

AN ACT

To repeal section 162.081, RSMo, and to enact in lieu thereof one new section relating to lapse of district corporate organization.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF MISSOURI, AS FOLLOWS:

Section A. Section 162.081, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 162.081, to read as follows:

162.081. 1. Whenever any school district in this state fails or refuses in any school year to provide for the minimum school term required by section 163.021, RSMo, or is classified unaccredited for two successive school years by the state board of education, its corporate organization shall lapse. The corporate organization of any school district that is classified as unaccredited shall lapse on June thirtieth of the second full school year of such unaccredited classification after the school year during which the unaccredited classification is initially assigned, or at a later date as determined by the state board of education under the circumstances described in subsection 2 of this section.

2. If a school district which has been declared unaccredited achieves provisional accreditation within the initial time period before lapse as stated in subsection 1 of this section, the state board of education shall establish a

subsequent date, not earlier than one full school year nor more than two full school years after the date on which the district achieves provisional accreditation, after which the provisionally accredited district shall lapse unless it achieves full accreditation before the date set by the state board for lapse.

3. Except as provided in subsection 13 of this section, the territory theretofore embraced within any district that lapses pursuant to this section or any portion thereof may be attached to any district for school purposes by the state board of education[; but no school district, except a district classified as unaccredited pursuant to section 163.023, RSMo, and section 160.538, RSMo, shall lapse where provision is lawfully made for the attendance of the pupils of the district at another school district that is classified as provisionally accredited or accredited by the state board of education].

[2. Prior to or at the time any school district in this state shall lapse, but]

4. After the school district has been classified as unaccredited but no later than sixty days after the date upon which the district was classified as unaccredited, the department of elementary and secondary education shall conduct a public hearing with district officials at a location in the unaccredited school district for the purpose of explaining the technical assistance that the department is prepared to offer the district, to take public comments on the district's preliminary plans to

return to accredited status, and to provide information to the patrons of the district regarding the continuation of the educational programs within the district. [The purpose of the hearing shall be to:

(1) Review any plan by the district to return to accredited status; or

(2) Offer any technical assistance that can be provided to the district.

3.] 5. Except as otherwise provided in section 162.1100, [in a metropolitan school district or an urban school district containing most or all of a city with a population greater than three hundred fifty thousand inhabitants and in any other school district if the local board of education does not anticipate a return to accredited status,] the state board of education may appoint a special administrative board to [supervise] monitor the financial operations, maintain and preserve the financial assets or, if warranted, continue operation of the educational programs within the district or what provisions might otherwise be made in the best interest of the education of the children of the district. The special administrative board shall consist of two persons who are residents of the school district, who shall serve without compensation, and a professional administrator, who shall be a resident of Missouri or shall establish a residence in Missouri within ninety days of appointment and shall chair the board and [shall] be compensated, as determined by the state

board of education, in whole or in part with funds from the district. A majority of the members of a special administrative board shall be deemed to have standing in a court of competent jurisdiction to enjoin any action of the school board of the unaccredited district to prevent wastage of the assets of the district.

[4.] 6. Upon lapse of the district, the state board of education may:

(1) Appoint a special administrative board, if such a board has not already been appointed, and authorize the special administrative board to retain the authority granted to a board of education for the operation of all or part of the district;

(2) Within the limits prescribed in subsection 13 of this section, attach the territory of the lapsed district to another district or districts for school purposes; [or]

(3) Establish one or more school districts within the territory of the lapsed district, with a governance structure consistent with the laws applicable to districts of a similar size, with the option of permitting a district to remain intact for the purposes of assessing, collecting, and distributing property taxes, to be distributed equitably on a per eligible pupil basis, but to be divided for operational purposes, which shall take effect sixty days after the adjournment of the regular session of the general assembly next following the state board's decision unless a statute or concurrent resolution is enacted to

nullify the state board's decision prior to such effective date;
or

(4) Continue operation of the school district under the existing governance structure under terms and conditions established by the state board of education.

7. The special administrative board may retain the authority granted to a board of education for the operation of the lapsed school district under the laws of the state in effect at the time of the lapse.

[5.] 8. The authority of the special administrative board shall expire at the end of the third full school year following its appointment, unless extended by the state board of education. If the lapsed district is reassigned, the special administrative board shall provide an accounting of all funds, assets and liabilities of the lapsed district and transfer such funds, assets, and liabilities of the lapsed district as determined by the state board of education.

[6.] 9. Upon recommendation of the special administrative board, the state board of education may assign the funds, assets and liabilities of the lapsed district to another district or districts. Upon assignment, all authority of the special administrative board shall transfer to the assigned districts.

[7.] 10. Neither the special administrative board nor any district or other entity assigned territory, assets or funds from a lapsed district shall be considered a successor entity for the

purpose of employment contracts, unemployment compensation payment pursuant to section 288.110, RSMo, or any other purpose.

[8.] 11. If additional teachers are needed by a district as a result of increased enrollment due to the annexation of territory of a lapsed or dissolved district, such district shall grant an employment interview to any permanent teacher of the lapsed or dissolved district upon the request of such permanent teacher.

[9.] 12. (1) The governing body of a school district, upon an initial declaration by the state board of education that such district is provisionally accredited, may, and, upon an initial declaration by the state board of education that such district is unaccredited, shall develop a plan to be submitted to the voters of the school district to divide the school district if the district cannot attain accreditation within three years of the initial declaration that such district is unaccredited. In the case of such a district being declared unaccredited, such plan shall be presented to the voters of the district before the district lapses. In the case of such a district being declared provisionally accredited, such plan may be presented before the close of the current accreditation cycle.

(2) The plan may provide that the school district shall remain intact for the purposes of assessing, collecting and distributing taxes for support of the schools, and the governing body of the district shall develop a plan for the distribution of

such taxes equitably on a per pupil basis if the district selects this option.

(3) The makeup of the new districts shall be racially balanced as far as the proportions of students allow.

(4) If a majority of the district's voters approve the plan, the state board of education shall cooperate with the local board of education to implement the plan, which may include use of the provisions of this section to provide an orderly transition to new school districts and achievement of accredited status for such districts.

[10.] 13. In the event that a school district with an enrollment in excess of five thousand pupils lapses, no school district shall have all or any part of such lapsed school district attached without the approval of the board of the receiving school district.