

SECOND REGULAR SESSION

HOUSE BILL NO. 2644

102ND GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE STEINHOFF.

4290H.011

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal sections 163.011 and 163.031, RSMo, and to enact in lieu thereof two new sections relating to calculations of state aid for school districts.

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

Section A. Sections 163.011 and 163.031, RSMo, are repealed and two new sections
2 enacted in lieu thereof, to be known as sections 163.011 and 163.031, to read as follows:

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

2 (1) "Adjusted operating levy", the sum of tax rates for the current year for teachers'
3 and incidental funds for a school district as reported to the proper officer of each county
4 pursuant to section 164.011;

5 (2) "Average daily attendance", the quotient or the sum of the quotients obtained by
6 dividing the total number of hours attended in a term by resident pupils between the ages of
7 five and twenty-one by the actual number of hours school was in session in that term. To the
8 average daily attendance of the following school term shall be added the full-time equivalent
9 average daily attendance of summer school students. "Full-time equivalent average daily
10 attendance of summer school students" shall be computed by dividing the total number of
11 hours, except for physical education hours that do not count as credit toward graduation for
12 students in grades nine, ten, eleven, and twelve, attended by all summer school pupils by the
13 number of hours required in section 160.011 in the school term. For purposes of determining
14 average daily attendance under this subdivision, the term "resident pupil" shall include all
15 children between the ages of five and twenty-one who are residents of the school district and
16 who are attending kindergarten through grade twelve in such district. If a child is attending
17 school in a district other than the district of residence and the child's parent is teaching in the

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 school district or is a regular employee of the school district which the child is attending, then
19 such child shall be considered a resident pupil of the school district which the child is
20 attending for such period of time when the district of residence is not otherwise liable for
21 tuition. Average daily attendance for students below the age of five years for which a school
22 district may receive state aid based on such attendance shall be computed as regular school
23 term attendance unless otherwise 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
29 payments for transportation costs pursuant to section 163.161; state reimbursements for early
30 childhood special education; the career ladder entitlement for the district, as provided for in
31 sections 168.500 to 168.515; the vocational education entitlement for the district, as provided
32 for in section 167.332; and payments from other districts;

33 (b) In every fiscal year subsequent to fiscal year 2007 **through the 2025 fiscal year**,
34 current operating expenditures shall be the amount in paragraph (a) of this subdivision plus
35 any increases in state funding pursuant to sections 163.031 and 163.043 subsequent to fiscal
36 year 2005, not to exceed five percent, per recalculation, of the state revenue received by a
37 district in the 2004-05 school year from the foundation formula, line 14, gifted, remedial
38 reading, exceptional pupil aid, fair share, and free textbook payments for any district from the
39 first preceding calculation of the state adequacy target; **and**

40 (c) **Beginning on July 1, 2025, current operating expenditures shall be the**
41 **amount in paragraph (a) of this subdivision plus any increases in state funding under**
42 **sections 163.031 and 163.043 subsequent to fiscal year 2005 received by a district in the**
43 **2004-05 school year from the foundation formula, line 14, gifted, remedial reading,**
44 **exceptional pupil aid, fair share, and free textbook payments for any district from the**
45 **first preceding calculation of the state adequacy target;**

46 (4) "District's tax rate ceiling", the highest tax rate ceiling in effect subsequent to the
47 1980 tax year or any subsequent year. Such tax rate ceiling shall not contain any tax levy for
48 debt service;

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

53 (a) "County wage per job", the total county wage and salary disbursements divided by
54 the total county wage and salary employment for each county and the City of St. Louis as

55 reported by the Bureau of Economic Analysis of the United States Department of Commerce
56 for the fourth year preceding the payment year;

57 (b) "Regional wage per job":

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

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

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

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

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

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

89 (7) "Free and reduced price lunch threshold" shall be calculated by dividing the total
90 free and reduced price lunch pupil count of every performance district that falls entirely above
91 the bottom five percent and entirely below the top five percent of average daily attendance,

92 when such districts are rank-ordered based on their current operating expenditures per
93 average daily attendance, by the total average daily attendance of all included performance
94 districts;

95 (8) "Limited English proficiency pupil count", the number in the preceding school
96 year of pupils aged three through twenty-one enrolled or preparing to enroll in an elementary
97 school or secondary school who were not born in the United States or whose native language
98 is a language other than English or are Native American or Alaskan native, or a native
99 resident of the outlying areas, and come from an environment where a language other than
100 English has had a significant impact on such individuals' level of English language
101 proficiency, or are migratory, whose native language is a language other than English, and
102 who come from an environment where a language other than English is dominant; and have
103 difficulties in speaking, reading, writing, or understanding the English language sufficient to
104 deny such individuals the ability to meet the state's proficient level of achievement on state
105 assessments described in Public Law ~~[107-10]~~ **107-110**, the ability to achieve successfully in
106 classrooms where the language of instruction is English, or the opportunity to participate fully
107 in society;

