

SECOND REGULAR SESSION

# HOUSE BILL NO. 2277

## 95TH GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVES WALLACE (Sponsor), WILSON (130), SCHAD, GUEST,  
WETER, SATER, DEEKEN, KINGERY, SCHLOTTACH, BROWN (149), RUESTMAN, SCHIEFFER,  
WASSON, CUNNINGHAM, HOBBS AND LOEHNER (Co-sponsors).

5002L.04I

D. ADAM CRUMBLISS, Chief Clerk

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### AN ACT

To repeal sections 162.1100, 163.036, 163.037, and 167.645, RSMo, and to enact in lieu thereof  
three new sections relating to state aid for schools, with an emergency clause.

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

Section A. Sections 162.1100, 163.036, 163.037, and 167.645, RSMo, are repealed and  
2 three new sections enacted in lieu thereof, to be known as sections 162.1100, 163.036, and  
3 167.645, to read as follows:

162.1100. 1. There is hereby established within each city not within a county a school  
2 district to be known as the "Transitional School District of (name of city)", which shall be a body  
3 corporate and politic and a subdivision of the state. The transitional school district shall be  
4 coterminous with the boundaries of the city in which the district is located. Except as otherwise  
5 provided in this section and section 162.621, the transitional school district shall be subject to  
6 all laws pertaining to "seven-director districts", as defined in section 160.011, RSMo. The  
7 transitional school district shall have the responsibility for educational programs and policies  
8 determined by a final judgment of a federal school desegregation case to be needed in providing  
9 for a transition of the educational system of the city from control and jurisdiction of a federal  
10 court school desegregation order, decree or agreement and such other programs and policies as  
11 designated by the governing body of the school district.

12 2. (1) The governing board of the transitional school district shall consist of three  
13 residents of the district: one shall be appointed by the governing body of the district, one shall  
14 be appointed by the mayor of the city not within a county and one shall be appointed by the

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.

15 president of the board of aldermen of the city not within a county. The members of the  
16 governing board shall serve without compensation for a term of three years, or until their  
17 successors have been appointed, or until the transitional district is dissolved or terminated. Any  
18 tax approved for the transitional district shall be assigned to the governing body of the school  
19 district in a city not within a county after dissolution or termination of the transitional district.

20 (2) In the event that the state board of education shall declare the school district of a city  
21 not within a county to be unaccredited, the member of the governing board of the transitional  
22 district appointed by the governing body of the district as provided in subdivision (1) of this  
23 subsection shall, within ninety days, be replaced by a chief executive officer nominated by the  
24 state board of education and appointed by the governor with the advice and consent of the senate.  
25 The chief executive officer need not be a resident of the district but shall be a person of  
26 recognized administrative ability, shall be paid in whole or in part with funds from the district,  
27 and shall have all other powers and duties of any other general superintendent of schools,  
28 including appointment of staff. The chief executive officer shall serve for a term of three years  
29 or until his successor is appointed or until the transitional district is dissolved or terminated. His  
30 salary shall be set by the state board of education.

31 3. In the event that the school district loses its accreditation, upon the appointment of a  
32 chief executive officer, any powers granted to any existing school board in a city not within a  
33 county on or before August 28, 1998, shall be vested with the special administrative board of the  
34 transitional school district containing such school district so long as the transitional school  
35 district exists, except as otherwise provided in section 162.621.

36 4. The special administrative board's powers and duties shall include:

37 (1) Creating an academic accountability plan, taking corrective action in  
38 underperforming schools, and seeking relief from state-mandated programs;

39 (2) Exploration of alternative forms of governance for the district;

40 (3) Authority to contract with nonprofit corporations to provide for the operation of  
41 schools;

42 (4) Oversight of facility planning, construction, improvement, repair, maintenance and  
43 rehabilitation;

44 (5) Authority to establish school site councils to facilitate site-based school management  
45 and to improve the responsiveness of the schools to the needs of the local geographic attendance  
46 region of the school;

47 (6) Authority to submit a proposal to district voters pursuant to section 162.666  
48 regarding establishment of neighborhood schools.

