

FIRST REGULAR SESSION

SENATE BILL NO. 475

100TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR CUNNINGHAM.

Read 1st time February 27, 2019, and ordered printed.

ADRIANE D. CROUSE, Secretary.

2372S.01I

AN ACT

To repeal section 163.031, RSMo, and to enact in lieu thereof one new section relating to determination of state school aid.

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

Section A. Section 163.031, RSMo, is repealed and one new section
2 enacted in lieu thereof, to be known as section 163.031, to read as follows:

163.031. 1. The department of elementary and secondary education shall
2 calculate and distribute to each school district qualified to receive state aid under
3 section 163.021 an amount determined by multiplying the district's weighted
4 average daily attendance by the state adequacy target, multiplying this product
5 by the dollar value modifier for the district, and subtracting from this product the
6 district's local effort and subtracting payments from the classroom trust fund
7 under section 163.043.

8 2. Other provisions of law to the contrary notwithstanding:

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

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

19 (b) For each year subsequent to the 2008-09 school year, the amount shall
20 be no less than that computed in paragraph (a) of this subdivision, multiplied by
21 the weighted average daily attendance pursuant to section 163.036, less any

22 increase in revenue received from the classroom trust fund under section 163.043;

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

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

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

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

37 3. School districts that meet the requirements of section 163.021 shall
38 receive categorical add-on revenue as provided in this subsection. The categorical
39 add-on for the district shall be the sum of: seventy-five percent of the district
40 allowable transportation costs under section 163.161; the career ladder
41 entitlement for the district, as provided for in sections 168.500 to 168.515; the
42 vocational education entitlement for the district, as provided for in section
43 167.332; and the district educational and screening program entitlements as
44 provided for in sections 178.691 to 178.699. The categorical add-on revenue
45 amounts may be adjusted to accommodate available appropriations.

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

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

58 shall be placed in the teachers' fund. One hundred percent of revenue received
59 under the provisions of section 163.161 shall be placed in the incidental
60 fund. One hundred percent of revenue received under the provisions of sections
61 168.500 to 168.515 shall be placed in the teachers' fund.

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

64 (a) An amount equal to at least seventy-five percent of the state revenue
65 received under 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
67 funds received from the school district trust fund distributed under section
68 163.087 during the preceding school year; and

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

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

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

93 (2) In the 2017-18 school year and in each subsequent school year, if a

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

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

110 **8. Notwithstanding any provision of law to the contrary, school**
111 **districts that receive revenue from the tax authorized under sections**
112 **148.030, 148.140, 148.620, and 148.720 shall, beginning January 1, 2020,**
113 **and every January first thereafter, report the amount of said revenue**
114 **received by the district to the department. The department shall, based**
115 **on the data submitted by the district, determine the amount of revenue**
116 **the district would have received from the tax authorized under sections**
117 **148.030, 148.140, 148.620, and 148.720 absent the provisions of section**
118 **148.720, and remit said amount to each applicable district not less than**
119 **thirty days after the conclusion of each calendar year. The amount**
120 **remitted to each district shall be the total of the revenue received by**
121 **the district from the tax authorized under sections 148.030, 148.140,**
122 **148.620, and 148.720 during the applicable calendar year times one and**
123 **five thousand six hundred and twenty-five ten thousandths minus the**
124 **total of the revenue received by the district from the tax authorized**
125 **under sections 148.030, 148.140, 148.620, and 148.720 during the same**
126 **calendar year. This payment shall be in addition to payments**
127 **authorized under subsections 1, 2, and 7 of this section and shall be**
128 **made from the annual appropriation to fund this section.**

✓