed in the teachers' fund. One hundred percent of
160 revenue received under the provisions of section 163.161 shall be placed in the incidental fund.
161 One hundred percent of revenue received under the provisions of sections 168.500 to 168.515,
162 RSMo, shall be placed in the teachers' fund.

163 (2) A school district shall spend for certificated compensation and tuition expenditures
164 each year:

165 (a) An amount equal to at least seventy-five percent of the state revenue received under
166 the provisions of subsections 1, 2, and 4 of this section;

167 (b) An amount equal to at least seventy-five percent of one-half of the funds received
168 from the school district trust fund distributed under section 163.087 during the preceding school
169 year; and

170 (c) Beginning in fiscal year 2008, as much as was spent per the second preceding year's
171 weighted average daily attendance for certificated compensation and tuition expenditures the
172 previous year from revenue produced by local and county tax sources in the teachers' fund, plus
173 the amount of the incidental fund to teachers' fund transfer calculated to be local and county tax
174 sources by dividing local and county tax sources in the incidental fund by total revenue in the
175 incidental fund.

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177 In the event a district fails to comply with this provision, the amount by which the district fails
178 to spend funds as provided herein shall be deducted from the district's state revenue received
179 under the provisions of subsections 1, 2, and 4 of this section for the following year, provided
180 that the state board of education may exempt a school district from this provision if the state
181 board of education determines that circumstances warrant such exemption.

182 7. If a school district's annual audit discloses that students were inappropriately identified
183 as eligible for free and reduced lunch, special education, or limited English proficiency and the
184 district does not resolve the audit finding, the department of elementary and secondary education
185 shall require that the amount of aid paid pursuant to the weighting for free and reduced lunch,
186 special education, or limited English proficiency in the weighted average daily attendance on the
187 inappropriately identified pupils be repaid by the district in the next school year and shall
188 additionally impose a penalty of one hundred percent of such aid paid on such pupils, which

189 penalty shall also be paid within the next school year. Such amounts may be repaid by the
190 district through the withholding of the amount of state aid.

Section B. Because immediate action is necessary to ensure adequate funding for
2 schools, section A of this act is deemed necessary for the immediate preservation of the public
3 health, welfare, peace, and safety, and is hereby declared to be an emergency act within the
4 meaning of the constitution, and section A of this act shall be in full force and effect on July 1,
5 2006, or upon its passage and approval, whichever later occurs.

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