

SECOND REGULAR SESSION

[PERFECTED]

HOUSE BILL NO. 2245

95TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES BIVINS (Sponsor), WALLACE, STREAM, AULL, THOMSON,
SCHAD AND ICET (Co-sponsors).

5153L.01P

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal sections 163.031, 163.036, 163.037, 163.044, 168.500, 168.515, and 178.697, RSMo, and to enact in lieu thereof seven new sections relating to school funding, with an emergency clause for certain sections.

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

Section A. Sections 163.031, 163.036, 163.037, 163.044, 168.500, 168.515, and
2 178.697, RSMo, are repealed and seven new sections enacted in lieu thereof, to be known as
3 sections 163.031, 163.036, 163.044, 168.500, 168.515, 178.697, and 1, 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:

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,

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.

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) **Except as provided in subdivisions (13) and (14) of subsection 4 of this section,**
34 for each year subsequent to the 2008-09 school year, the amount shall be no less than that
35 computed in paragraph (c) of this subdivision, multiplied by the weighted average daily
36 attendance pursuant to section 163.036, less any increase in revenue received from the classroom
37 trust fund under section 163.043;

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

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

47 (b) For the 2007-08 school year, the state revenue received by a district from the state
48 aid calculation under subsections 1 and 4 of this section, as applicable, and the classroom trust
49 fund under section 163.043 shall not be less than the greater of state revenue received by a

50 district in the 2004-05 or 2005-06 school year from the foundation formula, line 14, gifted,
51 remedial reading, exceptional pupil aid, fair share, and free textbook payment amounts
52 multiplied by the sum of one plus the product of two-thirds multiplied by the remainder of the
53 dollar value modifier minus one;

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

60 (d) **Except as provided in subdivisions (13) and (14) of subsection 4 of this section,**
61 for each year subsequent to the 2008-09 school year, the amount shall be no less than that
62 computed in paragraph (c) of this subdivision;

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

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

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

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

83 (2) For the 2007-08 school year, the amount shall be thirty percent of the amount of state
84 aid calculated for the district for the 2007-08 school year under the provisions of subsection 1
85 of this section, plus seventy percent of the total amount of state revenue received by the district

86 for the 2005-06 school year from the foundation formula, line 14, gifted, remedial reading,
87 exceptional pupil aid, fair share, and free textbook payments less any amounts received under
88 section 163.043.

89 (3) For the 2008-09 school year, the amount of state aid shall be forty-four percent of the
90 amount of state aid calculated for the district for the 2008-09 school year under the provisions
91 of subsection 1 of this section plus fifty-six percent of the total amount of state revenue received
92 by the district for the 2005-06 school year from the foundation formula, line 14, gifted, remedial
93 reading, exceptional pupil aid, fair share, and free textbook payments less any amounts received
94 under section 163.043.

95 (4) For the 2009-10 school year, the amount of state aid shall be fifty-eight percent of
96 the amount of state aid calculated for the district for the 2009-10 school year under the provisions
97 of subsection 1 of this section plus forty-two percent of the total amount of state revenue
98 received by the district for the 2005-06 school year from the foundation formula, line 14, gifted,
99 remedial reading, exceptional pupil aid, fair share, and free textbook payments less any amounts
100 received under section 163.043.

101 (5) For the 2010-11 school year, the amount of state aid shall be [seventy-two] **fifty-**
102 **eight** percent of the amount of state aid calculated for the district for the 2010-11 school year
103 under the provisions of subsection 1 of this section plus [twenty-eight] **forty-two** percent of the
104 total amount of state revenue received by the district for the 2005-06 school year from the
105 foundation formula, line 14, gifted, remedial reading, exceptional pupil aid, fair share, and free
106 textbook payments less any amounts received under section 163.043.

107 (6) For the 2011-12 school year, the amount of state aid shall be [eighty-six] **fifty-eight**
108 percent of the amount of state aid calculated for the district for the 2011-12 school year under
109 the provisions of subsection 1 of this section plus [fourteen] **forty-two** percent of the total
110 amount of state revenue received by the district for the 2005-06 school year from the foundation
111 formula, line 14, gifted, remedial reading, exceptional pupil aid, fair share, and free textbook
112 payments less any amounts received under section 163.043.

