# SECOND REGULAR SESSION SENATE COMMITTEE SUBSTITUTE FOR HOUSE COMMITTEE SUBSTITUTE FOR

# HOUSE BILL NO. 1040

HOUSE COMMITTEE SUBSTITUTE FOR

# HOUSE BILL NO. 1041

#### 92ND GENERAL ASSEMBLY

Reported from the Committee on Education, April 23, 2004, with recommendation that the Senate Committee Substitute do pass. TERRY L. SPIELER, Secretary. 3701S.08C

### AN ACT

To repeal sections 105.454, 160.254, 162.700, 163.031, 163.036, 165.301, 167.031, 167.051, 168.104, 168.124, 168.126, 168.221, 168.303, 168.500, 168.515, 169.270, 169.291, 169.295, 169.322, 169.596, 169.712, 172.360, 174.453, 209.321, 302.272, and 393.310, RSMo, and to enact in lieu thereof thirty new sections relating to school personnel, with an emergency clause for certain sections.

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

Section A. Sections 105.454, 160.254, 162.700, 163.031, 163.036, 165.301, 167.031,
167.051, 168.104, 168.124, 168.126, 168.221, 168.303, 168.500, 168.515, 169.270, 169.291,
169.295, 169.322, 169.596, 169.712, 172.360, 174.453, 209.321, 302.272, and 393.310,
RSMo, are repealed and thirty new sections enacted in lieu thereof, to be known as
sections 105.454, 160.254, 162.032, 162.700, 163.031, 163.036, 165.301, 167.031, 167.051,
167.052, 168.104, 168.124, 168.126, 168.221, 168.303, 168.500, 168.515, 169.270, 169.291,
169.295, 169.322, 169.596, 169.712, 172.360, 174.453, 209.321, 302.272, 393.310, 1, and
2, to read as follows:

105.454. No elected or appointed official or employee of the state or any political2 subdivision thereof, serving in an executive or administrative capacity, shall:

3 (1) Perform any service for any agency of the state, or for any political
4 subdivision thereof in which he or she is an officer or employee or over which he or she
5 has supervisory power for receipt or payment of any compensation, other than of the

6 compensation provided for the performance of his or her official duties, in excess of five
7 hundred dollars per transaction or one thousand five hundred dollars per annum, or in
8 the case of a school board five thousand dollars per annum, except on
9 transactions made pursuant to an award on a contract let or sale made after public
10 notice and competitive bidding, provided that the bid or offer is the lowest received.

11 (2) Sell, rent or lease any property to any agency of the state, or to any political 12subdivision thereof in which he or she is an officer or employee or over which he or she has supervisory power and received consideration therefor in excess of five hundred 13dollars per transaction or one thousand five hundred dollars per year, or in the case 14of a school board five thousand dollars per annum, unless the transaction is made 15pursuant to an award on a contract let or sale made after public notice and in the case 16of property other than real property, competitive bidding, provided that the bid or offer 1718accepted is the lowest received;

19(3) Participate in any matter, directly or indirectly, in which he or she attempts 20to influence any decision of any agency of the state, or political subdivision thereof in 21which he or she is an officer or employee or over which he or she has supervisory power, 22when he or she knows the result of such decision may be the acceptance of the performance of a service or the sale, rental, or lease of any property to that agency for 23consideration in excess of five hundred dollars' value per transaction or one thousand 24five hundred dollars' value per annum to him or her, to his or her spouse, to a dependent 25child in his or her custody or to any business with which he or she is associated unless 2627the transaction is made pursuant to an award on a contract let or sale made after public notice and in the case of property other than real property, competitive bidding, provided 28that the bid or offer accepted is the lowest received; 29

30 (4) Perform any services during the time of his or her office or employment for 31 any consideration from any person, firm or corporation, other than the compensation 32 provided for the performance of his or her official duties, by which service he or she 33 attempts to influence a decision of any agency of the state, or of any political subdivision 34 in which he or she is an officer or employee or over which he or she has supervisory 35 power;

(5) Perform any service for consideration, during one year after termination of his or her office or employment, by which performance he or she attempts to influence a decision of any agency of the state, or a decision of any political subdivision in which he or she was an officer or employee or over which he or she had supervisory power, except that this provision shall not be construed to prohibit any person from performing such service and receiving compensation therefor, in any adversary proceeding or in the

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42preparation or filing of any public document or to prohibit an employee of the executive department from being employed by any other department, division or agency of the 4344 executive branch of state government. For purposes of this subdivision, within ninety days after assuming office, the governor shall by executive order designate those 4546members of his or her staff who have supervisory authority over each department, division or agency of state government for purposes of application of this 47subdivision. The executive order shall be amended within ninety days of any change in 48the supervisory assignments of the governor's staff. The governor shall designate not 49less than three staff members pursuant to this subdivision; 50

6) Perform any service for any consideration for any person, firm or corporation after termination of his or her office or employment in relation to any case, decision, proceeding or application with respect to which he or she was directly concerned or in which he or she personally participated during the period of his or her service or employment.

160.254. 1. There is hereby established a joint committee of the general assembly, which shall be known as the "Joint Committee on Education", which shall be composed of [five] seven members of the senate and [five] seven members of the house of representatives. The senate members of the committee shall be appointed by the president pro tem of the senate and the house members by the speaker of the house.

6 2. The committee [shall only] may meet and function in [the year 1988 and each 7 fourth year thereafter. Members shall be appointed on the first day of the legislative 8 session in January of every year in which the committee is to meet and function, and 9 shall serve for a period of not less than six months nor more than one year] any year 10 that the president pro tem of the senate and the speaker of the house of 11 representatives appoint members to serve on the committee.

3. The committee shall [be first convened ten days after its appointment and shall] select either a chairman or cochairmen, one of whom shall be a member of the senate and one a member of the house. A majority of the members shall constitute a quorum. Meetings of the committee may be called at such time and place as the chairman or chairmen designate.

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4. The committee shall:

18 (1) Review and monitor the progress of education in the state's public schools;

19 (2) Receive reports from the commissioner of education concerning the public20 schools;

21 (3) Conduct a study and analysis of the public school system;

22 (4) Make recommendations to the general assembly for legislative action; and

(5) Conduct an in-depth study concerning all issues relating to the
equity and adequacy of the distribution of state school aid, teachers' salaries,
funding for school buildings, and overall funding levels for schools and any
other education funding-related issues the committee deems relevant.

5. The committee may make reasonable requests for staff assistance from the research and appropriations staffs of the house and senate and the committee on legislative research, as well as the department of elementary and secondary education [and], the department of higher education, the coordinating board for higher education, the state tax commission, all school districts and other political subdivisions of this state, teachers and teacher groups, business and other commercial interests and any other interested persons.

6. Members **and staff** of the committee shall receive no compensation but may be reimbursed for reasonable and necessary expenses associated with the performance of their official duties.

162.032. If a school district is annexed to an existing district or divided into two or more districts by a vote of the citizens, or is dissolved under the 2lapse procedures in section 162.081, court action, or any other authority of 3 Missouri or federal laws, the successor school district shall become 4 responsible for ensuring access to continuation of health insurance coverage  $\mathbf{5}$ for retired teachers and employees of the district if the original district offers 6 7health insurance coverage to its retirees at the time of its loss of corporate structure. If an original district is divided into multiple successor districts, 8 9 such responsibility shall be assigned to the successor district with the largest 10 eligible pupil count in the most recently completed school year.

162.700. 1. The board of education of each school district in this state, except school districts which are part of a special school district, and the board of education of 2each special school district shall provide special educational services for handicapped 3 children three years of age or more residing in the district as required by P.L. 99-457, 4 as codified and as may be amended. Any child, determined to be handicapped, shall be  $\mathbf{5}$ 6 eligible for such services upon reaching his or her third birthday and state school funds shall be apportioned accordingly. This subsection shall apply to each full school year 7 8 beginning on or after July 1, 1991. In the event that federal funding fails to be appropriated at the authorized level as described in 20 U.S.C. 1419(b)(2), the 9 10 implementation of this subsection relating to services for handicapped children three and four years of age may be delayed until such time as funds are appropriated to meet such 11 level. Each local school district and each special school district shall be responsible to 12

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13engage in a planning process to design the service delivery system necessary to provide special education and related services for children three and four years of age with 1415handicaps. The planning process [may] shall include public, private and private not-for-profit agencies which have provided such services for this population. The school 1617district, or school districts, or special school district, shall be responsible for designing an efficient service delivery system which uses the present resources of the local 18 19 community which may be funded by the department of elementary and secondary education or the department of mental health. School districts may coordinate with 20public, private and private not-for-profit agencies presently in existence. The service 2122delivery system shall be consistent with the requirements of the department of elementary and secondary education to provide appropriate special education services 2324in the least restrictive environment.

25 2. Every local school district or, if a special district is in operation, every special 26 school district shall obtain current appropriate diagnostic reports for each handicapped 27 child prior to assignment in a special program. These records may be obtained with 28 parental permission from previous medical or psychological evaluation, may be provided 29 by competent personnel of such district or special district, or may be secured by such 30 district from competent and qualified medical, psychological or other professional 31 personnel.

32 3. Where special districts have been formed to serve handicapped children under 33 the provisions of sections 162.670 to 162.995, such children shall be educated in 34 programs of the special district, except that component districts may provide education 35 programs for handicapped children ages three and four inclusive in accordance with 36 regulations and standards adopted by the state board of education.

4. For the purposes of this act, remedial reading programs are not a special education service as defined by subdivision (4) of section 162.675 but shall be funded in accordance with the provisions of section 162.975.

5. Any and all state costs required to fund special education services for threeand four-year-old children pursuant to this section shall be provided for by a specific, separate appropriation and shall not be funded by a reallocation of money appropriated for the public school foundation program.

6. School districts providing early childhood special education shall give [preference] consideration to the value of continuing services with Part C providers for the remainder of the school year when developing an individualized education program for a student who [had] has received services pursuant to Part C of the Individuals With Disabilities Education Act[, to continue services with the student's 49 Part C provider, unless this would result in a cost which exceeds the average cost per 50 student in early childhood special education for the district responsible for educating the 51 student] and reaches the age of three years during a regular school 52 year. Services provided shall be only those permissible according to Section 619 of the 53 Individuals with Disabilities Education Act.

547. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo, that is created under the authority delegated in this section shall become effective only 55if it complies with and is subject to all of the provisions of chapter 536, RSMo, and, if 56applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are 57nonseverable and if any of the powers vested with the general assembly pursuant to 58chapter 536, RSMo, to review, to delay the effective date or to disapprove and annul a 5960 rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2002, shall be invalid and void. 61

163.031. 1. School districts which meet the requirements of section 163.021 shall be entitled to an amount computed as follows: an amount determined by multiplying the  $\mathbf{2}$ 3 number of eligible pupils by the lesser of the district's equalized operating levy for school 4 purposes as defined in section 163.011 or two dollars and seventy-five cents per one hundred dollars assessed valuation multiplied by the guaranteed tax base per eligible 5pupil times the proration factor plus an amount determined by multiplying the number 6 7 of eligible pupils by the greater of zero or the district's equalized operating levy for school purposes as defined in section 163.011 minus two dollars and seventy-five cents 8 per one hundred dollars assessed valuation multiplied by the guaranteed tax base per 9 eligible pupil times the proration factor. For the purposes of this section, the proration 10 factor shall be equal to the sum of the total appropriation for distribution under 11 12subsections 1 and 2 of this section; and the state total of the deductions as calculated in subsection 2 of this section which do not exceed the district entitlements as adjusted by 13the same proration factor; divided by the amount of the state total of district 14entitlements before proration as calculated pursuant to this subsection; provided that, 1516if the proration factor so calculated is greater than one, the proration factor for line 1(b) shall be the greater of one or the proration factor for line 1(a) minus five hundredths, 1718and provided that if the proration factor so calculated is less than one, the proration factor for line 1(a) shall be the lesser of one or the proration factor for line 1(b) plus five 1920hundredths.

