

FIRST REGULAR SESSION

SENATE BILL NO. 7

98TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR KEAVENY.

Pre-filed December 1, 2014, and ordered printed.

ADRIANE D. CROUSE, Secretary.

0166S.01I

AN ACT

To repeal section 163.031 as enacted by house bill no. 1689, ninety-seventh general assembly, second regular session, and to enact in lieu thereof one new section relating to state funding for elementary and secondary education, with an emergency clause.

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

Section A. Section 163.031 as enacted by house bill no. 1689, ninety-
2 seventh general assembly, second regular session, is repealed and one new section
3 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, in years not governed under subsection 4 of this section,
7 subtracting payments from the classroom trust fund under section 163.043.

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

9 (1) For **all** districts [with an average daily attendance of more than three
10 hundred fifty in the school year preceding the payment year] **qualified to**
11 **receive state aid under section 163.021:**

12 (a) For the 2006-07 school year, the state revenue per weighted average
13 daily attendance received by a district from the state aid calculation under
14 subsections 1 and 4 of this section, as applicable, and the classroom trust fund
15 under section 163.043 shall not be less than the state revenue received by a
16 district in the 2005-06 school year from the foundation formula, line 14, gifted,

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

17 remedial reading, exceptional pupil aid, fair share, and free textbook payment
18 amounts multiplied by the sum of one plus the product of one-third multiplied by
19 the remainder of the dollar value modifier minus one, and dividing this product
20 by the weighted average daily attendance computed for the 2005-06 school year;

21 (b) For the 2007-08 school year, the state revenue per weighted average
22 daily attendance received by a district from the state aid calculation under
23 subsections 1 and 4 of this section, as applicable, and the classroom trust fund
24 under section 163.043 shall not be less than the state revenue received by a
25 district in the 2005-06 school year from the foundation formula, line 14, gifted,
26 remedial reading, exceptional pupil aid, fair share, and free textbook payment
27 amounts multiplied by the sum of one plus the product of two-thirds multiplied
28 by the remainder of the dollar value modifier minus one, and dividing this
29 product by the weighted average daily attendance computed for the 2005-06
30 school year;

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

39 (d) For each year subsequent to the 2008-09 school year, the amount shall
40 be no less than that computed in paragraph (c) of this subdivision, multiplied by
41 the weighted average daily attendance pursuant to section 163.036, less any
42 increase in revenue received from the classroom trust fund under section 163.043;

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

45 (a) For the 2006-07 school year, the state revenue received by a district
46 from the state aid calculation under subsections 1 and 4 of this section, as
47 applicable, and the classroom trust fund under section 163.043 shall not be less
48 than the greater of state revenue received by a district in the 2004-05 or 2005-06
49 school year from the foundation formula, line 14, gifted, remedial reading,
50 exceptional pupil aid, fair share, and free textbook payment amounts multiplied
51 by the sum of one plus the product of one-third multiplied by the remainder of the
52 dollar value modifier minus one;

53 (b) For the 2007-08 school year, the state revenue received by a district
54 from the state aid calculation under subsections 1 and 4 of this section, as
55 applicable, and the classroom trust fund under section 163.043 shall not be less
56 than the greater of state revenue received by a district in the 2004-05 or 2005-06
57 school year from the foundation formula, line 14, gifted, remedial reading,
58 exceptional pupil aid, fair share, and free textbook payment amounts multiplied
59 by the sum of one plus the product of two-thirds multiplied by the remainder of
60 the dollar value modifier minus one;

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

68 (d) For each year subsequent to the 2008-09 school year, the amount shall
69 be no less than that computed in paragraph (c) of this subdivision;

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

73 3. School districts that meet the requirements of section 163.021 shall
74 receive categorical add-on revenue as provided in this subsection. The categorical
75 add-on for the district shall be the sum of: seventy-five percent of the district
76 allowable transportation costs under section 163.161; the career ladder
77 entitlement for the district, as provided for in sections 168.500 to 168.515; the
78 vocational education entitlement for the district, as provided for in section
79 167.332; and the district educational and screening program entitlements as
80 provided for in sections 178.691 to 178.699. The categorical add-on revenue
81 amounts may be adjusted to accommodate available appropriations.

