

SECOND REGULAR SESSION

# HOUSE BILL NO. 2444

## 99TH GENERAL ASSEMBLY

---

INTRODUCED BY REPRESENTATIVE COOKSON.

5135H.011

D. ADAM CRUMBLISS, Chief Clerk

---

### AN ACT

To repeal section 163.031, RSMo, and to enact in lieu thereof one new section relating to state funding for elementary and secondary education.

---

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

Section A. Section 163.031, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 163.031, to read as follows: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 distribute to each school district qualified to receive state aid under section 163.021 an amount determined by multiplying the district's weighted average daily attendance by the state adequacy target, multiplying this product by the dollar value modifier for the district, and subtracting from this product the district's local effort and subtracting payments from the classroom trust fund under section 163.043.

2. Other provisions of law to the contrary notwithstanding:

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

(a) For the 2008-09 school year, the state revenue per weighted average daily attendance received by a district from the state aid calculation under subsections 1 and 4 of ~~this~~ section **163.031 as such section existed on July 1, 2008**, as applicable, and the classroom trust fund under section 163.043 shall not be less than the state revenue received by a district in the 2005-06 school year from the foundation formula, line 14, gifted, remedial reading, exceptional pupil aid, fair share, and free textbook payment amounts multiplied by the dollar value modifier, and dividing this product by the weighted average daily attendance computed for the 2005-06 school 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.

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

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

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

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

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

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

43 4. For any school district meeting the eligibility criteria for state aid as established in  
44 section 163.021, but which is considered an option district under section 163.042 and therefore  
45 receives no state aid, the commissioner of education shall present a plan to the superintendent  
46 of the school district for the waiver of rules and the duration of said waivers, in order to promote  
47 flexibility in the operations of the district and to enhance and encourage efficiency in the delivery  
48 of instructional services as provided in section 163.042.

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

54 revenue received under the provisions of section 163.161 shall be placed in the incidental fund.  
55 One hundred percent of revenue received under the provisions of sections 168.500 to 168.515  
56 shall be placed in the teachers' fund.

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

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

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

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

70

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

76 6. (1) If a school district's annual audit discloses that students were inappropriately  
77 identified as eligible for free and reduced price lunch, special education, or limited English  
78 proficiency and the district does not resolve the audit finding, the department of elementary and  
79 secondary education shall require that the amount of aid paid pursuant to the weighting for free  
80 and reduced price lunch, special education, or limited English proficiency in the weighted  
81 average daily attendance on the inappropriately identified pupils be repaid by the district in the  
82 next school year and shall additionally impose a penalty of one hundred percent of such aid paid  
83 on such pupils, which penalty shall also be paid within the next school year. Such amounts may  
84 be repaid by the district through the withholding of the amount of state aid.

85 (2) In the 2017-18 school year and in each subsequent school year, if a district  
86 experiences a decrease in its gifted program enrollment of twenty percent or more from the  
87 previous school year, an amount equal to the product of the difference between the number of  
88 students enrolled in the gifted program in the current school year and the number of students  
89 enrolled in the gifted program in the previous school year multiplied by six hundred eighty

90 dollars shall be subtracted from the district's current year payment amount. The provisions of  
91 this subdivision shall apply to districts entitled to receive state aid payments under both  
92 subsections 1 and 2 of this section but shall not apply to any school district with an average daily  
93 attendance of three hundred fifty or less.

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

100 **8. Notwithstanding any other provision of law to the contrary, in school year 2018-**  
101 **19 and each subsequent school year, each school district with an assessed valuation per**  
102 **student in school year 2004-05 that fell within the lowest ten percent of all school districts**  
103 **in that school year shall be given an annual ten percent increase in the funding distributed**  
104 **to such school district as calculated under the provisions of this section.**

✓