

SECOND REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 1419
98TH GENERAL ASSEMBLY

4407H.02C

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal sections 162.720 and 163.031, RSMo, and to enact in lieu thereof two new sections relating to gifted education, with a delayed effective date for a certain section.

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

Section A. Sections 162.720 and 163.031, RSMo, are repealed and two new sections
2 enacted in lieu thereof, to be known as sections 162.720 and 163.031, to read as follows:

162.720. 1. Where a sufficient number of children are determined to be gifted and their
2 development requires programs or services beyond the level of those ordinarily provided in
3 regular public school programs, districts may establish special programs for such gifted children.

4 2. The state board of education shall determine standards for such programs. Approval
5 of such programs shall be made by the state department of elementary and secondary education
6 based upon project applications submitted by July fifteenth of each year.

7 **3. No district shall make a determination as to whether a child is gifted based on**
8 **the child's participation in an advanced placement course or international baccalaureate**
9 **course. Districts shall determine a child is gifted only if the child meets the definition of**
10 **"gifted children" as provided in section 162.675.**

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 subtracting payments from the classroom trust fund
6 under section 163.043.

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

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.

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 2008-09 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
12 **163.031 as it existed on July 1, 2015**, as applicable, and the classroom trust fund under section
13 163.043 shall not be less than the state revenue received by a district in the 2005-06 school year
14 from the foundation formula, line 14, gifted, remedial reading, exceptional pupil aid, fair share,
15 and free textbook payment amounts multiplied by the dollar value modifier, and dividing this
16 product by the weighted average daily attendance computed for the 2005-06 school year;

17 (b) For each year subsequent to the 2008-09 school year, the amount shall be no less than
18 that computed in paragraph (a) of this subdivision, multiplied by the weighted average daily
19 attendance pursuant to section 163.036, less any increase in revenue received from the classroom
20 trust fund under section 163.043;

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

23 (a) For the 2008-09 school year, the state revenue received by a district from the state
24 aid calculation under subsections 1 and 4 of [this] section **163.031 as it existed on July 1, 2015**,
25 as applicable, and the classroom trust fund under section 163.043 shall not be less than the
26 greater of state revenue received by a district in the 2004-05 or 2005-06 school year from the
27 foundation formula, line 14, gifted, remedial reading, exceptional pupil aid, fair share, and free
28 textbook payment amounts multiplied by the dollar value modifier;

29 (b) For each year subsequent to the 2008-09 school year, the amount shall be no less than
30 that computed in paragraph (a) of this subdivision;

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

34 3. School districts that meet the requirements of section 163.021 shall receive categorical
35 add-on revenue as provided in this subsection. The categorical add-on for the district shall be
36 the sum of: seventy-five percent of the district allowable transportation costs under section
37 163.161; the career ladder entitlement for the district, as provided for in sections 168.500 to
38 168.515; the vocational education entitlement for the district, as provided for in section 167.332;
39 and the district educational and screening program entitlements as provided for in sections
40 178.691 to 178.699. The categorical add-on revenue amounts may be adjusted to accommodate
41 available appropriations.

42 4. For any school district meeting the eligibility criteria for state aid as established in
43 section 163.021, but which is considered an option district under section 163.042 and therefore

44 receives no state aid, the commissioner of education shall present a plan to the superintendent
45 of the school district for the waiver of rules and the duration of said waivers, in order to promote
46 flexibility in the operations of the district and to enhance and encourage efficiency in the delivery
47 of instructional services as provided in section 163.042.

48 5. (1) No less than seventy-five percent of the state revenue received under the
49 provisions of subsections 1 and 2 of this section shall be placed in the teachers' fund, and the
50 remaining percent of such moneys shall be placed in the incidental fund. No less than
51 seventy-five percent of one-half of the funds received from the school district trust fund
52 distributed under section 163.087 shall be placed in the teachers' fund. One hundred percent of
53 revenue received under the provisions of section 163.161 shall be placed in the incidental fund.
54 One hundred percent of revenue received under the provisions of sections 168.500 to 168.515
55 shall be placed in the teachers' fund.

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

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

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

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

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

75 6. (1) If a school district's annual audit discloses that students were inappropriately
76 identified as eligible for free and reduced lunch, special education, or limited English proficiency
77 and the district does not resolve the audit finding, the department of elementary and secondary
78 education shall require that the amount of aid paid pursuant to the weighting for free and reduced
79 lunch, special education, or limited English proficiency in the weighted average daily attendance

80 on the inappropriately identified pupils be repaid by the district in the next school year and shall
81 additionally impose a penalty of one hundred percent of such aid paid on such pupils, which
82 penalty shall also be paid within the next school year. Such amounts may be repaid by the
83 district through the withholding of the amount of state aid.

84 **(2) In the 2017-18 school year and in each subsequent school year, if a district**
85 **experiences a decrease in its gifted program enrollment of twenty percent or more from the**
86 **previous school year, an amount equal to the product of the difference between the number**
87 **of students enrolled in the gifted program in the current school year and the number of**
88 **students enrolled in the gifted program in the previous school year multiplied by six**
89 **hundred eighty dollars shall be subtracted from the district's current year payment**
90 **amount. This subdivision shall not apply to any school with less than three hundred**
91 **enrolled students.**

92 7. Notwithstanding any provision of law to the contrary, in any fiscal year during which
93 the total formula appropriation is insufficient to fully fund the entitlement calculation of this
94 section, the department of elementary and secondary education shall adjust the state adequacy
95 target in order to accommodate the appropriation level for the given fiscal year. In no manner
96 shall any payment modification be rendered for any district qualified to receive payments under
97 subsection 2 of this section based on insufficient appropriations.

Section B. Section 163.031 of Section A of this act shall become effective July 1, 2017.

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