

SECOND REGULAR SESSION

[PERFECTED]

HOUSE COMMITTEE SUBSTITUTE FOR

HOUSE BILL NO. 1943

98TH GENERAL ASSEMBLY

4761H.03P

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal sections 160.011, 160.041, 160.405, 160.417, 160.518, 162.720, 163.011, 163.018, 163.021, 163.031, 163.073, 171.029, 171.031, and 171.033, RSMo, and to enact in lieu thereof fifteen new sections relating to elementary and secondary education, with a delayed effective date for certain sections and an emergency clause for certain sections.

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

Section A. Sections 160.011, 160.041, 160.405, 160.417, 160.518, 162.720, 163.011, 2 163.018, 163.021, 163.031, 163.073, 171.029, 171.031, and 171.033, RSMo, are repealed and 3 fifteen new sections enacted in lieu thereof, to be known as sections 160.011, 160.041, 160.405, 4 160.417, 160.518, 162.720, 163.011, 163.018, 163.019, 163.021, 163.031, 163.073, 167.228, 5 171.031, and 171.033, to read as follows:

160.011. As used in chapters 160, 161, 162, 163, 164, 165, 167, 168, 170, 171, 177 and 2 178, the following terms mean:

3 (1) "District" or "school district", when used alone, may include seven-director, urban, 4 and metropolitan school districts;

5 (2) "Elementary school", a public school giving instruction in a grade or grades not 6 higher than the eighth grade;

7 (3) "Family literacy programs", services of sufficient intensity in terms of hours, and of 8 sufficient duration, to make sustainable changes in families that include:

9 (a) Interactive literacy activities between parents and their children;

10 (b) Training of parents regarding how to be the primary teacher of their children and full 11 partners in the education of their children;

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.

12 (c) Parent literacy training that leads to high school completion and economic self
13 sufficiency; and

14 (d) An age-appropriate education to prepare children of all ages for success in school;

15 (4) "Graduation rate", the quotient of the number of graduates in the current year as of
16 June thirtieth divided by the sum of the number of graduates in the current year as of June
17 thirtieth plus the number of twelfth graders who dropped out in the current year plus the number
18 of eleventh graders who dropped out in the preceding year plus the number of tenth graders who
19 dropped out in the second preceding year plus the number of ninth graders who dropped out in
20 the third preceding year;

21 (5) "High school", a public school giving instruction in a grade or grades not lower than
22 the ninth nor higher than the twelfth grade;

23 (6) "Metropolitan school district", any school district the boundaries of which are
24 coterminous with the limits of any city which is not within a county;

25 (7) "Public school" includes all elementary and high schools operated at public expense;

26 (8) "School board", the board of education having general control of the property and
27 affairs of any school district;

28 (9) "School term", a minimum of one hundred seventy-four school days, as that term is
29 defined in section 160.041, for schools with a five-day school week or a minimum of one
30 hundred forty-two school days, as that term is defined in section 160.041, for schools with a
31 four-day school week, and one thousand forty-four hours of actual pupil attendance as scheduled
32 by the board pursuant to section 171.031 during a twelve-month period in which the academic
33 instruction of pupils is actually and regularly carried on for a group of students in the public
34 schools of any school district. **In the school year 2017-18 and subsequent years, one
35 thousand forty-four hours of actual pupil attendance shall be required with no minimum
36 number of school days required.** A school term may be within a school year or may consist
37 of parts of two consecutive school years, but does not include summer school. A district may
38 choose to operate two or more terms for different groups of children. A school term for students
39 participating in a school flex program as established in section 160.539 may consist of a
40 combination of actual pupil attendance and attendance at college or technical career education
41 or approved employment aligned with the student's career academic plan for a total of [one
42 thousand forty-four] **the required number of hours as provided in this subdivision;**

43 (10) "Secretary", the secretary of the board of a school district;

44 (11) "Seven-director district", any school district which has seven directors and includes
45 urban districts regardless of the number of directors an urban district may have unless otherwise
46 provided by law;

47 (12) "Taxpayer", any individual who has paid taxes to the state or any subdivision
48 thereof within the immediately preceding twelve-month period or the spouse of such individual;

49 (13) "Town", any town or village, whether or not incorporated, the plat of which has
50 been filed in the office of the recorder of deeds of the county in which it is situated;

51 (14) "Urban school district", any district which includes more than half of the population
52 or land area of any city which has not less than seventy thousand inhabitants, other than a city
53 which is not within a county.

160.041. 1. The "minimum school day" consists of three hours for schools with a
2 five-day school week or four hours for schools with a four-day school week in which the pupils
3 are under the guidance and direction of teachers in the teaching process. A "school month"
4 consists of four weeks of five days each for schools with a five-day school week or four weeks
5 of four days each for schools with a four-day school week. **In the school year 2017-18 and**
6 **subsequent years, no minimum number of school days shall be required, and each school**
7 **district shall define, for itself, the term "school day" or "minimum school day".** The
8 "school year" commences on the first day of July and ends on the thirtieth day of June following.

9 2. Notwithstanding the provisions of subsection 1 of this section, the commissioner of
10 education is authorized to reduce the required number of hours [and] **or** days in which the pupils
11 are under the guidance and direction of teachers in the teaching process if:

12 (1) There is damage to or destruction of a public school facility which requires the dual
13 utilization of another school facility; or

14 (2) Flooding or other inclement weather as defined in subsection 1 of section 171.033
15 prevents students from attending the public school facility.

16

17 Such reduction shall not extend beyond two calendar years in duration.

160.405. 1. A person, group or organization seeking to establish a charter school shall
2 submit the proposed charter, as provided in this section, to a sponsor. If the sponsor is not a
3 school board, the applicant shall give a copy of its application to the school board of the district
4 in which the charter school is to be located and to the state board of education, within five
5 business days of the date the application is filed with the proposed sponsor. The school board
6 may file objections with the proposed sponsor, and, if a charter is granted, the school board may
7 file objections with the state board of education. The charter shall be a legally binding
8 performance contract that describes the obligations and responsibilities of the school and the
9 sponsor as outlined in sections 160.400 to 160.425 and section 167.349 and shall also include:

10 (1) A mission and vision statement for the charter school;

11 (2) A description of the charter school's organizational structure and bylaws of the
12 governing body, which will be responsible for the policy, financial management, and operational

13 decisions of the charter school, including the nature and extent of parental, professional educator,
14 and community involvement in the governance and operation of the charter school;

15 (3) A financial plan for the first three years of operation of the charter school including
16 provisions for annual audits;

17 (4) A description of the charter school's policy for securing personnel services, its
18 personnel policies, personnel qualifications, and professional development plan;

19 (5) A description of the grades or ages of students being served;

20 (6) The school's calendar of operation, which shall include at least the equivalent of a
21 full school term as defined in section 160.011;

22 (7) A description of the charter school's pupil performance standards and academic
23 program performance standards, which shall meet the requirements of subdivision (6) of
24 subsection 4 of this section. The charter school program shall be designed to enable each pupil
25 to achieve such standards and shall contain a complete set of indicators, measures, metrics, and
26 targets for academic program performance, including specific goals on graduation rates and
27 standardized test performance and academic growth;

28 (8) A description of the charter school's educational program and curriculum;

29 (9) The term of the charter, which shall be five years and shall be renewable;

30 (10) Procedures, consistent with the Missouri financial accounting manual, for
31 monitoring the financial accountability of the charter, which shall meet the requirements of
32 subdivision (4) of subsection 4 of this section;

33 (11) Preopening requirements for applications that require that charter schools meet all
34 health, safety, and other legal requirements prior to opening;

35 (12) A description of the charter school's policies on student discipline and student
36 admission, which shall include a statement, where applicable, of the validity of attendance of
37 students who do not reside in the district but who may be eligible to attend under the terms of
38 judicial settlements and procedures that ensure admission of students with disabilities in a
39 nondiscriminatory manner;

40 (13) A description of the charter school's grievance procedure for parents or guardians;

41 (14) A description of the agreement between the charter school and the sponsor as to
42 when a sponsor shall intervene in a charter school, when a sponsor shall revoke a charter for
43 failure to comply with subsection 8 of this section, and when a sponsor will not renew a charter
44 under subsection 9 of this section;

45 (15) Procedures to be implemented if the charter school should close, as provided in
46 subdivision (6) of subsection 16 of section 160.400 including:

47 (a) Orderly transition of student records to new schools and archival of student records;

48 (b) Archival of business operation and transfer or repository of personnel records;