49 5. (1) The provisions of a final judgment as to the state of Missouri and its officials in  
50 a school desegregation case which subjects a district in which a transitional district is located in

51 this state to a federal court's jurisdiction may authorize or require the governing body of a  
52 transitional school district established under this section to establish the transitional district's  
53 operating levy for school purposes, as defined pursuant to section 163.011, RSMo, at a level not  
54 to exceed eighty-five cents per one hundred dollars assessed valuation in the district or a sales  
55 tax equivalent amount as determined by the department of elementary and secondary education  
56 which may be substituted for all or part of such property tax.

57 (2) Any other statute to the contrary notwithstanding, no tax authorized pursuant to this  
58 subsection shall:

59 (a) Be subject to any certificate of tax abatement issued after August 28, 1998, pursuant  
60 to sections 99.700 to 99.715, RSMo; and

61 (b) Effective January 1, 2002, be subject to any new or existing tax increment financing  
62 adopted by a city not within a county pursuant to sections 99.800 to 99.865, RSMo, except that  
63 any redevelopment plan and redevelopment project concerning a convention headquarters hotel  
64 adopted by ordinance by a city not within a county prior to August 28, 2003, shall be subject to  
65 such tax increment financing.

66 (3) The transitional school district shall not be subject to the provisions of section  
67 162.081, sections 163.021 and 163.023, RSMo, with respect to any requirements to maintain a  
68 minimum value of operating levy or any consequences provided by law for failure to levy at least  
69 such minimum rate. No operating levy or increase in the operating levy or sales tax established  
70 pursuant to this section shall be collected for a transitional school district unless prior approval  
71 is obtained from a simple majority of the district's voters. The board of the transitional district  
72 shall place the matter before the voters prior to March 15, 1999.

73 6. (1) The special administrative board established in this section shall develop,  
74 implement, monitor and evaluate a comprehensive school improvement plan, and such plan shall  
75 be subject to review and approval of the state board of education. The plan shall ensure that all  
76 students meet or exceed grade-level standards established by the state board of education  
77 pursuant to section 160.514, RSMo;

78 (2) The special administrative board shall establish student performance standards  
79 consistent with the standards established by the state board of education pursuant to section  
80 160.514, RSMo, for preschool through grade twelve in all skill and subject areas, subject to  
81 review and approval of the state board of education for the purpose of determining whether the  
82 standards are consistent with standards established by the state board of education pursuant to  
83 section 160.514, RSMo;

84 (3) [All students in the district who do not achieve grade-level standards shall be  
85 required to attend summer school; except that the provisions of this subsection shall not apply  
86 to students receiving special education services pursuant to sections 162.670 to 162.999;

87           (4)] No student shall be promoted to a higher grade level unless that student has a  
88 reading ability at or above one grade level below the student's grade level; except that the  
89 provisions of this subsection shall not apply to students receiving special education services  
90 pursuant to sections 162.670 to 162.999;

91           [(5)] (4) The special administrative board established in this section shall develop,  
92 implement and annually update a professional development plan for teachers and other support  
93 staff, subject to review and approval of the state board of education.

94           7. The school improvement plan established pursuant to this section shall ensure open  
95 enrollment and program access to all students in the district, and, consistent with the Missouri  
96 and United States Constitutions, shall give first priority to residents of the city for admission to  
97 magnet schools. The school board shall take all practicable and constitutionally permissible  
98 steps to ensure that all magnet schools operate at full capacity. Students who change residence  
99 within the district shall be allowed to continue to attend the school in which they were initially  
100 enrolled for the remainder of their education at grade levels served by that school, and  
101 transportation shall be provided by the district to allow such students to continue to attend such  
102 school of initial enrollment.

103           8. To the extent practicable, the special administrative board shall ensure that per pupil  
104 expenditures and pupil-teacher ratios shall be the same for all schools serving students at a given  
105 grade level.

