

FIRST REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 292
100TH GENERAL ASSEMBLY

Reported from the Committee on General Laws, February 21, 2019, with recommendation that the Senate Committee Substitute do pass.

1626S.02C

ADRIANE D. CROUSE, Secretary.

AN ACT

To repeal sections 160.400, 160.405, 160.408, 160.410, 160.415, and 160.425, RSMo,
and to enact in lieu thereof eight new sections relating to charter schools.

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

Section A. Sections 160.400, 160.405, 160.408, 160.410, 160.415, and
2 160.425, RSMo, are repealed and eight new sections enacted in lieu thereof, to be
3 known as sections 160.400, 160.404, 160.405, 160.408, 160.410, 160.415, 160.422,
4 and 160.425, 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 classified as unaccredited by the
8 state board of education;
9 (4) In a school district that has been classified as provisionally accredited
10 by the state board of education and has received scores on its annual performance
11 report consistent with a classification of provisionally accredited or unaccredited
12 for three consecutive school years beginning with the 2012-13 accreditation year
13 under the following conditions:
14 (a) The eligibility for charter schools of any school district whose
15 provisional accreditation is based in whole or in part on financial stress as
16 defined in sections 161.520 to 161.529, or on financial hardship as defined by rule

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

17 of the state board of education, shall be decided by a vote of the state board of
18 education during the third consecutive school year after the designation of
19 provisional accreditation; and

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

24 (5) **In a county with a charter form of government;**

25 (6) **In a city with a population greater than thirty thousand**
26 **inhabitants; or**

27 (7) In a school district that has been accredited without provisions[,
28 sponsored only by the local school board; provided that no board with a current
29 year enrollment of one thousand five hundred fifty students or greater shall
30 permit more than thirty-five percent of its student enrollment to enroll in charter
31 schools sponsored by the local board under the authority of this subdivision,
32 except that this restriction shall not apply to any school district that
33 subsequently becomes eligible under subdivision (3) or (4) of this subsection or to
34 any district accredited without provisions that sponsors charter schools prior to
35 having a current year student enrollment of one thousand five hundred fifty
36 students or greater], **provided the school board approves the charter**
37 **school. The charter public school commission may consider evidence**
38 **of community support for the operation of the charter school in the**
39 **district. If the school district denies approval of the charter school, the**
40 **sponsor of the charter school may appeal the school district's decision**
41 **to Missouri charter public school commission. The charter public**
42 **school commission may approve the application if the commission finds**
43 **it more likely than not that there is community support for the charter**
44 **school.**

45 3. [Except as further provided in subsection 4 of this section,] The
46 following entities are eligible to sponsor charter schools:

47 (1) The school board of the district in any district which is sponsoring a
48 charter school as of August 27, 2012, as permitted under subdivision (1) or (2) of
49 subsection 2 of this section, the special administrative board of a metropolitan
50 school district during any time in which powers granted to the district's board of
51 education are vested in a special administrative board, or if the state board of
52 education appoints a special administrative board to retain the authority granted

53 to the board of education of an urban school district containing most or all of a
54 city with a population greater than three hundred fifty thousand inhabitants, the
55 special administrative board of such school district;

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

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

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

63 (5) Any two-year private vocational or technical school designated as a
64 501(c)(3) nonprofit organization under the Internal Revenue Code of 1986, as
65 amended, and accredited by the Higher Learning Commission, with its primary
66 campus in Missouri;

67 (6) The Missouri charter public school commission created in section
68 160.425;

69 **(7) The school board of the district in any district that is**
70 **sponsoring a charter school in a county as permitted under subdivision**
71 **(5) of subsection 2 of this section.**

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

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

79 (2) As a district transitions from provisionally accredited to full
80 accreditation, the district shall continue to fall under the requirements for a
81 provisionally accredited district until it achieves three consecutive full school
82 years of full accreditation;

83 (3) In any school district classified as unaccredited or provisionally
84 accredited where a charter school is operating and is sponsored by an entity other
85 than the local school board, when the school district becomes classified as
86 accredited without provisions, a charter school may continue to be sponsored by
87 the entity sponsoring it prior to the classification of accredited without provisions
88 and shall not be limited to the local school board as a sponsor.

89 A charter school operating in a school district identified in subdivision (1) or (2)
90 of subsection 2 of this section may be sponsored by any of the entities identified
91 in subsection 3 of this section, irrespective of the accreditation classification of
92 the district in which it is located. A charter school in a district described in this
93 subsection whose charter provides for the addition of grade levels in subsequent
94 years may continue to add levels until the planned expansion is complete to the
95 extent of grade levels in comparable schools of the district in which the charter
96 school is operated.