21 2. From the district entitlement for each district there shall be deducted the 22 following amounts: an amount determined by multiplying the district equalized assessed 23 valuation by the district's equalized operating levy for school purposes times the district

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24income factor plus ninety percent of any payment received the current year of protested taxes due in prior years no earlier than the 1997 tax year minus the amount of any 2526protested taxes due in the current year and for which notice of protest was received during the current year; one hundred percent of the amount received the previous year 2728for school purposes from intangible taxes, fines, forfeitures and escheats, payments in 29lieu of taxes and receipts from state assessed railroad and utility tax, except that any 30 penalty paid after July 1, 1995, by a concentrated animal feeding operation as defined by the department of natural resources rule shall not be included; one hundred percent 3132of the amounts received the previous year for school purposes from federal properties pursuant to sections 12.070 and 12.080, RSMo; federal impact aid received the previous 33 year for school purposes pursuant to P.L. 81-874 less fifty thousand dollars multiplied 34by ninety percent or the maximum percentage allowed by federal regulation if that 3536 percentage is less than ninety; fifty percent, or the percentage otherwise provided in 37section 163.087 of Proposition C revenues received the previous year for school purposes 38from the school district trust fund pursuant to section 163.087; one hundred percent of 39 the amount received the previous year for school purposes from the fair share fund 40 pursuant to section 149.015, RSMo; and one hundred percent of the amount received the previous year for school purposes from the free textbook fund, pursuant to section 4142148.360, RSMo.

433. School districts which meet the requirements of section 163.021 shall receive categorical add-on revenue as provided in this subsection. With the exception of the 44career ladder entitlement, there shall be individual proration factors for each 45categorical entitlement provided for in this subsection, and each proration factor shall 46be determined by annual appropriations, but no categorical proration factor shall exceed 47the entitlement proration factor established pursuant to subsection 1 of this section, 4849except that the vocational education entitlement proration factor established pursuant to line 16 of subsection 6 of this section and the educational and screening program 50entitlements proration factor established pursuant to line 17 of subsection 6 of this 5152section may exceed the entitlement proration factor established pursuant to subsection 1 of this section. The categorical add-on for the district shall be the sum of: seventy-five 5354percent of the costs of adopting and providing a violence prevention program pursuant to section 161.650, RSMo, multiplied by the proration factor; seventy-five percent of the 5556district allowable transportation costs pursuant to section 163.161 multiplied by the proration factor; the special education approved or allowed cost entitlement for the 57district, provided for by section 162.975, RSMo, multiplied by the proration factor; 58seventy-five percent of the district gifted education approved or allowable cost 59

60 entitlement as determined pursuant to section 162.975, RSMo, multiplied by the proration factor; the free and reduced lunch eligible pupil count for the district, as 6162defined in section 163.011, multiplied by twenty percent, for a district with an operating levy in excess of two dollars and seventy-five cents per one hundred dollars assessed 63valuation, or twenty-two percent, otherwise times the guaranteed tax base per eligible 64 pupil times two dollars and seventy-five cents per one hundred dollars assessed 6566 valuation times the proration factor plus the free and reduced lunch eligible pupil count for the district, as defined in section 163.011, times thirty percent times the guaranteed 67 tax base per eligible pupil times the following quantity: ((the greater of zero or the 68 district's operating levy for school purposes minus two dollars and seventy-five cents per 69 one hundred dollars assessed valuation) times one or, beginning in the fifth year 70following the effective date of this section, the quotient of the district's fiscal 71instructional ratio of efficiency for the prior year divided by the fiscal year 1998 72statewide average fiscal instructional ratio of efficiency, if the district's prior year fiscal 73instructional ratio of efficiency is at least five percent below the fiscal year 1998 7475statewide average) times the proration factor, minus court-ordered state desegregation 76aid received by the district for operating purposes; the career ladder entitlement for the district, as provided for in sections 168.500 to 168.515, RSMo, [multiplied by the 77 proration factor]; the vocational education entitlement for the district, as provided for 78in section 167.332, RSMo, multiplied by the proration factor and the district educational 79and screening program entitlements as provided for in sections 178.691 to 178.699, 80 81 RSMo, times the proration factor.

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

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

92 (2) The revenue per eligible pupil received by a district from the following
93 sources: line 1 minus line 10, or zero if line 1 minus line 10 is less than zero, plus line
94 14 of subsection 6 of this section, shall not be less than the revenue per eligible pupil
95 received by a district in the 1992-93 school year from the foundation formula entitlement

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96 payment amount plus the amount of line 14 per eligible pupil that exceeds the line 14 97 per pupil amount from the 1997-98 school year, or the revenue per eligible pupil received 98 by a district in the 1992-93 school year from the foundation formula entitlement payment amount plus the amount of line 14(a) per eligible pupil times the quotient of line 1 minus 99 100 line 10, divided by the number of eligible pupils, or zero if line 1 minus line 10 is less 101 than zero, divided by the revenue per eligible pupil received by the district in the 1992-93 school year from the foundation formula entitlement payment amount, 102103 whichever is greater. The department of elementary and secondary education shall make 104 an addition in the payment amount of line 19 of subsection 6 of this section to assure 105 compliance with the provisions contained in this section.

106 (3) For any school district which meets the eligibility criteria for state aid as 107 established in section 163.021, but which under subsections 1 to 4 of this section, 108receives no state aid for two successive school years, other than categorical add-ons, by 109 August first following the second such school year, the commissioner of education shall present a plan to the superintendent of the school district for the waiver of rules and the 110 111 duration of said waivers, in order to promote flexibility in the operations of the district 112and to enhance and encourage efficiency in the delivery of instructional services. The provisions of other law to the contrary notwithstanding, the plan presented to the 113114superintendent shall provide a summary waiver, with no conditions, for the pupil testing requirements pursuant to section 160.257, RSMo. Further, the provisions of other law 115116 to the contrary notwithstanding, the plan shall detail a means for the waiver of requirements otherwise imposed on the school district related to the authority of the 117 118state board of education to classify school districts pursuant to section 161.092, RSMo, and such other rules as determined by the commissioner of education, except that such 119120 waivers shall not include the provisions established pursuant to sections 160.514 and 160.518, RSMo. 121

(4) In the 1993-94 school year and each school year thereafter for two years, 122123those districts which are entitled to receive state aid under subsections 1 to 4 of this 124section, shall receive state aid in an amount per eligible pupil as provided in this 125subsection. For the 1993-94 school year, the amount per eligible pupil shall be 126twenty-five percent of the amount of state aid per eligible pupil calculated for the district 127for the 1993-94 school year pursuant to subsections 1 to 4 of this section plus 128seventy-five percent of the total amount of state aid received by the district from all 129sources for the 1992-93 school year for which the district is entitled and which are 130distributed in the 1993-94 school year pursuant to subsections 1 to 4 of this section. For the 1994-95 school year, the amount per eligible pupil shall be fifty percent of the 131

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132amount of state aid per eligible pupil calculated for the district for the 1994-95 school 133year pursuant to subsections 1 to 4 of this section plus fifty percent of the total amount 134of state aid received by the district from all sources for the 1992-93 school year for which the district is entitled and which are distributed in the 1994-95 school year pursuant to 135136 subsections 1 to 4 of this section. For the 1995-96 school year, the amount of state aid 137per eligible pupil shall be seventy-five percent of the amount of state aid per eligible pupil calculated for the district for the 1995-96 school year pursuant to subsections 1 to 138139 4 of this section plus twenty-five percent of the total amount of state aid received by the 140 district from all sources for the 1992-93 school year for which the district is entitled and which are distributed in the 1995-96 school year pursuant to subsections 1 to 4 of this 141142section. Nothing in this subdivision shall be construed to limit the authority of a school 143district to raise its district operating levy pursuant to subdivision (1) of this subsection.

144(5) If the total of state aid apportionments to all districts pursuant to subdivision 145(3) of this subsection is less than the total of state aid apportionments calculated pursuant to subsections 1 to 4 of this section, then the difference shall be deposited in 146147the outstanding schools trust fund. If the total of state aid apportionments to all 148districts pursuant to subdivision (1) of this subsection is greater than the total of state aid apportionments calculated pursuant to subsections 1 to 4 of this section, then funds 149150shall be transferred from the outstanding schools trust fund to the state school moneys fund to the extent necessary to fund the district entitlements as modified by subdivision 151152(4) of this subsection for that school year with a district entitlement proration factor no less than one and such transfer shall be given priority over all other uses for the 153154outstanding schools trust fund as otherwise provided by law.

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6. State aid shall be determined as follows:

156**District Entitlement** Number of eligible pupils x (lesser of 1571(a). district's equalized operating levy for 158159school purposes or two dollars 160and seventy-five cents per one hundred 161 dollars assessed valuation) x (proration 162x GTB per EP) ...... \$..... Number of eligible pupils x (greater of: 1631(b). 1640, or district's equalized operating levy 165for school purposes minus two dollars and seventy-five cents per one hundred 166 167 dollars assessed valuation) x (proration

168		x GTB per EP)	\$	
169		Deductions		
170	2.	District equalized assessed valuation x		
171		district income factor x district's equalized		
172		operating levy for school purposes		
173		plus ninety percent of any payment		
174		received the current year of protested		
175		taxes due in prior years no earlier than		
176		the 1997 tax year minus the amount of		
177		any protested taxes due in the current		
178		year and for which notice of protest was		
179		received during the current		
180		year	\$	
181	3.	Intangible taxes, fines, forfeitures,		
182		escheats, payments in lieu of		
183		taxes, etc. (100% of the amount		
184		received the previous year for school		
185		purposes)	\$	
186	4.	Receipts from state assessed railroad		
187		and utility tax (100% of the amount		
188		received the previous year for school		
189		purposes)	\$	
190	5.	Receipts from federal properties pursuant		
191		to sections 12.070 and 12.080, RSMo (100%		
192		of the amount received the previous year		
193		for school purposes)	\$	
194	6.	(Federal impact aid received the previous		
195		year for school purposes pursuant to		
196		P.L. 81-874 less \$50,000) x 90% or the		
197		maximum percentage allowed by federal		
198		regulations if less than 90%	\$	
199	7.	Fifty percent or the percentage otherwise		
200		provided in section 163.087 of Proposition		
201		C receipts from the school district trust		
202		fund received the previous year for		
203		school purposes pursuant to section 163.087	\$	

204	8.	One hundred percent of the amount	
205		received the previous year for	
206		school purposes from the fair share	
207		fund pursuant to section 149.015, RSMo	\$
208	9.	One hundred percent of the amount	
209		received the previous year for	
210		school purposes from the free textbook	
211		fund pursuant to section 148.360, RSMo	\$
212	10.	Total deductions (sum of lines 2-9)	\$
213		Categorical Add-ons	
214	11.	The amount distributed pursuant to	
215		section 163.161 x proration	\$
216	12.	Special education approved or allowed	
217		cost entitlement for the district	
218		pursuant to section 162.975, RSMo,	
219		x proration	\$
220	13.	Seventy-five percent of the gifted	
221		education approved or allowable cost	
222		entitlement as determined pursuant to	
223		section 162.975, RSMo, x proration	\$
224	14(a).	Free and reduced lunch eligible pupil	
225		count for the district, as defined in	
226		section 163.011, x .20, if operating	
227		levy in excess of \$2.75, or .22,	
228		otherwise x GTB per EP x \$2.75 per	
229		\$100 AV x proration	\$
230	14(b).	Free and reduced lunch eligible pupil	
231		count for the district, as defined in	
232		section 163.011 x .30 x GTB x ((the	
233		greater of zero or the district's	
234		adjusted operating levy minus \$2.75	
235		per \$100 AV) x (1.0 or, beginning in	
236		the fifth year following the effective	
237		date of this section, the district's	
238		FIRE for the prior year/statewide	
000			

average FIRE for FY 1998, if the

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240		district's prior year FIRE is at	
241		least five percent below the FY 1998	
242		statewide average FIRE) x proration)	
243		- court-ordered state desegregation	
244		aid received by the district for	
245		operating purposes	\$
246	15.	Career ladder entitlement for the district	
247		as provided for in sections 168.500 to 168.515,	
248		RSMo, [x proration]	\$
249	16.	Vocational education entitlements for	
250		the district as provided in section 167.332,	
251		RSMo, x proration	\$
252	17.	Educational and screening program	
253		entitlements for the district as	
254		provided in sections 178.691	
255		to 178.699, RSMo, x proration	\$
256	18.	Sum of categorical add-ons for the district	
257		(sum of lines 11-17)	\$
258	19.	District apportionment (line 18 plus the	
259		greater of line 1 minus line 10 or zero)	\$

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

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

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

276 the next school year. Such amounts may be repaid by the district through the 277 withholding of the amount of state aid.

