

SS#2 SCS SB 727 -- ELEMENTARY AND SECONDARY EDUCATION

This bill creates and modifies provisions relating to elementary and secondary education.

MISSOURI EMPOWERMENT SCHOLARSHIP ACCOUNTS PROGRAM (Sections 135.713, 135.714, 135.715, and 166.700)

This bill modifies provisions relating to the Missouri Empowerment Scholarship Accounts Program.

The bill changes the maximum amount of tax credits that may be allocated in any year from \$50 million to \$75 million. The maximum amount will be increased annually by any percentage increase or decrease in the amount appropriated to school districts under the foundation formula. This bill repeals a provision that the program be effective in any fiscal year immediately following any year in which the amount appropriated for pupil transportation equals or exceeds 40% of the projected amount necessary to fully fund transportation aid funding for fiscal year 2021 (Section 135.713, RSMo).

The bill modifies the scholarship distribution order to qualified students. The first students to receive scholarship funds will be students who received scholarships in the previous year, followed by students who are siblings of students who are already receiving a scholarship. This bill further outlines a distribution order that prioritizes funding to students who receive special education services, students who are eligible for free or reduced price lunch and who reside in an unaccredited or provisionally accredited school district, students who are eligible for free or reduced price lunch, and students who are the children of active duty military personnel who have relocated to Missouri.

The bill modifies the total grant amount for students with an individualized education plan (IEP) or limited English proficiency or who receive free or reduced-price lunch. Students with limited English proficiency will receive no more than 160% of the state adequacy target; students who receive free or reduced-price lunch will receive no more than 125% of the state adequacy target; and students with an IEP will receive no more than 175% of the state adequacy target. All other students shall receive a grant amount that does not exceed the state adequacy target.

This bill provides that educational assistance organizations shall provide certain data that is currently provided only to the State Treasurer to the Department of Elementary and Secondary Education (DESE) and the Missouri Empowerment Scholarship Accounts Program Board.

The bill requires the State Treasurer to post certain information relating to scholarship recipients, qualified schools, and educational assistance organizations on the Treasurer's website annually (Section 135.714).

This bill repeals a provision that the annual increase to the cumulative amount of tax credits cease when the amount of tax credits reaches \$50 million.

If the total contributions to educational assistance organizations exceed \$25 million in any school year, the State Treasurer may certify one additional educational assistance organization to administer scholarship accounts. A maximum of seven, rather than six, educational assistance organizations may have their principal place of business in any one of the counties listed in the bill.

The bill provides that all laws and regulations that apply to employees of an educational assistance organization shall also apply to the actions of any employees of a private financial management firm while they are conducting work relating to the direct decision-making of the operation of the educational assistance organization.

This bill modifies membership of the Missouri Empowerment Scholarship Accounts Board by removing the Commissioner of Administration and adding an additional member to be appointed by the members of the Board who is an employee of an educational assistance organization and whose responsibilities are directly related to the organization's involvement in the program. The Board must assist the State Treasurer with data collection, collaboration with DESE, and making recommendations to the State Treasurer regarding the promulgation of rules concerning the program (Section 135.715).

The bill modifies the definition of "qualified school" by providing that Family Paced Education (FPE) schools, rather than home schools, shall be qualified to participate in the program.

This bill modifies the definition of "qualified student" by including any student who is a resident of this state, rather than only those students who live in a charter county or a city with at least 30,000 inhabitants, and who is not unlawfully present in the United States or a person who gained illegal entry into the United States. The definition is further modified by including any student who is a member of a household whose total annual income is 300% or less than the income standard used to qualify for free and reduced-price lunch, rather than only those students whose household income is 200% or less than such standard. The

definition is also modified by adding siblings of qualified students who received a scholarship in the previous year and will receive a scholarship in the current year (Section 166.700).

These provisions are similar to HB 1738, and HB 2104 (2024), and provisions in SB 1391, and SCS SB 1392(2024).

MINIMUM SCHOOL TERM (Sections 160.011, 160.041, 163.021, 171.028, 171.031, 171.033, 1, and B)

This bill establishes provisions relating to the minimum school term.

The bill modifies the definition of "school term" by providing that school districts located in charter counties or cities with more than 30,000 inhabitants must have a school term that consists of at least 169 school days, unless the district has adopted a four-day school week, in which case a school term will consist of at least 142 school days (Sections 160.011, 163.021, 171.031, and 171.033).

This bill repeals a provision specifying that school districts shall provide a minimum of 522 hours of actual pupil attendance for kindergarten pupils in order to receive state aid (Section 163.021).