- 49 (c) Submission of final financial reports;
- 50 (d) Resolution of any remaining financial obligations; [and]
- 51 (e) Disposition of the charter school's assets upon closure; **and**
- 52 (f) A notification plan to inform parents or guardians of students, the local school
53 district, the retirement system in which the charter school's employees participate, and the state
54 board of education within thirty days of the decision to close;
- 55 (16) A description of the special education and related services that shall be available
56 to meet the needs of students with disabilities; and
- 57 (17) For all new or revised charters, procedures to be used upon closure of the charter
58 school requiring that unobligated assets of the charter school be returned to the department of
59 elementary and secondary education for their disposition, which upon receipt of such assets shall
60 return them to the local school district in which the school was located, the state, or any other
61 entity to which they would belong. Charter schools operating on August 27, 2012, shall have
62 until August 28, 2015, to meet the requirements of this subsection.
- 63 2. Proposed charters shall be subject to the following requirements:
- 64 (1) A charter shall be submitted to the sponsor, and follow the sponsor's policies and
65 procedures for review and granting of a charter approval, and be approved by the state board of
66 education by December first of the year prior to the proposed opening date of the charter school;
- 67 (2) A charter may be approved when the sponsor determines that the requirements of this
68 section are met, determines that the applicant is sufficiently qualified to operate a charter school,
69 and that the proposed charter is consistent with the sponsor's charter sponsorship goals and
70 capacity. The sponsor's decision of approval or denial shall be made within ninety days of the
71 filing of the proposed charter;
- 72 (3) If the charter is denied, the proposed sponsor shall notify the applicant in writing as
73 to the reasons for its denial and forward a copy to the state board of education within five
74 business days following the denial;
- 75 (4) If a proposed charter is denied by a sponsor, the proposed charter may be submitted
76 to the state board of education, along with the sponsor's written reasons for its denial. If the state
77 board determines that the applicant meets the requirements of this section, that the applicant is
78 sufficiently qualified to operate the charter school, and that granting a charter to the applicant
79 would be likely to provide educational benefit to the children of the district, the state board may
80 grant a charter and act as sponsor of the charter school. The state board shall review the
81 proposed charter and make a determination of whether to deny or grant the proposed charter
82 within sixty days of receipt of the proposed charter, provided that any charter to be considered
83 by the state board of education under this subdivision shall be submitted no later than March first

84 prior to the school year in which the charter school intends to begin operations. The state board
85 of education shall notify the applicant in writing as the reasons for its denial, if applicable; and

86 (5) The sponsor of a charter school shall give priority to charter school applicants that
87 propose a school oriented to high-risk students and to the reentry of dropouts into the school
88 system. If a sponsor grants three or more charters, at least one-third of the charters granted by
89 the sponsor shall be to schools that actively recruit dropouts or high-risk students as their student
90 body and address the needs of dropouts or high-risk students through their proposed mission,
91 curriculum, teaching methods, and services. For purposes of this subsection, a "high-risk"
92 student is one who is at least one year behind in satisfactory completion of course work or
93 obtaining high school credits for graduation, has dropped out of school, is at risk of dropping out
94 of school, needs drug and alcohol treatment, has severe behavioral problems, has been suspended
95 from school three or more times, has a history of severe truancy, is a pregnant or parenting teen,
96 has been referred for enrollment by the judicial system, is exiting incarceration, is a refugee, is
97 homeless or has been homeless sometime within the preceding six months, has been referred by
98 an area school district for enrollment in an alternative program, or qualifies as high risk under
99 department of elementary and secondary education guidelines. "Dropout" shall be defined
100 through the guidelines of the school core data report. The provisions of this subsection do not
101 apply to charters sponsored by the state board of education.

102 3. If a charter is approved by a sponsor, the charter application shall be submitted to the
103 state board of education, along with a statement of finding that the application meets the
104 requirements of sections 160.400 to 160.425 and section 167.349 and a monitoring plan under
105 which the charter sponsor shall evaluate the academic performance of students enrolled in the
106 charter school. The state board of education may, within sixty days, disapprove the granting of
107 the charter. The state board of education may disapprove a charter on grounds that the
108 application fails to meet the requirements of sections 160.400 to 160.425 and section 167.349
109 or that a charter sponsor previously failed to meet the statutory responsibilities of a charter
110 sponsor.

111 4. A charter school shall, as provided in its charter:

112 (1) Be nonsectarian in its programs, admission policies, employment practices, and all
113 other operations;

114 (2) Comply with laws and regulations of the state, county, or city relating to health,
115 safety, and state minimum educational standards, as specified by the state board of education,
116 including the requirements relating to student discipline under sections 160.261, 167.161,
117 167.164, and 167.171, notification of criminal conduct to law enforcement authorities under
118 sections 167.115 to 167.117, academic assessment under section 160.518, transmittal of school
119 records under section 167.020, the minimum number of school days [and] or hours required

120 under section 160.041, and the employee criminal history background check and the family care
121 safety registry check under section 168.133;

122 (3) Except as provided in sections 160.400 to 160.425 **and as specifically provided in**
123 **other sections**, be exempt from all laws and rules relating to schools, governing boards and
124 school districts;

125 (4) Be financially accountable, use practices consistent with the Missouri financial
126 accounting manual, provide for an annual audit by a certified public accountant, publish audit
127 reports and annual financial reports as provided in chapter 165, provided that the annual financial
128 report may be published on the department of elementary and secondary education's internet
129 website in addition to other publishing requirements, and provide liability insurance to indemnify
130 the school, its board, staff and teachers against tort claims. A charter school that receives local
131 educational agency status under subsection 6 of this section shall meet the requirements imposed
132 by the Elementary and Secondary Education Act for audits of such agencies and comply with all
133 federal audit requirements for charters with local [education] **educational** agency status. For
134 purposes of an audit by petition under section 29.230, a charter school shall be treated as a
135 political subdivision on the same terms and conditions as the school district in which it is
136 located. For the purposes of securing such insurance, a charter school shall be eligible for the
137 Missouri public entity risk management fund pursuant to section 537.700. A charter school that
138 incurs debt shall include a repayment plan in its financial plan;

139 (5) Provide a comprehensive program of instruction for at least one grade or age group
140 from kindergarten through grade twelve, which may include early childhood education if funding
141 for such programs is established by statute, as specified in its charter;

142 (6) (a) Design a method to measure pupil progress toward the pupil academic standards
143 adopted by the state board of education pursuant to section 160.514, establish baseline student
144 performance in accordance with the performance contract during the first year of operation,
145 collect student performance data as defined by the annual performance report throughout the
146 duration of the charter to annually monitor student academic performance, and to the extent
147 applicable based upon grade levels offered by the charter school, participate in the statewide
148 system of assessments, comprised of the essential skills tests and the nationally standardized
149 norm-referenced achievement tests, as designated by the state board pursuant to section 160.518,
150 complete and distribute an annual report card as prescribed in section 160.522, which shall also
151 include a statement that background checks have been completed on the charter school's board
152 members, report to its sponsor, the local school district, and the state board of education as to
153 its teaching methods and any educational innovations and the results thereof, and provide data
154 required for the study of charter schools pursuant to subsection 4 of section 160.410. No charter

155 school shall be considered in the Missouri school improvement program review of the district
156 in which it is located for the resource or process standards of the program.

157 (b) For proposed [high risk] **high-risk** or alternative charter schools, sponsors shall
158 approve performance measures based on mission, curriculum, teaching methods, and services.
159 Sponsors shall also approve comprehensive academic and behavioral measures to determine
160 whether students are meeting performance standards on a different time frame as specified in that
161 school's charter. Student performance shall be assessed comprehensively to determine whether
162 a [high risk] **high-risk** or alternative charter school has documented adequate student progress.
163 Student performance shall be based on sponsor-approved comprehensive measures as well as
164 standardized public school measures. Annual presentation of charter school report card data to
165 the department of elementary and secondary education, the state board, and the public shall
166 include comprehensive measures of student progress.

167 (c) Nothing in this subdivision shall be construed as permitting a charter school to be
168 held to lower performance standards than other public schools within a district; however, the
169 charter of a charter school may permit students to meet performance standards on a different time
170 frame as specified in its charter. The performance standards for alternative and special purpose
171 charter schools that target high-risk students as defined in subdivision (5) of subsection 2 of this
172 section shall be based on measures defined in the school's performance contract with its
173 sponsors;

174 (7) Comply with all applicable federal and state laws and regulations regarding students
175 with disabilities, including sections 162.670 to 162.710, the Individuals with Disabilities
176 Education Act (20 U.S.C. Section 1400) and Section 504 of the Rehabilitation Act of 1973 (29
177 U.S.C. Section 794) or successor legislation;

178 (8) Provide along with any request for review by the state board of education the
179 following:

180 (a) Documentation that the applicant has provided a copy of the application to the school
181 board of the district in which the charter school is to be located, except in those circumstances
182 where the school district is the sponsor of the charter school; and

183 (b) A statement outlining the reasons for approval or disapproval by the sponsor,
184 specifically addressing the requirements of sections 160.400 to 160.425 and 167.349.

