

SECOND REGULAR SESSION  
[TRULY AGREED TO AND FINALLY PASSED]  
SENATE SUBSTITUTE FOR  
SENATE COMMITTEE SUBSTITUTE FOR  
HOUSE COMMITTEE SUBSTITUTE FOR  
**HOUSE BILL NO. 1731**

**96TH GENERAL ASSEMBLY**

5770S.09T

2012

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**AN ACT**

To repeal sections 42.300, 161.215, and 313.835, RSMo, and to enact in lieu thereof six new sections relating to the use of gaming moneys, with an emergency clause.

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

Section A. Sections 42.300, 161.215, and 313.835, RSMo, are repealed and six new  
2 sections enacted in lieu thereof, to be known as sections 42.300, 161.215, 161.216, 313.835, 1,  
3 and 2, to read as follows:

42.300. 1. There is hereby created in the state treasury the "Veterans Commission  
2 Capital Improvement Trust Fund" which shall consist of money collected under section 313.835.  
3 The state treasurer shall administer the veterans commission capital improvement trust fund, and  
4 the moneys in such fund shall be used solely, upon appropriation, by the Missouri veterans  
5 commission for:

6 (1) The construction, maintenance or renovation or equipment needs of veterans' homes  
7 in this state;

8 (2) The construction, maintenance, renovation, equipment needs and operation of  
9 veterans' cemeteries in this state;

10 (3) Fund transfers to Missouri veterans' homes fund established under the provisions of  
11 section 42.121, as necessary to maintain solvency of the fund;

12 (4) Fund transfers to any municipality with a population greater than four hundred  
13 thousand and located in part of a county with a population greater than six hundred thousand in

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.

14 this state which has established a fund for the sole purpose of the restoration, renovation and  
15 maintenance of a memorial or museum or both dedicated to World War I. Appropriations from  
16 the veterans commission capital improvement trust fund to such memorial fund shall be provided  
17 only as a one-time match for other funds devoted to the project and shall not exceed five million  
18 dollars. Additional appropriations not to exceed ten million dollars total may be made from the  
19 veterans commission capital improvement trust fund as a match to other funds for the new  
20 construction or renovation of other facilities dedicated as veterans' memorials in the state. All  
21 appropriations for renovation, new construction, reconstruction, and maintenance of veterans'  
22 memorials shall be made only for applications received by the Missouri veterans commission  
23 prior to July 1, 2004;

24 (5) The issuance of matching fund grants for veterans' service officer programs to any  
25 federally chartered veterans' organization or municipal government agency that is certified by  
26 the Veterans Administration to process veteran claims within the Veterans Administration  
27 System; provided that such veterans' organization has maintained a veterans' service officer  
28 presence within the state of Missouri for the three-year period immediately preceding the  
29 issuance of any such grant. A total of one million five hundred thousand dollars in grants shall  
30 be made available annually for service officers and joint training and outreach between veterans'  
31 service organizations and the Missouri veterans commission with grants being issued in July of  
32 each year. Application for the matching grants shall be made through and approved by the  
33 Missouri veterans commission based on the requirements established by the commission;

34 (6) For payment of Missouri national guard and Missouri veterans commission expenses  
35 associated with providing medals, medallions and certificates in recognition of service in the  
36 armed forces of the United States during World War II, the Korean Conflict, and the Vietnam  
37 War under sections 42.170 to 42.226. Any funds remaining from the medals, medallions and  
38 certificates shall not be transferred to any other fund and shall only be utilized for the awarding  
39 of future medals, medallions, and certificates in recognition of service in the armed forces; [and]

40 (7) Fund transfers totaling ten million dollars to any municipality with a population  
41 greater than three hundred fifty thousand inhabitants and located in part in a county with a  
42 population greater than six hundred thousand inhabitants and with a charter form of government,  
43 for the sole purpose of the construction, restoration, renovation and maintenance of a memorial  
44 or museum or both dedicated to World War I; **and**

45 **(8) The administration of the Missouri veterans commission.**

46 2. Any interest which accrues to the fund shall remain in the fund and shall be used in  
47 the same manner as moneys which are transferred to the fund under this section.  
48 Notwithstanding the provisions of section 33.080, to the contrary, moneys in the veterans

49 commission capital improvement trust fund at the end of any biennium shall not be transferred  
50 to the credit of the general revenue fund.