113 (7) **For the 2012-13 school year, the amount of state aid shall be sixty percent of the**
114 **amount of state aid calculated for the district for the 2012-13 school year under the**
115 **provisions of subsection 1 of this section plus forty percent of the total amount of state**
116 **revenue received by the district for the 2005-06 school year from the foundation formula,**
117 **line 14, gifted, remedial reading, exceptional pupil aid, fair share, and free textbook**
118 **payments less any amounts received under section 163.043.**

119 (8) **For the 2013-14 school year, the amount of state aid shall be seventy percent of**
120 **the amount of state aid calculated for the district for the 2013-14 school year under the**
121 **provisions of subsection 1 of this section plus thirty percent of the total amount of state**

122 revenue received by the district for the 2005-06 school year from the foundation formula,
123 line 14, gifted, remedial reading, exceptional pupil aid, fair share, and free textbook
124 payments less any amounts received under section 163.043.

125 (9) For the 2014-15 school year, the amount of state aid shall be eighty percent of
126 the amount of state aid calculated for the district for the 2014-15 school year under the
127 provisions of subsection 1 of this section plus twenty percent of the total amount of state
128 revenue received by the district for the 2005-06 school year from the foundation formula,
129 line 14, gifted, remedial reading, exceptional pupil aid, fair share, and free textbook
130 payments less any amounts received under section 163.043.

131 (10) For the 2015-16 school year, the amount of state aid shall be ninety percent of
132 the amount of state aid calculated for the district for the 2015-16 school year under the
133 provisions of subsection 1 of this section plus ten percent of the total amount of state
134 revenue received by the district for the 2005-06 school year from the foundation formula,
135 line 14, gifted, remedial reading, exceptional pupil aid, fair share, and free textbook
136 payments less any amounts received under section 163.043.

137 (11) For the 2016-17 school year and subsequent years, the amount of state aid shall
138 be as calculated under subsection 1 of this section.

139 (12) The provisions of this subsection shall not prohibit the General Assembly from
140 appropriating more funds than required to fund the applicable percentages provided for
141 in any school year under this subsection. In such an instance, the department of
142 elementary and secondary education shall adjust such phase-in percentages in order to
143 accommodate the total amount of available appropriations so that such percentages equal
144 one hundred percent and the total amount of the appropriated funds is distributed.

145 (13) For any school year governed by this subsection, if the foundation formula
146 appropriation under subsections 1, 2, and 4 of this section is equal to or greater than the
147 fiscal year 2010 foundation formula expenditure under subsections 1, 2, and 4 of this
148 section and the previous fiscal year's foundation formula expenditures under subsections
149 1, 2, and 4 of this section but is insufficient to fully fund the applicable percentages
150 provided for in any school year under this subsection or the current year appropriation
151 is reduced by the governor as provided in Section 27 of Article IV of the Missouri
152 Constitution and as a result of said reduction the reduced appropriation is insufficient to
153 fully fund the applicable percentages provided for in any school year under this subsection,
154 the department of elementary and secondary education shall reduce the payment amounts
155 awarded to all districts, including those districts that qualify under subsection 2 of this
156 section. The department of elementary and secondary education shall calculate a uniform
157 proportional reduction percentage based on all available foundation formula state aid for

158 the given school year to be applied to the payment amount to which all districts would
159 otherwise be entitled under the applicable phase-in percentage for the applicable school
160 year as provided in this subsection.

161 (14) In any school year governed by this subsection in which the foundation
162 formula appropriation under subsections 1, 2, and 4 of this section is less than the fiscal
163 year 2010 foundation formula expenditure under subsections 1, 2, and 4 of this section;
164 less than the previous fiscal year's foundation formula expenditure under subsections 1,
165 2, and 4 of this section; or reduced from the current year appropriation by the governor
166 as provided in Section 27 of Article IV of the Missouri Constitution and as a result of said
167 reduction the reduced appropriation is less than the foundation formula fiscal year 2010
168 expenditure or less than the previous fiscal year's foundation formula expenditure, the
169 department of elementary and secondary education shall reduce the payment amounts
170 awarded to all districts, including those districts that qualify under subsection 2 of this
171 section. The department shall calculate a uniform proportional reduction percentage based
172 on all available foundation formula state aid for the given school year to be applied to the
173 payment amount to which all districts would otherwise be entitled under the applicable
174 phase-in percentage for the applicable school year as provided in this subsection.

175 (15) (a) Notwithstanding subdivision (18) of section 163.011, the state adequacy target
176 may not be adjusted downward to accommodate available appropriations in any year governed
177 by this subsection.

178 (b) [a. For the 2006-07 school year, if a school district experiences a decrease in summer
179 school average daily attendance of more than twenty percent from the district's 2005-06 summer
180 school average daily attendance, an amount equal to the product of the percent reduction that is
181 in excess of twenty percent of the district's summer school average daily attendance multiplied
182 by the funds generated by the district's summer school program in the 2005-06 school year shall
183 be subtracted from the district's current year payment amount.

