

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0237-03  
Bill No.: SB 49  
Subject: Education, Elementary and Secondary; Elementary and Secondary Education Department; Boards, Commissions, Committees, Councils; St. Louis; Kansas City; Political Subdivisions; Governor and Lt. Governor; General Assembly  
Type: Original  
Date: January 20, 2015

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

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
General Revenue	(Could exceed \$2,852,476)	(Could exceed \$2,765,599)	(Could exceed \$2,766,364)
<b>Total Estimated Net Effect on General Revenue</b>	<b>(Could exceed \$2,852,476)</b>	<b>(Could exceed \$2,765,599)</b>	<b>(Could exceed \$2,766,364)</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 19 pages.

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
Missouri Parent/Teacher Involvement Fund	\$0	\$0	\$0
School District Improvement	\$0	\$0	\$0
Supplemental Tuition	\$0	\$0	\$0
St. Louis Area Education Authority	\$0	\$0	\$0
Jackson County Education Authority	\$0	\$0	\$0
Statewide Education Authority	\$0	\$0	\$0
Extended Learning Time	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
General Revenue	1 FTE	1 FTE	1 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>1 FTE</b>	<b>1 FTE</b>	<b>1 FTE</b>

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
<b>Local Government</b>	<b>(Could exceed \$685,000)</b>	<b>(Could exceed \$9,760,000)</b>	<b>(Could exceed \$9,760,000)</b>

## FISCAL ANALYSIS

### ASSUMPTION

#### §§161.086 and 161.238 Building Accreditation

Officials at the **Department of Elementary and Secondary Education (DESE)** assume this establishes a system of school accreditation by building rather than by district. This would require \$65,000 to cover additional data collection, OA-ITSD, and vendor charges.

#### §§161.950, 161.952, 161.954 and 161.956 Missouri Parent/Teacher Involvement Act

Officials at the **DESE** assume they must coordinate and administer the program which would include distribution of grant moneys.

Officials at the **Office of State Treasurer** assume there is no fiscal impact from this proposal.

**Oversight** assumes this proposal creates the Missouri Parent/Teacher Involvement Program Fund that can have money appropriated to it and receive gifts, bequests, and public or private donations. The Fund is to be used to help pay the costs to develop and build trusting relationships between families and school staff. Oversight assumes that all money received by the Fund will be used upon receipt.

#### §§162.1310 and 162.1313 Unaccredited Building Notifications and Home Visits

Officials at the **DESE** assume the language in §162.1310 could result in minimal costs for school districts in terms of notifying taxpayers. The language in §162.1313 could result in significant unknown costs for school districts in terms of providing home visits.

**Oversight** will show an impact to local school districts for parent notifications and home visits as Could exceed \$100,000.

#### §167.127 Missouri School Improvement Program Data

Officials at the **DESE** assume this section will require additional data collection. We estimate the cost at \$12,000.

#### §167.685 and 167.687 School District Improvement Fund

Officials at the **DESE** assume the costs to implement these provisions is unknown, as the definition of appropriation is not defined.

Officials at the **Office of State Treasurer** assume there is no fiscal impact from this proposal.

ASSUMPTION (continued)

**Oversight** assumes this proposal creates the School District Improvement Fund that can receive gifts, bequests, and public or private donations. The Fund is to be used by public libraries to offer free tutoring and supplemental education services to students performing below grade level. Oversight assumes that all money received by the Fund will be used upon receipt.

§167.730 Reading and Personalized Learning Plans

Officials at the **DESE** will require 1 FTE supervisor to provide consulting services regarding personalized learning plans. DESE will incur approximately \$10,000 in costs for data collection, business rule development, and reporting.

DESE estimates local school districts will require 1 FTE per school building at \$60,000 per FTE for reading recovery (161 buildings x \$60,000 = \$9,660,000).

In addition, DESE estimates local school districts will spend \$15,000 per district for design and implementation of personalized learning plans (39 districts x \$15,000 = \$585,000).

NOTE: DESE has shown costs at the local level; however, mandating a specific model within school districts could violate the Hancock amendment resulting in the costs being borne by the state. Additionally, it takes at least 3-5 years to fully implement an RtI system, especially one with the goal of implementing for grades K-10 across numerous buildings.

In response to similar legislation filed this year, SB 1, officials at the **KCPS** assumed this provision requires additional steps and requirements to facilitate and incorporate response to intervention plans and personal learning plans for any kindergarten or first grade student testing below basic. KCPS estimates additional costs greater than \$150,000.

**Oversight** has, for fiscal note purposes only, adjusted the salary and benefits of the DESE position to correspond with the salaries posted by DESE for a current job vacancies for a similar position.

