

SECOND REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 576
96TH GENERAL ASSEMBLY

Reported from the Committee on Education, March 29, 2012, with recommendation that the Senate Committee Substitute do pass.

TERRY L. SPIELER, Secretary.

4705S.05C

AN ACT

To repeal sections 29.205, 160.400, 160.405, 160.410, 160.415, and 160.420, RSMo, and to enact in lieu thereof nine new sections relating to charter schools.

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

Section A. Sections 29.205, 160.400, 160.405, 160.410, 160.415, and
2 160.420, RSMo, are repealed and nine new sections enacted in lieu thereof, to be
3 known as sections 29.205, 160.400, 160.403, 160.405, 160.410, 160.415, 160.417,
4 160.420, and 160.425, to read as follows:

29.205. Notwithstanding any provision of law to the contrary, the state
2 auditor shall have the power to audit any school district **or charter school**
3 within the state in the same manner as the auditor may audit any agency of the
4 state.

160.400. 1. A charter school is an independent public school.

2 **2. Except as further provided in subsection 4 of this section,**
3 charter schools may be operated only:

4 **(1) In a metropolitan school district [or];**

5 **(2) In an urban school district containing most or all of a city with a**
6 **population greater than three hundred fifty thousand inhabitants [and may be**
7 **sponsored by any of the following];**

8 **(3) In a school district that has been declared unaccredited;**

9 **(4) In a provisionally accredited school district under the**
10 **following conditions:**

11 **(a) A school district is first eligible for charter schools after**
12 **three consecutive full school years in provisionally accredited status**
13 **beginning with the 2009-2010 accreditation year;**

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

14 **(b) The eligibility for charter schools of any school district**
15 **whose provisional accreditation is based in whole or in part on**
16 **financial stress as defined in sections 161.520 to 161.529, or on financial**
17 **hardship as defined by rule of the state board of education, shall be**
18 **decided by a vote of the state board of education during the third**
19 **consecutive school year after the designation of provisional**
20 **accreditation; and**

21 **(c) The sponsor is limited to the local school board or a sponsor**
22 **who has met the standards of accountability and performance as**
23 **determined by the department based on sections 160.400 to 160.425 and**
24 **section 167.349 and properly promulgated rules of the department; or**

25 **(5) In a school district that has been accredited without**
26 **provisions, sponsored only by the local school board.**

27 **3. Except as further provided in subsection 4 of this section, the**
28 **following entities are eligible to sponsor charter schools:**

29 **(1) The school board of the district in any district which is**
30 **sponsoring a charter school as of August 27, 2012, as permitted under**
31 **subdivision (1) or (2) of subsection 2 of this section, the special**
32 **administrative board of a metropolitan school district during any time**
33 **in which powers granted to the district's board of education are vested**
34 **in a special administrative board, or if the state board of education**
35 **appoints a special administrative board to retain the authority granted**
36 **to the board of education of an urban school district containing most**
37 **or all of a city with a population greater than three hundred fifty**
38 **thousand inhabitants, the special administrative board of such school**
39 **district;**

40 **(2) A public four-year college or university [with its primary campus in**
41 **the school district or in a county adjacent to the county in which the district is**
42 **located,] with an approved teacher education program that meets regional or**
43 **national standards of accreditation;**

44 **(3) A community college [located in], the service area of which**
45 **encompasses some portion of the district; [or]**

46 **(4) Any private four-year college or university [located in a city not within**
47 **a county] with an enrollment of at least one thousand students, with its**
48 **primary campus in Missouri, and with an approved teacher preparation**
49 **program;**

50 (5) Any two-year private vocational or technical school
51 designated as a 501(c)(3) nonprofit organization under the Internal
52 Revenue Code of 1986, as amended, which is a member of the North
53 Central Association and accredited by the Higher Learning
54 Commission, with its primary campus in Missouri; or

55 (6) The Missouri Charter Public School Commission created in
56 section 160.425.

57 4. Changes in a school district's accreditation status that affect
58 charter schools shall be addressed as follows, except for the districts
59 described in subdivisions (1) and (2) of subsection 2 of this section:

60 (1) As a district transitions from unaccredited to provisionally
61 accredited, the district shall continue to fall under the requirements
62 for an unaccredited district until it achieves three consecutive full
63 school years of provisional accreditation;

64 (2) As a district transitions from provisionally accredited to full
65 accreditation, the district shall continue to fall under the requirements
66 for a provisionally accredited district until it achieves three
67 consecutive full school years of full accreditation;

68 (3) In any school district classified as unaccredited or
69 provisionally accredited where a charter school is operating and is
70 sponsored by an entity other than the local school board, when the
71 school district becomes classified as accredited without provisions, a
72 charter school may continue to be sponsored by the entity sponsoring
73 it prior to the classification of accredited without provisions and shall
74 not be limited to the local school board as a sponsor. A charter school
75 operating in a school district identified in subdivision (1) or (2) of
76 subsection 2 of this section may be sponsored by any of the entities
77 identified in subsection 3 of this section, irrespective of the
78 accreditation classification of the district in which it is located. A
79 charter school in a district described in this subsection whose charter
80 provides for the addition of grade levels in subsequent years may
81 continue to add levels until the planned expansion is complete to the
82 extent of grade levels in comparable schools of the district in which the
83 charter school is operated.

84 [3.] 5. The mayor of a city not within a county may request a sponsor
85 under subdivision (2), (3), [or] (4), (5), or (6) of subsection [2] 3 of this section
86 to consider sponsoring a "workplace charter school", which is defined for purposes

87 of sections 160.400 to [160.420] **160.425** as a charter school with the ability to
88 target prospective students whose parent or parents are employed in a business
89 district, as defined in the charter, which is located in the city.

90 [4.] **6.** No sponsor shall receive from an applicant for a charter school any
91 fee of any type for the consideration of a charter, nor may a sponsor condition its
92 consideration of a charter on the promise of future payment of any kind.

93 [5.] **7.** The charter school shall be **organized as** a Missouri nonprofit
94 corporation incorporated pursuant to chapter 355. The charter provided for
95 herein shall constitute a contract between the sponsor and the charter school.

96 [6.] **8.** As a nonprofit corporation incorporated pursuant to chapter 355,
97 the charter school shall select the method for election of officers pursuant to
98 section 355.326 based on the class of corporation selected. Meetings of the
99 governing board of the charter school shall be subject to the provisions of sections
100 610.010 to 610.030[, the open meetings law].

101 [7.] **9.** A sponsor of a charter school, its agents and employees are not
102 liable for any acts or omissions of a charter school that it sponsors, including acts
103 or omissions relating to the charter submitted by the charter school, the operation
104 of the charter school and the performance of the charter school.

105 [8.] **10.** A charter school may affiliate with a four-year college or
106 university, including a private college or university, or a community college as
107 otherwise specified in subsection [2] **3** of this section when its charter is granted
108 by a sponsor other than such college, university or community college. Affiliation
109 status recognizes a relationship between the charter school and the college or
110 university for purposes of teacher training and staff development, curriculum and
111 assessment development, use of physical facilities owned by or rented on behalf
112 of the college or university, and other similar purposes. [The primary campus of
113 the college or university must be located within the county in which the school
114 district lies wherein the charter school is located or in a county adjacent to the
115 county in which the district is located.] A university, college or community college
116 may not charge or accept a fee for affiliation status.