97 5. The mayor of a city not within a county may request a sponsor under
98 subdivision (2), (3), (4), (5), or (6) of subsection 3 of this section to consider
99 sponsoring a "workplace charter school", which is defined for purposes of sections
100 160.400 to 160.425 as a charter school with the ability to target prospective
101 students whose parent or parents are employed in a business district, as defined
102 in the charter, which is located in the city.

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

106 [7.] 5. The charter school shall be organized as a Missouri nonprofit
107 corporation incorporated pursuant to chapter 355. The charter provided for
108 herein shall constitute a contract between the sponsor and the charter school.

109 [8.] 6. As a nonprofit corporation incorporated pursuant to chapter 355,
110 the charter school shall select the method for election of officers pursuant to
111 section 355.326 based on the class of corporation selected. Meetings of the
112 governing board of the charter school shall be subject to the provisions of sections
113 610.010 to 610.030.

114 [9.] 7. A sponsor of a charter school, its agents and employees are not
115 liable for any acts or omissions of a charter school that it sponsors, including acts
116 or omissions relating to the charter submitted by the charter school, the operation
117 of the charter school and the performance of the charter school.

118 [10.] 8. A charter school may affiliate with a four-year college or
119 university, including a private college or university, or a community college as
120 otherwise specified in subsection 3 of this section when its charter is granted by
121 a sponsor other than such college, university or community college. Affiliation
122 status recognizes a relationship between the charter school and the college or
123 university for purposes of teacher training and staff development, curriculum and
124 assessment development, use of physical facilities owned by or rented on behalf

125 of the college or university, and other similar purposes. A university, college or
126 community college may not charge or accept a fee for affiliation status.

127 **[11.] 9.** The expenses associated with sponsorship of charter schools shall
128 be defrayed by the department of elementary and secondary education retaining
129 one and five-tenths percent of the amount of state and local funding allocated to
130 the charter school under section 160.415, not to exceed one hundred twenty-five
131 thousand dollars, adjusted for inflation. The department of elementary and
132 secondary education shall remit the retained funds for each charter school to the
133 school's sponsor, provided the sponsor remains in good standing by fulfilling its
134 sponsorship obligations under sections 160.400 to 160.425 and 167.349 with
135 regard to each charter school it sponsors, including appropriate demonstration of
136 the following:

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

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

144 (3) Negotiates contracts with charter schools that clearly articulate the
145 rights and responsibilities of each party regarding school autonomy, expected
146 outcomes, measures for evaluating success or failure, performance consequences
147 based on the annual performance report, and other material terms;

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

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

153 **[12.] 10.** Sponsors receiving funds under subsection **[11] 9** of this section
154 shall be required to submit annual reports to the joint committee on education
155 demonstrating they are in compliance with subsection **[17] 15** of this section.

156 **[13.] 11.** No university, college or community college shall grant a charter
157 to a nonprofit corporation if an employee of the university, college or community
158 college is a member of the corporation's board of directors.

159 **[14.] 12.** No sponsor shall grant a charter under sections 160.400 to
160 160.425 and 167.349 without ensuring that a criminal background check and

161 family care safety registry check are conducted for all members of the governing
162 board of the charter schools or the incorporators of the charter school if initial
163 directors are not named in the articles of incorporation, nor shall a sponsor renew
164 a charter without ensuring a criminal background check and family care safety
165 registry check are conducted for each member of the governing board of the
166 charter school.

167 **[15.] 13.** No member of the governing board of a charter school shall hold
168 any office or employment from the board or the charter school while serving as
169 a member, nor shall the member have any substantial interest, as defined in
170 section 105.450, in any entity employed by or contracting with the board. No
171 board member shall be an employee of a company that provides substantial
172 services to the charter school. All members of the governing board of the charter
173 school shall be considered decision-making public servants as defined in section
174 105.450 for the purposes of the financial disclosure requirements contained in
175 sections 105.483, 105.485, 105.487, and 105.489.

176 **[16.] 14.** A sponsor shall develop the policies and procedures for:

177 (1) The review of a charter school proposal including an application that
178 provides sufficient information for rigorous evaluation of the proposed charter and
179 provides clear documentation that the education program and academic program
180 are aligned with the state standards and grade-level expectations, and provides
181 clear documentation of effective governance and management structures, and a
182 sustainable operational plan;

183 (2) The granting of a charter;

184 (3) The performance contract that the sponsor will use to evaluate the
185 performance of charter schools. Charter schools shall meet current state
186 academic performance standards as well as other standards agreed upon by the
187 sponsor and the charter school in the performance contract;

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

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

195 (6) Procedures to be implemented if a charter school should close,
196 consistent with the provisions of subdivision (15) of subsection 1 of section

197 160.405.

