

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4627-13
Bill No.: Truly Agreed To and Finally Passed CCS for HCS for SCS for SB Nos. 493, 485, 495, 516, 534, 545, 595, 616 & 624
Subject: Education, Elementary and Secondary; Elementary and Secondary Education Department; Boards Commissions, Committees, Councils
Type: Original
Date: June 12, 2014

Bill Summary: This proposal modifies provisions relating to elementary and secondary education.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	(\$2,229,140 to Unknown)	(\$2,324,515 to Unknown)	(\$2,344,604 to Unknown)
Total Estimated Net Effect on General Revenue Fund	(\$2,229,140 to Unknown)	(\$2,324,515 to Unknown)	(\$2,344,604 to Unknown)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 43 pages.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
State School Moneys Fund	\$0	\$0	\$0
Teacher Minimum Salary Fund	\$0	\$0	\$0
School Improvement	\$0	\$0	\$0
Extended Learning Time Fund	\$0	\$0	\$0
Parent Portal	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	11 FTE	11 FTE	11 FTE

Total Estimated Net Effect on FTE	11 FTE	11 FTE	11 FTE
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Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the Governor**, the **Office of the Lieutenant Governor**, **Office of the State Treasurer**, and **Office of Administration - Administrative Hearing Commission** assume no fiscal impact to their respective agencies.

Officials from the **Joint Committee on Administrative Rules (JCAR)** stated this proposed legislation is not anticipated to cause a fiscal impact to JCAR beyond its current appropriation.

Officials from the **Missouri Senate** state the proposed legislation has no fiscal impact beyond existing appropriations.

According to officials from the **Office of Secretary of State (SOS)**, many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS's office is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to Secretary of State's office for Administrative Rules is less than \$2,500. SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what their office can sustain with their core budget. Therefore, SOS reserves the right to request

funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal with core funding. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

§§167.685.3, 167.833.1, 167.839.1, 167.845.1 & 170.320.2

According to officials from the **Office of State Treasurer (STO)**, under the provisions of this bill, five new funds are created which require the STO to both approve disbursements and to reach out to donors when the donor intentions regarding their donation are unclear. Both of these appear to be new duties for the STO, outside of the Treasurer's Operating Fund, and require a new FTE. The other duties of the Treasurer's office are funded through the Treasurer's Operating Fund, but this new duty would be outside of those duties and would require a General Revenue appropriation to fund. This FTE would have the title of Treasury Coordinator and would make in the \$29,172 to \$41,016 range with fringe benefits of \$19,151, yielding approximately \$55,045 calculated at the midpoint with \$8,950 in one-time expenses in the first year. This yields \$63,995 the first year declining to \$55,045 for subsequent years.

STO assumes this cost necessitated due to the lines which read "...and shall make disbursement of private funds according to the directions of the donor. If the donor did not specify how the private funds were to be disbursed, the state treasurer shall contact the donor to determine the manner of disbursement" .

§160.011(4) - Graduation rate definitions

Officials from the **Department of Elementary and Secondary Education (DESE)** assume the current definition of the graduation rate no longer applies. The new required graduation rate definition is as follows:

Four-Year Adjusted Cohort Graduation Rate Definition - The four-year adjusted cohort graduation rate is the number of students who graduate in four (4) years with a regular high school diploma divided by the number of students who form the adjusted cohort for the graduating class rounded to the tenth. From the beginning of 9th grade, students who are entering that grade for the first time form a cohort that is subsequently "adjusted" by adding any students who transfer into the cohort later during the 9th grade and the next three (3) years and subtracting any students who transfer out, emigrate to another country, or die during that same period.

Five-Year Adjusted Cohort Graduation Rate Definition - The five-year adjusted cohort graduation rate is calculated the same as the four-year with the exception that it includes both four- and five-year graduates in the fifth-year cohort.

Six-Year Adjusted Cohort Graduation Rate Definition - The six-year adjusted cohort graduation rate is calculated the same as the four- and five-year rate with the exception that it includes four-, five-, and six-year graduates from the original 9th grade cohort.

Seven-Year Adjusted Cohort Graduation Rate Definition - The seven-year adjusted cohort graduation rate is calculated the same as the four-, five-, and six-year rate with the exception that it includes four-, five-, six-, and seven-year graduates from the original 9th grade cohort.

§160.417 - Charter schools experiencing financial stress

DESE states this section was enacted in 2012 and gave fiscal guidance to charter schools relating to financial stress. The new language in §160.417.6 would not allow financially stressed conditions to apply to a charter school until three years of operation. This would leave DESE with no authority to deal with fiscal issues during the first three years of operation.

§§161.086, 161.238, 167.687 - Assistance teams, Attendance center accreditation, School improvement measures

DESE will need additional FTE to support this expanded accountability system and to provide assistance teams. The system will expand from the current 519 public school districts to include 41 charter LEAs, 2,074 public schools and 64 charter schools. The new accountability system would go from accrediting 519 entities to 2,698 entities.

Although the current system provides school-level reports, accreditation determinations are only made at the district level. The accountability system is designed around 5 district-level measures. Only a subset of these measures can be applied to some school buildings and will require a review of the standard's applications to each school (i.e. application for a K-2 school.) Formal classification of schools creates additional need for FTE. Implementing and providing assistance teams to borderline districts and to provisionally accredited districts creates additional need for FTE.

DESE estimates it will need an additional 11 FTE (5 Regionally based school improvement specialists, 2 Area Supervisors, 1 Data Specialist, 1 Assistant Director, 1 Director, 1 Coordinator), as well as, \$600,000 for 6 contracted service center specialists to meet the goals of this legislation. In addition, DESE will need \$70,000 for data costs to review building level measures for accountability purposes, simulations, and analysis for use as an accreditation

measure.

Assistance teams will be needed to review struggling school districts (currently estimate at 20 to 30 annual reviews). Costs related to the assistance teams are as follows:

\$300,000 Finance/operations/parental engagement/school and community compact audits

\$300,000 Instructional program and student performance audit teams

\$120,000 DESE monitoring tools

\$720,000

§162.081 - Special Administrative Board

DESE assume no fiscal impact to the state from this section.

§162.432 - Local effort calculation and boundary line changes

DESE assumes the exact cost to implement this section is unknown. There is a potential savings to the state relative to funding the formula. Had this provision been in place at the implementation of the formula, it would have reduced the formula call by over \$7,000,000 annually since 2009.

§§162.1303 & 162.1310 - Transient Student Ration & Student assessment scores; Parent notification of unaccredited district status; Home visits

DESE does not anticipate a cost, if the student is required to be actively enrolled in the unaccredited school district. There could be minimal costs for school districts in terms of notifying taxpayers.

Officials from the **Kansas City Public School District** estimate the provisions in §162.1310 may have a negative fiscal impact greater than \$200,000 in personnel costs. KCPS assumes this section requires home visits if requested by district's operating underperforming schools.

§167.642 - Student promotion

DESE assumes that for the upcoming 2014-2015 school year, St. Louis is considered an underperforming district. The district would have to retain approximately 3,010 students (i.e. 1,583 fifth grade students out of roughly 1,936 {82%} and approximately 1,427 eighth grade students out of roughly 1,730 {82%}).

This will result in approximately \$20,215,160 in additional aid (i.e. 3,010 x \$6,716). The costs

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would be expected to continue and compound each year thereafter.

§§167.685 & 167.687 - School district improvement measures

DESE assumes costs to implement would be unknown and an appropriation is not defined.

§167.730 - Reading, personalized learning plans, student retention

DESE assumes no fiscal impact to the state. Additional costs would accrue to the local district.

Officials from the **Kansas City Public School District (KCPS)** assume this section requires additional steps and requirements to facilitate and incorporate response to intervention plans. KCPS estimates additional costs in excess of \$200,000. The number may be compounded in subsequent years, in that §167.685 of this bill removes KCPS's opportunity to receive School District Improvement Funds if the district achieve a level of accreditation. KCPS will still have underperforming schools, however only an "unaccredited district shall" be eligible for the funds.

§§167.825, 167.826, 167.827 & 167.828 - Student transfers

DESE assumes the costs of these sections is unknown; however, there could be a significant cost to the state for funding to nonsectarian private schools.

