

SECOND REGULAR SESSION

[P E R F E C T E D]

SENATE SUBSTITUTE FOR

# SENATE BILL NO. 943

95TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR SHIELDS.

Offered April 13, 2010.

Senate Substitute adopted, April 13, 2010.

Taken up for Perfection April 13, 2010. Bill declared Perfected and Ordered Printed, as amended.

TERRY L. SPIELER, Secretary.

5090S.04P

## AN ACT

To repeal sections 163.031, 163.036, 168.500, and 168.515, RSMo, and to enact in lieu thereof five new sections relating to state funding for elementary and secondary education, with an emergency clause for certain sections.

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

Section A. Sections 163.031, 163.036, 168.500, and 168.515, RSMo, are  
2 repealed and five new sections enacted in lieu thereof, to be known as sections  
3 163.031, 163.036, 163.500, 168.500, and 168.515 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. **All other provisions of law to the contrary notwithstanding, except as**  
9 **provided in subdivision (14) of subsection 4 of this section:**

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

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

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

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

44 (e) **In any school year in which the foundation formula**  
45 **appropriation under subsections 1, 2, and 4 of this section is less than**  
46 **the fiscal year 2010 actual state aid expenditure, the department of**  
47 **elementary and secondary education shall reduce the payment amounts**  
48 **awarded to all districts under paragraph (d) of this subdivision in the**  
49 **following manner:**

50           **a. Payments to any district possessing a local effort figure that**  
51 **is greater than its total formula entitlement calculation shall be**  
52 **reduced by ten percent; and**

53           **b. In addition to any reduction provided in subparagraph a. of**  
54 **this paragraph, a reduction equal to the percentage calculated in**  
55 **subdivision (14) of subsection 4 of this section shall be levied against**  
56 **the payment calculated under paragraph (d) of this subdivision.**

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

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

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

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

82           **(d) Except as provided in paragraph (e) of this subdivision, for**  
83 **each year subsequent to the 2008-09 school year, the amount shall be no less than**  
84 **that computed in paragraph (c) of this subdivision;**

85           **(e) In any school year in which the foundation formula**

86 **appropriation under subsections 1, 2, and 4 of this section is less than**  
87 **the fiscal year 2010 actual state aid expenditure, the department of**  
88 **elementary and secondary education shall reduce the payment amounts**  
89 **awarded to all districts under paragraph (d) of this subdivision in the**  
90 **following manner:**

91 **a. Payments to any district possessing a local effort figure that**  
92 **is greater than its total formula entitlement calculation shall be**  
93 **reduced by ten percent; and**

94 **b. In addition to any reduction provided in subparagraph a. of**  
95 **this paragraph, a reduction equal to the percentage calculated in**  
96 **subdivision (14) of subsection 4 of this section shall be levied against**  
97 **the payment calculated under paragraph (d) of this subdivision.**

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

101 3. School districts that meet the requirements of section 163.021 shall  
102 receive categorical add-on revenue as provided in this subsection. The categorical  
103 add-on for the district shall be the sum of: seventy-five percent of the district  
104 allowable transportation costs under section 163.161; the career ladder  
105 entitlement for the district, as provided for in sections 168.500 to 168.515, RSMo;  
106 the vocational education entitlement for the district, as provided for in section  
107 167.332, RSMo; and the district educational and screening program entitlements  
108 as provided for in sections 178.691 to 178.699, RSMo. The categorical add-on  
109 revenue amounts may be adjusted to accommodate available appropriations.

110 4. In the 2006-07 school year and each school year thereafter for **[five] ten**  
111 **years**, those districts entitled to receive state aid under the provisions of  
112 subsection 1 of this section shall receive state aid in an amount as provided in  
113 this subsection.

114 (1) For the 2006-07 school year, the amount shall be fifteen percent of the  
115 amount of state aid calculated for the district for the 2006-07 school year under  
116 the provisions of subsection 1 of this section, plus eighty-five percent of the total  
117 amount of state revenue received by the district for the 2005-06 school year from  
118 the foundation formula, line 14, gifted, remedial reading, exceptional pupil aid,  
119 fair share, and free textbook payments less any amounts received under section  
120 163.043.

