

SECOND REGULAR SESSION

HOUSE BILL NO. 2225

94TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES ROBB (Sponsor), DIXON, LAMPE, SILVEY, KINGERY,
COOPER (155), MUSCHANY, CORCORAN, CUNNINGHAM (86), HUNTER, McGHEE, TODD,
STREAM, HUGHES, AULL AND ZIMMERMAN (Co-sponsors).

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D. ADAM CRUMBLISS, Chief Clerk

4416L.01I

AN ACT

To repeal sections 162.720 and 163.031, RSMo, and to enact in lieu thereof two new sections relating to state funding for elementary and secondary education.

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

Section A. Sections 162.720 and 163.031, RSMo, are repealed and two new sections
2 enacted in lieu thereof, to be known as sections 162.720 and 163.031, to read as follows:

162.720. 1. Where a sufficient number of children are determined to be gifted and their
2 development requires programs or services beyond the level of those ordinarily provided in
3 regular public school programs, districts may establish special programs for such gifted children.

4 2. The state board of education shall determine standards for such programs. Approval
5 of such programs shall be made by the state department of elementary and secondary education
6 based upon project applications submitted by July fifteenth of each year.

7 **3. For approved programs for gifted children, districts shall receive state aid under**
8 **section 163.031, RSMo, not to exceed seventy-five percent of the cost of instructional**
9 **personnel and special materials listed in project applications and approved by the**
10 **department of elementary and secondary education. State aid received under this**
11 **subsection shall be used only for the purposes of gifted education.**

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

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.

determined by multiplying the district's weighted average daily attendance by the state adequacy target, multiplying this product by the dollar value modifier for the district, and subtracting from this product the district's local effort and, in years not governed under subsection 4 of this section, subtracting payments from the classroom trust fund under section 163.043.

2. Other provisions of law to the contrary notwithstanding:

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

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

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

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

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

(2) For districts with an average daily attendance of three hundred fifty or less in the 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) The department of elementary and secondary education shall make an addition in the
62 payment amount specified in subsection 1 of this section to assure compliance with the
63 provisions contained in this subsection.

64 3. School districts that meet the requirements of section 163.021 shall receive categorical
65 add-on revenue as provided in this subsection. The categorical add-on for the district shall be
66 the sum of: **seventy-five percent of the gifted education approved or allowable cost**
67 **entitlement as determined under subsection 3 of section 162.720, RSMo, effective July 1,**
68 **2009;** seventy-five percent of the district allowable transportation costs under section 163.161;
69 the career ladder entitlement for the district, as provided for in sections 168.500 to 168.515,
70 RSMo; the vocational education entitlement for the district, as provided for in section 167.332,
71 RSMo; and the district educational and screening program entitlements as provided for in
72 sections 178.691 to 178.699, RSMo. The categorical add-on revenue amounts may be adjusted
73 to accommodate available appropriations.

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

77 (1) For the 2006-07 school year, the amount shall be fifteen percent of the amount of
78 state aid calculated for the district for the 2006-07 school year under the provisions of subsection
79 1 of this section, plus eighty-five percent of the total amount of state revenue received by the
80 district for the 2005-06 school year from the foundation formula, line 14, gifted, remedial
81 reading, exceptional pupil aid, fair share, and free textbook payments less any amounts received
82 under section 163.043.

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

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

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

101 (5) For the 2010-11 school year, the amount of state aid shall be seventy-two percent of
102 the amount of state aid calculated for the district for the 2010-11 school year under the provisions
103 of subsection 1 of this section plus twenty-eight 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 (6) For the 2011-12 school year, the amount of state aid shall be eighty-six percent of
108 the amount of state aid calculated for the district for the 2011-12 school year under the provisions
109 of subsection 1 of this section plus fourteen percent of the total amount of state revenue received

110 by the district for the 2005-06 school year from the foundation formula, line 14, gifted, remedial
111 reading, exceptional pupil aid, fair share, and free textbook payments less any amounts received
112 under section 163.043.

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

116 (b) a. For the 2006-07 school year, if a school district experiences a decrease in summer
117 school average daily attendance of more than twenty percent from the district's 2005-06 summer
118 school average daily attendance, an amount equal to the product of the percent reduction that is
119 in excess of twenty percent of the district's summer school average daily attendance multiplied
120 by the funds generated by the district's summer school program in the 2005-06 school year shall
121 be subtracted from the district's current year payment amount.

122 b. For the 2007-08 school year, if a school district experiences a decrease in summer
123 school average daily attendance of more than thirty percent from the district's 2005-06 summer
124 school average daily attendance, an amount equal to the product of the percent reduction that is
125 in excess of thirty percent of the district's summer school average daily attendance multiplied by
126 the funds generated by the district's summer school program in the 2005-06 school year shall be
127 subtracted from the district's payment amount.

128 c. For the 2008-09 school year through the 2011-12 school year, if a school district
129 experiences a decrease in summer school average daily attendance of more than thirty-five
130 percent from the district's 2005-06 summer school average daily attendance, an amount equal to
131 the product of the percent reduction that is in excess of thirty-five percent of the district's
132 summer school average daily attendance multiplied by the funds generated by the district's
133 summer school program in the 2005-06 school year shall be subtracted from the district's
134 payment amount.

135 d. Notwithstanding the provisions of this paragraph, no such reduction shall be made in
136 the case of a district that is receiving a payment under section 163.044 or any district whose
137 regular school term average daily attendance for the preceding year was three hundred fifty or
138 less.

139 e. This paragraph shall not be construed to permit any reduction applied under this
140 paragraph to result in any district receiving a current-year payment that is less than the amount
141 calculated for such district under subsection 2 of this section.

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

program enrollment multiplied by the funds generated by the district's gifted program in the 2005-06 school year shall be subtracted from the district's current year payment amount.

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

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

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

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

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

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

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

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

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