

House \_\_\_\_\_ Amendment NO. \_\_\_\_\_

Offered By \_\_\_\_\_

1 AMEND House Committee Substitute for Senate Committee Substitute for Senate Bill No. 172,  
2 Page 9, Section 161.855, Line 66, by inserting after said line the following:

3  
4 "163.011. As used in this chapter unless the context requires otherwise:

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

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

26 (3) "Current operating expenditures":

27 (a) For the fiscal year 2007 calculation, "current operating expenditures" shall be calculated  
28 using data from fiscal year 2004 and shall be calculated as all expenditures for instruction and  
29 support services except capital outlay and debt service expenditures minus the revenue from federal  
30 categorical sources; food service; student activities; categorical payments for transportation costs  
31 pursuant to section 163.161; state reimbursements for early childhood special education; the career

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1 ladder entitlement for the district, as provided for in sections 168.500 to 168.515; the vocational  
2 education entitlement for the district, as provided for in section 167.332; and payments from other  
3 districts;

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

15 (4) "District's tax rate ceiling", the highest tax rate ceiling in effect subsequent to the 1980  
16 tax year or any subsequent year. Such tax rate ceiling shall not contain any tax levy for debt service;

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

20 (a) "County wage per job", the total county wage and salary disbursements divided by the  
21 total county wage and salary employment for each county and the City of St. Louis as reported by  
22 the Bureau of Economic Analysis of the United States Department of Commerce for the fourth year  
23 preceding the payment year;

24 (b) "Regional wage per job":

25 a. The total Missouri wage and salary disbursements of the metropolitan area as defined by  
26 the Office of Management and Budget divided by the total Missouri metropolitan wage and salary  
27 employment for the metropolitan area for the county signified in the school district number or the  
28 City of St. Louis, as reported by the Bureau of Economic Analysis of the United States Department  
29 of Commerce for the fourth year preceding the payment year and recalculated upon every decennial  
30 census to incorporate counties that are newly added to the description of metropolitan areas; or if no  
31 such metropolitan area is established, then:

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

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

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

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

(6) "Free and reduced lunch pupil count", for school districts not eligible for and those that do not choose the USDA Community Eligibility Option, the number of pupils eligible for free and reduced lunch on the last Wednesday in January for the preceding school year who were enrolled as students of the district, as approved by the department in accordance with applicable federal regulations. For eligible school districts that choose the USDA Community Eligibility Option, the free and reduced lunch pupil count shall be the percentage of free and reduced lunch students calculated as eligible on the last Wednesday in January of the most recent school year that included household applications to determine free and reduced lunch count multiplied by the district's average daily attendance figure;

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

(8) "Gifted education pupil count", the number of pupils who qualify as gifted under the definition of gifted children in section 162.675, and who are enrolled and have participated in a state-approved gifted education program provided by the district by June first for the immediately preceding academic year;

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

(10) "Limited English proficiency pupil count", the number in the preceding school year of pupils aged three through twenty-one enrolled or preparing to enroll in an elementary school or secondary school who were not born in the United States or whose native language is a language other than English or are Native American or Alaskan native, or a native resident of the outlying areas, and come from an environment where a language other than English has had a significant impact on such individuals' level of English language proficiency, or are migratory, whose native language is a language other than English, and who come from an environment where a language other than English is dominant; and have difficulties in speaking, reading, writing, or understanding the English language sufficient to deny such individuals the ability to meet the state's proficient level of achievement on state assessments described in Public Law 107-10, the ability to achieve successfully in classrooms where the language of instruction is English, or the opportunity to participate fully in society;

[(9)] (11) "Limited English proficiency threshold" shall be calculated by dividing the total limited English proficiency pupil count of every performance district that falls entirely above the bottom five percent and entirely below the top five percent of average daily attendance, when such

1 districts are rank-ordered based on their current operating expenditures per average daily attendance,  
2 by the total average daily attendance of all included performance districts;

3 ~~[(10)]~~ (12) "Local effort":