**Oversight** assumes that §167.730 regarding reading recovery does not go into effect until July 1, 2016 (FY 2017).

§§167.825, 167.826 and 167.827 Supplemental Tuition Fund

Officials at the **DESE** assume the costs of these sections is unknown; however, there could be a significant cost to the state. Subsection 167.826.4 states 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 kids.

ASSUMPTION (continued)

**Oversight** assumes this proposal creates the Supplemental Tuition Fund that can have money appropriated to it and receive gifts, bequests, and public or private donations. The Fund is to be used to pay 10% of a transfer student's tuition. Oversight assumes that all money received by the Fund will be used upon receipt.

§§167.830 to 167.845 Regional Education Authorities

Officials at the **DESE** assume 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.

Officials at the **Office of the Governor** assume this bill establishes three area education authorities with gubernatorial appointments for each. There would be no added costs as a result of this measure. However, should additional duties be placed on the office related to appointments in other legislation, there may be a need for additional staff resources in future years.

Officials at the **Office of State Treasurer** assume there is no fiscal impact from this proposal.

**Oversight** assumes this proposal creates three new state funds: the St. Louis Area Education Authority Fund, the Jackson County Education Authority Fund and the Statewide Education Authority Fund. These Funds can receive gifts, bequests, and public or private donations. The Funds are to be used to help with the coordination of student transfers and the payment of the executive directors salaries. Oversight assumes that all money received by these Funds will be used upon receipt.

§171.031 Extended Learning Time Program

Officials at the **DESE** assume this creates the "Extended Learning Time Fund" and refers to money appropriated by the state. This is an unknown amount but could exceed \$100,000.

**Oversight** assumes this proposal creates the Extended Learning Time Fund that can have money appropriated to it and receive gifts, bequests, and public or private donations. The Fund is to be used to help pay the costs of a longer school day. Oversight assumes that all money received by the Fund will be used upon receipt.

ASSUMPTION (continued)

Bill as a Whole

Officials at the **Special School District** assume there is no fiscal impact from this proposal.

Officials at the following schools: Blue Springs Public Schools, Branson Public Schools, Caruthersville School District, Charleston R-I Schools, Cole R-I Schools, Columbia Public Schools, Fair Grove Schools, Francis Howell Public Schools, Fulton Public School, Harrisonville School District, Independence Public Schools, Jefferson City Public Schools, Kansas City Public Schools, Kirksville Public Schools, Kirbyville R-VI Schools, Lee Summit Public Schools, Macon School, Malta Bend Schools, Mexico Public Schools, Monroe City R-I Schools, Nixa Public Schools, Parkway Public Schools, Pattonville Schools, Raymore-Peculiar R-III Schools, Raytown School District, Riverview Gardens School District, Sedalia School District, Sikeston Public Schools, Silex Public Schools, Spickard School District, Springfield School District, St Joseph School District, St Louis Public Schools, St. Charles Public Schools, Sullivan Public Schools, Warren County R-III School District and Waynesville Public School did not respond to **Oversight's** request for fiscal impact.

Officials at the following charter schools: Allen Village School, Carondelet Leadership Academy and the KIPP Endeavor Academy of Kansas City did not respond to **Oversight's** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2016	FY 2017	FY 2018
<b>GENERAL REVENUE</b>			
<u>Transfer Out</u> - to the MO Parent/Teacher Involvement Program Fund §161.954	(Could exceed \$100,000)	(Could exceed \$100,000)	(Could exceed \$100,000)
<u>Transfer Out</u> - to the Supplemental Tuition Fund §167.826	(\$2,500,000)	(\$2,500,000)	(\$2,500,000)
<u>Transfer Out</u> - to the Extended Learning Time Fund §171.031	(Could exceed \$100,000)	(Could exceed \$100,000)	(Could exceed \$100,000)
Costs - DESE - one-time computer upgrades §§161.238 & 167.127	(\$77,000)	\$0	\$0
<u>Costs</u> - DESE §167.730			
Personal Service	(\$37,968)	(\$38,348)	(\$38,731)
Fringe Benefits	(\$19,745)	(\$19,943)	(\$20,142)
Equipment and Expenses	(\$7,763)	(\$7,308)	(\$7,491)
Date Collection Expenses	(\$10,000)	\$0	\$0
<u>Total Costs - DESE</u>	<u>(\$75,476)</u>	<u>(\$65,599)</u>	<u>(\$66,364)</u>
FTE Change - DESE	1 FTE	1 FTE	1 FTE
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b>(Could exceed <u>\$2,852,476</u>)</b>	<b>(Could exceed <u>\$2,765,599</u>)</b>	<b>(Could exceed <u>\$2,766,364</u>)</b>
Estimated Net FTE Change on General Revenue	1 FTE	1 FTE	1 FTE