163.036. 1. In computing the amount of state aid a school district is entitled to receive for the minimum school term only under section 163.031, a school district  $\mathbf{2}$ 3 may use an estimate of the number of eligible pupils for the [ensuing] current year, the number of eligible pupils for the immediately preceding year or the number of eligible 4 pupils for the second preceding school year, whichever is greater. For the 2004-2005 5school year only, in order for a school district to utilize the summer school 6 add-on for eligible pupils as defined in subdivision (8) of section 163.011 from 7the immediately preceding or second preceding school years, the district must 8 provide a state-approved summer-school program in the current year with an 9 average daily attendance that meets or exceeds fifty percent of that district's 10 summer school average daily attendance from the immediately preceding 11 summer. In all other cases, the summer school add-on for eligible pupils shall 12only include those eligible pupils that attended summer school in the current 13year, except that a district may petition the commissioner of education for a 14one time waiver of this provision if the district experiences a natural 15disaster, financial hardship, or other circumstances that may warrant such 1617a waiver. In order to grant such a waiver, the commissioner must determine that a district has made a good-faith effort to operate a complete summer 18 school program with open enrollment to all students. Beginning with the 19 202005-2006 school year, the summer school add-on for eligible pupils as defined in subdivision (8) of section 163.011 shall only include those eligible pupils 21that attended summer school in the current year, except that a district may 2223petition the commissioner of education for a one-time waiver of this provision 24if the district experiences a natural disaster or some other unanticipated 25adverse event. For the 2004-2005 school year, and thereafter, in order for a 26school district to utilize an eligible pupil count for kindergarten from the immediately preceding or second preceding school years, the district must 27schedule the same number of hours on a daily basis in the current year for 28kindergarten instruction as that district scheduled in the immediately 29preceding or second preceding years for kindergarten instruction. In all 30 other cases, the eligible pupils payment shall only include the current year 31kindergarten average daily attendance. Except as otherwise provided in subsection 323 of this section, any error made in the apportionment of state aid because of a difference 33between the actual number of eligible pupils and the estimated number of eligible pupils 34

35 shall be corrected as provided in section 163.091, except that if the amount paid to a 36 district estimating eligible pupils exceeds the amount to which the district was actually 37 entitled by more than five percent, interest at the rate of six percent shall be charged 38 on the excess and shall be added to the amount to be deducted from the district's 39 apportionment the next succeeding year.

2. Notwithstanding the provisions of subsection 1 of this section or any other provision of law, the state board of education shall make an adjustment for the immediately preceding year for any increase in the actual number of eligible pupils above the number on which the state aid in section 163.031 was calculated. Said adjustment shall be made in the manner providing for correction of errors under subsection 1 of this section.

46 3. (1) For any district which has, for at least five years immediately preceding the year in which the error is discovered, adopted a calendar for the school term in which 47elementary schools are in session for twelve months of each calendar year, any error 4849made in the apportionment of state aid to such district because of a difference between 50the actual number of eligible pupils and the estimated number of eligible pupils shall be corrected as provided in section 163.091 and subsection 1 of this section, except that if 51the amount paid exceeds the amount to which the district was actually entitled by more 52than five percent and the district provides written application to the state board 53requesting that the deductions be made pursuant to subdivision (2) of this subsection, 54then the amounts shall be deducted pursuant to subdivision (2) of this subsection. 55

56 (2) For deductions made pursuant to this subdivision, interest at the rate of six 57 percent shall be charged on the excess and shall be included in the amount deducted and 58 the total amount of such excess plus accrued interest shall be deducted from the 59 district's apportionment in equal monthly amounts beginning with the succeeding school 60 year and extending for a period of months specified by the district in its written request 61 and no longer than sixty months.

624. For the purposes of distribution of state school aid pursuant to section 163.031, 63 a school district may elect to use the district's equalized assessed valuation for the preceding year, or an estimate of the current year's assessed valuation if the current 64 65year's equalized assessed valuation is estimated to be more than ten percent less than the district's equalized assessed valuation for the preceding year. A district shall give 66 67 prior notice to the department of its intention to use the current year's assessed valuation pursuant to this subsection. Any error made in the apportionment of state aid 68because of a difference between the actual equalized assessed valuation for the current 69 year and the estimated equalized assessed valuation for the current year shall be 70

71 corrected as provided in section 163.091, except that if the amount paid to a district 72 estimating current equalized assessed valuation exceeds the amount to which the district 73 was actually entitled, interest at the rate of six percent shall be charged on the excess 74 and shall be added to the amount to be deducted from the district's apportionment the 75 next succeeding year.

765. For the purposes of distribution of state school aid pursuant to section 163.031, 77 a school district with ten percent or more of its assessed valuation that is owned by one person or corporation as commercial or personal property who is delinquent in a property 78tax payment may elect, after receiving notice from the county clerk on or before March 79 fifteenth, except in the year enacted, that more than ten percent of its current taxes due 80 the preceding December thirty-first by a single property owner are delinquent, to use on 81 82 line 2 of the state aid formula the district's equalized assessed valuation for the preceding year or the actual assessed valuation of the year for which the taxes are 83 84 delinquent less the assessed valuation of property for which the current year's property 85tax is delinquent. To qualify for use of the actual assessed valuation of the year for 86 which the taxes are delinquent less the assessed valuation of property for which the 87 current year's property tax is delinquent, a district must notify the department of elementary and secondary education on or before April first, except in the year enacted, 88 89 of the current year amount of delinguent taxes, the assessed valuation of such property for which delinquent taxes are owed and the total assessed valuation of the district for 90 the year in which the taxes were due but not paid. Any district giving such notice to the 91 department of elementary and secondary education shall present verification of the 9293accuracy of such notice obtained from the clerk of the county levying delinquent taxes. When any of the delinquent taxes identified by such notice are paid during a four-94 year period following the due date, the county clerk shall give notice to the district and 95the department of elementary and secondary education, and state aid paid to the district 96 97 shall be reduced by an amount equal to the delinquent taxes received plus interest. The 98 reduction in state aid shall occur over a period not to exceed five years and the interest 99 rate on excess state aid not refunded shall be six percent annually.

6. If a district receives state aid based on equalized assessed valuation as determined by subsection 5 of this section and if prior to such notice the district was paid state aid pursuant to subdivision (2) of subsection 5 of section 163.031, the amount of state aid paid during the year of such notice and the first year following shall equal the sum of state aid paid pursuant to line 1 minus line 10 as defined in subsections 1, 2, 3 and 6 of section 163.031 plus the difference between the state aid amount being paid after such notice minus the amount of state aid the district would have received SCS HCS HB 1040 & HCS HB 1041

107 pursuant to line 1 minus line 10 as defined in subsections 1, 2, 3 and 6 of section 163.031 108 before such notice. To be eligible to receive state aid based on this provision the district 109 must levy during the first year following such notice at least the maximum levy 110 permitted school districts by article X, section 11(b) of the Missouri Constitution and 111 have a voluntary rollback of its tax rate which is no greater than one cent per one 112 hundred dollars assessed valuation.

165.301. 1. Subject to the provisions of section 110.030, RSMo, the board of education in each metropolitan district [in each year] shall at least once every five  $\mathbf{2}$ years advertise for bids from the banking institutions in the city for the deposits of the 3 board of education [for the succeeding fiscal year,] to be secured as provided in sections 4 110.010 and 110.020, RSMo. The bids shall specify the rate of interest to be allowed to 5 the board on the deposits and the nature of the security offered. The deposits shall be 6 7awarded [annually] to the banking institutions that offer, with the required security, the highest rate of interest therefor. The board may select as many depositaries for its 8 9 deposits as it deems necessary and the board shall cause contracts [for the ensuing year] 10 to be made with the banking institutions receiving award of deposits. The board shall 11 cause all funds received to be paid into the designated depositaries, allocating funds to 12the depositaries, if more than one depositary has been designated, as the board deems 13proper.

2. The president of the board, [each year] immediately after the selection of the depositary or depositaries of the school moneys [for the succeeding year,] shall notify the treasurer of the state of Missouri and the collector of school taxes in the city of the name of the depositary to which they are to make all payments of money apportioned, belonging to or distributed to the board; and the officers upon making deposits shall take from the depositary duplicate receipts therefor, one of which shall be retained by the officer making the deposits and one delivered to the treasurer of the board.

167.031. 1. Every parent, guardian or other person in this state having charge,  $\mathbf{2}$ control or custody of a child not enrolled in a public, private, parochial, parish school or 3 full-time equivalent attendance in a combination of such schools and between the ages of seven [and sixteen] years and the compulsory attendance age for the district 4  $\mathbf{5}$ is responsible for enrolling the child in a program of academic instruction which complies with subsection 2 of this section. Any parent, guardian or other person who enrolls a 6 7child between the ages of five and seven years in a public school program of academic instruction shall cause such child to attend the academic program on a regular basis, 8 according to this section. Nonattendance by such child shall cause such parent, guardian 9 or other responsible person to be in violation of the provisions of section 167.061, except 10

11 as provided by this section. A parent, guardian or other person in this state having 12 charge, control, or custody of a child between the ages of seven [and sixteen] years of age 13 and the compulsory attendance age for the district shall cause the child to attend 14 regularly some public, private, parochial, parish, home school or a combination of such 15 schools not less than the entire school term of the school which the child attends; except 16 that

(1) A child who, to the satisfaction of the superintendent of public schools of the
district in which he resides, or if there is no superintendent then the chief school officer,
is determined to be mentally or physically incapacitated may be excused from attendance
at school for the full time required, or any part thereof;

(2) A child between fourteen [and sixteen] years of age and the compulsory attendance age for the district may be excused from attendance at school for the full time required, or any part thereof, by the superintendent of public schools of the district, or if there is none then by a court of competent jurisdiction, when legal employment has been obtained by the child and found to be desirable, and after the parents or guardian of the child have been advised of the pending action; or

(3) A child between five and seven years of age shall be excused from attendance
at school if a parent, guardian or other person having charge, control or custody of the
child makes a written request that the child be dropped from the school's rolls.