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

19 (b) In every year subsequent to fiscal year 2007, "local effort" shall be the amount calculated  
20 under paragraph (a) of this subdivision plus any increase in the amount received for school purposes  
21 from fines. If a district's assessed valuation has decreased subsequent to the calculation outlined in  
22 paragraph (a) of this subdivision, the district's local effort shall be calculated using the district's  
23 current assessed valuation in lieu of the assessed valuation utilized in the calculation outlined in  
24 paragraph (a) of this subdivision. When a change in a school district's boundary lines occurs because  
25 of a boundary line change, annexation, attachment, consolidation, reorganization, or dissolution  
26 under section 162.071, 162.081, sections 162.171 to 162.201, section 162.221, 162.223, 162.431,  
27 162.441, or 162.451, or in the event that a school district assumes any territory from a district that  
28 ceases to exist for any reason, the department of elementary and secondary education shall make a  
29 proper adjustment to each affected district's local effort, so that each district's local effort figure  
30 conforms to the new boundary lines of the district. The department shall compute the local effort  
31 figure by applying the calendar year 2004 assessed valuation data to the new land areas resulting  
32 from the boundary line change, annexation, attachment, consolidation, reorganization, or dissolution  
33 and otherwise follow the procedures described in this subdivision;

34 ~~[(11)]~~ (13) "Membership" shall be the average of:

35 (a) 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  
37 September of the previous year and who were in attendance one day or more during the preceding  
38 ten school days; and

39 (b) The number of resident full-time students and the full-time equivalent number of  
40 part-time students who were enrolled in the public schools of the district on the last Wednesday in  
41 January of the previous year and who were in attendance one day or more during the preceding ten

1 school days, plus the full-time equivalent number of summer school pupils. "Full-time equivalent  
 2 number of part-time students" is determined by dividing the total number of hours for which all  
 3 part-time students are enrolled by the number of hours in the school term. "Full-time equivalent  
 4 number of summer school pupils" is determined by dividing the total number of hours for which all  
 5 summer school pupils were enrolled by the number of hours required pursuant to section 160.011 in  
 6 the school term. Only students eligible to be counted for average daily attendance shall be counted  
 7 for membership;

8 [(12)] (14) "Operating levy for school purposes", the sum of tax rates levied for teachers' and  
 9 incidental funds plus the operating levy or sales tax equivalent pursuant to section 162.1100 of any  
 10 transitional school district containing the school district, in the payment year, not including any  
 11 equalized operating levy for school purposes levied by a special school district in which the district is  
 12 located;

13 [(13)] (15) "Performance district", any district that has met performance standards and  
 14 indicators as established by the department of elementary and secondary education for purposes of  
 15 accreditation under section 161.092 and as reported on the final annual performance report for that  
 16 district each year; for calculations to be utilized for payments in fiscal years subsequent to fiscal year  
 17 2018, the number of performance districts shall not exceed twenty-five percent of all public school  
 18 districts;

19 [(14)] (16) "Performance levy", three dollars and forty-three cents;

20 [(15)] (17) "School purposes" pertains to teachers' and incidental funds;

21 [(16)] (18) "Special education pupil count", the number of public school students with a  
 22 current individualized education program or services plan and receiving services from the resident  
 23 district as of December first of the preceding school year, except for special education services  
 24 provided through a school district established under sections 162.815 to 162.940 in a county with a  
 25 charter form of government and with more than one million inhabitants, in which case the sum of the  
 26 students in each district within the county exceeding the special education threshold of each  
 27 respective district within the county shall be counted within the special district and not in the district  
 28 of residence for purposes of distributing the state aid derived from the special education pupil count;

29 [(17)] (19) "Special education threshold" shall be calculated by dividing the total special  
 30 education pupil count of every performance district that falls entirely above the bottom five percent  
 31 and entirely below the top five percent of average daily attendance, when such districts are  
 32 rank-ordered based on their current operating expenditures per average daily attendance, by the total  
 33 average daily attendance of all included performance districts;

34 [(18)] (20) "State adequacy target", the sum of the current operating expenditures of every  
 35 performance district that falls entirely above the bottom five percent and entirely below the top five  
 36 percent of average daily attendance, when such districts are rank-ordered based on their current  
 37 operating expenditures per average daily attendance, divided by the total average daily attendance of  
 38 all included performance districts. The department of elementary and secondary education shall first  
 39 calculate the state adequacy target for fiscal year 2007 and recalculate the state adequacy target every  
 40 two years using the most current available data. The recalculation shall never result in a decrease  
 41 from the previous state adequacy target amount. Should a recalculation result in an increase in the

1 state adequacy target amount, fifty percent of that increase shall be included in the state adequacy  
 2 target amount in the year of recalculation, and fifty percent of that increase shall be included in the  
 3 state adequacy target amount in the subsequent year. The state adequacy target may be adjusted to  
 4 accommodate available appropriations as provided in subsection 8 of section 163.031;

