

SECOND REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 1380
92ND GENERAL ASSEMBLY

Reported from the Committee on Education February 11, 2004, with recommendation that the House Committee Substitute for House Bill No. 1380 Do Pass.

STEPHEN S. DAVIS, Chief Clerk

3537L.02C

AN ACT

To repeal sections 163.031 and 168.515, RSMo, and to enact in lieu thereof two new sections relating to the career ladder program for teachers, with an emergency clause.

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

Section A. Sections 163.031 and 168.515, RSMo, are repealed and two new sections
2 enacted in lieu thereof, to be known as sections 163.031 and 168.515, to read as follows:

163.031. 1. School districts which meet the requirements of section 163.021 shall be
2 entitled to an amount computed as follows: an amount determined by multiplying the number
3 of eligible pupils by the lesser of the district's equalized operating levy for school purposes as
4 defined in section 163.011 or two dollars and seventy-five cents per one hundred dollars assessed
5 valuation multiplied by the guaranteed tax base per eligible pupil times the proration factor plus
6 an amount determined by multiplying the number of eligible pupils by the greater of zero or the
7 district's equalized operating levy for school purposes as defined in section 163.011 minus two
8 dollars and seventy-five cents per one hundred dollars assessed valuation multiplied by the
9 guaranteed tax base per eligible pupil times the proration factor. For the purposes of this section,
10 the proration factor shall be equal to the sum of the total appropriation for distribution under
11 subsections 1 and 2 of this section; and the state total of the deductions as calculated in
12 subsection 2 of this section which do not exceed the district entitlements as adjusted by the same
13 proration factor; divided by the amount of the state total of district entitlements before proration
14 as calculated pursuant to this subsection; provided that, if the proration factor so calculated is
15 greater than one, the proration factor for line 1(b) shall be the greater of one or the proration

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

16 factor for line 1(a) minus five hundredths, and provided that if the proration factor so calculated
17 is less than one, the proration factor for line 1(a) shall be the lesser of one or the proration factor
18 for line 1(b) plus five hundredths.

19 2. From the district entitlement for each district there shall be deducted the following
20 amounts: an amount determined by multiplying the district equalized assessed valuation by the
21 district's equalized operating levy for school purposes times the district income factor plus ninety
22 percent of any payment received the current year of protested taxes due in prior years no earlier
23 than the 1997 tax year minus the amount of any protested taxes due in the current year and for
24 which notice of protest was received during the current year; one hundred percent of the amount
25 received the previous year for school purposes from intangible taxes, fines, forfeitures and
26 escheats, payments in lieu of taxes and receipts from state assessed railroad and utility tax,
27 except that any penalty paid after July 1, 1995, by a concentrated animal feeding operation as
28 defined by the department of natural resources rule, **or all moneys received in the Pettis**
29 **County school fund before November 1, 2003, in resolution of environmental law violations**
30 shall not be included; one hundred percent of the amounts received the previous year for school
31 purposes from federal properties pursuant to sections 12.070 and 12.080, RSMo; federal impact
32 aid received the previous year for school purposes pursuant to P.L. 81-874 less fifty thousand
33 dollars multiplied by ninety percent or the maximum percentage allowed by federal regulation
34 if that percentage is less than ninety; fifty percent, or the percentage otherwise provided in
35 section 163.087 of Proposition C revenues received the previous year for school purposes from
36 the school district trust fund pursuant to section 163.087; one hundred percent of the amount
37 received the previous year for school purposes from the fair share fund pursuant to section
38 149.015, RSMo; and one hundred percent of the amount received the previous year for school
39 purposes from the free textbook fund, pursuant to section 148.360, RSMo.