30 2. (1) As used in sections 167.031 to 167.071, a "home school" is a school,
31 whether incorporated or unincorporated, that:

32 (a) Has as its primary purpose the provision of private or religious-based33 instruction;

(b) Enrolls pupils between the ages of seven [and sixteen] years and the
compulsory attendance age for the district, of which no more than four are
unrelated by affinity or consanguinity in the third degree; and

37 (c) Does not charge or receive consideration in the form of tuition, fees, or other
 38 remuneration in a genuine and fair exchange for provision of instruction;

39 (2) As evidence that a child is receiving regular instruction, the parent shall,
40 except as otherwise provided in this subsection:

41

(a) Maintain the following records:

42 a. A plan book, diary, or other written record indicating subjects taught and 43 activities engaged in; and

44 b. A portfolio of samples of the child's academic work; and

45 c. A record of evaluations of the child's academic progress; or

46 d. Other written, or credible evidence equivalent to subparagraphs a., b. and c.;

47 and

(b) Offer at least one thousand hours of instruction, at least six hundred hours of which will be in reading, language arts, mathematics, social studies and science or academic courses that are related to the aforementioned subject areas and consonant with the pupil's age and ability. At least four hundred of the six hundred hours shall occur at the regular home school location;

(3) The requirements of subdivision (2) of this subsection shall not
apply to any pupil above the age of sixteen years.

3. Nothing in this section shall require a private, parochial, parish or home school to include in its curriculum any concept, topic, or practice in conflict with the school's religious doctrines or to exclude from its curriculum any concept, topic, or practice consistent with the school's religious doctrines. Any other provision of the law to the contrary notwithstanding, all departments or agencies of the state of Missouri shall be prohibited from dictating through rule, regulation or other device any statewide curriculum for private, parochial, parish or home schools.

4. A school year begins on the first day of July and ends on the thirtieth day ofJune following.

5. The production by a parent of a daily log showing that a home school has a course of instruction which satisfies the requirements of this section **or**, **in the case of a pupil over the age of sixteen years who attended a metropolitan school district the previous year, a written statement that the pupil is attending home school in compliance with this section** shall be a defense to any prosecution under this section and to any charge or action for educational neglect brought pursuant to chapter 210, RSMo.

6. As used in sections 167.031 to 167.051, the term "compulsory attendance age for the district" shall mean:

(1) Seventeen years of age for any metropolitan school district for which the school board adopts a resolution to establish such compulsory attendance age; provided that such resolution shall take effect no earlier than the school year next following the school year during which the resolution is adopted; and

78 (2) Sixteen years of age in all other cases.

79 The school board of a metropolitan school district for which the compulsory 80 attendance age is seventeen years may adopt a resolution to lower the 81 compulsory attendance age to sixteen years; provided that such resolution 82 shall take effect no earlier than the school year next following the school year

#### 83 during which the resolution is adopted.

167.051. 1. If a school board establishes part-time schools or classes for children under [sixteen] seventeen years of age, lawfully engaged in any regular employment, every parent, guardian or other person having charge, control or custody of such a child shall cause the child to attend the school not less than four hours a week between the hours of eight o'clock in the morning and five o'clock in the evening during the school year of the part-time classes.

2. All children who are under eighteen years of age, who have not completed the elementary school course in the public schools of Missouri, or its equivalent, and who are not attending regularly any day school shall be required to attend regularly the part-time classes not less than four hours a week between the hours of eight o'clock in the morning and five o'clock in the afternoon during the entire year of the part-time classes.

# 167.052. The provisions of sections 167.031 and 167.051 affecting a 2 metropolitan school district shall be effective for the school year beginning 3 2007-2008 and shall terminate after the school year ending 2011-2012.

168.104. The following words and phrases when used in sections 168.102 to 2 168.130, except in those instances where the context indicates otherwise, mean:

3 (1) "Board of education", the school board or board of directors of a school district,
4 except a metropolitan school district, having general control of the affairs of the district;
5 (2) "Demotion", any reduction in salary or transfer to a position carrying a lower

6 salary, except on request of a teacher, other than any change in salary applicable to all7 teachers or all teachers in a classification;

8 (3) "Indefinite contract", every contract heretofore or hereafter entered into
9 between a school district and a permanent teacher;

10 (4) "Permanent teacher", any teacher who has been employed or who is hereafter employed as a teacher in the same school district for five successive years and who has 11 continued or who thereafter continues to be employed as a teacher by the school district 1213or any supervisor of teachers who was employed as a teacher in the same school district 14for at least five successive years prior to becoming a supervisor of teachers and who continues thereafter to be employed as a certificated employee by the school district; 15except that, when a permanent teacher resigns or is permanently separated from 16employment by a school district, and is afterwards reemployed by the same school 17district, reemployment for the first school year does not constitute an indefinite contract 18but if he is employed for the succeeding year, the employment constitutes an indefinite 19 20contract; and except that any teacher employed under a part-time contract by a school district shall accrue credit toward permanent status on a prorated basis. Any permanent teacher who is promoted with his consent to a supervisory position including principal or assistant principal, or is first employed by a district in a supervisory position including principal or assistant principal, shall not have permanent status in such position but shall retain tenure in the position previously held within the district, or, after serving two years as principal or assistant principal, shall have tenure as a permanent teacher of that system;

(5) "Probationary teacher", any teacher as herein defined who has been employed in the same school district for five successive years or less. In the case of any probationary teacher who has been employed in any other school system as a teacher for two or more years, the board of education shall waive one year of his probationary period;

(6) "School district", every school district in this state, except metropolitan school
 district as defined in section 162.571, RSMo;

35 (7) "Teacher", any employee of a school district, except a metropolitan school 36 district, regularly required to be certified under laws relating to the certification of 37 teachers, except superintendents and assistant superintendents **but including** 38 certified teachers who teach at the pre-kindergarten level in a non-39 metropolitan public school.

168.124. 1. The board of education of a school district may place on leave of absence as many teachers as may be necessary because of a decrease in pupil enrollment, school district reorganization or the financial condition of the school district. In placing teachers on leave, the board of education shall be governed by the following provisions:

5 (1) No permanent teacher shall be placed on leave of absence while probationary
6 teachers are retained in positions for which a permanent teacher is qualified;

7 (2) Permanent teachers shall be retained on the basis of performance-based 8 evaluations and seniority (however, seniority shall not be controlling) within the field 9 of specialization;

10 (3) Permanent teachers shall be reinstated to the positions from which they have 11 been given leaves of absence, or if not available, to positions requiring like training and 12 experience, or to other positions in the school system for which they are qualified by 13 training and experience;

(4) No appointment of new teachers shall be made while there are available
teachers on unrequested leave of absence who are properly qualified to fill such
vacancies;

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(5) A teacher placed on leave of absence may engage in teaching or another

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18 occupation during the period of such leave;

(6) The leave of absence shall not impair the tenure of a teacher;

20 (7) The leave of absence shall continue for a period of not more than three years21 unless extended by the board.

22 2. Should a board of education choose to utilize the mechanism for 23 reducing teacher forces as provided in subsection 1 of this section in an 24 attempt to manage adverse financial conditions caused at least partially by 25 a withholding of, or a decrease or less than expected increase in, education 26 appropriations, then the district additionally shall follow the provisions of 27 subsection 3 of this section.

283. If a school district has an unrestricted combined ending fund balance of more than ten percent of current expenditures in its teachers' and 29incidental funds, and in the subsequent fiscal year such district, because of 30 state appropriations, places a contracted teacher on leave of absence after 3132forty days subsequent to the governor signing the elementary and secondary education appropriation bill, the district shall pay the affected teacher the 33 34greater of their salary for any days worked under the contract, or a sum 35equal to three thousand dollars.

168.126. 1. A board of education at a regular or special meeting may contract with and employ by a majority vote legally qualified probationary teachers for the school  $\mathbf{2}$ district. The contract shall be made by order of the board; shall specify the number of 3 months school is to be taught and the wages per month to be paid; shall be signed by the 4 5probationary teacher and the president of the board, or a facsimile signature of the 6 president may be affixed at his discretion; and the contract shall be attested by the secretary of the board by signature or facsimile. The board shall not employ one of its 7 8 members as a teacher; nor shall any person be employed as a teacher who is related 9 within the fourth degree to any board member, either by consanguinity or affinity, where the vote of the board member is necessary to the selection of the person. 10

11 2. If in the opinion of the board of education any probationary teacher has been 12doing unsatisfactory work, the board of education, through its authorized administrative representative, shall provide the teacher with a written statement definitely setting forth 1314his alleged incompetency and specifying the nature thereof, in order to furnish the teacher an opportunity to correct his fault and overcome his incompetency. If 1516 improvement satisfactory to the board of education has not been made within ninety 17days of the receipt of the notification, the board of education may terminate the employment of the probationary teacher immediately or at the end of the school 18

19year. Any motion to terminate the employment of a probationary teacher shall include 20only one person and must be approved by a majority of the members of the board of 21education. A tie vote thereon constitutes termination. On or before the fifteenth day of April in each school year, the board of education shall notify in writing a probationary 2223teacher who will not be retained by the school district of the termination of his 24employment. Upon request, the notice shall contain a concise statement of the reason or reasons the employment of the probationary teacher is being terminated. If the 25reason for the termination is due to a decrease in pupil enrollment, school 26district reorganization, or the financial condition of the school district, then 2728the district shall in all cases issue notice to the teacher expressly declaring such as the reason for such termination. Nothing contained in this section shall 2930 give rise to a cause of action not currently cognizant at law by a probationary teacher for any reason given in said writing so long as the board issues the letter in good faith 3132without malice, but an action for actual damages may be maintained by any person for 33the deprivation of a right conferred by this act.

3. Any probationary teacher who is not notified of the termination of his 34employment shall be deemed to have been appointed for the next school year, under the 35terms of the contract for the preceding year. A probationary teacher who is informed of 36 37reemployment by written notice shall be tendered a contract on or before the fifteenth day of May, and shall within fifteen days thereafter present to the employing board of 38 education a written acceptance or rejection of the employment tendered, and failure of 39 such teachers to present the acceptance within such time constitutes a rejection of the 40 board's offer. A contract between a probationary teacher and a board of education may 4142be terminated or modified at any time by the mutual consent of the parties thereto.

168.221. 1. The first five years of employment of all teachers entering the  $\mathbf{2}$ employment of the metropolitan school district shall be deemed a period of probation 3 during which period all appointments of teachers shall expire at the end of each school year. During the probationary period any probationary teacher whose work is 4  $\mathbf{5}$ unsatisfactory shall be furnished by the superintendent of schools with a written 6 statement setting forth the nature of his incompetency. If improvement satisfactory to the superintendent is not made within one semester after the receipt of the statement, 7 the probationary teacher shall be dismissed. The semester granted the probationary 8 teacher in which to improve shall not in any case be a means of prolonging the 9 probationary period beyond five years and six months from the date on which the teacher 10entered the employ of the board of education. The superintendent of schools on or before 11 the fifteenth day of April in each year shall notify probationary teachers who will not be 12

13retained by the school district of the termination of their services. Any probationary teacher who is not so notified shall be deemed to have been appointed for the next school 1415year. Any principal who prior to becoming a principal had attained permanent employee status as a teacher shall upon ceasing to be a principal have a right to resume his or her 16permanent teacher position with the time served as a principal being treated as if such 17time had been served as a teacher for the purpose of calculating seniority and pay 18 scale. The rights and duties and remuneration of a teacher who was formerly a principal 19shall be the same as any other teacher with the same level of qualifications and time of 2021service.

22 2. After completion of satisfactory probationary services, appointments of 23 teachers shall become permanent, subject to removal for any one or more causes herein 24 described and to the right of the board to terminate the services of all who attain the age 25 of compulsory retirement fixed by the retirement system. In determining the duration 26 of the probationary period of employment in this section specified, the time of service 27 rendered as a substitute teacher shall not be included.

