

SECOND REGULAR SESSION

HOUSE BILL NO. 2750

100TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE BASYE.

5758H.011

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal sections 143.121, 163.021, 167.645, 167.895, and 168.021, RSMo, and to enact in lieu thereof ten new sections relating to elementary and secondary education.

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

Section A. Sections 143.121, 163.021, 167.645, 167.895, and 168.021, RSMo, are repealed and ten new sections enacted in lieu thereof, to be known as sections 143.121, 143.1031, 163.021, 163.164, 167.235, 167.645, 167.895, 168.021, 168.123, and 168.125, to read as follows:

143.121. 1. The Missouri adjusted gross income of a resident individual shall be the taxpayer's federal adjusted gross income subject to the modifications in this section.

2. There shall be added to the taxpayer's federal adjusted gross income:

(1) The amount of any federal income tax refund received for a prior year which resulted in a Missouri income tax benefit;

(2) Interest on certain governmental obligations excluded from federal gross income by 26 U.S.C. Section 103 of the Internal Revenue Code, as amended. The previous sentence shall not apply to interest on obligations of the state of Missouri or any of its political subdivisions or authorities and shall not apply to the interest described in subdivision (1) of subsection 3 of this section. The amount added pursuant to this subdivision shall be reduced by the amounts applicable to such interest that would have been deductible in computing the taxable income of the taxpayer except only for the application of 26 U.S.C. Section 265 of the Internal Revenue Code, as amended. The reduction shall only be made if it is at least five hundred dollars;

(3) The amount of any deduction that is included in the computation of federal taxable income pursuant to 26 U.S.C. Section 168 of the Internal Revenue Code as amended by the Job

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.

16 Creation and Worker Assistance Act of 2002 to the extent the amount deducted relates to
17 property purchased on or after July 1, 2002, but before July 1, 2003, and to the extent the amount
18 deducted exceeds the amount that would have been deductible pursuant to 26 U.S.C. Section 168
19 of the Internal Revenue Code of 1986 as in effect on January 1, 2002;

20 (4) The amount of any deduction that is included in the computation of federal taxable
21 income for net operating loss allowed by 26 U.S.C. Section 172 of the Internal Revenue Code
22 of 1986, as amended, other than the deduction allowed by 26 U.S.C. Section 172(b)(1)(G) and
23 26 U.S.C. Section 172(i) of the Internal Revenue Code of 1986, as amended, for a net operating
24 loss the taxpayer claims in the tax year in which the net operating loss occurred or carries
25 forward for a period of more than twenty years and carries backward for more than two years.
26 Any amount of net operating loss taken against federal taxable income but disallowed for
27 Missouri income tax purposes pursuant to this subdivision after June 18, 2002, may be carried
28 forward and taken against any income on the Missouri income tax return for a period of not more
29 than twenty years from the year of the initial loss; ~~and~~

30 (5) For nonresident individuals in all taxable years ending on or after December 31,
31 2006, the amount of any property taxes paid to another state or a political subdivision of another
32 state for which a deduction was allowed on such nonresident's federal return in the taxable year
33 unless such state, political subdivision of a state, or the District of Columbia allows a subtraction
34 from income for property taxes paid to this state for purposes of calculating income for the
35 income tax for such state, political subdivision of a state, or the District of Columbia; **and**

36 (6) For all tax years beginning on or after January 1, 2018, any interest expense paid or
37 accrued in a previous taxable year, but allowed as a deduction under 26 U.S.C. Section 163, as
38 amended, in the current taxable year by reason of the carryforward of disallowed business
39 interest provisions of 26 U.S.C. Section 163(j), as amended. For the purposes of this
40 subdivision, an interest expense is considered paid or accrued only in the first taxable year the
41 deduction would have been allowable under 26 U.S.C. Section 163, as amended, if the limitation
42 under 26 U.S.C. Section 163(j), as amended, did not exist.

43 3. There shall be subtracted from the taxpayer's federal adjusted gross income the
44 following amounts to the extent included in federal adjusted gross income:

45 (1) Interest received on deposits held at a federal reserve bank or interest or dividends
46 on obligations of the United States and its territories and possessions or of any authority,
47 commission or instrumentality of the United States to the extent exempt from Missouri income
48 taxes pursuant to the laws of the United States. The amount subtracted pursuant to this
49 subdivision shall be reduced by any interest on indebtedness incurred to carry the described
50 obligations or securities and by any expenses incurred in the production of interest or dividend
51 income described in this subdivision. The reduction in the previous sentence shall only apply

52 to the extent that such expenses including amortizable bond premiums are deducted in
53 determining the taxpayer's federal adjusted gross income or included in the taxpayer's Missouri
54 itemized deduction. The reduction shall only be made if the expenses total at least five hundred
55 dollars;

56 (2) The portion of any gain, from the sale or other disposition of property having a higher
57 adjusted basis to the taxpayer for Missouri income tax purposes than for federal income tax
58 purposes on December 31, 1972, that does not exceed such difference in basis. If a gain is
59 considered a long-term capital gain for federal income tax purposes, the modification shall be
60 limited to one-half of such portion of the gain;

61 (3) The amount necessary to prevent the taxation pursuant to this chapter of any annuity
62 or other amount of income or gain which was properly included in income or gain and was taxed
63 pursuant to the laws of Missouri for a taxable year prior to January 1, 1973, to the taxpayer, or
64 to a decedent by reason of whose death the taxpayer acquired the right to receive the income or
65 gain, or to a trust or estate from which the taxpayer received the income or gain;

66 (4) Accumulation distributions received by a taxpayer as a beneficiary of a trust to the
67 extent that the same are included in federal adjusted gross income;

68 (5) The amount of any state income tax refund for a prior year which was included in the
69 federal adjusted gross income;

70 (6) The portion of capital gain specified in section 135.357 that would otherwise be
71 included in federal adjusted gross income;

72 (7) The amount that would have been deducted in the computation of federal taxable
73 income pursuant to 26 U.S.C. Section 168 of the Internal Revenue Code as in effect on January
74 1, 2002, to the extent that amount relates to property purchased on or after July 1, 2002, but
75 before July 1, 2003, and to the extent that amount exceeds the amount actually deducted pursuant
76 to 26 U.S.C. Section 168 of the Internal Revenue Code as amended by the Job Creation and
77 Worker Assistance Act of 2002;

