

SECOND REGULAR SESSION

SENATE BILL NO. 517

97TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR CHAPPELLE-NADAL.

Pre-filed December 1, 2013, and ordered printed.

TERRY L. SPIELER, Secretary.

4327S.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Section A. Section 160.400, RSMo, is repealed and one new section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.**

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