185 5. (1) Proposed or existing high-risk or alternative charter schools may include
186 alternative arrangements for students to obtain credit for satisfying graduation requirements in
187 the school's charter application and charter. Alternative arrangements may include, but not be
188 limited to, credit for off-campus instruction, embedded credit, work experience through an
189 internship arranged through the school, and independent studies. When the state board of
190 education approves the charter, any such alternative arrangements shall be approved at such time.

191 (2) The department of elementary and secondary education shall conduct a study of any
192 charter school granted alternative arrangements for students to obtain credit under this subsection
193 after three years of operation to assess student performance, graduation rates, educational
194 outcomes, and entry into the workforce or higher education.

195 6. The charter of a charter school may be amended at the request of the governing body
196 of the charter school and on the approval of the sponsor. The sponsor and the governing board
197 and staff of the charter school shall jointly review the school's performance, management and
198 operations during the first year of operation and then every other year after the most recent
199 review or at any point where the operation or management of the charter school is changed or
200 transferred to another entity, either public or private. The governing board of a charter school
201 may amend the charter, if the sponsor approves such amendment, or the sponsor and the
202 governing board may reach an agreement in writing to reflect the charter school's decision to
203 become a local educational agency. In such case the sponsor shall give the department of
204 elementary and secondary education written notice no later than March first of any year, with the
205 agreement to become effective July first. The department may waive the March first notice date
206 in its discretion. The department shall identify and furnish a list of its regulations that pertain
207 to local educational agencies to such schools within thirty days of receiving such notice.

208 7. Sponsors shall annually review the charter school's compliance with statutory
209 standards including:

210 (1) Participation in the statewide system of assessments, as designated by the state board
211 of education under section 160.518;

212 (2) Assurances for the completion and distribution of an annual report card as prescribed
213 in section 160.522;

214 (3) The collection of baseline data during the first three years of operation to determine
215 the longitudinal success of the charter school;

216 (4) A method to measure pupil progress toward the pupil academic standards adopted
217 by the state board of education under section 160.514; and

218 (5) Publication of each charter school's annual performance report.

219 8. (1) (a) A sponsor's intervention policies shall give schools clear, adequate,
220 evidence-based, and timely notice of contract violations or performance deficiencies and
221 mandate intervention based upon findings of the state board of education of the following:

222 a. The charter school provides a high school program which fails to maintain a
223 graduation rate of at least seventy percent in three of the last four school years unless the school
224 has dropout recovery as its mission;

225 b. The charter school's annual performance report results are below the district's annual
226 performance report results based on the performance standards that are applicable to the grade

227 level configuration of both the charter school and the district in which the charter school is
228 located in three of the last four school years; and

229 c. The charter school is identified as a persistently lowest achieving school by the
230 department of elementary and secondary education.

231 (b) A sponsor shall have a policy to revoke a charter during the charter term if there is:

232 a. Clear evidence of underperformance as demonstrated in the charter school's annual
233 performance report in three of the last four school years; or

234 b. A violation of the law or the public trust that imperils students or public funds.

235 (c) A sponsor shall revoke a charter or take other appropriate remedial action, which may
236 include placing the charter school on probationary status for no more than twelve months,
237 provided that no more than one designation of probationary status shall be allowed for the
238 duration of the charter contract, at any time if the charter school commits a serious breach of one
239 or more provisions of its charter or on any of the following grounds: failure to meet the
240 performance contract as set forth in its charter, failure to meet generally accepted standards of
241 fiscal management, failure to provide information necessary to confirm compliance with all
242 provisions of the charter and sections 160.400 to 160.425 and 167.349 within forty-five days
243 following receipt of written notice requesting such information, or violation of law.

244 (2) The sponsor may place the charter school on probationary status to allow the
245 implementation of a remedial plan, which may require a change of methodology, a change in
246 leadership, or both, after which, if such plan is unsuccessful, the charter may be revoked.

247 (3) At least sixty days before acting to revoke a charter, the sponsor shall notify the
248 governing board of the charter school of the proposed action in writing. The notice shall state
249 the grounds for the proposed action. The school's governing board may request in writing a
250 hearing before the sponsor within two weeks of receiving the notice.

251 (4) The sponsor of a charter school shall establish procedures to conduct administrative
252 hearings upon determination by the sponsor that grounds exist to revoke a charter. Final
253 decisions of a sponsor from hearings conducted pursuant to this subsection are subject to an
254 appeal to the state board of education, which shall determine whether the charter shall be
255 revoked.

256 (5) A termination shall be effective only at the conclusion of the school year, unless the
257 sponsor determines that continued operation of the school presents a clear and immediate threat
258 to the health and safety of the children.

259 (6) A charter sponsor shall make available the school accountability report card
260 information as provided under section 160.522 and the results of the academic monitoring
261 required under subsection 3 of this section.

262 9. (1) A sponsor shall take all reasonable steps necessary to confirm that each charter
263 school sponsored by such sponsor is in material compliance and remains in material compliance
264 with all material provisions of the charter and sections 160.400 to 160.425 and 167.349. Every
265 charter school shall provide all information necessary to confirm ongoing compliance with all
266 provisions of its charter and sections 160.400 to 160.425 and 167.349 in a timely manner to its
267 sponsor.

268 (2) The sponsor's renewal process of the charter school shall be based on the thorough
269 analysis of a comprehensive body of objective evidence and consider if:

270 (a) The charter school has maintained results on its annual performance report that meet
271 or exceed the district in which the charter school is located based on the performance standards
272 that are applicable to the grade-level configuration of both the charter school and the district in
273 which the charter school is located in three of the last four school years;

274 (b) The charter school is organizationally and fiscally viable determining at a minimum
275 that the school does not have:

276 a. A negative balance in its operating funds;

277 b. A combined balance of less than three percent of the amount expended for such funds
278 during the previous fiscal year; or

279 c. Expenditures that exceed receipts for the most recently completed fiscal year;

280 (c) The charter is in compliance with its legally binding performance contract and
281 sections 160.400 to 160.425 and section 167.349.

282 (3) (a) Beginning August first during the year in which a charter is considered for
283 renewal, a charter school sponsor shall demonstrate to the state board of education that the
284 charter school is in compliance with federal and state law as provided in sections 160.400 to
285 160.425 and section 167.349 and the school's performance contract including but not limited to
286 those requirements specific to academic performance.

287 (b) Along with data reflecting the academic performance standards indicated in
288 paragraph (a) of this subdivision, the sponsor shall submit a revised charter application to the
289 state board of education for review.

290 (c) Using the data requested and the revised charter application under paragraphs (a) and
291 (b) of this subdivision, the state board of education shall determine if compliance with all
292 standards enumerated in this subdivision has been achieved. The state board of education at its
293 next regularly scheduled meeting shall vote on the revised charter application.

294 (d) If a charter school sponsor demonstrates the objectives identified in this subdivision,
295 the state board of education shall renew the school's charter.

296 10. A school district may enter into a lease with a charter school for physical facilities.

297 11. A governing board or a school district employee who has control over personnel
298 actions shall not take unlawful reprisal against another employee at the school district because
299 the employee is directly or indirectly involved in an application to establish a charter school. A
300 governing board or a school district employee shall not take unlawful reprisal against an
301 educational program of the school or the school district because an application to establish a
302 charter school proposes the conversion of all or a portion of the educational program to a charter
303 school. As used in this subsection, "unlawful reprisal" means an action that is taken by a
304 governing board or a school district employee as a direct result of a lawful application to
305 establish a charter school and that is adverse to another employee or an educational program.

306 12. Charter school board members shall be subject to the same liability for acts while
307 in office as if they were regularly and duly elected members of school boards in any other public
308 school district in this state. The governing board of a charter school may participate, to the same
309 extent as a school board, in the Missouri public entity risk management fund in the manner
310 provided under sections 537.700 to 537.756.

311 13. Any entity, either public or private, operating, administering, or otherwise managing
312 a charter school shall be considered a quasi-public governmental body and subject to the
313 provisions of sections 610.010 to 610.035.

314 14. The chief financial officer of a charter school shall maintain:

315 (1) A surety bond in an amount determined by the sponsor to be adequate based on the
316 cash flow of the school; or

317 (2) An insurance policy issued by an insurance company licensed to do business in
318 Missouri on all employees in the amount of five hundred thousand dollars or more that provides
319 coverage in the event of employee theft.

