

SECOND REGULAR SESSION

[PERFECTED]

HOUSE BILL NO. 1818

100TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE DINKINS.

4475H.01P

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal section 163.011, RSMo, and to enact in lieu thereof one new section relating to school district local effort computations.

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

Section A. Section 163.011, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 163.011, to read as follows:

163.011. As used in this chapter unless the context requires otherwise:

- (1) "Adjusted operating levy", the sum of tax rates for the current year for teachers' and incidental funds for a school district as reported to the proper officer of each county pursuant to section 164.011;
- (2) "Average daily attendance", 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 twenty-one by the actual number of hours school was in session in that term. To the average daily attendance of the following school term shall be added the full-time equivalent average daily attendance of summer school students. "Full-time equivalent average daily attendance of summer school students" shall be computed by dividing the total number of hours, except for physical education hours that do not count as credit toward graduation for students in grades nine, ten, eleven, and twelve, attended by all summer school pupils by the number of hours required in section 160.011 in the school term. For purposes of determining average daily attendance under this subdivision, the term "resident pupil" shall include all children between the ages of five and twenty-one who are residents of the school district and who are attending

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.

16 kindergarten through grade twelve in such district. If a child is attending school in a district
17 other than the district of residence and the child's parent is teaching in the school district or is a
18 regular employee of the school district which the child is attending, then such child shall be
19 considered a resident pupil of the school district which the child is attending for such period of
20 time when the district of residence is not otherwise liable for tuition. Average daily attendance
21 for students below the age of five years for which a school district may receive state aid based
22 on such attendance shall be computed as regular school term attendance unless otherwise
23 provided by law;

24 (3) "Current operating expenditures":

25 (a) For the fiscal year 2007 calculation, "current operating expenditures" shall be
26 calculated using data from fiscal year 2004 and shall be calculated as all expenditures for
27 instruction and support services except capital outlay and debt service expenditures minus the
28 revenue from federal categorical sources; food service; student activities; categorical payments
29 for transportation costs pursuant to section 163.161; state reimbursements for early childhood
30 special education; the career ladder entitlement for the district, as provided for in sections
31 168.500 to 168.515; the vocational education entitlement for the district, as provided for in
32 section 167.332; and payments from other districts;

33 (b) In every fiscal year subsequent to fiscal year 2007, current operating expenditures
34 shall be the amount in paragraph (a) of this subdivision plus any increases in state funding
35 pursuant to sections 163.031 and 163.043 subsequent to fiscal year 2005, not to exceed five
36 percent, per recalculation, of the state revenue received by a district in the 2004-05 school year
37 from the foundation formula, line 14, gifted, remedial reading, exceptional pupil aid, fair share,
38 and free textbook payments for any district from the first preceding calculation of the state
39 adequacy target;

40 (4) "District's tax rate ceiling", the highest tax rate ceiling in effect subsequent to the
41 1980 tax year or any subsequent year. Such tax rate ceiling shall not contain any tax levy for
42 debt service;

43 (5) "Dollar-value modifier", an index of the relative purchasing power of a dollar,
44 calculated as one plus fifteen percent of the difference of the regional wage ratio minus one,
45 provided that the dollar value modifier shall not be applied at a rate less than 1.0. **As used in**
46 **this subdivision, the following terms mean:**

47 (a) "County wage per job", the total county wage and salary disbursements divided by
48 the total county wage and salary employment for each county and the City of St. Louis as
49 reported by the Bureau of Economic Analysis of the United States Department of Commerce for
50 the fourth year preceding the payment year;

51 (b) "Regional wage per job":

52 a. The total Missouri wage and salary disbursements of the metropolitan area as defined
53 by the Office of Management and Budget divided by the total Missouri metropolitan wage and
54 salary employment for the metropolitan area for the county signified in the school district number
55 or the City of St. Louis, as reported by the Bureau of Economic Analysis of the United States
56 Department of Commerce for the fourth year preceding the payment year and recalculated upon
57 every decennial census to incorporate counties that are newly added to the description of
58 metropolitan areas; or if no such metropolitan area is established, then:

59 b. The total Missouri wage and salary disbursements of the micropolitan area as defined
60 by the Office of Management and Budget divided by the total Missouri micropolitan wage and
61 salary employment for the micropolitan area for the county signified in the school district
62 number, as reported by the Bureau of Economic Analysis of the United States Department of
63 Commerce for the fourth year preceding the payment year, if a micropolitan area for such county
64 has been established and recalculated upon every decennial census to incorporate counties that
65 are newly added to the description of micropolitan areas; or

66 c. If a county is not part of a metropolitan or micropolitan area as established by the
67 Office of Management and Budget, then the county wage per job, as defined in paragraph (a) of
68 this subdivision, shall be used for the school district, as signified by the school district number;

69 (c) "Regional wage ratio", the ratio of the regional wage per job divided by the state
70 median wage per job;

71 (d) "State median wage per job", the fifty-eighth highest county wage per job;

