

HB 465 -- EDUCATION FUNDING AND TRANSFERS

SPONSOR: Wood

This bill changes the laws regarding elementary and secondary education and has a delayed effective date of July 1, 2020.

DEFINITIONS REGARDING THE CALCULATION OF STATE AID

This bill modifies the following definitions used in the calculation for the school funding formula (Section 163.011, RSMo):

- (1) The "average daily attendance" includes the sum of regular term daily average and summer school pupils with exceptions as listed in the bill;
- (2) Beginning in Fiscal Year 2021, "current operating expenses" (COE) are defined so that the COE shall use a four-year average calculation as specified in the bill. Additionally, beginning in Fiscal Year 2023 and every four years thereafter, any increase, to account for state funding, shall not exceed 5% of the prior fiscal year in which a change was required;
- (3) Adds "free and reduced lunch threshold for the district," "limited English proficiency threshold for the district" and the "special education threshold for the district," to the definitions that take the specified threshold multiplied by the district's regular term average daily attendance;
- (4) Beginning in Fiscal Year 2021, "local effort" includes in the calculation an average of the four-year period as specified in the bill with a recalculation occurring every four years beginning in fiscal year 2025;
- (5) Modifies "performance district" to include only districts with a score of at least 90% on the annual performance report for the four preceding school years;
- (6) Changes the "performance levy" to a calculation of the average operating levy for performance districts over the four-year period as specified in the bill, divided by the total current average daily attendance of included performance districts. Any district with an operating levy of less than \$2.75 in the four-year period shall be excluded. Recalculation of the performance levy shall occur every four years; and
- (7) Defines "regular term average daily attendance," as the quotient or the sum of the quotients obtained by dividing the total number of hours attended in a term by resident pupils between the

ages of five and 21 by the actual number of hours school was in session in that term.

#### SMALL SCHOOL HOLD HARMLESS

This bill updates the state revenue calculation for districts with an average daily attendance of 350 or less from 2004-05 or 2005-06 school years to the 2017-18 school year and shall not be less than the sum of state revenue received by the district and the classroom trust fund divided by the weighted average daily attendance computed for the 2017-18 school year (Section 163.031).

#### TRANSFERS FROM DISTRICTS NOT ACCREDITED

This bill modifies the rate of tuition to be charged by a district when a pupil elects to transfer from a non accredited district. The new rate shall be paid by the sending district, the lesser of the two districts current expenditure per pupil. Charter schools will receive the lesser current expenditure per pupil for the sending district or the district in which the charter school is located (Section 167.131).

#### NON RESIDENT STUDENT TRANSFERS

This bill defines "non-resident district" and "resident district" (Section 167.1200).

The bill specifies that a student may attend school in any nonresident district. The nonresident district is not required to add teachers, staff, or classrooms to accommodate transfer applicants and the school may establish standards for transfer applications (Section 167.1205).

Beginning in school year 2021-22 students that transfer to a nonresident district may complete remaining school years as long as parents pay required tuition fees and provide transportation.

The cost for tuition is based on the current expenditure per pupil of the nonresident district attended by a student transferring, compared to the current expenditure per pupil of the student's resident district, the parent of the student shall pay the nonresident district a tuition rate equal to the difference in such amounts for each school year the student attends school in the nonresident district. Changes to this calculation will be updated and notification provided to pupil's parents annually before August 1.

Students that wish to attend nonresident schools that have an academic or competitive entrance process shall furnish proof that

they meet the admission requirements.

The bill establishes when a student may be denied a transfer based on his or her discipline record and includes an appeal procedure (Section 167.1210).

This bill establishes that annually, before February 1, each school district shall set and publish the number of transfer students the district is willing to receive for the following school year. This number does not have to be more than zero.

The processes for a transfer application, and the details for notifications of acceptance or rejection are specified within the bill. The bill specifies the reasons that an eligible application may be rejected and notification must be provided in writing by August 1 of the school year for which the student wishes to attend (Section 167.1215).

#### ENFORCEABLE DESEGREGATION EXEMPTION

This bill provides that, prior to April 1, a school district may annually declare an exemption for the upcoming school year, from the requirements set forth in this bill, provided that the school district is subject to a desegregation order or mandate of a federal court or agency remedying the effects of past racial segregation or subject to a settlement agreement remedying the effects of past racial segregation. Additional exemptions are specified for students that qualify for transfers under other listed sections (Section 167.1220).