82 4. In the 2006-07 school year and each school year thereafter for five
83 years, those districts entitled to receive state aid under the provisions of
84 subsection 1 of this section shall receive state aid in an amount as provided in
85 this subsection.

86 (1) For the 2006-07 school year, the amount shall be fifteen percent of the
87 amount of state aid calculated for the district for the 2006-07 school year under
88 the provisions of subsection 1 of this section, plus eighty-five percent of the total

89 amount of state revenue received by the district for the 2005-06 school year from
90 the foundation formula, line 14, gifted, remedial reading, exceptional pupil aid,
91 fair share, and free textbook payments less any amounts received under section
92 163.043.

93 (2) For the 2007-08 school year, the amount shall be thirty percent of the
94 amount of state aid calculated for the district for the 2007-08 school year under
95 the provisions of subsection 1 of this section, plus seventy percent of the total
96 amount of state revenue received by the district for the 2005-06 school year from
97 the foundation formula, line 14, gifted, remedial reading, exceptional pupil aid,
98 fair share, and free textbook payments less any amounts received under section
99 163.043.

100 (3) For the 2008-09 school year, the amount of state aid shall be forty-four
101 percent of the amount of state aid calculated for the district for the 2008-09
102 school year under the provisions of subsection 1 of this section plus fifty-six
103 percent of the total amount of state revenue received by the district for the
104 2005-06 school year from the foundation formula, line 14, gifted, remedial
105 reading, exceptional pupil aid, fair share, and free textbook payments less any
106 amounts received under section 163.043.

107 (4) For the 2009-10 school year, the amount of state aid shall be fifty-eight
108 percent of the amount of state aid calculated for the district for the 2009-10
109 school year under the provisions of subsection 1 of this section plus forty-two
110 percent of the total amount of state revenue received by the district for the
111 2005-06 school year from the foundation formula, line 14, gifted, remedial
112 reading, exceptional pupil aid, fair share, and free textbook payments less any
113 amounts received under section 163.043.

114 (5) For the 2010-11 school year, the amount of state aid shall be
115 seventy-two percent of the amount of state aid calculated for the district for the
116 2010-11 school year under the provisions of subsection 1 of this section plus
117 twenty-eight percent of the total amount of state revenue received by the district
118 for the 2005-06 school year from the foundation formula, line 14, gifted, remedial
119 reading, exceptional pupil aid, fair share, and free textbook payments less any
120 amounts received under section 163.043.

121 (6) For the 2011-12 school year, the amount of state aid shall be eighty-six
122 percent of the amount of state aid calculated for the district for the 2011-12
123 school year under the provisions of subsection 1 of this section plus fourteen
124 percent of the total amount of state revenue received by the district for the

125 2005-06 school year from the foundation formula, line 14, gifted, remedial
126 reading, exceptional pupil aid, fair share, and free textbook payments less any
127 amounts received under section 163.043.

128 (7) (a) a. For the 2006-07 school year, if a school district experiences a
129 decrease in summer school average daily attendance of more than twenty percent
130 from the district's 2005-06 summer school average daily attendance, an amount
131 equal to the product of the percent reduction that is in excess of twenty percent
132 of the district's summer school average daily attendance multiplied by the funds
133 generated by the district's summer school program in the 2005-06 school year
134 shall be subtracted from the district's current year payment amount.

135 b. For the 2007-08 school year, if a school district experiences a decrease
136 in summer school average daily attendance of more than thirty percent from the
137 district's 2005-06 summer school average daily attendance, an amount equal to
138 the product of the percent reduction that is in excess of thirty percent of the
139 district's summer school average daily attendance multiplied by the funds
140 generated by the district's summer school program in the 2005-06 school year
141 shall be subtracted from the district's payment amount.

142 c. For the 2008-09 school year, if a school district experiences a decrease
143 in summer school average daily attendance of more than thirty-five percent from
144 the district's 2005-06 summer school average daily attendance, an amount equal
145 to the product of the percent reduction that is in excess of thirty-five percent of
146 the district's summer school average daily attendance multiplied by the funds
147 generated by the district's summer school program in the 2005-06 school year
148 shall be subtracted from the district's payment amount.

