

SECOND REGULAR SESSION  
SENATE COMMITTEE SUBSTITUTE FOR  
**SENATE BILL NO. 996**  
98TH GENERAL ASSEMBLY

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Reported from the Committee on Education, March 31, 2016, with recommendation that the Senate Committee Substitute do pass.

ADRIANE D. CROUSE, Secretary.

4460S.03C

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**AN ACT**

To repeal section 160.415, RSMo, and to enact in lieu thereof one new section relating to distribution of state school aid for charter schools, with an emergency clause.

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

Section A. Section 160.415, RSMo, is repealed and one new section  
2 enacted in lieu thereof, to be known as section 160.415, to read as follows:

160.415. 1. For the purposes of calculation and distribution of state  
2 school aid under section 163.031, pupils enrolled in a charter school shall be  
3 included in the pupil enrollment of the school district within which each pupil  
4 resides. Each charter school shall report the names, addresses, and eligibility for  
5 free and reduced lunch, special education, or limited English proficiency status,  
6 as well as eligibility for categorical aid, of pupils resident in a school district who  
7 are enrolled in the charter school to the school district in which those pupils  
8 reside. The charter school shall report the average daily attendance data, free  
9 and reduced lunch count, special education pupil count, and limited English  
10 proficiency pupil count to the state department of elementary and secondary  
11 education. Each charter school shall promptly notify the state department of  
12 elementary and secondary education and the pupil's school district when a  
13 student discontinues enrollment at a charter school.

14 2. Except as provided in subsections 3 and 4 of this section, the aid  
15 payments for charter schools shall be as described in this subsection.

16 (1) A school district having one or more resident pupils attending a  
17 charter school shall pay to the charter school an annual amount equal to the  
18 product of the charter school's weighted average daily attendance and the state  
19 adequacy target, multiplied by the dollar value modifier for the district, plus local

20 tax revenues per weighted average daily attendance from the incidental and  
21 teachers' funds in excess of the performance levy as defined in section 163.011  
22 plus all other state aid attributable to such pupils.

23 (2) The district of residence of a pupil attending a charter school shall also  
24 pay to the charter school any other federal or state aid that the district receives  
25 on account of such child.

26 (3) If the department overpays or underpays the amount due to the  
27 charter school, such overpayment or underpayment shall be repaid by the public  
28 charter school or credited to the public charter school in twelve equal payments  
29 in the next fiscal year.

30 (4) The amounts provided pursuant to this subsection shall be prorated  
31 for partial year enrollment for a pupil.

32 (5) A school district shall pay the amounts due pursuant to this subsection  
33 as the disbursal agent and no later than twenty days following the receipt of any  
34 such funds. The department of elementary and secondary education shall pay the  
35 amounts due when it acts as the disbursal agent within five days of the required  
36 due date.

37 3. A workplace charter school shall receive payment for each eligible pupil  
38 as provided under subsection 2 of this section, except that if the student is not a  
39 resident of the district and is participating in a voluntary interdistrict transfer  
40 program, the payment for such pupils shall be the same as provided under section  
41 162.1060.

42 4. A charter school that has declared itself as a local educational agency  
43 shall receive from the department of elementary and secondary education an  
44 annual amount equal to the product of the charter school's weighted average daily  
45 attendance and the state adequacy target, multiplied by the dollar value modifier  
46 for the district, plus local tax revenues per weighted average daily attendance  
47 from the incidental and teachers funds in excess of the performance levy as  
48 defined in section 163.011 **except those funds designated by taxpayers in**  
49 **an urban district as early childhood education funds**, plus all other state  
50 aid attributable to such pupils. If a charter school declares itself as a local  
51 education agency, the department of elementary and secondary education shall,  
52 upon notice of the declaration, reduce the payment made to the school district by  
53 the amount specified in this subsection and pay directly to the charter school the  
54 annual amount reduced from the school district's payment.

55 5. If a school district fails to make timely payments of any amount for

56 which it is the disbursal agent, the state department of elementary and secondary  
57 education shall authorize payment to the charter school of the amount due  
58 pursuant to subsection 2 of this section and shall deduct the same amount from  
59 the next state school aid apportionment to the owing school district. If a charter  
60 school is paid more or less than the amounts due pursuant to this section, the  
61 amount of overpayment or underpayment shall be adjusted equally in the next  
62 twelve payments by the school district or the department of elementary and  
63 secondary education, as appropriate. Any dispute between the school district and  
64 a charter school as to the amount owing to the charter school shall be resolved by  
65 the department of elementary and secondary education, and the department's  
66 decision shall be the final administrative action for the purposes of review  
67 pursuant to chapter 536. During the period of dispute, the department of  
68 elementary and secondary education shall make every administrative and  
69 statutory effort to allow the continued education of children in their current  
70 public charter school setting.