5 [(19)] (21) "Teacher", any teacher, teacher-secretary, substitute teacher, supervisor, principal,  
 6 supervising principal, superintendent or assistant superintendent, school nurse, social worker,  
 7 counselor or librarian who shall, regularly, teach or be employed for no higher than grade twelve  
 8 more than one-half time in the public schools and who is certified under the laws governing the  
 9 certification of teachers in Missouri;

10 [(20)] (22) "Weighted average daily attendance", the average daily attendance plus the  
 11 product of twenty-five hundredths multiplied by the free and reduced lunch pupil count that exceeds  
 12 the free and reduced lunch threshold, plus the product of seventy-five hundredths multiplied by the  
 13 number of special education pupil count that exceeds the special education threshold, plus the  
 14 product of six-tenths multiplied by the number of limited English proficiency pupil count that  
 15 exceeds the limited English proficiency threshold, and beginning July 1, 2016, plus the product of  
 16 six-tenths multiplied by the number of the district's gifted education pupil count that exceeds the  
 17 gifted threshold. For special districts established under sections 162.815 to 162.940 in a county with  
 18 a charter form of government and with more than one million inhabitants, weighted average daily  
 19 attendance shall be the average daily attendance plus the product of twenty-five hundredths  
 20 multiplied by the free and reduced lunch pupil count that exceeds the free and reduced lunch  
 21 threshold, plus the product of seventy-five hundredths multiplied by the sum of the special education  
 22 pupil count that exceeds the threshold for each county district, plus the product of six-tenths  
 23 multiplied by the limited English proficiency pupil count that exceeds the limited English  
 24 proficiency threshold; and beginning July 1, 2016, plus the product of six-tenths multiplied by the  
 25 number of the district's gifted education pupil count that exceeds the gifted threshold. None of the  
 26 districts comprising a special district established under sections 162.815 to 162.940 in a county with  
 27 a charter form of government and with more than one million inhabitants, shall use any special  
 28 education pupil count in calculating their weighted average daily attendance.; and  
 29

30 Further amend said bill, Page 30, Section 178.550, Line 87 by inserting after said line the following:  
 31

32 "[163.011. As used in this chapter unless the context requires otherwise:

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

36 (2) "Average daily attendance", the quotient or the sum of the quotients obtained by  
 37 dividing the total number of hours attended in a term by resident pupils between the  
 38 ages of five and twenty-one by the actual number of hours school was in session in  
 39 that term. To the average daily attendance of the following school term shall be  
 40 added the full-time equivalent average daily attendance of summer school students.

41 "Full-time equivalent average daily attendance of summer school students" shall be

1 computed by dividing the total number of hours, except for physical education hours  
2 that do not count as credit toward graduation for students in grades nine, ten, eleven,  
3 and twelve, attended by all summer school pupils by the number of hours required in  
4 section 160.011 in the school term. For purposes of determining average daily  
5 attendance under this subdivision, the term "resident pupil" shall include all children  
6 between the ages of five and twenty-one who are residents of the school district and  
7 who are attending kindergarten through grade twelve in such district. If a child is  
8 attending school in a district other than the district of residence and the child's parent  
9 is teaching in the school district or is a regular employee of the school district which  
10 the child is attending, then such child shall be considered a resident pupil of the  
11 school district which the child is attending for such period of time when the district of  
12 residence is not otherwise liable for tuition. Average daily attendance for students  
13 below the age of five years for which a school district may receive state aid based on  
14 such attendance shall be computed as regular school term attendance unless otherwise  
15 provided by law;

16 (3) "Current operating expenditures":

17 (a) For the fiscal year 2007 calculation, "current operating expenditures" shall be  
18 calculated using data from fiscal year 2004 and shall be calculated as all expenditures  
19 for instruction and support services except capital outlay and debt service  
20 expenditures minus the revenue from federal categorical sources; food service;  
21 student activities; categorical payments for transportation costs pursuant to section  
22 163.161; state reimbursements for early childhood special education; the career  
23 ladder entitlement for the district, as provided for in sections 168.500 to 168.515; the  
24 vocational education entitlement for the district, as provided for in section 167.332;  
25 and payments from other districts;