106           9. The special administrative board shall ensure that early childhood education is  
107 available throughout the district.

108           10. The special administrative board shall ensure that vocational education instruction  
109 is provided within the district.

110           11. The special administrative board shall establish an accountability officer whose duty  
111 shall be to ensure that academically deficient schools within the district are raised to acceptable  
112 condition within two years.

113           12. The transitional school district in any city not within a county shall be dissolved on  
114 July 1, 2008, unless the state board determines, prior to that date, that it is necessary for the  
115 transitional district to continue to accomplish the purposes for which it was created. The state  
116 board of education may cause the termination of the transitional school district at any time upon  
117 a determination that the transitional district has accomplished the purposes for which it was  
118 established and is no longer needed. The state board of education may cause the reestablishment  
119 of the transitional school district at any time upon a determination that it is necessary for the  
120 transitional district to be reestablished to accomplish the purposes established in this section.  
121 The state board of education shall provide notice to the governor and general assembly of the  
122 termination or reestablishment of the transitional school district and the termination or

123 reestablishment shall become effective thirty days following such determination. Upon  
124 dissolution of a transitional school district pursuant to this section, nothing in this section shall  
125 be construed to reduce or eliminate any power or duty of any school district or districts  
126 containing the territory of the dissolved transitional school district unless such transitional school  
127 district is reestablished by the state board of education pursuant to this section.

163.036. 1. In computing the amount of state aid a school district is entitled to receive  
2 for the minimum school term only under section 163.031, a school district may use an estimate  
3 of the weighted average daily attendance for the current year, or the weighted average daily  
4 attendance for the immediately preceding year or the weighted average daily attendance for the  
5 second preceding school year, whichever is greater. Beginning with the 2006-07 school year,  
6 the summer school attendance included in the average daily attendance as defined in subdivision  
7 (2) of section 163.011 shall include only the attendance hours of pupils that attend summer  
8 school in the current year. **Beginning with the 2010-2011 fiscal year, no summer school**  
9 **attendance shall be included in the calculation of average daily attendance for school aid.**  
10 Beginning with the 2004-05 school year, when a district's official calendar for the current year  
11 contributes to a more than ten percent reduction in the average daily attendance for kindergarten  
12 compared to the immediately preceding year, the payment attributable to kindergarten shall  
13 include only the current year kindergarten average daily attendance. Any error made in the  
14 apportionment of state aid because of a difference between the actual weighted average daily  
15 attendance and the estimated weighted average daily attendance shall be corrected as provided  
16 in section 163.091, except that if the amount paid to a district estimating weighted average daily  
17 attendance exceeds the amount to which the district was actually entitled by more than five  
18 percent, interest at the rate of six percent shall be charged on the excess and shall be added to the  
19 amount to be deducted from the district's apportionment the next succeeding year.

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

25 3. Any error made in the apportionment of state aid because of a difference between the  
26 actual equalized assessed valuation for the current year and the estimated equalized assessed  
27 valuation for the current year shall be corrected as provided in section 163.091, except that if the  
28 amount paid to a district estimating current equalized assessed valuation exceeds the amount to  
29 which the district was actually entitled, interest at the rate of six percent shall be charged on the  
30 excess and shall be added to the amount to be deducted from the district's apportionment the next  
31 succeeding year.

