

FIRST REGULAR SESSION

HOUSE BILL NO. 465

100TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE WOOD.

0607H.011

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal sections 151.150, 163.011, 163.031, 166.131, 167.020, 167.131, and 167.151, RSMo, and to enact in lieu thereof twelve new sections relating to elementary and secondary education, with a delayed effective date.

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

Section A. Sections 151.150, 163.011, 163.031, 166.131, 167.020, 167.131, and
2 167.151, RSMo, are repealed and twelve new sections enacted in lieu thereof, to be known as
3 sections 151.150, 163.011, 163.031, 166.131, 167.020, 167.131, 167.151, 167.1200, 167.1205,
4 167.1210, 167.1215, and 167.1220, to read as follows:

151.150. 1. For the purpose of levying school taxes, including taxes for school purposes,
2 as defined in section 163.011 for capital projects purposes, as authorized under section 165.011,
3 "and for other purposes", as defined in section 151.160, in the several counties of this state, on
4 the distributable property of the railroad company, the several county commissions shall
5 ascertain from the returns in the office of the county clerk the average rate of taxation levied for
6 school purposes for capital projects purposes, and for other purposes, each separately by the
7 several local school boards or authorities of the several school districts throughout the county.
8 2. The average rate for school purposes shall be ascertained by adding together the local
9 rates of the several school districts in the county and by dividing the sum thus obtained by the
10 whole number of districts levying a tax for school purposes. The county clerk shall cause to be
11 charged to the railroad companies taxes for school purposes at the average rate on the
12 proportionate value of the railroad property so certified to the county commission by the state
13 tax commission, under the provisions of this chapter, and shall apportion the taxes for school
14 purposes, so levied and collected, among all the school districts in his **or her** county, the same

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.

15 proportion that the September membership of a district, determined as provided in [(1)]
16 **paragraph (a)** of subdivision [(8)] **(13)** of section 163.011, bears to the sum of the September
17 membership of all districts in the county.

18 3. The average rate levied for capital projects purposes, and for other purposes, each
19 separately, shall be ascertained by adding together the local rates of the several districts in the
20 county levying a tax for capital projects purposes, or for other purposes and by dividing the sum
21 thus obtained in each case by the whole number of districts in the county. The county clerk shall
22 cause to be charged to the railroad companies taxes for capital projects purposes, or for other
23 purposes, at the average rate on the proportionate value of the railroad distributable property so
24 certified to the county commission by the state tax commission, under the provisions of this
25 chapter, and the county commission shall apportion the taxes for capital projects purposes, or for
26 other purposes so levied and collected, among the several school districts levying the taxes, in
27 proportion to the amount of such taxes so levied in each of the districts.

28 4. All local property owned or controlled by a railroad company lying in any school
29 district shall be taxed at the same rate as other property in the district, and the school taxes,
30 including taxes for capital projects purposes, and for other purposes thereon, shall go to the
31 district in which such property is situated.

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' and
3 incidental funds for a school district as reported to the proper officer of each county pursuant to
4 section 164.011;

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

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

27 (3) "Current operating expenditures":

28 (a) For the fiscal year 2007 calculation, "current operating expenditures" shall be
29 calculated using data from fiscal year 2004 and shall be calculated as all expenditures for
30 instruction and support services except capital outlay and debt service expenditures minus the
31 revenue from federal categorical sources; food service; student activities; categorical payments
32 for transportation costs pursuant to section 163.161; state reimbursements for early childhood
33 special education; the career ladder entitlement for the district, as provided for in sections
34 168.500 to 168.515; the vocational education entitlement for the district, as provided for in
35 section 167.332; and payments from other districts;

36 (b) In every fiscal year subsequent to fiscal year 2007 **through fiscal year 2020**, current
37 operating expenditures shall be the amount in paragraph (a) of this subdivision plus any increases
38 in state funding pursuant to sections 163.031 and 163.043 subsequent to fiscal year 2005, not to
39 exceed five percent, per recalculation, of the state revenue received by a district in the 2004-05
40 school year from the foundation formula, line 14, gifted, remedial reading, exceptional pupil aid,
41 fair share, and free textbook payments for any district from the first preceding calculation of the
42 state adequacy target;

43 (c) **In fiscal year 2021 and all subsequent fiscal years, "current operating**
44 **expenditures" shall be the amount calculated in paragraph (a) of this subdivision but shall**
45 **be calculated in fiscal year 2021 and recalculated every four years thereafter using the**
46 **average of any relevant data point described in paragraph (a) of this subdivision over the**
47 **four-year period beginning in the fiscal year fifteen years prior and ending in the fiscal**
48 **year twelve years prior; except that, the calculation shall change in fiscal year 2023 and**
49 **every four years thereafter by increasing the amount to account for increases in state**
50 **funding under sections 163.031 and 163.043 subsequent to fiscal year 2021 or the last fiscal**
51 **year in which a change to the amount was required under this subdivision. Any increase**
52 **to account for increases in state funding shall not exceed five percent of the amount**
53 **calculated for fiscal year 2021 or the last fiscal year in which a change to the amount was**
54 **required under this subdivision;**

55 (4) "District's tax rate ceiling", the highest tax rate ceiling in effect subsequent to the
56 1980 tax year or any subsequent year. Such tax rate ceiling shall not contain any tax levy for
57 debt service;