121 (2) For the 2007-08 school year, the amount shall be thirty percent of the

122 amount of state aid calculated for the district for the 2007-08 school year under  
123 the provisions of subsection 1 of this section, plus seventy percent of the total  
124 amount of state revenue received by the district for the 2005-06 school year from  
125 the foundation formula, line 14, gifted, remedial reading, exceptional pupil aid,  
126 fair share, and free textbook payments less any amounts received under section  
127 163.043.

128 (3) For the 2008-09 school year, the amount of state aid shall be forty-four  
129 percent of the amount of state aid calculated for the district for the 2008-09  
130 school year under the provisions of subsection 1 of this section plus fifty-six  
131 percent of the total amount of state revenue received by the district for the  
132 2005-06 school year from the foundation formula, line 14, gifted, remedial  
133 reading, exceptional pupil aid, fair share, and free textbook payments less any  
134 amounts received under section 163.043.

135 (4) For the 2009-10 school year, the amount of state aid shall be fifty-eight  
136 percent of the amount of state aid calculated for the district for the 2009-10  
137 school year under the provisions of subsection 1 of this section plus forty-two  
138 percent of the total amount of state revenue received by the district for the  
139 2005-06 school year from the foundation formula, line 14, gifted, remedial  
140 reading, exceptional pupil aid, fair share, and free textbook payments less any  
141 amounts received under section 163.043.

142 (5) For the 2010-11 school year, the amount of state aid shall be  
143 ~~[seventy-two]~~ **fifty-two** percent of the amount of state aid calculated for the  
144 district for the 2010-11 school year under the provisions of subsection 1 of this  
145 section plus ~~[twenty-eight]~~ **forty-eight** percent of the total amount of state  
146 revenue received by the district for the 2005-06 school year from the foundation  
147 formula, line 14, gifted, remedial reading, exceptional pupil aid, fair share, and  
148 free textbook payments less any amounts received under section 163.043.

149 (6) For the 2011-12 school year, the amount of state aid shall be  
150 ~~[eighty-six]~~ **fifty-two** percent of the amount of state aid calculated for the district  
151 for the 2011-12 school year under the provisions of subsection 1 of this section  
152 plus ~~[fourteen]~~ **forty-eight** percent of the total amount of state revenue received  
153 by the district for the 2005-06 school year from the foundation formula, line 14,  
154 gifted, remedial reading, exceptional pupil aid, fair share, and free textbook  
155 payments less any amounts received under section 163.043.

156 (7) **For the 2012-13 school year, the amount of state aid shall be**  
157 **fifty-six percent of the amount of state aid calculated for the district for**

158 the 2012-13 school year under the provisions of subsection 1 of this  
159 section plus forty-four percent of the total amount of state revenue  
160 received by the district for the 2005-06 school year from the foundation  
161 formula, line 14, gifted, remedial reading, exceptional pupil aid, fair  
162 share, and free textbook payments less any amounts received under  
163 section 163.043.

164 (8) For the 2013-14 school year, the amount of state aid shall be  
165 sixty percent of the amount of state aid calculated for the district for  
166 the 2013-14 school year under the provisions of subsection 1 of this  
167 section plus forty percent of the total amount of state revenue received  
168 by the district for the 2005-06 school year from the foundation formula,  
169 line 14, gifted, remedial reading, exceptional pupil aid, fair share, and  
170 free textbook payments less any amounts received under section  
171 163.043.

172 (9) For the 2014-15 school year, the amount of state aid shall be  
173 seventy percent of the amount of state aid calculated for the district for  
174 the 2014-15 school year under the provisions of subsection 1 of this  
175 section plus thirty percent of the total amount of state revenue  
176 received by the district for the 2005-06 school year from the foundation  
177 formula, line 14, gifted, remedial reading, exceptional pupil aid, fair  
178 share, and free textbook payments less any amounts received under  
179 section 163.043.

180 (10) For the 2015-16 school year, the amount of state aid shall be  
181 eighty percent of the amount of state aid calculated for the district for  
182 the 2015-16 school year under the provisions of subsection 1 of this  
183 section plus twenty percent of the total amount of state revenue  
184 received by the district for the 2005-06 school year from the foundation  
185 formula, line 14, gifted, remedial reading, exceptional pupil aid, fair  
186 share, and free textbook payments less any amounts received under  
187 section 163.043.