117 [9.] **11.** The expenses associated with sponsorship of charter schools shall
118 be defrayed by the department of elementary and secondary education retaining
119 one and five-tenths percent of the amount of state and local funding allocated to
120 the charter school under section 160.415, not to exceed one hundred twenty-five
121 thousand dollars, adjusted for inflation. [Such amount shall not be withheld
122 when the sponsor is a school district or the state board of education.] The

123 department of elementary and secondary education shall remit the retained funds
124 for each charter school to the school's sponsor, provided the sponsor remains in
125 good standing by fulfilling its sponsorship obligations under sections 160.400 to
126 [160.420] **160.425** and 167.349 with regard to each charter school it sponsors,
127 including appropriate demonstration of the following:

128 (1) Expends no less than ninety percent of its charter school sponsorship
129 funds in support of its charter school sponsorship program, or as a direct
130 investment in the sponsored schools;

131 (2) Maintains a comprehensive application process that follows fair
132 procedures and rigorous criteria and grants charters only to those developers who
133 demonstrate strong capacity for establishing and operating a quality charter
134 school;

135 (3) Negotiates contracts with charter schools that clearly articulate the
136 rights and responsibilities of each party regarding school autonomy, expected
137 outcomes, measures for evaluating success or failure, performance consequences,
138 and other material terms;

139 (4) Conducts contract oversight that evaluates performance, monitors
140 compliance, informs intervention and renewal decisions, and ensures autonomy
141 provided under applicable law; and

142 (5) Designs and implements a transparent and rigorous process that uses
143 comprehensive data to make merit-based renewal decisions.

144 **12. Sponsors receiving funds under subsection 11 of this section**
145 **shall be required to submit annual reports to the joint committee on**
146 **education demonstrating they are in compliance with subsection 17 of**
147 **this section.**

148 [10.] **13.** No university, college or community college shall grant a charter
149 to a nonprofit corporation if an employee of the university, college or community
150 college is a member of the corporation's board of directors.

151 [11.] **14.** No sponsor shall grant a charter under sections 160.400 to
152 [160.420] **160.425** and 167.349 without ensuring that a criminal background
153 check and [child abuse] **family care safety** registry check are conducted for all
154 members of the governing board of the charter schools or the incorporators of the
155 charter school if initial directors are not named in the articles of incorporation,
156 nor shall a sponsor renew a charter without ensuring a criminal background
157 check and [child abuse] **family care** registry check are conducted for each
158 member of the governing board of the charter school.

159 [12.] **15.** No member of the governing board of a charter school shall hold
160 any office or employment from the board or the charter school while serving as
161 a member, nor shall the member have any substantial interest, as defined in
162 section 105.450, in any entity employed by or contracting with the board. No
163 board member shall be an employee of a company that provides substantial
164 services to the charter school. All members of the governing board of the charter
165 school shall be considered decision-making public servants as defined in section
166 105.450 for the purposes of the financial disclosure requirements contained in
167 sections 105.483, 105.485, 105.487, and 105.489.

168 [13. A sponsor shall provide timely submission to the state board of
169 education of all data necessary to demonstrate that the sponsor is in material
170 compliance with all requirements of sections 160.400 to 160.420 and 167.349.]

171 **16. A sponsor shall develop the policies and procedures for:**

172 **(1) The review of a charter school proposal including an**
173 **application that provides sufficient information for rigorous evaluation**
174 **of the proposed charter and provides clear documentation of a quality**
175 **education program, effective governance and management structures,**
176 **and a sustainable operational plan;**

177 **(2) The granting of a charter;**

178 **(3) The performance framework that the sponsor will use to**
179 **evaluate the performance of charter schools;**

180 **(4) The sponsor's intervention, renewal, and revocation policies,**
181 **including the conditions under which the charter sponsor may**
182 **intervene in the operation of the charter school, along with actions and**
183 **consequences that may ensue, and the conditions for renewal of the**
184 **charter at the end of the term, consistent with subsections 8 and 9 of**
185 **section 160.405;**

186 **(5) Additional criteria that the sponsor will use for ongoing**
187 **oversight of the charter; and**

188 **(6) Procedures to be implemented if a charter school should**
189 **close, consistent with the provisions of subdivision (15) of subsection**
190 **1 of section 160.405.**

191 **The department shall provide guidance to sponsors in developing such**
192 **policies and procedures.**

193 [14.] **17. (1) A sponsor shall provide timely submission to the**
194 **state board of education of all data necessary to demonstrate that the**

195 **sponsor is in material compliance with all requirements of sections**
196 **160.400 to 160.425 and section 167.349.** The state board of education shall
197 ensure each sponsor is in compliance with all requirements under sections
198 160.400 to [160.420] **160.425** and 167.349 for each charter school sponsored by
199 any sponsor. The state board shall notify each sponsor of the standards for
200 sponsorship of charter schools, delineating both what is mandated by statute and
201 what best practices dictate. [The state board, after a public hearing, may require
202 remedial action for a sponsor that it finds has not fulfilled its obligations of
203 sponsorship, such remedial actions including withholding the sponsor's funding
204 and suspending for a period of up to one year the sponsor's authority to sponsor
205 a school that it currently sponsors or to sponsor any additional school.] **The state**
206 **board shall evaluate sponsors to determine compliance with these**
207 **standards every three years. The evaluation shall include a sponsor's**
208 **policies and procedures in the areas of charter application approval;**
209 **required charter agreement terms and content; sponsor performance**
210 **evaluation and compliance monitoring; and charter renewal,**
211 **intervention, and revocation decisions. Nothing shall preclude the**
212 **department from undertaking an evaluation at any time for cause.**

213 **(2) If the department determines that a sponsor is in material**
214 **noncompliance with its sponsorship duties, the sponsor shall be**
215 **notified and given reasonable time for remediation. If remediation**
216 **does not address the compliance issues identified by the department,**
217 **the commissioner of education shall conduct a public hearing and**
218 **thereafter provide notice to the charter sponsor of corrective action**
219 **that will be recommended to the state board of education. Corrective**
220 **action by the department may include withholding the sponsor's**
221 **funding and suspending the sponsor's authority to sponsor a school**
222 **that it currently sponsors or to sponsor any additional school until the**
223 **sponsor is reauthorized by the state board of education under section**
224 **160.403.**

225 **(3) The charter sponsor may, within thirty days of receipt of the**
226 **notice of the commissioner's recommendation, provide a written**
227 **statement and other documentation to show cause as to why that action**
228 **should not be taken. Final determination of corrective action shall be**
229 **determined by the state board of education based upon a review of the**
230 **documentation submitted to the department and the charter sponsor.**

231 **(4) If the state board removes the authority to sponsor a currently**

232 operating charter school **under any provision of law**, the [state board]
233 **Missouri Charter Public School Commission** shall become the [interim]
234 sponsor of the school [for a period of up to three years until the school finds a
235 new sponsor or until the charter contract period lapses].

160.403. 1. The department of elementary and secondary
2 education shall establish an annual application and approval process
3 for all entities eligible to sponsor charters as set forth in section
4 160.400 which are not sponsoring a charter school as of August 28, 2012.
5 No later than January 1, 2013, the department shall make available
6 information and guidelines for all eligible sponsors concerning the
7 opportunity to apply for sponsoring authority under this section.

