

FIRST REGULAR SESSION

# HOUSE BILL NO. 1292

## 98TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE BAHR.

2640L.011

D. ADAM CRUMBLISS, Chief Clerk

### AN ACT

To amend chapter 162, RSMo, by adding thereto four new sections relating to school district administrative annexation and administrative consolidation.

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

Section A. Chapter 162, RSMo, is amended by adding thereto four new sections, to be known as sections 162.1350, 162.1352, 162.1354, and 162.1356, to read as follows:

**162.1350. 1. As used in sections 162.1350 to 162.1356, the following terms mean:**

(1) "Administrative annexation", the joining of an affected school district or a part of the school district with a receiving district;

(2) "Administrative consolidation", the joining of two or more school districts to create a new single school district with one administrative unit and one board of directors that is not required to close school facilities;

(3) "Affected district", a school district that loses territory or students as a result of administrative annexation or administrative consolidation;

(4) "Average daily attendance", has the same meaning as defined in section 163.011;

(5) "Department", the department of elementary and secondary education;

(6) "Receiving district", a school district or districts that receive territory or students, or both, from an affected district as a result of administrative annexation;

(7) "Resulting district", the new school district created from an affected district or districts as a result of administrative consolidation;

(8) "State board", the state board of education.

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

**162.1352. By January first of each year, the department of elementary and secondary education shall publish:**

**(1) A list of all school districts with fewer than three hundred fifty students according to the school district average daily attendance in the school year immediately preceding the current school year; and**

**(2) A consolidation list that includes all school districts with fewer than three hundred fifty students according to the school district average daily attendance in each of the two school years immediately preceding the current school year.**

**162.1354. 1. Any school district included in the department of elementary and secondary education's consolidation list under subdivision (2) of section 162.1352 may voluntarily agree to administratively consolidate with or be annexed to another school district or districts in accordance with the requirements and limitations of this section.**

**2. Any school district on the consolidation list choosing to voluntarily administratively consolidate or annex shall submit a petition for approval to the state board of education by March first immediately following publication of the list and shall set forth the terms of the administrative consolidation or annexation agreement in the petition. If the petition is approved by the state board, the administrative consolidation or annexation shall be completed by May first, to be effective July first immediately following the publication of the list required under section 162.1352.**

**3. Any school district on the consolidation list that does not submit a petition to the state board under subsection 2 of this section or that does not receive approval by the state board for a voluntary consolidation or annexation petition shall be administratively consolidated by the state board with or into one or more school districts by May first, to be effective July first immediately following the publication of the list required under section 162.1352.**

**4. The state board shall promptly consider petitions or move on its own motion to administratively consolidate a school district on the consolidation list in order to enable the affected school districts to reasonably accomplish any resulting administrative consolidation or annexation by July first immediately following the publication of the list required under section 162.1352.**

**5. The state board shall not deny the petition for voluntary administrative consolidation or annexation of any two or more school districts unless:**

**(1) The provisions contained in the articles of administrative consolidation or annexation would violate state or federal law; or**

**(2) The voluntary consolidation or annexation would not contribute to the betterment of the education of students in the school district.**

29           **6. Any school district required to be administratively consolidated under this**  
30 **section shall be administratively consolidated in such a manner as to create a resulting**  
31 **district with an average daily attendance meeting or exceeding three hundred fifty.**

32           **7. All administrative consolidations or annexations under this section shall be**  
33 **accomplished so as not to create a school district that hampers, delays, or in any manner**  
34 **negatively affects the desegregation of another school district in this state.**

35           **8. Nothing in this section shall be construed to require the closing of any school or**  
36 **school facility.**

37           **9. No administratively consolidated or annexed school district shall have more than**  
38 **one superintendent.**

39           **10. Noncontiguous school districts may voluntarily consolidate if the facilities and**  
40 **physical plant of each school district are within the same county, and the board approves**  
41 **the administrative consolidation.**

42           **11. Contiguous school districts may administratively consolidate even if they are**  
43 **not in the same county.**

44           **12. The department shall promulgate rules to facilitate the administration of**  
45 **sections 162.1350 to 162.1356. Any rule or portion of a rule, as that term is defined in**  
46 **section 536.010, that is created under the authority delegated in this section shall become**  
47 **effective only if it complies with and is subject to all of the provisions of chapter 536 and,**  
48 **if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of**  
49 **the powers vested with the general assembly pursuant to chapter 536 to review, to delay**  
50 **the effective date, or to disapprove and annul a rule are subsequently held**  
51 **unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted**  
52 **after August 28, 2015, shall be invalid and void.**

2           **162.1356. 1. The state auditor shall conduct a comprehensive financial review of**  
3 **all the school district's financial matters for any school that is involved in administrative**  
4 **consolidation or administrative annexation or is otherwise reorganized by the department**  
5 **of elementary and secondary education.**

6           **2. The comprehensive financial review shall begin no less than ten days after the**  
7 **earliest of:**

8           **(1) The publication of the district's name on the consolidation and annexation list**  
9 **under section 162.1352;**

10           **(2) The filing of a petition for voluntary administrative consolidation or**  
11 **administrative annexation; or**

12           **(3) The adoption of a motion by the state board to consolidate, annex, or otherwise**  
**reorganize a school district designated as being in academic or fiscal distress.**

13           **3. (1) Beginning on the date of publication of the consolidation list under section**  
14 **162.1352 each year, the department of elementary and secondary education shall have**  
15 **authority to oversee all fiscal and accounting-related matters of all school districts on the**  
16 **consolidation list and shall require those school districts to have accurate records necessary**  
17 **to close all books within sixty days after the end of the fiscal year.**

18           **(2) No contract or other debt obligation incurred by a school district for which the**  
19 **department has oversight authority under this section shall be valid or enforceable against**  
20 **a resulting school district unless the contract or other debt obligation is preapproved in**  
21 **writing by the commissioner of education or his or her designee.**

22           **4. Any school that is involved in an administrative consolidation or administrative**  
23 **annexation shall have an audit started within thirty days of the completion of the closing**  
24 **of the books by the school district.**

25           **5. The department of elementary and secondary education and the state auditor**  
26 **shall jointly develop the scope and details of the comprehensive fiscal review consistent**  
27 **with the requirements of this section.**

28           **6. A school district may not incur debt without the prior written approval of the**  
29 **department if the school district is identified by the department under section 162.1352 as**  
30 **having fewer than three hundred fifty students according to the school district average**  
31 **daily attendance in the school year immediately preceding the current school year.**

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