160.417. 1. By October 1, 2012, and by each October first thereafter, the sponsor of each
2 charter school shall review the information submitted on the report required by section 162.821
3 to identify charter schools experiencing financial stress. The department of elementary and
4 secondary education shall be authorized to obtain such additional information from a charter
5 school as may be necessary to determine the financial condition of the charter school. Annually,
6 a listing of charter schools identified as experiencing financial stress according to the provisions
7 of this section shall be provided to the governor, speaker of the house of representatives, and
8 president pro tempore of the senate by the department of elementary and secondary education.

9 2. For the purposes of this section, a charter school shall be identified as experiencing
10 financial stress if it:

11 (1) At the end of its most recently completed fiscal year:

12 (a) Has a negative balance in its operating funds; or

13 (b) Has a combined balance of less than three percent of the amount expended from such
14 funds during the previous fiscal year; or

15 (2) For the most recently completed fiscal year expenditures, exceeded receipts for any
16 of its funds because of recurring costs.

17 3. The sponsor shall notify by November first the governing board of the charter school
18 identified as experiencing financial stress. Upon receiving the notification, the governing board
19 shall develop, or cause to have developed, and shall approve a budget and education plan on
20 forms provided by the sponsor. The budget and education plan shall be submitted to the sponsor,
21 signed by the officers of the charter school, within forty-five calendar days of notification that
22 the charter school has been identified as experiencing financial stress. Minimally, the budget and
23 education plan shall:

24 (1) Give assurances that adequate educational services to students of the charter school
25 shall continue uninterrupted for the remainder of the current school year and that the charter
26 school can provide the minimum number of school days [and] ~~or~~ hours required by section
27 160.041;

28 (2) Outline a procedure to be followed by the charter school to report to charter school
29 patrons about the financial condition of the charter school; and

30 (3) Detail the expenditure reduction measures, revenue increases, or other actions to be
31 taken by the charter school to address its condition of financial stress.

32 4. Upon receipt and following review of any budget and education plan, the sponsor may
33 make suggestions to improve the plan. Nothing in sections 160.400 to 160.425 or section
34 167.349 shall exempt a charter school from submitting a budget and education plan to the
35 sponsor according to the provisions of this section following each such notification that a charter
36 school has been identified as experiencing financial stress, except that the sponsor may permit
37 a charter school's governing board to make amendments to or update a budget and education plan
38 previously submitted to the sponsor.

39 5. The department may withhold any payment of financial aid otherwise due to the
40 charter school until such time as the sponsor and the charter school have fully complied with this
41 section.

160.518. 1. Consistent with the provisions contained in section 160.526, the state board
2 of education shall develop, modify, and revise, as necessary, a statewide assessment system that
3 provides maximum flexibility for local school districts to determine the degree to which students
4 in the public schools of the state are proficient in the knowledge, skills, and competencies
5 adopted by such board pursuant to section 160.514. The statewide assessment system shall
6 assess problem solving, analytical ability, evaluation, creativity, and application ability in the
7 different content areas and shall be performance-based to identify what students know, as well

8 as what they are able to do, and shall enable teachers to evaluate actual academic performance.
9 The statewide assessment system shall neither promote nor prohibit rote memorization and shall
10 not include existing versions of tests approved for use pursuant to the provisions of section
11 160.257, nor enhanced versions of such tests. After the state board of education adopts and
12 implements academic performance standards as required under section 161.855, the state board
13 of education shall develop and adopt a standardized assessment instrument under this section
14 based on the academic performance standards adopted under section 161.855. The statewide
15 assessment system shall measure, where appropriate by grade level, a student's knowledge of
16 academic subjects including, but not limited to, reading skills, writing skills, mathematics skills,
17 world and American history, forms of government, geography and science.

18 2. The statewide assessment system shall only permit the academic performance of
19 students in each school in the state to be tracked against prior academic performance in the same
20 school.

21 3. The state board of education shall suggest, but not mandate, criteria for a school to
22 demonstrate that its students learn the knowledge, skills and competencies at exemplary levels
23 worthy of imitation by students in other schools in the state and nation. Exemplary levels shall
24 be measured by the statewide assessment system developed pursuant to subsection 1 of this
25 section, or until said statewide assessment system is available, by indicators approved for such
26 use by the state board of education. The provisions of other law to the contrary notwithstanding,
27 the commissioner of education may, upon request of the school district, present a plan for the
28 waiver of rules and regulations to any such school, to be known as "Outstanding Schools
29 Waivers", consistent with the provisions of subsection 4 of this section.

30 4. For any school that meets the criteria established by the state board of education for
31 three successive school years pursuant to the provisions of subsection 3 of this section, by
32 August first following the third such school year, the commissioner of education shall present
33 a plan to the superintendent of the school district in which such school is located for the waiver
34 of rules and regulations to promote flexibility in the operations of the school and to enhance and
35 encourage efficiency in the delivery of instructional services. The provisions of other law to the
36 contrary notwithstanding, the plan presented to the superintendent shall provide a summary
37 waiver, with no conditions, for the pupil testing requirements pursuant to section 160.257[,] in
38 the school. Further, the provisions of other law to the contrary notwithstanding, the plan shall
39 detail a means for the waiver of requirements otherwise imposed on the school related to the
40 authority of the state board of education to classify school districts pursuant to subdivision (9)
41 of section 161.092 and such other rules and regulations as determined by the commissioner of
42 education, excepting such waivers shall be confined to the school and not other schools in the
43 district unless such other schools meet the criteria established by the state board of education

44 consistent with subsection 3 of this section and the waivers shall not include the requirements
45 contained in this section and section 160.514. Any waiver provided to any school as outlined
46 in this subsection shall be void on June thirtieth of any school year in which the school fails to
47 meet the criteria established by the state board of education consistent with subsection 3 of this
48 section.

49 5. The score on any assessment test developed pursuant to this section or this chapter of
50 any student for whom English is a second language shall not be counted until such time as such
51 student has been educated for three full school years in a school in this state, or in any other state,
52 in which English is the primary language.

53 6. The state board of education shall identify or, if necessary, establish one or more
54 developmentally appropriate alternate assessments for students who receive special educational
55 services, as that term is defined pursuant to section 162.675. In the development of such
56 alternate assessments, the state board shall establish an advisory panel consisting of a majority
57 of active special education teachers residing in Missouri and other education professionals as
58 appropriate to research available assessment options. The advisory panel shall attempt to
59 identify preexisting developmentally appropriate alternate assessments but shall, if necessary,
60 develop alternate assessments and recommend one or more alternate assessments for adoption
61 by the state board. The state board shall consider the recommendations of the advisory council
62 in establishing such alternate assessment or assessments. Any student who receives special
63 educational services, as that term is defined pursuant to section 162.675, shall be assessed by an
64 alternate assessment established pursuant to this subsection upon a determination by the student's
65 individualized education program team that such alternate assessment is more appropriate to
66 assess the student's knowledge, skills and competencies than the assessment developed pursuant
67 to subsection 1 of this section. The alternate assessment shall evaluate the student's independent
68 living skills, which include how effectively the student addresses common life demands and how
69 well the student meets standards for personal independence expected for someone in the student's
70 age group, sociocultural background, and community setting.

71 7. The state board of education shall also develop recommendations regarding alternate
72 assessments for any military dependent who relocates to Missouri after the commencement of
73 a school term, in order to accommodate such student while ensuring that he or she is proficient
74 in the knowledge, skills, and competencies adopted under section 160.514.

75 **8. In the school year 2017-18 and subsequent years, no student shall spend more**
76 **than two percent of the school term taking required statewide assessments. The**
77 **department of elementary and secondary education shall promulgate all necessary rules**
78 **and regulations for the administration of this subsection. Any rule or portion of a rule, as**
79 **that term is defined in section 536.010, that is created under the authority delegated in this**

80 **section shall become effective only if it complies with and is subject to all of the provisions**
81 **of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are**
82 **nonseverable, and if any of the powers vested with the general assembly pursuant to**
83 **chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are**
84 **subsequently held unconstitutional, then the grant of rulemaking authority and any rule**
85 **proposed or adopted after August 28, 2016, shall be invalid and void.**

162.720. 1. Where a sufficient number of children are determined to be gifted and their
2 development requires programs or services beyond the level of those ordinarily provided in
3 regular public school programs, districts may establish special programs for such gifted children.

4 2. The state board of education shall determine standards for such programs. Approval
5 of such programs shall be made by the state department of elementary and secondary education
6 based upon project applications submitted by July fifteenth of each year.