78 (8) For all tax years beginning on or after January 1, 2005, the amount of any income
79 received for military service while the taxpayer serves in a combat zone which is included in
80 federal adjusted gross income and not otherwise excluded therefrom. As used in this section,
81 "combat zone" means any area which the President of the United States by Executive Order
82 designates as an area in which Armed Forces of the United States are or have engaged in combat.
83 Service is performed in a combat zone only if performed on or after the date designated by the
84 President by Executive Order as the date of the commencing of combat activities in such zone,
85 and on or before the date designated by the President by Executive Order as the date of the
86 termination of combatant activities in such zone;

87 (9) For all tax years ending on or after July 1, 2002, with respect to qualified property
88 that is sold or otherwise disposed of during a taxable year by a taxpayer and for which an
89 additional modification was made under subdivision (3) of subsection 2 of this section, the
90 amount by which additional modification made under subdivision (3) of subsection 2 of this
91 section on qualified property has not been recovered through the additional subtractions provided
92 in subdivision (7) of this subsection;

93 (10) For all tax years beginning on or after January 1, 2014, the amount of any income
94 received as payment from any program which provides compensation to agricultural producers
95 who have suffered a loss as the result of a disaster or emergency, including the:

96 (a) Livestock Forage Disaster Program;

97 (b) Livestock Indemnity Program;

98 (c) Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish;

99 (d) Emergency Conservation Program;

100 (e) Noninsured Crop Disaster Assistance Program;

101 (f) Pasture, Rangeland, Forage Pilot Insurance Program;

102 (g) Annual Forage Pilot Program;

103 (h) Livestock Risk Protection Insurance Plan; and

104 (i) Livestock Gross Margin Insurance Plan; ~~and~~

105 (11) For all tax years beginning on or after January 1, 2018, any interest expense paid
106 or accrued in the current taxable year, but not deducted as a result of the limitation imposed
107 under 26 U.S.C. Section 163(j), as amended. For the purposes of this subdivision, an interest
108 expense is considered paid or accrued only in the first taxable year the deduction would have
109 been allowable under 26 U.S.C. Section 163, as amended, if the limitation under 26 U.S.C.
110 Section 163(j), as amended, did not exist; **and**

111 **(12) For all tax years beginning on or after January 1, 2021, one hundred percent**
112 **of all unreimbursed educator expenses incurred by an eligible educator during the taxable**
113 **year, not to exceed five hundred dollars. As used in this subdivision, the following terms**
114 **shall mean:**

115 **(a) "Educator expenses", expenses incurred by an eligible educator that qualify for**
116 **a federal deduction under 26 U.S.C. Section 62, as amended;**

117 **(b) "Eligible educator", an eligible educator as defined under 26 U.S.C. Section 62,**
118 **as amended, or a teacher in an early childhood education program.**

119 4. There shall be added to or subtracted from the taxpayer's federal adjusted gross
120 income the taxpayer's share of the Missouri fiduciary adjustment provided in section 143.351.

121 5. There shall be added to or subtracted from the taxpayer's federal adjusted gross
122 income the modifications provided in section 143.411.

123 6. In addition to the modifications to a taxpayer's federal adjusted gross income in this
124 section, to calculate Missouri adjusted gross income there shall be subtracted from the taxpayer's
125 federal adjusted gross income any gain recognized pursuant to 26 U.S.C. Section 1033 of the
126 Internal Revenue Code of 1986, as amended, arising from compulsory or involuntary conversion
127 of property as a result of condemnation or the imminence thereof.

128 7. (1) As used in this subsection, "qualified health insurance premium" means the
129 amount paid during the tax year by such taxpayer for any insurance policy primarily providing
130 health care coverage for the taxpayer, the taxpayer's spouse, or the taxpayer's dependents.

131 (2) In addition to the subtractions in subsection 3 of this section, one hundred percent
132 of the amount of qualified health insurance premiums shall be subtracted from the taxpayer's
133 federal adjusted gross income to the extent the amount paid for such premiums is included in
134 federal taxable income. The taxpayer shall provide the department of revenue with proof of the
135 amount of qualified health insurance premiums paid.

136 8. (1) Beginning January 1, 2014, in addition to the subtractions provided in this section,
137 one hundred percent of the cost incurred by a taxpayer for a home energy audit conducted by an
138 entity certified by the department of natural resources under section 640.153 or the
139 implementation of any energy efficiency recommendations made in such an audit shall be
140 subtracted from the taxpayer's federal adjusted gross income to the extent the amount paid for
141 any such activity is included in federal taxable income. The taxpayer shall provide the
142 department of revenue with a summary of any recommendations made in a qualified home
143 energy audit, the name and certification number of the qualified home energy auditor who
144 conducted the audit, and proof of the amount paid for any activities under this subsection for
145 which a deduction is claimed. The taxpayer shall also provide a copy of the summary of any
146 recommendations made in a qualified home energy audit to the department of natural resources.

147 (2) At no time shall a deduction claimed under this subsection by an individual taxpayer
148 or taxpayers filing combined returns exceed one thousand dollars per year for individual
149 taxpayers or cumulatively exceed two thousand dollars per year for taxpayers filing combined
150 returns.

151 (3) Any deduction claimed under this subsection shall be claimed for the tax year in
152 which the qualified home energy audit was conducted or in which the implementation of the
153 energy efficiency recommendations occurred. If implementation of the energy efficiency
154 recommendations occurred during more than one year, the deduction may be claimed in more
155 than one year, subject to the limitations provided under subdivision (2) of this subsection.

156 (4) A deduction shall not be claimed for any otherwise eligible activity under this
157 subsection if such activity qualified for and received any rebate or other incentive through a

158 state-sponsored energy program or through an electric corporation, gas corporation, electric
159 cooperative, or municipally owned utility.

160 9. The provisions of subsection 8 of this section shall expire on December 31, 2020.

143.1031. 1. For all tax years beginning on or after January 1, 2021, each
2 individual or corporation entitled to a tax refund in an amount sufficient to make a
3 designation under this section may designate an amount not less than one dollar on a single
4 return, or two dollars on a combined return, but not more than one hundred dollars of the
5 refund due be credited to the Missouri loves teachers trust fund established in subsection
6 3 of this section. The contribution designation authorized by this section shall be clearly
7 and unambiguously printed on each income tax return provided by this state. If any
8 individual or corporation that is not entitled to a tax refund in an amount sufficient to
9 make a designation under this section wishes to make a contribution to the Missouri loves
10 teachers trust fund, such individual or corporation may, by separate check, draft, or other
11 negotiable instrument, send in with the payment of taxes, or may send in separately, that
12 amount, clearly designated for the Missouri loves teachers trust fund, the individual or
13 corporation wishes to contribute and the department of revenue shall forward such
14 amount to the state treasurer for deposit to the fund as provided in subsection 3 of this
15 section.