§167.825

This could result in a savings to the sending school district of approximately \$3,105,000 with potential ongoing savings reducing incrementally until there are no more transfer students.

Officials from the **Kansas City Public School District (KCPS)** assume this section allows students who have transferred during the 2014-15 school year to remain in the transfer program even if the sending district achieves accreditation. KCPS estimates this will cost between \$200,000 to \$250,000, which will partially be offset by savings of \$140,000.

§167.826.6

Ten percent of the receiving district's tuition rate shall be paid from the supplemental tuition fund. This would result in a potential cost of \$2.5 million for 2,000 students.

§167.826.7

This would result in a savings to local school districts incrementally over time; however, the

amount is unknown.

§167.826.8

The lack of a required route could result in a potential savings in state transportation costs of approximately \$750,000 and to local school districts of approximately \$1.25 million.

§167.826.9

There is a potential savings to the receiving district and a potential cost the sending district; however, the amount is unknown.

§167.826.11

There is a potential for increased costs to metropolitan school districts; however, the amount is unknown.

§167.827.4

This could increase costs to nonsectarian schools by an unknown amount.

§§167.830 to 167.845 - Regional education authorities

DESE states these sections establish three regional education authorities that will work with local school districts and governments to coordinate student transfers. Costs to implement would be unknown, but potentially could be significant.

§168.205 - Sharing superintendents

Officials from the **Department of Elementary and Secondary Education** state this proposal will have no fiscal impact on their agency or on school districts.

Officials from the **Nixa School District** assume this proposal would allow some small districts to save up to \$50,000 a year.

Officials from the **Fulton School District** and the **Francis Howell School District** assumed no fiscal impact to their respective districts.

Oversight assumes that it is unknown whether any school districts would opt to share superintendents; however, if only a few districts chose this option, the cumulative savings to districts could exceed \$100,000. For fiscal note purposes only, Oversight will show a fiscal impact of \$0 to Unknown - Could exceed \$100,000.

§170.320 - Parent Portal

This section creates the "Parent Portal" to assist districts in establishing and maintaining a parent portal. **DESE** assumes costs to implement would be unknown, but significant.

§§177.011 & 177.088 - School Property

DESE defers to school districts regarding any fiscal impact of this section of the bill.

Officials from the **Department of Higher Education**, the **Office of Secretary of State**, the **State Tax Commission**, **Missouri Western University**, **Linn State Technical College**, **Missouri State University**, **University of Missouri System**, **Northwest Missouri State University**, **University of Central Missouri**, the **Kansas City Public School District**, and the **Fulton School District** each stated there would be no fiscal impact to their respective agencies and institutions.

§210.861 - Children's Services Fund

DESE assumes this section directs five percent of the "service fund's" yearly revenues to a grant program that delivers services directly to schools in such districts. The service fund referenced is the Community Children's Services Fund. DESE is unaware whether voters have approved the sales tax authorized by §67.1775 or the property tax authorized by § 210.860. If voters have approved such taxes, then five percent of the fund's yearly revenues will be devoted to unaccredited or provisionally accredited schools for a needs assessment rather than for the purposes approved by voters.

Section 1 - "School Transfer and Improvement Task Force"

DESE assumes that, depending upon the actions of the task force, this section could result in costs for DESE; however, DESE does not expect significant costs.

DESE states the sections listed above represent a summation of the fiscal costs of this proposal and do not necessarily include all costs. The omission of a section in the above listing does not mean that it has no cost or bearing on the fiscal note.

<u>FISCAL IMPACT - State Government</u>	FY 2015	FY 2016	FY 2017
GENERAL REVENUE			
<u>Costs - Department of Elementary and Secondary Education (§§161.086, 161.238, 167.687)</u>			
Personal services (11 FTE)	(\$500,280)	(\$612,343)	(\$624,590)
Fringe Benefits	(\$255,168)	(\$312,326)	(\$318,572)
Equipment and Expense	(\$83,692)	(\$79,846)	(\$81,442)
Assistance teams	(\$720,000)	(\$720,000)	(\$720,000)
Contracted service center specialists	(\$600,000)	(\$600,000)	(\$600,000)
Data costs (§161.086)	<u>(\$70,000)</u>	<u>\$0</u>	<u>\$0</u>
Total Costs DESE	(\$2,229,140)	(\$2,324,515)	(\$2,344,604)
FTE Change - DESE	11 FTE	11 FTE	11 FTE
<u>Costs - DESE - Regional Education Authorities (§§167.830 - 167.845)</u>	(Unknown - Could exceed \$100,000)	(Unknown - Could exceed \$100,000)	(Unknown - Could exceed \$100,000)

<u>Transfer Out - DESE - State School Moneys Fund</u> (§167.642)	(Unknown - Expected to exceed \$100,000)	(Unknown - Expected to exceed \$100,000)	(Unknown - Expected to exceed \$100,000)
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<u>Transfer Out - DESE - School District Improvement Fund</u> (§167.685)	(\$20,215,160)	(\$20,215,160)	(\$20,215,160)
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<u>Transfer Out - DESE - State School Moneys Fund</u> (§§167.828 &163.021)	(Unknown - Expected to exceed \$100,000)	(Unknown - Expected to exceed \$100,000)	(Unknown - Expected to exceed \$100,000)
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<u>Transfer Out - DESE - Extended Learning Time Fund</u> (§171.031)	(Unknown - Could exceed \$100,000)	(Unknown - Could exceed \$100,000)	(Unknown - Could exceed \$100,000)
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<u>FISCAL IMPACT - State Government</u> (Continued)	FY 2015	FY 2016	FY 2017
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EXPECTED NET EFFECT ON GENERAL REVENUE	<u>(\$2,229,140 to Unknown)</u>	<u>(\$2,324,515 to Unknown)</u>	<u>(\$2,344,604 to Unknown)</u>
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Estimated Net FTE Change for General Revenue	11 FTE	11 FTE	11 FTE
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STATE SCHOOL MONEYS FUND

Transfer In - General Revenue - Increased State Aid (§§167.828 &163.021)	Unknown - Expected to exceed \$100,000	Unknown - Expected to exceed \$100,000	Unknown - Expected to exceed \$100,000
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Disbursements - Nonsectarian private schools - Tuition for transfer students (§§167.828 &163.021)	(Unknown - Expected to exceed \$100,000)	(Unknown - Expected to exceed \$100,000)	(Unknown - Expected to exceed \$100,000)
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**ESTIMATED NET EFFECT ON
STATE SCHOOL MONEYS FUND**

\$0

\$0

\$0

**COMMUNITY CHILDREN'S
SERVICES FUND**

**ESTIMATED NET EFFECT ON
COMMUNITY CHILDREN'S
SERVICES FUND**

\$0

\$0

\$0

FISCAL IMPACT - State Government
(Continued)

FY 2015

FY 2016

FY 2017

SCHOOL IMPROVEMENT FUND

Income - Gifts, bequests, donations
 (§§167.685 & 167.687)

Unknown - May
exceed
\$100,000

Unknown - May
exceed
\$100,000

Unknown - May
exceed
\$100,000

Transfer Out - Public libraries - Tutoring
costs (§§167.885 & 170.215)

(Unknown -
May exceed
\$100,000)

(Unknown -
May exceed
\$100,000)

(Unknown -
May exceed
\$100,000)

**ESTIMATED NET EFFECT ON
SCHOOL IMPROVEMENT FUND**

\$0

\$0

\$0

PARENT PORTAL FUND

Income - Gifts, bequests, donations
 (§170.320)

Unknown - May
exceed
\$100,000

Unknown - May
exceed
\$100,000

Unknown - May
exceed
\$100,000

Distributions - School Districts - Parent
portals ((§170.320)

(Unknown -
May exceed
\$100,000)

(Unknown -
May exceed
\$100,000)

(Unknown -
May exceed
\$100,000)

**ESTIMATED NET EFFECT ON
PARENT PORTAL FUND**

\$0

\$0

\$0

FISCAL IMPACT - State Government
(Continued)

FY 2015

FY 2016

FY 2017

**EXTENDED LEARNING TIME
FUND**

Transfer In - General Revenue (§171.031)

Unknown -
Could exceed
\$100,000

Unknown -
Could exceed
\$100,000

Unknown -
Could exceed
\$100,000

Distributions - School Districts
(§171.031)