198 The department shall provide guidance to sponsors in developing such policies
199 and procedures.

200 [17.] 15. (1) A sponsor shall provide timely submission to the state board
201 of education of all data necessary to demonstrate that the sponsor is in material
202 compliance with all requirements of sections 160.400 to 160.425 and section
203 167.349. The state board of education shall ensure each sponsor is in compliance
204 with all requirements under sections 160.400 to 160.425 and 167.349 for each
205 charter school sponsored by any sponsor. The state board shall notify each
206 sponsor of the standards for sponsorship of charter schools, delineating both what
207 is mandated by statute and what best practices dictate. The state board shall
208 evaluate sponsors to determine compliance with these standards every three
209 years. The evaluation shall include a sponsor's policies and procedures in the
210 areas of charter application approval; required charter agreement terms and
211 content; sponsor performance evaluation and compliance monitoring; and charter
212 renewal, intervention, and revocation decisions. Nothing shall preclude the
213 department from undertaking an evaluation at any time for cause.

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

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

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

233 **[18.] 16.** If a sponsor notifies a charter school of closure under subsection
234 8 of section 160.405, the department of elementary and secondary education shall
235 exercise its financial withholding authority under subsection 12 of section 160.415
236 to assure all obligations of the charter school shall be met. The state, charter
237 sponsor, or resident district shall not be liable for any outstanding liability or
238 obligations of the charter school.

239 **17.** If a charter school fails to receive a renewal of its charter
240 after a three-year term as described in paragraph (e) of subdivision (3)
241 of subsection 9 of section 160.405, the sponsor of the charter school at
242 the time of the failure of renewal shall not sponsor any new charter
243 schools until the state board of education has completed an evaluation
244 and received a determination of compliance with all requirements
245 under sections 160.400 to 160.425 and section 167.349 for all charter
246 schools sponsored by the sponsor and meets the state standards of
247 sponsorship.

160.404. 1. For purposes of sections 160.400 to 160.425, the term
2 **"underperformance", "underperforms", or "underperformed"** means the
3 receipt of scores demonstrating that the percentage of students who
4 perform proficient and advanced on the annual statewide system of
5 assessments under section 160.518 in English language arts and
6 mathematics in a charter school is lower than the average percentage
7 of grade-level-equivalent students attending nonselective attendance
8 centers in the school district which the charter school is located who
9 perform proficient and advanced in English language arts and
10 mathematics.

11 **2.** Notwithstanding subsection 1 of this section, the term
12 **"underperformance", "underperforms", or "underperformed"** shall not
13 apply to any charter school in which:

14 **(1)** Fifty percent or more of the school's students were previously
15 considered dropouts under subdivision (5) of subsection 2 of section
16 160.405; or

17 **(2)** The average rate of growth in English language arts and
18 mathematics on the annual statewide system of assessments under
19 section 160.518 based on the state's growth model for the charter
20 school's students is higher than the average growth in English language
21 arts and mathematics based on the state's growth model for grade-level-
22 equivalent students attending nonselective attendance centers in the

23 school district in which the charter school is located.

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
9 include a legally binding performance contract that describes the obligations and
10 responsibilities of the school and the sponsor as outlined in sections 160.400 to
11 160.425 and section 167.349 and shall address the following:

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 nature
16 and extent of parental, professional educator, and community involvement in the
17 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;

26 (7) A description of the charter school's pupil performance standards and
27 academic program performance standards, which shall meet the requirements of
28 subdivision (6) of subsection 4 of this section. The charter school program shall
29 be designed to enable each pupil to achieve such standards and shall contain a
30 complete set of indicators, measures, metrics, and targets for academic program
31 performance, including specific goals on graduation rates and standardized test
32 performance and academic growth;

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

35 (9) The term of the charter, which shall be five years and may be renewed

36 **for a five-year term; except that, if renewal occurs as described under**
37 **paragraph (e) of subdivision (3) of subsection 9 of this section, such**
38 **renewal shall be for only a three-year term;**

39 (10) Procedures, consistent with the Missouri financial accounting
40 manual, for monitoring the financial accountability of the charter, which shall
41 meet the requirements of subdivision (4) of subsection 4 of this section;

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

44 (12) A description of the charter school's policies on student discipline and
45 student admission, which shall include a statement, where applicable, of the
46 validity of attendance of students who do not reside in the district but who may
47 be eligible to attend under the terms of judicial settlements and procedures that
48 ensure admission of students with disabilities in a nondiscriminatory manner;

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

51 (14) A description of the agreement and time frame for implementation
52 between the charter school and the sponsor as to when a sponsor shall intervene
53 in a charter school, when a sponsor shall revoke a charter for failure to comply
54 with subsection 8 of this section, and when a sponsor will not renew a charter
55 under subsection 9 of this section;