184 b. For the 2007-08 school year, if a school district experiences a decrease in summer
185 school average daily attendance of more than thirty percent from the district's 2005-06 summer
186 school average daily attendance, an amount equal to the product of the percent reduction that is
187 in excess of thirty percent of the district's summer school average daily attendance multiplied by
188 the funds generated by the district's summer school program in the 2005-06 school year shall be
189 subtracted from the district's payment amount.

190 c. For the 2008-09 school year, if a school district experiences a decrease in summer
191 school average daily attendance of more than thirty-five percent from the district's 2005-06
192 summer school average daily attendance, an amount equal to the product of the percent reduction
193 that is in excess of thirty-five percent of the district's summer school average daily attendance

194 multiplied by the funds generated by the district's summer school program in the 2005-06 school
195 year shall be subtracted from the district's payment amount.

196 d. Notwithstanding the provisions of this paragraph, no such reduction shall be made in
197 the case of a district that is receiving a payment under section 163.044 or any district whose
198 regular school term average daily attendance for the preceding year was three hundred fifty or
199 less.

200 e. This paragraph shall not be construed to permit any reduction applied under this
201 paragraph to result in any district receiving a current-year payment that is less than the amount
202 calculated for such district under subsection 2 of this section.

203 (c)] If a school district experiences a decrease in its gifted program enrollment of more
204 than twenty percent from its 2005-06 gifted program enrollment in any year governed by this
205 subsection, an amount equal to the product of the percent reduction in the district's gifted
206 program enrollment multiplied by the funds generated by the district's gifted program in the
207 2005-06 school year shall be subtracted from the district's current year payment amount.

208 5. For any school district meeting the eligibility criteria for state aid as established in
209 section 163.021, but which is considered an option district under section 163.042 and therefore
210 receives no state aid, the commissioner of education shall present a plan to the superintendent
211 of the school district for the waiver of rules and the duration of said waivers, in order to promote
212 flexibility in the operations of the district and to enhance and encourage efficiency in the delivery
213 of instructional services as provided in section 163.042.

214 6. (1) No less than seventy-five percent of the state revenue received under the
215 provisions of subsections 1, 2, and 4 of this section shall be placed in the teachers' fund, and the
216 remaining percent of such moneys shall be placed in the incidental fund. No less than
217 seventy-five percent of one-half of the funds received from the school district trust fund
218 distributed under section 163.087 shall be placed in the teachers' fund. One hundred percent of
219 revenue received under the provisions of section 163.161 shall be placed in the incidental fund.
220 One hundred percent of revenue received under the provisions of sections 168.500 to 168.515,
221 RSMo, shall be placed in the teachers' fund.

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

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

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

229 (c) Beginning in fiscal year 2008, as much as was spent per the second preceding year's
230 weighted average daily attendance for certificated compensation and tuition expenditures the
231 previous year from revenue produced by local and county tax sources in the teachers' fund, plus
232 the amount of the incidental fund to teachers' fund transfer calculated to be local and county tax
233 sources by dividing local and county tax sources in the incidental fund by total revenue in the
234 incidental fund. In the event a district fails to comply with this provision, the amount by which
235 the district fails to spend funds as provided herein shall be deducted from the district's state
236 revenue received under the provisions of subsections 1, 2, and 4 of this section for the following
237 year, provided that the state board of education may exempt a school district from this provision
238 if the state board of education determines that circumstances warrant such exemption.

239 7. If a school district's annual audit discloses that students were inappropriately identified
240 as eligible for free and reduced lunch, special education, or limited English proficiency and the
241 district does not resolve the audit finding, the department of elementary and secondary education
242 shall require that the amount of aid paid pursuant to the weighting for free and reduced lunch,
243 special education, or limited English proficiency in the weighted average daily attendance on the
244 inappropriately identified pupils be repaid by the district in the next school year and shall
245 additionally impose a penalty of one hundred percent of such aid paid on such pupils, which
246 penalty shall also be paid within the next school year. Such amounts may be repaid by the
247 district through the withholding of the amount of state aid.