(Unknown -
Could exceed
\$100,000)

(Unknown -
Could exceed
\$100,000)

(Unknown -
Could exceed
\$100,000)

**ESTIMATED NET EFFECT ON
EXTENDED LEARNING TIME
FUND**

\$0

\$0

\$0

<u>FISCAL IMPACT - Local Government</u>	FY 2015	FY 2016	FY 2017
LOCAL POLITICAL SUBDIVISIONS			
<u>Savings</u> - School Districts - Lowered tuition rates for sending transfer students (§167.826.5)	Unknown - Expected to exceed \$100,000	Unknown - Expected to exceed \$100,000	Unknown - Expected to exceed \$100,000
<u>Savings</u> - School Districts - Sharing superintendents (§168.205)	\$0 to Unknown - Could exceed \$100,000	\$0 to Unknown - Could exceed \$100,000	\$0 to Unknown - Could exceed \$100,000
<u>Income</u> - School Districts - Distributions from Parent Portal Fund (§170.320)	Unknown - May exceed \$100,000	Unknown - May exceed \$100,000	Unknown - May exceed \$100,000
<u>Income</u> - School Districts - Distributions from Extended Learning Time Fund	Unknown - Could exceed \$100,000	Unknown - Could exceed \$100,000	Unknown - Could exceed \$100,000
<u>Transfer In</u> - School Districts - Minimum Teacher Salary Fund (§163.172)	Unknown - Expected to exceed \$100,000	Unknown - Expected to exceed \$100,000	Unknown - Expected to exceed \$100,000

Transfer In - Public libraries - School District Improvement Fund (§§167.885 & 170.215)	Unknown - May exceed \$100,000	Unknown - May exceed \$100,000	Unknown - May exceed \$100,000
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Costs - Public libraries - Tutoring costs (§170.215)	(Unknown - May exceed \$100,000)	(Unknown - May exceed \$100,000)	(Unknown - May exceed \$100,000)
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Costs - School Districts - Home visits (§162.1310)	(Unknown - Expected to exceed \$100,000)	(Unknown - Expected to exceed \$100,000)	(Unknown - Expected to exceed \$100,000)
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<u>FISCAL IMPACT - Local Government</u> (continued)	FY 2015	FY 2016	FY 2017
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LOCAL POLITICAL SUBDIVISIONS
(continued)

Costs - School Districts - Increased teacher salaries (§163.172)	(Unknown - Expected to exceed \$100,000)	(Unknown - Expected to exceed \$100,000)	(Unknown - Expected to exceed \$100,000)
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Costs - School Districts - Learning plans (§167.730)	(Unknown - Expected to exceed \$100,000)	(Unknown - Expected to exceed \$100,000)	(Unknown - Expected to exceed \$100,000)
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Costs - School Districts - Expenses to maintain Parent Portal (§170.320)	(Unknown - May exceed \$100,000)	(Unknown - May exceed \$100,000)	(Unknown - May exceed \$100,000)
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Loss - School Districts - Lowered tuition rates from incoming transfer students (§167.826.5)	(Unknown - Expected to exceed \$100,000)	(Unknown - Expected to exceed \$100,000)	(Unknown - Expected to exceed \$100,000)
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**NET EFFECT TO LOCAL
POLITICAL SUBDIVISIONS**

**(Unknown -
Expected to
exceed
\$100,000)**

**(Unknown -
Expected to
exceed
\$100,000)**

**(Unknown -
Expected to
exceed
\$100,000)**

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

§§160.011, 160.041, 163.021, 163.073, 171.029, 171.031, 171.033 - SCHOOL SCHEDULES

Currently, public schools are required to be in session for a minimum of 174 days and 1,044 hours. This bill changes the requirement to a minimum of 1,080 hours of actual pupil attendance and removes the requirement for days, beginning with school year 2015-16. School scheduled during the months of June, July, and August must not exceed a four-day week and must provide for a week off for the July 4 holiday. The provisions regarding four-day school weeks are repealed.

The school board of any provisionally accredited or unaccredited district may increase the length of the school day or year. The Extended Learning Time Fund is created in the state treasury to be used for schools that extend their school day or hours of instruction.

§160.417 - CHARTER SCHOOLS

This section exempts a charter school in its first three years of operation from being classed as financially stressed, but is not applicable to federal funding.

§161.086 - SCHOOL DISTRICT ACCREDITATION

When the State Board of Education assigns classification designations to school districts, it must use one of the following designations: unaccredited, provisionally accredited, accredited, and accredited with distinction. A district must have a three-year average annual performance report

consistent with accredited status to be classified as accredited without provision.

§161.086 - ASSISTANCE TEAMS

The State Board of Education must develop and implement a process to provide assistance teams to borderline districts and provisionally accredited districts. The bill provides a timeline for the teams for 2014-15 school year, requiring that districts with the lowest annual performance scores be given priority. Suggestions are mandatory for provisional districts, but not for borderline districts. Schools that remain assigned to local district shall continue to be monitored.

FISCAL DESCRIPTION (continued)

§161.238 - ATTENDANCE CENTER ACCREDITATION

The State Board of Education must adopt a system of classification that accredits attendance centers (individual schools) within a district separately from the district as a whole. The State Board may consider certain types of attendance centers as exempt from classification. The

Special School District's separate special education schools and juvenile detention centers are not subject to this provision, although their annual performance scores will continue to be reported. Classification by attendance center will not be subject to the two-year delay on accreditation rule changes required for district accreditation.

§162.432 - LOCAL EFFORT CALCULATION AND BOUNDARY LINE CHANGES

Currently, the calculation of local effort uses a school district's assessed valuation figure from 2004. When a change in school district boundary lines occurs, DESE must adjust each affected district's local effort calculation based on the land area adjustments from the boundary line change using 2004 assessed valuation data.

§162.1250 and Section 1 - VIRTUAL SCHOOLS

School districts must not assign a 94% attendance rate to an A+ eligible student who takes a

virtual course, but must assign such student at least a 95% attendance rate for the completed class.

The "Missouri Virtual Education Interim Committee" is created in Section 1 to study the impact that virtual learning will have on public schools. The staff of DESE shall provide assistance to the committee. The committee will submit a report no later than January 1, 2015 regarding the results of the study and any legislative recommendations.

§162.1303 - TRANSIENT STUDENT RATIO & STUDENT ASSESSMENT SCORES

DESE must annually calculate a transient student ratio for each public school building and each school district. The transient student ratio must be published on the DESE website and in the school accountability report card for each district and public school building. DESE must also publish on its website an aggregate transient student ratio for the state. The transient student ratio will use data, including the number of students enrolled in the district or school, the number of students who withdraw from the district or school, and the number of students who are

FISCAL DESCRIPTION (continued)

enrolled, withdrew, and later reentered the district or school. Each school district must report annually to DESE any information and data necessary for DESE to calculate transient student ratios. The statewide assessment scores of students who have been in an attendance center or district for a full academic year shall be included in the calculation for the annual performance report score.

§162.1310 - PARENT NOTIFICATION OF UNACCREDITED DISTRICT STATUS; HOME VISITS

When a district becomes unaccredited, the district must promptly notify the parent or guardian of students enrolled in the districts. The notice must also include an explanation of the option to transfer and any services for which the student may be eligible. This notice must be posted in district school buildings and must be sent to each political subdivision located in the boundaries of the school district. The school board of any district with an underperforming school must adopt a policy regarding the availability of home visits by school personnel. The school board's policy may provide that the parent or guardian of a student enrolled in any such school may be offered the opportunity to have at least one annual home visit and must be offered a meeting at school or other mutually agreed upon site.

§163.172 - MINIMUM TEACHER SALARY

The bill raises the minimum teacher salary to \$28,000 in school year 2015-16, \$29,000 in school year 2016-17, and \$30,000 in school year 2017-18 and the master's degree minimum salary is raised to \$35,000 in school year 2017-18, subject to appropriation. A Teacher Minimum Salary Fund and a method for disbursing moneys appropriated to the fund are created.