These provisions have an effective date of July 1, 2026.

Beginning in the 2026-27 school year, the bill provides that school districts located wholly or partially in charter counties or cities with more than 30,000 inhabitants may adopt a four-day school week only upon a majority vote of the qualified voters of the school district (Section 171.028).

The Department must remit to any school district with a 169 day term in the preceding year an amount equal to 1% for fiscal years 2026 and 2027, or 2% for fiscal year 2028 and all subsequent fiscal years, of such district's preceding year's annual state aid entitlement as calculated in June. For school districts in which one or more charter schools operate, and for all charter schools located in such district, the calculation must be made prior to any adjustment to the district's or charter school's state aid calculation pursuant to current requirements regarding state aid payments to charter schools.

Any funds received pursuant to this provision must be used by school districts and charter schools exclusively to increase teacher salaries. Any school district or charter school that fails to utilize such funds solely to increase teacher salaries shall have an amount equal to the amount of the funds received withheld

from the district's or charter school's state aid payments under current law (Section 1).

These provisions are similar to SB 784, HB 1417, and HB 1828 (2024).

#### CHARTER SCHOOLS (Sections 160.400 and 160.415)

The bill adds all school districts located in Boone County to the list of school districts in which a charter school may be operated by any entity currently authorized to operate a charter school under state law. Provisions of current law that provide for additional state aid to charter schools will not apply to any charter school operated in Boone County.

All laws and regulations that apply to employees of a charter school shall also apply to the actions of any employees of a charter school management company while such employees are conducting any work relating to the direct decision-making of the operation of the charter school.

#### LITERACY OF ELEMENTARY SCHOOL STUDENTS (Section 161.239)

This bill establishes the "Elementary Literacy Fund" for the purpose of providing grants to school districts and charter schools for home reading programs for children in kindergarten to 5th grade. The General Assembly must annually appropriate an amount not to exceed \$5 million to the Fund, and DESE will develop a process by which a district or charter school may apply for a grant. Any district or charter school that receives such a grant must match any funds that are granted.

The bill sets forth certain criteria for a home reading program to be considered eligible for a grant from the Fund. The program's objective is to mail books to students' homes that the students select themselves at a reading level with which they are comfortable. The program will allow for parental engagement, as specified in the bill, and must allow students to select between six and nine new books to keep. The program provider must provide summary data on the program to the General Assembly and to DESE, and will further maintain verification that the provider has secured the required matching funds from the district or charter school. The combined total cost of the program, including matching funds from the district or charter school, shall not exceed \$60 per student per semester.

This provision is the same as SB 857 (2024).

## MISSOURI COURSE ACCESS AND VIRTUAL SCHOOL PROGRAM (Section 161.670)

This bill specifies that the average daily attendance of a student who is enrolled full-time in the Missouri Course Access and Virtual School Program must be calculated by dividing the total number of hours attended in a term by enrolled pupils between the ages of five and 21 years old by the actual number of hours that the program was in session in that term. The calculation will be generated by the virtual provider and provided to the host district for submission to DESE. Full-time virtual school students may complete their instructional activities during any hour of the day and during any day of the week. The hours attended for each enrolled pupil shall be documented by the pupil's weekly progress in the educational program according to a process determined by the virtual program and published annually in the virtual program's enrollment handbook or policy. The full-time equivalent average daily attendance of summer school students shall be added to the average daily attendance of the following school term.

Host districts that enroll one or more full-time virtual school students shall receive an amount of state aid specified in the bill for such students on a monthly basis.

The bill provides that students who reside in Missouri may enroll in the virtual program of their choice. Provisions of current law regarding a school district's approval of a student's request to enroll in a virtual program shall not apply to full-time virtual program enrollment.

This bill requires host districts to adopt student enrollment policies for full-time virtual students and allows virtual schools to mutually agree with resident and host districts on the services that the resident district might offer, including possible financial reimbursements for those services. For students with disabilities, the enrollment policy shall ensure the development of an individualized education program and related services agreement, as necessary.

The bill requires a student's parent or guardian, if the student is not considered homeless, to apply for enrollment directly with the full-time virtual program.

This bill specifies that student progress reports to the school district are necessary only for part-time virtual school program enrollees.

A host district may contract with a provider to perform any required services involved with delivering a full-time virtual education.

A full-time virtual school shall provide regular student progress reports to parents or guardians at least four times per school year.

This provision is the same as HB 2287 (2024) and is similar to SB 1375, SB 780, and SB 921 (2024).