163.036. 1. In computing the amount of state aid a school district is entitled to receive
2 for the minimum school term only under section 163.031, a school district may use an estimate
3 of the weighted average daily attendance for the current year, or the weighted average daily
4 attendance for the immediately preceding year or the weighted average daily attendance for the
5 second preceding school year, whichever is greater. Beginning with the 2006-07 school year,
6 the summer school attendance included in the average daily attendance as defined in subdivision
7 (2) of section 163.011 shall include only the attendance hours of pupils that attend summer
8 school in the current year. **Beginning with the 2010-2011 school year, the summer school**
9 **attendance included in average daily attendance shall include only the attendance hours**
10 **of pupils based exclusively on academic areas of study for credit-bearing courses or**
11 **remedial courses that are necessary for a student to be promoted to the next grade. In**
12 **order for summer school attendance to be included in the average daily attendance**
13 **definition, each school district shall verify to the department of elementary and secondary**
14 **education that the district's summer school program conforms to this subsection. This**
15 **subsection shall not be construed to disallow a school district from providing a summer**
16 **school program that offers nonacademic or enrichment activities at such district's expense.**
17 **Such summer school average daily attendance reimbursement shall be limited to the total**

18 **number of hours calculated by multiplying fifteen percent of a district's January**
19 **membership for a maximum of six hours a day for twenty days.** Beginning with the 2004-05
20 school year, when a district's official calendar for the current year contributes to a more than ten
21 percent reduction in the average daily attendance for kindergarten compared to the immediately
22 preceding year, the payment attributable to kindergarten shall include only the current year
23 kindergarten average daily attendance. Any error made in the apportionment of state aid because
24 of a difference between the actual weighted average daily attendance and the estimated weighted
25 average daily attendance shall be corrected as provided in section 163.091, except that if the
26 amount paid to a district estimating weighted average daily attendance exceeds the amount to
27 which the district was actually entitled by more than five percent, interest at the rate of six
28 percent shall be charged on the excess and shall be added to the amount to be deducted from the
29 district's apportionment the next succeeding year.

30 2. Notwithstanding the provisions of subsection 1 of this section or any other provision
31 of law, the state board of education shall make an adjustment for the immediately preceding year
32 for any increase in the actual weighted average daily attendance above the number on which the
33 state aid in section 163.031 was calculated. Said adjustment shall be made in the manner
34 providing for correction of errors under subsection 1 of this section.

35 3. Any error made in the apportionment of state aid because of a difference between the
36 actual equalized assessed valuation for the current year and the estimated equalized assessed
37 valuation for the current year shall be corrected as provided in section 163.091, except that if the
38 amount paid to a district estimating current equalized assessed valuation exceeds the amount to
39 which the district was actually entitled, interest at the rate of six percent shall be charged on the
40 excess and shall be added to the amount to be deducted from the district's apportionment the next
41 succeeding year.

42 4. For the purposes of distribution of state school aid pursuant to section 163.031, a
43 school district with ten percent or more of its assessed valuation that is owned by one person or
44 corporation as commercial or personal property who is delinquent in a property tax payment may
45 elect, after receiving notice from the county clerk on or before March fifteenth that more than
46 ten percent of its current taxes due the preceding December thirty-first by a single property owner
47 are delinquent, to use in the local effort calculation of the state aid formula the district's
48 equalized assessed valuation for the preceding year or the actual assessed valuation of the year
49 for which the taxes are delinquent less the assessed valuation of property for which the current
50 year's property tax is delinquent. To qualify for use of the actual assessed valuation of the year
51 for which the taxes are delinquent less the assessed valuation of property for which the current
52 year's property tax is delinquent, a district must notify the department of elementary and
53 secondary education on or before April first, except in the year enacted, of the current year

54 amount of delinquent taxes, the assessed valuation of such property for which delinquent taxes
55 are owed and the total assessed valuation of the district for the year in which the taxes were due
56 but not paid. Any district giving such notice to the department of elementary and secondary
57 education shall present verification of the accuracy of such notice obtained from the clerk of the
58 county levying delinquent taxes. When any of the delinquent taxes identified by such notice are
59 paid during a four-year period following the due date, the county clerk shall give notice to the
60 district and the department of elementary and secondary education, and state aid paid to the
61 district shall be reduced by an amount equal to the delinquent taxes received plus interest. The
62 reduction in state aid shall occur over a period not to exceed five years and the interest rate on
63 excess state aid not refunded shall be six percent annually.

