

HOUSE SUBSTITUTE  
FOR  
HOUSE COMMITTEE SUBSTITUTE  
FOR  
HOUSE BILL NO. 1380

1 AN ACT

2 To repeal sections 163.031 and 168.515, RSMo,  
3 and to enact in lieu thereof two new sections  
4 relating to the career ladder program for  
5 teachers, with an emergency clause.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF MISSOURI,  
7 AS FOLLOWS:

8 Section A. Sections 163.031 and 168.515, RSMo, are repealed  
9 and two new sections enacted in lieu thereof, to be known as  
10 sections 163.031 and 168.515, to read as follows:

11 163.031. 1. School districts which meet the requirements  
12 of section 163.021 shall be entitled to an amount computed as  
13 follows: an amount determined by multiplying the number of  
14 eligible pupils by the lesser of the district's equalized  
15 operating levy for school purposes as defined in section 163.011  
16 or two dollars and seventy-five cents per one hundred dollars  
17 assessed valuation multiplied by the guaranteed tax base per  
18 eligible pupil times the proration factor plus an amount  
19 determined by multiplying the number of eligible pupils by the  
20 greater of zero or the district's equalized operating levy for

**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 boldface type in the above law is proposed language.**

1 school purposes as defined in section 163.011 minus two dollars  
2 and seventy-five cents per one hundred dollars assessed valuation  
3 multiplied by the guaranteed tax base per eligible pupil times  
4 the proration factor. For the purposes of this section, the  
5 proration factor shall be equal to the sum of the total  
6 appropriation for distribution under subsections 1 and 2 of this  
7 section; and the state total of the deductions as calculated in  
8 subsection 2 of this section which do not exceed the district  
9 entitlements as adjusted by the same proration factor; divided by  
10 the amount of the state total of district entitlements before  
11 proration as calculated pursuant to this subsection; provided  
12 that, if the proration factor so calculated is greater than one,  
13 the proration factor for line 1(b) shall be the greater of one or  
14 the proration factor for line 1(a) minus five hundredths, and  
15 provided that if the proration factor so calculated is less than  
16 one, the proration factor for line 1(a) shall be the lesser of  
17 one or the proration factor for line 1(b) plus five hundredths.

18 2. From the district entitlement for each district there  
19 shall be deducted the following amounts: an amount determined by  
20 multiplying the district equalized assessed valuation by the  
21 district's equalized operating levy for school purposes times the  
22 district income factor plus ninety percent of any payment  
23 received the current year of protested taxes due in prior years  
24 no earlier than the 1997 tax year minus the amount of any  
25 protested taxes due in the current year and for which notice of

1 protest was received during the current year; one hundred percent  
2 of the amount received the previous year for school purposes from  
3 intangible taxes, fines, forfeitures and escheats, payments in  
4 lieu of taxes and receipts from state assessed railroad and  
5 utility tax, except that any penalty paid after July 1, 1995, by  
6 a concentrated animal feeding operation as defined by the  
7 department of natural resources rule shall not be included; one  
8 hundred percent of the amounts received the previous year for  
9 school purposes from federal properties pursuant to sections  
10 12.070 and 12.080, RSMo; federal impact aid received the previous  
11 year for school purposes pursuant to P.L. 81-874 less fifty  
12 thousand dollars multiplied by ninety percent or the maximum  
13 percentage allowed by federal regulation if that percentage is  
14 less than ninety; fifty percent, or the percentage otherwise  
15 provided in section 163.087 of Proposition C revenues received  
16 the previous year for school purposes from the school district  
17 trust fund pursuant to section 163.087; one hundred percent of  
18 the amount received the previous year for school purposes from  
19 the fair share fund pursuant to section 149.015, RSMo; and one  
20 hundred percent of the amount received the previous year for  
21 school purposes from the free textbook fund, pursuant to section  
22 148.360, RSMo.