§§167.685, 167.687, 170.215 - SCHOOL DISTRICT IMPROVEMENT MEASURES

Any unaccredited district must offer free tutoring and supplemental education services to underperforming and struggling students, using moneys from the School District Improvement Fund to the extent that such funds are available. A district may implement these services by contract with a public library. An underperforming district may do any of the following: implement a new curriculum, retain an outside expert to advise on regaining accreditation, enter into a contract with an education management organization with a proven record of success, enter into a collaborative relationship with an accredited district in which teachers from both districts exchange positions for two school weeks, or any other change allowed by law that the school board reasonably believes will result in improved performance.

FISCAL DESCRIPTION (continued)

167.730 - READING, PERSONALIZED LEARNING PLANS, STUDENT RETENTION

Beginning July 1, 2015, all public schools in the St. Louis City School District and Kansas City School District, including charter schools, must use a response-to-intervention tiered approach to reading instruction for students determined by their school to be struggling readers. At a minimum, the reading levels of students in kindergarten through tenth grade must be assessed at the beginning and middle of the school year. Students who score below district benchmarks must be provided with intensive, systemic reading instruction.

Beginning January 1, 2015, and each January first thereafter, each public school in the St. Louis City School District and Kansas City School District, including charter schools, must prepare a personalized learning plan for any kindergarten or first grade student whose most recent school-wide reading assessment result shows the student is below grade level, with certain exceptions. For any student with a personalized learning plan, the student's main teacher must consult with the student's parent or guardian about the plan and must have consent to implement it. If a student is still performing below grade level through the end of the first grade year, the school must refer him or her for assessment to determine if an IEP is necessary. If an IEP is not necessary, the personalized learning plan must remain in place until the student is reading at grade level.

Any student who is not reading at the second grade level in the St. Louis City School District and the Kansas City School District by the end of second grade can be promoted to third grade only if the school provides additional reading instruction during the summer and demonstrates the student is ready for third grade at the end of summer school; if the school provides a "looping" classroom in which the student remains with the same teacher for multiple years and the student is not reading at the third grade level by the end of third grade, the student must be retained; or the student's parents or guardians sign a notice that they prefer to have the student promoted. The school will have final determination to retain the student.

The St. Louis City School District, the Kansas City School District, and each charter school located in them must provide in the annual school accountability report card the numbers and percentages by grade of any students at grade level who have been promoted but who have been determined as reading below grade level. If a school district or charter school already has an equivalent program, it may use the program with the approval of DESE.

FISCAL DESCRIPTION (continued)

STUDENT TRANSFERS

§167.131

Currently, the school board of a school district that does not maintain an accredited school is required to pay the tuition and transportation of resident pupils who attend an accredited school in another district of the same or an adjoining county. This provision applies to both unaccredited school districts and K-8 school districts that do not offer high school grades, but as revised by the bill, it would apply only to K-8 school districts.

§167.825

For school year 2014-15, students who participated in the transfer program during school year 2013-14 may continue under the same terms, except for their tuition, and may finish school in their receiving district subject to certain conditions.

Any student who is enrolled in and attends an unaccredited school in an unaccredited district for one semester may transfer to another accredited school in his or her district of residence, to an accredited school in an accredited district or charter school in the same or an adjoining county, or

in a nonsectarian private school. If the student chooses a school that has entrance requirements, the student must furnish proof he or she meets the requirements. Provisionally accredited districts, provisionally accredited schools, unaccredited districts, unaccredited schools, or any districts or schools with a three-year average APR score of seventy-five or less under MSIP 5 are not eligible to accept transfer students. However, any student who received a transfer to a district or school with a current year APR score of seventy-five or less under MSIP 5 prior to the effective date of this section may remain enrolled. The bill details conditions placed on the class sizes of both the sending and receiving districts. The State Board of Education has the final determination on the issue of class size.

The sending district shall pay tuition, as calculated in the bill, of seventy percent of its cost of maintaining the grade level grouping to the receiving district and, in the first year of the program, ten percent for transportation to the appropriate education authority for transportation. In subsequent years, the education authority may determine the amount, up to ten percent. The statewide assessment scores of a transfer student that are more than two grade levels below the grade to which the student is assigned shall count only for growth scores in the first year.

FISCAL DESCRIPTION (continued)

Unaccredited districts in St. Louis County or an adjoining county are required to contract with the special school district for the reimbursement of special education services provided by the special school district for transfer students who are residents of the unaccredited district. Students must maintain their residency in the unaccredited district to continue eligibility for transfer. Once a student withdraws from the school to which he or she has transferred, no more transfers under the program will be allowed. Students who maintain their residency will be allowed to finish high school in the receiving school. (Section 167.826)

By August 1, 2014, and by January first annually, each accredited school district in the same or an adjoining county as an unaccredited district, each unaccredited district, and each participating nonsectarian private school must report the number of its available enrollment slots by grade level to the appropriate regional education authority for the affected district. The education authority must make information and assistance available to parents who intend to transfer their child. Parents who intend to transfer their child must send initial notification to the appropriate education authority by April first, including children who are going to start kindergarten or first grade. The education authority will give first priority to students who live in the same household with family members within the first or second degree of consanguinity or affinity who have already transferred to an accredited school. If insufficient enrollment slots are available, any

students who are not able to transfer will receive first priority the following year. To the extent possible, the authority will fill the in-district accredited seats first. If sufficient slots are unavailable in-district the education authority will consider a list of factors in assigning the student, with the student's or parent's choice as the most important factor. An education authority may deny a transfer to a student with a history of school discipline policy violations; a student may be accepted on a provisional basis, and a student who is denied a transfer on these grounds has the right to an in-person meeting with a representative of the authority. (Section 167.827)

§§167.828 & 163.021 - NONSECTARIAN PRIVATE SCHOOLS

The school board of an unaccredited district that operates an unaccredited school must pay tuition for a student who has enrolled in and attended an unaccredited school for one semester who applies to and is assigned to a nonsectarian private school located in the unaccredited district or a school district in the same or adjoining county, using funds from the district's operating levy. The tuition amount cannot exceed the lesser of the nonsectarian private school's tuition or the seventy percent of the sending district's tuition.

A nonsectarian private school will only be eligible to receive tuition payments under this section if it satisfies certain conditions: accreditation by the North Central Association Commission On Accreditation and School Improvement or similar academic quality credentials; administration of

FISCAL DESCRIPTION (continued)

the statewide assessments in English language arts and mathematics; compliance with all applicable health and safety laws; a valid occupancy permit if required by its municipality, certification that the school does not discriminate, and filing a statement of intent to accept transfer students with DESE. The sending district may provide transportation.

As a condition of receiving state aid, an unaccredited district must use funds from the operating levy for school purposes to pay tuition remission for students who attend a nonsectarian private school. In addition, such tuition shall be paid only using funds from the operating levy for school purposes.

§§167.830 to 167.845 - REGIONAL EDUCATION AUTHORITIES

Three separate regional education authorities are created to coordinate student transfers from unaccredited districts to accredited districts, one for St. Louis City, St. Louis County, and adjoining counties; a second authority for the Kansas City area, consisting of Jackson County and adjoining counties, and a third authority for the rest of the state. Each authority will consist of five members who must be residents of their covered area, appointed by the Governor with the

advice and consent of the Senate, who will serve for a term of six years. The Authority must coordinate and collaborate with local districts and local governments for the student transfers. Parents who want to transfer their child to another district must notify the appropriate regional education authority.

§168.205 - SHARING OF SUPERINTENDENTS

Two or more school districts may share a superintendent who possesses a valid Missouri superintendent's license.

§170.320 - PARENT PORTALS

The Parent Portal Fund is created in the state treasury to provide financial assistance to districts to establish and maintain a parent portal so parents may have access to educational information and access to student data via mobile technology.

The bill contains an effective date of July 1, 2015 for the repeal and reenactment of §§163.073 and 171.033 and the repeal of §171.029 and an emergency clause for the rest of the bill.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

NEW****

CCS/HCS/SCS/SBs 493, 485, 495, 516, 534, 545, 595, 616 & 624: This bill modifies provisions relating to elementary and secondary education.