FAMILY PACED EDUCATION (FPE) SCHOOLS (Sections 161.670, 162.996, 166.700, 167.012, 167.013, 167.031, 167.061, 167.600, 167.619, 210.167, 210.211, 211.031, and 452.375)

The bill defines a "Family Paced Education school" or "FPE school" as a school that enrolls any student who participates in the Missouri Empowerment Scholarship Accounts Program and that satisfies certain other criteria relating to instruction. The current definition of "home school" is modified by specifying that a home school shall not enroll any student who participates in such Program, and a home school is not an FPE school. The bill applies to FPE schools several provisions of law that currently apply to home schools, including provisions relating to child custody and the licensing of child care providers.

These provisions are similar to HB 2937 (2024).

SCHOOL BOARD VACANCIES (Sections 162.471, 162.492, and 162.611)

Currently, any vacancy on an urban school board shall be filled by special election. This bill specifies that the remaining members of the board will fill a vacancy by appointment until the next school board election.

These provisions are the same as provisions in SB 885 (2024).

Current law also provides that any vacancy that occurs on the City of St. Louis school board outside of the normal election cycle must be filled by appointment by the mayor for the remainder of the term. This bill specifies that the City of St. Louis school board will fill any such vacancy by appointment for the remainder of the term.

This provision is the same as a provision in SB 885 (2024).

WEIGHTED AVERAGE DAILY ATTENDANCE (Section 163.011)

This bill modifies the definition of "weighted average daily attendance" as used in the education funding formula by adding to such definition a weighting factor relating to school district enrollment.

"Membership" is defined in current law as the average number of students enrolled in a school district who attended school at least one day during 10 days at the end of January and September.

The bill defines "weighted membership" as the current law definition of "membership" multiplied by certain weighting factors relating to the number of students who fall into certain population groups, such as the number of students who receive special educational services above a certain threshold number that is determined in a manner provided for in current law.

Weighted membership shall be included in the calculation of a school district's weighted average daily attendance beginning in the 2026 fiscal year. In 2026, a district's weighted average daily attendance shall be calculated as the sum of 90% of such district's weighted average daily attendance as calculated in current law, plus 10% of such district's weighted membership. The percent of weighted membership included in such calculation shall increase by 10% each year until 2030, when a district's weighted average daily attendance shall be calculated as the sum of 50% of such district's weighted average daily attendance as calculated in current law, plus 50% of the district's weighted membership.

The same modification is made in the calculation of weighted average daily attendance for special school districts.

This provision is similar to SB 1378 (2024).

#### EARLY CHILDHOOD EDUCATION PROGRAMS OPERATED BY SCHOOL DISTRICTS AND CHARTER SCHOOLS (Section 163.018)

Currently, children between three and five years old who are eligible for free and reduced price lunch and attend an early childhood education program operated by a school district or a charter school may be included in such district's or charter school's calculation of average daily attendance, provided that the total number of the pupils does not exceed 4% of the total number of pupils between five and 18 years old who are eligible for free and reduced price lunch and who are included in the district's or charter school's calculation of average daily attendance. This bill increases the percentage to 8%.

#### SMALL SCHOOLS GRANT (Section 163.044)

The bill increases the Small Schools Grant appropriation from \$15 million to \$30 million. Of such moneys, \$20 million, rather than \$10 million, shall be distributed to the eligible districts, as specified in the bill, in proportion to their average daily

attendance, and \$10 million, rather than \$5 million, shall be directed to the eligible districts that have an operating levy for school purposes in the current year in an amount specified in the bill.

#### SCHOOL DISTRICTS' LOCAL EFFORT FIGURES (Section 163.096)

Beginning August 28, 2024, this bill requires DESE to recalculate the local effort figure of any school district that, in fiscal year 2005, recorded revenues from intangible taxes, the merchants' and manufacturers' surcharge, and payments in lieu of taxes other than tax increment financing in the district's teacher and incidental funds that caused an elevation of the district's local effort figure. The Department must calculate the amount of state aid a district would have received had the district placed these revenues in the capital projects fund or the debt service fund for payments subsequent to August 28, 2024.

This provision is the same as HB 2918 and SB 1479 (2024).

#### MINIMUM TEACHER'S SALARY (Section 163.172)

Beginning in the 2025-26 school year, this bill increases the minimum teacher's salary from \$25,000 to \$40,000. For teachers with a master's degree in an academic teaching field directly related to the teacher's assignment, and at least 10 years of experience in a public school, this bill increases the minimum salary from \$33,000 to \$46,000 for the 2025-26 school year and further increases the salary by \$1,000 each year until the 2027-2028 school year, when the minimum shall be \$48,000.