8 2. The application process for sponsorship shall require each
9 interested eligible sponsor to submit an application by April first that
10 includes the following:

11 (1) Written notification of intent to serve as a charter school
12 sponsor in accordance with sections 160.400 to 160.425 and section
13 167.349;

14 (2) Evidence of the applicant sponsor's budget and personnel
15 capacity;

16 (3) An outline of the request for proposal that the applicant
17 sponsor would, if approved as a charter sponsor, issue to solicit charter
18 school applicants consistent with sections 160.400 to 160.425;

19 (4) The performance framework that the applicant sponsor
20 would, if approved as a charter sponsor, use to guide the establishment
21 of a charter contract and for ongoing oversight and a description of
22 how it would evaluate the charter schools it sponsors; and

23 (5) The applicant sponsor's renewal, revocation, and nonrenewal
24 processes consistent with section 160.405.

25 3. By July first of each year, the department shall decide
26 whether to grant or deny a sponsoring authority to a sponsor
27 applicant. This decision shall be made based on the applicant charter's
28 compliance with sections 160.400 to 160.425 and properly promulgated
29 rules of the department.

30 4. Within thirty days of the department's decision, the
31 department shall execute a renewable sponsoring contract with each
32 entity it has approved as a sponsor. The term of each authorizing
33 contract shall be ten years and renewable. No eligible sponsor which

34 **is not currently sponsoring a charter school as of August 28, 2012, shall**
35 **commence charter sponsorship without approval from the state board**
36 **of education and a sponsor contract with the state board of education**
37 **in effect.**

160.405. 1. A person, group or organization seeking to establish a charter
2 school shall submit the proposed charter, as provided in this section, to a sponsor.
3 If the sponsor is not a school board, the applicant shall give a copy of its
4 application to the school board of the district in which the charter school is to be
5 located and to the state board of education, within five business days of the date
6 the application is filed with the proposed sponsor. The school board may file
7 objections with the proposed sponsor, and, if a charter is granted, the school
8 board may file objections with the state board of education. The charter shall **be**
9 **a legally binding performance contract that describes the obligations**
10 **and responsibilities of the school and the sponsor as outlined in**
11 **sections 160.400 to 160.425 and section 167.349 and shall also include:**

12 (1) A mission **and vision** statement for the charter school[.];

13 (2) A description of the charter school's organizational structure and
14 bylaws of the governing body, which will be responsible for the policy, **financial**
15 **management**, and operational decisions of the charter school, **including the**
16 **nature and extent of parental, professional educator, and community**
17 **involvement in the governance and operation of the charter school;**

18 (3) A financial plan for the first three years of operation of the charter
19 school including provisions for annual audits[.];

20 (4) A description of the charter school's policy for securing personnel
21 services, its personnel policies, personnel qualifications, and professional
22 development plan[.];

23 (5) A description of the grades or ages of students being served[.];

24 (6) The school's calendar of operation, which shall include at least the
25 equivalent of a full school term as defined in section 160.011[, and an outline of
26 criteria specified in this section designed to measure the effectiveness of the
27 school. The charter shall also state:

28 (1) The educational goals and objectives to be achieved by the charter
29 school];

30 [(2)] (7) A description of the charter school's pupil performance
31 standards and academic program performance standards, which shall
32 meet the requirements of subdivision (6) of subsection 4 of this

33 **section. The charter school program shall be designed to enable each**
34 **pupil to achieve such standards and shall contain a complete set of**
35 **indicators, measures, metrics, and targets for academic program**
36 **performance, including specific goals on graduation rates and**
37 **standardized test performance and academic growth;**

38 (8) A description of the charter school's educational program and
39 curriculum;

40 [(3)] (9) The term of the charter, which shall be [not less than] five
41 years[, nor greater than ten years] and shall be renewable;

42 [(4)] A description of the charter school's pupil performance standards,
43 which must meet the requirements of subdivision (6) of subsection 5 of this
44 section. The charter school program must be designed to enable each pupil to
45 achieve such standards;

46 (5) A description of the governance and operation of the charter school,
47 including the nature and extent of parental, professional educator, and
48 community involvement in the governance and operation of the charter school;
49 and]

50 (10) Procedures, consistent with the Missouri Financial
51 Accounting Manual, for monitoring the financial accountability of the
52 charter, which shall meet the requirements of subdivision (4) of
53 subsection 4 of this section;

54 (11) Preopening requirements for applications that require that
55 charter schools meet all health, safety, and other legal requirements
56 prior to opening;

57 [(6)] (12) A description of the charter school's policies on student
58 discipline and student admission, which shall include a statement, where
59 applicable, of the validity of attendance of students who do not reside in the
60 district but who may be eligible to attend under the terms of judicial settlements
61 and procedures that ensure admission of students with disabilities in
62 a nondiscriminatory manner;

63 (13) A description of the charter school's grievance procedure for
64 parents or guardians;

65 (14) A description of the agreement between the charter school
66 and the sponsor as to when a sponsor shall intervene in a charter
67 school, when a sponsor shall revoke a charter for failure to comply with
68 subsection 8 of this section, and when a sponsor will not renew a

69 **charter under subsection 9 of this section;**

70 **(15) Procedures to be implemented if the charter school should**
71 **close, as provided in subdivision (6) of subsection 16 of section 160.400**
72 **including:**

73 **(a) Orderly transition of student records to new schools and**
74 **archival of student records;**

75 **(b) Archival of business operation and transfer or repository of**
76 **personnel records;**

77 **(c) Submission of final financial reports;**

78 **(d) Resolution of any remaining financial obligations; and**

79 **(e) Disposition of the charter school's assets upon closure;**

80 **(f) A notification plan to inform parents or guardians of students,**
81 **the local school district, the retirement system in which the charter**
82 **school's employees participate, and the state board of education within**
83 **thirty days of the decision to close;**

84 **(16) A description of the special education and related services**
85 **that shall be available to meet the needs of students with disabilities;**
86 **and**

87 **(17) For all new or revised charters, procedures to be used upon**
88 **closure of the charter school requiring that unobligated assets of the**
89 **charter school be returned to the department of elementary and**
90 **secondary education for their disposition.**

91 **Charter schools operating on August 27, 2012, shall have until August**
92 **28, 2015, to meet the requirements of this subsection.**

93 **2. Proposed charters shall be subject to the following requirements:**

94 **(1) A charter shall be submitted to the sponsor, and follow the**
95 **sponsor's policies and procedures for review and granting of a charter**
96 **approval, and be approved by the state board of education by December**
97 **first of the year prior to the proposed opening date of the charter**
98 **school;**

99 **(2) A charter may be approved when the sponsor determines that the**
100 **requirements of this section are met and determines that the applicant is**
101 **sufficiently qualified to operate a charter school. The sponsor's decision of**
102 **approval or denial shall be made within ninety days of the filing of the proposed**
103 **charter;**

104 **[(2)] (3) If the charter is denied, the proposed sponsor shall notify the**
105 **applicant in writing as to the reasons for its denial and forward a copy to the**

106 state board of education within five business days following the denial;