283. No teacher whose appointment has become permanent may be removed except 29for one or more of the following causes: immorality, inefficiency in line of duty, violation of the published regulations of the school district, violation of the laws of Missouri 30 governing the public schools of the state, or physical or mental condition which 31incapacitates him for instructing or associating with children, and then only by a vote 32of not less than a majority of all the members of the board, upon written charges 33presented by the superintendent of schools, to be heard by the board after thirty days' 34 notice, with copy of the charges served upon the person against whom they are preferred, 35who shall have the privilege of being present, together with counsel, offering evidence 36 and making defense thereto. Notifications received by an employee during a vacation 37period shall be considered as received on the first day of the school term following. At 38 the request of any person so charged the hearing shall be public. The action and 3940 decision of the board upon the charges shall be final. Pending the hearing of the 41 charges, the person charged may be suspended if the rules of the board so prescribe, but in the event the board does not by a majority vote of all the members remove the teacher 4243upon charges presented by the superintendent, the person shall not suffer any loss of salary by reason of the suspension. Inefficiency in line of duty is cause for dismissal 44 45only after the teacher has been notified in writing at least one semester prior to the presentment of charges against him by the superintendent. The notification shall specify 46the nature of the inefficiency with such particularity as to enable the teacher to be 47informed of the nature of his inefficiency. 48

494. No teacher whose appointment has become permanent shall be demoted nor 50shall his salary be reduced unless the same procedure is followed as herein stated for the 51removal of the teacher because of inefficiency in line of duty, and any teacher whose salary is reduced or who is demoted may waive the presentment of charges against him 5253by the superintendent and a hearing thereon by the board. The foregoing provision shall 54apply only to permanent teachers prior to the compulsory retirement age under the retirement system. Nothing herein contained shall in any way restrict or limit the power 55of the board of education to make reductions in the number of teachers or principals, or 56both, because of insufficient funds, decrease in pupil enrollment, or abolition of 57particular subjects or courses of instruction, except that the abolition of particular 58subjects or courses of instruction shall not cause those teachers who have been teaching 5960 the subjects or giving the courses of instruction to be placed on leave of absence as herein provided who are qualified to teach other subjects or courses of instruction, if 6162positions are available for the teachers in the other subjects or courses of instruction.

63 5. Whenever it is necessary to decrease the number of teachers [or principals, or 64 both, because of insufficient funds or a substantial decrease of pupil population within 65the school district, the board of education upon recommendation of the superintendent of schools may cause the necessary number of teachers [or principals, or both,] beginning 66 with those serving probationary periods, to be placed on leave of absence without pay, 67 but only in the inverse order of their appointment. Nothing herein stated shall prevent 68 69 a readjustment by the board of education of existing salary schedules. No teacher [or 70 principal] placed on a leave of absence shall be precluded from securing other employment during the period of the leave of absence. Each teacher [or principal] placed 71on leave of absence shall be reinstated in inverse order of his placement on leave of 72absence. Such reemployment shall not result in a loss of status or credit for previous 73years of service. No new appointments shall be made while there are available teachers 74[or principals] on leave of absence who are seventy years of age or less and who are 7576adequately qualified to fill the vacancy unless the teachers [or principals] fail to advise 77the superintendent of schools within thirty days from the date of notification by the superintendent of schools that positions are available to them that they will return to 7879employment and will assume the duties of the position to which appointed not later than the beginning of the school year next following the date of the notice by the 80 81 superintendent of schools.

6. If any regulation which deals with the promotion of either teachers [or principals, or both,] is amended by increasing the qualifications necessary to be met before a teacher [or principal] is eligible for promotion, the amendment shall fix an effective date which shall allow a reasonable length of time within which teachers [or principals] may become qualified for promotion under the regulations.

168.303. The state board of education shall adopt rules to facilitate job-sharing positions for classroom teachers, as the term "job-sharing" is defined in this section. These rules shall provide that a classroom teacher in a job-sharing position shall receive paid legal holidays, annual vacation leave, sick leave, and personal leave on a pro rata basis. "Job-sharing position" shall mean any position:

6

(1) Shared with one other employee;

7 (2) Requiring employment of at least [seventeen] fifteen hours per week but not
8 more than twenty hours per week on a regular basis; and

9 (3) Requiring at least seventy percent of all time spent in classroom instruction10 as determined by the employer;

provided that, job-sharing position shall not include instructional support or school services positions including, but not limited to, guidance counselor, media coordinator, psychologist, social worker, audiologist, speech and language pathologist, and nursing positions.

168.500. 1. For the purpose of providing career pay, which shall be a salary supplement, for public school teachers, which for the purpose of sections 168.500 to  $\mathbf{2}$ 168.515 shall include classroom teachers, librarians, guidance counselors and certificated 3 teachers who hold positions as school psychological examiners, parents as teachers 4 educators, school psychologists, special education diagnosticians and speech pathologists, 5and are on the district salary schedule, there is hereby created and established a career 6 advancement program which shall be known as the "Missouri Career Development and 7 Teacher Excellence Plan", hereinafter known as the "career plan or 8 program". Participation by local school districts in the career advancement program 9 established under this section shall be voluntary. The career advancement program is 10 a matching fund program of variable match rates. The general assembly shall make an 11 12annual appropriation to the excellence in education fund established under section 13160.268, RSMo, for the purpose of providing the state's portion for the career advancement program. The "Career Ladder Forward Funding Fund" is hereby 14 15established in the state treasury. Beginning with fiscal year 1998 and until the career ladder forward funding fund is terminated pursuant to this subsection, the general 1617assembly shall appropriate funds to the career ladder forward funding fund. Notwithstanding the provisions of section 33.080, RSMo, to the contrary, moneys 18in the fund shall not be transferred to the credit of the general revenue fund at the end 19of the biennium. All interest or other gain received from investment of moneys in the 20

fund shall be credited to the fund. All funds deposited in the fund shall be maintained in the fund until such time as the balance in the fund at the end of the fiscal year is equal to or greater than the appropriation for the career ladder program for the following year, at which time all such revenues shall be used to fund, in advance, the career ladder program for such following year and the career ladder forwarding funding fund shall thereafter be terminated.

27 2. The department of elementary and secondary education, at the direction of the 28 commissioner of education, shall study and develop model career plans which shall be 29 made available to the local school districts. These state model career plans shall:

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

31 (2) Contain a detailed procedure for the admission of teachers to the career32 program;

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

37 (4) Be consistent with the teacher certification process recommended by the
38 Missouri advisory council of certification for educators and adopted by the department
39 of elementary and secondary education;

40 (5) Provide that public school teachers in Missouri shall become eligible to apply 41 for admission to the career plans adopted under sections 168.500 to 168.515 after five 42 years of public school teaching in Missouri. All teachers seeking admission to any career 43 plan shall, as a minimum, meet the requirements necessary to obtain the first renewable 44 professional certificate as provided in section 168.021;

(6) Provide procedures for appealing decisions made under career plansestablished under sections 168.500 to 168.515.

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

4. A participating local school district may have the option of implementing a career plan developed by the department of elementary and secondary education or a local plan which has been developed with advice from teachers employed by the district and which has met with the approval of the department of elementary and secondary education. In approving local career plans, the department of elementary and secondary education may consider provisions in the plan of the local district for recognition of 28

57 teacher mobility from one district to another within this state.

58 5. The career plans of local school districts shall not discriminate on the basis 59 of race, sex, religion, national origin, color, creed, or age. Participation in the career 60 plan of a local school district is optional, and any teacher who declines to participate 61 shall not be penalized in any way.

62 6. In order to receive funds under this section, a school district which is not 63 subject to section 162.920, RSMo, must have a total levy for operating purposes which 64 is in excess of the amount allowed in section 11(b) of article X of the Missouri 65 Constitution; and a school district which is subject to section 162.920, RSMo, must have 66 a total levy for operating purposes which is equal to or in excess of twenty-five cents on 67 each hundred dollars of assessed valuation.

7. The commissioner of education shall cause the department of elementary and secondary education to regard a speech pathologist who holds both a valid certificate of license to teach and a certificate of clinical competence to have fulfilled the standards required to be placed on stage III of the career program, provided that such speech pathologist has been employed by a public school in Missouri for at least five years and is approved for placement at such stage III by the local school district.

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

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

9 (2) Career stage II teachers may receive up to an additional three thousand 10 dollars per school year;

(3) Career stage III teachers may receive up to an additional five thousanddollars per school year.

All teachers within each stage within the same school district shall receive equal salarysupplements.

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

19based on equalized assessed valuation of the district for the second preceding school 20year. A district's equalized assessed valuation shall be multiplied by the district income 21factor defined in section 163.011, RSMo, and shall be known as the adjusted equalized assessed valuation. 22

233. In distributing these matching funds, school districts shall be ranked by the 24adjusted equalized assessed valuation for the second preceding school year per eligible 25pupil from the highest to the lowest and divided into three groups. Group one shall contain the highest twenty-five percent of all public school districts, groups two and 26three combined shall contain the remaining seventy-five percent of all public school 27districts. The districts in groups two and three shall be rank ordered from largest to 28smallest based on enrollment as of the last Wednesday in September during the second 29preceding school year, group two shall contain twenty-five percent of all public school 30 districts that are larger on the enrollment based rank ordered list and group three shall 3132contain the remaining fifty percent of all public school districts. Pursuant to subsection 33 4 of this section, districts in group one shall receive forty percent state funding and shall 34contribute sixty percent local funding, group two shall receive fifty percent state funding 35and shall contribute fifty percent local funding and group three shall receive sixty 36 percent state funding and shall contribute forty percent local 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%

435. Beginning in the 1996-97 school year, any school district in any group which participated in the career ladder program in 1995-96 and paid less than the local funding 44percentage required by subsection 4 of this section shall increase its local share of career 4546 ladder costs by five percentage points from the preceding year until the district pays the 47percentage share of cost required by subsection 4 of this section, and in no case shall the local funding percentage be increased by a greater amount for any year. For any district, 4849the state payment shall not exceed the local payment times the state percentage share divided by the local percentage share. Any district not participating in the 1995-96 5051school year or any district which interrupts its career ladder program for any subsequent year shall enter the program on the cost-sharing basis required by subsection 4 of this 5253section.

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6. Not less than every fourth year, beginning with calendar year 1988, the

55 general assembly, through the joint committee established under section 160.254, RSMo, 56 shall review the amount of the career pay provided for in this section to determine if any 57 increases are necessary to reflect the increases in the cost of living which have occurred 58 since the salary supplements were last reviewed or set.

597. To participate in the salary supplement program established under this 60 section, a school district may submit to the voters of the district a proposition to increase 61 taxes for this purpose. If a school district's current tax rate ceiling is at or above the rate from which an increase would require a two-thirds majority, the school board may 62submit to the voters of the district a proposition to reduce or eliminate the amount of the 63 levy reduction resulting from section 164.013, RSMo. If a majority of the voters voting 64 thereon vote in favor of the proposition, the board may certify that seventy-five percent 65of the revenue generated from this source shall be used to implement the salary 66 67 supplement program established under this section.

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

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

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

80 (2) The teacher suspends his or her participation in the program for any school 81 year after the 1995-96 school year. If the teacher later resumes participation in the 82 program, the state funding shall be subject to the provisions of subsection 4 of this 83 section.