23 3. School districts which meet the requirements of section  
24 163.021 shall receive categorical add-on revenue as provided in  
25 this subsection. There shall be individual proration factors for

1 each categorical entitlement provided for in this subsection, and  
2 each proration factor shall be determined by annual  
3 appropriations, but no categorical proration factor shall exceed  
4 the entitlement proration factor established pursuant to  
5 subsection 1 of this section, except that the vocational  
6 education entitlement proration factor established pursuant to  
7 line 16 of subsection 6 of this section and the educational and  
8 screening program entitlements proration factor established  
9 pursuant to line 17 of subsection 6 of this section may exceed  
10 the entitlement proration factor established pursuant to  
11 subsection 1 of this section and further provided that the career  
12 ladder entitlement established under line 15 of subsection 6 of  
13 this section shall not be prorated. The categorical add-on for  
14 the district shall be the sum of: seventy-five percent of the  
15 costs of adopting and providing a violence prevention program  
16 pursuant to section 161.650, RSMo, multiplied by the proration  
17 factor; seventy-five percent of the district allowable  
18 transportation costs pursuant to section 163.161 multiplied by  
19 the proration factor; the special education approved or allowed  
20 cost entitlement for the district, provided for by section  
21 162.975, RSMo, multiplied by the proration factor; seventy-five  
22 percent of the district gifted education approved or allowable  
23 cost entitlement as determined pursuant to section 162.975, RSMo,  
24 multiplied by the proration factor; the free and reduced lunch  
25 eligible pupil count for the district, as defined in section

1 163.011, multiplied by twenty percent, for a district with an  
2 operating levy in excess of two dollars and seventy-five cents  
3 per one hundred dollars assessed valuation, or twenty-two  
4 percent, otherwise times the guaranteed tax base per eligible  
5 pupil times two dollars and seventy-five cents per one hundred  
6 dollars assessed valuation times the proration factor plus the  
7 free and reduced lunch eligible pupil count for the district, as  
8 defined in section 163.011, times thirty percent times the  
9 guaranteed tax base per eligible pupil times the following  
10 quantity: ((the greater of zero or the district's operating levy  
11 for school purposes minus two dollars and seventy-five cents per  
12 one hundred dollars assessed valuation) times one or, beginning  
13 in the fifth year following the effective date of this section,  
14 the quotient of the district's fiscal instructional ratio of  
15 efficiency for the prior year divided by the fiscal year 1998  
16 statewide average fiscal instructional ratio of efficiency, if  
17 the district's prior year fiscal instructional ratio of  
18 efficiency is at least five percent below the fiscal year 1998  
19 statewide average) times the proration factor, minus  
20 court-ordered state desegregation aid received by the district  
21 for operating purposes; the career ladder entitlement for the  
22 district, as provided for in sections 168.500 to 168.515, RSMo,  
23 [multiplied by the proration factor]; the vocational education  
24 entitlement for the district, as provided for in section 167.332,  
25 RSMo, multiplied by the proration factor and the district

1 educational and screening program entitlements as provided for in  
2 sections 178.691 to 178.699, RSMo, times the proration factor.

3 4. Each district's apportionment shall be the prorated  
4 categorical add-ons plus the greater of the district's prorated  
5 entitlement minus the total deductions for the district or zero.

6 5. (1) In the 1993-94 school year and all subsequent  
7 school years, pursuant to section 10(c) of article X of the state  
8 constitution, a school district shall adjust upward its operating  
9 levy for school purposes to the extent necessary for the district  
10 to at least maintain the current operating expenditures per pupil  
11 received by the district from all sources in the 1992-93 school  
12 year, except that its operating levy for school purposes shall  
13 not exceed the highest tax rate in effect subsequent to the 1980  
14 tax year, or the minimum rate required by subsection 2 of section  
15 163.021, whichever is less.