16 2. The director of revenue shall transfer at least monthly all contributions
17 designated by individuals or corporations under this section, less an amount not to exceed
18 five percent of such transferred contributions that is sufficient to cover the cost of
19 collection and handling by the department of revenue, to the state treasurer for deposit in
20 the state treasury to the credit of the Missouri loves teachers trust fund. A contribution
21 designated under this section shall only be transferred and deposited in the Missouri loves
22 teachers trust fund after all other claims against the refund from which such contribution
23 is to be made have been satisfied.

24 3. There is hereby established in the state treasury the "Missouri Loves Teachers
25 Trust Fund", which shall consist of all moneys deposited in the fund under subsection 2
26 of this section. The state treasurer shall administer the fund, and the moneys in the fund
27 shall be used solely, upon appropriation, by the department of elementary and secondary
28 education to disburse to school districts for the purpose of providing bonuses to
29 well-performing teachers in the district. Notwithstanding the provisions of section 33.080
30 to the contrary, moneys in the Missouri loves teachers trust fund at the end of any
31 biennium shall not be transferred to the credit of the general revenue fund.

32 4. Nothing in this section shall be construed to prohibit any appropriations, gifts,
33 bequests, or public or private donations to the fund.

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

2 (1) Provides for a minimum of one hundred seventy-four days and one thousand
3 forty-four hours of actual pupil attendance in a term scheduled by the board pursuant to section
4 160.041 for each pupil or group of pupils, except that the board shall provide a minimum of one
5 hundred seventy-four days and five hundred twenty-two hours of actual pupil attendance in a
6 term for kindergarten pupils. If any school is dismissed because of inclement weather after
7 school has been in session for three hours, that day shall count as a school day including
8 afternoon session kindergarten students. When the aggregate hours lost in a term due to
9 inclement weather decreases the total hours of the school term below the required minimum
10 number of hours by more than twelve hours for all-day students or six hours for one-half-day
11 kindergarten students, all such hours below the minimum must be made up in one-half day or
12 full day additions to the term, except as provided in section 171.033. In school year 2019-20 and
13 subsequent years, one thousand forty-four hours of actual pupil attendance with no minimum
14 number of school days shall be required for each pupil or group of pupils; except that, the board
15 shall provide a minimum of five hundred twenty-two hours of actual pupil attendance in a term
16 for kindergarten pupils with no minimum number of school days;

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

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

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

30 **(5) Beginning July 1, 2021, limits individual administrator and individual**
31 **superintendent total compensation to no more than three times the average total**
32 **compensation provided to all teachers who are certified under section 168.021 and**
33 **employed full time by the school district. For purposes of this subdivision, "total**
34 **compensation" shall include all amounts of base salary, district-paid medical benefits,**
35 **health insurance, life insurance, supplemental insurance, bonus and incentive pay, auto or**
36 **mileage allowances, use of district-owned automobiles, membership dues, retirement**

37 **benefits, and any additional annuity. In order to receive state aid under this section in any**
38 **year after July 1, 2021, any such school district with an administrator or superintendent**
39 **receiving total compensation in excess of the limits prescribed under this subdivision on**
40 **July 1, 2021, shall demonstrate to the department that the compensation of such**
41 **administrator or superintendent is reduced by one-third in each subsequent year so that**
42 **the total compensation for such administrator or superintendent conforms to this**
43 **subdivision on or before July 1, 2024.**

44 2. For the 2006-07 school year and thereafter, no school district shall receive more state
45 aid, as calculated under subsections 1 and 2 of section 163.031, for its education program,
46 exclusive of categorical add-ons, than it received per weighted average daily attendance for the
47 school year 2005-06 from the foundation formula, line 14, gifted, remedial reading, exceptional
48 pupil aid, fair share, and free textbook payment amounts, unless it has an operating levy for
49 school purposes, as determined pursuant to section 163.011, of not less than two dollars and
50 seventy-five cents after all adjustments and reductions. Any district which is required, pursuant
51 to Article X, Section 22 of the Missouri Constitution, to reduce its operating levy below the
52 minimum tax rate otherwise required under this subsection shall not be construed to be in
53 violation of this subsection for making such tax rate reduction. Pursuant to Section 10(c) of
54 Article X of the state constitution, a school district may levy the operating levy for school
55 purposes required by this subsection less all adjustments required pursuant to Article X, Section
56 22 of the Missouri Constitution if such rate does not exceed the highest tax rate in effect
57 subsequent to the 1980 tax year. Nothing in this section shall be construed to mean that a school
58 district is guaranteed to receive an amount not less than the amount the school district received
59 per eligible pupil for the school year 1990-91. The provisions of this subsection shall not apply
60 to any school district located in a county of the second classification which has a nuclear power
61 plant located in such district or to any school district located in a county of the third classification
62 which has an electric power generation unit with a rated generating capacity of more than one
63 hundred fifty megawatts which is owned or operated or both by a rural electric cooperative
64 except that such school districts may levy for current school purposes and capital projects an
65 operating levy not to exceed two dollars and seventy-five cents less all adjustments required
66 pursuant to Article X, Section 22 of the Missouri Constitution.

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

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

77 5. No school district shall receive more state aid, as calculated in subsections 1 and 2 of
78 section 163.031, for its education program, exclusive of categorical add-ons, than it received per
79 weighted average daily attendance for the school year 2005-06 from the foundation formula, line
80 14, gifted, remedial reading, exceptional pupil aid, fair share, and free textbook payment
81 amounts, if the district did not comply in the preceding school year with the requirements of
82 subsection 5 of section 163.031.