188 (11) For the 2016-17 school year, the amount of state aid shall be  
189 ninety percent of the amount of state aid calculated for the district for  
190 the 2016-17 school year under the provisions of subsection 1 of this  
191 section plus ten percent of the total amount of state revenue received  
192 by the district for the 2005-06 school year from the foundation formula,  
193 line 14, gifted, remedial reading, exceptional pupil aid, fair share, and  
194 free textbook payments less any amounts received under section

195 **163.043.**

196           **(12) The provisions of this subsection shall not prohibit the**  
197 **General Assembly from appropriating more funds than required to fund**  
198 **the applicable percentages provided for in any school year under this**  
199 **subsection. In such an instance, the department of elementary and**  
200 **secondary education shall adjust such phase-in percentages in order to**  
201 **accommodate the total amount of available appropriations so that such**  
202 **percentages equal one hundred percent and the total amount of the**  
203 **appropriated funds is distributed.**

204           **(13) For any school year governed by this subsection, if the**  
205 **foundation formula appropriation under subsections 1, 2, and 4 of this**  
206 **section is equal to or greater than the fiscal year 2010 actual state aid**  
207 **expenditure but is insufficient to fully fund the applicable percentages**  
208 **provided for in any school year under this subsection, the department**  
209 **of elementary and secondary education shall adjust such phase-in**  
210 **percentages in order to accommodate the total amount of available**  
211 **appropriations so that such percentages equal one hundred percent**  
212 **and the total amount of the appropriated funds is distributed.**

213           **(14) In any school year in which the foundation formula**  
214 **appropriation under subsections 1, 2, and 4 of this section is less than**  
215 **the fiscal year 2010 actual state aid expenditure, the department of**  
216 **elementary and secondary education shall reduce the payment amounts**  
217 **awarded to all districts, regardless if such district otherwise qualifies**  
218 **under subsection 2 of this section. After applying the ten percent**  
219 **reduction as provided in subparagraph a. of paragraph (e) of**  
220 **subdivision (1) of subsection 2 of this section and subparagraph a. of**  
221 **paragraph (e) of subdivision (2) of subsection 2 of this section, the**  
222 **department shall calculate a uniform proportional reduction**  
223 **percentage based on all available state aid for the given school year to**  
224 **be applied to the payment amount to which all districts would**  
225 **otherwise be entitled under the applicable phase-in percentage for the**  
226 **applicable school year as provided in this subsection.**

227           **(15) (a) Notwithstanding subdivision (18) of section 163.011, the state**  
228 **adequacy target may not be adjusted downward to accommodate available**  
229 **appropriations in any year governed by this subsection.**

230           **(b) [a. For the 2006-07 school year, if a school district experiences a**  
231 **decrease in summer school average daily attendance of more than twenty percent**

232 from the district's 2005-06 summer school average daily attendance, an amount  
233 equal to the product of the percent reduction that is in excess of twenty percent  
234 of the district's summer school average daily attendance multiplied by the funds  
235 generated by the district's summer school program in the 2005-06 school year  
236 shall be subtracted from the district's current year payment amount.

237         b. For the 2007-08 school year, if a school district experiences a decrease  
238 in summer school average daily attendance of more than thirty percent from the  
239 district's 2005-06 summer school average daily attendance, an amount equal to  
240 the product of the percent reduction that is in excess of thirty percent of the  
241 district's summer school average daily attendance multiplied by the funds  
242 generated by the district's summer school program in the 2005-06 school year  
243 shall be subtracted from the district's payment amount.

244         c. For the 2008-09 school year, if a school district experiences a decrease  
245 in summer school average daily attendance of more than thirty-five percent from  
246 the district's 2005-06 summer school average daily attendance, an amount equal  
247 to the product of the percent reduction that is in excess of thirty-five percent of  
248 the district's summer school average daily attendance multiplied by the funds  
249 generated by the district's summer school program in the 2005-06 school year  
250 shall be subtracted from the district's payment amount.