40 3. School districts which meet the requirements of section 163.021 shall receive
41 categorical add-on revenue as provided in this subsection. There shall be individual proration
42 factors for each categorical entitlement provided for in this subsection, and each proration factor
43 shall be determined by annual appropriations, but no categorical proration factor shall exceed the
44 entitlement proration factor established pursuant to subsection 1 of this section, except that the
45 vocational education entitlement proration factor established pursuant to line 16 of subsection
46 6 of this section and the educational and screening program entitlements proration factor
47 established pursuant to line 17 of subsection 6 of this section may exceed the entitlement
48 proration factor established pursuant to subsection 1 of this section **and further provided that**
49 **the career ladder entitlement established under line 15 of subsection 6 of this section shall**
50 **not be prorated.** The categorical add-on for the district shall be the sum of: seventy-five
51 percent of the costs of adopting and providing a violence prevention program pursuant to section

52 161.650, RSMo, multiplied by the proration factor; seventy-five percent of the district allowable
53 transportation costs pursuant to section 163.161 multiplied by the proration factor; the special
54 education approved or allowed cost entitlement for the district, provided for by section 162.975,
55 RSMo, multiplied by the proration factor; seventy-five percent of the district gifted education
56 approved or allowable cost entitlement as determined pursuant to section 162.975, RSMo,
57 multiplied by the proration factor; the free and reduced lunch eligible pupil count for the district,
58 as defined in section 163.011, multiplied by twenty percent, for a district with an operating levy
59 in excess of two dollars and seventy-five cents per one hundred dollars assessed valuation, or
60 twenty-two percent, otherwise times the guaranteed tax base per eligible pupil times two dollars
61 and seventy-five cents per one hundred dollars assessed valuation times the proration factor plus
62 the free and reduced lunch eligible pupil count for the district, as defined in section 163.011,
63 times thirty percent times the guaranteed tax base per eligible pupil times the following quantity:
64 ((the greater of zero or the district's operating levy for school purposes minus two dollars and
65 seventy-five cents per one hundred dollars assessed valuation) times one or, beginning in the
66 fifth year following the effective date of this section, the quotient of the district's fiscal
67 instructional ratio of efficiency for the prior year divided by the fiscal year 1998 statewide
68 average fiscal instructional ratio of efficiency, if the district's prior year fiscal instructional ratio
69 of efficiency is at least five percent below the fiscal year 1998 statewide average) times the
70 proration factor, minus court-ordered state desegregation aid received by the district for operating
71 purposes; the career ladder entitlement for the district, as provided for in sections 168.500 to
72 168.515, RSMo, [multiplied by the proration factor]; the vocational education entitlement for
73 the district, as provided for in section 167.332, RSMo, multiplied by the proration factor and the
74 district educational and screening program entitlements as provided for in sections 178.691 to
75 178.699, RSMo, times the proration factor.

76 4. Each district's apportionment shall be the prorated categorical add-ons plus the greater
77 of the district's prorated entitlement minus the total deductions for the district or zero.

78 5. (1) In the 1993-94 school year and all subsequent school years, pursuant to section
79 10(c) of article X of the state constitution, a school district shall adjust upward its operating levy
80 for school purposes to the extent necessary for the district to at least maintain the current
81 operating expenditures per pupil received by the district from all sources in the 1992-93 school
82 year, except that its operating levy for school purposes shall not exceed the highest tax rate in
83 effect subsequent to the 1980 tax year, or the minimum rate required by subsection 2 of section
84 163.021, whichever is less.

85 (2) The revenue per eligible pupil received by a district from the following sources: line
86 1 minus line 10, or zero if line 1 minus line 10 is less than zero, plus line 14 of subsection 6 of
87 this section, shall not be less than the revenue per eligible pupil received by a district in the

88 1992-93 school year from the foundation formula entitlement payment amount plus the amount
89 of line 14 per eligible pupil that exceeds the line 14 per pupil amount from the 1997-98 school
90 year, or the revenue per eligible pupil received by a district in the 1992-93 school year from the
91 foundation formula entitlement payment amount plus the amount of line 14(a) per eligible pupil
92 times the quotient of line 1 minus line 10, divided by the number of eligible pupils, or zero if line
93 1 minus line 10 is less than zero, divided by the revenue per eligible pupil received by the district
94 in the 1992-93 school year from the foundation formula entitlement payment amount, whichever
95 is greater. The department of elementary and secondary education shall make an addition in the
96 payment amount of line 19 of subsection 6 of this section to assure compliance with the
97 provisions contained in this section.