26 (b) In every fiscal year subsequent to fiscal year 2007, current operating expenditures  
27 shall be the amount in paragraph (a) of this subdivision plus any increases in state  
28 funding pursuant to sections 163.031 and 163.043 subsequent to fiscal year 2005, not  
29 to exceed five percent, per recalculation, of the state revenue received by a district in  
30 the 2004-05 school year from the foundation formula, line 14, gifted, remedial  
31 reading, exceptional pupil aid, fair share, and free textbook payments for any district  
32 from the first preceding calculation of the state adequacy target. Beginning on July 1,  
33 2010, current operating expenditures shall be the amount in paragraph (a) of this  
34 subdivision plus any increases in state funding pursuant to sections 163.031 and  
35 163.043 subsequent to fiscal year 2005 received by a district in the 2004-05 school  
36 year from the foundation formula, line 14, gifted, remedial reading, exceptional pupil  
37 aid, fair share, and free textbook payments for any district from the first preceding  
38 calculation of the state adequacy target;

39 (4) "District's tax rate ceiling", the highest tax rate ceiling in effect subsequent to the  
40 1980 tax year or any subsequent year. Such tax rate ceiling shall not contain any tax  
41 levy for debt service;

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

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

(b) "Regional wage per job":

a. The total Missouri wage and salary disbursements of the metropolitan area as defined by the Office of Management and Budget divided by the total Missouri metropolitan wage and salary employment for the metropolitan area for the county signified in the school district number or the city of St. Louis, as reported by the Bureau of Economic Analysis of the United States Department of Commerce for the fourth year preceding the payment year and recalculated upon every decennial census to incorporate counties that are newly added to the description of metropolitan areas; or if no such metropolitan area is established, then:

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

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

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

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

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

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



1 included performance districts;

2 (8) "Limited English proficiency pupil count", the number in the preceding school  
3 year of pupils aged three through twenty-one enrolled or preparing to enroll in an  
4 elementary school or secondary school who were not born in the United States or  
5 whose native language is a language other than English or are Native American or  
6 Alaskan native, or a native resident of the outlying areas, and come from an  
7 environment where a language other than English has had a significant impact on  
8 such individuals' level of English language proficiency, or are migratory, whose  
9 native language is a language other than English, and who come from an environment  
10 where a language other than English is dominant; and have difficulties in speaking,  
11 reading, writing, or understanding the English language sufficient to deny such  
12 individuals the ability to meet the state's proficient level of achievement on state  
13 assessments described in Public Law 107-10, the ability to achieve successfully in  
14 classrooms where the language of instruction is English, or the opportunity to  
15 participate fully in society;

16 (9) "Limited English proficiency threshold" shall be calculated by dividing the total  
17 limited English proficiency pupil count of every performance district that falls  
18 entirely above the bottom five percent and entirely below the top five percent of  
19 average daily attendance, when such districts are rank-ordered based on their current  
20 operating expenditures per average daily attendance, by the total average daily  
21 attendance of all included performance districts;

22 (10) "Local effort":

23 (a) For the fiscal year 2007 calculation, "local effort" shall be computed as the  
24 equalized assessed valuation of the property of a school district in calendar year 2004  
25 divided by one hundred and multiplied by the performance levy less the percentage  
26 retained by the county assessor and collector plus one hundred percent of the amount  
27 received in fiscal year 2005 for school purposes from intangible taxes, fines, escheats,  
28 payments in lieu of taxes and receipts from state-assessed railroad and utility tax, one  
29 hundred percent of the amount received for school purposes pursuant to the  
30 merchants' and manufacturers' taxes under sections 150.010 to 150.370, one hundred  
31 percent of the amounts received for school purposes from federal properties under  
32 sections 12.070 and 12.080 except when such amounts are used in the calculation of  
33 federal impact aid pursuant to P.L. 81-874, fifty percent of Proposition C revenues  
34 received for school purposes from the school district trust fund under section 163.087,  
35 and one hundred percent of any local earnings or income taxes received by the district  
36 for school purposes. Under this paragraph, for a special district established under  
37 sections 162.815 to 162.940 in a county with a charter form of government and with  
38 more than one million inhabitants, a tax levy of zero shall be utilized in lieu of the  
39 performance levy for the special school district;

40 (b) In every year subsequent to fiscal year 2007, "local effort" shall be the amount  
41 calculated under paragraph (a) of this subdivision plus any increase in the amount