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

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

66 (b) "Regional wage per job":

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

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

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

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

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

87 (6) "Free and reduced price lunch pupil count", for school districts not eligible for and
88 those that do not choose the USDA Community Eligibility Option, the number of pupils eligible
89 for free and reduced price lunch on the last Wednesday in January for the preceding school year
90 who were enrolled as students of the district, as approved by the department in accordance with

91 applicable federal regulations. For eligible school districts that choose the USDA Community
92 Eligibility Option, the free and reduced price lunch pupil count shall be the percentage of free
93 and reduced price lunch students calculated as eligible on the last Wednesday in January of the
94 most recent school year that included household applications to determine free and reduced price
95 lunch count multiplied by the district's average daily attendance figure;

96 (7) "Free and reduced price lunch threshold" shall be calculated by dividing the total free
97 and reduced price lunch pupil count of every performance district that falls entirely above the
98 bottom five percent and entirely below the top five percent of average daily attendance, when
99 such districts are rank-ordered based on their current operating expenditures per average daily
100 attendance, by the total **regular term** average daily attendance of all included performance
101 districts;

102 (8) **"Free and reduced price lunch threshold for the district", the free and reduced**
103 **price lunch threshold multiplied by the district's regular term average daily attendance;**

104 (9) "Limited English proficiency pupil count", the number in the preceding school year
105 of pupils aged three through twenty-one enrolled or preparing to enroll in an elementary school
106 or secondary school who were not born in the United States or whose native language is a
107 language other than English or are Native American or Alaskan native, or a native resident of
108 the outlying areas, and come from an environment where a language other than English has had
109 a significant impact on such individuals' level of English language proficiency, or are migratory,
110 whose native language is a language other than English, and who come from an environment
111 where a language other than English is dominant; and have difficulties in speaking, reading,
112 writing, or understanding the English language sufficient to deny such individuals the ability to
113 meet the state's proficient level of achievement on state assessments described in Public Law
114 ~~[107-10]~~ **107-110 or successor legislation**, the ability to achieve successfully in classrooms
115 where the language of instruction is English, or the opportunity to participate fully in society;

116 ~~[(9)]~~ (10) "Limited English proficiency threshold" shall be calculated by dividing the
117 total limited English proficiency pupil count of every performance district that falls entirely
118 above the bottom five percent and entirely below the top five percent of average daily attendance,
119 when such districts are rank-ordered based on their current operating expenditures per average
120 daily attendance, by the total **regular term** average daily attendance of all included performance
121 districts;

122 ~~[(10)]~~ (11) **"Limited English proficiency threshold for the district", the limited**
123 **English proficiency threshold multiplied by the district's regular term average daily**
124 **attendance;**

125 (12) "Local effort":

126 (a) For the fiscal year ~~[2007]~~ **2021** calculation, "local effort" shall be computed as the
127 **average** equalized assessed valuation of the property of a school district **over the four-year**
128 **period beginning in the** calendar year ~~[2004]~~ **fifteen years prior and ending in the calendar**
129 **year twelve years prior** divided by one hundred and multiplied by the performance levy less the
130 percentage retained by the county assessor and collector plus one hundred percent of the **average**
131 **yearly** amount received **over the four-year period beginning in the** fiscal year ~~[2005]~~ **fifteen**
132 **years prior and ending in the fiscal year twelve years prior** for school purposes from
133 intangible taxes, fines, escheats, payments in lieu of taxes and receipts from state-assessed
134 railroad and utility tax, one hundred percent of the amount received for school purposes pursuant
135 to the merchants' and manufacturers' taxes under sections 150.010 to 150.370, one hundred
136 percent of the amounts received for school purposes from federal properties under sections
137 12.070 and 12.080 except when such amounts are used in the calculation of federal impact aid
138 pursuant to P.L. 81-874, fifty percent of Proposition C revenues received for school purposes
139 from the school district trust fund under section 163.087, and one hundred percent of any local
140 earnings or income taxes received by the district for school purposes. Under this paragraph, for
141 a special district established under sections 162.815 to 162.940 in a county with a charter form
142 of government and with more than one million inhabitants, a tax levy of zero shall be utilized
143 in lieu of the performance levy for the special school district;

144 (b) In every year subsequent to fiscal year ~~[2007]~~ **2021**, "local effort" shall be the amount
145 calculated under paragraph (a) of this subdivision plus any increase in the amount received for
146 school purposes from fines; **except that, any recalculation of the local effort figure**
147 **subsequent to fiscal year 2021, other than for increases for fines, shall occur only in fiscal**
148 **year 2025 and every four years thereafter.** If a district's assessed valuation has decreased
149 subsequent to the calculation outlined in paragraph (a) of this subdivision **or subsequent to any**
150 **change in the calculation under this paragraph**, the district's local effort shall be calculated
151 using the district's current assessed valuation in lieu of the assessed valuation ~~[utilized in the~~
152 ~~calculation outlined in paragraph (a) of this subdivision]~~ **that would have been used under this**
153 **subdivision.** When a change in a school district's boundary lines occurs because of a boundary
154 line change, annexation, attachment, consolidation, reorganization, or dissolution under section
155 162.071, 162.081, sections 162.171 to 162.201, section 162.221, 162.223, 162.431, 162.441, or
156 162.451, or in the event that a school district assumes any territory from a district that ceases to
157 exist for any reason, the department of elementary and secondary education shall make a proper
158 adjustment to each affected district's local effort, so that each district's local effort figure
159 conforms to the new boundary lines of the district. The department shall compute the local effort
160 figure by applying the ~~[calendar year 2004]~~ assessed valuation data **from the average of the**
161 **appropriate four-year period used in this subdivision** to the new land areas resulting from the