251         d. Notwithstanding the provisions of this paragraph, no such reduction  
252 shall be made in the case of a district that is receiving a payment under section  
253 163.044 or any district whose regular school term average daily attendance for  
254 the preceding year was three hundred fifty or less.

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

259         (c)] If a school district experiences a decrease in its gifted program  
260 enrollment of more than twenty percent from its 2005-06 gifted program  
261 enrollment in any year governed by this subsection, an amount equal to the  
262 product of the percent reduction in the district's gifted program enrollment  
263 multiplied by the funds generated by the district's gifted program in the 2005-06  
264 school year shall be subtracted from the district's current year payment amount.

265         5. For any school district meeting the eligibility criteria for state aid as  
266 established in section 163.021, but which is considered an option district under  
267 section 163.042 and therefore receives no state aid, the commissioner of education



268 shall present a plan to the superintendent of the school district for the waiver of  
269 rules and the duration of said waivers, in order to promote flexibility in the  
270 operations of the district and to enhance and encourage efficiency in the delivery  
271 of instructional services as provided in section 163.042.

272 6. (1) No less than seventy-five percent of the state revenue received  
273 under the provisions of subsections 1, 2, and 4 of this section shall be placed in  
274 the teachers' fund, and the remaining percent of such moneys shall be placed in  
275 the incidental fund. No less than seventy-five percent of one-half of the funds  
276 received from the school district trust fund distributed under section 163.087  
277 shall be placed in the teachers' fund. One hundred percent of revenue received  
278 under the provisions of section 163.161 shall be placed in the incidental  
279 fund. One hundred percent of revenue received under the provisions of sections  
280 168.500 to 168.515, RSMo, shall be placed in the teachers' fund.

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

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

285 (b) An amount equal to at least seventy-five percent of one-half of the  
286 funds received from the school district trust fund distributed under section  
287 163.087 during the preceding school year; and

288 (c) Beginning in fiscal year 2008, as much as was spent per the second  
289 preceding year's weighted average daily attendance for certificated compensation  
290 and tuition expenditures the previous year from revenue produced by local and  
291 county tax sources in the teachers' fund, plus the amount of the incidental fund  
292 to teachers' fund transfer calculated to be local and county tax sources by dividing  
293 local and county tax sources in the incidental fund by total revenue in the  
294 incidental fund. In the event a district fails to comply with this provision, the  
295 amount by which the district fails to spend funds as provided herein shall be  
296 deducted from the district's state revenue received under the provisions of  
297 subsections 1, 2, and 4 of this section for the following year, provided that the  
298 state board of education may exempt a school district from this provision if the  
299 state board of education determines that circumstances warrant such exemption.

300 7. If a school district's annual audit discloses that students were  
301 inappropriately identified as eligible for free and reduced lunch, special  
302 education, or limited English proficiency and the district does not resolve the  
303 audit finding, the department of elementary and secondary education shall

304 require that the amount of aid paid pursuant to the weighting for free and  
305 reduced lunch, special education, or limited English proficiency in the weighted  
306 average daily attendance on the inappropriately identified pupils be repaid by the  
307 district in the next school year and shall additionally impose a penalty of one  
308 hundred percent of such aid paid on such pupils, which penalty shall also be paid  
309 within the next school year. Such amounts may be repaid by the district through  
310 the withholding of the amount of state aid.