72 (6) "Free and reduced price lunch pupil count", for school districts not eligible for and
73 those that do not choose the USDA Community Eligibility Option, the number of pupils eligible
74 for free and reduced price lunch on the last Wednesday in January for the preceding school year
75 who were enrolled as students of the district, as approved by the department in accordance with
76 applicable federal regulations. For eligible school districts that choose the USDA Community
77 Eligibility Option, the free and reduced price lunch pupil count shall be the percentage of free
78 and reduced price lunch students calculated as eligible on the last Wednesday in January of the
79 most recent school year that included household applications to determine free and reduced price
80 lunch count multiplied by the district's average daily attendance figure;

81 (7) "Free and reduced price lunch threshold" shall be calculated by dividing the total free
82 and reduced price lunch pupil count of every performance district that falls entirely above the
83 bottom five percent and entirely below the top five percent of average daily attendance, when
84 such districts are rank-ordered based on their current operating expenditures per average daily
85 attendance, by the total average daily attendance of all included performance districts;

86 (8) "Limited English proficiency pupil count", the number in the preceding school year
87 of pupils aged three through twenty-one enrolled or preparing to enroll in an elementary school

88 or secondary school who were not born in the United States or whose native language is a
89 language other than English or are Native American or Alaskan native, or a native resident of
90 the outlying areas, and come from an environment where a language other than English has had
91 a significant impact on such individuals' level of English language proficiency, or are migratory,
92 whose native language is a language other than English, and who come from an environment
93 where a language other than English is dominant; and have difficulties in speaking, reading,
94 writing, or understanding the English language sufficient to deny such individuals the ability to
95 meet the state's proficient level of achievement on state assessments described in Public Law
96 107-10, the ability to achieve successfully in classrooms where the language of instruction is
97 English, or the opportunity to participate fully in society;

98 (9) "Limited English proficiency threshold" shall be calculated by dividing the total
99 limited English proficiency pupil count of every performance district that falls entirely above the
100 bottom five percent and entirely below the top five percent of average daily attendance, when
101 such districts are rank-ordered based on their current operating expenditures per average daily
102 attendance, by the total average daily attendance of all included performance districts;

103 (10) "Local effort":

104 (a) For the fiscal year 2007 calculation, "local effort" shall be computed as the equalized
105 assessed valuation of the property of a school district in calendar year 2004 divided by one
106 hundred and multiplied by the performance levy less the percentage retained by the county
107 assessor and collector plus one hundred percent of the amount received in fiscal year 2005 for
108 school purposes from intangible taxes, fines, escheats, payments in lieu of taxes and receipts
109 from state-assessed railroad and utility tax, one hundred percent of the amount received for
110 school purposes pursuant to the merchants' and manufacturers' taxes under sections 150.010 to
111 150.370, one hundred percent of the amounts received for school purposes from federal
112 properties under sections 12.070 and 12.080 except when such amounts are used in the
113 calculation of federal impact aid pursuant to P.L. 81-874, fifty percent of Proposition C revenues
114 received for school purposes from the school district trust fund under section 163.087, and one
115 hundred percent of any local earnings or income taxes received by the district for school
116 purposes. Under this paragraph, for a special district established under sections 162.815 to
117 162.940 in a county with a charter form of government and with more than one million
118 inhabitants, a tax levy of zero shall be utilized in lieu of the performance levy for the special
119 school district;

120 (b) In every **fiscal** year subsequent to fiscal year 2007 **through June 30, 2021**, "local
121 effort" shall be the amount calculated under paragraph (a) of this subdivision plus any increase
122 in the amount received for school purposes from fines. **In every fiscal year beginning on or**
123 **after July 1, 2021, "local effort" shall be the amount calculated under paragraph (a) of this**

124 **subdivision, and any increase in the amount received for school purposes from fines shall**
125 **not be included.** If a district's assessed valuation has decreased subsequent to the calculation
126 outlined in paragraph (a) of this subdivision, the district's local effort shall be calculated using
127 the district's current assessed valuation in lieu of the assessed valuation utilized in the calculation
128 outlined in paragraph (a) of this subdivision. When a change in a school district's boundary lines
129 occurs because of a boundary line change, annexation, attachment, consolidation, reorganization,
130 or dissolution under section 162.071, 162.081, sections 162.171 to 162.201, section 162.221,
131 162.223, 162.431, 162.441, or 162.451, or in the event that a school district assumes any territory
132 from a district that ceases to exist for any reason, the department of elementary and secondary
133 education shall make a proper adjustment to each affected district's local effort, so that each
134 district's local effort figure conforms to the new boundary lines of the district. The department
135 shall compute the local effort figure by applying the calendar year 2004 assessed valuation data
136 to the new land areas resulting from the boundary line change, annexation, attachment,
137 consolidation, reorganization, or dissolution and otherwise follow the procedures described in
138 this subdivision;

139 (11) "Membership" shall be the average of:

140 (a) The number of resident full-time students and the full-time equivalent number of
141 part-time students who were enrolled in the public schools of the district on the last Wednesday
142 in September of the previous year and who were in attendance one day or more during the
143 preceding ten school days; and