In the 2028-29 school year and in all subsequent school years, the minimum teacher's salaries shall additionally be adjusted annually by the percentage increase in inflation, as such term is defined in the bill. The State Board of Education (SBE) will publish the minimum salaries annually in February beginning in calendar year 2026. Modifications to the minimum salaries will take effect on July 1 of each calendar year.

The bill creates the "Teacher Baseline Salary Grant Fund" and "Teacher Baseline Salary Grant Program" for the purpose of increasing minimum teacher's salaries. The General Assembly may appropriate moneys to the Fund to assist each school district in increasing minimum teacher's salaries as required pursuant to the provisions of the bill. School districts may apply to DESE for a grant from the Fund.

This provision is similar to provisions in HCS HB 1447, SB 955, and SB 1163 (2024).



#### COMPULSORY SCHOOL ATTENDANCE (Sections 167.031 and 595.209)

The bill provides that a child may be excused from attendance at school if the child is unable to attend school due to mental or behavioral health concerns, provided that the school receives documentation from a mental health professional.

This provision is the same as SB 761 (2024).

The bill also provides that a public school district, public school, or charter school shall not discipline a child for failure to comply with the district's or school's attendance policy, and the parent or legal guardian will not be deemed to be in violation of the compulsory attendance law, based on the child honoring a subpoena to testify in a criminal proceeding, attending a criminal proceeding, or for participating in the preparation of a criminal proceeding.

#### SCHOOL ATTENDANCE OFFICERS (Section 167.071)

This bill repeals a provision authorizing a seven-director school district to appoint a school attendance officer who has the powers of a deputy sheriff and may investigate claims of violations of the compulsory attendance law and arrest truant juveniles without a warrant.

This provision is the same as provisions in SB 819 (2024).

#### RECOVERY HIGH SCHOOLS (Section 167.850)

The bill changes the deadline for a school district to submit a proposal to operate a recovery high school from December 1st of the school year preceding the beginning of operation of the recovery high school to July 1st.

This provision is the same as SB 1393 (2024).

#### TEACHER CERTIFICATION (Section 168.021)

Current law requires candidates for a teaching license to satisfy certain criteria, including obtaining the recommendation of a state-approved, baccalaureate-level teacher preparation program.

This bill requires DESE to develop an 18 credit hour, online teacher preparation program related to subjects appropriate for teachers in different content areas determined by the Department. The Department may contract with an entity skilled in developing online teacher preparation programs or a charitable organization

registered in Missouri to develop and maintain the online teacher preparation program. The entity or charitable organization must be certified to develop and maintain the program by the Department. An individual with a bachelor's degree may complete the online training program and receive a certificate of license to teach. However, the certificate will not be accepted by Missouri public schools, but must be accepted by private schools and private school accrediting agencies.

The bill also specifies that the SBE must issue an additional professional subject-area teaching certification for specific content knowledge or for a specialty area to a teaching certificate holder who applies for an additional professional subject-area certification, successfully achieves an acceptable score on the state-approved teacher evaluation system, receives a recommendation from the employing school district, and completes a background check.

This provision is similar to SB 1394 (2024) and a provision in HCS HB 1447 (2024).

#### HARD-TO-STAFF SCHOOLS AND SUBJECT AREAS (Section 168.110)

The bill provides that a school board may include differentiated placement of teachers on the salary schedule to increase compensation in order to recruit and retain teachers in hard-to-staff subject areas or schools, as the terms "hard-to-staff schools" and "hard-to-staff subject areas" are defined in the bill.

No modifications to the identification of hard-to-staff subject areas or schools will result in the demotion of a teacher in the salary schedule. Each school district that includes differentiated placement of teachers on the district salary schedule must annually provide to DESE a report containing information specified in the bill.

This provision is the same as a provision in HCS HB 1447 (2024) and similar to provisions in SB 955 and SB 1163 (2024).

#### TEACHER EDUCATION PROGRAMS (Section 168.400)

This bill repeals provisions of current law that require preservice teacher education programs to include a program of entry-level testing of all prospective teacher education students to be administered by the Commissioner of Education.

This provision is the same as provisions in SB 955, SB 1163, and HCS HB 1447 (2024).

#### CAREER LADDER (Section 168.500)

Currently, public school teachers become eligible for the Career Ladder program after two years of public school teaching in Missouri. This bill provides that the two-year requirement does not apply to any member of the Armed Forces of the United States or the member's spouse who has teaching experience in another state and who has transferred to this state.