163.036. 1. In computing the amount of state aid a school district is  
2 entitled to receive for the minimum school term only under section 163.031, a  
3 school district may use an estimate of the weighted average daily attendance for  
4 the current year, or the weighted average daily attendance for the immediately  
5 preceding year or the weighted average daily attendance for the second preceding  
6 school year, whichever is greater. Beginning with the 2006-07 school year, the  
7 summer school attendance included in the average daily attendance as defined  
8 in subdivision (2) of section 163.011 shall include only the attendance hours of  
9 pupils that attend summer school in the current year. **Beginning with the**  
10 **2010-2011 school year, the summer school attendance included in**  
11 **average daily attendance shall include only the attendance hours of**  
12 **pupils based exclusively on academic areas of study. The curriculum**  
13 **shall be based on core subject areas of the regular instruction program**  
14 **for the relevant grade levels. In order for summer school attendance**  
15 **to be included in the average daily attendance definition, each school**  
16 **district shall verify to the department of elementary and secondary**  
17 **education that the district's summer school program conforms to this**  
18 **subsection. This subsection shall not be construed to disallow a school**  
19 **district from providing a summer school program that offers**  
20 **nonacademic or enrichment activities at such district's**  
21 **expense.** Beginning with the 2004-05 school year, when a district's official  
22 calendar for the current year contributes to a more than ten percent reduction in  
23 the average daily attendance for kindergarten compared to the immediately  
24 preceding year, the payment attributable to kindergarten shall include only the  
25 current year kindergarten average daily attendance. Any error made in the  
26 apportionment of state aid because of a difference between the actual weighted  
27 average daily attendance and the estimated weighted average daily attendance  
28 shall be corrected as provided in section 163.091, except that if the amount paid  
29 to a district estimating weighted average daily attendance exceeds the amount

30 to which the district was actually entitled by more than five percent, interest at  
31 the rate of six percent shall be charged on the excess and shall be added to the  
32 amount to be deducted from the district's apportionment the next succeeding  
33 year.

34 2. Notwithstanding the provisions of subsection 1 of this section or any  
35 other provision of law, the state board of education shall make an adjustment for  
36 the immediately preceding year for any increase in the actual weighted average  
37 daily attendance above the number on which the state aid in section 163.031 was  
38 calculated. Said adjustment shall be made in the manner providing for correction  
39 of errors under subsection 1 of this section.

40 3. Any error made in the apportionment of state aid because of a  
41 difference between the actual equalized assessed valuation for the current year  
42 and the estimated equalized assessed valuation for the current year shall be  
43 corrected as provided in section 163.091, except that if the amount paid to a  
44 district estimating current equalized assessed valuation exceeds the amount to  
45 which the district was actually entitled, interest at the rate of six percent shall  
46 be charged on the excess and shall be added to the amount to be deducted from  
47 the district's apportionment the next succeeding year.

48 4. For the purposes of distribution of state school aid pursuant to section  
49 163.031, a school district with ten percent or more of its assessed valuation that  
50 is owned by one person or corporation as commercial or personal property who is  
51 delinquent in a property tax payment may elect, after receiving notice from the  
52 county clerk on or before March fifteenth that more than ten percent of its  
53 current taxes due the preceding December thirty-first by a single property owner  
54 are delinquent, to use in the local effort calculation of the state aid formula the  
55 district's equalized assessed valuation for the preceding year or the actual  
56 assessed valuation of the year for which the taxes are delinquent less the  
57 assessed valuation of property for which the current year's property tax is  
58 delinquent. To qualify for use of the actual assessed valuation of the year for  
59 which the taxes are delinquent less the assessed valuation of property for which  
60 the current year's property tax is delinquent, a district must notify the  
61 department of elementary and secondary education on or before April first, except  
62 in the year enacted, of the current year amount of delinquent taxes, the assessed  
63 valuation of such property for which delinquent taxes are owed and the total  
64 assessed valuation of the district for the year in which the taxes were due but not  
65 paid. Any district giving such notice to the department of elementary and

66 secondary education shall present verification of the accuracy of such notice  
67 obtained from the clerk of the county levying delinquent taxes. When any of the  
68 delinquent taxes identified by such notice are paid during a four-year period  
69 following the due date, the county clerk shall give notice to the district and the  
70 department of elementary and secondary education, and state aid paid to the  
71 district shall be reduced by an amount equal to the delinquent taxes received plus  
72 interest. The reduction in state aid shall occur over a period not to exceed five  
73 years and the interest rate on excess state aid not refunded shall be six percent  
74 annually.