162 boundary line change, annexation, attachment, consolidation, reorganization, or dissolution and
163 otherwise follow the procedures described in this subdivision;

164 ~~[(11)]~~ **(13)** "Membership" shall be the average of:

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

169 (b) The number of resident full-time students and the full-time equivalent number of
170 part-time students who were enrolled in the public schools of the district on the last Wednesday
171 in January of the previous year and who were in attendance one day or more during the preceding
172 ten school days, plus the full-time equivalent number of summer school pupils. "Full-time
173 equivalent number of part-time students" is determined by dividing the total number of hours for
174 which all part-time students are enrolled by the number of hours in the school term. "Full-time
175 equivalent number of summer school pupils" is determined by dividing the total number of hours
176 for which all summer school pupils were enrolled by the number of hours required pursuant to
177 section 160.011 in the school term. Only students eligible to be counted for average daily
178 attendance shall be counted for membership;

179 ~~[(12)]~~ **(14)** "Operating levy for school purposes", the sum of tax rates levied for
180 teachers' and incidental funds plus the operating levy or sales tax equivalent pursuant to section
181 162.1100 of any transitional school district containing the school district, in the payment year,
182 not including any equalized operating levy for school purposes levied by a special school district
183 in which the district is located;

184 ~~[(13)]~~ **(15)** "Performance district", any district that:

185 (a) Has met performance standards and indicators as established by the department of
186 elementary and secondary education for purposes of accreditation under section 161.092 and as
187 reported on the final annual performance report for that district each year; ~~[for calculations to be
188 utilized for payments in fiscal years subsequent to fiscal year 2018, the number of performance
189 districts shall not exceed twenty-five percent of all public school districts]~~ and

190 (b) **Has received a score of at least ninety percent on its annual performance report**
191 **for each of the immediately preceding four school years;**

192 ~~[(14)]~~ **(16)** "Performance levy", ~~[three dollars and forty-three cents]~~ **the quotient of the**
193 **sum of the products of each performance district's average operating levy for school**
194 **purposes over the four-year period beginning in the fiscal year fifteen years prior and**
195 **ending in the fiscal year twelve years prior multiplied by such district's current average**
196 **daily attendance divided by the total current average daily attendance of all included**
197 **performance districts; except that:**

198 **(a) A performance district shall be included in the calculation in this subdivision**
199 **only if its operating levy for school purposes was more than two dollars and seventy-five**
200 **cents in any fiscal year over the four-year period beginning in the fiscal year fifteen years**
201 **prior and ending in the fiscal year twelve years prior; and**

202 **(b) Any recalculation of the performance levy figure under this subdivision shall**
203 **occur only every four years;**

204 ~~[(15)]~~ **(17) "Regular term average daily attendance", the quotient or the sum of the**
205 **quotients obtained by dividing the total number of hours attended in a term by resident**
206 **pupils between the ages of five and twenty-one by the actual number of hours school was**
207 **in session in that term. For purposes of determining regular term average daily attendance**
208 **under this subdivision, the term "resident pupil" shall have the same meaning given to the**
209 **term under subdivision (2) of this section;**

210 **(18) "School purposes" pertains to teachers' and incidental funds;**

211 ~~[(16)]~~ **(19) "Special education pupil count", the number of public school students with**
212 **a current individualized education program or services plan and receiving services from the**
213 **resident district as of December first of the preceding school year, except for special education**
214 **services provided through a school district established under sections 162.815 to 162.940 in a**
215 **county with a charter form of government and with more than one million inhabitants, in which**
216 **case the sum of the students in each district within the county exceeding the special education**
217 **threshold of each respective district within the county shall be counted within the special district**
218 **and not in the district of residence for purposes of distributing the state aid derived from the**
219 **special education pupil count;**

220 ~~[(17)]~~ **(20) "Special education threshold" shall be calculated by dividing the total special**
221 **education pupil count of every performance district that falls entirely above the bottom five**
222 **percent and entirely below the top five percent of average daily attendance, when such districts**
223 **are rank-ordered based on their current operating expenditures per average daily attendance, by**
224 **the total regular term average daily attendance of all included performance districts;**

225 ~~[(18)]~~ **(21) "Special education threshold for the district", the special education**
226 **threshold multiplied by the district's regular term average daily attendance;**

227 **(22) "State adequacy target", the sum of the current operating expenditures of every**
228 **performance district that falls entirely above the bottom five percent and entirely below the top**
229 **five percent of average daily attendance, when such districts are rank-ordered based on their**
230 **current operating expenditures per average daily attendance, divided by the total average daily**
231 **attendance of all included performance districts. The department of elementary and secondary**
232 **education shall first calculate the state adequacy target for fiscal year 2007 and recalculate the**
233 **state adequacy target every two years using the most current available data. The recalculation**