1 received for school purposes from fines. If a district's assessed valuation has  
2 decreased subsequent to the calculation outlined in paragraph (a) of this subdivision,  
3 the district's local effort shall be calculated using the district's current assessed  
4 valuation in lieu of the assessed valuation utilized in the calculation outlined in  
5 paragraph (a) of this subdivision;

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

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

11 (b) The number of resident full-time students and the full-time equivalent number of  
12 part-time students who were enrolled in the public schools of the district on the last  
13 Wednesday in January of the previous year and who were in attendance one day or  
14 more during the preceding ten school days, plus the full-time equivalent number of  
15 summer school pupils. "Full-time equivalent number of part-time students" is  
16 determined by dividing the total number of hours for which all part-time students are  
17 enrolled by the number of hours in the school term. "Full-time equivalent number of  
18 summer school pupils" is determined by dividing the total number of hours for which  
19 all summer school pupils were enrolled by the number of hours required pursuant to  
20 section 160.011 in the school term. Only students eligible to be counted for average  
21 daily attendance shall be counted for membership;

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

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

31 (14) "Performance levy", three dollars and forty-three cents;

32 (15) "School purposes" pertains to teachers' and incidental funds;

33 (16) "Special education pupil count", the number of public school students with a  
34 current individualized education program or services plan and receiving services from  
35 the resident district as of December first of the preceding school year, except for  
36 special education services provided through a school district established under  
37 sections 162.815 to 162.940 in a county with a charter form of government and with  
38 more than one million inhabitants, in which case the sum of the students in each  
39 district within the county exceeding the special education threshold of each respective  
40 district within the county shall be counted within the special district and not in the  
41 district of residence for purposes of distributing the state aid derived from the special

1 education pupil count;

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

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

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

27 (20) "Weighted average daily attendance", the average daily attendance plus the  
28 product of twenty-five hundredths multiplied by the free and reduced lunch pupil  
29 count that exceeds the free and reduced lunch threshold, plus the product of  
30 seventy-five hundredths multiplied by the number of special education pupil count  
31 that exceeds the special education threshold, plus the product of six-tenths multiplied  
32 by the number of limited English proficiency pupil count that exceeds the limited  
33 English proficiency threshold. For special districts established under sections  
34 162.815 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  
36 daily attendance plus the product of twenty-five hundredths multiplied by the free and  
37 reduced lunch pupil count that exceeds the free and reduced lunch threshold, plus the  
38 product of seventy-five hundredths multiplied by the sum of the special education  
39 pupil count that exceeds the threshold for each county district, plus the product of  
40 six-tenths multiplied by the limited English proficiency pupil count that exceeds the  
41 limited English proficiency threshold. None of the districts comprising a special

1 district established under sections 162.815 to 162.940 in a county with a charter form  
2 of government and with more than one million inhabitants, shall use any special  
3 education pupil count in calculating their weighted average daily attendance.]  
4

5 163.031. 1. The department of elementary and secondary education shall calculate and  
6 distribute to each school district qualified to receive state aid under section 163.021 an amount  
7 determined by multiplying the district's weighted average daily attendance by the state adequacy  
8 target, multiplying this product by the dollar value modifier for the district, and subtracting from this  
9 product the district's local effort and, in years not governed under subsection 4 of this section,  
10 subtracting payments from the classroom trust fund under section 163.043.

11 2. Other provisions of law to the contrary notwithstanding:

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

14 (a) For the 2006-07 school year, the state revenue per weighted average daily attendance  
15 received by a district from the state aid calculation under subsections 1 and 4 of this section, as  
16 applicable, and the classroom trust fund under section 163.043 shall not be less than the state revenue  
17 received by a district in the 2005-06 school year from the foundation formula, line 14, gifted,  
18 remedial reading, exceptional pupil aid, fair share, and free textbook payment amounts multiplied by  
19 the sum of one plus the product of one-third multiplied by the remainder of the dollar value modifier  
20 minus one, and dividing this product by the weighted average daily attendance computed for the  
21 2005-06 school year;

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

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

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

41 (2) For districts with an average daily attendance of three hundred fifty or less in the school

1 year preceding the payment year:

2 (a) For the 2006-07 school year, the state revenue received by a district from the state aid  
3 calculation under subsections 1 and 4 of this section, as applicable, and the classroom trust fund  
4 under section 163.043 shall not be less than the greater of state revenue received by a district in the  
5 2004-05 or 2005-06 school year from the foundation formula, line 14, gifted, remedial reading,  
6 exceptional pupil aid, fair share, and free textbook payment amounts multiplied by the sum of one  
7 plus the product of one-third multiplied by the remainder of the dollar value modifier minus one;