7 **3. No district shall make a determination as to whether a child is gifted based on**
8 **the child's participation in an advanced placement course or international baccalaureate**
9 **course. Districts shall determine a child is gifted only if the child meets the definition of**
10 **"gifted children" as provided in section 162.675.**

163.011. As used in this chapter unless the context requires otherwise:

2 (1) "Adjusted operating levy", the sum of tax rates for the current year for teachers' and
3 incidental funds for a school district as reported to the proper officer of each county pursuant to
4 section 164.011;

5 (2) "Average daily attendance", the quotient or the sum of the quotients obtained by
6 dividing the total number of hours attended in a term by resident pupils between the ages of five
7 and twenty-one by the actual number of hours school was in session in that term. To the average
8 daily attendance of the following school term shall be added the full-time equivalent average
9 daily attendance of summer school students. "Full-time equivalent average daily attendance of
10 summer school students" shall be computed by dividing the total number of hours, except for
11 physical education hours that do not count as credit toward graduation for students in grades
12 nine, ten, eleven, and twelve, attended by all summer school pupils by the number of hours
13 required in section 160.011 in the school term. For purposes of determining average daily
14 attendance under this subdivision, the term "resident pupil" shall include all children between
15 the ages of five and twenty-one who are residents of the school district and who are attending
16 kindergarten through grade twelve in such district. If a child is attending school in a district
17 other than the district of residence and the child's parent is teaching in the school district or is a
18 regular employee of the school district which the child is attending, then such child shall be
19 considered a resident pupil of the school district which the child is attending for such period of
20 time when the district of residence is not otherwise liable for tuition. Average daily attendance

21 for students below the age of five years for which a school district may receive state aid based
22 on such attendance shall be computed as regular school term attendance unless otherwise
23 provided by law;

24 (3) "Current operating expenditures":

25 (a) For the fiscal year 2007 calculation, "current operating expenditures" shall be
26 calculated using data from fiscal year 2004 and shall be calculated as all expenditures for
27 instruction and support services except capital outlay and debt service expenditures minus the
28 revenue from federal categorical sources; food service; student activities; categorical payments
29 for transportation costs pursuant to section 163.161; state reimbursements for early childhood
30 special education; the career ladder entitlement for the district, as provided for in sections
31 168.500 to 168.515; the vocational education entitlement for the district, as provided for in
32 section 167.332; and payments from other districts;

33 (b) In every fiscal year subsequent to fiscal year 2007, current operating expenditures
34 shall be the amount in paragraph (a) of this subdivision plus any increases in state funding
35 pursuant to sections 163.031 and 163.043 subsequent to fiscal year 2005, not to exceed five
36 percent, per recalculation, of the state revenue received by a district in the 2004-05 school year
37 from the foundation formula, line 14, gifted, remedial reading, exceptional pupil aid, fair share,
38 and free textbook payments for any district from the first preceding calculation of the state
39 adequacy target]. Beginning on July 1, 2010, current operating expenditures shall be the amount
40 in paragraph (a) of this subdivision plus any increases in state funding pursuant to sections
41 163.031 and 163.043 subsequent to fiscal year 2005 received by a district in the 2004-05 school
42 year from the foundation formula, line 14, gifted, remedial reading, exceptional pupil aid, fair
43 share, and free textbook payments for any district from the first preceding calculation of the state
44 adequacy target];

45 (4) "District's tax rate ceiling", the highest tax rate ceiling in effect subsequent to the
46 1980 tax year or any subsequent year. Such tax rate ceiling shall not contain any tax levy for
47 debt service;

48 (5) "Dollar-value modifier", an index of the relative purchasing power of a dollar,
49 calculated as one plus fifteen percent of the difference of the regional wage ratio minus one,
50 provided that the dollar value modifier shall not be applied at a rate less than 1.0. **As used in**
51 **this subdivision, the following terms mean:**

52 (a) "County wage per job", the total county wage and salary disbursements divided by
53 the total county wage and salary employment for each county and the City of St. Louis as
54 reported by the Bureau of Economic Analysis of the United States Department of Commerce for
55 the fourth year preceding the payment year;

56 (b) "Regional wage per job":

57 a. The total Missouri wage and salary disbursements of the metropolitan area as defined
58 by the Office of Management and Budget divided by the total Missouri metropolitan wage and
59 salary employment for the metropolitan area for the county signified in the school district number
60 or the City of St. Louis, as reported by the Bureau of Economic Analysis of the United States
61 Department of Commerce for the fourth year preceding the payment year and recalculated upon
62 every decennial census to incorporate counties that are newly added to the description of
63 metropolitan areas; or if no such metropolitan area is established, then:

64 b. The total Missouri wage and salary disbursements of the micropolitan area as defined
65 by the Office of Management and Budget divided by the total Missouri micropolitan wage and
66 salary employment for the micropolitan area for the county signified in the school district
67 number, as reported by the Bureau of Economic Analysis of the United States Department of
68 Commerce for the fourth year preceding the payment year, if a micropolitan area for such county
69 has been established and recalculated upon every decennial census to incorporate counties that
70 are newly added to the description of micropolitan areas; or

71 c. If a county is not part of a metropolitan or micropolitan area as established by the
72 Office of Management and Budget, then the county wage per job, as defined in paragraph (a) of
73 this subdivision, shall be used for the school district, as signified by the school district number;

74 (c) "Regional wage ratio", the ratio of the regional wage per job divided by the state
75 median wage per job;

76 (d) "State median wage per job", the fifty-eighth highest county wage per job;

77 (6) "Free and reduced lunch pupil count", for school districts not eligible for and those
78 that do not choose the USDA Community Eligibility Option, the number of pupils eligible for
79 free and reduced lunch on the last Wednesday in January for the preceding school year who were
80 enrolled as students of the district, as approved by the department in accordance with applicable
81 federal regulations. For eligible school districts that choose the USDA Community Eligibility
82 Option, the free and reduced lunch pupil count shall be the percentage of free and reduced lunch
83 students calculated as eligible on the last Wednesday in January of the most recent school year
84 that included household applications to determine free and reduced lunch count multiplied by
85 the district's average daily attendance figure;

86 (7) "Free and reduced lunch threshold" shall be calculated by dividing the total free and
87 reduced lunch pupil count of every performance district that falls entirely above the bottom five
88 percent and entirely below the top five percent of average daily attendance, when such districts
89 are rank-ordered based on their current operating expenditures per average daily attendance, by
90 the total **regular term** average daily attendance of all included performance districts;

91 **(8) "Free and reduced lunch threshold for the district", the free and reduced lunch**
92 **threshold multiplied by the district's regular term average daily attendance;**

93 [(8)] (9) "Limited English proficiency pupil count", the number in the preceding school
94 year of pupils aged three through twenty-one enrolled or preparing to enroll in an elementary
95 school or secondary school who were not born in the United States or whose native language is
96 a language other than English or are Native American or Alaskan native, or a native resident of
97 the outlying areas, and come from an environment where a language other than English has had
98 a significant impact on such individuals' level of English language proficiency, or are migratory,
99 whose native language is a language other than English, and who come from an environment
100 where a language other than English is dominant; and have difficulties in speaking, reading,
101 writing, or understanding the English language sufficient to deny such individuals the ability to
102 meet the state's proficient level of achievement on state assessments described in Public Law
103 [107-10] **107-110 or successor legislation**, the ability to achieve successfully in classrooms
104 where the language of instruction is English, or the opportunity to participate fully in society;

105 [(9)] (10) "Limited English proficiency threshold" shall be calculated by dividing the
106 total limited English proficiency pupil count of every performance district that falls entirely
107 above the bottom five percent and entirely below the top five percent of average daily attendance,
108 when such districts are rank-ordered based on their current operating expenditures per average
109 daily attendance, by the total **regular term** average daily attendance of all included performance
110 districts;

111 (11) "**Limited English proficiency threshold for the district**", the **limited English**
112 **proficiency threshold multiplied by the district's regular term average daily attendance**;

113 [(10)] (12) "Local effort":

114 (a) For the fiscal year 2007 calculation, "local effort" shall be computed as the equalized
115 assessed valuation of the property of a school district in calendar year 2004 divided by one
116 hundred and multiplied by the performance levy less the percentage retained by the county
117 assessor and collector plus one hundred percent of the amount received in fiscal year 2005 for
118 school purposes from intangible taxes, fines, escheats, payments in lieu of taxes and receipts
119 from state-assessed railroad and utility tax, one hundred percent of the amount received for
120 school purposes pursuant to the merchants' and manufacturers' taxes under sections 150.010 to
121 150.370, one hundred percent of the amounts received for school purposes from federal
122 properties under sections 12.070 and 12.080 except when such amounts are used in the
123 calculation of federal impact aid pursuant to P.L. 81-874, fifty percent of Proposition C revenues
124 received for school purposes from the school district trust fund under section 163.087, and one
125 hundred percent of any local earnings or income taxes received by the district for school
126 purposes. Under this paragraph, for a special district established under sections 162.815 to
127 162.940 in a county with a charter form of government and with more than one million

128 inhabitants, a tax levy of zero shall be utilized in lieu of the performance levy for the special
129 school district;