169.270. Unless a different meaning is clearly required by the context, the 2 following words and phrases as used in sections 169.270 to 169.400 shall have the 3 following meanings:

4 (1) "Accumulated contributions", the sum of all amounts deducted from the 5 compensation of a member or paid on behalf of the member by the employer and credited 6 to the member's individual account together with interest thereon in the employees' 7 contribution fund. The board of trustees shall determine the rate of interest allowed 8 thereon as provided for in section 169.295;

9 (2) "Actuarial equivalent", a benefit of equal value when computed upon the basis 10 of formulas and/or tables which have been approved by the board of trustees;

(3) "Average final compensation", the highest average annual compensation
received for any four consecutive years of service. In determining whether years of
service are "consecutive", only periods for which creditable service is earned shall be
considered, and all other periods shall be disregarded;

(4) "Beneficiary", any person designated by a member for a retirement allowance
or other benefit as provided by sections 169.270 to 169.400;

(5) "Board of education", the board of directors or corresponding board, by
whatever name, having charge of the public schools of the school district in which the
retirement system is established;

20 (6) "Board of trustees", the board provided for in section 169.291 to administer 21 the retirement system;

22(7) "Break in service", an occurrence when a regular employee ceases to be a 23regular employee for any reason (including termination of employment, resignation, 24retirement or furlough but not including vacation, sick leave, excused absence or leave of absence granted by an employer) and such person does not again become a regular 25employee until after fifteen consecutive school or work days have elapsed. A "school or 26work day" is a day on which the employee's employer requires (or if the position no 27longer exists, would require, based on past practice) employees having the former 2829employee's last job description to report to their place of employment for any reason;

30 (8) "Charter school", any charter school established pursuant to sections 160.400
31 to 160.420, RSMo, and located, at the time it is established, within the school district;

32(9) "Compensation", the regular compensation as shown on the salary and wage schedules of the employer [plus], including any amounts paid by the employer on a 33 member's behalf pursuant to subdivision (5) of subsection 1 of section 169.350, but such 3435term is not to include extra pay, overtime pay, consideration for entering into early 36 retirement, or any other payments not included on salary and wage schedules. For any year beginning after December 31, 1988, the annual compensation of each member taken 3738into account under the retirement system shall not exceed the limitation set forth in Section 401(a)(17) of the Internal Revenue Code of 1986, as amended; 39

40 (10) "Creditable service", the amount of time that a regular employee is a 41 member of the retirement system and makes contributions thereto in accordance with 42 the provisions of sections 169.270 to 169.400;

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(11) "Employee", any person who is classified by the school district, a charter

44school, the library district or the retirement system established by section 169.280 as an employee of such employer and is reported contemporaneously for federal and state tax 4546 purposes as an employee of such employer. A person is not considered to be an employee for purposes of such retirement system with respect to any service for which the person 47was not reported contemporaneously for federal and state tax purposes as an employee 48of such employer, regardless of whether the person is or may later be determined to be 4950or to have been a common law employee of such employer, including but not limited to a person classified by the employer as independent contractors and persons employed by 51other entities which contract to provide staff and services to the employer. In no event 52shall a person reported for federal tax purposes as an employee of a private, for-profit 53entity be deemed to be an employee eligible to participate in the retirement system 54established by section 169.280 with respect to such employment; 55

56 (12) "Employer", the school district, any charter school, the library district, or the 57 retirement system established by section 169.280, or any combination thereof, as 58 required by the context to identify the employer of any member, or, for purposes only of 59 subsection 2 of section 169.324, of any retirant;

60 (13) "Employer's board", the board of education, the governing board of any 61 charter school, the board of trustees of the library district, the board of trustees, or any 62 combination thereof, as required by the context to identify the governing body of an 63 employer;

64 (14) "Library district", any urban public library district created from or within
65 a school district under the provisions of section 182.703, RSMo;

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(15) "Medical board", the board of physicians provided for in section 169.291;

(16) "Member", any person who is a regular employee after the retirement system
has been established hereunder ("active member"), and any person who (i) was an active
member, (ii) has vested retirement benefits hereunder, and (iii) is not receiving a
retirement allowance hereunder ("inactive member");

(17) "Minimum normal retirement age", the earlier of the **date the** member [attaining] **attains** the age of sixty or **the date the member** has a total of at least seventy-five credits, with each year of creditable service[, and prorated for fractional years, equal to one credit] and each year of age[, and] **equal to one credit, with both years of creditable service and years of age** prorated for fractional years[, equal to one credit];

(18) "Prior service", service prior to the date the system becomes operative which
is creditable in accordance with the provisions of section 169.311. Prior service in excess
of thirty-eight years shall be considered thirty-eight years;

80 (19) "Regular employee", any employee who is assigned to an established position 81 which requires service of not less than [five] **twenty-five** hours [per day, five days] per 82 week, and not less than nine calendar months a year. Any regular employee who is 83 subsequently assigned without break in service to a position demanding less service than 84 is required of a regular employee shall continue the employee's status as a regular 85 employee. [However] **Except as stated in this subdivision**, a temporary, part-time 86 or furloughed employee is not a regular employee;

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(20) "Retirant", a former member receiving a retirement allowance hereunder;

88 (21) "Retirement allowance", annuity payments to a retirant or to such89 beneficiary as is entitled to same;

90 (22) "School district", any school district in which a retirement system shall be
91 established under section 169.280.

169.291. 1. The general administration and the responsibility for the proper operation of the retirement system are hereby vested in a board of trustees of twelve persons who shall be resident taxpayers of the school district, as follows:

4 (1) Four trustees to be appointed for terms of four years by the board of 5 education; provided, however, that the terms of office of the first four trustees so 6 appointed shall begin immediately upon their appointment and shall expire one, two, 7 three and four years from the date the retirement system becomes operative, 8 respectively;

9 (2) Four trustees to be elected for terms of four years by and from the members 10 of the retirement system; provided, however, that the terms of office of the first four 11 trustees so elected shall begin immediately upon their election and shall expire one, two, 12 three and four years from the date the retirement system becomes operative, 13 respectively;

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(3) The ninth trustee shall be the superintendent of schools of the school district;

(4) The tenth trustee shall be one retirant of the retirement system elected for
a term of four years beginning the first day of January immediately following August 13,
1986, by the retirants of the retirement system;

(5) The eleventh trustee shall be appointed for a term of four years beginning the
first day of January immediately following August 13, 1990, by the board of trustees
described in subdivision (3) of section 182.701, RSMo;

(6) The twelfth trustee shall be a retirant of the retirement system elected for a
term of four years beginning the first day of January immediately following August 28,
1992, by the retirants of the retirement system.

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2. If a vacancy occurs in the office of a trustee, the vacancy shall be filled for the

unexpired term in the same manner as the office was previously filled, except that the board of trustees may appoint a qualified person to fill the vacancy in the office of an elected member until the next regular election at which time a member shall be elected for the unexpired term. No vacancy or vacancies on the board of trustees shall impair the power of the remaining trustees to administer the retirement system pending the filling of such vacancy or vacancies.

313. In the event of a lapse of the school district's corporate organization as described in subsections 1 and 4 of section 162.081, RSMo, the general administration 32and responsibility for the proper operation of the retirement system shall continue to be 33 vested in a twelve-person board of trustees, all of whom shall be resident taxpayers of 34a city, other than a city not within a county, of four hundred thousand or more. In such 35 event, if vacancies occur in the offices of the four trustees appointed, prior to the lapse, 36 37by the board of education, or in the offices of the four trustees elected, prior to the lapse, by the members of the retirement system, or in the office of trustee held, prior to the 3839 lapse, by the superintendent of schools in the school district, as provided in subdivisions 40 (1), (2) and (3) of subsection 1 of this section, the board of trustees shall appoint a 41qualified person to fill each vacancy and subsequent vacancies in the office of trustee for 42terms of up to four years, as determined by the board of trustees.

43 4. Each trustee shall, before assuming the duties of a trustee, take the oath of 44 office before the court of the judicial circuit or one of the courts of the judicial circuit in 45 which the school district is located that so far as it devolves upon the trustee, such 46 trustee shall diligently and honestly administer the affairs of the board of trustees and 47 that the trustee will not knowingly violate or willingly permit to be violated any of the 48 provisions of the law applicable to the retirement system. Such oath shall be subscribed 49 to by the trustee making it and filed in the office of the clerk of the circuit court.

5. Each trustee shall be entitled to one vote in the board of trustees. Seven 5051trustees shall constitute a quorum at any meeting of the board of trustees. At any 52meeting of the board of trustees where a quorum is present, the vote of at least seven of 53the trustees in support of a motion, resolution or other matter is necessary to be the decision of the board; provided, however, that in the event of a lapse in the school 54district's corporate organization as described in subsections 1 and 4 of section 162.081, 55RSMo, a majority of the trustees then in office shall constitute a quorum at any meeting 5657of the board of trustees, and the vote of a majority of the trustees then in office in support of a motion, resolution or other matter shall be necessary to be the decision of 58the board. 59

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6. The board of trustees shall have exclusive original jurisdiction in all matters

61 relating to or affecting the funds herein provided for, including, in addition to all other 62 matters, all claims for benefits or refunds, and its action, decision or determination in 63 any matter shall be reviewable in accordance with chapter 536, RSMo, or chapter 621, 64 RSMo. Subject to the limitations of sections 169.270 to 169.400, the board of trustees 65 shall, from time to time, establish rules and regulations for the administration of funds 66 of the retirement system, for the transaction of its business, and for the limitation of the 67 time within which claims may be filed.

7. The trustees shall serve without compensation. The board of trustees shall 68 elect from its membership a chairman and a vice chairman. The board of trustees shall 69 appoint an executive director who shall serve as the administrative officer of the 70retirement system and as secretary to the board of trustees. It shall employ one or more 71persons, firms or corporations experienced in the investment of moneys to serve as 72investment counsel to the board of trustees. The compensation of all persons engaged 73by the board of trustees and all other expenses of the board necessary for the operation 74of the retirement system shall be paid at such rates and in such amounts as the board 7576 of trustees shall approve, and shall be paid from the investment income.

8. The board of trustees shall keep in convenient form such data as shall be necessary for actuarial valuations of the various funds of the retirement system and for checking the experience of the system.

9. The board of trustees shall keep a record of all its proceedings which shall be open to public inspection. It shall prepare annually and furnish to the board of education and to each member of the retirement system who so requests a report showing the fiscal transactions of the retirement system for the preceding fiscal year, the amount of accumulated cash and securities of the system, and the last balance sheet showing the financial condition of the system by means of an actuarial valuation of the assets and liabilities of the retirement system.

10. The board of trustees shall have, in its own name, power to sue and to be sued, to enter into contracts, to own property, real and personal, and to convey the same; but the members of such board of trustees shall not be personally liable for obligations or liabilities of the board of trustees or of the retirement system.

91 11. The board of trustees shall arrange for necessary legal advice for the 92 operation of the retirement system.

93 12. The board of trustees shall designate a medical board to be composed of three 94 or more physicians who shall not be eligible for membership in the system and who 95 shall pass upon all medical examinations required under the provisions of sections 96 169.270 to 169.400, shall investigate all essential statements and certificates made by 97 or on behalf of a member in connection with an application for disability retirement and
98 shall report in writing to the board of trustees its conclusions and recommendations
99 upon all matters referred to it.

100 13. The board of trustees shall designate an actuary who shall be the technical 101 advisor of the board of trustees on matters regarding the operation of the retirement 102 system and shall perform such other duties as are required in connection 103 therewith. Such person shall be qualified as an actuary by membership as a Fellow of 104 the Society of Actuaries or by similar objective standards.

105 14. At least once in each five-year period the actuary shall make an investigation 106 into the actuarial experience of the members, retirants and beneficiaries of the 107 retirement system and, taking into account the results of such investigation, the board 108 of trustees shall adopt for the retirement system such actuarial assumptions as the 109 board of trustees deems necessary for the financial soundness of the retirement system.

