

SECOND REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 644
93RD GENERAL ASSEMBLY

Reported from the Special Committee on Student Achievement and Finance March 29, 2006 with recommendation that House Committee Substitute for Senate Bill No. 644 Do Pass. Referred to the Committee on Rules pursuant to Rule 25(26)(f).

STEPHEN S. DAVIS, Chief Clerk

3315L.06C

AN ACT

To repeal section 167.231, RSMo, and sections 163.011 and 163.031, as enacted by conference committee substitute for house committee substitute for senate substitute for senate committee substitute for senate bill no. 287, ninety-third general assembly, first regular session, and to enact in lieu thereof three new sections relating to reductions in state aid for school districts with decreases in summer school attendance, with an emergency clause.

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

Section A. Section 167.231, RSMo, and sections 163.011 and 163.031, as enacted by
2 conference committee substitute for house committee substitute for senate substitute for senate
3 committee substitute for senate bill no. 287, ninety-third general assembly, first regular session,
4 are repealed and three new sections enacted in lieu thereof, to be known as sections 163.011,
5 163.031, and 167.231, to read as follows:

163.011. As used in this chapter unless the context requires otherwise:

2 (1) "Adjusted operating levy", the sum of tax rates for the current year for teachers' and
3 incidental funds for a school district as reported to the proper officer of each county pursuant to
4 section 164.011, RSMo;

5 (2) "Average daily attendance", the quotient or the sum of the quotients obtained by
6 dividing the total number of hours attended in a term by resident pupils between the ages of five
7 and twenty-one by the actual number of hours school was in session in that term. To the average

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

8 daily attendance of the following school term shall be added the full-time equivalent average
9 daily attendance of summer school students. "Full-time equivalent average daily attendance of
10 summer school students" shall be computed by dividing the total number of hours attended by
11 all summer school pupils by the number of hours required in section 160.011, RSMo, in the
12 school term. For purposes of determining average daily attendance under this subdivision, the
13 term "resident pupil" shall include all children between the ages of five and twenty-one who are
14 residents of the school district and who are attending kindergarten through grade twelve in such
15 district. If a child is attending school in a district other than the district of residence and the
16 child's parent is teaching in the school district or is a regular employee of the school district
17 which the child is attending, then such child shall be considered a resident pupil of the school
18 district which the child is attending for such period of time when the district of residence is not
19 otherwise liable for tuition. Average daily attendance for students below the age of five years
20 for which a school district may receive state aid based on such attendance shall be computed as
21 regular school term attendance unless otherwise provided by law;

22 (3) "Current operating expenditures":

23 (a) For the fiscal year 2007 calculation, "current operating expenditures" shall be
24 calculated using data from fiscal year 2004 and shall be calculated as all expenditures for
25 instruction and support services except capital outlay and debt service expenditures minus the
26 revenue from federal categorical sources; food service; student activities; categorical payments
27 for transportation costs pursuant to section 163.161; state reimbursements for early childhood
28 special education; the career ladder entitlement for the district, as provided for in sections
29 168.500 to 168.515, RSMo; the vocational education entitlement for the district, as provided for
30 in section 167.332, RSMo; and payments from other districts;

31 (b) In every fiscal year subsequent to fiscal year 2007, current operating expenditures
32 shall be the amount in paragraph (a) plus any increases in state funding pursuant to sections
33 163.031 and 163.043 subsequent to fiscal year 2005, not to exceed five percent, per
34 recalculation, of the state revenue received by a district in the 2004-05 school year from the
35 foundation formula, line 14, gifted, remedial reading, exceptional pupil aid, fair share, and free
36 textbook payments for any district from the first preceding calculation of the state adequacy
37 target;

38 (4) "District's tax rate ceiling", the highest tax rate ceiling in effect subsequent to the
39 1980 tax year or any subsequent year. Such tax rate ceiling shall not contain any tax levy for
40 debt service;

41 (5) "Dollar value modifier", an index of the relative purchasing power of a dollar,
42 calculated as one plus fifteen percent of the difference of the regional wage ratio minus one,
43 provided that the dollar value modifier shall not be applied at a rate less than 1.0:

44 (a) "County wage per job", the total county wage and salary disbursements divided by
45 the total county wage and salary employment for each county and the city of St. Louis as reported
46 by the Bureau of Economic Analysis of the United States Department of Commerce for the
47 fourth year preceding the payment year;

48 (b) "Regional wage per job":

49 a. The total Missouri wage and salary disbursements of the metropolitan area as defined
50 by the Office of Management and Budget divided by the total Missouri metropolitan wage and
51 salary employment for the metropolitan area for the county signified in the school district number
52 or the city of St. Louis, as reported by the Bureau of Economic Analysis of the United States
53 Department of Commerce for the fourth year preceding the payment year and recalculated upon
54 every decennial census to incorporate counties that are newly added to the description of
55 metropolitan areas; or if no such metropolitan area is established, then:

56 b. The total Missouri wage and salary disbursements of the micropolitan area as defined
57 by the Office of Management and Budget divided by the total Missouri micropolitan wage and
58 salary employment for the micropolitan area for the county signified in the school district
59 number, as reported by the Bureau of Economic Analysis of the United States Department of
60 Commerce for the fourth year preceding the payment year, if a micropolitan area for such county
61 has been established and recalculated upon every decennial census to incorporate counties that
62 are newly added to the description of micropolitan areas; or

63 c. If a county is not part of a metropolitan or micropolitan area as established by the
64 Office of Management and Budget, then the county wage per job, as defined in paragraph (a) of
65 this subdivision, shall be used for the school district, as signified by the school district number;

66 (c) "Regional wage ratio", the ratio of the regional wage per job divided by the state
67 median wage per job;

68 (d) "State median wage per job", the fifty-eighth highest county wage per job;

69 (6) "Free and reduced lunch pupil count", the number of pupils eligible for free and
70 reduced lunch on the last Wednesday in January for the preceding school year who were enrolled
71 as students of the district, as approved by the department in accordance with applicable federal
72 regulations;

73 (7) "Free and reduced lunch threshold" shall be calculated by dividing the total free and
74 reduced lunch pupil count of every performance district that falls entirely above the bottom five
75 percent and entirely below the top five percent of average daily attendance, when such districts
76 are rank-ordered based on their current operating expenditures per average daily attendance, by
77 the total average daily attendance of all included performance districts;

78 (8) "Limited English proficiency pupil count", the number in the preceding school year
79 of pupils aged three through twenty-one enrolled or preparing to enroll in an elementary school

80 or secondary school who were not born in the United States or whose native language is a
81 language other than English or are Native American or Alaskan native, or a native resident of
82 the outlying areas, and come from an environment where a language other than English has had
83 a significant impact on such individuals' level of English language proficiency, or are migratory,
84 whose native language is a language other than English, and who come from an environment
85 where a language other than English is dominant; and have difficulties in speaking, reading,
86 writing, or understanding the English language sufficient to deny such individuals the ability to
87 meet the state's proficient level of achievement on state assessments described in Public Law
88 107-10, the ability to achieve successfully in classrooms where the language of instruction is
89 English, or the opportunity to participate fully in society;

90 (9) "Limited English proficiency threshold" shall be calculated by dividing the total
91 limited English proficiency pupil count of every performance district that falls entirely above the
92 bottom five percent and entirely below the top five percent of average daily attendance, when
93 such districts are rank-ordered based on their current operating expenditures per average daily
94 attendance, by the total average daily attendance of all included performance districts;

95 (10) "Local effort":

96 (a) For the fiscal year 2007 calculation, "local effort" shall be computed as the equalized
97 assessed valuation of the property of a school district in calendar year 2004 divided by one
98 hundred and multiplied by the performance levy less the percentage retained by the county
99 assessor and collector plus one hundred percent of the amount received in fiscal year 2005 for
100 school purposes from intangible taxes, fines, escheats, payments in lieu of taxes and receipts
101 from state-assessed railroad and utility tax, one hundred percent of the amount received for
102 school purposes pursuant to the merchants' and manufacturers' taxes under sections 150.010 to
103 150.370, RSMo, one hundred percent of the amounts received for school purposes from federal
104 properties under sections 12.070 and 12.080, RSMo, except when such amounts are used in the
105 calculation of federal impact aid pursuant to P.L. 81-874, fifty percent of Proposition C revenues
106 received for school purposes from the school district trust fund under section 163.087, and one
107 hundred percent of any local earnings or income taxes received by the district for school
108 purposes. Under this paragraph, for a special district established under sections 162.815 to
109 162.940, RSMo, in a county with a charter form of government and with more than one million
110 inhabitants, a tax levy of zero shall be utilized in lieu of the performance levy for the special
111 school district;