64 5. If a district receives state aid based on equalized assessed valuation as determined by
65 subsection 4 of this section and if prior to such notice the district was paid state aid pursuant to
66 section 163.031, the amount of state aid paid during the year of such notice and the first year
67 following shall equal the sum of state aid paid pursuant to section 163.031 plus the difference
68 between the state aid amount being paid after such notice minus the amount of state aid the
69 district would have received pursuant to section 163.031 before such notice. To be eligible to
70 receive state aid based on this provision the district must levy during the first year following such
71 notice at least the maximum levy permitted school districts by article X, section 11(b) of the
72 Missouri Constitution and have a voluntary rollback of its tax rate which is no greater than one
73 cent per one hundred dollars assessed valuation.

163.044. 1. (1) Beginning with the 2007 fiscal year and each subsequent fiscal year, the
2 general assembly shall appropriate fifteen million dollars to be directed in the following manner
3 to school districts with an average daily attendance **for the regular school year** of three hundred
4 fifty students or less in the school year preceding the payment year:

5 [(1)] (a) Ten million dollars shall be distributed to the eligible districts in proportion to
6 their average daily attendance **for the regular school year**; and

7 [(2)] (b) Five million dollars shall be directed to the eligible districts that have an
8 operating levy for school purposes in the current year equal to or greater than the performance
9 levy and any school districts which have an operating levy for school purposes in the current year
10 less than the performance levy solely due to a modification of such district's levy required under
11 subdivision (4) of subsection 5 of section 137.073, RSMo. A tax-rate-weighted average daily
12 attendance shall be calculated for each eligible district in proportion to its operating levy for
13 school purposes for the current year divided by the performance levy with that result multiplied
14 by the district's average daily attendance in the school year preceding the payment year. The total
15 appropriation pursuant to this subdivision shall then be divided by the sum of the
16 tax-rate-weighted average daily attendance of the eligible districts, and the resulting amount per

17 tax-rate-weighted average daily attendance shall be multiplied by each eligible district's
18 tax-rate-weighted average daily attendance to determine the amount to be paid to each eligible
19 district.

20 **(2) Beginning with the earlier of the completion of the phase-in under subsection 4**
21 **of section 163.031 or the fiscal year after the first fiscal year in which the amount**
22 **appropriated for subsections 1 and 2 of section 163.031 is sufficient to accommodate the**
23 **full amount of the annualized calculation required under such subsections after fiscal year**
24 **2010, as certified by the commissioner of education in a letter to the house budget chair and**
25 **senate appropriations chair, and each subsequent fiscal year, the general assembly shall**
26 **appropriate twenty million dollars to be directed in the following manner to school districts**
27 **with an average daily attendance for the regular school year of three hundred fifty students**
28 **or less in the school year preceding the payment year:**

29 **(a) Fifteen million dollars shall be distributed to the eligible districts in proportion**
30 **to their average daily attendance for the regular school year; and**

31 **(b) Five million dollars shall be directed to the eligible districts that have an**
32 **operating levy for school purposes in the current year equal to or greater than the**
33 **performance levy and any school districts which have an operating levy for school**
34 **purposes in the current year less than the performance levy solely due to a modification of**
35 **such district's levy required under subdivision (4) of subsection 5 of section 137.073,**
36 **RSMo. A tax-rate-weighted average daily attendance shall be calculated for each eligible**
37 **district in proportion to its operating levy for school purposes for the current year divided**
38 **by the performance levy with that result multiplied by the district's average daily**
39 **attendance in the school year preceding the payment year. The total appropriation**
40 **pursuant to this subdivision shall then be divided by the sum of the tax-rate-weighted**
41 **average daily attendance of the eligible districts, and the resulting amount per**
42 **tax-rate-weighted average daily attendance shall be multiplied by each eligible district's**
43 **tax-rate-weighted average daily attendance to determine the amount to be paid to each**
44 **eligible district.**

45 **2. Upon the occurrence of the earlier of the two conditions outlined in subdivision**
46 **(2) of subsection 1 of this section, and each subsequent fiscal year, the general assembly**
47 **shall appropriate an amount to be directed in the following manner to school districts with**
48 **an average daily attendance for the regular school year of three hundred fifty-one to and**
49 **including four hundred forty-nine students in the school year preceding the payment year,**
50 **so that a school district with an average daily attendance for the regular school year of**
51 **three hundred fifty-one shall receive ninety-nine percent of the amount per average daily**
52 **attendance distributed under subdivision (1) of subsection 1 of this section and the**

53 **percentage factor shall decrease by one per each additional student in average daily**
54 **attendance as average daily attendance for the regular school year increases to and**
55 **including four hundred forty-nine.**

56 **3.** The payment under this section shall not be transferred to the capital projects fund.
57 [3.] **4.** Except as provided in subsection [2] **3** of this section, districts receiving payments
58 under this section may use the moneys for, including but not limited to, the following:

59 (1) Distance learning;

60 (2) Extraordinary transportation costs;

61 (3) Rural teacher recruitment; and

62 (4) Student learning opportunities not available within the district.