GRADUATION RATE DEFINITION: This section changes the definition of "graduation rate" to be the graduation rate determined by the annual performance report required by the Missouri School Improvement Program. (Section 160.011)

SCHOOL DAYS, SCHOOL TERM, SCHOOL CALENDARS: Current law requires a minimum of 174 school days for a five-day school week or a minimum of 142 school days for a four-day school week. This act repeals the required number of school days so that beginning in the 2015-2016 school year, school districts must provide a minimum of 1044 hours of pupil attendance with no minimum number of required school days. In addition, definitions for the "minimum school day" and "school month" are repealed. References to the required number of

LMD:LR:OD

schools days are repealed. The provision of law allowing a school board to adopt a four day school week instead of a five day school week will terminate beginning in the 2015-2016 school year. (Sections 160.011, 160.041, 163.021, 163.073, 171.029)

In any summer school term, school days must be scheduled so that no school days are scheduled during the calendar week of July fourth if the fourth is on a business day. If the fourth falls on a weekend, school days must be scheduled so that students have at least four days off in any configuration. (Section 160.041)

Each school board must annually prepare a calendar for the school term that specifies the days of planned attendance and includes thirty-six make-up hours to cover lost attendance due to inclement weather. A school district may be exempt from the requirement to make up school lost or cancelled due to inclement weather when the district has made up thirty-six hours and half the number of additional lost or cancelled hours up to forty-eight hours, resulting in no more than sixty total make-up hours. (Sections 171.031 & 171.033)

Currently, if a district sets an opening date that is more than ten calendar days prior to the first Monday in September, the local school board must give notice of a public meeting on the issue. This act requires that the public meeting be held on a separate date from a regularly scheduled board meeting. (Section 171.031)

The school board of any unaccredited district, provisionally accredited district, or district with a three year average annual performance report score consistent with a classification of unaccredited or provisionally accredited, may, by a majority vote, increase the length of the school day and also increase the number of instruction hours above the statutory minimum. This act creates the Extended Learning Time Fund in the state treasury. Moneys in the fund will be used for schools that extend the length of the school day or hours of instruction. (Section 171.031)

These provisions are similar to HB 1108 (2014).

CHARTER SCHOOLS: This act allows the school board of an accredited district or a combination of school boards of accredited districts to sponsor charter schools located in unaccredited school districts.

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This provision is similar to a provision contained in HB 1246 (2014), HB 1868 (2014), and HB 1869 (2014). (Section 160.400)

When a sponsor notifies a charter school of closure, the Department of Elementary and Secondary Education must withhold funds to assure all obligations of the charter school are met. The state is not liable for any outstanding liability or obligations of the charter school. If the assets of the school are insufficient to pay all parties to whom the school owes compensation, the prioritization of the distribution of assets may be determined by a court of law. (Section 160.400)

Currently, a charter must be a legally binding performance contract. This act modifies this requirement so that a charter must include a legally binding performance contract.

This provision is identical to a provision contained in SB 637 (2014), HB 1868 (2014), and HB 1869 (2014). (Section 160.405)

Currently, the State Board of Education must approve a charter by December 1 of the year prior to the proposed opening date of the charter school. Instead, the State Board of Education is required to approve a charter by January 31 prior to the school year that is the proposed opening date of the charter school.

This provision is substantially similar to a provision contained in SB 637 (2014), HB 1868 (2014), and HB 1869 (2014). (Section 160.405)

Under current law, when a sponsor approves a charter and submits the application to the State Board of Education, it must include a statement of finding that the application meets statutory requirements. This act requires the sponsor to prepare the statement of finding.

This provision is identical to a provision contained in SB 637 (2014), HB 1868 (2014), and HB 1869 (2014). (Section 160.405)

The State Board of Education must approve or disapprove a charter application within sixty days

of its receipt. Any charter application received on or before November 15 of the year prior to the proposed opening of the charter school must be considered by the State Board within sixty days. At the end of sixty days, the charter application will be deemed approved unless the State Board disapproves it on the grounds that it fails to meet statutory requirements or the sponsor has previously failed to meet the statutory responsibilities of a sponsor. If the State Board disapproves a charter application, it must do so in writing and identify the specific failures of the application to meet statutory requirements. The written disapproval must be provided to the sponsor within ten business days.

This provision is substantially similar to a provision contained in SB 637 (2014), HB 1868 (2014), and HB 1869 (2014). (Section 160.405)

The Department of Elementary and Secondary Education must calculate an annual performance report for each charter school and must publish it in the same manner as they are calculated and published for districts and attendance centers. (Section 160.405)

This act allows high quality charter schools, as defined, to be provided expedited opportunities to replicate and expand into unaccredited districts, the St. Louis City School District, and the Kansas City School District.

This section is substantially similar to a provision contained in HB 1868 (2014), HB 1869 (2014), and HB 1579 (2014). (Section 160.408)

Charter schools are prohibited from charging tuition or imposing fees that a school district is prohibited from charging. (Section 160.415)

Current provisions of law relating to charter schools experiencing financial stress will only apply to charter schools that have been operating for three or more school years.

This provision is identical to a provision contained in SB 637 (2014), HB 1869 (2014), and HB 1579 (2014). (Section 160.417)

When a local school board sponsors a charter school, it may only submit an estimate of the district's weighted average daily attendance for the current year. The school board will be prohibited from using a weighted average daily attendance count from any preceding year for purposes of determining state aid.

This section is identical to SB 547 (2014) and SB 390 (2013). (Section 163.036)

SCHOOL DISTRICT ACCREDITATION: Before the State Board of Education classifies a school district as unaccredited or reclassifies an accredited district as provisionally accredited, if there is no State Board member who is a resident of the congressional district in which the affected district is located, the State Board must notify the Governor of its intent to change the classification. The Governor must make the appointment within thirty days of the notification. (Section 161.084)

When the State Board of Education assigns classification designations to school districts, it must use one of the following designations: unaccredited, provisionally accredited, accredited, and accredited with distinction.

The State Board of Education must develop and implement a process to provide assistance teams to borderline districts, as determined by the Department of Elementary and Secondary Education, and to underperforming districts upon assignment of such classification or determination by the Department. Teams must have at least ten members, including two active classroom teachers in the district, two principals, and one parent of a student in the district. The Department staff member assigned to the region may be included in the team activities but must not be formally assigned to the team. Teams must provide an analysis of the assessment data, classroom practices, and the communication processes within buildings, in the district, and the community, and also provide prescriptions for improvement based on the district's and community's needs. The team must provide recommendations by June 30, 2015. Assignment of teams must be prioritized so that districts with lower APR scores are addressed first. Suggestions are mandatory for underperforming districts but not for borderline districts. If an underperforming district disagrees with any suggestion of the assistance team, the district must propose a different method of accomplishing what the team has suggested.

This section is similar to SB 856 (2014) and a provision in SB 993 (2014), and HB 1856 (2014). (Section 161.086)

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ATTENDANCE CENTER ACCREDITATION: The State Board of Education must adopt a system of classification that accredits individual attendance centers within a district separately from the district as a whole. Attendance centers must be assigned one of the following classification designations: unaccredited, provisionally accredited, accredited, or accredited with distinction.

The State Board of Education may consider the classification designation of an attendance center in its accreditation classification system to exempt attendance centers with classification numbers outside the range of numbers assigned to high schools, middle schools, junior high schools, or elementary schools. Public separate special education schools within a special school district are exempted from these accreditation requirements. However, a special school district must report all scores on its annual performance report to the Department of Elementary and Secondary Education for all of its schools. Juvenile detention centers within a special school district are exempt from these accreditation standards.

This act waives the statutory two year delayed effective date for school accreditation rules for this system. (Section 161.238)

STATE BOARD OF EDUCATION INTERVENTION POWERS: This act allows the State Board of Education to lapse the corporate organization of all or part of an unaccredited school district. If the State Board appoints a special administrative board for the operation of a part of an unaccredited school district, the State Board of Education must determine an equitable apportionment of state and federal aid for the part of the district. In addition, the school district must provide local revenue in proportion to the weighted average daily attendance of the part governed by the special administrative board.

The State Board of Education may appoint a member of the elected board to a special administrative board but members of the elected board must not comprise more than forty-nine percent of the special administrative board's composition.

Nothing in this provision of law must be construed to permit either the State Board of Education or a special administrative board to raise, in any way not specifically allowed by law, the tax levy of the district or any part of the district without a vote of the people.