16 (2) The revenue per eligible pupil received by a district  
17 from the following sources: line 1 minus line 10, or zero if  
18 line 1 minus line 10 is less than zero, plus line 14 of  
19 subsection 6 of this section, shall not be less than the revenue  
20 per eligible pupil received by a district in the 1992-93 school  
21 year from the foundation formula entitlement payment amount plus  
22 the amount of line 14 per eligible pupil that exceeds the line 14  
23 per pupil amount from the 1997-98 school year, or the revenue per  
24 eligible pupil received by a district in the 1992-93 school year  
25 from the foundation formula entitlement payment amount plus the

1 amount of line 14(a) per eligible pupil times the quotient of  
2 line 1 minus line 10, divided by the number of eligible pupils,  
3 or zero if line 1 minus line 10 is less than zero, divided by the  
4 revenue per eligible pupil received by the district in the  
5 1992-93 school year from the foundation formula entitlement  
6 payment amount, whichever is greater. The department of  
7 elementary and secondary education shall make an addition in the  
8 payment amount of line 19 of subsection 6 of this section to  
9 assure compliance with the provisions contained in this section.

10 (3) For any school district which meets the eligibility  
11 criteria for state aid as established in section 163.021, but  
12 which under subsections 1 to 4 of this section, receives no state  
13 aid for two successive school years, other than categorical  
14 add-ons, by August first following the second such school year,  
15 the commissioner of education shall present a plan to the  
16 superintendent of the school district for the waiver of rules and  
17 the duration of said waivers, in order to promote flexibility in  
18 the operations of the district and to enhance and encourage  
19 efficiency in the delivery of instructional services. The  
20 provisions of other law to the contrary notwithstanding, the plan  
21 presented to the superintendent shall provide a summary waiver,  
22 with no conditions, for the pupil testing requirements pursuant  
23 to section 160.257, RSMo. Further, the provisions of other law  
24 to the contrary notwithstanding, the plan shall detail a means  
25 for the waiver of requirements otherwise imposed on the school

1 district related to the authority of the state board of education  
2 to classify school districts pursuant to section 161.092, RSMo,  
3 and such other rules as determined by the commissioner of  
4 education, except that such waivers shall not include the  
5 provisions established pursuant to sections 160.514 and 160.518,  
6 RSMo.

7 (4) In the 1993-94 school year and each school year  
8 thereafter for two years, those districts which are entitled to  
9 receive state aid under subsections 1 to 4 of this section, shall  
10 receive state aid in an amount per eligible pupil as provided in  
11 this subsection. For the 1993-94 school year, the amount per  
12 eligible pupil shall be twenty-five percent of the amount of  
13 state aid per eligible pupil calculated for the district for the  
14 1993-94 school year pursuant to subsections 1 to 4 of this  
15 section plus seventy-five percent of the total amount of state  
16 aid received by the district from all sources for the 1992-93  
17 school year for which the district is entitled and which are  
18 distributed in the 1993-94 school year pursuant to subsections 1  
19 to 4 of this section. For the 1994-95 school year, the amount  
20 per eligible pupil shall be fifty percent of the amount of state  
21 aid per eligible pupil calculated for the district for the  
22 1994-95 school year pursuant to subsections 1 to 4 of this  
23 section plus fifty percent of the total amount of state aid  
24 received by the district from all sources for the 1992-93 school  
25 year for which the district is entitled and which are distributed



1 in the 1994-95 school year pursuant to subsections 1 to 4 of this  
2 section. For the 1995-96 school year, the amount of state aid  
3 per eligible pupil shall be seventy-five percent of the amount of  
4 state aid per eligible pupil calculated for the district for the  
5 1995-96 school year pursuant to subsections 1 to 4 of this  
6 section plus twenty-five percent of the total amount of state aid  
7 received by the district from all sources for the 1992-93 school  
8 year for which the district is entitled and which are distributed  
9 in the 1995-96 school year pursuant to subsections 1 to 4 of this  
10 section. Nothing in this subdivision shall be construed to limit  
11 the authority of a school district to raise its district  
12 operating levy pursuant to subdivision (1) of this subsection.