130 (b) In every year subsequent to fiscal year 2007, "local effort" shall be the amount
131 calculated under paragraph (a) of this subdivision plus any increase in the amount received for
132 school purposes from fines. If a district's assessed valuation has decreased subsequent to the
133 calculation outlined in paragraph (a) of this subdivision, the district's local effort shall be
134 calculated using the district's current assessed valuation in lieu of the assessed valuation utilized
135 in the calculation outlined in paragraph (a) of this subdivision. When a change in a school
136 district's boundary lines occurs because of a boundary line change, annexation, attachment,
137 consolidation, reorganization, or dissolution under section 162.071, 162.081, sections 162.171
138 to 162.201, section 162.221, 162.223, 162.431, 162.441, or 162.451, or in the event that a school
139 district assumes any territory from a district that ceases to exist for any reason, the department
140 of elementary and secondary education shall make a proper adjustment to each affected district's
141 local effort, so that each district's local effort figure conforms to the new boundary lines of the
142 district. The department shall compute the local effort figure by applying the calendar year 2004
143 assessed valuation data to the new land areas resulting from the boundary line change,
144 annexation, attachment, consolidation, reorganization, or dissolution and otherwise follow the
145 procedures described in this subdivision;

146 [(11)] (13) "Membership" shall be the average of:

147 (a) The number of resident full-time students and the full-time equivalent number of
148 part-time students who were enrolled in the public schools of the district on the last Wednesday
149 in September of the previous year and who were in attendance one day or more during the
150 preceding ten school days; and

151 (b) The number of resident full-time students and the full-time equivalent number of
152 part-time students who were enrolled in the public schools of the district on the last Wednesday
153 in January of the previous year and who were in attendance one day or more during the preceding
154 ten school days, plus the full-time equivalent number of summer school pupils. "Full-time
155 equivalent number of part-time students" is determined by dividing the total number of hours for
156 which all part-time students are enrolled by the number of hours in the school term. "Full-time
157 equivalent number of summer school pupils" is determined by dividing the total number of hours
158 for which all summer school pupils were enrolled by the number of hours required pursuant to
159 section 160.011 in the school term. Only students eligible to be counted for average daily
160 attendance shall be counted for membership;

161 [(12)] (14) "Operating levy for school purposes", the sum of tax rates levied for teachers'
162 and incidental funds plus the operating levy or sales tax equivalent pursuant to section 162.1100
163 of any transitional school district containing the school district, in the payment year, not

164 including any equalized operating levy for school purposes levied by a special school district in
165 which the district is located;

166 [(13)] **(15)** "Performance district", any district that has met performance standards and
167 indicators as established by the department of elementary and secondary education for purposes
168 of accreditation under section 161.092 and as reported on the final annual performance report
169 for that district each year; for calculations to be utilized for payments in fiscal years subsequent
170 to fiscal year 2018, the number of performance districts shall not exceed twenty-five percent of
171 all public school districts;

172 [(14)] **(16)** "Performance levy", three dollars and forty-three cents;

173 **(17) "Regular term average daily attendance", the quotient or the sum of the**
174 **quotients obtained by dividing the total number of hours attended in a term by resident**
175 **pupils between the ages of five and twenty-one by the actual number of hours school was**
176 **in session in that term. For purposes of determining regular term average daily attendance**
177 **under this subdivision, the term "resident pupil" shall have the same meaning such term**
178 **is given under subdivision (2) of this section;**

179 [(15)] **(18)** "School purposes" pertains to teachers' and incidental funds;

180 [(16)] **(19)** "Special education pupil count", the number of public school students with
181 a current individualized education program or services plan and receiving services from the
182 resident district as of December first of the preceding school year, except for special education
183 services provided through a school district established under sections 162.815 to 162.940 in a
184 county with a charter form of government and with more than one million inhabitants, in which
185 case the sum of the students in each district within the county exceeding the special education
186 threshold of each respective district within the county shall be counted within the special district
187 and not in the district of residence for purposes of distributing the state aid derived from the
188 special education pupil count;

189 [(17)] **(20)** "Special education threshold" shall be calculated by dividing the total special
190 education pupil count of every performance district that falls entirely above the bottom five
191 percent and entirely below the top five percent of average daily attendance, when such districts
192 are rank-ordered based on their current operating expenditures per average daily attendance, by
193 the total **regular term** average daily attendance of all included performance districts;

194 **(21) "Special education threshold for the district", the special education threshold**
195 **multiplied by the district's regular term average daily attendance;**

196 [(18)] **(22)** "State adequacy target", the sum of the current operating expenditures of
197 every performance district that falls entirely above the bottom five percent and entirely below
198 the top five percent of average daily attendance, when such districts are rank-ordered based on
199 their current operating expenditures per average daily attendance, divided by the total average

200 daily attendance of all included performance districts. The department of elementary and
201 secondary education shall first calculate the state adequacy target for fiscal year 2007 and
202 recalculate the state adequacy target every two years using the most current available data. The
203 recalculation shall never result in a decrease from the previous state adequacy target amount **as**
204 **calculated and applied in fiscal years 2017 and 2018**. Should a recalculation result in an
205 increase in the state adequacy target amount, fifty percent of that increase shall be included in
206 the state adequacy target amount in the year of recalculation, and fifty percent of that increase
207 shall be included in the state adequacy target amount in the subsequent year. The state adequacy
208 target may be adjusted to accommodate available appropriations as provided in subsection 7 of
209 section 163.031;

210 [(19)] **(23)** "Teacher", any teacher, teacher-secretary, substitute teacher, supervisor,
211 principal, supervising principal, superintendent or assistant superintendent, school nurse, social
212 worker, counselor or librarian who shall, regularly, teach or be employed for no higher than
213 grade twelve more than one-half time in the public schools and who is certified under the laws
214 governing the certification of teachers in Missouri;

215 [(20)] **(24)** "Weighted average daily attendance", the average daily attendance plus the
216 product of twenty-five hundredths multiplied by the free and reduced lunch pupil count that
217 exceeds the free and reduced lunch threshold **for the district**, plus the product of seventy-five
218 hundredths multiplied by the number of special education pupil count that exceeds the special
219 education threshold **for the district**, plus the product of six-tenths multiplied by the number of
220 limited English proficiency pupil count that exceeds the limited English proficiency threshold
221 **for the district**. For special districts established under sections 162.815 to 162.940 in a county
222 with a charter form of government and with more than one million inhabitants, weighted average
223 daily attendance shall be the average daily attendance plus the product of twenty-five hundredths
224 multiplied by the free and reduced lunch pupil count that exceeds the free and reduced lunch
225 threshold **for the district**, plus the product of seventy-five hundredths multiplied by the sum of
226 the special education pupil count that exceeds the threshold for each county district, plus the
227 product of six-tenths multiplied by the limited English proficiency pupil count that exceeds the
228 limited English proficiency threshold **for the district**. None of the districts comprising a special
229 district established under sections 162.815 to 162.940 in a county with a charter form of
230 government and with more than one million inhabitants[,] shall use any special education pupil
231 count in calculating their weighted average daily attendance.

163.018. 1. Notwithstanding the definition of "average daily attendance" in subdivision
2 (2) of section 163.011 to the contrary, pupils between the ages of three and five who are eligible
3 for free and reduced lunch and attend an early childhood education program:

4 (1) That is operated by and in a district or by a charter school that has declared itself as
5 a local educational agency providing full-day kindergarten and that meets standards established
6 by the state board of education; or

7 (2) **That is under contract with a district or charter school that has declared itself**
8 **as a local educational agency and that meets standards established by the state board of**
9 **education**

10

11 shall be included in the district's or charter school's calculation of average daily attendance. The
12 total number of such pupils included in the district's or charter school's calculation of average
13 daily attendance. The total number of such pupils included in the district's or charter school's
14 calculation of average daily attendance shall not exceed four percent of the total number of pupils
15 who are eligible for free and reduced lunch between the ages of three and eighteen who are
16 included in the district's or charter school's calculation of average daily attendance.

17 2. (1) For any district that has been declared unaccredited by the state board of education
18 and remains unaccredited as of July 1, 2015, the provisions of subsection 1 of this section shall
19 become applicable during the 2015-16 school year.

20 (2) For any district that is declared unaccredited by the state board of education after July
21 1, 2015, **and for any charter school located in said district**, the provisions of subsection 1 of
22 this section shall become applicable immediately upon such declaration.

23 (3) For any district that has been declared provisionally accredited by the state board of
24 education and remains provisionally accredited as of July 1, 2016, **and for any charter school**
25 **located in said district**, the provisions of subsection 1 of this section shall become applicable
26 beginning in the 2016-17 school year.