107 [(3)] (4) If a proposed charter is denied by a sponsor, the proposed
108 charter may be submitted to the state board of education, along with the
109 sponsor's written reasons for its denial. If the state board determines that the
110 applicant meets the requirements of this section, that the applicant is sufficiently
111 qualified to operate the charter school, and that granting a charter to the
112 applicant would be likely to provide educational benefit to the children of the
113 district, the state board may grant a charter and act as sponsor of the charter
114 school. The state board shall review the proposed charter and make a
115 determination of whether to deny or grant the proposed charter within sixty days
116 of receipt of the proposed charter, provided that any charter to be considered by
117 the state board of education under this subdivision shall be submitted no later
118 than March first prior to the school year in which the charter school intends to
119 begin operations. The state board of education shall notify the applicant in
120 writing as the reasons for its denial, if applicable; and

121 [(4)] (5) The sponsor of a charter school shall give priority to charter
122 school applicants that propose a school oriented to high-risk students and to the
123 reentry of dropouts into the school system. If a sponsor grants three or more
124 charters, at least one-third of the charters granted by the sponsor shall be to
125 schools that actively recruit dropouts or high-risk students as their student body
126 and address the needs of dropouts or high-risk students through their proposed
127 mission, curriculum, teaching methods, and services. For purposes of this
128 subsection, a "high-risk" student is one who is at least one year behind in
129 satisfactory completion of course work or obtaining [credits for graduation,
130 pregnant or a parent, homeless or has been homeless sometime within the
131 preceding six months, has limited English proficiency, has been suspended from
132 school three or more times, is eligible for free or reduced-price school lunch, or
133 has been referred by the school district for enrollment in an alternative
134 program] **high school credits for graduation, has dropped out of school,**
135 **is at risk of dropping out of school, needs drug and alcohol treatment,**
136 **has severe behavioral problems, has been suspended from school three**
137 **or more times, has a history of severe truancy, is a pregnant or**
138 **parenting teen, has been referred for enrollment by the judicial system,**
139 **is exiting incarceration, is a refugee, is homeless or has been homeless**
140 **sometime within the preceding six months, has been referred by an**
141 **area school district for enrollment in an alternative program, or**

142 **qualifies as high risk under department of elementary and secondary**
143 **education guidelines.** "Dropout" shall be defined through the guidelines of the
144 school core data report. The provisions of this subsection do not apply to charters
145 sponsored by the state board of education.

146 3. If a charter is approved by a sponsor, the charter application shall be
147 submitted to the state board of education, along with a statement of finding that
148 the application meets the requirements of sections 160.400 to [160.420] **160.425**
149 and section [167.439] **167.349** and a monitoring plan under which the charter
150 sponsor [will] **shall** evaluate the academic performance of students enrolled in
151 the charter school. The state board of education may, within sixty days,
152 disapprove the granting of the charter. The state board of education may
153 disapprove a charter on grounds that the application fails to meet the
154 requirements of sections 160.400 to [160.420] **160.425** and section 167.349 or that
155 a charter sponsor previously failed to meet the statutory responsibilities of a
156 charter sponsor.

157 4. [Any disapproval of a charter pursuant to subsection 3 of this section
158 shall be subject to judicial review pursuant to chapter 536.

159 5.] A charter school shall, as provided in its charter:

160 (1) Be nonsectarian in its programs, admission policies, employment
161 practices, and all other operations;

162 (2) Comply with laws and regulations of the state, county, or city relating
163 to health, safety, and state minimum educational standards, as specified by the
164 state board of education, including the requirements relating to student discipline
165 under sections 160.261, 167.161, 167.164, and 167.171, notification of criminal
166 conduct to law enforcement authorities under sections 167.115 to 167.117,
167 academic assessment under section 160.518, transmittal of school records under
168 section 167.020, [and] the minimum number of school days and hours required
169 under section 160.041, **and the employee criminal history background**
170 **check and the family care safety registry check under section 168.133;**

171 (3) Except as provided in sections 160.400 to [160.420] **160.425**, be
172 exempt from all laws and rules relating to schools, governing boards and school
173 districts;

174 (4) Be financially accountable, use practices consistent with the Missouri
175 financial accounting manual, provide for an annual audit by a certified public
176 accountant, publish audit reports and annual financial reports [as provided in
177 chapter 165, provided that the annual financial report may be published] on the

178 department of elementary and secondary education's internet website in addition
179 to other publishing requirements, and provide liability insurance to indemnify the
180 school, its board, staff and teachers against tort claims. A charter school that
181 receives local educational agency status under subsection [6] 7 of this section
182 shall meet the requirements imposed by the Elementary and Secondary Education
183 Act for audits of such agencies **and comply with all federal audit**
184 **requirements for charters with local education agency status.** For
185 purposes of an audit by petition under section 29.230, a charter school shall be
186 treated as a political subdivision on the same terms and conditions as the school
187 district in which it is located. For the purposes of securing such insurance, a
188 charter school shall be eligible for the Missouri public entity risk management
189 fund pursuant to section 537.700. A charter school that incurs debt [must] **shall**
190 include a repayment plan in its financial plan;

191 (5) Provide a comprehensive program of instruction for at least one grade
192 or age group from kindergarten through grade twelve, which may include early
193 childhood education if funding for such programs is established by statute, as
194 specified in its charter;

195 (6) (a) Design a method to measure pupil progress toward the pupil
196 academic standards adopted by the state board of education pursuant to section
197 160.514, [collect baseline data during at least the first three years for
198 determining how the charter school is performing] **establish baseline student**
199 **performance in accordance with the performance contract during the**
200 **first year of operation, collect student performance data as defined by**
201 **the annual performance report throughout the duration of the charter**
202 **to annually monitor student academic performance,** and to the extent
203 applicable **based upon grade levels offered by the charter school,**
204 participate in the statewide system of assessments, comprised of the essential
205 skills tests and the nationally standardized norm-referenced achievement tests,
206 as designated by the state board pursuant to section 160.518, complete and
207 distribute an annual report card as prescribed in section 160.522, which shall also
208 include a statement that background checks have been completed on the charter
209 school's board members, report to its sponsor, the local school district, and the
210 state board of education as to its teaching methods and any educational
211 innovations and the results thereof, and provide data required for the study of
212 charter schools pursuant to subsection 4 of section 160.410. No charter school
213 [will] **shall** be considered in the Missouri school improvement program review of

214 the district in which it is located for the resource or process standards of the
215 program.

216 (b) For proposed high risk or alternative charter schools, sponsors shall
217 approve performance measures based on mission, curriculum, teaching methods,
218 and services. Sponsors shall also approve comprehensive academic and
219 behavioral measures to determine whether students are meeting performance
220 standards on a different time frame as specified in that school's charter. Student
221 performance shall be assessed comprehensively to determine whether a high risk
222 or alternative charter school has documented adequate student progress. Student
223 performance shall be based on sponsor-approved comprehensive measures as well
224 as standardized public school measures. Annual presentation of charter school
225 report card data to the department of elementary and secondary education, the
226 state board, and the public shall include comprehensive measures of student
227 progress.