110 15. On the basis of such actuarial assumptions as the board of trustees adopts,
111 the actuary shall make annual valuations of the assets and liabilities of the funds of the
112 retirement system.

113 16. The rate of contribution payable by the employer shall equal one and 114 ninety-nine one-hundredths percent, effective July 1, 1993; three and ninety-nine 115 one-hundredths percent, effective July 1, 1995; five and ninety-nine one-hundredths 116 percent, effective July 1, 1996; seven and one-half percent effective January 1, 1999, and 117 for all subsequent years.

118 17. In the event of a lapse of a school district's corporate organization as 119 described in subsections 1 and 4 of section 162.081, RSMo, no retirement system, nor any 120 of the assets of any retirement system, shall be transferred to or merged with another 121 retirement system without prior approval of such transfer or merge by the board of 122 trustees of the retirement system.

169.295. 1. The board of trustees shall be the trustees of all the funds of the
system and shall have full power to invest and reinvest such funds. The trustees shall
have full power to hold, purchase, sell, assign, transfer or dispose of any of the securities
and investments in which the funds shall have been invested, and the proceeds thereof.

5 2. The board of trustees shall allow interest annually on the balance in each 6 member's account at the beginning of the year at the rate approved by the board. The 7 board shall adjust the balance of the general reserve fund for investment realized and 8 unrealized gains, losses, income and expenses, not so allowed as interest on members' 9 accounts.

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3. The board of trustees shall elect a treasurer who shall serve at the board's

11 pleasure. The treasurer shall be the custodian of the funds provided for in section 12169.350 and shall give such bond for the faithful handling of the funds as the board of 13trustees shall determine. The board of trustees may employ [a bank] one or more banks having fiduciary powers for the provisions of such custodial or clerical service as 14the board may deem appropriate to assist the treasurer. Disbursement of funds of the 15retirement system shall be under the supervision of the treasurer and shall be in 1617accordance with procedures established or approved by the board of trustees with the concurrence of the system's auditors. 18

19 4. For the purpose of meeting disbursements for retirement allowances and other payments, there may be kept available cash, not exceeding ten percent of the total 20amount in the funds of the retirement system, on deposit in one or more banks or trust 2122companies in the school district, organized under the laws of the state of Missouri, or of the United States; provided, that the amount on deposit in any one bank or trust 23company shall not exceed twenty-five percent of the paid-up capital and surplus of such 2425bank or trust company, and for all deposits in excess of ten thousand dollars the board 26of trustees shall require of the banks or trust companies as security for the safekeeping 27and payment of the deposits securities of a like kind and character as may be required by law for the safekeeping and payment of deposits made by the state treasurer. 28

5. Except as herein provided, no trustee and no employee of the board of trustees shall have any direct interest in the gains or profits of any investment made by the board of trustees. No trustee or employee of the board of trustees shall directly or indirectly for such person or as an agent in any manner use the assets of the retirement system except to make such current and necessary payments as are authorized by the board of trustees, nor shall any trustee or employee of the board of trustees become in any manner an obligor for moneys loaned by or borrowed from the board of trustees.

6. In the event that any employer offers to its employees an early retirement option, or any other form of group exit incentive program, the board of trustees is hereby authorized to permit such employer or any active member who participates in such group exit incentive program to purchase additional creditable service, in increments of not less than one month, and shall fix and determine by proper rules and regulations, which may be amended from time to time, the amount of service that may be purchased and the cost thereof. Under no circumstance, however, shall:

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(1) The amount of such purchased creditable service exceed twenty-four months;

44 (2) The cost of purchasing such creditable service be less than the amount
45 necessary to pay the full actuarial cost to the retirement system of the additional
46 purchased service;

47 (3) The purchasing employer or active member be permitted to elect to purchase
48 such creditable service after the expiration of a reasonable time period, which time
49 period shall be specified in the above-referenced rules and regulations;

50 (4) Such purchased creditable service count toward the vesting requirements of 51 section 169.301; or

(5) This subsection be applied in any manner that would not be in compliancewith applicable provisions of the Internal Revenue Code.

169.322. 1. Upon the written application of an active member or of the person's employer's board, any active member who has five or more years of creditable service  $\mathbf{2}$ shall be retired by the board of trustees on a disability retirement allowance, if the 3 medical board after a medical examination of such member, or based on such other 4 medical information as the medical board may require, shall certify that such 5member is mentally or physically unable to perform such member's employment duties 6 and that such incapacity is likely to be permanent. Application for a disability 78 retirement allowance may be made after the member ceases to be an active member; 9 provided that, the disability commenced while the member was an active member, and 10 further provided that application is made no later than six months after the disabled member ceases to be an employee of his or her employer. The first monthly payment of 11 12such disability retirement allowance shall not be made to such member so long as the member receives compensation from the member's employer. 13

2. Upon retirement for disability, a member shall receive a disability retirement allowance which shall be determined in the same manner as the service retirement allowance as set forth in section 169.324, but not less than the minimum disability retirement allowance provided in this section. The minimum disability retirement allowance shall be the lesser of:

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(1) Twenty-five percent of the person's average final compensation; or

20 (2) The member's service retirement allowance calculated based on the member's 21 final average compensation and the maximum number of years of creditable service the 22 member would have earned had the member remained an employee until attaining the 23 age of sixty.

3. Once each year during the first five years following a member's retirement on a disability retirement allowance and once in every three-year period thereafter, the board of trustees may require any disability retirant who has not yet attained minimum normal retirement age to undergo a medical examination at a place designated by the medical board, such examination to be made by the medical board or by a physician or physicians designated by such board. Should any such disability retirant refuse to

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30 submit to such medical examination, the person's disability allowance may be 31 discontinued until the person's withdrawal of such refusal, and should the person's 32 refusal continue for one year all rights in and to the person's disability allowance shall 33 be revoked by the board of trustees.

344. Should the board of trustees determine that any disability retirant who has not yet attained minimum normal retirement age is engaged in or is able to engage in 35a gainful occupation paying more than the difference between the person's monthly 36 disability retirement allowance plus any Social Security benefits to which the person is 37eligible and the current rate of monthly compensation for the position the person held 38 at retirement, then the amount of the person's disability retirement allowance shall be 39 reduced to an amount which together with Social Security benefits and the amount 40earnable by the person shall equal such current rate of monthly compensation. Should 41the person's earning capacity be later changed, the amount of the person's disability 42retirement allowance may be further modified. The board of trustees may engage those 43persons, firms or corporations which it deems necessary to assist the board of trustees 44 45in making any determination under this subsection.

465. Should any member retired for disability be restored to active service as a regular employee, the member's disability retirement allowance shall cease and the 47member shall again become a member of the retirement system, and contribute 48thereunder. Anything in sections 169.270 to 169.400 to the contrary notwithstanding, 49a disability retirant who has not attained the minimum normal retirement age at the 50date of again becoming a member shall have the person's creditable service at the time 51of the person's disability retirement restored, and the excess of the person's accumulated 52contributions at time of retirement over the total payments which the person received 53during retirement shall be credited to the person's account. Upon subsequent 54retirement, the person shall be entitled to a service retirement allowance to the extent 55the person meets the requisite qualifications, and the person's prior disability retirement 5657allowance shall not be resumed. If a disability retirant has attained the minimum 58normal retirement age at the date of again becoming a member, the disability retirement allowance the person was receiving immediately prior to restoration of membership shall 5960 be resumed on subsequent retirement, together with such retirement allowances as shall accrue by reason of the person's latest period of membership. For the sole purpose of 6162determining the person's eligibility for such additional retirement allowance, but not for determining the amount, all of the person's years of creditable service, whether before 63 or after the person's period of disability, for which the person has made contributions 64which have not been withdrawn, shall be considered. 65

169.596. 1. Notwithstanding any other provision of this chapter to the contrary,  $\mathbf{2}$ a retired certificated teacher receiving a retirement benefit from the retirement system 3 established pursuant to sections 169.010 to 169.141 may, without losing his or her retirement benefit, teach full time for up to two years for a school district covered by 4 such retirement system; provided that the school district has a shortage of certified 5teachers, as determined by the school district, and provided that no such retired 6 certificated teacher shall be employed pursuant to this section as a 7 superintendent. The total number of such retired certificated teachers shall not 8 exceed, at any one time, the lesser of ten percent of the total teacher staff for that school 9 10 district, or five certificated teachers.

11 2. Notwithstanding any other provision of this chapter to the contrary, a person 12receiving a retirement benefit from the retirement system established pursuant to sections 169.010 to 169.141 or the retirement system established pursuant to 1314 sections 169.600 to 169.715 may, without losing his or her retirement benefit, be employed full time as a non-certified employee for up to two years for a school 1516district covered by [such] the retirement system established pursuant to sections 17**169.600** to **169.715**; provided that the school district has a shortage of noncertificated employees, as determined by the school district. The total number of such retired 18 noncertificated employees shall not exceed, at any one time, the lesser of ten percent of 19the total noncertificated staff for that school district, or five employees. 20

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3. The employer's contribution rate shall be paid by the hiring school district.

4. In order to hire teachers and noncertificated employees pursuant to the provisions of this section, the school district shall:

(1) Show a good faith effort to fill positions with nonretired certificated teachers
 or nonretired noncertificated employees;

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(2) Post the vacancy for at least one month;

(3) Have not offered early retirement incentives for either of the previous twoyears;

(4) Solicit applications through the local newspaper, other media, or teachereducation programs;

31 (5) Determine there is an insufficient number of eligible applicants for the32 advertised position; and

33 (6) Declare a critical shortage of certificated teachers or noncertificated34 employees that is active for one year.

5. Any person hired pursuant to this section shall be included in the State
Director of New Hires for purposes of income and eligibility verification pursuant to 42

37 U.S.C. Section 1320b-7.

169.712. 1. Notwithstanding any provision of law to the contrary, any person  $\mathbf{2}$ duly certificated under the law governing the certification of teachers in Missouri who, after August 28, 1997, is first employed in a position which would otherwise qualify the 3 person for membership in the nonteacher school employee retirement system pursuant 4  $\mathbf{5}$ to the provisions of sections 169.600 to 169.710 shall be a member of the public school retirement system pursuant to the provisions of sections 169.010 to 169.141, and shall 6 receive creditable service on a pro rata basis in that system for subsequent certificated 7services which would otherwise have been creditable in the nonteacher school employee 8 retirement system. Any such person shall have the option of being a member of the 9 nonteacher school employee retirement system. The option election must be filed with 10 the board of trustees of the public school retirement system within ninety days of first 11 12such employment following August 28, 1997.

132. Notwithstanding any provision of law to the contrary, any person duly certificated under the law governing the certification of teachers in Missouri who, on or 1415after August 28, 2003, is employed by a public school, as defined in section 169.010, for 16at least [seventeen] fifteen but less than twenty hours per week on a regular basis shall be a member of the public school retirement system pursuant to the provisions of 17sections 169.010 to 169.141, and shall receive creditable service on a pro rata basis in 18 that system. Any such person shall have the option of being a member of the nonteacher 1920school employee retirement system. The option election must be filed with the board of 21trustees of the public school retirement system within ninety days of first such 22employment or within ninety days of August 28, 2003, whichever later occurs.

233. Any person who is a member of the public school retirement system or the nonteacher school employee retirement system pursuant to subsection 2 of this section 24may purchase credit in such system for service after August 28, 1991, that would have 2526qualified such person for membership in either retirement system pursuant to subsection 272 of this section had such subsection been in effect prior to August 28, 2003; provided 28that such purchase of credit in the public school retirement system shall be subject to the provisions of section 169.056 and such purchase of credit in the nonteacher school 2930 employee retirement system shall be subject to the provisions of section 169.655.