112 (b) In every year subsequent to fiscal year 2007, "local effort" shall be the amount
113 calculated under paragraph (a) of this subdivision plus any increase in the amount received for
114 school purposes from fines **or less any decrease in the amount received for school purposes**
115 **from fines**. If a district's assessed valuation has decreased subsequent to the calculation outlined

116 in paragraph (a) of this subdivision, the district's local effort shall be calculated using the
117 district's current assessed valuation in lieu of the assessed valuation utilized in calculation
118 outlined in paragraph (a) of this subdivision;

119 (11) "Membership" shall be the average of:

120 (a) The number of resident full-time students and the full-time equivalent number of
121 part-time students who were enrolled in the public schools of the district on the last Wednesday
122 in September of the previous year and who were in attendance one day or more during the
123 preceding ten school days; and

124 (b) The number of resident full-time students and the full-time equivalent number of
125 part-time students who were enrolled in the public schools of the district on the last Wednesday
126 in January of the previous year and who were in attendance one day or more during the preceding
127 ten school days, plus the full-time equivalent number of summer school pupils.

128 "Full-time equivalent number of part-time students" is determined by dividing the total number
129 of hours for which all part-time students are enrolled by the number of hours in the school term.

130 "Full-time equivalent number of summer school pupils" is determined by dividing the total
131 number of hours for which all summer school pupils were enrolled by the number of hours
132 required pursuant to section 160.011, RSMo, in the school term. Only students eligible to be
133 counted for average daily attendance shall be counted for membership;

134 (12) "Operating levy for school purposes", the sum of tax rates levied for teachers' and
135 incidental funds plus the operating levy or sales tax equivalent pursuant to section 162.1100,
136 RSMo, of any transitional school district containing the school district, in the payment year, not
137 including any equalized operating levy for school purposes levied by a special school district in
138 which the district is located;

139 (13) "Performance district", any district that has met all performance standards and
140 indicators as established by the department of elementary and secondary education for purposes
141 of accreditation under section 161.092, RSMo, and as reported on the final annual performance
142 report for that district each year;

143 (14) "Performance levy", three dollars and forty-three cents;

144 (15) "School purposes" pertains to teachers' and incidental funds;

145 (16) "Special education pupil count", the number of public school students with a current
146 individualized education program and receiving services from the resident district as of
147 December first of the preceding school year, except for special education services provided
148 through a school district established under sections 162.815 to 162.940, RSMo, in a county with
149 a charter form of government and with more than one million inhabitants, in which case the sum
150 of the students in each district within the county exceeding the special education threshold of
151 each respective district within the county shall be counted within the special district and not in

152 the district of residence for purposes of distributing the state aid derived from the special
153 education pupil count;

154 (17) "Special education threshold" shall be calculated by dividing the total special
155 education pupil count of every performance district that falls entirely above the bottom five
156 percent and entirely below the top five percent of average daily attendance, when such districts
157 are rank-ordered based on their current operating expenditures per average daily attendance, by
158 the total average daily attendance of all included performance districts;

159 (18) "State adequacy target", the sum of the current operating expenditures of every
160 performance district that falls entirely above the bottom five percent and entirely below the top
161 five percent of average daily attendance, when such districts are rank-ordered based on their
162 current operating expenditures per average daily attendance, divided by the total average daily
163 attendance of all included performance districts. The department of elementary and secondary
164 education shall first calculate the state adequacy target for fiscal year 2007 and recalculate the
165 state adequacy target every two years using the most current available data. The recalculation
166 shall never result in a decrease from the previous state adequacy target amount. Should a
167 recalculation result in an increase in the state adequacy target amount, fifty percent of that
168 increase shall be included in the state adequacy target amount in the year of recalculation, and
169 fifty percent of that increase shall be included in the state adequacy target amount in the
170 subsequent year. The state adequacy target may be adjusted to accommodate available
171 appropriations;