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

114 (10) "Local effort":

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

129 and with more than one million inhabitants, a tax levy of zero shall be utilized in lieu of the
130 performance levy for the special school district;

131 (b) In every year subsequent to fiscal year 2007, "local effort" shall be the amount
132 calculated under paragraph (a) of this subdivision plus any increase in the amount received
133 for school purposes from fines. If a district's assessed valuation has decreased subsequent to
134 the calculation outlined in paragraph (a) of this subdivision, the district's local effort shall be
135 calculated using the district's current assessed valuation in lieu of the assessed valuation
136 utilized in the calculation outlined in paragraph (a) of this subdivision. When a change in a
137 school district's boundary lines occurs because of a boundary line change, annexation,
138 attachment, consolidation, reorganization, or dissolution under section 162.071, 162.081,
139 sections 162.171 to 162.201, section 162.221, 162.223, 162.431, 162.441, or 162.451, or in
140 the event that a school district assumes any territory from a district that ceases to exist for any
141 reason, the department of elementary and secondary education shall make a proper
142 adjustment to each affected district's local effort, so that each district's local effort figure
143 conforms to the new boundary lines of the district. The department shall compute the local
144 effort figure by applying the calendar year 2004 assessed valuation data to the new land areas
145 resulting from the boundary line change, annexation, attachment, consolidation,
146 reorganization, or dissolution and otherwise follow the procedures described in this
147 subdivision;

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

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

153 (b) The number of resident full-time students and the full-time equivalent number of
154 part-time students who were enrolled in the public schools of the district on the last
155 Wednesday in January of the previous year and who were in attendance one day or more
156 during the preceding ten school days, plus the full-time equivalent number of summer school
157 pupils. "Full-time equivalent number of part-time students" is determined by dividing the
158 total number of hours for which all part-time students are enrolled by the number of hours in
159 the school term. "Full-time equivalent number of summer school pupils" is determined by
160 dividing the total number of hours for which all summer school pupils were enrolled by the
161 number of hours required pursuant to section 160.011 in the school term. Only students
162 eligible to be counted for average daily attendance shall be counted for membership;

163 (12) "Operating levy for school purposes", the sum of tax rates levied for teachers'
164 and incidental funds plus the operating levy or sales tax equivalent pursuant to section
165 162.1100 of any transitional school district containing the school district, in the payment year,

166 not including any equalized operating levy for school purposes levied by a special school
167 district in which the district is located;

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

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

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

176 (16) "Special education pupil count", the number of public school students with a
177 current individualized education program or services plan and receiving services from the
178 resident district as of December first of the preceding school year, except for special
179 education services provided through a school district established under sections 162.815 to
180 162.940 in a county with a charter form of government and with more than one million
181 inhabitants, in which case the sum of the students in each district within the county exceeding
182 the special education threshold of each respective district within the county shall be counted
183 within the special district and not in the district of residence for purposes of distributing the
184 state aid derived from the special education pupil count;

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

190 (18) "State adequacy target", the sum of the current operating expenditures of every
191 performance district that falls entirely above the bottom five percent and entirely below the
192 top five percent of average daily attendance, when such districts are rank-ordered based on
193 their current operating expenditures per average daily attendance, divided by the total average
194 daily attendance of all included performance districts. The department of elementary and
195 secondary education shall first calculate the state adequacy target for fiscal year 2007 and
196 recalculate the state adequacy target every two years using the most current available data.
197 The recalculation shall never result in a decrease from the state adequacy target as calculated
198 for fiscal years 2017 and 2018 and any state adequacy target figure calculated subsequent to
199 fiscal year 2018. Should a recalculation result in an increase in the state adequacy target
200 amount, fifty percent of that increase shall be included in the state adequacy target in
201 the year of recalculation, and fifty percent of that increase shall be included in the state

202 adequacy target amount in the subsequent year. The state adequacy target may be adjusted to
203 accommodate available appropriations as provided in subsection 7 of section 163.031;

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

209 (20) "Weighted average daily attendance", **except as otherwise described in**
210 **paragraphs (b) to (d) of this subdivision:**