27 (4) For any district that is declared provisionally accredited by the state board of
28 education after July 1, 2016, **and for any charter school located in said district**, the provisions
29 of this section shall become applicable beginning in the 2016-17 school year or immediately
30 upon such declaration, whichever is later.

31 (5) For all other districts **and for all other charter schools**, the provisions of subsection
32 1 of this section shall become effective in any school year subsequent to a school year in which
33 the amount appropriated for subsections 1 and 2 of section 163.031 is equal to or exceeds the
34 amount necessary to fund the entire entitlement calculation determined by subsections 1 and 2
35 of section 163.031, and shall remain effective in all school years thereafter, irrespective of the
36 amount appropriated for subsections 1 and 2 of section 163.031 in any succeeding year.

37 3. This section shall not require school attendance beyond that mandated under section
38 167.031 and shall not change or amend the provisions of sections 160.051, 160.053, 160.054,
39 and 160.055 relating to kindergarten attendance.

163.019. The joint committee on education shall, by December 31, 2016, hold a public hearing to receive testimony on the continuing viability of the foundation formula as established under section 163.031. Before January 31, 2017, the joint committee on education shall report its findings to the general assembly.

163.021. 1. A school district shall receive state aid for its education program only if it:

(1) Provides for a minimum of one hundred seventy-four days and one thousand forty-four hours of actual pupil attendance in a term scheduled by the board pursuant to section 160.041 for each pupil or group of pupils, except that the board shall provide a minimum of one hundred seventy-four days and five hundred twenty-two hours of actual pupil attendance in a term for kindergarten pupils. If any school is dismissed because of inclement weather after school has been in session for three hours, that day shall count as a school day including afternoon session kindergarten students. When the aggregate hours lost in a term due to inclement weather decreases the total hours of the school term below the required minimum number of hours by more than twelve hours for all-day students or six hours for one-half-day kindergarten students, all such hours below the minimum must be made up in one-half day or full day additions to the term, except as provided in section 171.033. **In the school year 2017-18 and subsequent years, one thousand forty-four hours of actual pupil attendance with no minimum number of school days shall be required for each pupil or group of pupils; except that, the board shall provide a minimum of five hundred twenty-two hours of actual pupil attendance in a term for kindergarten pupils with no minimum number of school days;**

(2) Maintains adequate and accurate records of attendance, personnel and finances, as required by the state board of education, which shall include the preparation of a financial statement which shall be submitted to the state board of education the same as required by the provisions of section 165.111 for districts;

(3) Levies an operating levy for school purposes of not less than one dollar and twenty-five cents after all adjustments and reductions on each one hundred dollars assessed valuation of the district; **and**

(4) Computes average daily attendance as defined in subdivision (2) of section 163.011 as modified by section 171.031. Whenever there has existed within the district an infectious disease, contagion, epidemic, plague or similar condition whereby the school attendance is substantially reduced for an extended period in any school year, the apportionment of school funds and all other distribution of school moneys shall be made on the basis of the school year next preceding the year in which such condition existed.

2. For the 2006-07 school year and thereafter, no school district shall receive more state aid, as calculated under subsections 1 and 2 of section 163.031, for its education program,

33 exclusive of categorical add-ons, than it received per weighted average daily attendance for the
34 school year 2005-06 from the foundation formula, line 14, gifted, remedial reading, exceptional
35 pupil aid, fair share, and free textbook payment amounts, unless it has an operating levy for
36 school purposes, as determined pursuant to section 163.011, of not less than two dollars and
37 seventy-five cents after all adjustments and reductions. Any district which is required, pursuant
38 to Article X, Section 22 of the Missouri Constitution, to reduce its operating levy below the
39 minimum tax rate otherwise required under this subsection shall not be construed to be in
40 violation of this subsection for making such tax rate reduction. Pursuant to Section 10(c) of
41 Article X of the state constitution, a school district may levy the operating levy for school
42 purposes required by this subsection less all adjustments required pursuant to Article X, Section
43 22 of the Missouri Constitution if such rate does not exceed the highest tax rate in effect
44 subsequent to the 1980 tax year. Nothing in this section shall be construed to mean that a school
45 district is guaranteed to receive an amount not less than the amount the school district received
46 per eligible pupil for the school year 1990-91. The provisions of this subsection shall not apply
47 to any school district located in a county of the second classification which has a nuclear power
48 plant located in such district or to any school district located in a county of the third classification
49 which has an electric power generation unit with a rated generating capacity of more than one
50 hundred fifty megawatts which is owned or operated or both by a rural electric cooperative
51 except that such school districts may levy for current school purposes and capital projects an
52 operating levy not to exceed two dollars and seventy-five cents less all adjustments required
53 pursuant to Article X, Section 22 of the Missouri Constitution.

54 3. No school district shall receive more state aid, as calculated in section 163.031, for
55 its education program, exclusive of categorical add-ons, than it received per eligible pupil for the
56 school year 1993-94, if the state board of education determines that the district was not in
57 compliance in the preceding school year with the requirements of section 163.172, until such
58 time as the board determines that the district is again in compliance with the requirements of
59 section 163.172.

60 4. No school district shall receive state aid, pursuant to section 163.031, if such district
61 was not in compliance, during the preceding school year, with the requirement, established
62 pursuant to section 160.530 to allocate revenue to the professional development committee of
63 the district.

64 5. No school district shall receive more state aid, as calculated in subsections 1 and 2 of
65 section 163.031, for its education program, exclusive of categorical add-ons, than it received per
66 weighted average daily attendance for the school year 2005-06 from the foundation formula, line
67 14, gifted, remedial reading, exceptional pupil aid, fair share, and free textbook payment

68 amounts, if the district did not comply in the preceding school year with the requirements of
69 subsection 5 of section 163.031.

70 6. Any school district that levies an operating levy for school purposes that is less than
71 the performance levy, as such term is defined in section 163.011, shall provide written notice to
72 the department of elementary and secondary education asserting that the district is providing an
73 adequate education to the students of such district. If a school district asserts that it is not
74 providing an adequate education to its students, such inadequacy shall be deemed to be a result
75 of insufficient local effort. The provisions of this subsection shall not apply to any special
76 district established under sections 162.815 to 162.940.

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

7 2. Other provisions of law to the contrary notwithstanding:

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

10 (a) For the 2008-09 school year, the state revenue per weighted average daily attendance
11 received by a district from the state aid calculation under subsections 1 and 4 of [this] section
12 **163.031 as it existed on July 1, 2015**, as applicable, and the classroom trust fund under section
13 163.043 shall not be less than the state revenue received by a district in the 2005-06 school year
14 from the foundation formula, line 14, gifted, remedial reading, exceptional pupil aid, fair share,
15 and free textbook payment amounts multiplied by the dollar value modifier, and dividing this
16 product by the weighted average daily attendance computed for the 2005-06 school year;

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 seventy-
51 five percent of one-half of the funds received from the school district trust fund distributed under
52 section 163.087 shall be placed in the teachers' fund. One hundred percent of revenue received
53 under the provisions of section 163.161 shall be placed in the incidental fund. One hundred
54 percent of revenue received under the provisions of sections 168.500 to 168.515 shall be placed
55 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. (1) If a school district's annual audit discloses that students were inappropriately
76 identified as eligible for free and reduced lunch, special education, or limited English proficiency
77 and the district does not resolve the audit finding, the department of elementary and secondary
78 education shall require that the amount of aid paid pursuant to the weighting for free and reduced
79 lunch, special education, or limited English proficiency in the weighted average daily attendance
80 on the 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 (2) **In the 2017-18 school year and in each subsequent school year, if a district**
85 **experiences a decrease in its gifted program enrollment of twenty percent or more from the**
86 **previous school year, an amount equal to the product of the difference between the number**
87 **of students enrolled in the gifted program in the current school year and the number of**
88 **students enrolled in the gifted program in the previous school year multiplied by six**
89 **hundred eighty dollars shall be subtracted from the district's current year payment**
90 **amount. This subdivision shall not apply to any school with less than three hundred**
91 **enrolled students.**

92 7. Notwithstanding any provision of law to the contrary, in any fiscal year during which
93 the total formula appropriation is insufficient to fully fund the entitlement calculation of this
94 section, the department of elementary and secondary education shall adjust the state adequacy
95 target in order to accommodate the appropriation level for the given fiscal year. In no manner
96 shall any payment modification be rendered for any district qualified to receive payments under
97 subsection 2 of this section based on insufficient appropriations.