This act provides that when the State Board of Education determines an alternative governing structure for an unaccredited district, that alternative form of governance will be subject to the following provisions of law: it will retain the authority granted to a board of education; it will expire at the end of the third year of its appointment unless reauthorized; it will not be deemed to be the state or a state agency; and it will not be considered a successor entity for purposes of employment contracts, unemployment compensation or any other purpose.

If the State Board of Education reasonably believes that a school district is unlikely to provide for the minimum school term required by section 163.021 because of financial difficulty, the State Board may, prior to the start of the school term, allow continued governance by the existing district school board under terms and conditions established by the state board of education. As an alternative, the State Board may lapse the corporate organization of the district and implement one of the options available to the State Board to intervene in an unaccredited district. However, this provision will not apply to any district solely on the basis of financial difficulty resulting from paying tuition and providing transportation for transfer students. (Sections 162.081)

LOCAL EFFORT CALCULATION AND BOUNDARY LINE CHANGES: Currently, the calculation of local effort uses a school district's assessed valuation figure from 2004. This act provides that when a change in school district boundary lines occurs, as described in the act, the Department of Elementary and Secondary Education must adjust each affected district's local effort calculation based on the land area adjustments from the boundary line change using 2004 assessed valuation data.

This section is substantially similar to a provision contained in SS/SB 538 (2014), SB 825 (2014) and in SCS/HCS/HB 1689 (2014). (Section 162.432)

VIRTUAL COURSES IN RELATION TO THE A+ PROGRAM: Currently, when a resident student completes a virtual course offered by his or her school district, the student's attendance upon course completion is calculated as ninety-four percent of the hours of attendance for such class delivered in a non-virtual program. This act provides that when a student is a candidate for A+ tuition reimbursements, the school must attribute no less than ninety-five percent of attendance to the student's completion of the virtual course.

This section is identical to HB 1895 (2014). (Section 162.1250)

TRANSIENT STUDENT RATIO & STUDENT SCORES: This act requires the Department of Elementary and Secondary Education to annually calculate a transient student ratio for each public school attendance center and each school district. The transient student ratio must be published on the Department's website and in the school accountability report card for each district and attendance center. The Department must also publish on its website an aggregate transient student ratio for the state.

The transient student ratio will use data, including the number of students enrolled in the district or school, the number of students who withdraw from the district or school, and the number of students who are enrolled, withdrew, and later reentered the district or school.

Each school district must report annually to the Department any information and data necessary for the Department to calculate transient student ratios.

In a transient student's first year of attendance in a district, the student's score on the statewide assessments will not be included when calculating the status or progress scores on the district's annual performance report scores. The scores will be counted for growth scores from the previous year's assessment for the purpose of the district's annual performance report score and to serve as the baseline for growth in the next year's assessment. In the second year of attendance, a transient student's score on the statewide assessments will be weighted at fifty percent, with growth counting for fifty percent. In the third year of attendance and any subsequent year of attendance, a transient student's status, progress and growth score will be weighted at one hundred percent when calculating the district's performance for purposes of the district's annual performance report score.

This section is similar to SB 765 (2014). (Sections 162.1303 & 162.1305)

PARENT NOTIFICATION OF UNACCREDITED STATUS & HOME VISITS: When a district or attendance center becomes unaccredited, the district must promptly notify the parent or guardian of students enrolled in the district of the loss of accreditation within seven business days. The notice must also include an explanation of the option for a student in an unaccredited school in an unaccredited district to transfer to another accredited school in the district, to another accredited district in the same or an adjoining county, or to a private nonsectarian school in the district of residence, if applicable, and any services for which the student may be eligible. This notice must be posted in district attendance centers and must be sent to district taxpayers

and each political subdivision located in the boundaries of the school district.

The school board of any district that operates an underperforming school must adopt a policy regarding the availability of home visits by school personnel. The school board's policy may offer to the parent or guardian of a student enrolled in any such school the opportunity to have at least one annual home visit and must offer an opportunity for a meeting at the school or a mutually agreeable site. (Section 162.1310)

SCHOOL DISTRICT COMPLIANCE WITH PROFESSIONAL DEVELOPMENT SPENDING REQUIREMENTS: This act provides that school districts' compliance with the professional development funds spending requirement and the fund placement and expenditure requirements will be excused in fiscal years 2015 and 2016 if the foundation formula is underfunded, or the appropriation for the transportation categorical is funded at a level less than seventy-five percent of allowable costs. Similarly, school districts will be excused from such compliance in fiscal years 2015 and 2016 if the Governor withholds funds from the foundation formula. (Section 163.410)

HARDSHIP TRANSPORTATION ASSIGNMENTS: Currently, under section 167.121, the Commissioner of Education may assign a pupil to another district based on an unusual or unreasonable transportation hardship. This act modifies the tuition amount that the sending district must pay to the receiving district. The tuition paid must be the lesser of the student's district of residence's current expenditure per average daily attendance and the receiving district's current expenditure per average daily attendance for the previous school year.

For any student residing in St. Louis City, Jackson County, St. Louis County, and any county adjoining to St. Louis County, it will be a rebuttable presumption that the student's residence is so located that attendance in the district of residence constitutes an unusual or unreasonable transportation hardship because of natural barriers, travel time, or distance if: the actual driving distance from the pupil's residence to the attendance center in his or her district of residence is at least seventeen miles by the shortest route; the attendance center to which the pupil would be assigned is at least seven miles closer in actual driving distance than the attendance center in the district of residence; and the pupil's attendance will not cause the classroom in the receiving district to exceed the maximum number of students per class as determined by the receiving district. (Section 167.121)

STUDENT PROMOTION: All underperforming districts in St. Louis County, as described in the act, are prohibited from promoting any student from the fifth grade to the sixth grade or from the eighth grade to the ninth grade who has not scored at the proficient level or above on the statewide assessments in the areas of English language arts and mathematics. However, this provision does not apply to any student with an individualized education program or any student with a Section 504 Plan. (Section 167.642)

SCHOOL DISTRICT IMPROVEMENT MEASURES: Any unaccredited district must offer free tutoring and supplemental education services to underperforming and struggling students. Districts may use funds from the newly created School District Improvement Fund to the extent funds are available. An unaccredited district may satisfy the free tutoring services requirement by entering into a contract with a public library for online tutoring services. In addition, an underperforming district may do any of the following: implement a new curriculum, as described in the act; retain an outside expert to advise the district or school on regaining accreditation; enter into a contract with an education management organization with a proven record of success to operate a school or schools within the district; enter into a collaborative relationship with an accredited district in which teachers from both districts exchange positions for two school weeks; or implement any other change suggested by the State Board of Education, expert, contractor, or assistance team. (Sections 167.685 & 167.687)

READING, PERSONALIZED LEARNING PLANS, STUDENT RETENTION: This act requires, beginning July 1, 2015, all public schools in the St. Louis City School District and Kansas City School District, including charter schools, to use a response-to-intervention tiered approach to reading instruction for students determined by their school to be struggling readers. At a minimum, the reading levels of students in kindergarten through tenth grade must be assessed at the beginning and middle of the school year. Students who score below district benchmarks must be provided with intensive, systemic reading instruction.

Beginning on January 1, 2015, and each January thereafter, each public school in the St. Louis City School District and Kansas City School District, including charter schools, must prepare a personalized learning plan for any kindergarten or first grade student whose most recent school-wide reading assessment result shows the student is below grade level. Certain exceptions exist from this requirement for students with an IEP or a Section 504 Plan. For any student with a personalized learning plan, the student's main teacher must consult with the student's parent or guardian about the plan and must have consent to implement it. If a student is still performing below grade level through the end of the first grade year, the school must refer him or her for assessment to determine if an IEP is necessary. If an IEP is not necessary, the personalized

learning plan must remain in place until the student is at grade level.

Any student who is not reading at the second grade level in the St. Louis City School District and the Kansas City School District by the end of second grade may be promoted to third grade only if: the school provides additional reading instruction during the summer and demonstrates the student is ready for third grade at the end of summer school; if the school provides a "looping" classroom in which the student remains with the same teacher for multiple years and the student is not reading at the third grade level by the end of third grade, the student must be retained; or the student's parents or guardians may sign a notice that they prefer to have the student promoted except that the school will have final determination to retain.

The St. Louis City School District, the Kansas City School District, and each charter school located in them must provide in the annual school accountability report card the numbers and percentages by grade of any students at grade level who have been promoted but who have been determined as reading below grade level.