98 (3) For any school district which meets the eligibility criteria for state aid as established
99 in section 163.021, but which under subsections 1 to 4 of this section, receives no state aid for
100 two successive school years, other than categorical add-ons, by August first following the second
101 such school year, the commissioner of education shall present a plan to the superintendent of the
102 school district for the waiver of rules and the duration of said waivers, in order to promote
103 flexibility in the operations of the district and to enhance and encourage efficiency in the delivery
104 of instructional services. The provisions of other law to the contrary notwithstanding, the plan
105 presented to the superintendent shall provide a summary waiver, with no conditions, for the pupil
106 testing requirements pursuant to section 160.257, RSMo. Further, the provisions of other law
107 to the contrary notwithstanding, the plan shall detail a means for the waiver of requirements
108 otherwise imposed on the school district related to the authority of the state board of education
109 to classify school districts pursuant to section 161.092, RSMo, and such other rules as
110 determined by the commissioner of education, except that such waivers shall not include the
111 provisions established pursuant to sections 160.514 and 160.518, RSMo.

112 (4) In the 1993-94 school year and each school year thereafter for two years, those
113 districts which are entitled to receive state aid under subsections 1 to 4 of this section, shall
114 receive state aid in an amount per eligible pupil as provided in this subsection. For the 1993-94
115 school year, the amount per eligible pupil shall be twenty-five percent of the amount of state aid
116 per eligible pupil calculated for the district for the 1993-94 school year pursuant to subsections
117 1 to 4 of this section plus seventy-five percent of the total amount of state aid received by the
118 district from all sources for the 1992-93 school year for which the district is entitled and which
119 are distributed in the 1993-94 school year pursuant to subsections 1 to 4 of this section. For the
120 1994-95 school year, the amount per eligible pupil shall be fifty percent of the amount of state
121 aid per eligible pupil calculated for the district for the 1994-95 school year pursuant to
122 subsections 1 to 4 of this section plus fifty percent of the total amount of state aid received by
123 the district from all sources for the 1992-93 school year for which the district is entitled and

124 which are distributed in the 1994-95 school year pursuant to subsections 1 to 4 of this section.
 125 For the 1995-96 school year, the amount of state aid per eligible pupil shall be seventy-five
 126 percent of the amount of state aid per eligible pupil calculated for the district for the 1995-96
 127 school year pursuant to subsections 1 to 4 of this section plus twenty-five percent of the total
 128 amount of state aid received by the district from all sources for the 1992-93 school year for
 129 which the district is entitled and which are distributed in the 1995-96 school year pursuant to
 130 subsections 1 to 4 of this section. Nothing in this subdivision shall be construed to limit the
 131 authority of a school district to raise its district operating levy pursuant to subdivision (1) of this
 132 subsection.

133 (5) If the total of state aid apportionments to all districts pursuant to subdivision (3) of
 134 this subsection is less than the total of state aid apportionments calculated pursuant to
 135 subsections 1 to 4 of this section, then the difference shall be deposited in the outstanding
 136 schools trust fund. If the total of state aid apportionments to all districts pursuant to subdivision
 137 (1) of this subsection is greater than the total of state aid apportionments calculated pursuant to
 138 subsections 1 to 4 of this section, then funds shall be transferred from the outstanding schools
 139 trust fund to the state school moneys fund to the extent necessary to fund the district entitlements
 140 as modified by subdivision (4) of this subsection for that school year with a district entitlement
 141 proration factor no less than one and such transfer shall be given priority over all other uses for
 142 the outstanding schools trust fund as otherwise provided by law.

143 6. State aid shall be determined as follows:

144 District Entitlement

145 1(a). Number of eligible pupils x (lesser of district's equalized operating levy for school
 146 purposes or two dollars and seventy-five cents per one hundred dollars assessed
 147 valuation) x (proration x GTB per EP) \$......

148 1(b). Number of eligible pupils x (greater of: 0, or district's equalized operating levy for school
 149 purposes minus two dollars and seventy-five cents per one hundred dollars assessed
 150 valuation) x (proration x GTB per EP) \$......