168.500. 1. For the purpose of providing career pay, which shall be a salary supplement,
2 for public school teachers, which for the purpose of sections 168.500 to 168.515 shall include
3 classroom teachers, librarians, guidance counselors and certificated teachers who hold positions
4 as school psychological examiners, parents as teachers educators, school psychologists, special
5 education diagnosticians and speech pathologists, and are on the district salary schedule, there
6 is hereby created and established a career advancement program which shall be known as the
7 "Missouri Career Development and Teacher Excellence Plan", hereinafter known as the "career
8 plan or program". Participation by local school districts in the career advancement program
9 established under this section shall be voluntary. The career advancement program is a matching
10 fund program [of variable match rates]. The general assembly [shall] **may** make an annual
11 appropriation to the excellence in education fund established under section 160.268, RSMo, for
12 the purpose of providing the state's portion for the career advancement program. The "Career
13 Ladder Forward Funding Fund" is hereby established in the state treasury. Beginning with fiscal
14 year 1998 and until the career ladder forward funding fund is terminated pursuant to this
15 subsection, the general assembly [shall] **may** appropriate funds to the career ladder forward
16 funding fund. Notwithstanding the provisions of section 33.080, RSMo, to the contrary, moneys
17 in the fund shall not be transferred to the credit of the general revenue fund at the end of the
18 biennium. All interest or other gain received from investment of moneys in the fund shall be
19 credited to the fund. All funds deposited in the fund shall be maintained in the fund until such
20 time as the balance in the fund at the end of the fiscal year is equal to or greater than the
21 appropriation for the career ladder program for the following year, at which time all such
22 revenues shall be used to fund, in advance, the career ladder program for such following year and
23 the career ladder forwarding funding fund shall thereafter be terminated.

24 2. The department of elementary and secondary education, at the direction of the
25 commissioner of education, shall study and develop model career plans which shall be made
26 available to the local school districts. These state model career plans shall:

- 27 (1) Contain three steps or stages of career advancement;
- 28 (2) Contain a detailed procedure for the admission of teachers to the career program;
- 29 (3) Contain specific criteria for career step qualifications and attainment. These criteria
30 shall clearly describe the minimum number of professional responsibilities required of the
31 teacher at each stage of the plan and shall include reference to classroom performance
32 evaluations performed pursuant to section 168.128;
- 33 (4) Be consistent with the teacher certification process recommended by the Missouri
34 advisory council of certification for educators and adopted by the department of elementary and
35 secondary education;
- 36 (5) Provide that public school teachers in Missouri shall become eligible to apply for
37 admission to the career plans adopted under sections 168.500 to 168.515 after five years of
38 public school teaching in Missouri. All teachers seeking admission to any career plan shall, as
39 a minimum, meet the requirements necessary to obtain the first renewable professional certificate
40 as provided in section 168.021;
- 41 (6) Provide procedures for appealing decisions made under career plans established
42 under sections 168.500 to 168.515.
- 43 3. The commissioner of education shall cause the department of elementary and
44 secondary education to establish guidelines for all career plans established under this section, and
45 criteria that must be met by any school district which seeks funding for its career plan.
- 46 4. A participating local school district may have the option of implementing a career plan
47 developed by the department of elementary and secondary education or a local plan which has
48 been developed with advice from teachers employed by the district and which has met with the
49 approval of the department of elementary and secondary education. In approving local career
50 plans, the department of elementary and secondary education may consider provisions in the plan
51 of the local district for recognition of teacher mobility from one district to another within this
52 state.
- 53 5. The career plans of local school districts shall not discriminate on the basis of race,
54 sex, religion, national origin, color, creed, or age. Participation in the career plan of a local
55 school district is optional, and any teacher who declines to participate shall not be penalized in
56 any way.
- 57 6. In order to receive funds under this section, a school district which is not subject to
58 section 162.920, RSMo, must have a total levy for operating purposes which is in excess of the
59 amount allowed in section 11(b) of article X of the Missouri Constitution; and a school district
60 which is subject to section 162.920, RSMo, must have a total levy for operating purposes which
61 is equal to or in excess of twenty-five cents on each hundred dollars of assessed valuation.