13 (5) If the total of state aid apportionments to all  
14 districts pursuant to subdivision (3) of this subsection is less  
15 than the total of state aid apportionments calculated pursuant to  
16 subsections 1 to 4 of this section, then the difference shall be  
17 deposited in the outstanding schools trust fund. If the total of  
18 state aid apportionments to all districts pursuant to subdivision  
19 (1) of this subsection is greater than the total of state aid  
20 apportionments calculated pursuant to subsections 1 to 4 of this  
21 section, then funds shall be transferred from the outstanding  
22 schools trust fund to the state school moneys fund to the extent  
23 necessary to fund the district entitlements as modified by  
24 subdivision (4) of this subsection for that school year with a  
25 district entitlement proration factor no less than one and such

1 transfer shall be given priority over all other uses for the  
2 outstanding schools trust fund as otherwise provided by law.

3 6. State aid shall be determined as follows:

4 District Entitlement

5 1(a). Number of eligible pupils x (lesser of district's  
6 equalized operating levy for school purposes or two dollars and  
7 seventy-five cents per one hundred dollars assessed valuation) x  
8 (proration x GTB per EP) . \$. . . . .

9 1(b). Number of eligible pupils x (greater of: 0, or  
10 district's equalized operating levy for school purposes minus  
11 two dollars and seventy-five cents per one hundred dollars  
12 assessed valuation) x (proration x GTB per EP) . . . . .  
13 . . . . . \$. . . . . Deductions

14 2. District equalized assessed valuation x district income  
15 factor x district's equalized operating levy for school  
16 purposes plus ninety percent of any payment received the  
17 current year of protested taxes due in prior years no  
18 earlier than the 1997 tax year minus the amount of any  
19 protested taxes due in the current year and for which notice  
20 of protest was received during the current year . . . . .  
21 . . . . . \$. . . . .

22 3. Intangible taxes, fines, forfeitures, escheats, payments in  
23 lieu of taxes, etc. (100% of the amount received the  
24 previous year for school purposes) . . . . .  
25 . . . . . \$. . . . .

- 1        4.    Receipts from state assessed railroad and utility tax (100%
- 2                of the amount received the previous year for school
- 3    purposes) . . . . . \$.....
- 4        5.    Receipts from federal properties pursuant to sections 12.070
- 5                and 12.080, RSMo (100% of the amount received the previous
- 6                year for school purposes) . . . . .
- 7                . . . . . \$.....
- 8        6.    (Federal impact aid received the previous year for school
- 9                purposes pursuant to P.L. 81-874 less \$50,000) x 90% or the
- 10               maximum percentage allowed by federal regulations if less
- 11               than 90% . . . . . \$.....
- 12        7.    Fifty percent or the percentage otherwise provided in
- 13               section 163.087 of Proposition C receipts from the school
- 14               district trust fund received the previous year for school
- 15               purposes pursuant to section 163.087 . . \$.....
- 16        8.    One hundred percent of the amount received the previous year
- 17               for school purposes from the fair share fund pursuant to
- 18               section 149.015, RSMo . . . . .
- 19               . . . . . \$.....
- 20        9.    One hundred percent of the amount received the previous year
- 21               for school purposes from the free textbook fund pursuant to
- 22               section 148.360, RSMo . . . . .
- 23               . . . . . \$.....
- 24        10.   Total deductions (sum of lines 2-9) . . . . .
- 25               . \$.....