151 Deductions

152 2. District equalized assessed valuation x district income factor x district's equalized
 153 operating levy for school purposes plus ninety percent of any payment received the
 154 current year of protested taxes due in prior years no earlier than the 1997 tax year minus
 155 the amount of any protested taxes due in the current year and for which notice of protest
 156 was received during the current year \$......

157 3. Intangible taxes, fines, forfeitures, escheats, payments in lieu of taxes, etc. (100% of the
 158 amount received the previous year for school purposes) \$......

159 4. Receipts from state assessed railroad and utility tax (100% of the amount received the

160		previous year for school purposes)	\$.....
161	5.	Receipts from federal properties pursuant to sections 12.070 and 12.080, RSMo (100%	
162		of the amount received the previous year for school purposes)	\$.....
163	6.	(Federal impact aid received the previous year for school purposes pursuant to P.L.	
164		81-874 less \$50,000) x 90% or the maximum percentage allowed by federal regulations	
165		if less than 90%	\$.....
166	7.	Fifty percent or the percentage otherwise provided in section 163.087 of Proposition C	
167		receipts from the school district trust fund received the previous year for school purposes	
168		pursuant to section 163.087	\$.....
169	8.	One hundred percent of the amount received the previous year for school purposes from	
170		the fair share fund pursuant to section 149.015, RSMo	\$.....
171	9.	One hundred percent of the amount received the previous year for school purposes from	
172		the free textbook fund pursuant to section 148.360, RSMo	\$.....
173	10.	Total deductions (sum of lines 2-9)	\$.....
174		Categorical Add-ons	
175	11.	The amount distributed pursuant to section 163.161 x proration	\$.....
176	12.	Special education approved or allowed cost entitlement for the district pursuant to section	
177		162.975, RSMo, x proration	\$.....
178	13.	Seventy-five percent of the gifted education approved or allowable cost entitlement as	
179		determined pursuant to section 162.975, RSMo, x proration	\$.....
180	14(a).	Free and reduced lunch eligible pupil count for the district, as defined in section 163.011,	
181		x .20, if operating levy in excess of \$2.75, or .22, otherwise x GTB per EP x \$2.75 per	
182		\$100 AV x proration	\$.....
183	14(b).	Free and reduced lunch eligible pupil count for the district, as defined in section 163.011	
184		x .30 x GTB x ((the greater of zero or the district's adjusted operating levy minus \$2.75	
185		per \$100 AV) x (1.0 or, beginning in the fifth year following the effective date of this	
186		section, the district's FIRE for the prior year/statewide average FIRE for FY 1998, if the	
187		district's prior year FIRE is at least five percent below the FY 1998 statewide average	
188		FIRE) x proration) - court-ordered state desegregation aid received by the district for	
189		operating purposes	\$.....
190	15.	Career ladder entitlement for the district as provided for in sections 168.500 to 168.515,	
191		RSMo[, x proration]	\$.....
192	16.	Vocational education entitlements for the district as provided in section 167.332, RSMo,	
193		x proration	\$.....
194	17.	Educational and screening program entitlements for the district as provided in sections	
195		178.691 to 178.699, RSMo, x proration	\$.....

196 18. Sum of categorical add-ons for the district (sum of lines 11-17) \$.....

197 19. District apportionment (line 18 plus the greater of line 1 minus line 10 or zero) \$.....

198 7. Revenue received for school purposes by each school district pursuant to this section
199 shall be placed in each of the incidental and teachers' funds based on the ratio of the property tax
200 rate in the district for that fund to the total tax rate in the district for the two funds.

201 8. In addition to the penalty for line 14 described in subsection 6 of this section,
202 beginning in school year 2004-05, any increase in a school district's funds received pursuant to
203 line 14 of subsection 6 of this section over the 1997-98 school year shall be reduced by one
204 percent for each full percentage point the percentage of the district's pupils scoring at or above
205 five percent below the statewide average level on either mathematics or reading is less than
206 sixty-five percent.

