

FIRST REGULAR SESSION

# SENATE BILL NO. 171

97TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR CHAPPELLE-NADAL.

Read 1st time January 17, 2013, and ordered printed.

TERRY L. SPIELER, Secretary.

1005S.011

## AN ACT

To repeal section 160.400, RSMo, and to enact in lieu thereof one new section relating to charter school sponsors.

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

Section A. Section 160.400, RSMo, is repealed and one new section  
2 enacted in lieu thereof, to be known as section 160.400, to read as follows:

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

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

4 (1) In a metropolitan school district;

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;

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

8 (4) In a school district that has been classified as provisionally accredited  
9 by the state board of education and has received scores on its annual performance  
10 report consistent with a classification of provisionally accredited or unaccredited  
11 for three consecutive school years beginning with the 2012-13 accreditation year  
12 under the following conditions:

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

19 (b) The sponsor is limited to the local school board or a sponsor who has  
20 met the standards of accountability and performance as determined by the

21 department based on sections 160.400 to 160.425 and section 167.349 and  
22 properly promulgated rules of the department; or

23 (5) In a school district that has been accredited without provisions,  
24 sponsored only by the local school board; provided that no board with a current  
25 year enrollment of one thousand five hundred fifty students or greater shall  
26 permit more than thirty-five percent of its student enrollment to enroll in charter  
27 schools sponsored by the local board under the authority of this subdivision,  
28 except that this restriction shall not apply to any school district that  
29 subsequently becomes eligible under subdivision (3) or (4) of this subsection or to  
30 any district accredited without provisions that sponsors charter schools prior to  
31 having a current year student enrollment of one thousand five hundred fifty  
32 students or greater.

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

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

44 (2) A public four-year college or university with an approved teacher  
45 education program that meets regional or national standards of accreditation;

46 (3) A community college, the service area of which encompasses some  
47 portion of the district;

48 (4) Any private four-year college or university with an enrollment of at  
49 least one thousand students, with its primary campus in Missouri, and with an  
50 approved teacher preparation program;

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

55 (6) The Missouri charter public school commission created in section  
56 160.425.

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

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

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

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

81 5. The mayor of a city not within a county may request a sponsor under  
82 subdivision (2), (3), (4), (5), or (6) of subsection 3 of this section to consider  
83 sponsoring a "workplace charter school", which is defined for purposes of sections  
84 160.400 to 160.425 as a charter school with the ability to target prospective  
85 students whose parent or parents are employed in a business district, as defined  
86 in the charter, which is located in the city.

87 6. No sponsor shall receive from an applicant for a charter school any fee  
88 of any type for the consideration of a charter, nor may a sponsor condition its  
89 consideration of a charter on the promise of future payment of any kind.

90 7. The charter school shall be organized as a Missouri nonprofit  
91 corporation incorporated pursuant to chapter 355. The charter provided for  
92 herein shall constitute a contract between the sponsor and the charter school.

93           8. As a nonprofit corporation incorporated pursuant to chapter 355, the  
94 charter school shall select the method for election of officers pursuant to section  
95 355.326 based on the class of corporation selected. Meetings of the governing  
96 board of the charter school shall be subject to the provisions of sections 610.010  
97 to 610.030.

98           9. A sponsor of a charter school, its agents and employees are not liable  
99 for any acts or omissions of a charter school that it sponsors, including acts or  
100 omissions relating to the charter submitted by the charter school, the operation  
101 of the charter school and the performance of the charter school.

102           10. A charter school may affiliate with a four-year college or university,  
103 including a private college or university, or a community college as otherwise  
104 specified in subsection 3 of this section when its charter is granted by a sponsor  
105 other than such college, university or community college. Affiliation status  
106 recognizes a relationship between the charter school and the college or university  
107 for purposes of teacher training and staff development, curriculum and  
108 assessment development, use of physical facilities owned by or rented on behalf  
109 of the college or university, and other similar purposes. A university, college or  
110 community college may not charge or accept a fee for affiliation status.

111           11. The expenses associated with sponsorship of charter schools shall be  
112 defrayed by the department of elementary and secondary education retaining one  
113 and five-tenths percent of the amount of state and local funding allocated to the  
114 charter school under section 160.415, not to exceed one hundred twenty-five  
115 thousand dollars, adjusted for inflation. The department of elementary and  
116 secondary education shall remit the retained funds for each charter school to the  
117 school's sponsor, provided the sponsor remains in good standing by fulfilling its  
118 sponsorship obligations under sections 160.400 to 160.425 and 167.349 with  
119 regard to each charter school it sponsors, including appropriate demonstration of  
120 the following:

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

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

128           (3) Negotiates contracts with charter schools that clearly articulate the

129 rights and responsibilities of each party regarding school autonomy, expected  
130 outcomes, measures for evaluating success or failure, performance consequences,  
131 and other material terms;

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

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

137 12. Sponsors receiving funds under subsection 11 of this section shall be  
138 required to submit annual reports to the joint committee on education  
139 demonstrating they are in compliance with subsection 17 of this section.