228 (c) Nothing in this [paragraph] **subdivision** shall be construed as
229 permitting a charter school to be held to lower performance standards than other
230 public schools within a district; however, the charter of a charter school may
231 permit students to meet performance standards on a different time frame as
232 specified in its charter. **The performance standards for alternative and**
233 **special purpose charter schools that target high-risk students as**
234 **defined in subdivision (5) of subsection 2 of this section shall be based**
235 **on measures defined in the school's performance contract with its**
236 **sponsors;**

237 (7) [Assure that the needs of special education children are met in
238 compliance] **Comply** with all applicable federal and state laws and regulations
239 **regarding students with disabilities, including sections 162.670 to**
240 **162.710, the Individuals with Disabilities Education Act (20 U.S.C.**
241 **Section 1400) and Section 504 of the Rehabilitation Act of 1973 (20**
242 **U.S.C. Section 794) or successor legislation;**

243 (8) Provide along with any request for review by the state board of
244 education the following:

245 (a) Documentation that the applicant has provided a copy of the
246 application to the school board of the district in which the charter school is to be
247 located, except in those circumstances where the school district is the sponsor of
248 the charter school; and

249 (b) A statement outlining the reasons for approval or disapproval by the

250 sponsor, specifically addressing the requirements of sections 160.400 to [160.420]
251 **160.425** and 167.349.

252 **5. (1) Proposed or existing high risk or alternative charter**
253 **schools may include alternative arrangements for students to obtain**
254 **credit for satisfying graduation requirements in the school's charter**
255 **application and charter. Alternative arrangements may include, but**
256 **not be limited to, credit for off-campus instruction, embedded credit,**
257 **work experience through an internship arranged through the school,**
258 **and independent studies. When the state board of education approves**
259 **the charter, any such alternative arrangements shall be approved at**
260 **such time.**

261 **(2) The department of elementary and secondary education shall**
262 **conduct a study of any charter school granted alternative arrangements**
263 **for students to obtain credit under this subsection after three years of**
264 **operation to assess student performance, graduation rates, educational**
265 **outcomes, and entry into the workforce or higher education.**

266 6. The charter of a charter school may be amended at the request of the
267 governing body of the charter school and on the approval of the sponsor. The
268 sponsor and the governing board and staff of the charter school shall jointly
269 review the school's performance, management and operations [at least once every
270 two years] **during the first year of operation and then every other year**
271 **after the most recent review** or at any point where the operation or
272 management of the charter school is changed or transferred to another entity,
273 either public or private. The governing board of a charter school may amend the
274 charter, if the sponsor approves such amendment, or the sponsor and the
275 governing board may reach an agreement in writing to reflect the charter school's
276 decision to become a local educational agency [for the sole purpose of seeking
277 direct access to federal grants]. In such case the sponsor shall give the
278 department of elementary and secondary education written notice no later than
279 March first of any year, with the agreement to become effective July first. The
280 department may waive the March first notice date in its discretion. The
281 department shall identify and furnish a list of its regulations that pertain to local
282 educational agencies to such schools within thirty days of receiving such notice.

283 **7. [(1)] Sponsors shall annually review the charter school's**
284 **compliance with statutory standards including:**

285 **(1) Participation in the statewide system of assessments, as**

286 designated by the state board of education under section 160.518;

287 (2) Assurances for the completion and distribution of an annual
288 report card as prescribed in section 160.522;

289 (3) The collection of baseline data during the first three years of
290 operation to determine the longitudinal success of the charter school;

291 (4) A method to measure pupil progress toward the pupil
292 academic standards adopted by the state board of education under
293 section 160.514; and

294 (5) Publication of each charter school's annual performance
295 report.

296 8. (1) (a) A sponsor's intervention policies shall give schools
297 clear, adequate, evidence-based, and timely notice of contract
298 violations or performance deficiencies and mandate intervention based
299 upon findings of the state board of education of the following:

300 a. The charter school provides a high school program which fails
301 to maintain a graduation rate of at least seventy percent in three of the
302 last four school years unless the school has dropout recovery as its
303 mission;

304 b. The charter school's annual performance report results are
305 below the district's annual performance report results based on the
306 performance standards that are applicable to the grade level
307 configuration of both the charter school and the district in which the
308 charter school is located in three of the last four school years; and

309 c. The charter school is identified as a persistently lowest
310 achieving school by the department of elementary and secondary
311 education.

312 (b) A sponsor shall have a policy to revoke a charter during the
313 charter term if there is:

314 a. Clear evidence of underperformance as demonstrated in the
315 charter schools annual performance report in three of the last four
316 school years; or

317 b. A violation of the law or the public trust that imperils
318 students or public funds.

319 (c) A sponsor shall revoke a charter or take other appropriate remedial
320 action, which may include placing the charter school on probationary status for
321 no more than twelve months, provided that no more than one
322 designation of probationary status shall be allowed for the duration of

323 **the charter contract**, at any time if the charter school commits a serious
324 breach of one or more provisions of its charter or on any of the following grounds:
325 failure to meet [academic performance standards] **the performance contract**
326 as set forth in its charter, failure to meet generally accepted standards of fiscal
327 management, failure to provide information necessary to confirm compliance with
328 all provisions of the charter and sections 160.400 to [160.420] **160.425** and
329 167.349 within forty-five days following receipt of written notice requesting such
330 information, or violation of law.

331 (2) The sponsor may place the charter school on probationary status to
332 allow the implementation of a remedial plan, which may require a change of
333 methodology, a change in leadership, or both, after which, if such plan is
334 unsuccessful, the charter may be revoked.

335 (3) At least sixty days before acting to revoke a charter, the sponsor shall
336 notify the governing board of the charter school of the proposed action in
337 writing. The notice shall state the grounds for the proposed action. The school's
338 governing board may request in writing a hearing before the sponsor within two
339 weeks of receiving the notice.

340 (4) The sponsor of a charter school shall establish procedures to conduct
341 administrative hearings upon determination by the sponsor that grounds exist to
342 revoke a charter. Final decisions of a sponsor from hearings conducted pursuant
343 to this subsection are subject to [judicial review pursuant to chapter 536] **an**
344 **appeal to the state board of education, which shall determine whether**
345 **the charter shall be revoked.**

346 (5) A termination shall be effective only at the conclusion of the school
347 year, unless the sponsor determines that continued operation of the school
348 presents a clear and immediate threat to the health and safety of the children.

349 (6) A charter sponsor shall make available the school accountability report
350 card information as provided under section 160.522 and the results of the
351 academic monitoring required under subsection 3 of this section.

352 [8.] **9. (1)** A sponsor shall take all reasonable steps necessary to confirm
353 that each charter school sponsored by such sponsor is in material compliance and
354 remains in material compliance with all material provisions of the charter and
355 sections 160.400 to [160.420] **160.425** and 167.349. Every charter school shall
356 provide all information necessary to confirm ongoing compliance with all
357 provisions of its charter and sections 160.400 to [160.420] **160.425** and 167.349
358 in a timely manner to its sponsor.