62 7. The commissioner of education shall cause the department of elementary and
63 secondary education to regard a speech pathologist who holds both a valid certificate of license
64 to teach and a certificate of clinical competence to have fulfilled the standards required to be
65 placed on stage III of the career program, provided that such speech pathologist has been
66 employed by a public school in Missouri for at least five years and is approved for placement at
67 such stage III by the local school district.

68 **8. Beginning in fiscal year 2012, the state portion of career ladder payments shall**
69 **only be made available to local school districts if the general assembly makes an**
70 **appropriation for such program. Payments authorized under sections 168.500 to 168.515**
71 **shall only be made available in a year for which a state appropriation is made. Any state**
72 **appropriation shall be made prospectively in relation to the year in which work under the**
73 **program is performed.**

74 **9. Nothing in this section shall be construed to prohibit a local school district from**
75 **funding the program for its teachers, for work performed in years for which no state**
76 **appropriation is made available.**

 168.515. 1. Each teacher selected to participate in a career plan established under
2 sections 168.500 to 168.515, who meets the requirements of such plan, [shall] **may** receive a
3 salary supplement, the state's share of which shall be distributed under section 163.031, RSMo,
4 equal to the following amounts applied to the career ladder entitlement of section 163.031,
5 RSMo:

6 (1) Career stage I teachers may receive up to an additional one thousand five hundred
7 dollars per school year;

8 (2) Career stage II teachers may receive up to an additional three thousand dollars per
9 school year;

10 (3) Career stage III teachers may receive up to an additional five thousand dollars per
11 school year. All teachers within each stage within the same school district shall receive equal
12 salary supplements.

13 2. The state [shall] **may** make payments pursuant to section 163.031, RSMo, to the local
14 school district for the purpose of [reimbursing] **providing funding to** the local school district
15 for the payment of any salary supplements provided for in this section, subject to the availability
16 of funds as appropriated each year and distributed on a [variable match formula which shall]
17 **matching basis where the percentage of state funding shall be forty percent and the**
18 **percentage of local funding shall be sixty percent.** [be based on assessed valuation of the
19 district for the second preceding school year.

20 3. In distributing these matching funds, school districts shall be ranked by the assessed
21 valuation for the second preceding school year per weighted average daily attendance from the

22 highest to the lowest and divided into three groups. Group one shall contain the highest
 23 twenty-five percent of all public school districts, groups two and three combined shall contain
 24 the remaining seventy-five percent of all public school districts. The districts in groups two and
 25 three shall be rank-ordered from largest to smallest based on enrollment as of the last Wednesday
 26 in September during the second preceding school year, group two shall contain twenty-five
 27 percent of all public school districts that are larger on the enrollment-based rank-ordered list and
 28 group three shall contain the remaining fifty percent of all public school districts. Pursuant to
 29 subsection 4 of this section, districts in group one shall receive forty percent state funding and
 30 shall contribute sixty percent local funding, group two shall receive fifty percent state funding
 31 and shall contribute fifty percent local funding and group three shall receive sixty percent state
 32 funding and shall contribute forty percent local funding.

33 4. The incremental groups are as follows:

34 Group	Percentage 35 of Districts	Percentage of State Funding	Percentage of Local Funding
36 1	25%	40%	60%
37 2	25%	50%	50%
38 3	50%	60%	40%

39 5. Beginning in the 1996-97 school year, any school district in any group which
 40 participated in the career ladder program in 1995-96 and paid less than the local funding
 41 percentage required by subsection 4 of this section shall increase its local share of career ladder
 42 costs by five percentage points from the preceding year until the district pays the percentage
 43 share of cost required by subsection 4 of this section, and in no case shall the local funding
 44 percentage be increased by a greater amount for any year. For any district, the state payment
 45 shall not exceed the local payment times the state percentage share divided by the local
 46 percentage share. Except as provided in subsection 10 of this section, any district not
 47 participating in the 1995-96 school year or any district which interrupts its career ladder program
 48 for any subsequent year shall enter the program on the cost-sharing basis required by subsection
 49 4 of this section.]

50 [6.] 3. Not less than every fourth year, beginning with calendar year 1988, the general
 51 assembly, through the joint committee established under section 160.254, RSMo, shall review
 52 the amount of the career pay provided for in this section to determine if any increases are
 53 necessary to reflect the increases in the cost of living which have occurred since the salary
 54 supplements were last reviewed or set.