School districts and charter schools subject to this requirement may provide for a student promotion and retention program and a reading instruction program that are equivalent to those which are described in this section with the oversight and approval of the Department of Elementary and Secondary Education.

This section is substantially similar to HB 2214 (2010). (Section 167.730)

STUDENT TRANSFERS: Currently, the school board of a school district that does not maintain an accredited school is required to pay the tuition and transportation of resident pupils who attend an accredited school in another district of the same or an adjoining county. This provision of law currently applies to both unaccredited school districts and K-8 school districts that do not offer high school grades. This act repeals the provisions applicable to unaccredited school districts so that the statute only applies to K-8 school districts. (Section 167.131)

For school year 2014-2015, students who participated in the transfer program that originated on July 1, 2013 will be allowed to participate under the same terms that governed the transfers in school year 2013-2014, except for the tuition amount. If an unaccredited district becomes provisionally accredited or accredited, any resident student who transferred will be permitted to

continue his or her educational program through the completion of middle school, junior high school, or high school, whichever occurs first, and as described in the act. However, any such student must have previously attended a school in the unaccredited district for at least one semester before initially transferring, unless the student was entering kindergarten or was a first grade student. Such a student must maintain residence in the unaccredited district. A student who returns to his or her district of residence will be ineligible to transfer again.

In addition, any student who transferred from an unaccredited district to an accredited district in the same or an adjoining county in school year 2013-2014 but did not attend a public school for at least one semester in the unaccredited district prior to the transfer will no longer be eligible to transfer in school year 2014-2015. (Section 167.825)

Any student enrolled in and attending an unaccredited school in an unaccredited district for at least one semester may transfer to another accredited school in his or her district of residence that offers the student's grade level of enrollment. However, student transfers from an unaccredited school to an accredited school in the student's district of residence cannot result in a class size and assigned enrollment in the receiving school that exceeds the standard level for class size and assigned enrollment under the Missouri School Improvement Program resource standards. The school board of each unaccredited district must determine the capacity at each of the district's accredited schools. The district's school board is responsible for coordinating transfers from unaccredited schools to accredited schools within the district. The school board must report to the appropriate local education authority the number of available slots in accredited schools, the number of students who request to transfer within the district, and the number of transfer requests that are granted. (Section 167.826)

A student who is enrolled in and attends for at least one semester an unaccredited school in an unaccredited district who is unable to transfer to an accredited school in the district of residence may apply to the appropriate education authority to transfer to an accredited school in an accredited district in the same or an adjoining county or, if applicable, to a nonsectarian private school in the district of residence. (Section 167.826)

A student who is eligible to begin kindergarten or first grade at an unaccredited school in an unaccredited district may apply to the appropriate education authority for a transfer if he or she resides in the attendance area of an accredited school in an unaccredited district on March 1 preceding the school year of first attendance. A student who does not apply by March 1 is required to enroll and attend for one semester to become eligible. Any transfer student who does

not maintain residence in the attendance zone of his or her unaccredited school in the unaccredited district will lose transfer eligibility. In addition, a student who withdraws from the transfer will also lose transfer eligibility. (Section 167.826)

Unaccredited and provisionally accredited districts and schools are not eligible to receive transfer students. However, a student who chooses to attend a provisionally accredited school in the unaccredited district may do so if there is an available slot. In addition, no district or school with a three-year average score of seventy-five percent or lower on its annual performance report is eligible to receive transfer students, except for any student who was granted a transfer prior to the effective date of this act. (Section 167.826)

Districts that receive student transfers are not required to do any of the following (unless they choose to do so): exceed the class size and assignment enrollment standards of a district-approved policy on class size; hire additional classroom teachers; or construct additional classrooms. (Section 167.826)

Each receiving district has the right to establish a policy for desirable class size and student-teacher ratios based on objective means and will not be required to accept any transfer students that would violate its policy. A policy may allow for estimated growth in the resident student population. A district that adopts a policy must do so by January 1. If a transfer student is denied admission based on a lack of space under a district policy, the student may appeal to the State Board of Education. The State Board may limit the district's policy if it finds the district's policy is unduly restrictive to student transfers. The State Board's decision is final. (Section 167.826)

The rate of tuition to be paid by the sending district is based on the per-pupil cost of maintaining the receiving district's grade level grouping. However, a receiving district is prohibited from receiving tuition from a sending district that exceeds the receiving district's per pupil expenditure for its resident students. If any receiving district chooses to charge a rate of tuition that is seventy percent or less of the per-pupil cost of maintaining the sending district's grade level grouping, then the statewide assessment scores and all other performance data for those students whom the district received will not be used for five school years when calculating the performance of the receiving district for purposes of the Missouri school improvement program. (Section 167.826)

The school board of a receiving district may choose to charge a rate of tuition less than the

amount that would otherwise be calculated under the statutory calculation. This act creates the Supplemental Tuition Fund in the state treasury. If the school board of a receiving district chooses to charge a rate of tuition that is less than ninety percent of the rate that would otherwise be charged under the statutory calculation, ten percent of the receiving district's tuition rate will be paid from the Supplemental Tuition Fund. (Section 167.826)

Any district that received transfer students in the 2013-2014 school year may adjust the tuition paid by the sending district to seventy percent of the per-pupil cost of maintaining the sending district's grade level grouping. If a district adjusts its tuition rate, the statewide assessment scores and performance data for the transfer students will not be used for five school years when calculating the receiving district's performance for purposes of the Missouri School Improvement Program. (Section 167.826)

If an unaccredited district becomes provisionally accredited or accredited, any resident student who transferred to an accredited district or to a nonsectarian private school will be permitted to continue his or her educational program through the completion of middle school, junior high, or high school, as described in the act. (Section 167.826)

A student's district of residence may provide transportation for the student to attend another accredited district but is not required to do so. (Section 167.826)

When costs associated with the provision of special education and related services to a student with a disability exceed the tuition amount, the unaccredited district is responsible for paying the excess costs to the receiving district. When the receiving district is a component district of a special school district, the unaccredited district must contract with the special school district for the entirety of the costs to provide special education and related services, excluding transportation. The special school district may contract with an unaccredited district for the provision of transportation. A special school district must continue to provide special education and related services, with the exception of transportation, to a student with a disability transferring from an unaccredited district within the same or a different component district. (Section 167.826)

When the St. Louis City School District is unaccredited, it is responsible for the provision of special education and related services, including transportation to students with disabilities. A special school district may contract with St. Louis City School District, as described in the act.

Regardless of whether transportation is identified as a related service, a receiving district that is not part of a special school district is not responsible for providing transportation. An unaccredited district may contract with a receiving district that is not part of a special school district for transportation. When districts other than St. Louis City are unaccredited, they may contract with a receiving district that is not part of a special school district for the reimbursement of special education services. (Section 167.826)

By August 1, 2014, and by January 1 annually, each accredited district in the same or an adjoining county as an unaccredited district must report to the appropriate regional education authority the number of its available enrollment slots by grade level. Each unaccredited district must report the number of available enrollment slots in the district's accredited schools. Each nonsectarian private school in an unaccredited district that wishes to participate in the transfer program must provide such information. (Section 167.827)

Each education authority with an unaccredited district in its geographic area must make information and assistance available to parents who intend to transfer their child to an accredited district or to a nonsectarian private school, if applicable. Parents who intend to transfer their child must send initial notification to the appropriate education authority by March 1. The education authority will assign transfer students, as space allows. The education authority will give first priority to students who live in the same household with family members within the first or second degree of consanguinity or affinity who have already transferred to an accredited school and apply to transfer to the same accredited school. If insufficient enrollment slots are available for a student to transfer, that student will receive first priority the following school year. The authority is only able to disrupt student and parent choice for transfers if a receiving district's available slots are requested by more students than there are slots available. The authority must consider the following factors in assigning schools: the student's or parent's choice of the receiving school (most important); the best interests of the student; and distance and travel time. The authority must not consider student academic performance; student free and reduced lunch status; or athletics. (Section 167.827)

An education authority may deny a transfer to a student, who in the most recent school year, has been suspended from school two or more times or has been suspended for an act of school violence, as described in the act. (Section 167.827)

STUDENT TRANSFERS TO NONSECTARIAN PRIVATE SCHOOLS: In St. Louis City, St.