234 shall never result in a decrease from the state adequacy target as calculated for fiscal years 2017
235 and 2018 and any state adequacy target figure calculated subsequent to fiscal year 2018. Should
236 a recalculation result in an increase in the state adequacy target amount, fifty percent of that
237 increase shall be included in the state adequacy target amount in the year of recalculation, and
238 fifty percent of that increase shall be included in the state adequacy target amount in the
239 subsequent year. The state adequacy target may be adjusted to accommodate available
240 appropriations as provided in subsection 7 of section 163.031;

241 ~~[(19)]~~ (23) "Teacher", any teacher, teacher-secretary, substitute teacher, supervisor,
242 principal, supervising principal, superintendent or assistant superintendent, school nurse, social
243 worker, counselor or librarian who shall, regularly, teach or be employed for no higher than
244 grade twelve more than one-half time in the public schools and who is certified under the laws
245 governing the certification of teachers in Missouri;

246 ~~[(20)]~~ (24) "Weighted average daily attendance", the average daily attendance plus the
247 product of twenty-five hundredths multiplied by the free and reduced price lunch pupil count that
248 exceeds the free and reduced price lunch threshold **for the district**, plus the product of
249 seventy-five hundredths multiplied by the number of special education pupil count that exceeds
250 the special education threshold **for the district**, plus the product of six-tenths multiplied by the
251 number of limited English proficiency pupil count that exceeds the limited English proficiency
252 threshold **for the district**. For special districts established under sections 162.815 to 162.940
253 in a county with a charter form of government and with more than one million inhabitants,
254 weighted average daily attendance shall be the average daily attendance plus the product of
255 twenty-five hundredths multiplied by the free and reduced price lunch pupil count that exceeds
256 the free and reduced price lunch threshold **for the district**, plus the product of seventy-five
257 hundredths multiplied by the sum of the special education pupil count that exceeds the threshold
258 for each county district, plus the product of six-tenths multiplied by the limited English
259 proficiency pupil count that exceeds the limited English proficiency threshold **for the district**.
260 None of the districts comprising a special district established under sections 162.815 to 162.940
261 in a county with a charter form of government and with more than one million inhabitants[-] shall
262 use any special education pupil count in calculating their weighted average daily attendance.

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:

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, as
12 applicable, and the classroom trust fund under section 163.043 shall not be less than the state
13 revenue received by a district in the 2005-06 school year from the foundation formula, line 14,
14 gifted, remedial reading, exceptional pupil aid, fair share, and free textbook payment amounts
15 multiplied by the dollar value modifier, and dividing this product by the weighted average daily
16 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]~~ **2020-21** school year, the state revenue **per weighted average**
24 **daily attendance** received by a district from the state aid calculation under ~~[subsections]~~
25 **subsection 1 [and 4]** of this section~~[-, as applicable,]~~ and the classroom trust fund under section
26 163.043 shall not be less than the ~~[greater of]~~ state revenue received by a district in the ~~[2004-05~~
27 ~~or 2005-06]~~ **2017-18** school year from ~~[the foundation formula, line 14, gifted, remedial reading,~~
28 ~~exceptional pupil aid, fair share, and free textbook payment amounts multiplied by the dollar~~
29 ~~value modifier]~~ **the state aid calculation under subsections 1 and 2 of section 163.031 as such**
30 **section existed on July 1, 2017, and the classroom trust fund under section 163.043, and**
31 **dividing this number by the weighted average daily attendance computed for the 2017-18**
32 **school year;**

33 (b) For each year subsequent to the ~~[2008-09]~~ **2020-21** school year, the amount shall be
34 no less than that computed in paragraph (a) of this subdivision, **multiplied by the weighted**
35 **average daily attendance under section 163.036, less any increase in revenue received from**
36 **the classroom trust fund under section 163.043;**

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

40 3. School districts that meet the requirements of section 163.021 shall receive categorical
41 add-on revenue as provided in this subsection. The categorical add-on for the district shall be
42 the sum of: seventy-five percent of the district allowable transportation costs under section
43 163.161; the career ladder entitlement for the district, as provided for in sections 168.500 to

44 168.515; ~~[the vocational education entitlement for the district, as provided for in section~~
45 ~~167.332;]~~ and the district educational and screening program entitlements as provided for in
46 sections 178.691 to 178.699. The categorical add-on revenue amounts may be adjusted to
47 accommodate available appropriations.

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

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

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

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

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

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

75

76 In the event a district fails to comply with this provision, the amount by which the district fails
77 to spend funds as provided herein shall be deducted from the district's state revenue received
78 under the provisions of subsections 1 and 2 of this section for the following year, provided that

79 the state board of education may exempt a school district from this provision if the state board
80 of education determines that circumstances warrant such exemption.

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

90 (2) In the 2017-18 school year and in each subsequent school year, if a district
91 experiences a decrease in its gifted program enrollment of twenty percent or more from the
92 previous school year, an amount equal to the product of the difference between the number of
93 students enrolled in the gifted program in the current school year and the number of students
94 enrolled in the gifted program in the previous school year multiplied by six hundred eighty
95 dollars shall be subtracted from the district's current year payment amount. The provisions of
96 this subdivision shall apply to districts entitled to receive state aid payments under both
97 subsections 1 and 2 of this section but shall not apply to any school district with an average daily
98 attendance of three hundred fifty or less.

