### FIRST REGULAR SESSION

# **SENATE BILL NO. 510**

### 91ST GENERAL ASSEMBLY

INTRODUCED BY SENATOR KENNEY.

Read 1st time February 19, 2001, and 1,000 copies ordered printed.

TERRY L. SPIELER, Secretary.

2001S.02I

# AN ACT

To repeal sections 105.269, 160.400 and 160.415, RSMo 2000, relating to charter schools, and to enact in lieu thereof three new sections relating to the same subject.

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

Section A. Sections 105.269, 160.400 and 160.415, RSMo 2000, are repealed and three new sections enacted in lieu thereof, to be known as sections 105.269, 160.400 and 160.415, to read as follows:

105.269. 1. [Any metropolitan school district who has individuals who work in said district which are employed by the state of Missouri who participate in the volunteer tutoring program as provided in said section and which has at least a five percent shortage of certified teachers may apply to the department of elementary and secondary education for waivers to allow retired teachers to teach in said metropolitan school district for up to two years without losing his or her retirement benefits. Said retired teacher need not be in the teacher's salary scale. Said metropolitan school district shall place an emphasis on hiring retired teachers to teach in areas that include but are not limited to, improving student reading, which may include elementary remedial reading and the "Read to be Ready Program" as established under this act, math, science and special education.

- 2. The department of elementary and secondary education shall adopt rules to implement the provisions of this section.
- 3. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo, that is created under the authority delegated in this section and section 167.640, RSMo, shall become effective only if it complies with and is subject to all of the provisions of chapter 536, RSMo, and,

EXPLANATION--Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

if applicable, section 536.028, RSMo. This section and section 167.640, RSMo, and chapter 536, RSMo, are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536, RSMo, to review, to delay the effective date or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 1999, shall be invalid and void.] Any school district with a shortage of certified teachers, as determined by the school district, may allow retired certificated teachers from any Missouri public teacher retirement system to teach full-time for up to two years while continuing to receive retirement benefits. The total number of such retired certificated teachers shall not exceed, at any one time, the greater of ten percent of the total teacher staff for that school district or five persons. Any retired certificated teacher hired pursuant to this section shall be included in the State Directory of New Hires for purposes of income and eligibility verification pursuant to 42 U.S.C. Section 1320b-7.

- 2. Any school district may employ retirees receiving a retirement allowance pursuant to sections 169.600 to 169.715, RSMo, for a period of up to two years while such retirees continue to receive retirement benefits.
- 3. No person shall be employed pursuant to this section until the affected retirement system has completed actuarial study assuring that the provisions are costneutral and the systems remain actuarially sound. All necessary costs shall be paid by the hiring school district and shall not exceed the school district's statutory cost limitations.
  - 160.400. 1. A charter school is an independent, publicly supported school.
- 2. Charter schools may be operated only in a metropolitan school district or in an urban school district containing most or all of a city with a population greater than three hundred fifty thousand inhabitants and may be sponsored by any of the following:
  - (1) The school board of the district;
- (2) A public four-year college or university with its primary campus in the school district or in a county adjacent to the county in which the district is located, with an approved teacher education program that meets regional or national standards of accreditation; or
  - (3) A community college located in the district.
- 3. A maximum of five percent of the school buildings currently in use for instructional purposes in a district may be converted to charter schools. This limitation does not apply to vacant buildings or buildings not used for instructional purposes. An urban school district which leases vacant building space to charter schools shall lease all such vacant building space to charter schools on substantially equivalent terms and for substantially equivalent compensation. An urban school district shall negotiate, in good faith, a fair market price for any property that is vacant and make it available for lease to any

# charter school located within said district.

- 4. No sponsor shall receive from an applicant for a charter school any fee of any type for the consideration of a charter, nor may a sponsor condition its consideration of a charter on the promise of future payment of any kind.
- 5. The charter school shall be a Missouri nonprofit corporation incorporated pursuant to chapter 355, RSMo. The charter provided for herein shall constitute a contract between the sponsor and the charter school.
- 6. As a nonprofit corporation incorporated pursuant to chapter 355, RSMo, the charter school shall select the method for election of officers pursuant to section 355.326, RSMo, based on the class of corporation selected. Meetings of the governing board of the charter school shall be subject to the provisions of sections 610.010 to 610.030, RSMo, the open meetings law.
- 7. A sponsor of a charter school, its agents and employees are not liable for any acts or omissions of a charter school that it sponsors, including acts or omissions relating to the charter submitted by the charter school, the operation of the charter school and the performance of the charter school.
- 8. A charter school may affiliate with a four-year college or university, including a private college or university, or a community college as otherwise specified in subsection 2 of this section when its charter is granted by a sponsor other than such college, university or community college. Affiliation status recognizes a relationship between the charter school and the college or university for purposes of teacher training and staff development, curriculum and assessment development, use of physical facilities owned by or rented on behalf of the college or university, and other similar purposes. The primary campus of the college or university must be located within the county in which the school district lies wherein the charter school is located or in a county adjacent to the county in which the district is located. A university, college or community college may not charge or accept a fee for affiliation status.
- 9. There is hereby established a "Charter School Sponsor Oversight and Accountability Fund". The state treasurer shall, on the first business day of each fiscal year, transfer, from general revenue to the charter school sponsorship oversight and accountability fund, an amount equal to the sum of the number of charter schools which have an approved charter, as reported to the state board of education as of the date of the transfer, multiplied by twenty-three thousand four hundred dollars, plus the sum of the number of students enrolled in each charter school established pursuant to sections 160.400 to 160.420 and in operation during the preceding school year multiplied by one-half of one percent of the per pupil operating revenue for the preceding year for the school district where each such charter school was located. The fund shall be subject to appropriation. The coordinating board of higher education shall establish, by rule, and administer a grant-based funding program for reimbursing costs of school