75           5. If a district receives state aid based on equalized assessed valuation as  
76 determined by subsection 4 of this section and if prior to such notice the district  
77 was paid state aid pursuant to section 163.031, the amount of state aid paid  
78 during the year of such notice and the first year following shall equal the sum of  
79 state aid paid pursuant to section 163.031 plus the difference between the state  
80 aid amount being paid after such notice minus the amount of state aid the district  
81 would have received pursuant to section 163.031 before such notice. To be  
82 eligible to receive state aid based on this provision the district must levy during  
83 the first year following such notice at least the maximum levy permitted school  
84 districts by article X, section 11(b) of the Missouri Constitution and have a  
85 voluntary rollback of its tax rate which is no greater than one cent per one  
86 hundred dollars assessed valuation.

**163.500. During the legislative interim between the second  
2 regular session of the ninety-fifth general assembly and the first  
3 regular session of the ninety-sixth general assembly, the joint  
4 committee on education shall conduct a study on the issue of the timing  
5 of the delivery of state funding for elementary and secondary education  
6 to school districts. The joint committee shall prepare a final report,  
7 together with any recommendations for legislative action deemed  
8 necessary, for submission to the general assembly by December 31,  
9 2010.**

168.500. 1. For the purpose of providing career pay, which shall be a  
2 salary supplement, for public school teachers, which for the purpose of sections  
3 168.500 to 168.515 shall include classroom teachers, librarians, guidance  
4 counselors and certificated teachers who hold positions as school psychological  
5 examiners, parents as teachers educators, school psychologists, special education  
6 diagnosticians and speech pathologists, and are on the district salary schedule,

7 there is hereby created and established a career advancement program which  
8 shall be known as the "Missouri Career Development and Teacher Excellence  
9 Plan", hereinafter known as the "career plan or program". Participation by local  
10 school districts in the career advancement program established under this section  
11 shall be voluntary. The career advancement program is a matching fund program  
12 [of variable match rates]. The general assembly [shall] **may** make an annual  
13 appropriation to the excellence in education fund established under section  
14 160.268, RSMo, for the purpose of providing the state's portion for the career  
15 advancement program. The "Career Ladder Forward Funding Fund" is hereby  
16 established in the state treasury. Beginning with fiscal year 1998 and until the  
17 career ladder forward funding fund is terminated pursuant to this subsection, the  
18 general assembly [shall] **may** appropriate funds to the career ladder forward  
19 funding fund. Notwithstanding the provisions of section 33.080, RSMo, to the  
20 contrary, moneys in the fund shall not be transferred to the credit of the general  
21 revenue fund at the end of the biennium. All interest or other gain received from  
22 investment of moneys in the fund shall be credited to the fund. All funds  
23 deposited in the fund shall be maintained in the fund until such time as the  
24 balance in the fund at the end of the fiscal year is equal to or greater than the  
25 appropriation for the career ladder program for the following year, at which time  
26 all such revenues shall be used to fund, in advance, the career ladder program for  
27 such following year and the career ladder forwarding funding fund shall  
28 thereafter be terminated.

29 2. The department of elementary and secondary education, at the  
30 direction of the commissioner of education, shall study and develop model career  
31 plans which shall be made available to the local school districts. These state  
32 model career plans shall:

33 (1) Contain three steps or stages of career advancement;

34 (2) Contain a detailed procedure for the admission of teachers to the  
35 career program;

36 (3) Contain specific criteria for career step qualifications and  
37 attainment. These criteria shall clearly describe the minimum number of  
38 professional responsibilities required of the teacher at each stage of the plan and  
39 shall include reference to classroom performance evaluations performed pursuant  
40 to section 168.128;

41 (4) Be consistent with the teacher certification process recommended by  
42 the Missouri advisory council of certification for educators and adopted by the

43 department of elementary and secondary education;

44 (5) Provide that public school teachers in Missouri shall become eligible  
45 to apply for admission to the career plans adopted under sections 168.500 to  
46 168.515 after five years of public school teaching in Missouri. All teachers  
47 seeking admission to any career plan shall, as a minimum, meet the requirements  
48 necessary to obtain the first renewable professional certificate as provided in  
49 section 168.021;

50 (6) Provide procedures for appealing decisions made under career plans  
51 established under sections 168.500 to 168.515.

52 3. The commissioner of education shall cause the department of  
53 elementary and secondary education to establish guidelines for all career plans  
54 established under this section, and criteria that must be met by any school  
55 district which seeks funding for its career plan.