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

166.131. The county commission in each county shall administer the county school fund
2 of the county. In each county wherein the annual distribution of the liquidated capital of the
3 county school fund has not been ordered by the voters pursuant to sections 166.151 to 166.161,
4 the proceeds of the fund shall be invested by the county commission in registered bonds of the
5 United States, or in bonds of the state or in approved bonds of any city or school district thereof,
6 or in bonds or other securities the payment of which is fully guaranteed by the United States
7 government and shall be preserved as a county school fund. Annually, on or before September
8 thirtieth, in each county of the state all interest accruing from the investment of the capital of the
9 county school fund, if any, the clear proceeds of all penalties and fines collected for any breach
10 of the penal laws of the state, the net proceeds from the sale of estrays, and all other money

11 lawfully coming into the fund, shall be collected and distributed to the school districts of the
12 county by the county clerk in the same proportion that the September membership of a school
13 district, determined as provided in ~~[(1)]~~ **paragraph (a)** of subdivision ~~[(8)]~~ **(13)** of section
14 163.011 bears to the sum of the September membership of all the districts in the county. He **or**
15 **she** shall immediately after making the apportionments enter them in a book to be kept for that
16 purpose, and shall furnish each district clerk a copy of the apportionment. The county treasurer
17 shall pay over to the treasurer of the school board of every district in the county the amount due
18 each respective district. The clear proceeds of all forfeitures collected for any breach of the penal
19 laws of the state distributed for education shall be transferred to the school building revolving
20 fund.

167.020. 1. As used in this section, the term "homeless child" or "homeless youth" shall
2 mean a person less than twenty-one years of age who lacks a fixed, regular and adequate
3 nighttime residence, including a child or youth who:

4 (1) Is sharing the housing of other persons due to loss of housing, economic hardship,
5 or a similar reason; is living in motels, hotels, or camping grounds due to lack of alternative
6 adequate accommodations; is living in emergency or transitional shelters; is abandoned in
7 hospitals; or is awaiting foster care placement;

8 (2) Has a primary nighttime residence that is a public or private place not designed for
9 or ordinarily used as a regular sleeping accommodation for human beings;

10 (3) Is living in cars, parks, public spaces, abandoned buildings, substandard housing, bus
11 or train stations, or similar settings; and

12 (4) Is a migratory child or youth who qualifies as homeless because the child or youth
13 is living in circumstances described in subdivisions (1) to (3) of this subsection.

14 2. In order to register a pupil, the parent or legal guardian of the pupil or the pupil
15 himself or herself shall provide, at the time of registration, one of the following:

16 (1) Proof of residency in the district. Except as otherwise provided in section 167.151,
17 the term "residency" shall mean that a person both physically resides within a school district and
18 is domiciled within that district or, in the case of a private school student suspected of having
19 a disability under the Individuals With Disabilities Education Act, 20 U.S.C. Section 1412, et
20 seq., that the student attends private school within that district. The domicile of a minor child
21 shall be the domicile of a parent, military guardian pursuant to a military-issued guardianship or
22 court-appointed legal guardian. For instances in which the family of a student living in Missouri
23 co-locates to live with other family members or live in a military family support community
24 because one or both of the child's parents are stationed or deployed out of state or deployed
25 within Missouri under ~~[Title 32 or Title 10]~~ active duty orders **under Title 10 or Title 32 of the**
26 **United States Code**, the student may attend the school district in which the family member's

27 residence or family support community is located. If the active duty orders expire during the
28 school year, the student may finish the school year in that district; or

29 (2) Proof that the person registering the student has requested a waiver under subsection
30 3 of this section within the last forty-five days.

31

32 In instances where there is reason to suspect that admission of the pupil will create an immediate
33 danger to the safety of other pupils and employees of the district, the superintendent or the
34 superintendent's designee may convene a hearing within five working days of the request to
35 register and determine whether or not the pupil may register.

36 3. Any person subject to the requirements of subsection 2 of this section may request a
37 waiver from the district board of any of those requirements on the basis of hardship or good
38 cause. Under no circumstances shall athletic ability be a valid basis of hardship or good cause
39 for the issuance of a waiver of the requirements of subsection 2 of this section. The district
40 board or committee of the board appointed by the president and which shall have full authority
41 to act in lieu of the board shall convene a hearing as soon as possible, but no later than forty-five
42 days after receipt of the waiver request made under this subsection or the waiver request shall
43 be granted. The district board or committee of the board may grant the request for a waiver of
44 any requirement of subsection 2 of this section. The district board or committee of the board
45 may also reject the request for a waiver in which case the pupil shall not be allowed to register.
46 Any person aggrieved by a decision of a district board or committee of the board on a request
47 for a waiver under this subsection may appeal such decision to the circuit court in the county
48 where the school district is located.

49 4. Any person who knowingly submits false information to satisfy any requirement of
50 subsection 2 of this section is guilty of a class A misdemeanor.

51 5. In addition to any other penalties authorized by law, a district board may file a civil
52 action to recover, from the parent, military guardian or legal guardian of the pupil, the costs of
53 school attendance for any pupil who was enrolled at a school in the district and whose parent,
54 military guardian or legal guardian filed false information to satisfy any requirement of
55 subsection 2 of this section.