55 [7.] 4. To participate in the salary supplement program established under this section,
 56 a school district may submit to the voters of the district a proposition to increase taxes for this
 57 purpose. If a school district's current tax rate ceiling is at or above the rate from which an

58 increase would require a two-thirds majority, the school board may submit to the voters of the
59 district a proposition to reduce or eliminate the amount of the levy reduction resulting from
60 section 164.013, RSMo. If a majority of the voters voting thereon vote in favor of the
61 proposition, the board may certify that seventy-five percent of the revenue generated from this
62 source shall be used to implement the salary supplement program established under this section.

63 [8.] 5. In no case shall a school district use state funds received under this section nor
64 local revenue generated from a tax established under subsection 7 of this section to comply with
65 the minimum salary requirements for teachers established pursuant to section 163.172, RSMo.

66 [9. Beginning in the 1996-97 school year, for any teacher who participated in the career
67 program in the 1995-96 school year, continues to participate in the program thereafter, and
68 remains qualified to receive career pay pursuant to section 168.510, the state's share of the
69 teacher's salary supplement shall continue to be the percentage paid by the state in the 1995-96
70 school year, notwithstanding any provisions of subsection 4 of this section to the contrary, and
71 the state shall continue to pay such percentage of the teacher's salary supplement until any of the
72 following occurs:

73 (1) The teacher ceases his or her participation in the program; or

74 (2) The teacher suspends his or her participation in the program for any school year after
75 the 1995-96 school year. If the teacher later resumes participation in the program, the state
76 funding shall be subject to the provisions of subsection 4 of this section.

77 10. Any school district that participated in the career ladder program prior to the 2001-02
78 school year but ceased its participation at any time from July 1, 2001, to July 1, 2005, may
79 resume participation in the program no later than July 1, 2006, at the same matching level,
80 pursuant to subsections 4 and 5 of this section, for which the district qualified during its last year
81 of participation.]

178.697. 1. Funding for sections 178.691 to 178.699 shall be made available pursuant
2 to section 163.031, RSMo, and shall be subject to appropriations made for this purpose.

3 2. Costs of contractual arrangements shall be the obligation of the school district of
4 residence of each preschool child. Costs of contractual arrangements shall not exceed an amount
5 equal to an amount reimbursable to the school districts under the provisions of sections 178.691
6 to 178.699. [No program shall be approved or contract entered into which requires any additional
7 payment by participants or their parents or guardians.]

8 3. Payments for participants for programs outlined in section 178.693 shall be uniform
9 for all districts or public agencies.

10 **4. Families with children under the age of kindergarten entry shall be eligible to**
11 **receive annual health and development screenings and parents shall be eligible to receive**
12 **prenatal visits under sections 178.691 to 178.699. Priority for Parents as Teachers service**

13 **delivery, which includes but is not limited to home visits, group meetings, screenings and**
14 **service referrals, delivery shall be given to high needs families in accordance with criteria**
15 **set forth by the department of elementary and secondary education. Local school districts**
16 **may establish cost sharing strategies to supplement funding for Parents as Teachers**
17 **program services. The provisions of this subsection shall expire on December 31, 2015**
18 **unless reauthorized by an act of the general assembly.**

Section 1. For school districts that levy separate tax rates on each subclass of real
2 **property and personal property in the aggregate, if voters approve a ballot prior to August**
3 **28, 2010 that presents separate stated tax rates to be applied to the different subclasses of**
4 **real property and personal property in the aggregate, or increases the separate rates that**
5 **may be levied on the different subclasses of real property and personal property in the**
6 **aggregate by different amounts, then the tax rate that shall be used for the single rate**
7 **calculation under subsection 2 of section 137.073 shall be a blended rate, which shall be**
8 **calculated in the manner described in subdivision (1) of subsection 6 of section 137.073.**

2 [163.037. In any school year after the 2009-10 school year, if there is a
3 twenty-five percent decrease in the statewide percentage of average daily
4 attendance attributable to summer school compared to the percentage of average
5 daily attendance attributable to summer school in the 2005-06 school year, then
6 for the subsequent school year, weighted average daily attendance, as such term
7 is defined in section 163.011, shall include the addition of the product of
twenty-five hundredth times the average daily attendance for summer school.]

2 Section B. Because immediate action is necessary to synchronize the requirements of
3 section A of this act with the school calendar and state fiscal year, section A of this act is deemed
4 necessary for the immediate preservation of the public health, welfare, peace, and safety, and is
5 hereby declared to be an emergency act within the meaning of the constitution, and section A of
6 this act shall be in full force and effect upon its passage and approval or July 1, 2010, whichever
occurs later.

2 Section C. The emergency clause contained in Section B of this act shall not apply to
sections 163.037, 168.500, 168.515, 178.697 and 1, of Section A of this act.

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