149 d. Notwithstanding the provisions of this paragraph, no such reduction
150 shall be made in the case of a district that is receiving a payment under section
151 163.044 or any district whose regular school term average daily attendance for
152 the preceding year was three hundred fifty or less.

153 e. This paragraph shall not be construed to permit any reduction applied
154 under this paragraph to result in any district receiving a current-year payment
155 that is less than the amount calculated for such district under subsection 2 of this
156 section.

157 (b) If a school district experiences a decrease in its gifted program
158 enrollment of more than twenty percent from its 2005-06 gifted program
159 enrollment in any year governed by this subsection, an amount equal to the
160 product of the percent reduction in the district's gifted program enrollment

161 multiplied by the funds generated by the district's gifted program in the 2005-06
162 school year shall be subtracted from the district's current year payment amount.

163 5. For any school district meeting the eligibility criteria for state aid as
164 established in section 163.021, but which is considered an option district under
165 section 163.042 and therefore receives no state aid, the commissioner of education
166 shall present a plan to the superintendent of the school district for the waiver of
167 rules and the duration of said waivers, in order to promote flexibility in the
168 operations of the district and to enhance and encourage efficiency in the delivery
169 of instructional services as provided in section 163.042.

170 6. (1) No less than seventy-five percent of the state revenue received
171 under the provisions of subsections 1, 2, and 4 of this section shall be placed in
172 the teachers' fund, and the remaining percent of such moneys shall be placed in
173 the incidental fund. No less than seventy-five percent of one-half of the funds
174 received from the school district trust fund distributed under section 163.087
175 shall be placed in the teachers' fund. One hundred percent of revenue received
176 under the provisions of section 163.161 shall be placed in the incidental
177 fund. One hundred percent of revenue received under the provisions of sections
178 168.500 to 168.515 shall be placed in the teachers' fund.

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

181 (a) An amount equal to at least seventy-five percent of the state revenue
182 received under the provisions of subsections 1, 2, and 4 of this section;

183 (b) An amount equal to at least seventy-five percent of one-half of the
184 funds received from the school district trust fund distributed under section
185 163.087 during the preceding school year; and

186 (c) Beginning in fiscal year 2008, as much as was spent per the second
187 preceding year's weighted average daily attendance for certificated compensation
188 and tuition expenditures the previous year from revenue produced by local and
189 county tax sources in the teachers' fund, plus the amount of the incidental fund
190 to teachers' fund transfer calculated to be local and county tax sources by dividing
191 local and county tax sources in the incidental fund by total revenue in the
192 incidental fund.

193 In the event a district fails to comply with this provision, the amount by which
194 the district fails to spend funds as provided herein shall be deducted from the
195 district's state revenue received under the provisions of subsections 1, 2, and 4
196 of this section for the following year, provided that the state board of education

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

199 7. If a school district's annual audit discloses that students were
200 inappropriately identified as eligible for free and reduced lunch, special
201 education, or limited English proficiency and the district does not resolve the
202 audit finding, the department of elementary and secondary education shall
203 require that the amount of aid paid pursuant to the weighting for free and
204 reduced lunch, special education, or limited English proficiency in the weighted
205 average daily attendance on the inappropriately identified pupils be repaid by the
206 district in the next school year and shall additionally impose a penalty of one
207 hundred percent of such aid paid on such pupils, which penalty shall also be paid
208 within the next school year. Such amounts may be repaid by the district through
209 the withholding of the amount of state aid.

210 8. Notwithstanding any provision of law to the contrary, in any fiscal year
211 during which the total formula appropriation is insufficient to fully fund the
212 entitlement calculation of this section, the department of elementary and
213 secondary education shall adjust the state adequacy target in order to
214 accommodate the appropriation level for the given fiscal year. In no manner shall
215 any payment modification be rendered for any district qualified to receive
216 payments under subsection 2 of this section based on insufficient appropriations.

Section B. Because of the importance of ensuring adequate state funding
2 for all school districts in the state of Missouri, section A of this act is deemed
3 necessary for the immediate preservation of the public health, welfare, peace and
4 safety, and is hereby declared to be an emergency act within the meaning of the
5 constitution, and section A of this act shall be in full force and effect on July 1,
6 2015, or upon its passage and approval, whichever occurs later.

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