211 (a) The average daily attendance plus the product of twenty-five hundredths
212 multiplied by the free and reduced price lunch pupil count that exceeds the free and reduced
213 price lunch threshold, plus the product of seventy-five hundredths multiplied by the number
214 of special education pupil count that exceeds the special education threshold, plus the product
215 of six-tenths multiplied by the number of limited English proficiency pupil count that exceeds
216 the limited English proficiency threshold. For special districts established under sections
217 162.815 to 162.940 in a county with a charter form of government and with more than one
218 million inhabitants, weighted average daily attendance shall be the average daily attendance
219 plus the product of twenty-five hundredths multiplied by the free and reduced price lunch
220 pupil count that exceeds the free and reduced price lunch threshold, plus the product of
221 seventy-five hundredths multiplied by the sum of the special education pupil count that
222 exceeds the threshold for each county district, plus the product of six-tenths multiplied by the
223 limited English proficiency pupil count that exceeds the limited English proficiency
224 threshold. None of the districts comprising a special district established under sections
225 162.815 to 162.940 in a county with a charter form of government and with more than one
226 million inhabitants[;] shall use any special education pupil count in calculating their weighted
227 average daily attendance;

228 (b) **For the 2025-26 school year and all subsequent school years, "weighted**
229 **average daily attendance" shall be one-half of the pupil count calculated in subdivision**
230 **(21) of this section plus one-half of the pupil count calculated by adding the average**
231 **daily attendance of a school district to the following:**

232 a. **The product of the free and reduced price lunch pupil count that exceeds the**
233 **free and reduced price lunch threshold multiplied by three-tenths. The three-tenths**
234 **factor shall be increased annually until the factor is five-tenths for the 2028-29 school**
235 **year and all subsequent years;**

236 b. **The special education pupil count that exceeds the special education**
237 **threshold;**

238 c. The product of the limited English proficiency pupil count that exceeds the
239 limited English proficiency threshold multiplied by six-tenths; and

240 d. The product of the number of pupils who are homeless children and youths, as
241 defined in 42 U.S.C. Section 11434a, as amended, multiplied by twenty-five hundredths;

242 (c) For the 2025-26 school year and all subsequent school years, "weighted
243 average daily attendance" for special districts established under sections 162.815 to
244 162.940 in a county with more than one million inhabitants shall be one-half of the pupil
245 count calculated in subdivision (21) of this section plus one-half of the pupil count
246 calculated by adding the average daily attendance of a school district to the following:

247 a. The product of the free and reduced price lunch pupil count that exceeds the
248 free and reduced price lunch threshold multiplied by three-tenths. The three-tenths
249 factor shall be increased annually until the factor is five-tenths for the 2028-29 school
250 year and all subsequent years;

251 b. The special education pupil count that exceeds the special education
252 threshold;

253 c. The product of the limited English proficiency pupil count that exceeds the
254 limited English proficiency threshold multiplied by six-tenths; and

255 d. The product of the number of pupils who are homeless children and youths, as
256 defined in 42 U.S.C. Section 11434a, as amended, multiplied by twenty-five hundredths;
257 and

258 (d) For the 2025-26 school year and all subsequent school years, no individual
259 school district that is part of a special district established under sections 162.815 to
260 162.940 in a county with more than one million inhabitants shall use any special
261 education pupil count in calculating the weighted membership of such individual school
262 district;

263 (21) "Weighted membership":

264 (a) For the 2025-26 school year and all subsequent school years, "weighted
265 membership" shall be the membership plus the following:

266 a. The product of the free and reduced price lunch pupil count that exceeds the
267 free and reduced price lunch threshold multiplied by three-tenths. The three-tenths
268 factor shall be increased annually until the factor is five-tenths for the 2028-29 school
269 year and all subsequent years;

270 b. The special education pupil count that exceeds the special education
271 threshold;

272 c. The product of the limited English proficiency pupil count that exceeds the
273 limited English proficiency threshold multiplied by six-tenths; and

- 274 **d. The product of the number of pupils who are homeless children and youths, as**
275 **defined in 42 U.S.C. Section 11434a, as amended, multiplied by twenty-five hundredths;**
276 **(b) For the 2025-26 school year and all subsequent school years, "weighted**
277 **membership" for special districts established under sections 162.815 to 162.940 in a**
278 **county with more than one million inhabitants shall be the membership of the special**
279 **district plus the following:**
- 280 **a. The product of the free and reduced price lunch pupil count multiplied by**
281 **three-tenths. The three-tenths factor shall be increased annually until the factor is five-**
282 **tenths for the 2028-29 school year and all subsequent years;**
- 283 **b. The special education pupil count;**
- 284 **c. The product of the limited English proficiency pupil count multiplied by six-**
285 **tenths; and**
- 286 **d. The product of the number of pupils who are homeless children and youths, as**
287 **defined in 42 U.S.C. Section 11434a, as amended, multiplied by twenty-five hundredths;**
288 **and**
- 289 **(c) For the 2025-26 school year and all subsequent school years, no individual**
290 **school district that is part of a special district established under sections 162.815 to**
291 **162.940 in a county with more than one million inhabitants shall use any special**
292 **education pupil count in calculating the weighted membership of such individual school**
293 **district.**