FISCAL IMPACT - State Government  
(continued)

FY 2016

FY 2017

FY 2018

**MISSOURI PARENT/TEACHER  
INVOLVEMENT PROGRAM FUND**

<u>Transfer In</u> - from General Revenue §161.954	Could exceed \$100,000	Could exceed \$100,000	Could exceed \$100,000
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<u>Revenue</u> - gifts, bequests and public or private donations §161.954	Could exceed \$100,000	Could exceed \$100,000	Could exceed \$100,000
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<u>Transfer Out</u> - School Districts - grants to improve school relationships §161.954	(Could exceed <u>\$100,000</u> )	(Could exceed <u>\$100,000</u> )	(Could exceed <u>\$100,000</u> )
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**ESTIMATED NET EFFECT ON THE  
MISSOURI PARENT/TEACHER  
INVOLVEMENT PROGRAM FUND**

\$0

\$0

\$0

**SCHOOL DISTRICT  
IMPROVEMENT FUND**

<u>Revenue</u> - gifts, bequests and public or private donations §167.685	Could exceed \$100,000	Could exceed \$100,000	Could exceed \$100,000
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<u>Transfer Out</u> - School Districts - for free tutoring and supplemental educational services §167.685	(Could exceed <u>\$100,000</u> )	(Could exceed <u>\$100,000</u> )	(Could exceed <u>\$100,000</u> )
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**ESTIMATED NET EFFECT ON THE  
SCHOOL DISTRICT  
IMPROVEMENT FUND**

\$0

\$0

\$0

FISCAL IMPACT - State Government  
 (continued)

FY 2016

FY 2017

FY 2018

**SUPPLEMENTAL TUITION FUND**

Transfer In - from General Revenue  
 §167.826

\$2,500,000

\$2,500,000

\$2,500,000

Revenue - gifts, bequests and public or  
 private donations §167.826

Could exceed  
 \$100,000

Could exceed  
 \$100,000

Could exceed  
 \$100,000

Transfer Out - School Districts - tuition  
 reimbursement rate §167.826

(Could exceed  
\$2,500,000)

(Could exceed  
\$2,500,000)

(Could exceed  
\$2,500,000)

**ESTIMATED NET EFFECT ON  
 SUPPLEMENTAL TUITION FUND**

\$0

\$0

\$0

**ST LOUIS AREA EDUCATION  
 FUND**

Revenue - gifts, bequests and public or  
 private donations §167.833

Could exceed  
 \$100,000

Could exceed  
 \$100,000

Could exceed  
 \$100,000

Costs - operation of the St. Louis  
 education authority §167.833

(Could exceed  
\$100,000)

(Could exceed  
\$100,000)

(Could exceed  
\$100,000)

**ESTIMATED NET EFFECT ON THE  
 ST. LOUIS AREA EDUCATION  
 FUND**

\$0

\$0

\$0

FISCAL IMPACT - State Government  
 (continued)

FY 2016

FY 2017

FY 2018

**JACKSON COUNTY EDUCATION  
 AUTHORITY FUND**

Revenue - gifts, bequests and public or  
 private donations §167.839

Could exceed  
\$100,000

Could exceed  
\$100,000

Could exceed  
\$100,000

Costs - operation of the Jackson County  
 education authority §167.839

(Could exceed  
\$100,000)

(Could exceed  
\$100,000)

(Could exceed  
\$100,000)

**ESTIMATED NET EFFECT ON THE  
 JACKSON COUNTY EDUCATION  
 AUTHORITY FUND**

\$0

\$0

\$0

**STATEWIDE EDUCATION  
 AUTHORITY FUND**

Revenue - gifts, bequests and public or  
 private donations §167.845

Could exceed  
\$100,000

Could exceed  
\$100,000

Could exceed  
\$100,000

Costs - operation of the Statewide  
 education authority §167.845

(Could exceed  
\$100,000)

(Could exceed  
\$100,000)

(Could exceed  
\$100,000)