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

58 (a) Orderly transition of student records to new schools and archival of
59 student records;

60 (b) Archival of business operation and transfer or repository of personnel
61 records;

62 (c) Submission of final financial reports;

63 (d) Resolution of any remaining financial obligations;

64 (e) Disposition of the charter school's assets upon closure; and

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

69 (16) A description of the special education and related services that shall
70 be available to meet the needs of students with disabilities; [and]

71 (17) For all new or revised charters, procedures to be used upon closure

72 of the charter school requiring that unobligated assets of the charter school be
73 returned to the department of elementary and secondary education for their
74 disposition, which upon receipt of such assets shall return them to the local
75 school district in which the school was located, the state, or any other entity to
76 which they would belong; **and**

77 **(18) For all charter schools in school districts accredited without**
78 **provision, evidence of community support for the charter school.**

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

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

82 (1) A charter shall be submitted to the sponsor, and follow the sponsor's
83 policies and procedures for review and granting of a charter approval, and be
84 approved by the state board of education by January thirty-first prior to the
85 school year of the proposed opening date of the charter school;

86 (2) A charter may be approved when the sponsor determines that the
87 requirements of this section are met, determines that the applicant is sufficiently
88 qualified to operate a charter school, and that the proposed charter is consistent
89 with the sponsor's charter sponsorship goals and capacity. The sponsor's decision
90 of approval or denial shall be made within ninety days of the filing of the
91 proposed charter;

92 (3) If the charter is denied, the proposed sponsor shall notify the applicant
93 in writing as to the reasons for its denial and forward a copy to the state board
94 of education within five business days following the denial;

95 (4) If a proposed charter is denied by a sponsor, the proposed charter may
96 be submitted to the state board of education, along with the sponsor's written
97 reasons for its denial. If the state board determines that the applicant meets the
98 requirements of this section, that the applicant is sufficiently qualified to operate
99 the charter school, and that granting a charter to the applicant would be likely
100 to provide educational benefit to the children of the district, the state board may
101 grant a charter and act as sponsor of the charter school. The state board shall
102 review the proposed charter and make a determination of whether to deny or
103 grant the proposed charter within sixty days of receipt of the proposed charter,
104 provided that any charter to be considered by the state board of education under
105 this subdivision shall be submitted no later than March first prior to the school
106 year in which the charter school intends to begin operations. The state board of
107 education shall notify the applicant in writing as the reasons for its denial, if

108 applicable; and

109 (5) The sponsor of a charter school shall give priority to charter school
110 applicants that propose a school oriented to high-risk students and to the reentry
111 of dropouts into the school system. If a sponsor grants three or more charters,
112 at least one-third of the charters granted by the sponsor shall be to schools that
113 actively recruit dropouts or high-risk students as their student body and address
114 the needs of dropouts or high-risk students through their proposed mission,
115 curriculum, teaching methods, and services. For purposes of this subsection, a
116 "high-risk" student is one who is at least one year behind in satisfactory
117 completion of course work or obtaining high school credits for graduation, has
118 dropped out of school, is at risk of dropping out of school, needs drug and alcohol
119 treatment, has severe behavioral problems, has been suspended from school three
120 or more times, has a history of severe truancy, is a pregnant or parenting teen,
121 has been referred for enrollment by the judicial system, is exiting incarceration,
122 is a refugee, is homeless or has been homeless sometime within the preceding six
123 months, has been referred by an area school district for enrollment in an
124 alternative program, or qualifies as high risk under department of elementary
125 and secondary education guidelines. Dropout shall be defined through the
126 guidelines of the school core data report. The provisions of this subsection do not
127 apply to charters sponsored by the state board of education.

128 3. If a charter is approved by a sponsor, the charter application shall be
129 submitted to the state board of education, along with a statement of finding by
130 the sponsor that the application meets the requirements of sections 160.400 to
131 160.425 and section 167.349 and a monitoring plan under which the charter
132 sponsor shall evaluate the academic performance, including annual performance
133 reports, of students enrolled in the charter school. The state board of education
134 shall approve or deny a charter application within sixty days of receipt of the
135 application. The state board of education may deny a charter on grounds that the
136 application fails to meet the requirements of sections 160.400 to 160.425 and
137 section 167.349 or that a charter sponsor previously failed to meet the statutory
138 responsibilities of a charter sponsor. Any denial of a charter application made
139 by the state board of education shall be in writing and shall identify the specific
140 failures of the application to meet the requirements of sections 160.400 to 160.425
141 and section 167.349, and the written denial shall be provided within ten business
142 days to the sponsor.