359 **(2) The sponsor's renewal process of the charter school shall be**
360 **based on the thorough analysis of a comprehensive body of objective**
361 **evidence and consider if:**

362 **(a) The charter school has maintained results on its annual**
363 **performance report that meet or exceed the district in which the**
364 **charter school is located based on the performance standards that are**
365 **applicable to the grade level configuration of both the charter school**
366 **and the district in which the charter school is located in three of the**
367 **last four school years;**

368 **(b) The charter school is organizationally and fiscally viable**
369 **determining at a minimum that the school does not have:**

370 **a. A negative balance in its operating funds;**

371 **b. A combined balance of less than three percent of the amount**
372 **expended for such funds during the previous fiscal year; or**

373 **c. Expenditures that exceed receipts for the most recently**
374 **completed fiscal year;**

375 **(c) The charter is in compliance with its legally binding**
376 **performance contract and sections 160.400 to 160.425 and section**
377 **167.349.**

378 **(3) (a) Beginning August first during the year in which a charter**
379 **is considered for renewal, a charter school sponsor shall demonstrate**
380 **to the state board of education that the charter school is in compliance**
381 **with federal and state law as provided in sections 160.400 to 160.425**
382 **and section 167.349 and the school's performance contract including but**
383 **not limited to those requirements specific to academic performance.**

384 **(b) Along with data reflecting the academic performance**
385 **standards indicated in paragraph (a) of this subdivision, the sponsor**
386 **shall submit a revised charter application to the state board of**
387 **education for review.**

388 **(c) Using the data requested and the revised charter application**
389 **under paragraphs (a) and (b) of this subdivision, the state board of**
390 **education shall determine if compliance with all standards enumerated**
391 **in this subdivision has been achieved. The state board of education at**
392 **its next regularly scheduled meeting shall vote on the revised charter**
393 **application.**

394 **(d) If a charter school sponsor demonstrates the objectives**
395 **identified in this subdivision, the state board of education shall renew**

396 **the school's charter.**

397 [9.] **10.** A school district may enter into a lease with a charter school for
398 physical facilities.

399 [10.] **11.** A governing board or a school district employee who has control
400 over personnel actions shall not take unlawful reprisal against another employee
401 at the school district because the employee is directly or indirectly involved in an
402 application to establish a charter school. A governing board or a school district
403 employee shall not take unlawful reprisal against an educational program of the
404 school or the school district because an application to establish a charter school
405 proposes the conversion of all or a portion of the educational program to a charter
406 school. As used in this subsection, "unlawful reprisal" means an action that is
407 taken by a governing board or a school district employee as a direct result of a
408 lawful application to establish a charter school and that is adverse to another
409 employee or an educational program.

410 [11.] **12.** Charter school board members shall be subject to the same
411 liability for acts while in office as if they were regularly and duly elected
412 members of school boards in any other public school district in this state. The
413 governing board of a charter school may participate, to the same extent as a
414 school board, in the Missouri public entity risk management fund in the manner
415 provided under sections 537.700 to 537.756.

416 [12.] **13.** Any entity, either public or private, operating, administering,
417 or otherwise managing a charter school shall be considered a quasi-public
418 governmental body and subject to the provisions of sections 610.010 to 610.035.

419 [13.] **14.** The chief financial officer of a charter school shall maintain:

420 (1) A surety bond in an amount determined by the sponsor to be adequate
421 based on the cash flow of the school; or

422 (2) An insurance policy issued by an insurance company licensed to do
423 business in Missouri on all employees in the amount of five hundred thousand
424 dollars or more that provides coverage in the event of employee theft.

160.410. 1. A charter school shall enroll:

2 (1) All pupils resident in the district in which it operates;

3 (2) Nonresident pupils eligible to attend a district's school under an urban
4 voluntary transfer program; [and]

5 (3) **In the case of a charter school whose mission includes student**
6 **drop-out prevention or recovery, any nonresident pupil from the same**
7 **or an adjacent county who resides in a residential care facility, a**

8 **transitional living group home, or an independent living program**
9 **whose last school of enrollment is in the school district where the**
10 **charter school is established, who submits a timely application; and**

11 (4) In the case of a workplace charter school, any student eligible to
12 attend under subdivision (1) or (2) of this subsection whose parent is employed
13 in the business district, who submits a timely application, unless the number of
14 applications exceeds the capacity of a program, class, grade level or building. The
15 configuration of a business district shall be set forth in the charter and shall not
16 be construed to create an undue advantage for a single employer or small number
17 of employers.

18 2. If capacity is insufficient to enroll all pupils who submit a timely
19 application, the charter school shall have an admissions process that assures all
20 applicants of an equal chance of gaining admission except that:

21 (1) A charter school may establish a geographical area around the school
22 whose residents will receive a preference for enrolling in the school, provided that
23 such preferences do not result in the establishment of racially or
24 socioeconomically isolated schools and provided such preferences conform to
25 policies and guidelines established by the state board of education; [and]

26 (2) A charter school may also give a preference for admission of children
27 whose siblings attend the school or whose parents are employed at the school or
28 in the case of a workplace charter school, a child whose parent is employed in the
29 business district or at the business site of such school; **and**

30 (3) **Charter alternative and special purpose schools may also give**
31 **a preference for admission to high-risk students, as defined in**
32 **subdivision (5) of subsection 2 of section 160.405, when the school**
33 **targets these students through its proposed mission, curriculum,**
34 **teaching methods, and services.**

35 3. A charter school shall not limit admission based on race, ethnicity,
36 national origin, disability, [gender,] income level, proficiency in the English
37 language or athletic ability, but may limit admission to pupils within a given age
38 group or grade level. **Charter schools may limit admission based on**
39 **gender only when the school is a single-gender school. Students of a**
40 **charter school that are present for the January membership count as**
41 **defined in section 163.011 shall be counted in the performance of the**
42 **charter school on the statewide assessments in that calendar year,**
43 **unless otherwise exempted as English language learners.**

44 4. The department of elementary and secondary education shall
45 commission a study of the performance of students at each charter school in
46 comparison with an equivalent group of district students representing an
47 equivalent demographic and geographic population and a study of the impact of
48 charter schools upon the constituents they serve in the districts in which they are
49 located, to be conducted by the joint committee on education. The charter school
50 study shall include analysis of the administrative and instructional practices of
51 each charter school and shall include findings on innovative programs that
52 illustrate best practices and lend themselves to replication or incorporation in
53 other schools. The joint committee on education shall coordinate with individuals
54 representing charter [public] schools and the districts in which charter schools
55 are located in conducting the study. The study of a charter school's student
56 performance in relation to a comparable group shall be designed to provide
57 information that would allow parents and educators to make valid comparisons
58 of academic performance between the charter school's students and an equivalent
59 group of district students representing an equivalent demographic and geographic
60 population. The student performance assessment and comparison shall include,
61 but may not be limited to:

- 62 (1) Missouri assessment program test performance and aggregate growth
63 over several years;
- 64 (2) Student reenrollment rates;
- 65 (3) Educator, parent, and student satisfaction data;
- 66 (4) Graduation rates in secondary programs; and
- 67 (5) Performance of students enrolled in the same public school for three
68 or more consecutive years. The impact study shall be undertaken every two years
69 to determine the impact of charter schools on the constituents they serve in the
70 districts where charter schools are operated. The impact study shall include, but
71 is not limited to, determining if changes have been made in district policy or
72 procedures attributable to the charter school and to perceived changes in
73 attitudes and expectations on the part of district personnel, school board
74 members, parents, students, the business community and other education
75 stakeholders. The department of elementary and secondary education shall make
76 the results of the studies public and shall deliver copies to the governing boards
77 of the charter schools, the sponsors of the charter schools, the school board and
78 superintendent of the districts in which the charter schools are operated.
- 79 5. A charter school shall make available for public inspection, and provide

80 upon request, to the parent, guardian, or other custodian of any school-age pupil
81 resident in the district in which the school is located the following information:

82 (1) The school's charter;

83 (2) The school's most recent annual report card published according to
84 section 160.522; [and]

85 (3) The results of background checks on the charter school's board
86 members; **and**

87 (4) **If a charter school is operated by a management company, a**
88 **copy of the written contract between the governing board of the**
89 **charter school and the educational management organization or the**
90 **charter management organization for services.** The charter school may
91 charge reasonable fees, not to exceed the rate specified in section 610.026 for
92 furnishing copies of documents under this subsection.