51 3. Upon request by the veterans commission, the general assembly may appropriate  
52 moneys from the veterans commission capital improvement trust fund to the Missouri national  
53 guard trust fund to support the activities described in section 41.958.

54 4. The state auditor shall conduct an audit of all moneys in the veterans commission  
55 capital improvement trust fund every year beginning January 1, 2011, and ending on December  
56 31, 2013. The findings of each audit shall be distributed to the general assembly, governor, and  
57 lieutenant governor no later than ten business days after the completion of such audit.

161.215. 1. There is hereby created in the state treasury the "Early Childhood  
2 Development, Education and Care Fund" [which shall consist of money collected under section  
3 313.835 and] which is created to give parents meaningful choices and assistance in choosing the  
4 child-care and education arrangements that are appropriate for their family. All interest received  
5 on the fund shall be credited to the fund. Notwithstanding the provisions of section 33.080,  
6 moneys in the fund at the end of any biennium shall not be transferred to the credit of the general  
7 revenue fund. Any moneys deposited in such fund shall be used to support programs that prepare  
8 children prior to the age in which they are eligible to enroll in kindergarten under section 160.053  
9 to enter school ready to learn. All moneys deposited in the early childhood development,  
10 education and care fund shall be annually appropriated for voluntary, early childhood  
11 development, education and care programs serving children in every region of the state not yet  
12 enrolled in kindergarten. **For fiscal year 2013 and each subsequent fiscal year, at least**  
13 **thirty-five million dollars of the funds received from the master settlement agreement, as**  
14 **defined in section 196.1000, shall be deposited in the early childhood development,**  
15 **education and care fund.**

16 2. No less than sixty percent of moneys deposited in the early childhood development,  
17 education and care fund shall be appropriated as provided in this subsection to the department  
18 of elementary and secondary education and to the department of social services to provide early  
19 childhood development, education and care programs through competitive grants to, or contracts  
20 with, governmental or private agencies. Eighty percent of such moneys under the provisions of  
21 this subsection and additional moneys as appropriated by the general assembly shall be  
22 appropriated to the department of elementary and secondary education and twenty percent of  
23 such moneys under the provisions of this subsection shall be appropriated to the department of  
24 social services. The departments shall provide public notice and information about the grant  
25 process to potential applicants:

26 (1) Grants or contracts may be provided for:

27 (a) Start-up funds for necessary materials, supplies, equipment and facilities; and

28 (b) Ongoing costs associated with the implementation of a sliding parental fee schedule  
29 based on income;

30 (2) Grant and contract applications shall, at a minimum, include:

31 (a) A funding plan which demonstrates funding from a variety of sources including  
32 parental fees;

33 (b) A child development, education and care plan that is appropriate to meet the needs  
34 of children;

35 (c) The identity of any partner agencies or contractual service providers;

36 (d) Documentation of community input into program development;

37 (e) Demonstration of financial and programmatic accountability on an annual basis;

38 (f) Commitment to state licensure within one year of the initial grant, if funding comes  
39 from the appropriation to the department of elementary and secondary education and  
40 commitment to compliance with the requirements of the department of social services, if funding  
41 comes from the department of social services; and

42 (g) With respect to applications by public schools, the establishment of a parent advisory  
43 committee within each public school program;

44 (3) In awarding grants and contracts under this subdivision, the departments may give  
45 preference to programs which:

46 (a) Are new or expanding programs which increase capacity;

47 (b) Target geographic areas of high need, namely where the ratio of program slots to  
48 children under the age of six in the area is less than the same ratio statewide;

49 (c) Are programs designed for special needs children;

50 (d) Are programs that offer services during nontraditional hours and weekends; or

51 (e) Are programs that serve a high concentration of low-income families.

