

FIRST REGULAR SESSION

HOUSE BILL NO. 552

101ST GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE DERGES.

1287H.011

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal section 161.092, RSMo, and to enact in lieu thereof two new sections relating to school district bonding capacity, with a contingent effective date.

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

Section A. Section 161.092, RSMo, is repealed and two new sections enacted in lieu thereof, to be known as sections 161.092 and 164.311, to read as follows:

161.092. The state board of education shall:

(1) Adopt rules governing its own proceedings and formulate policies for the guidance of the commissioner of education and the department of elementary and secondary education;

(2) Carry out the educational policies of the state relating to public schools that are provided by law and supervise instruction in the public schools;

(3) Direct the investment of all moneys received by the state to be applied to the capital of any permanent fund established for the support of public education within the jurisdiction of the department of elementary and secondary education and see that the funds are applied to the branches of educational interest of the state that by grant, gift, devise or law they were originally intended, and if necessary institute suit for and collect the funds and return them to their legitimate channels;

(4) Cause to be assembled information which will reflect continuously the condition and management of the public schools of the state;

(5) Require of county clerks or treasurers, boards of education or other school officers, recorders and treasurers of cities, towns and villages, copies of all records required to be made by them and all other information in relation to the funds and condition of schools and the management thereof that is deemed necessary;

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.

18 (6) Provide blanks suitable for use by officials in reporting the information required by
19 the board;

20 (7) When conditions demand, cause the laws relating to schools to be published in a
21 separate volume, with pertinent notes and comments, for the guidance of those charged with the
22 execution of the laws;

23 (8) Grant, without fee except as provided in section 168.021, certificates of qualification
24 and licenses to teach in any of the public schools of the state, establish requirements therefor,
25 formulate regulations governing the issuance thereof, and cause the certificates to be revoked for
26 the reasons and in the manner provided in section 168.071;

27 (9) Classify the public schools of the state, subject to limitations provided by law and
28 subdivision (14) of this section, establish requirements for the schools of each class, and
29 formulate rules governing the inspection and accreditation of schools preparatory to
30 classification, with such requirements taking effect not less than two years from the date of
31 adoption of the proposed rule by the state board of education, provided that this condition shall
32 not apply to any requirement for which a time line for adoption is mandated in either federal or
33 state law. Such rules shall include a process to allow any district that is accredited without
34 provision that does not meet the state board's promulgated criteria for a classification designation
35 of accredited with distinction to propose alternative criteria to the state board to be classified as
36 accredited with distinction;

37 (10) Make an annual report on or before the first Wednesday after the first day of January
38 to the general assembly or, when it is not in session, to the governor for publication and
39 transmission to the general assembly. The report shall be for the last preceding school year, and
40 shall include:

41 (a) A statement of the number of public schools in the state, the number of pupils
42 attending the schools, their sex, and the branches taught;

43 (b) A statement of the number of teachers employed, their sex, their professional
44 training, and their average salary;

45 (c) A statement of the receipts and disbursements of public school funds of every
46 description, their sources, and the purposes for which they were disbursed;

47 (d) Suggestions for the improvement of public schools; and

48 (e) Any other information relative to the educational interests of the state that the law
49 requires or the board deems important;

50 (11) Make an annual report to the general assembly and the governor concerning
51 coordination with other agencies and departments of government that support family literacy
52 programs and other services which influence educational attainment of children of all ages;

53 (12) Require from the chief officer of each division of the department of elementary and
54 secondary education, on or before the thirty-first day of August of each year, reports containing
55 information the board deems important and desires for publication;

56 (13) Cause fifty copies of its annual report to be reserved for the use of each division of
57 the state department of elementary and secondary education, and ten copies for preservation in
58 the state library;

59 (14) Promulgate rules under which the board shall classify the public schools of the state;
60 provided that the appropriate scoring guides, instruments, and procedures used in determining
61 the accreditation status of a district shall be subject to a public meeting upon notice in a
62 newspaper of general circulation in each of the three most populous cities in the state and also
63 a newspaper that is a certified minority business enterprise or woman-owned business enterprise
64 in each of the two most populous cities in the state, and notice to each district board of education,
65 each superintendent of a school district, and to the speaker of the house of representatives, the
66 president pro tem of the senate, and the members of the joint committee on education, at least
67 fourteen days in advance of the meeting, which shall be conducted by the department of
68 elementary and secondary education not less than ninety days prior to their application in
69 accreditation, with all comments received to be reported to the state board of education;

70 (15) **Promulgate rules under which the board shall establish criteria for submitting**
71 **a petition for the modification of the limitation on debt a school district may incur under**
72 **Article VI, Section 26(b) of the Constitution of Missouri, for the purposes listed in section**
73 **164.311; and**

74 (16) Have other powers and duties prescribed by law.