143 4. A charter school shall, as provided in its charter:

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

146 (2) Comply with laws and regulations of the state, county, or city relating
147 to health, safety, and state minimum educational standards, as specified by the
148 state board of education, including the requirements relating to student discipline
149 under sections 160.261, 167.161, 167.164, and 167.171, notification of criminal
150 conduct to law enforcement authorities under sections 167.115 to 167.117,
151 academic assessment under section 160.518, transmittal of school records under
152 section 167.020, the minimum amount of school time required under section
153 171.031, and the employee criminal history background check and the family care
154 safety registry check under section 168.133;

155 (3) Except as provided in sections 160.400 to 160.425 and as specifically
156 provided in other sections, be exempt from all laws and rules relating to schools,
157 governing boards and school districts;

158 (4) Be financially accountable, use practices consistent with the Missouri
159 financial accounting manual, provide for an annual audit by a certified public
160 accountant, publish audit reports and annual financial reports as provided in
161 chapter 165, provided that the annual financial report may be published on the
162 department of elementary and secondary education's internet website in addition
163 to other publishing requirements, and provide liability insurance to indemnify the
164 school, its board, staff and teachers against tort claims. A charter school that
165 receives local educational agency status under subsection 6 of this section shall
166 meet the requirements imposed by the Elementary and Secondary Education Act
167 for audits of such agencies and comply with all federal audit requirements for
168 charters with local educational agency status. **The charter school shall make**
169 **the results of such audits available on its website.** For purposes of an
170 audit by petition under section 29.230, a charter school shall be treated as a
171 political subdivision on the same terms and conditions as the school district in
172 which it is located. For the purposes of securing such insurance, a charter school
173 shall be eligible for the Missouri public entity risk management fund pursuant
174 to section 537.700. A charter school that incurs debt shall include a repayment
175 plan in its financial plan;

176 (5) Provide a comprehensive program of instruction for at least one grade
177 or age group from early childhood through grade twelve, as specified in its
178 charter;

179 (6) (a) Design a method to measure pupil progress toward the pupil

180 academic standards adopted by the state board of education pursuant to section
181 160.514, establish baseline student performance in accordance with the
182 performance contract during the first year of operation, collect student
183 performance data as defined by the annual performance report throughout the
184 duration of the charter to annually monitor student academic performance, and
185 to the extent applicable based upon grade levels offered by the charter school,
186 participate in the statewide system of assessments, comprised of the essential
187 skills tests and the nationally standardized norm-referenced achievement tests,
188 as designated by the state board pursuant to section 160.518, complete and
189 distribute an annual report card as prescribed in section 160.522, which shall also
190 include a statement that background checks have been completed on the charter
191 school's board members, and report to its sponsor, the local school district, and
192 the state board of education as to its teaching methods and any educational
193 innovations and the results thereof. No charter school shall be considered in the
194 Missouri school improvement program review of the district in which it is located
195 for the resource or process standards of the program.

196 (b) For proposed high-risk or alternative charter schools, sponsors shall
197 approve performance measures based on mission, curriculum, teaching methods,
198 and services. Sponsors shall also approve comprehensive academic and
199 behavioral measures to determine whether students are meeting performance
200 standards on a different time frame as specified in that school's charter. Student
201 performance shall be assessed comprehensively to determine whether a high-risk
202 or alternative charter school has documented adequate student progress. Student
203 performance shall be based on sponsor-approved comprehensive measures as well
204 as standardized public school measures. Annual presentation of charter school
205 report card data to the department of elementary and secondary education, the
206 state board, and the public shall include comprehensive measures of student
207 progress.

208 (c) Nothing in this subdivision shall be construed as permitting a charter
209 school to be held to lower performance standards than other public schools within
210 a district; however, the charter of a charter school may permit students to meet
211 performance standards on a different time frame as specified in its charter. The
212 performance standards for alternative and special purpose charter schools that
213 target high-risk students as defined in subdivision (5) of subsection 2 of this
214 section shall be based on measures defined in the school's performance contract
215 with its sponsors;

216 (7) Comply with all applicable federal and state laws and regulations
217 regarding students with disabilities, including sections 162.670 to 162.710, the
218 Individuals with Disabilities Education Act (20 U.S.C. Section 1400) and Section
219 504 of the Rehabilitation Act of 1973 (29 U.S.C. Section 794) or successor
220 legislation;

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

223 (a) Documentation that the applicant has provided a copy of the
224 application to the school board of the district in which the charter school is to be
225 located, except in those circumstances where the school district is the sponsor of
226 the charter school; and

227 (b) A statement outlining the reasons for approval or denial by the
228 sponsor, specifically addressing the requirements of sections 160.400 to 160.425
229 and 167.349; and