52 3. No less than ten percent of moneys deposited in the early childhood development,  
53 education and care fund shall be appropriated to the department of social services to provide  
54 early childhood development, education and care programs through child development,  
55 education and care certificates to families whose income does not exceed one hundred  
56 eighty-five percent of the federal poverty level in the manner pursuant to 42 U.S.C. Section  
57 9858c(c)(2)(A) and 42 U.S.C. Section 9858n(2) for the purpose of funding early childhood  
58 development, education and care programs as approved by the department of social services. At  
59 a minimum, the certificate shall be of a value per child which is commensurate with the per-child  
60 payment under paragraph (b) of subdivision (1) of subsection 2 of this section pertaining to the  
61 grants or contracts. On February first of each year the department shall certify the total amount  
62 of child development, education and care certificates applied for and the unused balance of the

63 funds shall be released to be used for supplementing the competitive grants and contracts  
64 program authorized under subsection 2 of this section.

65 4. No less than ten percent of moneys deposited in the early childhood development,  
66 education and care fund shall be appropriated to the department of social services to increase  
67 reimbursements to child-care facilities for low-income children that are accredited by a  
68 recognized, early childhood accrediting organization.

69 5. No less than ten percent of the funds deposited in the early childhood development,  
70 education and care fund shall be appropriated to the department of social services to provide  
71 assistance to eligible parents whose family income does not exceed one hundred eighty-five  
72 percent of the federal poverty level who wish to care for their children under three years of age  
73 in the home, to enable such parent to take advantage of early childhood development, education  
74 and care programs for such parent's child or children. At a minimum, the certificate shall be of  
75 a value per child which is commensurate with the per-child payment under paragraph (b) of  
76 subdivision (1) of subsection 2 of this section pertaining to the grants or contracts. The  
77 department of social services shall provide assistance to these parents in the effective use of early  
78 childhood development, education and care tools and methods.

79 6. In setting the value of parental certificates under subsection 3 of this section and  
80 payments under subsection 5 of this section, the department of social services may increase the  
81 value based on the following:

82 (1) The adult caretaker of the children successfully participates in the parents as teachers  
83 program under the provisions of sections 178.691 to 178.699, a training program provided by  
84 the department on early childhood development, education and care, the home-based Head Start  
85 program as defined in 42 U.S.C. Section 9832 or a similar program approved by the department;

86 (2) The adult caretaker consents to and clears a child abuse or neglect screening under  
87 subdivision (1) of subsection 2 of section 210.152; and

88 (3) The degree of economic need of the family.

89 7. The department of elementary and secondary education and the department of social  
90 services each shall by rule promulgated under chapter 536 establish guidelines for the  
91 implementation of the early childhood development, education and care programs as provided  
92 in subsections 2 to 6 of this section.

93 8. The state auditor shall conduct an audit of all moneys in the early childhood  
94 development, education and care fund created in subsection 1 of this section every year  
95 beginning January 1, 2011, and ending on December 31, 2013. The findings of each audit shall  
96 be distributed to the general assembly no later than ten business days after the completion of such  
97 audit.

98           9. Any rule or portion of a rule, as that term is defined in section 536.010, that is created  
99 under the authority delegated in this section shall become effective only if it complies with and  
100 is subject to all of the provisions of chapter 536 and if applicable, section 536.028. This section  
101 and chapter 536 are nonseverable and if any of the powers vested with the general assembly  
102 under chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are  
103 subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed  
104 or adopted after August 28, 2010, shall be invalid and void.