207 9. If a school district's annual audit discloses that students were inappropriately identified
208 as eligible for free or reduced-price lunch and the district does not resolve the audit finding, the
209 department of elementary and secondary education shall require that the amount of line 14 aid
210 paid on the inappropriately identified pupils be repaid by the district in the next school year and
211 shall additionally impose a penalty of one hundred percent of the line 14 aid paid on such pupils,
212 which penalty shall also be paid within the next school year. Such amounts may be repaid by
213 the district through the withholding of the amount of state aid.

168.515. 1. Each teacher selected to participate in a career plan established under
2 sections 168.500 to 168.515, who meets the requirements of such plan, shall receive a salary
3 supplement, the state's share of which shall be distributed under section 163.031, RSMo, equal
4 to the following amounts [multiplied by the proration factor applied to the career ladder
5 entitlement of line 15 of subsection 6 of section 163.031, RSMo]:

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

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

10 (3) Career stage III teachers may receive up to an additional five thousand dollars per
11 school year.

12 All teachers within each stage within the same school district shall receive equal salary
13 supplements, **and all teachers shall be required to complete the usual and customary**
14 **amount of additional work required of a teacher at any stage of the career ladder.**

15 2. The state shall make payments pursuant to section 163.031, RSMo, to the local school
16 district for the purpose of reimbursing the local school district for the payment of any salary
17 supplements provided for in this section, subject to the availability of funds as appropriated each
18 year and distributed on a variable match formula which shall be based on equalized assessed

19 valuation of the district for the second preceding school year. A district's equalized assessed
 20 valuation shall be multiplied by the district income factor defined in section 163.011, RSMo, and
 21 shall be known as the adjusted equalized assessed valuation.

22 3. In distributing these matching funds, school districts shall be ranked by the adjusted
 23 equalized assessed valuation for the second preceding school year per eligible pupil from the
 24 highest to the lowest and divided into three groups. Group one shall contain the highest
 25 twenty-five percent of all public school districts, groups two and three combined shall contain
 26 the remaining 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 last Wednesday
 28 in September during the second preceding school year, group two shall contain twenty-five
 29 percent of all public school districts that are larger on the enrollment based rank ordered list and
 30 group three shall contain the remaining fifty percent of all public school districts. Pursuant to
 31 subsection 4 of this section, districts in group one shall receive forty percent state funding and
 32 shall contribute sixty percent local funding, group two shall receive fifty percent state funding
 33 and shall contribute fifty percent local funding and group three shall receive sixty percent state
 34 funding and shall contribute forty percent local funding.

35 4. The incremental groups are as follows:

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

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

51 6. Not less than every fourth year, beginning with calendar year 1988, the general
 52 assembly, through the joint committee established under section 160.254, RSMo, shall review
 53 the amount of the career pay provided for in this section to determine if any increases are
 54 necessary to reflect the increases in the cost of living which have occurred since the salary

55 supplements were last reviewed or set.

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

64 8. In no case shall a school district use state funds received under this section nor local
65 revenue generated from a tax established under subsection 7 of this section to comply with the
66 minimum salary requirements for teachers established pursuant to section 163.172, RSMo.

67 9. Beginning in the 1996-97 school year, for any teacher who participated in the career
68 program in the 1995-96 school year, continues to participate in the program thereafter, and
69 remains qualified to receive career pay pursuant to section 168.510, the state's share of the
70 teacher's salary supplement shall continue to be the percentage paid by the state in the 1995-96
71 school year, notwithstanding any provisions of subsection 4 of this section to the contrary, and
72 the state shall continue to pay such percentage of the teacher's salary supplement until any of the
73 following occurs:

74 (1) The teacher ceases his or her participation in the program; or

75 (2) The teacher suspends his or her participation in the program for any school year after
76 the 1995-96 school year. If the teacher later resumes participation in the program, the state
77 funding shall be subject to the provisions of subsection 4 of this section.

 Section B. Because immediate action is necessary to ensure the funding for career ladder
2 entitlements is coordinated with the new fiscal year, section A of this act is deemed necessary
3 for the immediate preservation of the public health, welfare, peace, and safety, and is hereby
4 declared to be an emergency act within the meaning of the constitution, and section A of this act
5 shall be in full force and effect July 1, 2004, or upon its passage and approval, whichever later
6 occurs.