

HOUSE _____ **AMENDMENT NO.** _____

Offered By

AMEND House Committee Substitute for Senate Bill No. 243, Page 32, Section 162.1250, Line 100, by inserting after all of said section and line the following:

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

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

(2) "Aggregate proration factor", the total formula appropriation under subsections 1, 2, and 8 of section 163.031 for any given fiscal year divided by the amount that would be necessary to fund the entire entitlement calculation determined by subsections 1 and 2 of section 163.031 for the same fiscal year;

(3) "Average daily attendance", the quotient or the sum of the quotients obtained by dividing the total number of hours attended in a term by resident pupils between the ages of five and twenty-one by the actual number of hours school was in session in that term. To the average daily attendance of the following school term shall be added the full-time equivalent average daily attendance of summer school students. "Full-time equivalent average daily attendance of summer school students" shall be computed by dividing the total number of hours, except for physical education hours that do not count as credit toward graduation for students in grades nine, ten, eleven, and twelve, attended by all summer school pupils by the number of hours required in section 160.011 in the school term. For purposes of determining average daily attendance under this subdivision, the term "resident pupil" shall include all children between the ages of five and twenty-one who are residents of the school district and who are attending kindergarten through grade twelve in such district. If a child is attending school in a district other than the district of residence and the child's parent is teaching in the school district or is a regular employee of the school district which the child is attending, then such child shall be considered a resident pupil of the school district which the child is attending for such period of time when the district of residence is not otherwise liable for tuition. Average daily attendance for students below the age of five years for which a school district may receive state aid based on such attendance shall be

1 computed as regular school term attendance unless otherwise provided by law;

2 [(3)] (4) "Current operating expenditures":

3 (a) For the fiscal year 2007 calculation, "current operating expenditures" shall be
4 calculated using data from fiscal year 2004 and shall be calculated as all expenditures for
5 instruction and support services except capital outlay and debt service expenditures minus the
6 revenue from federal categorical sources; food service; student activities; categorical payments for
7 transportation costs pursuant to section 163.161; state reimbursements for early childhood special
8 education; the career ladder entitlement for the district, as provided for in sections 168.500 to
9 168.515; the vocational education entitlement for the district, as provided for in section 167.332;
10 and payments from other districts;

11 (b) In every fiscal year subsequent to fiscal year 2007, current operating expenditures
12 shall be the amount in paragraph (a) of this subdivision plus any increases in state funding
13 pursuant to sections 163.031 and 163.043 subsequent to fiscal year 2005, not to exceed five
14 percent, per recalculation, of the state revenue received by a district in the 2004-05 school year
15 from the foundation formula, line 14, gifted, remedial reading, exceptional pupil aid, fair share,
16 and free textbook payments for any district from the first preceding calculation of the state
17 adequacy target. Beginning on July 1, 2010, current operating expenditures shall be the amount in
18 paragraph (a) of this subdivision plus any increases in state funding pursuant to sections 163.031
19 and 163.043 subsequent to fiscal year 2005 received by a district in the 2004-05 school year from
20 the foundation formula, line 14, gifted, remedial reading, exceptional pupil aid, fair share, and free
21 textbook payments for any district from the first preceding calculation of the state adequacy
22 target;

23 [(4)] (5) "District's tax rate ceiling", the highest tax rate ceiling in effect subsequent to the
24 1980 tax year or any subsequent year. Such tax rate ceiling shall not contain any tax levy for debt
25 service;

26 [(5)] (6) "Dollar-value modifier", an index of the relative purchasing power of a dollar,
27 calculated as one plus fifteen percent of the difference of the regional wage ratio minus one,
28 provided that the dollar value modifier shall not be applied at a rate less than 1.0:

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

33 (b) "Regional wage per job":

34 a. The total Missouri wage and salary disbursements of the metropolitan area as defined
35 by the Office of Management and Budget divided by the total Missouri metropolitan wage and
36 salary employment for the metropolitan area for the county signified in the school district number

1 or the city of St. Louis, as reported by the Bureau of Economic Analysis of the United States
2 Department of Commerce for the fourth year preceding the payment year and recalculated upon
3 every decennial census to incorporate counties that are newly added to the description of
4 metropolitan areas; or if no such metropolitan area is established, then:

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

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

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

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

18 [(6)] (7) "Free and reduced lunch pupil count", the number of pupils eligible for free and
19 reduced lunch on the last Wednesday in January for the preceding school year who were enrolled
20 as students of the district, as approved by the department in accordance with applicable federal
21 regulations;