172 (19) "Teacher", any teacher, teacher-secretary, substitute teacher, supervisor, principal,
173 supervising principal, superintendent or assistant superintendent, school nurse, social worker,
174 counselor or librarian who shall, regularly, teach or be employed for no higher than grade twelve
175 more than one-half time in the public schools and who is certified under the laws governing the
176 certification of teachers in Missouri;

177 (20) "Weighted average daily attendance", the average daily attendance plus the product
178 of twenty-five hundredths multiplied by the free and reduced lunch pupil count that exceeds the
179 free and reduced lunch threshold, plus the product of seventy-five hundredths multiplied by the
180 number of special education pupil count that exceeds the special education threshold, and plus
181 the product of six-tenths multiplied by the number of limited English proficiency pupil count that
182 exceeds the limited English proficiency threshold. For special districts established under
183 sections 162.815 to 162.940, RSMo, in a county with a charter form of government and with
184 more than one million inhabitants, weighted average daily attendance shall be the average daily
185 attendance plus the product of twenty-five hundredths multiplied by the free and reduced lunch
186 pupil count that exceeds the free and reduced lunch threshold, plus the product of seventy- five
187 hundredths multiplied by the sum of the special education pupil count that exceeds the threshold

188 for each county district, plus the product of six-tenths multiplied by the limited English
189 proficiency pupil count that exceeds the limited English proficiency threshold. None of the
190 districts comprising a special district established under sections 162.815 to 162.940, RSMo, in
191 a county with a charter form of government and with more than one million inhabitants, shall use
192 any special education pupil count in calculating their weighted average daily attendance.

163.031. 1. The department of elementary and secondary education shall calculate and
2 distribute to each school district qualified to receive state aid under section 163.021 an amount
3 determined by multiplying the district's weighted average daily attendance by the state adequacy
4 target, multiplying this product by the dollar value modifier for the district, and subtracting from
5 this product the district's local effort and, in years not governed under subsection 4 of this
6 section, subtracting payments from the classroom trust fund under section 163.043.

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

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

10 (a) For the 2006-07 school year, the state revenue per weighted average daily attendance
11 received by a district from the state aid calculation under subsections 1 and 4 of this section, as
12 applicable, and the classroom trust fund under section 163.043 shall not be less than the state
13 revenue received by a district in the 2005-06 school year from the foundation formula, line 14,
14 gifted, remedial reading, exceptional pupil aid, fair share, and free textbook payment amounts
15 multiplied by the sum of one plus the product of one-third multiplied by the remainder of the
16 dollar value modifier minus one, and dividing this product by the weighted average daily
17 attendance computed for the 2005-06 school year;

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

26 (c) For the 2008-09 school year, the state revenue per weighted average daily attendance
27 received by a district from the state aid calculation under subsections 1 and 4 of this section, as
28 applicable, and the classroom trust fund under section 163.043 shall not be less than the state
29 revenue received by a district in the 2005-06 school year from the foundation formula, line 14,
30 gifted, remedial reading, exceptional pupil aid, fair share, and free textbook payment amounts

31 multiplied by the dollar value modifier, and dividing this product by the weighted average daily
32 attendance computed for the 2005-06 school year;

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

37 **(e) For districts meeting the criteria of paragraphs (a) through (d) of this**
38 **subdivision, an additional payment amount equal to the decrease, if any, in the amount of**
39 **revenue a district receives from fines in the current year from the revenue the district**
40 **received from fines in fiscal year 2005 shall be paid to any such qualified district.**

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

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

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

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

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

65 **(e) For districts meeting the criteria of paragraphs (a) through (d) of this**
66 **subdivision, an additional payment amount equal to the decrease, if any, in the amount of**

67 **revenue a district receives from fines in the current year from the revenue the district**
68 **received from fines in fiscal year 2005 shall be paid to any such qualified district.**

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

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

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

83 (1) For the 2006-07 school year, the amount shall be fifteen percent of the amount of
84 state aid calculated for the district for the 2006-07 school year under the provisions of subsection
85 1 of this section, plus eighty-five percent of the total amount of state revenue received by the
86 district for the 2005-06 school year from the foundation formula, line 14, gifted, remedial
87 reading, exceptional pupil aid, fair share, and free textbook payments less any amounts received
88 under section 163.043.