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Louis County, and Jackson County only, the school board of an unaccredited district that operates an unaccredited school must pay tuition for students who enroll in a nonsectarian private school located in the district using funds from the district's operating levy for school purposes. To be eligible to transfer to a nonsectarian private school, a student must have been enrolled in and attending an unaccredited school in the unaccredited district for one semester. The tuition amount cannot exceed the lesser of the nonsectarian private school's tuition or seventy percent of the unaccredited district's tuition rate.

A nonsectarian private school will only be eligible to receive tuition payments under this section if it satisfies certain conditions. A nonsectarian private school must be accredited by the North Central Association Commission On Accreditation and School Improvement or demonstrate similar academic quality credentials to the Department of Elementary and Secondary Education. It must administer for transfer students, or allow for the administration of, the statewide assessments in English language arts and mathematics or equivalent assessments. A nonsectarian private school must comply with all health and safety laws or codes that apply to nonpublic schools, hold a valid occupancy permit if required by its municipality, and file a statement of intent to accept transfer students with the Department of Elementary and Secondary Education. Private nonsectarian schools that choose to receive transfer students must adhere to multiple provisions of Missouri state school law, as described in the act. Any participating nonsectarian private school must provide data to the Department of Elementary and Secondary Education for the production of an annual performance report. In addition, when the total enrollment of a nonsectarian private school consists of twenty-five percent transfer students, the school must conform to the standards of the Missouri School Improvement Program. The district of residence may provide transportation but is not required to do so.

As a condition of receiving state aid, an unaccredited district must use funds from the operating levy for school purposes to pay tuition remission for students who attend a nonsectarian private school. In addition, such tuition must be paid only using funds from the operating levy for school purposes.

The option for students to enroll in and attend a nonsectarian private school must be authorized by the school district's voters at a general election, as described in the act. A majority vote is required for authorization. However, regardless of whether the voters authorize the private school option, students may transfer to a private school after three years of the district being unaccredited.

Where costs associated with the provision of special education and related services to a student with a disability exceed the established tuition amount, the unaccredited district will remain responsible to pay the excess cost to the nonsectarian private school. (Section 163.021 & Section 167.828)

REGIONAL EDUCATION AUTHORITIES: This act creates three separate regional education authorities to coordinate student transfers, one for the St. Louis region, a second authority for the Kansas City area, and a third authority for the rest of the state. Each authority will consist of five members who must be residents of their covered area, as described in the act, appointed by the Governor with the advice and consent of the Senate, who will serve for a term of six years. If the Governor does not make the appointments within a certain amount of time, the Lieutenant Governor will make the appointments. If the Lieutenant Governor does not make the appointments, then the Speaker of the House of Representatives may make the appointments. The Education Authority must coordinate and collaborate with local districts and local governments for the student transfers. Parents who want to transfer their child to another district must notify the appropriate regional education authority by March 1. The education authority will assign students to districts using an admissions process, as described in the act. (Sections 167.830 to 167.845)

DEFINITIONS: Definitions governing the student transfer portions of this act are provided. (Section 167.848)

SHARING OF SUPERINTENDENTS: Two or more school districts may share a superintendent who possesses a valid Missouri superintendent's license.

This section is identical to SB 701 (2014) is similar to SB 503 (2009) and HB 2537 (2008). (Section 168.205)

ONLINE TUTORING SERVICES THROUGH A PUBLIC LIBRARY: A school district may enter into a contract with a public library to provide online tutoring services through a third party vendor or a non-profit organization for the district's students. Tutoring services must be conducted through compatible computers to participating students who have a library card, both within and without the public library facility.

Online tutoring services may include assistance with homework, collaboration and study tools in various school subjects, access to writing assistance productivity software, and test preparation tools.

A contract may allow dedicated access to assistance during specified hours of the day and specified days of the week. A contract may allow students to submit questions to tutors or join online study groups.

Online tutoring services must be designed and implemented to protect student privacy, prohibit voice communication between the parties, and prohibit face-to-face visual communication. In addition, employees of third party vendors or nonprofit organizations with which a public library has contracted for the tutoring services are prohibited from soliciting personally identifiable information from participating students.

School districts offering tutoring services must maintain an archive of all communications between students and tutors for two years that is accessible to district officials and tutoring supervisors.

This section is identical to a provision contained in SB 993 (2014). (Section 170.215)

PARENT PORTALS: This act creates the Parent Portal Fund in the state treasury. Moneys in the fund may be used to provide financial assistance to districts to establish and maintain a parent portal so parents may have access to educational information and access to student data via mobile technology. (Section 170.320)

SCHOOL FACILITY AGREEMENTS: This act modifies a prohibition on school boards leasing or renting buildings while a school building is unoccupied so that a school board may lease a building as provided in Section 177.088 when a school building is unoccupied.

Currently, the board of any educational institution may only enter into an agreement with a not-for-profit corporation when making certain transactions or modifications involving sites, buildings, facilities, furnishings, and equipment. This act removes the limitation on contracts being entered into only with non-for-profit corporations for such purposes.

The act also repeals a provision allowing a board to refinance a lease purchase agreement under certain circumstances.

These sections are identical to SB 989 (2014), HCS/HB 783 (2013), provisions contained in SB 719 (2014) and is similar to SB 474 (2013). (Sections 177.011 & 177.088)

CHILDREN'S SERVICES FUND: In St. Louis County, if there is an unaccredited or provisionally accredited school district, up to five percent of each fiscal year's revenues in the Children's Services Fund must be devoted to a grant program to deliver services to schools in those districts. The Children's Community Services Fund board of directors must undertake a needs assessment for any such school district within ninety days. The needs assessment must be used as a basis for contracting of services. The board of director must appoint one of its members to a direct school service coordinating committee. Additional members of the direct service coordinating committee are described in the act. The committee must provide recommendations and oversight to the program of contracted services. The use of funds is subject to an audit. This provision will terminate after fiscal year 2016.

This section is similar to HB 2299 (2014). (Section 210.861)

SCHOOL TRANSFER AND IMPROVEMENT TASK FORCE: This act creates the "School Transfer and Improvement Task Force" within the Department of Elementary and Secondary Education. The task force will study the following: means to address failing schools, including a school improvement district; developing options for school transfer finance formulas; best practices for how to design and finance public virtual and blended schools; and best practices and possible pilot projects to assist transient students. The task force will consist of the following members:

- (1) Three members of the Senate, appointed by the President Pro Tempore of the Senate, of whom not more than two shall be of the same party;
- (2) One member from an education policy research organization in Missouri, appointed by the President Pro Tempore of the Senate;
- (3) Three members of the House of Representatives, appointed by the Speaker, of whom not more than two shall be of the same party;

- (4) One member from a statewide business association, appointed by the Speaker of the House of Representatives;
- (5) The Commissioner of Education, or his or her designee;
- (6) One member from an education organization consisting exclusively of elected officials, appointed by the Commissioner of Education;
- (7) The Lieutenant Governor, or his or her designee.

The task force must make recommendations by February 1, 2015 to the General Assembly. The task force will expire on April 31, 2015. (Section 1)

This act contains an emergency clause. (Section B)

MICHAEL RUFF

SOURCES OF INFORMATION

Department of Elementary and Secondary Education

Department of Higher Education

Office of Secretary of State

Missouri State Tax Commission

Missouri Senate

Office of Administration

 Division of Budget and Planning

 Administrative Hearing Commission

Office of the Governor

Office the Lieutenant Governor

School Districts

 Kansas City Public Schools

 Francis Howell

 Fulton

 Special School District of St. Louis County

 Nixa

Colleges and Universities

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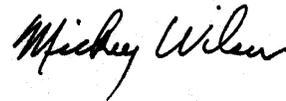
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Bill No. Truly Agreed To and Finally Passed CCS for HCS for SCS for SB Nos. 493, 485, 495, 516, 534, 545, 595, 616 & 624

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Missouri Western State University
Linn State Technical College
Missouri State University
University of Missouri System
Northwest Missouri State University
University of Central Missouri



Mickey Wilson, CPA

Director

June 12, 2014

Ross Strobe

Assistant Director

June 12, 2014

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