22 [(7)] (8) "Free and reduced lunch threshold" shall be calculated by dividing the total free
23 and reduced lunch pupil count of every performance district that falls entirely above the bottom
24 five percent and entirely below the top five percent of average daily attendance, when such
25 districts are rank-ordered based on their current operating expenditures per average daily
26 attendance, by the total average daily attendance of all included performance districts;

27 [(8)] (9) "Limited English proficiency pupil count", the number in the preceding school
28 year of pupils aged three through twenty-one enrolled or preparing to enroll in an elementary
29 school or secondary school who were not born in the United States or whose native language is a
30 language other than English or are Native American or Alaskan native, or a native resident of the
31 outlying areas, and come from an environment where a language other than English has had a
32 significant impact on such individuals' level of English language proficiency, or are migratory,
33 whose native language is a language other than English, and who come from an environment
34 where a language other than English is dominant; and have difficulties in speaking, reading,
35 writing, or understanding the English language sufficient to deny such individuals the ability to
36 meet the state's proficient level of achievement on state assessments described in Public Law

1 107-10, the ability to achieve successfully in classrooms where the language of instruction is
2 English, or the opportunity to participate fully in society;

3 [(9)] (10) "Limited English proficiency threshold" shall be calculated by dividing the total
4 limited English proficiency pupil count of every performance district that falls entirely above the
5 bottom five percent and entirely below the top five percent of average daily attendance, when such
6 districts are rank-ordered based on their current operating expenditures per average daily
7 attendance, by the total average daily attendance of all included performance districts;

8 [(10)] (11) "Local effort":

9 (a) For the fiscal year 2007 calculation, "local effort" shall be computed as the equalized
10 assessed valuation of the property of a school district in calendar year 2004 divided by one
11 hundred and multiplied by the performance levy less the percentage retained by the county
12 assessor and collector plus one hundred percent of the amount received in fiscal year 2005 for
13 school purposes from intangible taxes, fines, escheats, payments in lieu of taxes and receipts from
14 state-assessed railroad and utility tax, one hundred percent of the amount received for school
15 purposes pursuant to the merchants' and manufacturers' taxes under sections 150.010 to 150.370,
16 one hundred percent of the amounts received for school purposes from federal properties under
17 sections 12.070 and 12.080 except when such amounts are used in the calculation of federal
18 impact aid pursuant to P.L. 81-874, fifty percent of Proposition C revenues received for school
19 purposes from the school district trust fund under section 163.087, and one hundred percent of
20 any local earnings or income taxes received by the district for school purposes. Under this
21 paragraph, for a special district established under sections 162.815 to 162.940 in a county with a
22 charter form of government and with more than one million inhabitants, a tax levy of zero shall be
23 utilized in lieu of the performance levy for the special school district;

24 (b) In every year subsequent to fiscal year 2007, "local effort" shall be the amount
25 calculated under paragraph (a) of this subdivision plus any increase in the amount received for
26 school purposes from fines. If a district's assessed valuation has decreased subsequent to the
27 calculation outlined in paragraph (a) of this subdivision, the district's local effort shall be
28 calculated using the district's current assessed valuation in lieu of the assessed valuation utilized
29 in the calculation outlined in paragraph (a) of this subdivision;

30 [(11)] (12) "Membership" shall be the average of:

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

35 (b) The number of resident full-time students and the full-time equivalent number of
36 part-time students who were enrolled in the public schools of the district on the last Wednesday in

January of the previous year and who were in attendance one day or more during the preceding ten school days, plus the full-time equivalent number of summer school pupils. "Full-time equivalent number of part-time students" is determined by dividing the total number of hours for which all part-time students are enrolled by the number of hours in the school term. "Full-time equivalent number of summer school pupils" is determined by dividing the total number of hours for which all summer school pupils were enrolled by the number of hours required pursuant to section 160.011 in the school term. Only students eligible to be counted for average daily attendance shall be counted for membership;

(13) "Modified formula payment", the product of the proration factor and the calculation determined by subsection 1 of section 163.031;

(14) "Modified hold harmless payment", the product of the calculation determined by subsection 2 of section 163.031 and the sum of four-tenths the proration factor plus six-tenths;

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

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

[(14)] (17) "Performance levy", three dollars and forty-three cents;

(18) "Proration factor", a percentage applied to the calculations determined by subsections 1 and 2 of section 163.031, prior to subtracting payments from the classroom trust fund, such that the sum total of every payment made to school districts eligible for a modified formula payment combined with the sum total of every payment made to school districts eligible for a modified hold harmless payment shall equal the total formula appropriation for a given fiscal year. The proration factor shall be calculated by the department of elementary and secondary education using the most current available data;