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

**163.164. 1. Notwithstanding any provision of law to the contrary, in any fiscal year
2 in which the total appropriation for the formula under section 163.031 is in excess of the
3 amount reimbursed to public schools, the department of elementary and secondary
4 education shall transfer such excess cash balances by the fifteenth day of the succeeding
5 fiscal year to the school transportation fund established in this section.**

6 **2. (1) There is hereby created in the state treasury the "School Transportation
7 Fund", which shall consist of moneys collected under this section. The state treasurer shall
8 be custodian of the fund. In accordance with sections 30.170 and 30.180, the state
9 treasurer may approve disbursements. The fund shall be administered by the
10 commissioner of the department of elementary and secondary education. The school
11 transportation fund shall consist of moneys transferred by the department under
12 subsection 1 of this section, to be used by public school districts to provide transportation
13 to students. Such funds shall be paid to public school districts in addition to the state aid
14 provided for transportation under section 163.161, based on the cost of pupil
15 transportation in accordance with section 163.161.**

16 **(2) Notwithstanding the provisions of section 33.080 to the contrary, any moneys
17 remaining in the fund at the end of the biennium shall not revert to the credit of the
18 general revenue fund.**

19 **(3) The state treasurer shall invest moneys in the fund in the same manner as other**
20 **funds are invested. Any interest and moneys earned on such investments shall be credited**
21 **to the fund.**

167.235. The department of elementary and secondary education shall annually
2 **post, on the department's website, the annual performance report scores for every school**
3 **district and every attendance center in the state by June thirtieth of each year.**

 167.645. 1. For purposes of this section, the following terms mean:

2 (1) "Reading assessment", a recognized method of judging a student's reading ability,
3 with results expressed as reading at a particular grade level. The term reading assessment shall
4 include, but is not limited to, standard checklists designed for use as a student reads out loud,
5 paper-and-pencil tests promulgated by nationally recognized organizations and other recognized
6 methods of determining a student's reading accuracy, expression, fluency and comprehension in
7 order to make a determination of the student's grade-level reading ability. Assessments which
8 do not give a grade-level result may be used in combination with other assessments to reach a
9 grade-level determination. Districts are encouraged but not required to select assessment
10 methods identified pursuant to section 167.346. Districts are also encouraged to use multiple
11 methods of assessment;

12 (2) "Summer school", for reading instruction purposes, a minimum of forty hours of
13 reading instruction and practice. A school district may arrange the hours and days of instruction
14 to coordinate with its regular program of summer school.

15 2. For purposes of this section, methods of reading assessment shall be determined by
16 each school district. Unless a student has been determined in the current school year to be
17 reading at grade level or above, each school district shall administer a reading assessment or set
18 of assessments to each student within forty-five days of the end of the third-grade year, except
19 that the provisions of this subsection shall not apply to students receiving special education
20 services under an individualized education plan pursuant to sections 162.670 to 162.999, to
21 students receiving services pursuant to Section 504 of the Rehabilitation Act of 1973 whose
22 services plan includes an element addressing reading or to students determined to have limited
23 English proficiency or to students who have been determined, prior to the beginning of any
24 school year, to have a cognitive ability insufficient to meet the reading requirement set out in this
25 section, provided that districts shall provide reading improvement plans for students determined
26 to have such insufficient cognitive ability. The assessment required by this subsection shall also
27 be required for students who enter a school district in grades four, five or six unless such student
28 has been determined in the current school year to be reading at grade level or above.

29 3. Beginning with school year ~~[2002-03]~~ **2022-23**, for each student whose ~~[third-grade]~~
30 **second-grade** reading assessment determines that such student is reading below second-grade

31 level, the school district shall design a reading improvement plan for the student's ~~[fourth-grade]~~
32 **third-grade** year. Such reading improvement plan shall include, at a minimum, thirty hours of
33 additional reading instruction or practice outside the regular school day during the ~~[fourth-grade]~~
34 **third-grade** year. The school district shall determine the method of reading instruction
35 necessary to enforce this subsection. ~~[The school district may also require the student to attend~~
36 ~~summer school for reading instruction as a condition of promotion to fourth grade.]~~ The
37 department of elementary and secondary education may, from funds appropriated for the
38 purpose, reimburse school districts for additional instructional personnel costs incurred in the
39 implementation and execution of the thirty hours of additional reading instruction minus the
40 revenue generated by the school district through the foundation formula for the additional
41 reading instruction average daily attendance.

42 4. Each student for whom a reading improvement plan has been designed pursuant to
43 subsection 3 of this section shall be given another reading assessment, to be administered within
44 forty-five days of the end of such student's ~~[fourth-grade]~~ **third-grade** year. If such student is
45 determined to be reading below third-grade level, ~~[the student shall be required to attend summer~~
46 ~~school to receive reading instruction. At the end of such summer school instruction, such student~~
47 ~~shall be given another reading assessment. If such student is determined to be reading below~~
48 ~~third-grade level,]~~ the district shall notify the student's parents or guardians, and the student shall
49 not be promoted to ~~[fifth]~~ **fourth** grade. No student shall be denied promotion more than once
50 solely for inability to meet the reading standards set out in this section. **Any student retained**
51 **in the third grade under this subsection shall be referred for an individualized education**
52 **plan (IEP) and the district shall provide appropriate intensive structured literacy**
53 **instruction on a one-to-one individualized basis. If the student does not qualify for an IEP**
54 **under the state guidelines for qualification, the student shall continue to receive**
55 **appropriate intensive structured literacy instruction on a one-to-one individualized basis**
56 **until the student is reading at grade level. For purposes of this subsection, "structured**
57 **literacy" shall mean an evidence-based reading instruction that addresses phonology,**
58 **sound-symbol association, syllable instruction, morphology, syntax, and semantics.**
59 **Structured literacy is taught through systematic, cumulative, explicit, and diagnostic**
60 **methods.**

61 5. The process described in subsections 3 and 4 of this section shall be repeated as
62 necessary through the end of the sixth grade, with the target grade level rising accordingly.
63 Mandatory retention in grade shall not apply to grades subsequent to fourth grade.

64 6. The mandatory process of additional reading instruction pursuant to this section shall
65 cease at the end of the sixth grade. The permanent record of students who are determined to be
66 reading below the fifth-grade level at the end of sixth grade shall carry a notation advising that

67 such student has not met minimal reading standards. The notation shall stay on the student's
68 record until such time as the district determines that a student has met minimal reading standards.

69 7. Each school district shall be required to offer summer school reading instruction to
70 any student with a reading improvement plan. Districts may fulfill the requirement of this
71 section through cooperative arrangements with neighboring districts; provided that such districts
72 shall timely make all payments provided pursuant to such cooperative agreements.