71         6. The charter school and a local school board may agree by contract for  
72 services to be provided by the school district to the charter school. The charter  
73 school may contract with any other entity for services. Such services may include  
74 but are not limited to food service, custodial service, maintenance, management  
75 assistance, curriculum assistance, media services and libraries and shall be  
76 subject to negotiation between the charter school and the local school board or  
77 other entity. Documented actual costs of such services shall be paid for by the  
78 charter school.

79         7. In the case of a proposed charter school that intends to contract with  
80 an education service provider for substantial educational services, management  
81 services, the request for proposals shall additionally require the charter school  
82 applicant to:

83             (1) Provide evidence of the education service provider's success in serving  
84 student populations similar to the targeted population, including demonstrated  
85 academic achievement as well as successful management of nonacademic school  
86 functions, if applicable;

87             (2) Provide a term sheet setting forth the proposed duration of the service  
88 contract; roles and responsibilities of the governing board, the school staff, and  
89 the service provider; scope of services and resources to be provided by the service  
90 provider; performance evaluation measures and time lines; compensation  
91 structure, including clear identification of all fees to be paid to the service

92 provider; methods of contract oversight and enforcement; investment disclosure;  
93 and conditions for renewal and termination of the contract;

94 (3) Disclose any known conflicts of interest between the school governing  
95 board and proposed service provider or any affiliated business entities;

96 (4) Disclose and explain any termination or nonrenewal of contracts for  
97 equivalent services for any other charter school in the United States within the  
98 past five years;

99 (5) Ensure that the legal counsel for the charter school shall report  
100 directly to the charter school's governing board; and

101 (6) Provide a process to ensure that the expenditures that the educational  
102 service provider intends to bill to the charter school shall receive prior approval  
103 of the governing board or its designee.

104 8. A charter school may enter into contracts with community partnerships  
105 and state agencies acting in collaboration with such partnerships that provide  
106 services to children and their families linked to the school.

107 9. A charter school shall be eligible for transportation state aid pursuant  
108 to section 163.161 and shall be free to contract with the local district, or any  
109 other entity, for the provision of transportation to the students of the charter  
110 school.

111 10. (1) The proportionate share of state and federal resources generated  
112 by students with disabilities or staff serving them shall be paid in full to charter  
113 schools enrolling those students by their school district where such enrollment is  
114 through a contract for services described in this section. The proportionate share  
115 of money generated under other federal or state categorical aid programs shall  
116 be directed to charter schools serving such students eligible for that aid.

117 (2) A charter school shall provide the special services provided pursuant  
118 to section 162.705 and may provide the special services pursuant to a contract  
119 with a school district or any provider of such services.

120 11. A charter school may not charge tuition, nor may it impose fees that  
121 a school district is prohibited from imposing.

122 12. A charter school is authorized to incur debt in anticipation of receipt  
123 of funds. A charter school may also borrow to finance facilities and other capital  
124 items. A school district may incur bonded indebtedness or take other measures  
125 to provide for physical facilities and other capital items for charter schools that  
126 it sponsors or contracts with. Upon the dissolution of a charter school, any  
127 liabilities of the corporation will be satisfied through the procedures of chapter

128 355. The department of elementary and secondary education may withhold  
129 funding at a level the department determines to be adequate during a school's  
130 last year of operation until the department determines that school records,  
131 liabilities, and reporting requirements, including a full audit, are satisfied.

132 13. Charter schools shall not have the power to acquire property by  
133 eminent domain.

134 14. The governing body of a charter school is authorized to accept grants,  
135 gifts or donations of any kind and to expend or use such grants, gifts or  
136 donations. A grant, gift or donation may not be accepted by the governing body  
137 if it is subject to any condition contrary to law applicable to the charter school or  
138 other public schools, or contrary to the terms of the charter.

Section B. Because of the importance of early childhood education, section  
2 A of this act is deemed necessary for the immediate preservation of the public  
3 health, welfare, peace and safety, and is hereby declared to be an emergency act  
4 within the meaning of the constitution, and section A of this act shall be in full  
5 force and effect upon its passage and approval.

Bill ✓

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