[(15)] (19) "School purposes" pertains to teachers' and incidental funds;

[(16)] (20) "Special education pupil count", the number of public school students with a current individualized education program or services plan and receiving services from the resident district as of December first of the preceding school year, except for special education services provided through a school district established under sections 162.815 to 162.940 in a county with a charter form of government and with more than one million inhabitants, in which case the sum

1 of the students in each district within the county exceeding the special education threshold of each
2 respective district within the county shall be counted within the special district and not in the
3 district of residence for purposes of distributing the state aid derived from the special education
4 pupil count;

5 [(17)] (21) "Special education threshold" shall be calculated by dividing the total special
6 education pupil count of every performance district that falls entirely above the bottom five
7 percent and entirely below the top five percent of average daily attendance, when such districts are
8 rank- ordered based on their current operating expenditures per average daily attendance, by the
9 total average daily attendance of all included performance districts;

10 [(18)] (22) "State adequacy target", the sum of the current operating expenditures of every
11 performance district that falls entirely above the bottom five percent and entirely below the top
12 five percent of average daily attendance, when such districts are rank-ordered based on their
13 current operating expenditures per average daily attendance, divided by the total average daily
14 attendance of all included performance districts. The department of elementary and secondary
15 education shall first calculate the state adequacy target for fiscal year 2007 and recalculate the
16 state adequacy target every two years using the most current available data. The recalculation
17 shall never result in a decrease from the previous state adequacy target amount. Should a
18 recalculation result in an increase in the state adequacy target amount, fifty percent of that
19 increase shall be included in the state adequacy target amount in the year of recalculation, and
20 fifty percent of that increase shall be included in the state adequacy target amount in the
21 subsequent year[. The state adequacy target may be adjusted to accommodate available
22 appropriations];

23 [(19)] (23) "Teacher", any teacher, teacher-secretary, substitute teacher, supervisor,
24 principal, supervising principal, superintendent or assistant superintendent, school nurse, social
25 worker, counselor or librarian who shall, regularly, teach or be employed for no higher than grade
26 twelve more than one-half time in the public schools and who is certified under the laws
27 governing the certification of teachers in Missouri;

28 [(20)] (24) "Weighted average daily attendance", the average daily attendance plus the
29 product of twenty-five hundredths multiplied by the free and reduced lunch pupil count that
30 exceeds the free and reduced lunch threshold, plus the product of seventy-five hundredths
31 multiplied by the number of special education pupil count that exceeds the special education
32 threshold, plus the product of six-tenths multiplied by the number of limited English proficiency
33 pupil count that exceeds the limited English proficiency threshold. For special districts established
34 under sections 162.815 to 162.940 in a county with a charter form of government and with more
35 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 pupil count that exceeds the free and reduced lunch threshold, plus the product of seventy-five hundredths multiplied by the sum of the special education pupil count that exceeds the threshold for each county district, plus the product of six-tenths multiplied by the limited English proficiency pupil count that exceeds the limited English proficiency threshold. None of the districts comprising a special district established under sections 162.815 to 162.940 in a county with a charter form of government and with more than one million inhabitants, shall use 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 distribute to each school district qualified to receive state aid under section 163.021 an amount 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 subsection 1 of this section:

(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

1 revenue received by a district in the 2005-06 school year from the foundation formula, line 14,
2 gifted, remedial reading, exceptional pupil aid, fair share, and free textbook payment amounts
3 multiplied by the dollar value modifier, and dividing this product by the weighted average daily
4 attendance computed for the 2005-06 school year;

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

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

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

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

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

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

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

36 3. School districts that meet the requirements of section 163.021 shall receive categorical

1 add-on revenue as provided in this subsection. The categorical add-on for the district shall be the
2 sum of: seventy-five percent of the district allowable transportation costs under section 163.161;
3 the career ladder entitlement for the district, as provided for in sections 168.500 to 168.515; the
4 vocational education entitlement for the district, as provided for in section 167.332; and the
5 district educational and screening program entitlements as provided for in sections 178.691 to
6 178.699. The categorical add-on revenue amounts may be adjusted to accommodate available
7 appropriations.

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

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

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

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

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

35 (5) For the 2010-11 school year, the amount of state aid shall be seventy-two percent of
36 the amount of state aid calculated for the district for the 2010-11 school year under the provisions

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

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

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

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

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

26 c. For the 2008-09 school year, if a school district experiences a decrease in summer
27 school average daily attendance of more than thirty-five percent from the district's 2005-06
28 summer school average daily attendance, an amount equal to the product of the percent reduction
29 that is in excess of thirty-five percent of the district's summer school average daily attendance
30 multiplied by the funds generated by the district's summer school program in the 2005- 06 school
31 year shall be subtracted from the district's payment amount.