73 8. A school district may adopt a policy that requires retention in grade of any student
74 who has been determined to require summer school instruction in reading and who does not
75 fulfill the summer school attendance requirement.

76 9. Nothing in this section shall preclude a school district from retaining any student in
77 grade when a determination is made in accordance with district policy that retention is in the best
78 interests of the student.

79 10. The state board of education shall not incorporate information about the number of
80 students receiving additional instruction pursuant to this section into any element of any standard
81 of the Missouri school improvement program or its successor accreditation program; provided,
82 however, each district shall make available, upon the request of any parent, patron, or media
83 outlet within the district, the number and percentage of students receiving remediation pursuant
84 to this section. The information shall be presented in a way that does not permit personal
85 identification of any student or educational personnel.

86 11. Each school district shall make a systematic effort to inform parents of the methods
87 and materials used to teach reading in kindergarten through fourth grade, in terms understandable
88 to a layperson and shall similarly inform parents of students for whom a reading improvement
89 plan is required pursuant to this section.

167.895. 1. For purposes of this section and section 167.898, the following terms mean:

2 (1) "Approved charter school", a charter school that has existed for less than three years
3 or a charter school with a three-year average score consistent with a classification of accredited
4 without provisions on its annual performance report;

5 (2) "Attendance center", a public school building, public school buildings, or part of a
6 public school building that offers education in a grade or grades not higher than the twelfth grade
7 and that constitutes one unit for accountability and reporting purposes for the department of
8 elementary and secondary education;

9 (3) "Available receiving district", a school district able to receive transfer students under
10 this section;

11 (4) "Receiving district", a school district receiving transfer students under this section;

12 (5) "Sending district", a school district from which students are transferring to a
13 receiving district or approved charter school, as allowed under this section.

14 2. (1) Any student may transfer to another public school in the student's district of
15 residence if such student is enrolled in and has attended, for the full semester immediately prior
16 to requesting the transfer, an attendance center:

17 (a) That is located within an unaccredited district; ~~and~~ or

18 (b) That has an annual performance report score consistent with a classification of
19 unaccredited.

20 (2) However, no such transfer shall result in a class size and assigned enrollment in a
21 receiving school that exceeds the standards for class size and assigned enrollment as promulgated
22 in the Missouri school improvement program's resource standards. If the student chooses to
23 attend a magnet school, an academically selective school, or a school with a competitive entrance
24 process within ~~his or her~~ **the student's** district of residence that has admissions requirements,
25 the student shall meet the admissions requirements in order to attend.

26 ~~(2)~~ (3) The school board of each unaccredited district **and each district that has an**
27 **attendance center with an annual performance report score consistent with a classification**
28 **of unaccredited** shall determine the capacity at each of the district's attendance centers that has
29 an annual performance report score consistent with a classification of accredited. The district's
30 school board shall be responsible for coordinating transfers within the district as allowed under
31 this subsection.

32 ~~(3)~~ (4) The school board of each unaccredited district **and each district that has an**
33 **attendance center with an annual performance report score consistent with a classification**
34 **of unaccredited** shall annually report to the department of elementary and secondary education
35 or its designee the number of available slots in attendance centers within the district that have
36 annual performance report scores consistent with a classification of accredited, the number of
37 students who request to transfer within the district, and the number of such transfer requests that
38 are granted.

39 3. (1) Any student who is eligible to transfer within ~~his or her~~ **the student's** district
40 under subsection 2 of this section but who is unable to do so due to a lack of capacity in the
41 attendance centers in ~~his or her~~ **the student's** district of residence may apply to the department
42 of elementary and secondary education or its designee to transfer to:

43 (a) An attendance center:

44 a. That is located within an accredited district that is located in the same or an adjoining
45 county; and

46 b. That has an annual performance report score consistent with a classification of
47 accredited; or

48 (b) An approved charter school located in another district in the same or an adjoining
49 county.

50 (2) (a) A student who is eligible to begin kindergarten or first grade at an attendance
51 center **that meets the applicable factors listed in subparagraphs a. to c. of this paragraph**
52 **may apply for a transfer as described in paragraph (b) of this subdivision:**

53 [~~a~~] a. That is located within an unaccredited district; or

54 [~~b~~] b. That has an annual performance report score consistent with a classification of
55 unaccredited; and

56 [~~c~~] c. That offers classes above the second grade level.

57 (b) A student described in paragraph (a) of this subdivision may apply to the
58 department of elementary and secondary education or its designee for a transfer to a school
59 described under paragraph (a) or (b) of subdivision (1) of this subsection if [~~he or she~~] the
60 student resides in the attendance area of the attendance center described under this subdivision
61 on March first preceding the school year of first attendance. A student who does not apply by
62 March first for enrollment in any school year after the 2019-20 school year shall be required to
63 enroll and attend the attendance center described under this subdivision for one semester to
64 become eligible.

65 (3) If a student who is eligible to transfer under this subsection chooses to apply to attend
66 a magnet school, an academically selective school, or a school with a competitive entrance
67 process that has admissions requirements, the student shall furnish proof that [~~he or she~~] the
68 student meets the admissions requirements.

69 (4) Any student who does not maintain residency in the attendance area of [~~his or her~~]
70 the student's attendance center in the district of residence shall lose eligibility to transfer.

71 (5) Except as provided under subsection 7 of this section, any student who transfers but
72 later withdraws shall lose eligibility to transfer.

73 (6) The transfer provisions of this subsection shall not apply to a district created under
74 sections 162.815 to 162.840 or to any early childhood programs or early childhood special
75 education programs.

76 4. (1) No student enrolled in and attending an attendance center that does not offer
77 classes above the second grade level shall be eligible to transfer under this section.

78 (2) No student who is eligible to begin kindergarten or first grade at an attendance center
79 that does not offer classes above the second grade level shall be eligible to transfer under this
80 section.

81 5. (1) (a) No provisionally accredited district shall be eligible to receive transfer
82 students.

83 (b) Except as provided under paragraph (c) of this subdivision, no attendance center that
84 has an annual performance report score consistent with a classification of provisionally
85 accredited shall be eligible to receive transfer students.

86 (c) A transfer student who chooses to attend an attendance center that has an annual
87 performance report score consistent with a classification of provisionally accredited and that is
88 located within ~~his or her~~ **the student's** unaccredited district of residence shall be allowed to
89 transfer to such attendance center if there is an available slot.

90 (2) (a) No unaccredited district shall be eligible to receive transfer students.