Categorical Add-ons

- 11. The amount distributed pursuant to section 163.161 x proration \$. . . . .
- 12. Special education approved or allowed cost entitlement for the district pursuant to section 162.975, RSMo, x proration . . . . . \$ . . . . .
- 13. Seventy-five percent of the gifted education approved or allowable cost entitlement as determined pursuant to section 162.975, RSMo, x proration . . . . . \$ . . . . .
- 14(a). Free and reduced lunch eligible pupil count for the district, as defined in section 163.011, x .20, if operating levy in excess of \$2.75, or .22, otherwise x GTB per EP x \$2.75 per \$100 AV x proration . . . \$ . . . . .
- 14(b). Free and reduced lunch eligible pupil count for the district, as defined in section 163.011 x .30 x GTB x ((the greater of zero or the district's adjusted operating levy minus \$2.75 per \$100 AV) x (1.0 or, beginning in the fifth year following the effective date of this section, the district's FIRE for the prior year/statewide average FIRE for FY 1998, if the district's prior year FIRE is at least five percent below the FY 1998 statewide average FIRE) x proration) - court-ordered state desegregation aid received by the district for operating purposes \$. . . . .

1 15. Career ladder entitlement for the district as provided for  
2 in sections 168.500 to 168.515, RSMo[, x proration] . . . .  
3 . . . . . \$.....

4 16. Vocational education entitlements for the district as  
5 provided in section 167.332, RSMo, x proration . . . . .  
6 . . . . . \$.....

7 17. Educational and screening program entitlements for the  
8 district as provided in sections 178.691 to 178.699, RSMo, x  
9 proration . . . . \$.....

10 18. Sum of categorical add-ons for the district (sum of lines  
11 11-17) \$.....

12 19. District apportionment (line 18 plus the greater of line 1  
13 minus line 10 or zero) . . . . .  
14 . . . . . \$.....

15 7. Revenue received for school purposes by each school  
16 district pursuant to this section shall be placed in each of the  
17 incidental and teachers' funds based on the ratio of the property  
18 tax rate in the district for that fund to the total tax rate in  
19 the district for the two funds.

20 8. In addition to the penalty for line 14 described in  
21 subsection 6 of this section, beginning in school year 2004-05,  
22 any increase in a school district's funds received pursuant to  
23 line 14 of subsection 6 of this section over the 1997-98 school  
24 year shall be reduced by one percent for each full percentage  
25 point the percentage of the district's pupils scoring at or above

1 five percent below the statewide average level on either  
2 mathematics or reading is less than sixty-five percent.

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

14 168.515. 1. Each teacher selected to participate in a  
15 career plan established under sections 168.500 to 168.515, who  
16 meets the requirements of such plan, shall receive a salary  
17 supplement, the state's share of which shall be distributed under  
18 section 163.031, RSMo, equal to the following amounts [multiplied  
19 by the proration factor applied to the career ladder entitlement  
20 of line 15 of subsection 6 of section 163.031, RSMo]:

21 (1) Career stage I teachers may receive up to an additional  
22 one thousand five hundred dollars per school year;

23 (2) Career stage II teachers may receive up to an  
24 additional three thousand dollars per school year;

25 (3) Career stage III teachers may receive up to an

1 additional five thousand dollars per school year.

2 All teachers within each stage within the same school district  
3 shall receive equal salary supplements.

4 2. The state shall make payments pursuant to section  
5 163.031, RSMo, to the local school district for the purpose of  
6 reimbursing the local school district for the payment of any  
7 salary supplements provided for in this section, subject to the  
8 availability of funds as appropriated each year and distributed  
9 on a variable match formula which shall be based on equalized  
10 assessed valuation of the district for the second preceding  
11 school year. A district's equalized assessed valuation shall be  
12 multiplied by the district income factor defined in section  
13 163.011, RSMo, and shall be known as the adjusted equalized  
14 assessed valuation.

15 3. In distributing these matching funds, school districts  
16 shall be ranked by the adjusted equalized assessed valuation for  
17 the second preceding school year per eligible pupil from the  
18 highest to the lowest and divided into three groups. Group one  
19 shall contain the highest twenty-five percent of all public  
20 school districts, groups two and three combined shall contain the  
21 remaining seventy-five percent of all public school districts.  
22 The districts in groups two and three shall be rank ordered from  
23 largest to smallest based on enrollment as of the last Wednesday  
24 in September during the second preceding school year, group two  
25 shall contain twenty-five percent of all public school districts

1 that are larger on the enrollment based rank ordered list and  
2 group three shall contain the remaining fifty percent of all  
3 public school districts. Pursuant to subsection 4 of this  
4 section, districts in group one shall receive forty percent state  
5 funding and shall contribute sixty percent local funding, group  
6 two shall receive fifty percent state funding and shall  
7 contribute fifty percent local funding and group three shall  
8 receive sixty percent state funding and shall contribute forty  
9 percent local funding.