93 **6. When a student attending a charter school who is a resident**
94 **of the school district in which the charter school is located moves out**
95 **of the boundaries of such school district, the student may complete the**
96 **current semester and shall be considered a resident student. The**
97 **student's parent or legal guardian shall be responsible for the student's**
98 **transportation to and from the charter school.**

99 **7. If a change in school district boundary lines occurs under**
100 **section 162.223, 162.431, 162.441, or 162.451, or by action of the state**
101 **board of education under section 162.081, including attachment of a**
102 **school district's territory to another district or dissolution, such that**
103 **a student attending a charter school prior to such change no longer**
104 **resides in a school district in which the charter school is located, then**
105 **the student may complete the current academic year at the charter**
106 **school. The student shall be considered a resident student. The**
107 **student's parent or legal guardian shall be responsible for the student's**
108 **transportation to and from the charter school.**

109 **8. The provisions of sections 167.018 and 167.019 concerning**
110 **foster children's educational rights are applicable to charter schools.**

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 plus all other state aid attributable to such pupils. If
49 a charter school declares itself as a local education agency, the department of
50 elementary and secondary education shall, upon notice of the declaration, reduce
51 the payment made to the school district by the amount specified in this
52 subsection and pay directly to the charter school the annual amount reduced from
53 the school district's payment.

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

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

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

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

86 (2) Provide a term sheet setting forth the proposed duration of
87 the service contract; roles and responsibilities of the governing board,
88 the school staff, and the service provider; scope of services and
89 resources to be provided by the service provider; performance
90 evaluation measures and time lines; compensation structure, including
91 clear identification of all fees to be paid to the service provider;
92 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
95 governing board and proposed service provider or any affiliated
96 business entities;

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

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

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

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

108 [8.] 9. A charter school shall be eligible for transportation state aid
109 pursuant to section 163.161 and shall be free to contract with the local district,
110 or any other entity, for the provision of transportation to the students of the
111 charter school.

112 [9.] 10. (1) The proportionate share of state and federal resources
113 generated by students with disabilities or staff serving them shall be paid in full
114 to charter schools enrolling those students by their school district where such

115 enrollment is through a contract for services described in this section. The
116 proportionate share of money generated under other federal or state categorical
117 aid programs shall be directed to charter schools serving such students eligible
118 for that aid.

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

122 [10.] 11. A charter school may not charge tuition, nor may it impose fees
123 that a school district is prohibited from imposing.

124 [11.] 12. A charter school is authorized to incur debt in anticipation of
125 receipt of funds. A charter school may also borrow to finance facilities and other
126 capital items. A school district may incur bonded indebtedness or take other
127 measures to provide for physical facilities and other capital items for charter
128 schools that it sponsors or contracts with. Upon the dissolution of a charter
129 school, any liabilities of the corporation will be satisfied through the procedures
130 of chapter 355. **The department of elementary and secondary education**
131 **may withhold funding at a level the department determines to be**
132 **adequate during a school's last year of operation until the department**
133 **determines that school records, liabilities, and reporting requirements,**
134 **including a full audit, are satisfied.**

135 [12.] 13. Charter schools shall not have the power to acquire property by
136 eminent domain.

137 [13.] 14. The governing body of a charter school is authorized to accept
138 grants, gifts or donations of any kind and to expend or use such grants, gifts or
139 donations. A grant, gift or donation may not be accepted by the governing body
140 if it is subject to any condition contrary to law applicable to the charter school or
141 other public schools, or contrary to the terms of the charter.

160.417. 1. By October 1, 2012, and by each October first
2 **thereafter, the sponsor of each charter school shall review the**
3 **information submitted on the report required by section 162.821 to**
4 **identify charter schools experiencing financial stress. The department**
5 **of elementary and secondary education shall be authorized to obtain**
6 **such additional information from a charter school as may be necessary**
7 **to determine the financial condition of the charter school. Annually,**
8 **a listing of charter schools identified as experiencing financial stress**
9 **according to the provisions of this section shall be provided to the**

10 governor, speaker of the house of representatives, and president pro
11 tempore of the senate by the department of elementary and secondary
12 education.

13 2. For the purposes of this section, a charter school shall be
14 identified as experiencing financial stress if it:

15 (1) At the end of its most recently completed fiscal year:

16 (a) Has a negative balance in its operating funds; or

17 (b) Has a combined balance of less than three percent of the
18 amount expended from such funds during the previous fiscal year; or

19 (2) For the most recently completed fiscal year expenditures,
20 exceeded receipts for any of its funds because of recurring costs.

21 3. The sponsor shall notify by November first the governing
22 board of the charter school identified as experiencing financial
23 stress. Upon receiving the notification, the governing board shall
24 develop, or cause to have developed, and shall approve a budget and
25 education plan on forms provided by the sponsor. The budget and
26 education plan shall be submitted to the sponsor, signed by the officers
27 of the charter school, within forty-five calendar days of notification
28 that the charter school has been identified as experiencing financial
29 stress. Minimally, the budget and education plan shall:

30 (1) Give assurances that adequate educational services to
31 students of the charter school shall continue uninterrupted for the
32 remainder of the current school year and that the charter school can
33 provide the minimum number of school days and hours required by
34 section 160.041;

35 (2) Outline a procedure to be followed by the charter school to
36 report to charter school patrons about the financial condition of the
37 charter school; and

38 (3) Detail the expenditure reduction measures, revenue
39 increases, or other actions to be taken by the charter school to address
40 its condition of financial stress.

41 4. Upon receipt and following review of any budget and
42 education plan, the sponsor may make suggestions to improve the
43 plan. Nothing in sections 160.400 to 160.425 or section 167.349 shall
44 exempt a charter school from submitting a budget and education plan
45 to the sponsor according to the provisions of this section following each
46 such notification that a charter school has been identified as

47 **experiencing financial stress, except that the sponsor may permit a**
48 **charter school's governing board to make amendments to or update a**
49 **budget and education plan previously submitted to the sponsor.**

50 **5. The department may withhold any payment of financial aid**
51 **otherwise due to the charter school until such time as the sponsor and**
52 **the charter school have fully complied with this section.**

160.420. 1. Any school district in which charter schools may be
2 established under sections 160.400 to [160.420] **160.425** shall establish a uniform
3 policy which provides that if a charter school offers to retain the services of an
4 employee of a school district, and the employee accepts a position at the charter
5 school, an employee at the employee's option may remain an employee of the
6 district and the charter school shall pay to the district the district's full costs of
7 salary and benefits provided to the employee. The district's policy shall provide
8 that any teacher who accepts a position at a charter school and opts to remain an
9 employee of the district retains such teacher's permanent teacher status and
10 retains such teacher's seniority rights in the district for three years. The school
11 district shall not be liable for any such employee's acts while an employee of the
12 charter school.