56 4. A participating local school district may have the option of  
57 implementing a career plan developed by the department of elementary and  
58 secondary education or a local plan which has been developed with advice from  
59 teachers employed by the district and which has met with the approval of the  
60 department of elementary and secondary education. In approving local career  
61 plans, the department of elementary and secondary education may consider  
62 provisions in the plan of the local district for recognition of teacher mobility from  
63 one district to another within this state.

64 5. The career plans of local school districts shall not discriminate on the  
65 basis of race, sex, religion, national origin, color, creed, or age. Participation in  
66 the career plan of a local school district is optional, and any teacher who declines  
67 to participate shall not be penalized in any way.

68 6. In order to receive funds under this section, a school district which is  
69 not subject to section 162.920, RSMo, must have a total levy for operating  
70 purposes which is in excess of the amount allowed in section 11(b) of article X of  
71 the Missouri Constitution; and a school district which is subject to section  
72 162.920, RSMo, must have a total levy for operating purposes which is equal to  
73 or in excess of twenty-five cents on each hundred dollars of assessed valuation.

74 7. The commissioner of education shall cause the department of  
75 elementary and secondary education to regard a speech pathologist who holds  
76 both a valid certificate of license to teach and a certificate of clinical competence  
77 to have fulfilled the standards required to be placed on stage III of the career  
78 program, provided that such speech pathologist has been employed by a public

79 school in Missouri for at least five years and is approved for placement at such  
80 stage III by the local school district.

81 **8. Beginning in fiscal year 2012, the state portion of career ladder**  
82 **payments shall only be made available to local school districts if the**  
83 **general assembly makes an appropriation for such program. Payments**  
84 **authorized under sections 168.500 to 168.515 shall only be made**  
85 **available in a year for which a state appropriation is made. Any state**  
86 **appropriation shall be made prospectively in relation to the year in**  
87 **which work under the program is performed.**

88 **9. Nothing in this section shall be construed to prohibit a local**  
89 **school district from funding the program for its teachers, for work**  
90 **performed in years for which no state appropriation is made available.**

168.515. 1. Each teacher selected to participate in a career plan  
2 established under sections 168.500 to 168.515, who meets the requirements of  
3 such plan, [shall] **may** receive a salary supplement, the state's share of which  
4 shall be distributed under section 163.031, RSMo, equal to the following amounts  
5 applied to the career ladder entitlement of section 163.031, RSMo:

6 (1) Career stage I teachers may receive up to an additional one thousand  
7 five hundred dollars per school year;

8 (2) Career stage II teachers may receive up to an additional three  
9 thousand dollars per school year;

10 (3) Career stage III teachers may receive up to an additional five  
11 thousand dollars per school year. All teachers within each stage within the same  
12 school district shall receive equal salary supplements.

13 2. The state [shall] **may** make payments pursuant to section 163.031,  
14 RSMo, to the local school district for the purpose of [reimbursing] **providing**  
15 **funding to** the local school district for the payment of any salary supplements  
16 provided for in this section, subject to the availability of funds as appropriated  
17 each year and distributed on a [variable match formula which shall] **matching**  
18 **basis where the percentage of state funding shall be forty percent and**  
19 **the percentage of local funding shall be sixty percent.** [be based on  
20 assessed valuation of the district for the second preceding school year.

21 3. In distributing these matching funds, school districts shall be ranked  
22 by the assessed valuation for the second preceding school year per weighted  
23 average daily attendance from the highest to the lowest and divided into three  
24 groups. Group one shall contain the highest twenty-five percent of all public

25 school districts, groups two and three combined shall contain the remaining  
 26 seventy-five percent of all public school districts. The districts in groups two and  
 27 three shall be rank-ordered from largest to smallest based on enrollment as of the  
 28 last Wednesday in September during the second preceding school year, group two  
 29 shall contain twenty-five percent of all public school districts that are larger on  
 30 the enrollment-based rank-ordered list and group three shall contain the  
 31 remaining fifty percent of all public school districts. Pursuant to subsection 4 of  
 32 this section, districts in group one shall receive forty percent state funding and  
 33 shall contribute sixty percent local funding, group two shall receive fifty percent  
 34 state funding and shall contribute fifty percent local funding and group three  
 35 shall receive sixty percent state funding and shall contribute forty percent local  
 36 funding.