**161.216. 1. No public institution of higher education, political subdivision,  
2 governmental entity, or quasi-governmental entity receiving state funds shall operate,  
3 establish, or maintain, offer incentives to participate in, or mandate participation in a  
4 quality rating system for early childhood education, a training quality assurance system,  
5 any successor system, or any substantially similar system for early childhood education,  
6 unless the authority to operate, establish, or maintain such a system is enacted into law  
7 through:**

8           **(1) A bill as prescribed by article III of the Missouri Constitution;**

9           **(2) An initiative petition as prescribed by section 50 of article III of the Missouri  
10 Constitution; or**

11           **(3) A referendum as prescribed by section 52(a) of article III of the Missouri  
12 Constitution.**

13           **2. No public institution of higher education, political subdivision, governmental  
14 entity or quasi-governmental entity receiving state funds shall promulgate any rule or  
15 establish any program, policy, guideline, or plan or change any rule, program, policy,  
16 guideline, or plan to operate, establish, or maintain a quality rating system for early  
17 childhood education, a training quality assurance system, any successor system, or any  
18 substantially similar system for early childhood education unless such public institution  
19 of higher education, political subdivision, governmental entity or quasi-governmental  
20 entity receiving state funds has received statutory authority to do so in a manner consistent  
21 with subsection 1 of this section.**

22           **3. Any taxpayer of this state or any member of the general assembly shall have  
23 standing to bring suit against any public institution of higher education, political  
24 subdivision, governmental entity or quasi-governmental entity which is in violation of this  
25 section in any court with jurisdiction to enforce the provisions of this section.**

26           **4. This section shall not be construed to limit the content of early childhood  
27 education courses, research, or training carried out by any public institution of higher  
28 education. A course on quality rating systems or training quality assurance systems shall**

29 **not be a requirement for certification by the state as an individual child care provider or**  
30 **any licensing requirement that may be established for an individual child care provider.**

31 **5. For purposes of this section:**

32 **(1) "Early childhood education" shall mean education programs that are both**  
33 **centered and home-based and providing services for children from birth to kindergarten;**

34 **(2) "Quality rating system" or "training quality assurance system" shall include**  
35 **the model from the Missouri quality rating system pilots developed by the University of**  
36 **Missouri Center for Family Policy and Research, any successor model, or substantially**  
37 **similar model. "Quality rating system" or "training quality assurance system" shall also**  
38 **include but not be limited to a tiered rating system that provides a number of tiers or levels**  
39 **to set benchmarks for quality that build upon each other, leading to a top tier that includes**  
40 **program accreditation. "Quality rating system" or "training quality assurance system"**  
41 **may also include a tiered reimbursement system that may be tied to a tiered rating system;**

42 **(3) "Tiered reimbursement system" or "training quality assurance system" shall**  
43 **include but not be limited to a system that links funding to a quality rating system, a**  
44 **system to award higher child care subsidy payments to programs that attain higher quality**  
45 **levels, or a system that offers other incentives through tax policy or professional**  
46 **development opportunities for childcare providers.**

313.835. All revenue received by the commission from license fees, penalties,  
2 administrative fees, reimbursement by any excursion gambling boat operators for services  
3 provided by the commission and admission fees authorized pursuant to the provisions of sections  
4 313.800 to 313.850, except that portion of the admission fee, not to exceed one cent, that may  
5 be appropriated to the compulsive gamblers fund as provided in section 313.820, shall be  
6 deposited in the state treasury to the credit of the "Gaming Commission Fund" which is hereby  
7 created for the sole purpose of funding the administrative costs of the commission, subject to  
8 appropriation. Moneys deposited into this fund shall not be considered proceeds of gambling  
9 operations. Moneys deposited into the gaming commission fund shall be considered state funds  
10 pursuant to article IV, section 15 of the Missouri Constitution. All interest received on the  
11 gaming commission fund shall be credited to the gaming commission fund. In each fiscal year,  
12 total revenues to the gaming commission fund for the preceding fiscal year shall be compared  
13 to total expenditures and transfers from the gaming commission fund for the preceding fiscal  
14 year. The remaining net proceeds in the gaming commission fund shall be distributed in the  
15 following manner:

16 **(1) The first five hundred thousand dollars shall be appropriated on a per capita basis to**  
17 **cities and counties that match the state portion and have demonstrated a need for funding**

18 community neighborhood organization programs for the homeless and to deter gang-related  
19 violence and crimes;

20 (2) The remaining net proceeds in the gaming commission fund for fiscal year  
21 [1999] **2013** and each fiscal year thereafter shall be distributed as follows:

22 (a) The first [four and one-half] **five** million dollar portion shall be transferred to the  
23 access Missouri financial assistance fund, established pursuant to the provisions of sections  
24 173.1101 to 173.1107, and additional moneys as annually appropriated by the general assembly  
25 shall be appropriated to such fund;

26 (b) The second three million dollar portion shall be transferred to the veterans'  
27 commission capital improvement trust fund created in section 42.300;

28 (c) The third [three] **four** million dollar portion shall be transferred to the Missouri  
29 national guard trust fund created in section 41.214, **and additional moneys as appropriated**  
30 **by the general assembly may be appropriated to such fund, up to one million five hundred**  
31 **thousand dollars annually;**

32 (d) Subject to appropriations, one hundred percent of remaining net proceeds in the  
33 gaming commission fund [except as provided in paragraphs (e) and (f) of this subdivision, and]  
34 , after the appropriations **are** made pursuant to the provisions of paragraphs (a), (b), and (c) of  
35 this subdivision, shall be transferred to the [early childhood development, education and care  
36 fund created in section 161.215;

37 (e) When the remaining net proceeds, as such term is used pursuant to paragraph (d) of  
38 this subdivision, in the gaming commission fund annually exceeds twenty-eight million dollars:  
39 one-half million dollars of such proceeds shall be transferred annually, subject to appropriation,  
40 to the access Missouri financial assistance fund, established pursuant to the provisions of  
41 sections 173.1101 to 173.1107; three million dollars of such proceeds shall be transferred  
42 annually, subject to appropriation, to the veterans' commission capital improvement trust fund;  
43 and one million dollars of such proceeds shall be transferred annually, subject to appropriation,  
44 to the Missouri national guard trust fund created in section 41.214;

45 (f) Beginning in fiscal year 2011 and each fiscal year thereafter when the funding for  
46 early childhood education under paragraph (d) of this subdivision equals the funding level for  
47 early childhood education under paragraph (d) of this subdivision in fiscal year 2009, one-half  
48 of the next one million two hundred thousand dollars of such proceeds shall be transferred  
49 annually, subject to appropriation, to the veterans commission capital improvement trust fund  
50 for the purpose of funding veterans' service officer programs identified under subdivision (5) of  
51 subsection 1 of section 42.300, and the other half of the one million two hundred thousand  
52 dollars shall be transferred annually, subject to appropriation, to the early childhood

53 development, education and care fund created in section 161.215] **veterans' commission capital**  
54 **improvement trust fund created in section 42.300.**

**Section 1. Notwithstanding the provisions of section 1.140, to the contrary, the**  
2 **provisions of this act shall be nonseverable, and if any provision is for any reason held to**  
3 **be invalid, such decision shall invalidate all of the remaining provisions of this act.**

**Section 2. The joint committee on education shall develop a comprehensive funding**  
2 **formula for Missouri public institutions of higher education by December 31, 2013. The**  
3 **General Assembly shall implement a funding formula beginning in fiscal year 2015.**

Section B. Because of the need to supply funding for veterans programs in the state,  
2 section A of this act is deemed necessary for the immediate preservation of the public health,  
3 welfare, peace and safety, and is hereby declared to be an emergency act within the meaning of  
4 the constitution, and section A of this act shall be in full force and effect upon its passage and  
5 approval.

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