230 **(9) Seek to ensure that the percentage of its students who**
231 **perform proficient and advanced on the annual statewide system of**
232 **assessments under section 160.518 in English language arts and**
233 **mathematics is equal to or higher than the average percentage of**
234 **grade-level-equivalent students attending nonselective attendance**
235 **centers in the school district in which it is located who perform**
236 **proficient and advanced in English language arts and mathematics.**

237 5. (1) Proposed or existing high-risk or alternative charter schools may
238 include alternative arrangements for students to obtain credit for satisfying
239 graduation requirements in the school's charter application and
240 charter. Alternative arrangements may include, but not be limited to, credit for
241 off-campus instruction, embedded credit, work experience through an internship
242 arranged through the school, and independent studies. When the state board of
243 education approves the charter, any such alternative arrangements shall be
244 approved at such time.

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

250 6. The charter of a charter school may be amended at the request of the
251 governing body of the charter school and on the approval of the sponsor. The

252 sponsor and the governing board and staff of the charter school shall jointly
253 review the school's performance, management and operations during the first year
254 of operation and then every other year after the most recent review or at any
255 point where the operation or management of the charter school is changed or
256 transferred to another entity, either public or private. The governing board of a
257 charter school may amend the charter, if the sponsor approves such amendment,
258 or the sponsor and the governing board may reach an agreement in writing to
259 reflect the charter school's decision to become a local educational agency. In such
260 case the sponsor shall give the department of elementary and secondary
261 education written notice no later than March first of any year, with the
262 agreement to become effective July first. The department may waive the March
263 first notice date in its discretion. The department shall identify and furnish a list
264 of its regulations that pertain to local educational agencies to such schools within
265 thirty days of receiving such notice.

266 7. Sponsors shall annually review the charter school's compliance with
267 statutory standards including:

268 (1) Participation in the statewide system of assessments, as designated
269 by the state board of education under section 160.518;

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

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

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

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

277 8. (1) (a) A sponsor's policies shall give schools clear, adequate,
278 evidence-based, and timely notice of contract violations or performance
279 deficiencies and mandate intervention based upon findings of the state board of
280 education of the following:

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

284 b. The charter school's annual performance report results are below the
285 district's annual performance report results based on the performance standards
286 that are applicable to the grade level configuration of both the charter school and
287 the district in which the charter school is located in three of the last four school

288 years; and

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

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

293 a. Clear evidence of **[underperformance] low performance** as
294 demonstrated in the charter school's annual performance report in three of the
295 last four school years; or

296 b. A violation of the law or the public trust that imperils students or
297 public funds.

298 (c) A sponsor shall revoke a charter or take other appropriate remedial
299 action, which may include placing the charter school on probationary status for
300 no more than twenty-four months, provided that no more than one designation
301 of probationary status shall be allowed for the duration of the charter contract,
302 at any time if the charter school commits a serious breach of one or more
303 provisions of its charter or on any of the following grounds:

304 a. Failure to meet the performance contract as set forth in its charter[.];

305 b. **Underperformance for at least two years;**

306 c. Failure to meet generally accepted standards of fiscal management[.];

307 d. Failure to provide information necessary to confirm compliance with

308 all provisions of the charter and sections 160.400 to 160.425 and 167.349 within

309 forty-five days following receipt of written notice requesting such information[.];

310 or

311 e. Violation of law.

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

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

321 (4) The sponsor of a charter school shall establish procedures to conduct
322 administrative hearings upon determination by the sponsor that grounds exist to
323 revoke a charter. Final decisions of a sponsor from hearings conducted pursuant

324 to this subsection are subject to an appeal to the state board of education, which
325 shall determine whether the charter shall be revoked.

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

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

332 9. (1) A sponsor shall take all reasonable steps necessary to confirm that
333 each charter school sponsored by such sponsor is in material compliance and
334 remains in material compliance with all material provisions of the charter and
335 sections 160.400 to 160.425 and 167.349. Every charter school shall provide all
336 information necessary to confirm ongoing compliance with all provisions of its
337 charter and sections 160.400 to 160.425 and 167.349 in a timely manner to its
338 sponsor.

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

342 (a) The charter school has maintained results on its annual performance
343 report that meet or exceed the district in which the charter school is located
344 based on the performance standards that are applicable to the grade-level
345 configuration of both the charter school and the district in which the charter
346 school is located in three of the last four school years;

347 (b) **The charter school has underperformed for two of the three**
348 **consecutive years immediately before a decision whether to renew the**
349 **school's charter is made;**

350 (c) The charter school is organizationally and fiscally viable determining
351 at a minimum that the school does not have:

352 a. A negative balance in its operating funds;

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

355 c. Expenditures that exceed receipts for the most recently completed fiscal
356 year;

357 [(c)] (d) The charter is in compliance with its legally binding
358 performance contract and sections 160.400 to 160.425 and section 167.349; and

359 [(d)] (e) The charter school has an annual performance report consistent

360 with a classification of accredited for three of the last four years and is fiscally
361 viable as described in paragraph (b) of this subdivision. If such is the case, the
362 charter school may have an expedited renewal process as defined by rule of the
363 department of elementary and secondary education.