8 (b) For the 2007-08 school year, the state revenue received by a district from the state aid  
9 calculation under subsections 1 and 4 of this section, as applicable, and the classroom trust fund  
10 under section 163.043 shall not be less than the greater of state revenue received by a district in the  
11 2004-05 or 2005-06 school year from the foundation formula, line 14, gifted, remedial reading,  
12 exceptional pupil aid, fair share, and free textbook payment amounts multiplied by the sum of one  
13 plus the product of two-thirds multiplied by the remainder of the dollar value modifier minus one;

14 (c) For the 2008-09 school year, the state revenue received by a district from the state aid  
15 calculation under subsections 1 and 4 of this section, as applicable, and the classroom trust fund  
16 under section 163.043 shall not be less than the greater of state revenue received by a district in the  
17 2004-05 or 2005-06 school year from the foundation formula, line 14, gifted, remedial reading,  
18 exceptional pupil aid, fair share, and free textbook payment amounts multiplied by the dollar value  
19 modifier;

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

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

25 3. School districts that meet the requirements of section 163.021 shall receive categorical  
26 add-on revenue as provided in this subsection. The categorical add-on for the district shall be the  
27 sum of: seventy-five percent of the district allowable transportation costs under section 163.161; the  
28 career ladder entitlement for the district, as provided for in sections 168.500 to 168.515; the  
29 vocational education entitlement for the district, as provided for in section 167.332; and the district  
30 educational and screening program entitlements as provided for in sections 178.691 to 178.699. The  
31 categorical add-on revenue amounts may be adjusted to accommodate available appropriations.

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

35 (1) For the 2006-07 school year, the amount shall be fifteen percent of the amount of state  
36 aid calculated for the district for the 2006-07 school year under the provisions of subsection 1 of this  
37 section, plus eighty-five percent of the total amount of state revenue received by the district for the  
38 2005-06 school year from the foundation formula, line 14, gifted, remedial reading, exceptional  
39 pupil aid, fair share, and free textbook payments less any amounts received under section 163.043.

40 (2) For the 2007-08 school year, the amount shall be thirty percent of the amount of state aid  
41 calculated for the district for the 2007-08 school year under the provisions of subsection 1 of this

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

4 (3) For the 2008-09 school year, the amount of state aid shall be forty-four percent of the  
5 amount of state aid calculated for the district for the 2008-09 school year under the provisions of  
6 subsection 1 of this section plus fifty-six percent of the total amount of state revenue received by the  
7 district for the 2005-06 school year from the foundation formula, line 14, gifted, remedial reading,  
8 exceptional pupil aid, fair share, and free textbook payments less any amounts received under section  
9 163.043.

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

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

22 (6) For the 2011-12 school year, the amount of state aid shall be eighty-six percent of the  
23 amount of state aid calculated for the district for the 2011-12 school year under the provisions of  
24 subsection 1 of this section plus fourteen percent of the total amount of state revenue received by the  
25 district for the 2005-06 school year from the foundation formula, line 14, gifted, remedial reading,  
26 exceptional pupil aid, fair share, and free textbook payments less any amounts received under section  
27 163.043.

28 (7) (a) a. For the 2006-07 school year, if a school district experiences a decrease in summer  
29 school average daily attendance of more than twenty percent from the district's 2005-06 summer  
30 school average daily attendance, an amount equal to the product of the percent reduction that is in  
31 excess of twenty percent of the district's summer school average daily attendance multiplied by the  
32 funds generated by the district's summer school program in the 2005-06 school year shall be  
33 subtracted from the district's current year payment amount.

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

40 c. For the 2008-09 school year, if a school district experiences a decrease in summer school  
41 average daily attendance of more than thirty-five percent from the district's 2005-06 summer school

1 average daily attendance, an amount equal to the product of the percent reduction that is in excess of  
2 thirty-five percent of the district's summer school average daily attendance multiplied by the funds  
3 generated by the district's summer school program in the 2005-06 school year shall be subtracted  
4 from the district's payment amount.