91 (b) No attendance center that has an annual performance report score consistent with a
92 classification of unaccredited shall be eligible to receive transfer students.

93 (3) No district or attendance center that has received two consecutive annual
94 performance reports consistent with a classification of provisionally accredited for the years
95 immediately preceding the year in which it seeks to enroll transfer students shall be eligible to
96 receive any transfer students, irrespective of its state board of education classification
97 designation; except that, any student who was granted a transfer to such a district or attendance
98 center prior to August 28, 2019 may remain enrolled in that district or attendance center.

99 6. Notwithstanding the provisions of subsection 5 of this section, a student may transfer
100 to an attendance center:

101 (1) That is located within an unaccredited or provisionally accredited district; and

102 (2) That has an annual performance report score consistent with a classification of
103 accredited if the attendance center applies for and is granted a waiver by the department of
104 elementary and secondary education or its designee to allow the attendance center to accept
105 transfer students.

106 7. If a receiving district becomes unaccredited or provisionally accredited, or if an
107 approved charter school loses its status as an approved charter school, any students who
108 previously transferred to the district or charter school shall receive the opportunity to remain
109 enrolled in the district or charter school or to transfer to another district or approved charter
110 school without losing their eligibility to transfer.

111 8. For a receiving district, no acceptance of a transfer student shall require any of the
112 following actions, unless the board of education of the receiving district has approved the action:

113 (1) The hiring of additional classroom teachers;

114 (2) The construction of additional classrooms; or

115 (3) A class size and assigned enrollment in a receiving school that exceeds the standards
116 for class size and assigned enrollment as promulgated in the Missouri school improvement
117 program's resource standards.

118 9. (1) By July 15, 2019, the board of education of each available receiving district and
119 the governing board of each approved charter school eligible to receive transfer students under
120 this section shall set the number of transfer students the district or charter school is able to
121 receive for the 2019-20 school year.

122 (2) By February first annually, the board of education of each available receiving district
123 and the governing board of each approved charter school eligible to receive transfer students
124 under this section shall set the number of transfer students the district or charter school is able
125 to receive for the following school year.

126 (3) An available receiving district or approved charter school eligible to receive transfer
127 students under this section shall publish the number set under this subsection and shall not be
128 required to accept any transfer students under this section that would cause it to exceed the
129 published number.

130 10. (1) Each available receiving district shall adopt a policy establishing a tuition rate
131 for transfer students by February first annually.

132 (2) Each approved charter school eligible to receive transfer students under this section
133 shall adopt a policy establishing a tuition rate for transfer students by February first annually.

134 (3) A sending district shall pay the receiving district or the approved charter school the
135 amount specified under section 167.132 for each transfer student.

136 11. A student whose transfer application has been denied by a receiving district shall
137 have the right to appeal the decision of the receiving district to the department of elementary and
138 secondary education. The appeal shall be taken within fifteen days after the decision of the
139 department and may be taken by filing notice of appeal with the department. Such appeal shall
140 be heard as provided in chapter 536.

141 12. If an unaccredited district becomes classified as provisionally accredited or
142 accredited without provisions by the state board of education, or if an attendance center within
143 an unaccredited district improves its annual performance report score from a score that is
144 consistent with a classification of unaccredited to a score that is consistent with a classification
145 of provisionally accredited or accredited, any resident student of the unaccredited district who
146 has transferred to an approved charter school or to an accredited district in the same or an
147 adjoining county, as allowed under subsection 3 of this section, shall be permitted to continue
148 ~~his or her~~ **the student's** educational program in the receiving district or charter school through
149 the completion of middle school, junior high school, or high school, whichever occurs first;
150 except that, a student who attends any school serving students through high school graduation
151 but starting at grades lower than ninth grade shall be permitted to complete high school in the
152 school to which he or she has transferred.

153 13. Notwithstanding the provisions of subsection 10 of this section, if costs associated
154 with the provision of special education and related services to a student with a disability exceed
155 the tuition amount established under this section, the unaccredited district shall remain
156 responsible for paying the excess cost to the receiving district. If the receiving district is a
157 component district of a special school district, the unaccredited district, including any

158 metropolitan school district, shall contract with the special school district for the entirety of the
159 costs to provide special education and related services, excluding transportation in accordance
160 with this section. The special school district may contract with an unaccredited district,
161 including any metropolitan district, for the provision of transportation of a student with a
162 disability or the unaccredited district may provide transportation on its own.

163 14. A special school district shall continue to provide special education and related
164 services, with the exception of transportation under this section, to a student with a disability
165 transferring from an attendance center with an annual performance report score consistent with
166 a classification of unaccredited that is within a component district to an attendance center with
167 an annual performance report score consistent with a classification of accredited that is within
168 the same or a different component district within the special school district.

169 15. If any metropolitan school district is classified as unaccredited, it shall remain
170 responsible for the provision of special education and related services, including transportation,
171 to students with disabilities. A special school district in an adjoining county to a metropolitan
172 school district may contract with the metropolitan school district for the reimbursement of
173 special education services under sections 162.705 and 162.710 provided by the special school
174 district for transfer students who are residents of the unaccredited district.

175 16. Regardless of whether transportation is identified as a related service within a
176 student's individualized education program, a receiving district that is not part of a special school
177 district shall not be responsible for providing transportation to a student transferring under this
178 section. An unaccredited district may contract with a receiving district that is not part of a
179 special school district under sections 162.705 and 162.710 for transportation of students with
180 disabilities.

181 17. If a seven-director school district or urban school district is classified as
182 unaccredited, it may contract with a receiving district that is not part of a special school district
183 in the same or an adjoining county for the reimbursement of special education and related
184 services under sections 162.705 and 162.710 provided by the receiving district for transfer
185 students who are residents of the unaccredited district.