56 6. Subsection 2 of this section shall not apply to a pupil who is a homeless child or
57 youth, or a pupil attending a school not in the pupil's district of residence as a participant in an
58 interdistrict transfer program established under a court-ordered desegregation program, a pupil
59 who is a ward of the state and has been placed in a residential care facility by state officials, a
60 pupil who has been placed in a residential care facility due to a mental illness or developmental
61 disability, a pupil attending a school pursuant to sections 167.121 and 167.151 **and sections**
62 **167.1200 to 167.1220**, a pupil placed in a residential facility by a juvenile court, a pupil with a

63 disability identified under state eligibility criteria if the student is in the district for reasons other
 64 than accessing the district's educational program, or a pupil attending a regional or cooperative
 65 alternative education program or an alternative education program on a contractual basis.

66 7. Within two business days of enrolling a pupil, the school official enrolling a pupil,
 67 including any special education pupil, shall request those records required by district policy for
 68 student transfer and those discipline records required by subsection 9 of section 160.261 from
 69 all schools previously attended by the pupil within the last twelve months. Any school district
 70 that receives a request for such records from another school district enrolling a pupil that had
 71 previously attended a school in such district shall respond to such request within five business
 72 days of receiving the request. School districts may report or disclose education records to law
 73 enforcement and juvenile justice authorities if the disclosure concerns law enforcement's or
 74 juvenile justice authorities' ability to effectively serve, prior to adjudication, the student whose
 75 records are released. The officials and authorities to whom such information is disclosed must
 76 comply with applicable restrictions set forth in 20 U.S.C. Section 1232g(b)(1)(E).

167.131. 1. The board of education of each district in this state that does not maintain
 2 an accredited school pursuant to the authority of the state board of education to classify schools
 3 as established in section 161.092 shall pay the tuition of and provide transportation consistent
 4 with the provisions of section 167.241 for each pupil resident therein who attends an accredited
 5 school in another district of the same or an adjoining county or who attends an approved charter
 6 school in the same or an adjoining county.

7 2. The rate of tuition to be charged by the district attended and paid by the sending
 8 district is the ~~[per pupil cost of maintaining the district's grade level grouping which includes the~~
 9 ~~school attended]~~ **lesser of the two districts' current expenditure per pupil for the most**
 10 **recently completed year for which data are available.** The rate of tuition to be charged by the
 11 approved charter school attended and paid by the sending district is the ~~[per pupil cost of~~
 12 ~~maintaining the approved charter school's grade level grouping. For a district, the cost of~~
 13 ~~maintaining a grade level grouping shall be determined by the board of education of the district~~
 14 ~~but in no case shall it exceed all amounts spent for teachers' wages, incidental purposes, debt~~
 15 ~~service, maintenance and replacements. For an approved charter school, the cost of maintaining~~
 16 ~~a grade level grouping shall be determined by the approved charter school but in no case shall~~
 17 ~~it exceed all amounts spent by the district in which the approved charter school is located for~~
 18 ~~teachers' wages, incidental purposes, debt service, maintenance, and replacements. The term~~
 19 ~~"debt service", as used in this section, means expenditures for the retirement of bonded~~
 20 ~~indebtedness and expenditures for interest on bonded indebtedness. Per pupil cost of the grade~~
 21 ~~level grouping shall be determined by dividing the cost of maintaining the grade level grouping~~
 22 ~~by the average daily pupil attendance]~~ **current expenditure per pupil for the sending district**

23 **or the district in which the approved charter school is located, whichever is less, based on**
24 **the most recently completed year for which data are available.** If there is disagreement as
25 to the amount of tuition to be paid, the facts shall be submitted to the state board of education,
26 and its decision in the matter shall be final. Subject to the limitations of this section, each pupil
27 shall be free to attend the public school of his or her choice.

28 3. For purposes of this section, "approved charter school" means a charter school that
29 has existed for less than three years or a charter school with a three-year average score of seventy
30 percent or higher on its annual performance report.

167.151. 1. The school board of any district, in its discretion, may admit to the school
2 pupils not entitled to free instruction and prescribe the tuition fee to be paid by them, except as
3 provided in sections 167.121 and 167.131 **and sections 167.1200 to 167.1220.**

4 2. Orphan children, children with only one parent living, and children whose parents do
5 not contribute to their support—if the children are between the ages of six and twenty years and
6 are unable to pay tuition—may attend the schools of any district in the state in which they have
7 a permanent or temporary home without paying a tuition fee.

8 3. Any person who pays a school tax in any other district than that in which he **or she**
9 resides may send his **or her** children to any public school in the district in which the tax is paid
10 and receive as a credit on the amount charged for tuition the amount of the school tax paid to the
11 district; except that any person who owns real estate of which eighty acres or more are used for
12 agricultural purposes and upon which his **or her** residence is situated may send his **or her**
13 children to public school in any school district in which a part of such real estate, contiguous to
14 that upon which his **or her** residence is situated, lies and shall not be charged tuition therefor;
15 so long as thirty-five percent of the real estate is located in the school district of choice. The
16 school district of choice shall count the children in its average daily attendance for the purpose
17 of distribution of state aid through the foundation formula.

18 4. Any owner of agricultural land who, pursuant to subsection 3 of this section, has the
19 option of sending his **or her** children to the public schools of more than one district shall
20 exercise such option as provided in this subsection. Such person shall send written notice to all
21 school districts involved specifying to which school district his **or her** children will attend by
22 June thirtieth in which such a school year begins. If notification is not received, such children
23 shall attend the school in which the majority of his **or her** property lies. Such person shall not
24 send any of his **or her** children to the public schools of any district other than the one to which
25 he **or she** has sent notice pursuant to this subsection in that school year or in which the majority
26 of his **or her** property lies without paying tuition to such school district.