The bill repeals a provision of current law that teachers' Career Ladder responsibilities and career efforts must occur outside of compensated hours. This bill also specifies that teachers may receive Career Ladder admission and stage achievement for certain activities that are not included in the duties that require a teaching certificate under current law.

The bill adds serving as a mentor for teachers to the list of activities for which teachers may receive Career Ladder admission and stage achievement.

This provision is the same as a provision in HCS HB 1447 (2024) and is similar to provisions in SB 955, SB 1014, and SB 1163 (2024).

#### PSRS/PEERS - WORKING AFTER RETIREMENT LIMITS (Sections 169.560 and 169.660)

Currently, a retired member, except for those retired due to disability, of the Public School Retirement System ("PSRS") may work after retirement in a certified position with a covered employer without discontinuance of his or her retirement benefits if the member does not exceed 550 hours of work each school year and 50% of the annual compensation to the person who last held the position. This bill provides that the member, including those retired due to disability, may earn up to 50% of the annual compensation to the person who last held the position or 50% of the limit set by the employer's school board for the position which has been submitted and approved by the Board of Trustees of PSRS.

Additionally, current law provides that if a member of PSRS or the Public Education Employee Retirement System ("PEERS") is in excess of the limitations, the member will not be eligible to receive the retirement allowance for any month so employed. This bill provides that either the member will not be eligible to receive the retirement allowance for any month so employed or the retirement system must recover the amount earned in excess of the limitations, whichever is less.

This provision is similar to SB 1286 (2024).

## SUICIDE PREVENTION IN GRADES SEVEN TO 12 (Section 170.048)

This bill modifies provisions that require suicide prevention information to be printed on the identification cards of public school students in grades seven to 12. Beginning July 1, 2025, the bill adds to the information the non-emergency phone number of the local police department. The identification cards may also include the phone number of the Crisis Text Line and the phone number of a local suicide prevention hotline, if such hotline is available.

This provision is the same as a provision in SB 762 (2024).

## TEACHER RECRUITMENT AND RETENTION STATE SCHOLARSHIP PROGRAM (Section 173.232)

The bill changes the name of the "Urban Flight and Rural Needs Scholarship Program" to the "Teacher Recruitment and Retention State Scholarship Program." The corresponding state treasury fund is also renamed accordingly.

The bill provides that scholarship funds may be used to cover up to 100% of the tuition costs related to teacher preparation at a four year college or university located in Missouri, except that no amount granted for tuition shall exceed the amount of tuition charged a Missouri resident at the University of Missouri-Columbia for attendance.

The number of years a student may receive a scholarship is reduced from four to two years. The number of students who may receive a scholarship is increased from 100 to 200 in the 2025-26 academic year, or a maximum awarded amount of \$1.2 million dollars. The bill further increases the maximum number of scholarships or the maximum awarded amount for each year through the 2030-31 academic year, when the maximum shall be 600 scholarships or a maximum awarded amount of \$3.4 million, as provided in the bill.

Scholarship recipients after June 30, 2025, must make a good faith effort to secure all available federal sources of grant funding.

The bill repeals a provision that a student must have attended a Missouri high school in order to be eligible for a scholarship.

To be eligible for a scholarship, recipients shall sign an agreement to teach in a Missouri public school that is a hard-to-staff school or to teach at least one hard-to-staff subject area in a Missouri public school, or both, for two years for every one year the recipient receives a scholarship. The bill defines a "hard-to-staff school" as an attendance center where the percentage of certificated positions that were left vacant or were filled with a

teacher not fully qualified in the prior academic year exceeds 10% as reported to DESE. A "hard-to-staff subject area" is defined as a content area for which positions were left vacant or were filled with a teacher not fully qualified in the prior academic year.

The scholarships provided in the bill will be available to students who have successfully completed 48 credit hours at a community college, who have been awarded an associate degree, or who have completed 60 credit hours at a four-year college, as provided in the bill.

The bill modifies the interest rate paid by scholarship recipients who do not follow through on their agreement to teach in a hard-to-staff subject or school and must therefore repay their scholarship award as a loan.

An individual who has qualified as an eligible student will continue to qualify as an eligible student as long as he or she remains employed by the school district in which he or she agreed to teach, regardless of whether his or her employing school no longer qualifies as a hard-to-staff school, the class he or she teaches no longer qualifies as a hard-to-staff subject area, or his or her position within the school district changes.

This provision is the same as a provision in HCS HB 1447 (2024) and is similar to provisions in SB 955 and SB 1163 (2024) and to SB 1013 (2024).