districts and higher education institutions sponsoring charter schools pursuant to this section. Charter school sponsors may apply to the coordinating board each year, no later than August first, to receive a grant for each charter school which it sponsored the preceding year. The grant application shall meet the requirements established pursuant to this section. The amount of each annual grant for an approved application shall be equal to the sum of twenty-three thousand four hundred dollars, plus the number of students enrolled in the charter school during the preceding school year multiplied by one-half of one percent of the per pupil operating revenue for the preceding school year for the school district where the charter school was located. The grant shall be used for providing charter school sponsorship oversight and accountability functions related to the charter granted to the charter school. If the funding is insufficient in any year to fund all eligible, fundable grant applications, all grant awards shall be uniformly prorated until the total amount of grant awards matches the available funds. Any available funding in excess of the total of eligible, fundable grant applications shall be retained in the fund the following year and counted as current year transferred funds for the purpose of reducing the amount of the transfer authorized pursuant to this subsection.

- **10.** No university, college or community college shall grant a charter to a nonprofit corporation if an employee of the university, college or community college is a member of the corporation's board of directors.
- 160.415. 1. For the purposes of calculation and distribution of state school aid under section 163.031, RSMo, pupils enrolled in a charter school shall be included in the pupil enrollment of the school district within which each pupil resides. Each charter school shall report the names, addresses, and eligibility for free or reduced-price lunch or other categorical aid, of pupils resident in a school district who are enrolled in the charter school to the school district in which those pupils reside and to the state department of elementary and secondary education. Each charter school shall promptly notify the state department of elementary and secondary education and the pupil's school district when a student discontinues enrollment at a charter school.
- 2. (1) A school district having one or more resident pupils attending a charter school shall pay to the charter school an annual amount equal to the product of the equalized, adjusted operating levy for school purposes for the pupils' district of residence for the current year times the guaranteed tax base per eligible pupil, as defined in section 163.011, RSMo, times the number of the district's resident pupils attending the charter school plus all other state aid attributable to such pupils, including summer school, if applicable, and all aid provided pursuant to section 163.031, RSMo.
- (2) The district of residence of a pupil attending a charter school shall also pay to the charter school any other federal or state aid that the district receives on account of such child.

- (3) The amounts provided pursuant to this subsection shall be prorated for partial year enrollment for a pupil.
- (4) A school district shall pay the amounts due pursuant to this subsection as the disbursal agent and no later than twenty days following receipt of any such funds.
- (5) **For a charter school located in a building owned by a school district,** the per-pupil amount paid by a school district to a charter school shall be reduced by the amount per pupil determined by the state board of education to be needed by the district in the current year for repayment of leasehold revenue bonds obligated pursuant to a federal court desegregation action.
- 3. If a school district fails to make timely payments of any amount for which it is the disbursal agent, the state department of elementary and secondary education shall authorize payment to the charter school of the amount due pursuant to subsection 2 of this section and shall deduct the same amount from the next state school aid apportionment to the owing school district. If a charter school is paid more or less than the amounts due pursuant to subsection 2 of this section, the amount of overpayment or underpayment shall be adjusted in its next payment by the school district or the department of elementary and secondary education, as appropriate. Any dispute between the school district and a charter school as to the amount owing to the charter school shall be resolved by the department of elementary and secondary education, and the department's decision shall be the final administrative action for the purposes of review pursuant to chapter 536, RSMo.
- 4. The charter school and a local school board may agree by contract for services to be provided by the school district to the charter school. The charter school may contract with any other entity for services. Such services may include but are not limited to food service, custodial service, maintenance, management assistance, curriculum assistance, media services and libraries and shall be subject to negotiation between the charter school and the local school board or other entity. Documented actual costs of such services shall be paid for by the charter school.
- 5. A charter school may enter into contracts with community partnerships and state agencies acting in collaboration with such partnerships that provide services to children and their families linked to the school.
- 6. A charter school shall be eligible for transportation state aid pursuant to section 163.161, RSMo, and shall be free to contract with the local district, or any other entity, for the provision of transportation to the students of the charter school.
- 7. (1) The proportionate share of state and federal resources generated by students with disabilities or staff serving them shall be paid in full to charter schools enrolling those students by their school district where such enrollment is through a contract for services described in this section. The proportionate share of money generated under other federal or state categorical aid programs shall be directed to charter schools serving such students eligible for that aid.

- (2) A charter school district shall provide the special services provided pursuant to section 162.705, RSMo, and may provide the special services pursuant to a contract with a school district or any provider of such services.
- 8. A charter school may not charge tuition, nor may it impose fees that a school district is prohibited from imposing.
- 9. A charter school is authorized to incur debt in anticipation of receipt of funds. A charter school may also borrow to finance facilities and other capital items. A school district may incur bonded indebtedness or take other measures to provide for physical facilities and other capital items for charter schools that it sponsors or contracts with. Upon the dissolution of a charter school, any liabilities of the corporation will be satisfied through the procedures of chapter 355, RSMo.
  - 10. Charter schools shall not have the power to acquire property by eminent domain.
- 11. The governing body of a charter school is authorized to accept grants, gifts or donations of any kind and to expend or use such grants, gifts or donations. A grant, gift or donation may not be accepted by the governing body if it is subject to any condition contrary to law applicable to the charter school or other public schools, or contrary to the terms of the charter.

Bill

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