168.021. 1. Certificates of license to teach in the public schools of the state shall be
2 granted as follows:

3 (1) By the state board, under rules and regulations prescribed by it:

4 (a) Upon the basis of college credit;

5 (b) Upon the basis of examination;

6 (2) By the state board, under rules and regulations prescribed by the state board with
7 advice from the advisory council established by section 168.015 to any individual who presents
8 to the state board a valid doctoral degree from an accredited institution of higher education

9 accredited by a regional accrediting association such as North Central Association. Such
10 certificate shall be limited to the major area of postgraduate study of the holder, shall be issued
11 only after successful completion of the examination required for graduation pursuant to rules
12 adopted by the state board of education, and shall be restricted to those certificates established
13 pursuant to subdivision (2) of subsection 3 of this section;

14 (3) By the state board, which shall issue the professional certificate classification in both
15 the general and specialized areas most closely aligned with the current areas of certification
16 approved by the state board, commensurate with the years of teaching experience of the
17 applicant, and based upon the following criteria:

18 (a) Recommendation of a state-approved baccalaureate-level teacher preparation
19 program;

20 (b) Successful attainment of the Missouri qualifying score on the exit assessment for
21 teachers or administrators designated by the state board of education. Applicants who have not
22 successfully achieved a qualifying score on the designated examinations will be issued a
23 two-year nonrenewable provisional certificate; and

24 (c) Upon completion of a background check as prescribed in section 168.133 and
25 possession of a valid teaching certificate in the state from which the applicant's teacher
26 preparation program was completed;

27 (4) By the state board, under rules prescribed by it, on the basis of a relevant bachelor's
28 degree, or higher degree, and a passing score for the designated exit examination, for individuals
29 whose academic degree and professional experience are suitable to provide a basis for instruction
30 solely in the subject matter of banking or financial responsibility, at the discretion of the state
31 board. Such certificate shall be limited to the major area of study of the holder and shall be
32 restricted to those certificates established under subdivision (2) of subsection 3 of this section.
33 Holders of certificates granted under this subdivision shall be exempt from the teacher tenure act
34 under sections 168.102 to 168.130 and each school district shall have the decision-making
35 authority on whether to hire the holders of such certificates;

36 (5) By the state board, under rules and regulations prescribed by it, on the basis of
37 certification by the American Board for Certification of Teacher Excellence (ABCTE) and
38 verification of ability to work with children as demonstrated by sixty contact hours in any one
39 of the following areas as validated by the school principal: sixty contact hours in the classroom,
40 of which at least forty-five must be teaching; sixty contact hours as a substitute teacher, with at
41 least thirty consecutive hours in the same classroom; sixty contact hours of teaching in a private
42 school; or sixty contact hours of teaching as a paraprofessional, for an initial four-year ABCTE
43 certificate of license to teach, except that such certificate shall not be granted for the areas of
44 early childhood education, or special education. For certification in the area of elementary

45 education, ninety contact hours in the classroom shall be required, of which at least thirty shall
46 be in an elementary classroom. Upon the completion of the **following** requirements [~~listed in~~
47 ~~paragraphs (a), (b), (c), and (d) of this subdivision~~], an applicant shall be eligible to apply for a
48 career continuous professional certificate under subdivision (3) of subsection 3 of this section:

49 (a) Completion of thirty contact hours of professional development within four years,
50 which may include hours spent in class in an appropriate college curriculum;

51 (b) Validated completion of two years of the mentoring program of the American Board
52 for Certification of Teacher Excellence or a district mentoring program approved by the state
53 board of education;

54 (c) Attainment of a successful performance-based teacher evaluation; and

55 (d) Participation in a beginning teacher assistance program; or

56 (6) **(a)** By the state board, under rules and regulations prescribed by [~~#~~] **the board**,
57 which shall issue an initial visiting scholars certificate at the discretion of the board, based on
58 the following criteria:

59 [~~a~~] **a.** Verification from the hiring school district that the applicant will be employed
60 as part of a business-education partnership initiative designed to build career pathways systems
61 **or employed as part of an initiative designed to fill vacant positions in hard-to-staff public**
62 **schools or hard-to-fill subject areas** for students in a grade or grades not lower than the ninth
63 grade for which the applicant's academic degree or professional experience qualifies [~~him or her~~]
64 **the applicant**;

65 [~~b~~] **b.** Appropriate and relevant bachelor's degree or higher, occupational license, or
66 industry-recognized credential;

67 [~~c~~] **c.** Completion of the application for a one-year visiting scholars certificate; and

68 [~~d~~] **d.** Completion of a background check as prescribed under section 168.133.

69 **(b)** The initial visiting scholars certificate shall certify the holder of such certificate to
70 teach for one year. An applicant shall be eligible to renew an initial visiting scholars certificate
71 a maximum of two times, based upon the completion of the requirements listed under
72 [~~paragraphs (a), (b), and (d)~~] **subparagraphs a., b., and d. of paragraph (a)** of this subdivision;
73 completion of professional development required by the school district and school; and
74 attainment of a satisfactory performance-based teacher evaluation.

75 2. All valid teaching certificates issued pursuant to law or state board policies and
76 regulations prior to September 1, 1988, shall be exempt from the professional development
77 requirements of this section and shall continue in effect until they expire, are revoked or
78 suspended, as provided by law. When such certificates are required to be renewed, the state
79 board or its designee shall grant to each holder of such a certificate the certificate most nearly
80 equivalent to the one so held. Anyone who holds, as of August 28, 2003, a valid PC-I, PC-II,

81 or continuous professional certificate shall, upon expiration of ~~[his or her]~~ **such person's** current
82 certificate, be issued the appropriate level of certificate based upon the classification system
83 established pursuant to subsection 3 of this section.

84 3. (1) Certificates of license to teach in the public schools of the state shall be based
85 upon minimum requirements prescribed by the state board of education which shall include
86 completion of a background check as prescribed in section 168.133. The state board shall
87 provide for the following levels of professional certification: an initial professional certificate
88 and a career continuous professional certificate.

89 (2) The initial professional certificate shall be issued upon completion of requirements
90 established by the state board of education and shall be valid based upon verification of actual
91 teaching within a specified time period established by the state board of education. The state
92 board shall require holders of the four-year initial professional certificate to:

93 (a) Participate in a mentoring program approved and provided by the district for a
94 minimum of two years;

95 (b) Complete thirty contact hours of professional development, which may include hours
96 spent in class in an appropriate college curriculum, or for holders of a certificate under
97 subdivision (4) of subsection 1 of this section, an amount of professional development in
98 proportion to the certificate holder's hours in the classroom, if the certificate holder is employed
99 less than full time; and

100 (c) Participate in a beginning teacher assistance program.

101 (3) (a) The career continuous professional certificate shall be issued upon verification
102 of completion of four years of teaching under the initial professional certificate and upon
103 verification of the completion of the requirements articulated in paragraphs (a)~~], (b), and]~~ to (c)
104 of subdivision (2) of this subsection or paragraphs (a)~~], (b), (c), and]~~ to (d) of subdivision (5) of
105 subsection 1 of this section.