140 13. No university, college or community college shall grant a charter to  
141 a nonprofit corporation if an employee of the university, college or community  
142 college is a member of the corporation's board of directors.

143 14. No sponsor shall grant a charter under sections 160.400 to 160.425  
144 and 167.349 without ensuring that a criminal background check and family care  
145 safety registry check are conducted for all members of the governing board of the  
146 charter schools or the incorporators of the charter school if initial directors are  
147 not named in the articles of incorporation, nor shall a sponsor renew a charter  
148 without ensuring a criminal background check and family care registry check are  
149 conducted for each member of the governing board of the charter school.

150 15. No member of the governing board of a charter school shall hold any  
151 office or employment from the board or the charter school while serving as a  
152 member, nor shall the member have any substantial interest, as defined in  
153 section 105.450, in any entity employed by or contracting with the board. No  
154 board member shall be an employee of a company that provides substantial  
155 services to the charter school. All members of the governing board of the charter  
156 school shall be considered decision-making public servants as defined in section  
157 105.450 for the purposes of the financial disclosure requirements contained in  
158 sections 105.483, 105.485, 105.487, and 105.489.

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

160 (1) The review of a charter school proposal including an application that  
161 provides sufficient information for rigorous evaluation of the proposed charter and  
162 provides clear documentation that the education program and academic program  
163 are aligned with the state standards and grade-level expectations, and provides  
164 clear documentation of effective governance and management structures, and a

165 sustainable operational plan;

166 (2) The granting of a charter;

167 (3) The performance framework that the sponsor will use to evaluate the  
168 performance of charter schools;

169 (4) The sponsor's intervention, renewal, and revocation policies, including  
170 the conditions under which the charter sponsor may intervene in the operation  
171 of the charter school, along with actions and consequences that may ensue, and  
172 the conditions for renewal of the charter at the end of the term, consistent with  
173 subsections 8 and 9 of section 160.405;

174 (5) Additional criteria that the sponsor will use for ongoing oversight of  
175 the charter; and

176 (6) Procedures to be implemented if a charter school should close,  
177 consistent with the provisions of subdivision (15) of subsection 1 of section  
178 160.405. The department shall provide guidance to sponsors in developing such  
179 policies and procedures.

180 17. (1) A sponsor shall provide timely submission to the state board of  
181 education of all data necessary to demonstrate that the sponsor is in material  
182 compliance with all requirements of sections 160.400 to 160.425 and section  
183 167.349. The state board of education shall ensure each sponsor is in compliance  
184 with all requirements under sections 160.400 to 160.425 and 167.349 for each  
185 charter school sponsored by any sponsor. The state board shall notify each  
186 sponsor of the standards for sponsorship of charter schools, delineating both what  
187 is mandated by statute and what best practices dictate. The state board shall  
188 evaluate sponsors to determine compliance with these standards every three  
189 years. The evaluation shall include a sponsor's policies and procedures in the  
190 areas of charter application approval; required charter agreement terms and  
191 content; sponsor performance evaluation and compliance monitoring; and charter  
192 renewal, intervention, and revocation decisions. Nothing shall preclude the  
193 department from undertaking an evaluation at any time for cause.

194 (2) If the department determines that a sponsor is in material  
195 noncompliance with its sponsorship duties, the sponsor shall be notified and  
196 given reasonable time for remediation. If remediation does not address the  
197 compliance issues identified by the department, the commissioner of education  
198 shall conduct a public hearing and thereafter provide notice to the charter  
199 sponsor of corrective action that will be recommended to the state board of  
200 education. Corrective action by the department may include withholding the

201 sponsor's funding and suspending the sponsor's authority to sponsor a school that  
202 it currently sponsors or to sponsor any additional school until the sponsor is  
203 reauthorized by the state board of education under section 160.403.

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

210 (4) If the state board removes the authority to sponsor a currently  
211 operating charter school under any provision of law, the Missouri charter public  
212 school commission shall become the sponsor of the school.

213 **18. Sponsors of charter schools shall be responsible for all**  
214 **expenditures associated with the closure of a charter school they**  
215 **sponsor.**

✓  
Bill

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