144 (b) The number of resident full-time students and the full-time equivalent number of
145 part-time students who were enrolled in the public schools of the district on the last Wednesday
146 in January of the previous year and who were in attendance one day or more during the preceding
147 ten school days, plus the full-time equivalent number of summer school pupils. "Full-time
148 equivalent number of part-time students" is determined by dividing the total number of hours for
149 which all part-time students are enrolled by the number of hours in the school term. "Full-time
150 equivalent number of summer school pupils" is determined by dividing the total number of hours
151 for which all summer school pupils were enrolled by the number of hours required pursuant to
152 section 160.011 in the school term. Only students eligible to be counted for average daily
153 attendance shall be counted for membership;

154 (12) "Operating levy for school purposes", the sum of tax rates levied for teachers' and
155 incidental funds plus the operating levy or sales tax equivalent pursuant to section 162.1100 of
156 any transitional school district containing the school district, in the payment year, not including
157 any equalized operating levy for school purposes levied by a special school district in which the
158 district is located;

159 (13) "Performance district", any district that has met performance standards and
160 indicators as established by the department of elementary and secondary education for purposes
161 of accreditation under section 161.092 and as reported on the final annual performance report
162 for that district each year; for calculations to be utilized for payments in fiscal years subsequent
163 to fiscal year 2018, the number of performance districts shall not exceed twenty-five percent of
164 all public school districts;

165 (14) "Performance levy", three dollars and forty-three cents;

166 (15) "School purposes" pertains to teachers' and incidental funds;

167 (16) "Special education pupil count", the number of public school students with a current
168 individualized education program or services plan and receiving services from the resident
169 district as of December first of the preceding school year, except for special education services
170 provided through a school district established under sections 162.815 to 162.940 in a county with
171 a charter form of government and with more than one million inhabitants, in which case the sum
172 of the students in each district within the county exceeding the special education threshold of
173 each respective district within the county shall be counted within the special district and not in
174 the district of residence for purposes of distributing the state aid derived from the special
175 education pupil count;

176 (17) "Special education threshold" shall be calculated by dividing the total special
177 education pupil count of every performance district that falls entirely above the bottom five
178 percent and entirely below the top five percent of average daily attendance, when such districts
179 are rank-ordered based on their current operating expenditures per average daily attendance, by
180 the total average daily attendance of all included performance districts;

181 (18) "State adequacy target", the sum of the current operating expenditures of every
182 performance district that falls entirely above the bottom five percent and entirely below the top
183 five percent of average daily attendance, when such districts are rank-ordered based on their
184 current operating expenditures per average daily attendance, divided by the total average daily
185 attendance of all included performance districts. The department of elementary and secondary
186 education shall first calculate the state adequacy target for fiscal year 2007 and recalculate the
187 state adequacy target every two years using the most current available data. The recalculation
188 shall never result in a decrease from the state adequacy target as calculated for fiscal years 2017
189 and 2018 and any state adequacy target figure calculated subsequent to fiscal year 2018. Should
190 a recalculation result in an increase in the state adequacy target amount, fifty percent of that
191 increase shall be included in the state adequacy target amount in the year of recalculation, and
192 fifty percent of that increase shall be included in the state adequacy target amount in the
193 subsequent year. The state adequacy target may be adjusted to accommodate available
194 appropriations as provided in subsection 7 of section 163.031;

195 (19) "Teacher", any teacher, teacher-secretary, substitute teacher, supervisor, principal,
196 supervising principal, superintendent or assistant superintendent, school nurse, social worker,
197 counselor or librarian who shall, regularly, teach or be employed for no higher than grade twelve
198 more than one-half time in the public schools and who is certified under the laws governing the
199 certification of teachers in Missouri;

200 (20) "Weighted average daily attendance", the average daily attendance plus the product
201 of twenty-five hundredths multiplied by the free and reduced price lunch pupil count that exceeds
202 the free and reduced price lunch threshold, plus the product of seventy-five hundredths
203 multiplied by the number of special education pupil count that exceeds the special education
204 threshold, plus the product of six-tenths multiplied by the number of limited English proficiency
205 pupil count that exceeds the limited English proficiency threshold. For special districts
206 established under sections 162.815 to 162.940 in a county with a charter form of government and
207 with more than one million inhabitants, weighted average daily attendance shall be the average
208 daily attendance plus the product of twenty-five hundredths multiplied by the free and reduced
209 price lunch pupil count that exceeds the free and reduced price lunch threshold, plus the product
210 of seventy-five hundredths multiplied by the sum of the special education pupil count that
211 exceeds the threshold for each county district, plus the product of six-tenths multiplied by the
212 limited English proficiency pupil count that exceeds the limited English proficiency threshold.
213 None of the districts comprising a special district established under sections 162.815 to 162.940
214 in a county with a charter form of government and with more than one million inhabitants[,] shall
215 use any special education pupil count in calculating their weighted average daily attendance.

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