**ESTIMATED NET EFFECT ON THE  
 STATEWIDE EDUCATION  
 AUTHORITY FUND**

\$0

\$0

\$0

<u>FISCAL IMPACT - State Government</u> (continued)	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>
<b>EXTENDED LEARNING TIME FUND</b>			
<u>Transfer In</u> - from General Revenue §171.031	Could exceed \$100,000	Could exceed \$100,000	Could exceed \$100,000
<u>Revenue</u> - gifts, bequests and public or private donations §171.031	Could exceed \$100,000	Could exceed \$100,000	Could exceed \$100,000
<u>Transfer Out</u> - School Districts - administration of the extended learning time §171.031	(Could exceed <u>\$100,000</u> )	(Could exceed <u>\$100,000</u> )	(Could exceed <u>\$100,000</u> )
<b>ESTIMATED NET EFFECT ON THE EXTENDED LEARNING TIME FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

<u>FISCAL IMPACT - Local Government</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>
<b>LOCAL SCHOOL DISTRICTS</b>			
<u>Transfer In</u> - Missouri Parent/Teacher Improvement Program Fund §161.954	Could exceed \$100,000	Could exceed \$100,000	Could exceed \$100,000
<u>Transfer In</u> - School District Improvement Fund §167.685	Could exceed \$100,000	Could exceed \$100,000	Could exceed \$100,000
<u>Transfer In</u> - Supplemental Tuition Fund §167.826	Could exceed \$2,500,000	Could exceed \$2,500,000	Could exceed \$2,500,000
<u>Transfer In</u> - Extended Learning Time Fund §171.031	Could exceed \$100,000	Could exceed \$100,000	Could exceed \$100,000
<u>Costs</u> - School Districts - grants to improve relationships between schools and families §161.954	(Could exceed \$100,000)	(Could exceed \$100,000)	(Could exceed \$100,000)
<u>Costs</u> - School Districts - parent notifications and home visits §162.1313	(Could exceed \$100,000)	(Could exceed \$100,000)	(Could exceed \$100,000)
<u>Costs</u> - School Districts - for free tutoring and supplemental educational services §167.685	(Could exceed \$100,000)	(Could exceed \$100,000)	(Could exceed \$100,000)
<u>Costs</u> - School Districts - reading recovery §167.730	\$0	(\$9,660,000)	(\$9,660,000)
<u>Costs</u> - School Districts - personalized learning plans §167.730	(\$585,000)	\$0	\$0
<u>Costs</u> - School Districts - 10% tuition reimbursement	(Could exceed \$2,500,000)	(Could exceed \$2,500,000)	(Could exceed \$2,500,000)

<u>FISCAL IMPACT - Local Government</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>
(continued)			
<b>LOCAL SCHOOL DISTRICTS</b>			
<b>continued</b>			
<u>Costs</u> - School Districts - administration of extended learning time §171.031	(Could exceed <u>\$100,000</u> )	(Could exceed <u>\$100,000</u> )	(Could exceed <u>\$100,000</u> )
<b>ESTIMATED NET EFFECT ON LOCAL SCHOOL DISTRICTS</b>	<b>(Could exceed <u>\$685,000</u>)</b>	<b>(Could exceed <u>\$9,760,000</u>)</b>	<b>(Could exceed <u>\$9,760,000</u>)</b>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This act modifies provisions relating to elementary and secondary education.

**School Building Accreditation:** The State Board of Education must adopt a system of classification that accredits individual school buildings within a district separately from the district as a whole. (§161.238)

**Missouri Parent/teacher Involvement Program:** This act creates the Missouri Parent/Teacher Involvement Program to provide grant awards to schools to develop and build trusting relationships between families and school staff. The goal of the program is to improve the academic and social success of pupils. The Department of Elementary and Secondary Education must coordinate and administer the program. Priority for distribution of grant moneys will be given to unaccredited and provisionally accredited school districts.

Schools serving grades K-12 must operate programs that meet the following requirements: at least fifty percent of the staff employed at the school site must voluntarily agree to participate in home visits; prior to the commencement of home visits, a school must establish a compact in which parents and legal guardians agree to participate in periodic home visits; a teacher who participates in the program must receive certain training, as described in the act; school personnel must be compensated for their participation in home visits, as described in the act; and all home visits must be conducted by a pair or team that includes the pupil's classroom teacher and one other full-time school employee.

FISCAL DESCRIPTION (continued)

Beginning in the 2016-2017 school year, each school board must adopt a policy on parental involvement in the schools of the district. The policy must be designed to build consistent and effective communication between the parents and guardians of district pupils and the teachers and administrators. The policy must provide the opportunity for parents and guardians to be actively involved in the pupil's education, as described in the act. (§§161.950 to 161.956)

The provisions of this program will sunset in six years unless reauthorized.