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

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

101 (4) For the 2009-10 school year, the amount of state aid shall be fifty-eight percent of
102 the amount of state aid calculated for the district for the 2009-10 school year under the provisions

103 of subsection 1 of this section plus forty-two percent of the total amount of state revenue
104 received by the district for the 2005-06 school year from the foundation formula, line 14, gifted,
105 remedial reading, exceptional pupil aid, fair share, and free textbook payments less any amounts
106 received under section 163.043.

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

113 (6) For the 2011-12 school year, the amount of state aid shall be eighty-six percent of
114 the amount of state aid calculated for the district for the 2011-12 school year under the provisions
115 of subsection 1 of this section plus fourteen percent of the total amount of state revenue received
116 by the district for the 2005-06 school year from the foundation formula, line 14, gifted, remedial
117 reading, exceptional pupil aid, fair share, and free textbook payments less any amounts received
118 under section 163.043.

119 (7) (a) Notwithstanding subdivision (18) of section 163.011, the state adequacy target
120 may not be adjusted downward to accommodate available appropriations in any year governed
121 by this subsection.

122 (b) **a. For the 2006-07 school year**, if a school district experiences a decrease in
123 summer school average daily attendance of more than [fifteen] **twenty** percent from the district's
124 2005-06 summer school average daily attendance [in any year governed by this subsection], an
125 amount equal to the product of the percent reduction [in] **that is in excess of twenty percent of**
126 the district's summer school average daily attendance multiplied by the funds generated by the
127 district's summer school program in the 2005-06 school year shall be subtracted from the
128 district's current year payment amount.

129 **b. For the 2007-08 school year**, if a school district experiences a decrease in summer
130 school average daily attendance of more than **thirty** percent from the district's 2005-06
131 summer school average daily attendance, an amount equal to the product of the percent
132 reduction that is in excess of thirty percent of the district's summer school average daily
133 attendance multiplied by the funds generated by the district's summer school program in
134 the 2005-06 school year shall be subtracted from the district's payment amount.

135 **c. For the 2008-09 school year through the 2011-12 school year**, if a school district
136 experiences a decrease in summer school average daily attendance of more than **thirty-five**
137 percent from the district's 2005-06 summer school average daily attendance, an amount
138 equal to the product of the percent reduction that is in excess of thirty-five percent of the

139 **district's summer school average daily attendance multiplied by the funds generated by the**
140 **district's summer school program in the 2005-06 school year shall be subtracted from the**
141 **district's payment amount.**

142 (c) If a school district experiences a decrease in its gifted program enrollment of more
143 than twenty percent from its 2005-06 gifted program enrollment in any year governed by this
144 subsection, an amount equal to the product of the percent reduction in the district's gifted
145 program enrollment multiplied by the funds generated by the district's gifted program in the
146 2005-06 school year shall be subtracted from the district's current year payment amount.

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

153 6. (1) No less than seventy-five percent of the state revenue received under the
154 provisions of subsections 1, 2, and 4 of this section shall be placed in the teachers' fund, and the
155 remaining percent of such moneys shall be placed in the incidental fund. No less than
156 seventy-five percent of one-half of the funds received from the school district trust fund
157 distributed under section 163.087 shall be placed in the teachers' fund. One hundred percent of
158 revenue received under the provisions of section 163.161 shall be placed in the incidental fund.
159 One hundred percent of revenue received under the provisions of sections 168.500 to 168.515,
160 RSMo, shall be placed in the teachers' fund.