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

370 (b) Along with data reflecting the academic performance standards
371 indicated in paragraph (a) of this subdivision, the sponsor shall submit a revised
372 charter application to the state board of education for review. **Such application**
373 **shall include a financial audit performed by an independent third party**
374 **in accordance with the procedures outlined in chapter 29, which shall**
375 **be paid for by the charter school.**

376 (c) Using the data requested and the revised charter application under
377 paragraphs (a) and (b) of this subdivision, the state board of education shall
378 determine if compliance with all standards enumerated in this subdivision has
379 been achieved. The state board of education at its next regularly scheduled
380 meeting shall vote on the revised charter application.

381 (d) If a charter school sponsor demonstrates the objectives identified in
382 this subdivision, the state board of education shall renew the school's charter.

383 **(e) If a charter school underperforms for two of the three**
384 **consecutive years immediately before a decision whether to renew the**
385 **school's charter is made, any renewal granted shall be for only a three-**
386 **year term. If the charter school again underperforms for two years of**
387 **the three-year term, the school's charter shall not be renewed.**

388 10. A school district may enter into a lease with a charter school for
389 physical facilities.

390 11. A governing board or a school district employee who has control over
391 personnel actions shall not take unlawful reprisal against another employee at
392 the school district because the employee is directly or indirectly involved in an
393 application to establish a charter school. A governing board or a school district
394 employee shall not take unlawful reprisal against an educational program of the
395 school or the school district because an application to establish a charter school

396 proposes the conversion of all or a portion of the educational program to a charter
397 school. As used in this subsection, "unlawful reprisal" means an action that is
398 taken by a governing board or a school district employee as a direct result of a
399 lawful application to establish a charter school and that is adverse to another
400 employee or an educational program.

401 12. Charter school board members shall be subject to the same liability
402 for acts while in office as if they were regularly and duly elected members of
403 school boards in any other public school district in this state. The governing
404 board of a charter school may participate, to the same extent as a school board,
405 in the Missouri public entity risk management fund in the manner provided
406 under sections 537.700 to 537.756.

407 13. Any entity, either public or private, operating, administering, or
408 otherwise managing a charter school shall be considered a quasi-public
409 governmental body and subject to the provisions of sections 610.010 to 610.035.

410 14. The chief financial officer of a charter school shall maintain:

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

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

416 15. The department of elementary and secondary education shall calculate
417 an annual performance report for each charter school and shall publish it in the
418 same manner as annual performance reports are calculated and published for
419 districts and attendance centers.

420 16. The joint committee on education shall create a committee to
421 investigate facility access and affordability for charter schools. The committee
422 shall be comprised of equal numbers of the charter school sector and the public
423 school sector and shall report its findings to the general assembly by December
424 31, 2016.

160.408. 1. For purposes of this section, "high-quality charter school"
2 means a charter school operating in the state of Missouri that meets the following
3 requirements:

4 (1) Receives eighty-five percent or more of the total points on the annual
5 performance report for three out of the last four school years by comparing points
6 earned to the points possible on the annual performance report for three of the
7 last four school years;

8 (2) Maintains a graduation rate of at least eighty percent for three of the
9 last four school years, if the charter school provides a high school program;

10 (3) Is in material compliance with its legally binding performance contract
11 and sections 160.400 to 160.425 and section 167.349; and

12 (4) Is organizationally and fiscally viable as described in paragraph (b) of
13 subdivision (2) of subsection 9 of section 160.405.

14 2. Notwithstanding any other provision of law, high-quality charter
15 schools shall be provided expedited opportunities to replicate and expand into
16 unaccredited districts, a metropolitan district, or an urban school district
17 containing most or all of a home rule city with more than four hundred thousand
18 inhabitants and located in more than one county. Such replication and expansion
19 shall be subject to the following:

20 (1) The school seeking to replicate or expand shall submit its proposed
21 charter to a proposed sponsor. The charter shall include a legally binding
22 performance contract that meets the requirements of sections 160.400 to 160.425
23 and section 167.349;

24 (2) The sponsor's decision to approve or deny shall be made within sixty
25 days of the filing of the proposed charter with the proposed sponsor;

26 (3) If a charter is approved by a sponsor, the charter application shall be
27 filed with the state board of education with a statement of finding from the
28 sponsor that the application meets the requirements of sections 160.400 to
29 160.425 and section 167.349 and a monitoring plan under which the sponsor shall
30 evaluate the academic performance of students enrolled in the charter
31 school. Such filing shall be made by January thirty-first prior to the school year
32 in which the charter school intends to begin operations.