Parent Notification of Unaccredited District Status: When a district or school building becomes unaccredited, the district must promptly notify the parent or guardian of students enrolled in the district or school and district taxpayers. The notice must also include an explanation of the option to transfer to another accredited school in the district or to another accredited district, 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. (§162.1310)

Home Visits: The school board of any district that operates an unaccredited school, provisionally accredited school, or any school with a three year average annual performance report consistent with unaccredited or provisionally accredited must adopt a policy regarding the availability of home visits by school personnel. The school board's policy must provide that the parent or guardian of a student enrolled in any such school will be offered the opportunity to have at least one annual home visit. (§162.1313)

Use of Certain Data from Neglected Children and Delinquent Children in the Aggregate Data of a School District: This act restricts the Department of Elementary and Secondary Education from creating a report or publication related to the Missouri School Improvement Program that includes the data of any children in facilities serving neglected children or delinquent children in a district's aggregate scores unless the Department creates an annotation with the data collected only from the district's regularly enrolled students and an explanation. (§167.127)

School District Improvement Measures: Any unaccredited district, provisionally accredited district, or any district with a three year average annual performance report score consistent with unaccredited or provisionally accredited must offer free tutoring and supplemental education services to underperforming and struggling students. In addition, such a district or school 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; or enter into a collaborative relationship with an accredited district in which teachers from both districts exchange positions

FISCAL DESCRIPTION (continued)

for two school weeks. (§§167.685 & 167.687)

Reading, Personalized Learning Plans, Student Retention: This act requires, beginning July 1, 2016, 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, 2016, 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 such district 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. (§167.730)

Any student enrolled in and attending an unaccredited school 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



FISCAL DESCRIPTION (continued)

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. (§167.825)

If a student residing in an unaccredited district and living within the attendance boundaries of an unaccredited school is unable to transfer to an accredited school within his or her district of residence, he or she may transfer to an accredited school in an accredited district in the same or an adjoining county. To be eligible to transfer, the student must provide proof that he or she has resided in the unaccredited district and within the attendance boundaries of an unaccredited school for at least twelve months. (§167.826)

Provisionally accredited districts, provisionally accredited schools, unaccredited districts, and unaccredited schools 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. (§167.826)

The district of residence must pay the student's tuition, as calculated in the act. However, 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. If any receiving district chooses to charge a rate of tuition that is at least thirty percent less than the rate of tuition that would otherwise be calculated, 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.

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. (§167.826)

Each district has the right to establish a policy for desirable class size and student-teacher ratios and will not be required to accept any transfer students that would violate its policy. 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 must review the policy's appropriateness and may limit it. The State Board must give special consideration to a district with a greater than average population of students who qualify for free and reduced lunch. The State Board's decision is final. (§167.826)

FISCAL DESCRIPTION (continued)

Unaccredited districts are required to contract with any special school district located in the same or an adjoining county for the reimbursement of special education services provided by the special school district for transfer students who are residents of the unaccredited district. (§167.826)

By January 1 annually, each accredited school district in the same or an adjoining county as an unaccredited district 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 to an accredited district. 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 to accredited districts, 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 who have already transferred to an accredited school. Next, the education authority will assign transfers in the order in which they are received. Finally, if insufficient enrollment slots are available, any students who are not able to transfer will receive first priority the following year. If sufficient enrollment slots are available, the education authority will provide each student a choice of three accredited schools. An education authority may deny a transfer to a student with a history of school discipline policy violations. (§167.827)

Regional Education Authorities: This act creates three separate regional education authorities to coordinate student transfers from unaccredited districts to accredited districts, one for St. Louis County and St. Louis City, a second authority for Jackson County, and a third authority for the rest of the state. Each authority will consist of three 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, as described in the act. 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. The education authority will assign students to districts using an admissions process, as described in the act. (§§167.830 to 167.845)

Length of School Day and Hours of Instruction: The school board of any district with a provisionally accredited school or unaccredited school may, by a majority vote, increase the length of the school day by ten percent and also increase the number of instruction hours above the statutory minimum requirement of 1044 hours. To be eligible to do this, the school must have a student population in which seventy-five percent of the students are eligible for free and reduced lunch, or have been eligible for free and reduced lunch in any of the previous three years. This act creates the Extended Learning Time Fund in the state treasury. Money in the fund will

FISCAL DESCRIPTION (continued)

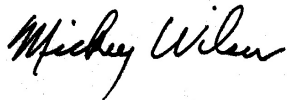
be used for schools that extend their school day or hours of instruction. (§171.031)

This act contains an emergency clause.

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

SOURCES OF INFORMATION

Department of Elementary and Secondary Education  
Office of the Governor  
Office of State Treasurer  
Special School District of St. Louis



Mickey Wilson, CPA  
Director  
January 20, 2015

Ross Strobe  
Assistant Director  
January 20, 2015