32           4. For the purposes of distribution of state school aid pursuant to section 163.031, a  
33 school district with ten percent or more of its assessed valuation that is owned by one person or  
34 corporation as commercial or personal property who is delinquent in a property tax payment may  
35 elect, after receiving notice from the county clerk on or before March fifteenth that more than  
36 ten percent of its current taxes due the preceding December thirty-first by a single property owner  
37 are delinquent, to use in the local effort calculation of the state aid formula the district's  
38 equalized assessed valuation for the preceding year or the actual assessed valuation of the year  
39 for which the taxes are delinquent less the assessed valuation of property for which the current  
40 year's property tax is delinquent. To qualify for use of the actual assessed valuation of the year  
41 for which the taxes are delinquent less the assessed valuation of property for which the current  
42 year's property tax is delinquent, a district must notify the department of elementary and  
43 secondary education on or before April first, except in the year enacted, of the current year  
44 amount of delinquent taxes, the assessed valuation of such property for which delinquent taxes  
45 are owed and the total assessed valuation of the district for the year in which the taxes were due  
46 but not paid. Any district giving such notice to the department of elementary and secondary  
47 education shall present verification of the accuracy of such notice obtained from the clerk of the  
48 county levying delinquent taxes. When any of the delinquent taxes identified by such notice are  
49 paid during a four-year period following the due date, the county clerk shall give notice to the  
50 district and the department of elementary and secondary education, and state aid paid to the  
51 district shall be reduced by an amount equal to the delinquent taxes received plus interest. The  
52 reduction in state aid shall occur over a period not to exceed five years and the interest rate on  
53 excess state aid not refunded shall be six percent annually.

54           5. If a district receives state aid based on equalized assessed valuation as determined by  
55 subsection 4 of this section and if prior to such notice the district was paid state aid pursuant to  
56 section 163.031, the amount of state aid paid during the year of such notice and the first year  
57 following shall equal the sum of state aid paid pursuant to section 163.031 plus the difference  
58 between the state aid amount being paid after such notice minus the amount of state aid the  
59 district would have received pursuant to section 163.031 before such notice. To be eligible to  
60 receive state aid based on this provision the district must levy during the first year following such  
61 notice at least the maximum levy permitted school districts by article X, section 11(b) of the  
62 Missouri Constitution and have a voluntary rollback of its tax rate which is no greater than one  
63 cent per one hundred dollars assessed valuation.

167.645. 1. For purposes of this section, the following terms mean:

2           (1) "Reading assessment", a recognized method of judging a student's reading ability,  
3 with results expressed as reading at a particular grade level. The term reading assessment shall  
4 include, but is not limited to, standard checklists designed for use as a student reads out loud,

5 paper-and-pencil tests promulgated by nationally recognized organizations and other recognized  
6 methods of determining a student's reading accuracy, expression, fluency and comprehension in  
7 order to make a determination of the student's grade-level reading ability. Assessments which  
8 do not give a grade-level result may be used in combination with other assessments to reach a  
9 grade-level determination. Districts are encouraged but not required to select assessment  
10 methods identified pursuant to section 167.346. Districts are also encouraged to use multiple  
11 methods of assessment;

12 (2) "Summer school", for reading instruction purposes, a minimum of forty hours of  
13 reading instruction and practice. A school district may arrange the hours and days of instruction  
14 to coordinate with its regular program of summer school.

15 2. For purposes of this section, methods of reading assessment shall be determined by  
16 each school district. Unless a student has been determined in the current school year to be  
17 reading at grade level or above, each school district shall administer a reading assessment or set  
18 of assessments to each student within forty-five days of the end of the third-grade year, except  
19 that the provisions of this subsection shall not apply to students receiving special education  
20 services under an individualized education plan pursuant to sections 162.670 to 162.999, RSMo,  
21 to students receiving services pursuant to Section 504 of the Rehabilitation Act of 1973 whose  
22 services plan includes an element addressing reading or to students determined to have limited  
23 English proficiency or to students who have been determined, prior to the beginning of any  
24 school year, to have a cognitive ability insufficient to meet the reading requirement set out in this  
25 section, provided that districts shall provide reading improvement plans for students determined  
26 to have such insufficient cognitive ability. The assessment required by this subsection shall also  
27 be required for students who enter a school district in grades four, five or six unless such student  
28 has been determined in the current school year to be reading at grade level or above.