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

35 e. This paragraph shall not be construed to permit any reduction applied under this
36 paragraph to result in any district receiving a current-year payment that is less than the amount

1 calculated for such district under subsection 2 of this section.

2 (c)] (1) (a) For fiscal year 2013, the general assembly shall appropriate an amount under
3 subsections 1, 2, and 8 of this section that equals or exceeds the formula appropriation under
4 subsections 1, 2, and 4 of this section as it existed in fiscal year 2010;

5 (b) For fiscal year 2014, the general assembly shall appropriate an amount under
6 subsections 1, 2, and 8 of this section that is sufficient to produce an aggregate proration factor of
7 at least .93;

8 (c) For fiscal year 2015, the general assembly shall appropriate an amount under
9 subsections 1, 2, and 8 of this section that is sufficient to produce an aggregate proration factor of
10 at least .96;

11 (d) For fiscal year 2016, the general assembly shall appropriate an amount under
12 subsections 1, 2, and 8 of this section that is sufficient to produce an aggregate proration factor of
13 at least 1.0;

14 (2) If a school district experiences a decrease in its gifted program enrollment of more
15 than twenty percent from its 2005-06 gifted program enrollment in any year governed by this
16 subsection, an amount equal to the product of the percent reduction in the district's gifted program
17 enrollment multiplied by the funds generated by the district's gifted program in the 2005-06
18 school year shall be subtracted from the district's current year payment amount.

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

25 6. (1) No less than seventy-five percent of the state revenue received under the provisions
26 of subsections 1, 2, and 4 of this section shall be placed in the teachers' fund, and the remaining
27 percent of such moneys shall be placed in the incidental fund. No less than seventy-five percent
28 of one-half of the funds received from the school district trust fund distributed under section
29 163.087 shall be placed in the teachers' fund. One hundred percent of revenue received under the
30 provisions of section 163.161 shall be placed in the incidental fund. One hundred percent of
31 revenue received under the provisions of sections 168.500 to 168.515 shall be placed in the
32 teachers' fund.

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

35 (a) An amount equal to at least seventy-five percent of the state revenue received under
36 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.

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

8. Notwithstanding the provisions of subsections 1 and 2 of this section, in any year in which the formula appropriation does not equal the amount necessary to fund the entire entitlement calculation determined by subsections 1 and 2 of this section, each district shall receive the greater of the district's modified formula payment or the district's modified hold harmless payment.” ; and

Further amend said bill, Page 40, Section 1, Line 7, by inserting after all of said section and line the following:

“Section 2. Notwithstanding the provisions of section 163.031, during fiscal year 2012, any district that is accredited with no provisions and has been declared to be in financial stress under sections 161.520 to 161.529 as of the beginning of the 2011-2012 school year shall receive no less money per student than it did in fiscal year 2010.

[163.037. In any school year after the 2009-10 school year, if there is a twenty-five

1 percent decrease in the statewide percentage of average daily attendance attributable to summer
2 school compared to the percentage of average daily attendance attributable to summer school in
3 the 2005-06 school year, then for the subsequent school year, weighted average daily attendance,
4 as such term is defined in section 163.011, shall include the addition of the product of twenty-five
5 hundredth times the average daily attendance for summer school.]” ; and

6
7 Further amend said bill, Page 40, Section B, Line 2, by inserting immediately after the word
8 “districts” the following:

9 “and to provide adequate funding to school districts” ; and

10
11 Further amend said bill, page, and section, Line 3 by deleting all of said line and inserting in lieu
12 thereof the following:

13 “repeal of section 163.037, the repeal and reenactment of section 167.131, and the
14 enactment of section 2 of section A of this act is deemed necessary for the” ; and

15
16 Further amend said bill, page, and section, Lines 5 to 7 by deleting all of said lines and inserting
17 in lieu thereof the following:

18 “ to be an emergency act within the meaning of the constitution, and the repeal of section
19 163.037, the repeal and reenactment of section 167.131, and the enactment of section 2 of section
20 A of this act shall be in full force and effect upon its passage and approval.

21 Section C. The repeal and reenactment of sections 163.011 and 163.031 of section A of
22 this act shall become effective on July 1, 2012.” ; and

23
24
25 Further amend said bill by amending the title, enacting clause, and intersectional references
26 accordingly.