163.073. 1. When an education program, as approved under section 219.056, is provided for pupils by the division of youth services in one of the facilities operated by the division for children who have been assigned there by the courts, the division of youth services shall be entitled to state aid for pupils being educated by the division of youth services in an amount to be determined as follows: the total amount apportioned to the division of youth services shall be an amount equal to the average per weighted average daily attendance amount apportioned for the preceding school year under section 163.031, multiplied by the number of full-time equivalent students served by facilities operated by the division of youth services. The number of full-time equivalent students shall be determined by dividing by one hundred seventy-four days the number of student-days of education service provided by the division of youth services to elementary and secondary students who have been assigned to the division by the courts and who have been determined as inappropriate for attendance in a local public school. A student day shall mean one day of education services provided for one student. **In the 2017-18 school year and subsequent years, the number of full-time equivalent students shall be the quotient of the number of student-hours of education service provided by the division of youth services to elementary and secondary students who have been assigned to the division by the courts, and who have been determined as inappropriate for attendance in a local public school, divided by one thousand forty-four hours. A student hour shall mean one hour of education services provided for one student.** In addition, other provisions of law notwithstanding, the division of youth services shall be entitled to funds under section 163.087. The number of full-time equivalent students as defined in this section shall be considered as "September membership" and as "average daily attendance" for the apportioning of funds under section 163.087.

2. The educational program approved under section 219.056 as provided for pupils by the division of youth services shall qualify for funding for those services provided to handicapped or severely handicapped children. The department of elementary and secondary education shall cooperate with the division of youth services in arriving at an equitable funding for the services provided to handicapped children in the facilities operated by the division of youth services.

3. Each local school district or special school district constituting the domicile of a child placed in programs or facilities operated by the division of youth services or residing in another district pursuant to assignment by the division of youth services shall pay toward the per pupil cost of educational services provided by the serving district or agency an amount equal to the average sum produced per child by the local tax effort of that district. A special school district shall pay the average sum produced per child by the local tax efforts of the component districts. This amount paid by the local school district or the special school district shall be on the basis

37 of full-time equivalence as determined in section 163.011, not to exceed the actual per pupil
38 local tax effort.

**167.228. For purposes of distribution of state aid under section 163.031, summer
2 school hours claimed for reimbursement shall not exceed two hundred forty hours for any
3 student.**

171.031. 1. Each school board shall prepare annually a calendar for the school term,
2 specifying the opening date, **days of planned attendance**, and providing a minimum term of at
3 least one hundred seventy-four days for schools with a five-day school week or one hundred
4 forty-two days for schools with a four-day school week, and one thousand forty-four hours of
5 actual pupil attendance. **In the school year 2017-18 and subsequent years, one thousand
6 forty-four hours of actual pupil attendance shall be required for the school term with no
7 minimum number of school days.** In addition, such calendar shall include six make-up days
8 for possible loss of attendance due to inclement weather as defined in subsection 1 of section
9 171.033. **In the school year 2017-18 and subsequent years, such calendar shall include
10 thirty-six make-up hours for possible loss of attendance due to inclement weather, as
11 defined under subsection 1 of section 171.033, with no minimum number of make-up days.**

12 2. Each local school district may set its opening date each year, which date shall be no
13 earlier than ten calendar days prior to the first Monday in September. No public school district
14 shall select an earlier start date unless the district follows the procedure set forth in subsection
15 3 of this section.

16 3. A district may set an opening date that is more than ten calendar days prior to the first
17 Monday in September only if the local school board first gives public notice of a public meeting
18 to discuss the proposal of opening school on a date more than ten days prior to the first Monday
19 in September, and the local school board holds said meeting and, at the same public meeting, a
20 majority of the board votes to allow an earlier opening date. If all of the previous conditions are
21 met, the district may set its opening date more than ten calendar days prior to the first Monday
22 in September. The condition provided in this subsection must be satisfied by the local school
23 board each year that the board proposes an opening date more than ten days before the first
24 Monday in September.

25 4. If any local district violates the provisions of this section, the department of
26 elementary and secondary education shall withhold an amount equal to one quarter of the state
27 funding the district generated under section 163.031 for each date the district was in violation
28 of this section.

29 5. The provisions of subsections 2 to 4 of this section shall not apply to school districts
30 in which school is in session for twelve months of each calendar year.

31 6. The state board of education may grant an exemption from this section to a school
32 district that demonstrates highly unusual and extenuating circumstances justifying exemption
33 from the provisions of subsections 2 to 4 of this section. Any exemption granted by the state
34 board of education shall be valid for one academic year only.

35 7. [No school day for schools with a five-day school week shall be longer than seven
36 hours except for vocational schools which may adopt an eight-hour day in a metropolitan school
37 district and a school district in a first class county adjacent to a city not within a county, and any
38 school that adopts a four-day school week in accordance with section 171.029.] **No cap on the**
39 **number of hours in a school day shall be imposed on school districts.**

171.033. 1. "Inclement weather", for purposes of this section, shall be defined as ice,
2 snow, extreme cold, flooding, or a tornado, but such term shall not include excessive heat.

3 2. A district shall be required to make up the first six days of school lost or cancelled due
4 to inclement weather and half the number of days lost or cancelled in excess of six days if the
5 makeup of the days is necessary to ensure that the district's students will attend a minimum of
6 one hundred forty-two days and a minimum of one thousand forty-four hours for the school year
7 except as otherwise provided in this section. Schools with a four-day school week may schedule
8 such make-up days on Fridays. **Notwithstanding the above, in the school year 2017-18 and**
9 **subsequent years, a district shall be required to make up the first thirty-six hours of school**
10 **lost or cancelled due to inclement weather and half the number of hours lost or cancelled**
11 **in excess of thirty-six if the makeup of the hours is necessary to ensure that the district's**
12 **students attend a minimum of one thousand forty-four hours for the school year.**

13 3. In the 2009-10 school year and **all** subsequent years **through the 2016-17 school**
14 **year**, a school district may be exempt from the requirement to make up days of school lost or
15 cancelled due to inclement weather in the school district when the school district has made up
16 the six days required under subsection 2 of this section and half the number of additional lost or
17 cancelled days up to eight days, resulting in no more than ten total make-up days required by this
18 section.

19 4. The commissioner of education may provide, for any school district [in which schools
20 are in session for twelve months of each calendar year] that cannot meet the minimum school
21 calendar requirement of at least one hundred seventy-four days for schools with a five-day school
22 week or one hundred forty-two days for schools with a four-day school week and one thousand
23 forty-four hours of actual pupil attendance **or, in the school year 2017-18 and subsequent**
24 **years, one thousand forty-four hours of actual pupil attendance**, upon request, a waiver to
25 be excused from such requirement. This waiver shall be requested from the commissioner of
26 education and may be granted if the school was closed due to circumstances beyond school
27 district control, including inclement weather, flooding or fire.

2 [171.029. 1. The school board of any school district in the state, upon
3 adoption of a resolution by the vote of a majority of all its members to authorize
4 such action, may establish a four-day school week or other calendar consisting
5 of less than one hundred seventy-four days in lieu of a five-day school week.
6 Upon adoption of a four-day school week or other calendar consisting of less than
7 one hundred seventy-four days, the school shall file a calendar with the
8 department of elementary and secondary education in accordance with section
9 171.031. Such calendar shall include, but not be limited to, a minimum term of
10 one hundred forty-two days and one thousand forty-four hours of actual pupil
11 attendance.

12 2. If a school district that attends less than one hundred seventy-four days
13 meets at least two fewer performance standards on two successive annual
14 performance reports than it met on its last annual performance report received
15 prior to implementing a calendar year of less than one hundred seventy-four days,
16 it shall be required to revert to a one hundred seventy-four-day school year in the
17 school year following the report of the drop in the number of performance
18 standards met. When the number of performance standards met reaches the
19 earlier number, the district may return to the four-day week or other calendar
consisting of less than one hundred seventy-four days in the next school year.]

Section B. The repeal of section 171.029 of this act shall become effective on July 1,
2 2017.

Section C. Because of the importance of improving and sustaining Missouri's elementary
2 and secondary education system, the enactment of sections 163.019 and 167.228 and the repeal
3 and reenactment of sections 160.011, 163.018, 160.041, 160.405, 160.417, 160.518, 163.011,
4 163.021, 163.073, 171.031, and 171.033 are deemed necessary for the immediate preservation
5 of the public health, welfare, peace, and safety, and the enactment of sections 163.019 and
6 167.228 and the repeal and reenactment of sections 160.011, 163.018, 160.041, 160.405,
7 160.417, 160.518, 163.011, 163.021, 163.073, 171.031, and 171.033 of this act are hereby
8 declared to be an emergency act within the meaning of the constitution, and the enactment of
9 sections 163.019 and 167.228 and the repeal and reenactment of sections 160.011, 163.018,
10 160.041, 160.405, 160.417, 160.518, 163.011, 163.021, 163.073, 171.031, and 171.033 of this
11 act shall be in full force and effect on July 1, 2016, or upon their passage and approval,
12 whichever occurs later.

Section D. Section 163.031 of this act shall become effective July 1, 2017.

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