29 3. Beginning with school year 2002-03, for each student whose third-grade reading  
30 assessment determines that such student is reading below second-grade level, the school district  
31 shall design a reading improvement plan for the student's fourth-grade year. Such reading  
32 improvement plan shall include, at a minimum, thirty hours of additional reading instruction or  
33 practice outside the regular school day during the fourth-grade year. The school district shall  
34 determine the method of reading instruction necessary to enforce this subsection. The school  
35 district may also require the student to attend summer school for reading instruction as a  
36 condition of promotion to fourth grade. [The department of elementary and secondary education  
37 may, from funds appropriated for the purpose, reimburse school districts for additional  
38 instructional personnel costs incurred in the implementation and execution of the thirty hours of  
39 additional reading instruction minus the revenue generated by the school district through the  
40 foundation formula for the additional reading instruction average daily attendance.]

41           4. Each student for whom a reading improvement plan has been designed pursuant to  
42 subsection 3 of this section shall be given another reading assessment, to be administered within  
43 forty-five days of the end of such student's fourth-grade year. If such student is determined to  
44 be reading below third-grade level, the student [shall] **may** be required to attend summer school  
45 to receive reading instruction. At the end of such summer school instruction, such student shall  
46 be given another reading assessment. If such student is determined to be reading below  
47 third-grade level, the district shall notify the student's parents or guardians, and the student shall  
48 not be promoted to fifth grade. No student shall be denied promotion more than once solely for  
49 inability to meet the reading standards set out in this section.

50           5. The process described in subsections 3 and 4 of this section shall be repeated as  
51 necessary through the end of the sixth grade, with the target grade level rising accordingly.  
52 Mandatory retention in grade shall not apply to grades subsequent to fourth grade.

53           6. The mandatory process of additional reading instruction pursuant to this section shall  
54 cease at the end of the sixth grade. The permanent record of students who are determined to be  
55 reading below the fifth-grade level at the end of sixth grade shall carry a notation advising that  
56 such student has not met minimal reading standards. The notation shall stay on the student's  
57 record until such time as the district determines that a student has met minimal reading standards.

58           7. [Each school district shall be required to offer summer school reading instruction to  
59 any student with a reading improvement plan.] Districts may fulfill the requirement of this  
60 section through cooperative arrangements with neighboring districts; provided that such districts  
61 shall timely make all payments provided pursuant to such cooperative agreements.

62           8. A school district may adopt a policy that requires retention in grade of any student  
63 who has been determined to require summer school instruction in reading and who does not  
64 fulfill the summer school attendance requirement.

65           9. Nothing in this section shall preclude a school district from retaining any student in  
66 grade when a determination is made in accordance with district policy that retention is in the best  
67 interests of the student.

68           10. The state board of education shall not incorporate information about the number of  
69 students receiving additional instruction pursuant to this section into any element of any standard  
70 of the Missouri school improvement program or its successor accreditation program; provided,  
71 however, each district shall make available, upon the request of any parent, patron, or media  
72 outlet within the district, the number and percentage of students receiving remediation pursuant  
73 to this section. The information shall be presented in a way that does not permit personal  
74 identification of any student or educational personnel.

75           11. Each school district shall make a systematic effort to inform parents of the methods  
76 and materials used to teach reading in kindergarten through fourth grade, in terms understandable



77 to a layperson and shall similarly inform parents of students for whom a reading improvement  
78 plan is required pursuant to this section.

2 [163.037. In any school year after the 2009-10 school year, if there is a  
3 twenty-five percent decrease in the statewide percentage of average daily  
4 attendance attributable to summer school compared to the percentage of average  
5 daily attendance attributable to summer school in the 2005-06 school year, then  
6 for the subsequent school year, weighted average daily attendance, as such term  
7 is defined in section 163.011, shall include the addition of the product of  
8 twenty-five hundredth times the average daily attendance for summer school.]

Section B. Because immediate action is necessary to synchronize the requirements of  
2 section A of this act with the school calendar and state fiscal year, section A of this act is deemed  
3 necessary for the immediate preservation of the public health, welfare, peace, and safety, and is  
4 hereby declared to be an emergency act within the meaning of the constitution, and section A of  
5 this act shall be in full force and effect on July 1, 2010, or upon its passage and approval,  
6 whichever occurs later.

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