

SECOND REGULAR SESSION

HOUSE BILL NO. 1625

98TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE COOKSON.

5086H.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal section 163.031, RSMo, and to enact in lieu thereof one new section relating to state funding for elementary and secondary education.

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

Section A. Section 163.031, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 163.031, to read as follows:

163.031. 1. The department of elementary and secondary education shall calculate and distribute to each school district qualified to receive state aid under section 163.021 an amount determined by multiplying the district's weighted average daily attendance by the state adequacy target, multiplying this product by the dollar value modifier for the district, and subtracting from this product the district's local effort and subtracting payments from the classroom trust fund under section 163.043.

2. Other provisions of law to the contrary notwithstanding:

(1) For districts with an average daily attendance of more than three hundred fifty in the school year preceding the payment year:

(a) For the 2008-09 school year, the state revenue per weighted average daily attendance received by a district from the state aid calculation under subsections 1 and 4 of [this] section **163.031 as it existed on July 1, 2015**, as applicable, and the classroom trust fund under section 163.043 shall not be less than the state revenue received by a district in the 2005-06 school year from the foundation formula, line 14, gifted, remedial reading, exceptional pupil aid, fair share, and free textbook payment amounts multiplied by the dollar value modifier, and dividing this product by the weighted average daily attendance computed for the 2005-06 school year;

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.

17 (b) For each year subsequent to the 2008-09 school year, the amount shall be no less than
18 that computed in paragraph (a) of this subdivision, multiplied by the weighted average daily
19 attendance pursuant to section 163.036, less any increase in revenue received from the classroom
20 trust fund under section 163.043;

21 (2) For districts with an average daily attendance of three hundred fifty or less in the
22 school year preceding the payment year:

23 (a) For the 2008-09 school year, the state revenue received by a district from the state
24 aid calculation under subsections 1 and 4 of [this] section **163.031 as it existed on July 1, 2015**,
25 as applicable, and the classroom trust fund under section 163.043 shall not be less than the
26 greater of state revenue received by a district in the 2004-05 or 2005-06 school year from the
27 foundation formula, line 14, gifted, remedial reading, exceptional pupil aid, fair share, and free
28 textbook payment amounts multiplied by the dollar value modifier;

29 (b) For each year subsequent to the 2008-09 school year, the amount shall be no less than
30 that computed in paragraph (a) of this subdivision;

31 (3) The department of elementary and secondary education shall make an addition in the
32 payment amount specified in subsection 1 of this section to assure compliance with the
33 provisions contained in this subsection.

34 3. School districts that meet the requirements of section 163.021 shall receive categorical
35 add-on revenue as provided in this subsection. The categorical add-on for the district shall be
36 the sum of: seventy-five percent of the district allowable transportation costs under section
37 163.161; the career ladder entitlement for the district, as provided for in sections 168.500 to
38 168.515; the vocational education entitlement for the district, as provided for in section 167.332;
39 and the district educational and screening program entitlements as provided for in sections
40 178.691 to 178.699. The categorical add-on revenue amounts may be adjusted to accommodate
41 available appropriations.

42 4. For any school district meeting the eligibility criteria for state aid as established in
43 section 163.021, but which is considered an option district under section 163.042 and therefore
44 receives no state aid, the commissioner of education shall present a plan to the superintendent
45 of the school district for the waiver of rules and the duration of said waivers, in order to promote
46 flexibility in the operations of the district and to enhance and encourage efficiency in the delivery
47 of instructional services as provided in section 163.042.

48 5. (1) No less than seventy-five percent of the state revenue received under the
49 provisions of subsections 1 and 2 of this section shall be placed in the teachers' fund, and the
50 remaining percent of such moneys shall be placed in the incidental fund. No less than
51 seventy-five percent of one-half of the funds received from the school district trust fund
52 distributed under section 163.087 shall be placed in the teachers' fund. One hundred percent of

53 revenue received under the provisions of section 163.161 shall be placed in the incidental fund.
54 One hundred percent of revenue received under the provisions of sections 168.500 to 168.515
55 shall be placed in the teachers' fund.

56 (2) A school district shall spend for certificated compensation and tuition expenditures
57 each year:

58 (a) An amount equal to at least seventy-five percent of the state revenue received under
59 the provisions of subsections 1 and 2 of this section;

60 (b) An amount equal to at least seventy-five percent of one-half of the funds received
61 from the school district trust fund distributed under section 163.087 during the preceding school
62 year; and

63 (c) Beginning in fiscal year 2008, as much as was spent per the second preceding year's
64 weighted average daily attendance for certificated compensation and tuition expenditures the
65 previous year from revenue produced by local and county tax sources in the teachers' fund, plus
66 the amount of the incidental fund to teachers' fund transfer calculated to be local and county tax
67 sources by dividing local and county tax sources in the incidental fund by total revenue in the
68 incidental fund.

69

70 In the event a district fails to comply with this provision, the amount by which the district fails
71 to spend funds as provided herein shall be deducted from the district's state revenue received
72 under the provisions of subsections 1 and 2 of this section for the following year, provided that
73 the state board of education may exempt a school district from this provision if the state board
74 of education determines that circumstances warrant such exemption.

75 6. If a school district's annual audit discloses that students were inappropriately identified
76 as eligible for free and reduced lunch, special education, or limited English proficiency and the
77 district does not resolve the audit finding, the department of elementary and secondary education
78 shall require that the amount of aid paid pursuant to the weighting for free and reduced lunch,
79 special education, or limited English proficiency in the weighted average daily attendance on the
80 inappropriately identified pupils be repaid by the district in the next school year and shall
81 additionally impose a penalty of one hundred percent of such aid paid on such pupils, which
82 penalty shall also be paid within the next school year. Such amounts may be repaid by the
83 district through the withholding of the amount of state aid.

84 7. Notwithstanding any provision of law to the contrary, in any fiscal year during which
85 the total formula appropriation is insufficient to fully fund the entitlement calculation of this
86 section, the department of elementary and secondary education shall adjust the state adequacy
87 target in order to accommodate the appropriation level for the given fiscal year. In no manner

88 shall any payment modification be rendered for any district qualified to receive payments under
89 subsection 2 of this section based on insufficient appropriations.

90 **8. Notwithstanding any other provision of law to the contrary, beginning in school**
91 **year 2016-17 and each school year thereafter, each school district with an assessed**
92 **valuation per student in school year 2004-05 that fell within the lowest ten percent of all**
93 **school districts in that school year shall be given an annual ten percent increase in the**
94 **funding distributed to such school district as calculated under the provisions of this section.**

✓