

SECOND REGULAR SESSION

HOUSE BILL NO. 2070

93RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES BIVINS (Sponsor), LEMBKE, CORCORAN, FARES, AVERY,
NIEVES, PORTWOOD, THRELKELD, MUSCHANY, FRAME,
SCHOEMEHL AND YAEGER (Co-sponsors).

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STEPHEN S. DAVIS, Chief Clerk

5654L.01I

AN ACT

To repeal section 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 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 163.031 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3 ninety-third general assembly, first regular session, is repealed and one new section enacted in
4 lieu thereof, to be known as section 163.031, to read as follows:

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:

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

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

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

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

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

61 **(3) For any school district with a county-level dollar value modifier higher than one**
62 **and ten-hundredths receiving a payment under this subsection, the value of the dollar**
63 **value modifier used shall be increased by the same percentage that the basic formula**
64 **appropriation increased from the previous fiscal year to the current fiscal year, not to**
65 **exceed the regional dollar value modifier;**

66 **(4)** The department of elementary and secondary education shall make an addition in the
67 payment amount specified in subsection 1 of this section to assure compliance with the
68 provisions contained in this subsection.

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

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

80 (1) For the 2006-07 school year, the amount shall be fifteen percent of the amount of
81 state aid calculated for the district for the 2006-07 school year under the provisions of subsection

82 1 of this section, plus eighty-five percent of the total amount of state revenue received by the
83 district for the 2005-06 school year from the foundation formula, line 14, gifted, remedial
84 reading, exceptional pupil aid, fair share, and free textbook payments less any amounts received
85 under section 163.043.

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

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

98 (4) For the 2009-10 school year, the amount of state aid shall be fifty-eight percent of
99 the amount of state aid calculated for the district for the 2009-10 school year under the provisions
100 of subsection 1 of this section plus forty-two percent of the total amount of state revenue
101 received by the district for the 2005-06 school year from the foundation formula, line 14, gifted,
102 remedial reading, exceptional pupil aid, fair share, and free textbook payments less any amounts
103 received under section 163.043.

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

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

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

119 (b) If a school district experiences a decrease in summer school average daily attendance
120 of more than fifteen percent from the district's 2005-06 summer school average daily attendance
121 in any year governed by this subsection, an amount equal to the product of the percent reduction
122 in the district's summer school average daily attendance multiplied by the funds generated by the
123 district's summer school program in the 2005-06 school year shall be subtracted from the
124 district's current year payment amount.

125 (c) If a school district experiences a decrease in its gifted program enrollment of more
126 than twenty percent from its 2005-06 gifted program enrollment in any year governed by this
127 subsection, an amount equal to the product of the percent reduction in the district's gifted
128 program enrollment multiplied by the funds generated by the district's gifted program in the
129 2005-06 school year shall be subtracted from the district's current year payment amount.

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

136 6. (1) No less than seventy-five percent of the state revenue received under the
137 provisions of subsections 1, 2, and 4 of this section shall be placed in the teachers' fund, and the
138 remaining percent of such moneys shall be placed in the incidental fund. No less than
139 seventy-five percent of one-half of the funds received from the school district trust fund
140 distributed under section 163.087 shall be placed in the teachers' fund. One hundred percent of
141 revenue received under the provisions of section 163.161 shall be placed in the incidental fund.
142 One hundred percent of revenue received under the provisions of sections 168.500 to 168.515,
143 RSMo, shall be placed in the teachers' fund.

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

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

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

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

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

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

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.

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