10 4. The incremental groups are as follows:

	Percentage	Percentage	Percentage
Group	of Districts	of State Funding	of Local Funding
1	25%	40%	60%
2	25%	50%	50%
3	50%	60%	40%

16 5. Beginning in the 1996-97 school year, any school  
17 district in any group which participated in the career ladder  
18 program in 1995-96 and paid less than the local funding  
19 percentage required by subsection 4 of this section shall  
20 increase its local share of career ladder costs by five  
21 percentage points from the preceding year until the district pays  
22 the percentage share of cost required by subsection 4 of this  
23 section, and in no case shall the local funding percentage be  
24 increased by a greater amount for any year. For any district,  
25 the state payment shall not exceed the local payment times the



1 state percentage share divided by the local percentage share.  
2 Any district not participating in the 1995-96 school year or any  
3 district which interrupts its career ladder program for any  
4 subsequent year shall enter the program on the cost-sharing basis  
5 required by subsection 4 of this section.

6 6. Not less than every fourth year, beginning with calendar  
7 year 1988, the general assembly, through the joint committee  
8 established under section 160.254, RSMo, shall review the amount  
9 of the career pay provided for in this section to determine if  
10 any increases are necessary to reflect the increases in the cost  
11 of living which have occurred since the salary supplements were  
12 last reviewed or set.

13 7. To participate in the salary supplement program  
14 established under this section, a school district may submit to  
15 the voters of the district a proposition to increase taxes for  
16 this purpose. If a school district's current tax rate ceiling is  
17 at or above the rate from which an increase would require a  
18 two-thirds majority, the school board may submit to the voters of  
19 the district a proposition to reduce or eliminate the amount of  
20 the levy reduction resulting from section 164.013, RSMo. If a  
21 majority of the voters voting thereon vote in favor of the  
22 proposition, the board may certify that seventy-five percent of  
23 the revenue generated from this source shall be used to implement  
24 the salary supplement program established under this section.

25 8. In no case shall a school district use state funds

1 received under this section nor local revenue generated from a  
2 tax established under subsection 7 of this section to comply with  
3 the minimum salary requirements for teachers established pursuant  
4 to section 163.172, RSMo.

5 9. Beginning in the 1996-97 school year, for any teacher  
6 who participated in the career program in the 1995-96 school  
7 year, continues to participate in the program thereafter, and  
8 remains qualified to receive career pay pursuant to section  
9 168.510, the state's share of the teacher's salary supplement  
10 shall continue to be the percentage paid by the state in the  
11 1995-96 school year, notwithstanding any provisions of subsection  
12 4 of this section to the contrary, and the state shall continue  
13 to pay such percentage of the teacher's salary supplement until  
14 any of the following occurs:

15 (1) The teacher ceases his or her participation in the  
16 program; or

17 (2) The teacher suspends his or her participation in the  
18 program for any school year after the 1995-96 school year. If  
19 the teacher later resumes participation in the program, the state  
20 funding shall be subject to the provisions of subsection 4 of  
21 this section.

22 Section B. Because immediate action is necessary to ensure  
23 the funding for career ladder entitlements is coordinated with  
24 the new fiscal year, section A of this act is deemed necessary  
25 for the immediate preservation of the public health, welfare,

1 peace, and safety, and is hereby declared to be an emergency act  
2 within the meaning of the constitution, and section A of this act  
3 shall be in full force and effect July 1, 2004, or upon its  
4 passage and approval, whichever later occurs.