37 4. The incremental groups are as follows:

38	Percentage	Percentage	Percentage
39	Group of Districts	of State Funding	of Local Funding
40	1 25%	40%	60%
41	2 25%	50%	50%
42	3 50%	60%	40%

43 5. Beginning in the 1996-97 school year, any school district in any group  
 44 which participated in the career ladder program in 1995-96 and paid less than  
 45 the local funding percentage required by subsection 4 of this section shall  
 46 increase its local share of career ladder costs by five percentage points from the  
 47 preceding year until the district pays the percentage share of cost required by  
 48 subsection 4 of this section, and in no case shall the local funding percentage be  
 49 increased by a greater amount for any year. For any district, the state payment  
 50 shall not exceed the local payment times the state percentage share divided by  
 51 the local percentage share. Except as provided in subsection 10 of this section,  
 52 any district not participating in the 1995-96 school year or any district which  
 53 interrupts its career ladder program for any subsequent year shall enter the  
 54 program on the cost-sharing basis required by subsection 4 of this section.]

55 [6.] 3. Not less than every fourth year, beginning with calendar year  
 56 1988, the general assembly, through the joint committee established under  
 57 section 160.254, RSMo, shall review the amount of the career pay provided for in  
 58 this section to determine if any increases are necessary to reflect the increases  
 59 in the cost of living which have occurred since the salary supplements were last  
 60 reviewed or set.



61 [7.] 4. To participate in the salary supplement program established under  
62 this section, a school district may submit to the voters of the district a proposition  
63 to increase taxes for this purpose. If a school district's current tax rate ceiling  
64 is at or above the rate from which an increase would require a two-thirds  
65 majority, the school board may submit to the voters of the district a proposition  
66 to reduce or eliminate the amount of the levy reduction resulting from section  
67 164.013, RSMo. If a majority of the voters voting thereon vote in favor of the  
68 proposition, the board may certify that seventy-five percent of the revenue  
69 generated from this source shall be used to implement the salary supplement  
70 program established under this section.

71 [8.] 5. In no case shall a school district use state funds received under  
72 this section nor local revenue generated from a tax established under subsection  
73 7 of this section to comply with the minimum salary requirements for teachers  
74 established pursuant to section 163.172, RSMo.

75 [9. Beginning in the 1996-97 school year, for any teacher who participated  
76 in the career program in the 1995-96 school year, continues to participate in the  
77 program thereafter, and remains qualified to receive career pay pursuant to  
78 section 168.510, the state's share of the teacher's salary supplement shall  
79 continue to be the percentage paid by the state in the 1995-96 school year,  
80 notwithstanding any provisions of subsection 4 of this section to the contrary, and  
81 the state shall continue to pay such percentage of the teacher's salary supplement  
82 until any of the following occurs:

- 83 (1) The teacher ceases his or her participation in the program; or  
84 (2) The teacher suspends his or her participation in the program for any  
85 school year after the 1995-96 school year. If the teacher later resumes  
86 participation in the program, the state funding shall be subject to the provisions  
87 of subsection 4 of this section.

88 10. Any school district that participated in the career ladder program  
89 prior to the 2001-02 school year but ceased its participation at any time from July  
90 1, 2001, to July 1, 2005, may resume participation in the program no later than  
91 July 1, 2006, at the same matching level, pursuant to subsections 4 and 5 of this  
92 section, for which the district qualified during its last year of participation.]

Section B. Because of the need to provide adequate funding to public  
2 schools, the repeal and reenactment of sections 163.031, 163.036, 168.500, and  
3 168.515 of this act is deemed necessary for the immediate preservation of the  
4 public health, welfare, peace and safety, and is hereby declared to be an

5 emergency act within the meaning of the constitution, and the repeal and  
6 reenactment of sections 163.031, 163.036, 168.500, and 168.515 of this act shall  
7 be in full force and effect upon its passage and approval or July 1, 2010,  
8 whichever occurs later.

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Unofficial

Bill

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