13 **2. A charter school may employ noncertificated instructional personnel;**
14 **provided that no more than twenty percent of the full-time equivalent**
15 **instructional staff positions at the school are filled by noncertificated personnel.**
16 **All noncertificated instructional personnel shall be supervised by certificated**
17 **instructional personnel. A charter school that has a foreign language immersion**
18 **experience as its chief educational mission, as stated in its charter, shall not be**
19 **subject to the twenty-percent requirement of this subsection but shall ensure that**
20 **any teachers whose duties include instruction given in a foreign language have**
21 **current valid credentials in the country in which such teacher received his or her**
22 **training and shall remain subject to the remaining requirements of this**
23 **subsection. The charter school shall ensure that all instructional employees of**
24 **the charter school have experience, training and skills appropriate to the**
25 **instructional duties of the employee, and the charter school shall ensure that a**
26 **criminal background check and [child abuse] family care safety registry check**
27 **are conducted for each employee of the charter school prior to the hiring of the**
28 **employee under the requirements of section 168.133. The charter school**
29 **may not employ instructional personnel whose certificate of license to teach has**
30 **been revoked or is currently suspended by the state board of**

31 education. Appropriate experience, training and skills of noncertificated
32 instructional personnel shall be determined considering:

- 33 (1) Teaching certificates issued by another state or states;
34 (2) Certification by the National [Standards] Board **for Professional**
35 **Teaching Standards**;
36 (3) College degrees in the appropriate field;
37 (4) Evidence of technical training and competence when such is
38 appropriate; and
39 (5) The level of supervision and coordination with certificated
40 instructional staff.

41 3. Personnel employed by the charter school shall participate in the
42 retirement system of the school district in which the charter school is located,
43 subject to the same terms, conditions, requirements and other provisions
44 applicable to personnel employed by the school district. For purposes of
45 participating in the retirement system, the charter school shall be considered to
46 be a public school within the school district, and personnel employed by the
47 charter school shall be public school employees. In the event of a lapse of the
48 school district's corporate organization as described in subsections 1 and 4 of
49 section 162.081, personnel employed by the charter school shall continue to
50 participate in the retirement system and shall do so on the same terms,
51 conditions, requirements and other provisions as they participated prior to the
52 lapse.

53 [4. The charter school and a local school board may agree by contract for
54 services to be provided by the school district to the charter school. The charter
55 school may contract with any other entity for services. Such services may include
56 but are not limited to food service, custodial service, maintenance, management
57 assistance, curriculum assistance, media services and libraries and shall be
58 subject to negotiation between the charter school and the local school board or
59 other entity. Documented actual costs of such services shall be paid for by the
60 charter school.

61 5. A charter school may enter into contracts with community partnerships
62 and state agencies acting in collaboration with such partnerships that provide
63 services to children and their families linked to the school.

64 6. A charter school shall be eligible for transportation state aid pursuant
65 to section 163.161 and shall be free to contract with the local district, or any
66 other entity, for the provision of transportation to the students of the charter

67 school.

68 7. (1) The proportionate share of state and federal resources generated
69 by students with disabilities or staff serving them shall be paid in full to charter
70 schools enrolling those students by their school district where such enrollment is
71 through a contract for services described in this section. The proportionate share
72 of money generated under other federal or state categorical aid programs shall
73 be directed to charter schools serving such students eligible for that aid.

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

77 8. A charter school may not charge tuition, nor may it impose fees that a
78 school district is prohibited from imposing.

79 9. A charter school is authorized to incur debt in anticipation of receipt
80 of funds. A charter school may also borrow to finance facilities and other capital
81 items. A school district may incur bonded indebtedness or take other measures
82 to provide for physical facilities and other capital items for charter schools that
83 it sponsors or contracts with. Upon the dissolution of a charter school, any
84 liabilities of the corporation will be satisfied through the procedures of chapter
85 355.

86 10. Charter schools shall not have the power to acquire property by
87 eminent domain.

88 11. The governing body of a charter school is authorized to accept grants,
89 gifts or donations of any kind and to expend or use such grants, gifts or
90 donations. A grant, gift or donation may not be accepted by the governing body
91 if it is subject to any condition contrary to law applicable to the charter school or
92 other public schools, or contrary to the terms of the charter.]

**160.425. 1. The "Missouri Charter Public School Commission" is
2 hereby created with the authority to sponsor high quality charter
3 schools throughout the state of Missouri.**

**4 2. The commission shall consist of nine members appointed by
5 the governor, by and with the advice and consent of the senate. No
6 more than five of the members shall be of the same political party. No
7 more than two members shall be from the same congressional
8 district. The term of office of each member shall be four years, except
9 those of the members first appointed, of which three shall be appointed
10 for a term of one year, two for a term of two years, two for a term of**

11 three years, and two for a term of four years. At the expiration of the
12 term of each member, the governor, by and with the advice and consent
13 of the senate, shall appoint a successor.

14 3. The appointees to the commission shall be selected as follows:

15 (1) One member selected by the governor from a slate of three
16 recommended by the commissioner of education;

17 (2) One member selected by the governor from a slate of three
18 recommended by the commissioner of higher education;

19 (3) One member selected by the governor from a slate of three
20 recommended by the president pro tempore of the senate;

21 (4) One member selected by the governor from a slate of three
22 recommended by the speaker of the house of representatives; and

23 (5) Five additional members appointed by the governor, one of
24 whom shall be selected from a slate of three nominees recommended by
25 the Missouri School Boards Association.

26 4. Members appointed to the commission shall collectively
27 possess strong experience and expertise in governance, management
28 and finance, school leadership, assessment, curriculum and instruction,
29 and education law. All members of the commission shall have
30 demonstrated understanding of and commitment to charter schooling
31 as a strategy for strengthening public education.

32 5. The commission shall annually elect a chairperson and vice
33 chairperson, who shall act as chairperson in his or her absence. The
34 commission shall meet at the call of the chairperson. The chairperson
35 may call meetings at such times as he or she deems advisable and shall
36 call a meeting when requested to do so by three or more members of
37 the commission. Members of the commission are not eligible to receive
38 compensation.

39 6. The commission may approve proposed charters for its
40 sponsorship under sections 160.400 to 160.425 and shall:

41 (1) Comply with all of the requirements applicable to sponsors
42 under sections 160.400 to 160.425;

43 (2) Exercise sponsorship over charters approved by the
44 commission under sections 160.400 to 160.425, including receipt of
45 sponsorship funding under subsection 11 of section 160.400.

46 7. Charter schools sponsored by the commission shall comply
47 with all of the requirements applicable to charter schools under

48 sections 160.400 to 160.425.

49 8. The commission shall conduct its business in accordance with
50 chapter 610.

51 9. The department of elementary and secondary education shall
52 provide start-up funding for the commission to operate. The
53 commission shall reimburse the department's costs from any funds it
54 receives as sponsor under section 160.400.

55 10. The commission is authorized to receive and expend gifts,
56 grants, and donations of any kind from any public or private entity to
57 carry out the purposes of sections 160.400 to 160.425, subject to the
58 terms and conditions under which they are given, provided that all
59 such terms and conditions are permissible under law.

✓

Bill

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