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

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

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

16 5. For any school district meeting the eligibility criteria for state aid as established in section  
17 163.021, but which is considered an option district under section 163.042 and therefore receives no  
18 state aid, the commissioner of education shall present a plan to the superintendent of the school  
19 district for the waiver of rules and the duration of said waivers, in order to promote flexibility in the  
20 operations of the district and to enhance and encourage efficiency in the delivery of instructional  
21 services as provided in section 163.042.

22 6. (1) No less than seventy-five percent of the state revenue received under the provisions of  
23 subsections 1, 2, and 4 of this section shall be placed in the teachers' fund, and the remaining percent  
24 of such moneys shall be placed in the incidental fund. No less than seventy-five percent of one-half  
25 of the funds received from the school district trust fund distributed under section 163.087 shall be  
26 placed in the teachers' fund. One hundred percent of revenue received under the provisions of  
27 section 163.161 shall be placed in the incidental fund. One hundred percent of revenue received  
28 under the provisions of sections 168.500 to 168.515 shall be placed in the teachers' fund.

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

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

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

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

41 In the event a district fails to comply with this provision, the amount by which the district fails to

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

5 7. If a school district's annual audit discloses that students were inappropriately identified as  
 6 eligible for free and reduced lunch, special education, or limited English proficiency, or that funding  
 7 generated by the gifted education pupil count was expended on matters not directly related to gifted  
 8 education, and the district does not resolve the audit finding, the department of elementary and  
 9 secondary education shall require that the amount of aid paid pursuant to the weighting for free and  
 10 reduced lunch, special education, [or] limited English proficiency, or gifted education in the  
 11 weighted average daily attendance on the inappropriately identified pupils be repaid by the district in  
 12 the next school year and shall additionally impose a penalty of one hundred percent of such aid paid  
 13 on such pupils, which penalty shall also be paid within the next school year. Such amounts may be  
 14 repaid by the district through the withholding of the amount of state aid.

15 8. Notwithstanding any provision of law to the contrary, in any fiscal year during which the  
 16 total formula appropriation is insufficient to fully fund the entitlement calculation of this section, the  
 17 department of elementary and secondary education shall adjust the state adequacy target in order to  
 18 accommodate the appropriation level for the given fiscal year. In no manner shall any payment  
 19 modification be rendered for any district qualified to receive payments under subsection 2 of this  
 20 section based on insufficient appropriations.

21 [163.031. 1. The department of elementary and secondary education shall  
 22 calculate and distribute to each school district qualified to receive state aid under  
 23 section 163.021 an amount determined by multiplying the district's weighted average  
 24 daily attendance by the state adequacy target, multiplying this product by the dollar  
 25 value modifier for the district, and subtracting from this product the district's local  
 26 effort and, in years not governed under subsection 4 of this section, subtracting  
 27 payments from the classroom trust fund under section 163.043.

28 2. Other provisions of law to the contrary notwithstanding:

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

31 (a) For the 2006-07 school year, the state revenue per weighted average daily  
 32 attendance received by a district from the state aid calculation under subsections 1 and  
 33 4 of this section, as applicable, and the classroom trust fund under section 163.043  
 34 shall not be less than the state revenue received by a district in the 2005-06 school  
 35 year from the foundation formula, line 14, gifted, remedial reading, exceptional pupil  
 36 aid, fair share, and free textbook payment amounts multiplied by the sum of one plus  
 37 the product of one-third multiplied by the remainder of the dollar value modifier  
 38 minus one, and dividing this product by the weighted average daily attendance  
 39 computed for the 2005-06 school year;

40 (b) For the 2007-08 school year, the state revenue per weighted average daily  
 41 attendance received by a district from the state aid calculation under subsections 1 and



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

8 (c) For the 2008-09 school year, the state revenue per weighted average daily  
9 attendance received by a district from the state aid calculation under subsections 1 and  
10 4 of this section, as applicable, and the classroom trust fund under section 163.043  
11 shall not be less than the state revenue received by a district in the 2005-06 school  
12 year from the foundation formula, line 14, gifted, remedial reading, exceptional pupil  
13 aid, fair share, and free textbook payment amounts multiplied by the dollar value  
14 modifier, and dividing this product by the weighted average daily attendance  
15 computed for the 2005-06 school year;

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

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

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

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

38 (c) For the 2008-09 school year, the state revenue received by a district from the state  
39 aid calculation under subsections 1 and 4 of this section, as applicable, and the  
40 classroom trust fund under section 163.043 shall not be less than the greater of state  
41 revenue received by a district in the 2004-05 or 2005-06 school year from the