164.311. 1. Except as otherwise provided in this section, any school district may
2 **petition the state board of education for a modification of the limitation on debt the school**
3 **district may incur under Article VI, Section 26(b) of the Constitution of Missouri. Upon**
4 **the grant of the modification by the state board and the approval of the qualified electors**
5 **voting on the modification, the school district may borrow moneys and issue bonds for the**
6 **payment thereof for the following purposes:**

7 (1) **Purchasing or improving a site or sites;**

8 (2) **Addressing safety concerns;**

9 (3) **Constructing, furnishing, equipping, repairing, remodeling, or making**
10 **additions to buildings necessary for school district purposes; or**

11 (4) **Purchasing school buses.**

12 2. (1) **To petition the state board of education to modify the limitation of debt**
13 **under this section, the school board of the school district shall by majority vote adopt a**
14 **resolution requesting that the state board modify the limitation.**

15 **(2) If a school board receives a petition signed by at least fifty-one percent of the**
16 **registered voters of the school district and requesting the school board to petition the state**
17 **board of education to modify the limitation of debt under this section, the school board**
18 **shall adopt a resolution requesting the state board to modify the limitation.**

19 **3. Notice of the intention to request a modification under this section shall be**
20 **provided by publication in accordance with school board policy and state law.**

21 **4. (1) Upon receiving a request under this section, the state board of education**
22 **shall review the request and examine the evidence furnished in support of the request.**

23 **(2) (a) Beginning with the 2022-23 school year, the state board of education shall**
24 **not approve a request submitted during the current school year if such approval would**
25 **result in the aggregate amount of all general obligation bonds approved by the state board**
26 **for such school year exceeding the aggregate principal amount of all general obligation**
27 **bonds retired in the immediately preceding school year adjusted for inflation under**
28 **paragraph (d) of this subdivision. For any request submitted during the current school**
29 **year in excess of one hundred seventy-five million dollars, the state board shall apply only**
30 **an amount of one hundred seventy-five million dollars of such request when determining**
31 **whether the aggregate principal amount of all general obligation bonds retired in the**
32 **immediately preceding school year has been exceeded. In determining whether to approve**
33 **a request, the state board shall prioritize applications in accordance with the priorities set**
34 **forth as follows in order of highest priority to lowest priority:**

35 **a. Safety of the current facility and disability access to such facility as demonstrated**
36 **by a state fire marshal report, an inspection under the Americans with Disabilities Act of**
37 **1990 (42 U.S.C. Section 12101 et seq., as amended), or other similar evaluation;**

38 **b. Enrollment growth and imminent overcrowding as demonstrated by successive**
39 **increases in enrollment of the school district in the immediately preceding three school**
40 **years;**

41 **c. Impact on the delivery of educational services as demonstrated by restrictive**
42 **inflexible design or limitations on installation of technology; and**

43 **d. Energy usage and other operational inefficiencies as demonstrated by a**
44 **district-wide energy usage analysis, district-wide architectural analysis, or other similar**
45 **evaluation.**

46 **(b) The state board of education shall not consider any amount transferred from**
47 **the state to the school district's capital projects fund in determining whether to approve**
48 **such district's request.**

49 (c) The provisions of paragraph (a) of this subdivision shall not apply to school
50 districts that have not issued any general obligation bonds in the twenty-five years prior
51 to the current school year.

52 (d) The state board of education shall adjust the aggregate principal amount of all
53 general obligation bonds retired in the immediately preceding school year by adding an
54 amount equal to the five-year compounded percentage increase in the Producer Price
55 Index industry data for new school building construction, or its successor index, as such
56 index is defined and officially reported by the United States Department of Labor or its
57 successor agency for the five immediately preceding school years.

58 (3) After reviewing the request and examining the supportive evidence, the state
59 board of education shall issue an order either granting or denying the request. If the
60 request is approved, the applicant school district shall request the election authority of the
61 school district to hold an election to vote upon the question of issuing the increased amount
62 of bonds in the manner provided by law.

63 (4) Any request that is denied under subdivision (3) of this subsection may be
64 tentatively approved by the state board of education for the immediately succeeding school
65 year. The amount of general obligation bonds approved in any such request shall be
66 counted first towards the aggregate amount of all general obligation bonds approved by
67 the state board for such school year.

68 (5) Beginning with the 2022-23 school year, the state board of education shall
69 determine the aggregate principal amount of general obligation bonds retired in the
70 immediately preceding school year.

71 (6) Subdivisions (2), (4), and (5) of this subsection shall expire on June 30, 2027.

72 5. No limitation upon school districts imposed by any other provision of law
73 relating to purchasing or improving a site or sites; constructing, furnishing, equipping,
74 repairing, remodeling, or making additions to buildings necessary for school district
75 purposes; or for the purpose of purchasing school buses shall apply to any modification
76 requested under this section.

77 6. No school district that is experiencing financial distress as described in section
78 161.520 or that is participating in the school turnaround program under sections 161.1080
79 to 161.1130 shall submit a petition for the modification under this section.

80 7. No revenues derived from any indebtedness incurred under this section shall be
81 included in any calculation of the school district's total operating levy for school purposes.

82 8. The state board of education may adopt rules and regulations necessary to
83 administer this section.

Section B. Section A of this act shall become effective only upon the passage and
2 approval by the voters of an amendment of Article VI, Section 26(b) of the Constitution of
3 Missouri submitted to them by the general assembly allowing school districts to exceed the
4 limitation on indebtedness if approved by the state board of education and upon a vote of the
5 people in the school district.

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