163.031. 1. The department of elementary and secondary education shall calculate
2 and distribute to each school district qualified to receive state aid under section 163.021 an
3 amount determined by multiplying the district's weighted average daily attendance by the
4 state adequacy target, multiplying this product by the dollar value modifier for the district,
5 and subtracting from this product the district's local effort and subtracting payments from the
6 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
9 the school year preceding the payment year:

10 (a) For the 2008-09 school year, the state revenue per weighted average daily
11 attendance received by a district from the state aid calculation under subsections 1 and 4 of
12 this section, as applicable, and the classroom trust fund under section 163.043 shall not be
13 less than the state revenue received by a district in the 2005-06 school year from the
14 foundation formula, line 14, gifted, remedial reading, exceptional pupil aid, fair share, and
15 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
18 than that computed in paragraph (a) of this subdivision, multiplied by the weighted average
19 daily attendance pursuant to section 163.036, less any increase in revenue received from the
20 classroom 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, as applicable, and the classroom trust
25 fund under section 163.043 shall not be less than the greater of state revenue received by a
26 district in the 2004-05 or 2005-06 school year from the foundation formula, line 14, gifted,
27 remedial reading, exceptional pupil aid, fair share, and free textbook payment amounts
28 multiplied by the dollar value modifier;

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

31 (3) The department of elementary and secondary education shall make an addition in
32 the 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
35 categorical add-on revenue as provided in this subsection. The categorical add-on for the
36 district shall be the sum of: seventy-five percent of the district allowable transportation costs
37 under section 163.161; the career ladder entitlement for the district, as provided for in
38 sections 168.500 to 168.515; the vocational education entitlement for the district, as provided
39 for in section 167.332; and the district educational and screening program entitlements as
40 provided for in sections 178.691 to 178.699. The categorical add-on revenue amounts may be
41 adjusted to accommodate 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
44 therefore receives no state aid, the commissioner of education shall present a plan to the
45 superintendent of the school district for the waiver of rules and the duration of said waivers,
46 in order to promote flexibility in the operations of the district and to enhance and encourage
47 efficiency in the delivery 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
53 of revenue received under the provisions of section 163.161 shall be placed in the incidental

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

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

58 (a) An amount equal to at least seventy-five percent of the state revenue received
59 under 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
62 school year; and

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

69

70 In the event a district fails to comply with this provision, the amount by which the district
71 fails to spend funds as provided herein shall be deducted from the district's state revenue
72 received under the provisions of subsections 1 and 2 of this section for the following year,
73 provided that the state board of education may exempt a school district from this provision if
74 the state board 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 price lunch, special education, or limited English
77 proficiency and the district does not resolve the audit finding, the department of elementary
78 and secondary education shall require that the amount of aid paid pursuant to the weighting
79 for free and reduced price lunch, special education, or limited English proficiency in the
80 weighted average daily attendance on the inappropriately identified pupils be repaid by the
81 district in the next school year and shall additionally impose a penalty of one hundred percent
82 of such aid paid on such pupils, which penalty shall also be paid within the next school year.
83 Such amounts may be repaid by the district through the withholding of the amount of state
84 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
93 daily attendance of three hundred fifty or less.

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

101 8. Notwithstanding any provision of law to the contrary, school districts that receive
102 revenue from the tax authorized under sections 148.030, 148.140, 148.620, and 148.720 shall,
103 beginning January 1, 2020, and every January first thereafter, report the amount of said
104 revenue received by the district to the department. The department shall, based on the data
105 submitted by the district, determine the total amount of revenue the district would have
106 received from the tax authorized under sections 148.030, 148.140, 148.620, and 148.720
107 absent the provisions of section 148.720, and remit the following amount to each applicable
108 district not less than thirty days after the conclusion of each calendar year. The amount
109 remitted to each district shall be the total of the revenue received by the district from the tax
110 authorized under sections 148.030, 148.140, 148.620, and 148.720 during the applicable
111 calendar year times one and five thousand six hundred twenty-five ten thousandths minus the
112 total of the revenue received by the district from the tax authorized under sections 148.030,
113 148.140, 148.620, and 148.720 during the same calendar year. This payment shall be in
114 addition to payments authorized under subsections 1, 2, and 7 of this section and shall be
115 made from the annual appropriation to fund this section.

✓