1 foundation formula, line 14, gifted, remedial reading, exceptional pupil aid, fair  
2 share, and free textbook payment amounts multiplied by the dollar value modifier;

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

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

8 3. School districts that meet the requirements of section 163.021 shall receive  
9 categorical add-on revenue as provided in this subsection. The categorical add-on for  
10 the district shall be the sum of: seventy-five percent of the district allowable  
11 transportation costs under section 163.161; the career ladder entitlement for the  
12 district, as provided for in sections 168.500 to 168.515; the vocational education  
13 entitlement for the district, as provided for in section 167.332; and the district  
14 educational and screening program entitlements as provided for in sections 178.691 to  
15 178.699. The categorical add-on revenue amounts may be adjusted to accommodate  
16 available appropriations.

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

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

26 (2) For the 2007-08 school year, the amount shall be thirty percent of the amount of  
27 state aid calculated for the district for the 2007-08 school year under the provisions of  
28 subsection 1 of this section, plus seventy percent of the total amount of state revenue  
29 received by the district for the 2005-06 school year from the foundation formula, line  
30 14, gifted, remedial reading, exceptional pupil aid, fair share, and free textbook  
31 payments less any amounts received under section 163.043.

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

38 (4) For the 2009-10 school year, the amount of state aid shall be fifty-eight percent of  
39 the amount of state aid calculated for the district for the 2009-10 school year under  
40 the provisions of subsection 1 of this section plus forty-two percent of the total  
41 amount of state revenue received by the district for the 2005-06 school year from the

1 foundation formula, line 14, gifted, remedial reading, exceptional pupil aid, fair  
2 share, and free textbook payments less any amounts received under section 163.043.

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

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

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

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

25 b. For the 2007-08 school year, if a school district experiences a decrease in summer  
26 school average daily attendance of more than thirty percent from the district's  
27 2005-06 summer school average daily attendance, an amount equal to the product of  
28 the percent reduction that is in excess of thirty percent of the district's summer school  
29 average daily attendance multiplied by the funds generated by the district's summer  
30 school program in the 2005-06 school year shall be subtracted from the district's  
31 payment amount.

32 c. For the 2008-09 school year, if a school district experiences a decrease in summer  
33 school average daily attendance of more than thirty-five percent from the district's  
34 2005-06 summer school average daily attendance, an amount equal to the product of  
35 the percent reduction that is in excess of thirty-five percent of the district's summer  
36 school average daily attendance multiplied by the funds generated by the district's  
37 summer school program in the 2005-06 school year shall be subtracted from the  
38 district's payment amount.

39 d. Notwithstanding the provisions of this paragraph, no such reduction shall be made  
40 in the case of a district that is receiving a payment under section 163.044 or any  
41 district whose regular school term average daily attendance for the preceding year

1 was three hundred fifty or less.

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

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

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

18 6. (1) No less than seventy-five percent of the state revenue received under the  
19 provisions of subsections 1, 2, and 4 of this section shall be placed in the teachers'  
20 fund, and the remaining percent of such moneys shall be placed in the incidental fund.  
21 No less than seventy-five percent of one-half of the funds received from the school  
22 district trust fund distributed under section 163.087 shall be placed in the teachers'  
23 fund. One hundred percent of revenue received under the provisions of section  
24 163.161 shall be placed in the incidental fund. One hundred percent of revenue  
25 received under the provisions of sections 168.500 to 168.515 shall be placed in the  
26 teachers' fund.

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

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

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

34 (c) Beginning in fiscal year 2008, as much as was spent per the second preceding  
35 year's weighted average daily attendance for certificated compensation and tuition  
36 expenditures the previous year from revenue produced by local and county tax  
37 sources in the teachers' fund, plus the amount of the incidental fund to teachers' fund  
38 transfer calculated to be local and county tax sources by dividing local and county tax  
39 sources in the incidental fund by total revenue in the incidental fund. In the event a  
40 district fails to comply with this provision, the amount by which the district fails to  
41 spend funds as provided herein shall be deducted from the district's state revenue

1 received under the provisions of subsections 1, 2, and 4 of this section for the  
2 following year, provided that the state board of education may exempt a school  
3 district from this provision if the state board of education determines that  
4 circumstances warrant such exemption.

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

15  
16 Further amend said bill by amending the title, enacting clause, and intersectional references  
17 accordingly.