

SECOND REGULAR SESSION

HOUSE BILL NO. 2032

93RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES AULL (Sponsor), WALLACE, KINGERY, LeVOTA, McGHEE, LAMPE, BROWN (50), ROORDA, OXFORD, DAKE, FRAME, MEADOWS, SCHOEMEHL, PAGE, BOGETTO, KUESSNER, ROBINSON, DOUGHERTY AND CORCORAN (Co-sponsors).

Read 1st time March 16, 2006 and copies ordered printed.

STEPHEN S. DAVIS, Chief Clerk

4967L.011

AN ACT

To repeal section 163.011 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 one new section relating to state aid for schools, with an emergency clause.

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

Section A. Section 163.011 as enacted by conference committee substitute for house
2 committee substitute for senate substitute for senate committee substitute for senate bill no. 287,
3 ninety-third general assembly, first regular session, are repealed and one new section enacted in
4 lieu thereof, to be known as section 163.011, 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
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

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.

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. If a district's assessed valuation has decreased subsequent to the
115 calculation outlined in paragraph (a) of this subdivision, the district's local effort shall be
116 calculated using the district's current assessed valuation in lieu of the assessed valuation utilized
117 in calculation outlined in paragraph (a) of this subdivision;

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

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

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

127

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;

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

(18) "State adequacy target", the sum of the current operating expenditures of every performance district that falls entirely above the bottom five percent and entirely below the top five percent of average daily attendance, when such districts are rank-ordered based on their current operating expenditures per average daily attendance, divided by the total average daily attendance of all included performance districts. The department of elementary and secondary education shall first calculate the state adequacy target for fiscal year 2007 and recalculate the state adequacy target every two years using the most current available data. The recalculation shall never result in a decrease from the previous state adequacy target amount. **The actual state adequacy target amount for each subsequent two-year period after fiscal year 2007 shall be the greater of the target amount as calculated under this subdivision and the target amount determined by multiplying the most recent adequacy target by one plus the percentage growth in the Consumer Price Index for the third and fourth preceding years.** Should a recalculation result in an increase in the state adequacy target amount, fifty percent of that increase shall be included in the state adequacy target amount in the year of recalculation, and fifty percent of that increase shall be included in the state adequacy target amount in the subsequent year. The state adequacy target may be adjusted to accommodate available appropriations;

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

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

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

Section B. Because immediate action is necessary to ensure adequate funding for
2 schools, section A of this act is deemed necessary for the immediate preservation of the public
3 health, welfare, peace, and safety, and is hereby declared to be an emergency act within the
4 meaning of the constitution, and section A of this act shall be in full force and effect on July 1,
5 2006, or upon its passage and approval, whichever later occurs.

✓