172.360. All youths, resident of the state of Missouri, [over the age of sixteen years,] shall be admitted to all the privileges and advantages of the various classes of all the departments of the University of the State of Missouri; provided, that each applicant for admission therein shall possess such scholastic attainments and mental and moral qualifications as shall be prescribed in rules adopted and established by the 42

6 board of curators; and provided further, that the board of curators may charge and

7 collect reasonable tuition and other fees necessary for the maintenance and operation of

8 all departments of the university, as they may deem necessary.

174.453. 1. The board of governors shall be appointed as follows:

2 (1) Five voting members shall be selected from the counties comprising the 3 institution's historic statutory service region as described in section 174.010, except that 4 no more than two members shall be appointed from any one county with a population of 5 less than two hundred thousand inhabitants;

6 (2) Two voting members shall be selected from any of the counties in the state 7 which are outside of the institution's historic service region; and

8 (3) One nonvoting member who is a student shall be selected in the same manner 9 as prescribed in section 174.055.

10 2. The term of service of the governors shall be as follows:

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(1) The voting members shall be appointed for terms of six years; and

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(2) The nonvoting student member shall serve a two-year term.

3. Members of any board of governors selected pursuant to this section and in
office on May 13, 1999, shall serve the remainder of their unexpired terms.

4. Notwithstanding the provisions of subsection 1 of this section, the
board of governors of Missouri Southern State University-Joplin shall be
appointed as follows:

(1) Five voting members shall be selected from any of the following
counties: Barton, Jasper, Newton, McDonald, Dade, Lawrence, and Barry
provided that no more than three of these five members shall be appointed
from any one county;

(2) Two voting members shall be selected from any of the counties in
the state which are outside of the counties articulated in subdivision (1) of
this subsection;

(3) One nonvoting member who is a student shall be selected in the
same manner as prescribed in section 174.055; and

(4) The provisions of subdivisions (1) and (2) of this subsection shall
only apply to board members first appointed after August 28, 2004.

209.321. 1. No person shall represent himself or herself as an interpreter or engage in the practice of interpreting as defined in section 209.285 in the state of Missouri unless such person is licensed as required by the provisions of sections 209.319 to 209.339.

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2. A person registered, certified or licensed by this state, another state or any

6 recognized national certification agent, acceptable to the committee that allows that 7 person to practice any other occupation or profession in this state, is not considered to 8 be interpreting if he or she is in performance of the occupation or profession for which 9 he or she is registered, certified or licensed. The professions referred to in this 10 subsection include, but are not limited to, physicians, psychologists, nurses, certified 11 public accountants, architects and attorneys.

3. A licensed interpreter shall limit his or her practice to demonstrated areas of competence as documented by relevant professional education, training, experience and certification. An interpreter not trained in an area shall not practice in that area without obtaining additional relevant professional education, training and experience through an acceptable program as defined by rule by the Missouri commission for the deaf and hard of hearing.

4. A person is not considered to be interpreting pursuant to the provisions of this
section if, in a casual setting and as defined by rule, a person is acting as an interpreter
gratuitously or is engaged in interpreting incidental to traveling.

5. A person is not considered to be interpreting pursuant to the provisions of this section if a person is engaged as a telecommunications operator providing deaf relay service or operator services for the deaf.

6. A person who is an employee or independent contractor of a Missouri public school district and is providing interpreting as part of special education, related services, or supplementary aids and services for students with disabilities, subject to the requirements of state and federal law, shall be exempt from the provisions of sections 209.319 to 209.339.

302.272. 1. No person shall operate any school bus owned by or under contract with a public school or the state board of education unless such driver has qualified for a school bus permit under this section and complied with the pertinent rules and regulations of the department of revenue. A school bus permit shall be issued to any applicant who meets the following qualifications:

6 (1) The applicant has a valid state license issued under this chapter or has a 7 license valid in any other state;

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- (2) The applicant is at least twenty-one years of age;

9 (3) The applicant has passed a medical examination, including vision and hearing 10 tests, as prescribed by the director of revenue and, if the applicant is at least seventy 11 years of age, the applicant shall pass the medical examination annually to maintain or 12 renew the permit; and

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- (4) The applicant has successfully passed an examination for the operation of a

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school bus as prescribed by the director of revenue. The examination shall include, but need not be limited to, a written skills examination of applicable laws, rules and procedures, and a driving test in the type of vehicle to be operated. The test shall be completed in the appropriate class of vehicle to be driven. For purposes of this section lasses of school buses shall comply with the Commercial Motor Vehicle Safety Act of 1986 (Title XII of Pub. Law 99-570).

2. Except as otherwise provided in this section, a school bus permit shall be 20renewed every three years and shall require the applicant to provide a medical 2122examination as specified in subdivision (3) of subsection 1 of this section and to successfully pass a written skills examination as prescribed by the director of revenue 23in consultation with the department of elementary and secondary education. If the 2425applicant is at least seventy years of age, the school bus permit shall be renewed annually, and the applicant shall successfully pass the examination prescribed in 2627subdivision (4) of subsection 1 of this section prior to receiving the renewed permit, provided that the background check, as contemplated by subsections 5 and 28296 of this section, shall continue to be conducted on a renewing applicant's 30 previously established three-year renewal schedule. The director may waive the written skills examination on renewal of a school bus permit upon verification of the 3132applicant's successful completion within the preceding twelve months of a training 33 program which has been approved by the director in consultation with the department 34of elementary and secondary education and which is at least eight hours in duration with special instruction in school bus driving. 35

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3. The fee for a new or renewed school bus permit shall be three dollars.

4. Upon the applicant's completion of the requirements of subsections 1, 2 and 36 3 of this section, the director of revenue shall issue a temporary school bus permit to the 37 applicant until such time as a permanent school bus permit shall be issued following the 40 record clearance as provided in subsection 6 of this section.

5. The director of revenue, to the best of the director's knowledge, shall not issue
or renew a school bus permit to any applicant:

43 (1) Whose driving record shows that such applicant's privilege to operate a motor
44 vehicle has been suspended, revoked or disqualified or whose driving record shows a
45 history of moving vehicle violations;

(2) Who has pled guilty to or been found guilty of any felony or misdemeanor for
violation of drug regulations as defined in chapter 195, RSMo; of any felony for an
offense against the person as defined by chapter 565, RSMo, or any other offense against
the person involving the endangerment of a child as prescribed by law; of any

50 misdemeanor or felony for a sexual offense as defined by chapter 566, RSMo; of any 51 misdemeanor or felony for prostitution as defined by chapter 567, RSMo; of any 52 misdemeanor or felony for an offense against the family as defined in chapter 568, RSMo; 53 of any felony or misdemeanor for a weapons offense as defined by chapter 571, RSMo; 54 of any misdemeanor or felony for pornography or related offense as defined by chapter 55 573, RSMo; or of any similar crime in any federal, state, municipal or other court of 56 similar jurisdiction of which the director has knowledge;

57 (3) Who has pled guilty to or been found guilty of any felony involving robbery, 58 arson, burglary or a related offense as defined by chapter 569, RSMo; or any similar 59 crime in any federal, state, municipal or other court of similar jurisdiction within the 60 preceding ten years of which the director has knowledge.

61 6. The department of social services or the Missouri highway patrol, whichever has access to applicable records, shall provide a record of clearance or denial of clearance 62for any applicant for a school bus permit for the convictions specified in subdivisions (2) 63 and (3) of subsection 5 of this section. The Missouri highway patrol in providing the 6465 record of clearance or denial of clearance for any such applicant is authorized to obtain 66 from the Federal Bureau of Investigation any information which might aid the Missouri highway patrol in providing such record of clearance or denial of clearance. The 67 department of social services or the Missouri highway patrol shall provide the record of 68clearance or denial of clearance within thirty days of the date requested, relying on 69 information available at that time, except that the department of social services or the 7071Missouri highway patrol shall provide any information subsequently discovered to the 72department of revenue.

393.310. 1. This section shall only apply to gas corporations as defined in section
2 386.020, RSMo. This section shall not affect any existing laws and shall only apply to
3 the program established pursuant to this section.

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2. As used in this section, the following terms mean:

5 (1) "Aggregate", the combination of natural gas supply and transportation 6 services, including storage, requirements of eligible school entities served through a 7 Missouri gas corporation's delivery system;

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- (2) "Commission", the Missouri public service commission; and

9 (3) "Eligible school entity" shall include any seven-director, urban or metropolitan 10 school district as defined pursuant to section 160.011, RSMo, and shall also include, one 11 year after July 11, 2002, and thereafter, any school for elementary or secondary 12 education situated in this state, whether a charter, private, or parochial school or school 13 district. 3. Each Missouri gas corporation shall file with the commission, by August 1,
2002, a set of experimental tariffs applicable the first year to public school districts and
applicable to all school districts, whether charter, private, public, or parochial,
thereafter.

4. The tariffs required pursuant to subsection 3 of this section shall, at aminimum:

(1) Provide for the aggregate purchasing of natural gas supplies and pipeline
transportation services on behalf of eligible school entities in accordance with aggregate
purchasing contracts negotiated by and through a not-for-profit school association;

(2) Provide for the resale of such natural gas supplies, including related transportation service costs, to the eligible school entities at the gas corporation's cost of purchasing of such gas supplies and transportation, plus all applicable distribution costs, plus an aggregation and balancing fee to be determined by the commission, not to exceed four-tenths of one cent per therm delivered during the first year; and

(3) Not require telemetry or special metering, except for individual school metersover one hundred thousand therms annually.

30 5. The commission may suspend the tariff as required pursuant to subsection 3 of this section for a period ending no later than November 1, 2002, and shall approve 3132such tariffs upon finding that implementation of the aggregation program set forth in such tariffs will not have any negative financial impact on the gas corporation, its other 33 customers or local taxing authorities, and that the aggregation charge is sufficient to 34generate revenue at least equal to all incremental costs caused by the experimental 35aggregation program. Except as may be mutually agreed by the gas corporation and 36 eligible school entities and approved by the commission, such tariffs shall not require 37eligible school entities to be responsible for pipeline capacity charges for longer than is 38required by the gas corporation's tariff for large industrial or commercial basic 39 40 transportation customers.

6. The commission shall treat the gas corporation's pipeline capacity costs for associated eligible school entities in the same manner as for large industrial or commercial basic transportation customers, which shall not be considered a negative financial impact on the gas corporation, its other customers, or local taxing authorities, and the commission may adopt by order such other procedures not inconsistent with this section which the commission determines are reasonable or necessary to administer the experimental program.

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7. This section shall terminate June 30, [2005] 2007.

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8. Tariffs in effect as of August 28, 2004, shall be extended until the

50 termination date set in subsection 7 of this section.

Section 1. The department of elementary and secondary education shall not reimburse a school district for more than one A+ program coordinator per one thousand two hundred fifty students; however, a school with up to one thousand five hundred students shall be reimbursed for only one A+ program coordinator.

Section 2. Professional development requirements pursuant to section 2 168.021, RSMo, for vocational-technical certification or successor certification 3 shall include contact hours relating to the specific vocational-technical 4 subject area for which the educator seeks certification.

Section B. Because immediate action is necessary to aid school finances the repeal and reenactment of sections 163.031, 163.036, and 168.515 of section A of this act is deemed necessary for the immediate preservation of the public health, welfare, peace, and safety, and is hereby declared to be an emergency act within the meaning of the constitution, and the repeal and reenactment of sections 163.031, 163.036, and 168.515 of section A of this act shall be in full force and effect on July 1, 2004, or upon its passage and approval, whichever later occurs.

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