27 5. If a pupil is attending school in a district other than the district of residence and the
28 pupil's parent is teaching in the school district or is a regular employee of the school district

29 which the pupil is attending, then the district in which the pupil attends school shall allow the
30 pupil to attend school upon payment of tuition in the same manner in which the district allows
31 other pupils not entitled to free instruction to attend school in the district. The provisions of this
32 subsection shall apply only to pupils attending school in a district which has an enrollment in
33 excess of thirteen thousand pupils and not in excess of fifteen thousand pupils and which district
34 is located in a county of the first classification with a charter form of government which has a
35 population in excess of six hundred thousand persons and not in excess of nine hundred thousand
36 persons.

167.1200. For purposes of sections 167.1200 to 167.1220, the following terms mean:

- 2 (1) "Nonresident district", a school district other than a student's resident district;
- 3 (2) "Parent", a student's parent, guardian, or other person having custody or care
4 of the student;
- 5 (3) "Resident district", the school district in which the student resides.

167.1205. 1. Subject to the provisions of sections 167.1200 to 167.1220, any student
2 **in kindergarten or any grade not higher than the twelfth grade may transfer to a public**
3 **school in a nonresident district if the student is enrolled in and has attended, for one year**
4 **immediately prior to enrolling in the nonresident district, a public school in the student's**
5 **resident district.**

6 **2. Sections 167.1200 to 167.1220 do not require a school district to add teachers,**
7 **staff, or classrooms, or in any way to exceed the requirements and standards established**
8 **by existing law.**

9 **3. A school district receiving transfer students under sections 167.1200 to 167.1220**
10 **shall not discriminate on the basis of gender, national origin, race, ethnicity, religion, or**
11 **disability.**

12 **4. A nonresident district shall:**

- 13 (1) **Accept credits toward graduation that were awarded by another district to a**
14 **student transferring under sections 167.1200 to 167.1220; and**
- 15 (2) **Award a diploma to a student transferring under sections 167.1200 to 167.1220**
16 **if the student meets the nonresident district's graduation requirements.**

167.1210. 1. A student who transfers to a nonresident district under sections
2 **167.1200 to 167.1220 may complete all remaining school years in the nonresident district**
3 **as long as the student's parent pays any tuition fee required under this section each school**
4 **year.**

5 **2. A student who transfers to a nonresident district under sections 167.1200 to**
6 **167.1220 or the student's parent is responsible for the transportation of the student to and**

7 from the school in the nonresident district where the student is enrolled. The nonresident
8 district has no obligation to provide transportation to the student.

9 3. Notwithstanding the provisions of chapter 163 to the contrary, for the purposes
10 of determining state aid, a student who transfers to a nonresident district under sections
11 167.1200 to 167.1220 shall be counted as a resident pupil of the nonresident district in
12 which he or she is enrolled.

13 4. (1) If the current expenditure per pupil of the nonresident district attended by
14 a student transferring under sections 167.1200 to 167.1220 is higher than the current
15 expenditure per pupil of the student's resident district, the parent of the student shall pay
16 the nonresident district a tuition rate equal to the difference in such amounts for each
17 school year the student attends school in the nonresident district.

18 (2) If the current expenditure per pupil of the nonresident district attended by a
19 student transferring under sections 167.1200 to 167.1220 is lower than the current
20 expenditure per pupil of the student's resident district, the parent of the student shall not
21 owe the nonresident district any tuition.

22 (3) The nonresident district shall update the calculation under this subsection
23 before August first each year based on data from the preceding school year and notify the
24 parents of affected students of any tuition amount owed for the upcoming school term. The
25 nonresident district may require the tuition amount to be paid before any date during the
26 school term that it chooses.

27 (4) Notwithstanding the provisions of subdivisions (1) to (3) of this subsection, if a
28 student attends a school in a nonresident district under sections 167.1200 to 167.1220 for
29 less than a full school term, the parent of the student shall pay the nonresident district a
30 tuition rate equal to the current expenditure per pupil of the nonresident district; except
31 that, the tuition rate shall be prorated so that the parent is charged for only the portion of
32 the year the student attended school in the nonresident district.

33 (5) If the parent of a student who attends a school in a nonresident district under
34 sections 167.1200 to 167.1220 moves into the boundaries of another district, the student
35 shall be allowed to attend school in his or her new resident district and leave the school in
36 the nonresident district during the school term without the student's parent being charged
37 the tuition amount required in subdivision (4) of this subsection for students who attend
38 less than a full school term.

39 5. If a student wishes to attend a school within a nonresident district that is a
40 magnet school, an academically selective school, or a school with a competitive entrance
41 process that has admissions requirements, the student shall furnish proof that he or she
42 meets the admissions requirements in the application described under section 167.1215.