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

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

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

168 (c) Beginning in fiscal year 2008, as much as was spent per the second preceding year's
169 weighted average daily attendance for certificated compensation and tuition expenditures the
170 previous year from revenue produced by local and county tax sources in the teachers' fund, plus
171 the amount of the incidental fund to teachers' fund transfer calculated to be local and county tax
172 sources by dividing local and county tax sources in the incidental fund by total revenue in the
173 incidental fund.

174 In the event a district fails to comply with this provision, the amount by which the district fails
175 to spend funds as provided herein shall be deducted from the district's state revenue received
176 under the provisions of subsections 1, 2, and 4 of this section for the following year, provided
177 that the state board of education may exempt a school district from this provision if the state
178 board of education determines that circumstances warrant such exemption.

179 7. If a school district's annual audit discloses that students were inappropriately identified
180 as eligible for free and reduced lunch, special education, or limited English proficiency and the
181 district does not resolve the audit finding, the department of elementary and secondary education
182 shall require that the amount of aid paid pursuant to the weighting for free and reduced lunch,
183 special education, or limited English proficiency in the weighted average daily attendance on the
184 inappropriately identified pupils be repaid by the district in the next school year and shall
185 additionally impose a penalty of one hundred percent of such aid paid on such pupils, which
186 penalty shall also be paid within the next school year. Such amounts may be repaid by the
187 district through the withholding of the amount of state aid.

167.231. 1. Within all school districts except metropolitan districts the board of
2 education shall provide transportation to and from school for all pupils living more than three
3 and one-half miles from school and may provide transportation for all pupils. State aid for
4 transportation shall be paid as provided in section 163.161, RSMo, only on the basis of the cost
5 of pupil transportation for those pupils living one mile or more from school, including
6 transportation provided to and from publicly operated university laboratory schools. The board
7 of education may provide transportation for pupils living less than one mile from school at the
8 expense of the district and may prescribe reasonable rules and regulations as to eligibility of
9 pupils for transportation, **and, notwithstanding any other provision of law, no such district**
10 **shall be subject to an administrative penalty when the district demonstrates pursuant to**
11 **rule established by the state board of education that such students are required to cross a**
12 **state highway or county arterial in the absence of sidewalks, traffic signals, or a crossing**
13 **guard and that no existing bus stop location has been changed to permit a district to evade**
14 **such penalty.** If no increase in the tax levy of the school district is required to provide
15 transportation for pupils living less than one mile from the school, the board may transport said
16 pupils. If an increase in the tax levy of the school district is required to provide transportation
17 for pupils living less than one mile from school, the board shall submit the question at a public
18 election. If a two-thirds majority of the voters voting on the question at the election are in favor
19 of providing the transportation, the board shall arrange and provide therefor.

20 2. The proposal and the ballots may be in substantially the following form:

21 Shall the board of education of the school district provide transportation
22 at the expense of the district for pupils living less than one mile from school and be authorized

23 to levy an additional tax of cents on the one hundred dollars assessed valuation to
24 provide funds to pay for such transportation service?

25 ☐ YES ☐ NO

26 (If you are in favor of the proposition (or question), place an X in the box opposite "YES". If
27 you are opposed to the proposition (or question), place an X in the box opposite "NO".)

28 3. The board of education of any school district may provide transportation to and from
29 school for any public school pupil not otherwise eligible for transportation under the provisions
30 of state law, and may prescribe reasonable rules and regulations as to eligibility for
31 transportation, if the parents or guardian of the pupil agree in writing to pay the actual cost of
32 transporting the pupil. The minimum charge would be the actual cost of transporting the pupil
33 for ninety school days, which actual cost is to be determined by the average per pupil cost of
34 transporting children in the school district during the preceding school year. The full actual cost
35 shall be paid by the parent or guardian of the pupil and shall not be paid out of any state school
36 aid funds or out of any other revenues of the school district. The cost of transportation may be
37 paid in installments, and the board of education shall establish the cost of the transportation and
38 the time or times and method of payment.

Section B. Because of the need to provide a quality education for Missouri students,
2 section A of this act is deemed necessary for the immediate preservation of the public health,
3 welfare, peace and safety, and is hereby declared to be an emergency act within the meaning of
4 the constitution, and section A of this act shall be in full force and effect on July 1, 2006, or upon
5 its passage and approval, whichever comes later.

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