106 (b) The career continuous professional certificate shall be continuous based upon
107 verification of actual employment in an educational position as provided for in state board
108 guidelines and completion of fifteen contact hours of professional development per year which
109 may include hours spent in class in an appropriate college curriculum. Should the possessor of
110 a valid career continuous professional certificate fail, in any given year, to meet the fifteen-hour
111 professional development requirement, the possessor may, within two years, make up the
112 missing hours. In order to make up for missing hours, the possessor shall first complete the
113 fifteen-hour requirement for the current year and then may count hours in excess of the current
114 year requirement as make-up hours. Should the possessor fail to make up the missing hours
115 within two years, the certificate shall become inactive. In order to reactivate the certificate, the
116 possessor shall complete twenty-four contact hours of professional development which may

117 include hours spent in the classroom in an appropriate college curriculum within the six months
118 prior to or after reactivating ~~[his or her]~~ **the possessor's** certificate. The requirements of this
119 paragraph shall be monitored and verified by the local school district which employs the holder
120 of the career continuous professional certificate.

121 (c) A holder of a career continuous professional certificate shall be exempt from the
122 professional development contact hour requirements of paragraph (b) of this subdivision if such
123 teacher has a local professional development plan in place within such teacher's school district
124 and meets two of the three following criteria:

125 a. Has ten years of teaching experience as defined by the state board of education;

126 b. Possesses a master's degree; or

127 c. Obtains a rigorous national certification as approved by the state board of education.

128 4. Policies and procedures shall be established by which a teacher who was not retained
129 due to a reduction in force may retain the current level of certification. There shall also be
130 established policies and procedures allowing a teacher who has not been employed in an
131 educational position for three years or more to reactivate ~~[his or her]~~ **the teacher's** last level of
132 certification by completing twenty-four contact hours of professional development which may
133 include hours spent in the classroom in an appropriate college curriculum within the six months
134 prior to or after reactivating ~~[his or her]~~ **the teacher's** certificate.

135 5. The state board shall, upon completion of a background check as prescribed in section
136 168.133, issue a professional certificate classification in the areas most closely aligned with an
137 applicant's current areas of certification, commensurate with the years of teaching experience of
138 the applicant, to any person who is hired to teach in a public school in this state and who
139 possesses a valid teaching certificate from another state or certification under subdivision (4) of
140 subsection 1 of this section, provided that the certificate holder shall annually complete the state
141 board's requirements for such level of certification, and shall establish policies by which
142 residents of states other than the state of Missouri may be assessed a fee for a certificate of
143 license to teach in the public schools of Missouri. Such fee shall be in an amount sufficient to
144 recover any or all costs associated with the issuing of a certificate of license to teach. The board
145 shall promulgate rules to authorize the issuance of a provisional certificate of license, which shall
146 allow the holder to assume classroom duties pending the completion of a criminal background
147 check under section 168.133, for any applicant who:

148 (1) Is the spouse of a member of the Armed Forces stationed in Missouri;

149 (2) Relocated from another state within one year of the date of application;

150 (3) Underwent a criminal background check in order to be issued a teaching certificate
151 of license from another state; and

152 (4) Otherwise qualifies under this section.

153 6. The state board may assess to holders of an initial professional certificate a fee, to be
154 deposited into the excellence in education [~~revolving~~] fund established pursuant to section
155 160.268, for the issuance of the career continuous professional certificate. However, such fee
156 shall not exceed the combined costs of issuance and any criminal background check required as
157 a condition of issuance. Applicants for the initial ABCTE certificate shall be responsible for any
158 fees associated with the program leading to the issuance of the certificate, but nothing in this
159 section shall prohibit a district from developing a policy that permits fee reimbursement.

160 7. Any member of the public school retirement system of Missouri who entered covered
161 employment with ten or more years of educational experience in another state or states and held
162 a certificate issued by another state and subsequently worked in a school district covered by the
163 public school retirement system of Missouri for ten or more years who later became certificated
164 in Missouri shall have that certificate dated back to [~~his or her~~] **the member's** original date of
165 employment in a Missouri public school.

**168.123. 1. Beginning August 28, 2020, the department shall create a voluntary
2 buy-out program for any teacher who has entered into an indefinite contract with a school
3 district and wishes to terminate the teacher's indefinite contract. Any teacher wishing to
4 participate in the program shall apply to the department for a buy-out of the teacher's
5 contract by October first of each year. Such teacher shall offer a bid for a buy-out in any
6 amount no less than one thousand dollars up to ten thousand dollars. Based on
7 appropriations to the fund set forth in subsection 6 of this section, the moneys in the fund
8 shall be exhausted by awarding funds to the lowest-bidding teachers first up to the highest
9 bidders until the fund is exhausted for that fiscal year.**

10 **2. Any teacher who is awarded a buy-out of the teacher's indefinite contract shall
11 fulfill the teacher's contract for the current academic year, at the end of which such teacher
12 shall receive the teacher's buy-out.**

13 **3. Any moneys received by teachers under this section shall not be taxable income.**

14 **4. Any teacher participating in the program shall sign an agreement with the
15 department stating that such teacher is forfeiting tenure rights, including the ability to gain
16 tenure rights in any other school district in the state. A copy of the agreement shall be
17 provided to the school district in which the teacher is employed. Such teacher may enter
18 into additional employment contracts agreeable to both the school district and teacher.**

19 **5. No teacher shall receive more than one teacher tenure buy-out under the
20 provisions of this section.**

21 **6. (1) There is hereby created in the state treasury the "Teacher Tenure Buy-Out
22 Fund", which shall consist of moneys appropriated by the general assembly. The state
23 treasurer shall administer the fund, and the moneys in the fund shall be used solely, upon**

24 **appropriation, by the department of elementary and secondary education to enter into**
25 **buy-out agreements with tenured teachers.**

26 **(2) Notwithstanding the provisions of section 33.080 to the contrary, moneys in the**
27 **fund at the end of any biennium shall not be transferred to the credit of the general**
28 **revenue fund.**

168.125. No teacher first employed by a district, including a metropolitan school
2 **district, on or after August 28, 2020, shall be eligible to receive an indefinite contract. Any**
3 **teacher first employed by a district on or after August 28, 2020, shall receive a contract on**
4 **an annual basis.**

✓