43 **6. A nonresident district may deny a transfer to a student who in the most recent**
44 **school year has been suspended from school two or more times or who has been suspended**
45 **for an act of school violence under subsection 2 of section 160.261. A student whose**
46 **transfer is initially precluded under this subsection may be permitted to transfer on a**
47 **provisional basis as a probationary transfer student, subject to no further disruptive**
48 **behavior, upon a statement from the student's current school that the student is not**
49 **disruptive. A student who is denied a transfer under this subsection has the right to an in-**
50 **person meeting with the nonresident district's superintendent or his or her designee. The**
51 **nonresident district shall develop common standards for determining disruptive behavior**
52 **that shall include, but not be limited to, criteria under section 160.261.**

53 **7. Students shall not enroll in a nonresident district under sections 167.1200 to**
54 **167.1220 in any school year before school year 2021-22.**

167.1215. 1. Before February first annually, each school district shall set the
2 **number of transfer students the district is willing to receive for the following school year**
3 **under sections 167.1200 to 167.1220. Nothing in sections 167.1200 to 167.1220 requires a**
4 **district to set this number above zero.**

5 **2. Each school district shall publish the number set under this section and shall not**
6 **be required to accept any transfer students under this section that would cause it to exceed**
7 **the published number. A school district shall remain free to admit students who are**
8 **willing to pay a tuition fee prescribed by the district, as described under section 167.151.**
9 **Students admitted under section 167.151 shall not count against the cap published by the**
10 **school district under this section.**

11 **3. If a student seeks to attend a school in a nonresident district under sections**
12 **167.1200 to 167.1220, the student's parent shall submit an application:**

13 **(1) To the nonresident district with a copy to the resident district;**

14 **(2) On a form, approved by the department of elementary and secondary**
15 **education, that contains the address of the student's parent; and**

16 **(3) Postmarked before June first of the calendar year in which the student seeks**
17 **to begin the fall semester at the nonresident district.**

18 **4. A nonresident district that receives an application under subsection 3 of this**
19 **section shall, upon receipt of the application, place a date and time stamp on the**
20 **application that reflects the date and time the nonresident district received the application.**

21 **5. A nonresident district shall review and make a determination on each application**
22 **in the order in which the application was received by the nonresident district.**

23 **6. A nonresident district shall not reject an application on any basis other than:**

24 (1) A student's failure to meet any admissions requirements described under section
25 167.1210;

26 (2) A student's failure to have attended a public school in the student's resident
27 district for at least one year as described in section 167.1205;

28 (3) A suspension of the student as described under subsection 6 of section 167.1210;
29 or

30 (4) The district having reached the number published under subsection 2 of this
31 section or having set the number at zero.

32 7. (1) Before August first of the school year in which the student seeks to enroll in
33 a nonresident district under sections 167.1200 to 167.1220, the superintendent of the
34 nonresident district shall notify the parent and the resident district in writing as to whether
35 the student's application has been accepted or rejected. The notification shall be sent by
36 first-class mail to the address on the application.

37 (2) If the application is rejected, the superintendent of the nonresident district shall
38 state in the notification letter the reason for the rejection.

39 (3) If the application is accepted, the superintendent of the nonresident district shall
40 state in the notification letter:

41 (a) A reasonable deadline by which the student shall enroll in the nonresident
42 district and after which the acceptance notification is null; and

43 (b) Instructions for the procedures established by the nonresident district for
44 renewing enrollment in the nonresident district each year.

167.1220. 1. If sections 167.1200 to 167.1220 conflict with a provision of an
2 enforceable desegregation court order or a district's court-approved desegregation plan
3 regarding the effects of past racial segregation in student assignment, the provisions of the
4 order or plan shall govern.

5 2. (1) A school district may annually declare an exemption from sections 167.1200
6 to 167.1220 if the school district is subject to a desegregation order or mandate of a federal
7 court or agency remedying the effects of past racial segregation or subject to a settlement
8 agreement remedying the effects of past racial segregation.

9 (2) An exemption declared by a board of education of a school district under
10 subdivision (1) of this subsection is irrevocable for one year from the date the school
11 district notifies the department of elementary and secondary education of the declaration
12 of exemption.

13 (3) After each year of exemption, the board of education of a school district may
14 elect to participate in the transfer process under sections 167.1200 to 167.1220 if the school
15 district's participation does not conflict with the school district's federal court-ordered

16 **desegregation program or settlement agreement remedying the effects of past racial**
17 **segregation.**

18 **(4) A school district shall notify the department of elementary and secondary**
19 **education before April first if in the next school year the school district intends to:**

20 **(a) Declare an exemption under subdivision (1) of this subsection; or**

21 **(b) Resume participation after a period of exemption.**

22 **3. (1) Any student who transfers to a nonresident district under section 167.131,**
23 **sections 162.1040 to 162.1061, or any section other than sections 167.1200 to 167.1220 shall**
24 **not be subject to any requirements under sections 167.1200 to 167.1220.**

25 **(2) Districts receiving transfer students or sending transfer students to nonresident**
26 **districts under section 167.131, sections 162.1040 to 162.1061, or any section other than**
27 **sections 167.1200 to 167.1220 shall not be subject to any requirements under sections**
28 **167.1200 to 167.1220 for those transfer students.**

29 **4. A student transferring to a nonresident district under sections 167.1200 to**
30 **167.1220 shall not be considered a transfer student under any law relating to another**
31 **transfer program or procedure that allows students to transfer out of their resident**
32 **districts.**

Section B. The enactment of sections 167.1200, 167.1205, 167.1210, 167.1215, and
2 167.1220 and the repeal and reenactment of sections 151.150, 163.011, 163.031, 166.131,
3 167.020, 167.131, and 167.151 of this act shall become effective July 1, 2020.

✓