33 3. The term of the charter for schools operating under this section shall
34 be five years, and the charter may be renewed for terms of up to ten
35 years. Renewal shall be subject to the provisions of paragraphs (a) to [(d)] (e) of
36 subdivision (3) of subsection 9 of section 160.405.

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;

5 (3) Nonresident pupils who transfer from an unaccredited district under
6 section 167.131, provided that the charter school is an approved charter school,
7 as defined in section 167.131, and subject to all other provisions of section

8 167.131;

9 (4) **Nonresident pupils who are residents of the state of Missouri,**
10 **unless the pupil's enrollment will cause a resident pupil to be denied**
11 **enrollment;**

12 (5) In the case of a charter school whose mission includes student
13 drop-out prevention or recovery, any nonresident pupil from the same or an
14 adjacent county who resides in a residential care facility, a transitional living
15 group home, or an independent living program whose last school of enrollment is
16 in the school district where the charter school is established, who submits a
17 timely application; and

18 [(5)] (6) In the case of a workplace charter school, any student eligible
19 to attend under subdivision (1) or (2) of this subsection whose parent is employed
20 in the business district, who submits a timely application, unless the number of
21 applications exceeds the capacity of a program, class, grade level or building. The
22 configuration of a business district shall be set forth in the charter and shall not
23 be construed to create an undue advantage for a single employer or small number
24 of employers.

25 2. If capacity is insufficient to enroll all pupils who submit a timely
26 application, the charter school shall have an admissions process that assures all
27 applicants of an equal chance of gaining admission and does not discriminate
28 based on parents' ability to pay fees or tuition except that:

29 (1) A charter school may establish a geographical area around the school
30 whose residents will receive a preference for enrolling in the school, provided that
31 such preferences do not result in the establishment of racially or
32 socioeconomically isolated schools and provided such preferences conform to
33 policies and guidelines established by the state board of education;

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

38 (3) Charter schools may also give a preference for admission to high-risk
39 students, as defined in subdivision (5) of subsection 2 of section 160.405, when
40 the school targets these students through its proposed mission, curriculum,
41 teaching methods, and services.

42 3. A charter school shall not limit admission based on race, ethnicity,
43 national origin, disability, income level, proficiency in the English language or

44 athletic ability, but may limit admission to pupils within a given age group or
45 grade level. Charter schools may limit admission based on gender only when the
46 school is a single-gender school. Students of a charter school who have been
47 enrolled for a full academic year shall be counted in the performance of the
48 charter school on the statewide assessments in that calendar year, unless
49 otherwise exempted as English language learners. For purposes of this
50 subsection, "full academic year" means the last Wednesday in September through
51 the administration of the Missouri assessment program test without transferring
52 out of the school and re-enrolling.

53 4. A charter school shall make available for public inspection **as well as**
54 **on their website**, and provide upon request, to the parent, guardian, or other
55 custodian of any school-age pupil resident in the district in which the school is
56 located the following information:

57 (1) The school's charter;

58 (2) The school's most recent annual report card published according to
59 section 160.522;

60 (3) The results of background checks on the charter school's board
61 members; and

62 (4) If a charter school is operated by a management company, a copy of
63 the written contract between the governing board of the charter school and the
64 educational management organization or the charter management organization
65 for services. The charter school may charge reasonable fees, not to exceed the
66 rate specified in section 610.026 for furnishing copies of documents under this
67 subsection.

68 5. When a student attending a charter school who is a resident of the
69 school district in which the charter school is located moves out of the boundaries
70 of such school district, the student may complete the current semester and shall
71 be considered a resident student. The student's parent or legal guardian shall
72 be responsible for the student's transportation to and from the charter school.

73 6. If a change in school district boundary lines occurs under section
74 162.223, 162.431, 162.441, or 162.451, or by action of the state board of education
75 under section 162.081, including attachment of a school district's territory to
76 another district or dissolution, such that a student attending a charter school
77 prior to such change no longer resides in a school district in which the charter
78 school is located, then the student may complete the current academic year at the
79 charter school. The student shall be considered a resident student. The student's

80 parent or legal guardian shall be responsible for the student's transportation to
81 and from the charter school.

82 7. The provisions of sections 167.018 and 167.019 concerning foster
83 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 price lunch, special education, or limited English proficiency
6 status, as well as eligibility for categorical aid, of pupils resident in a school
7 district who are enrolled in the charter school to the school district in which those
8 pupils reside. The charter school shall report the average daily attendance data,
9 free and reduced price lunch count, special education pupil count, and limited
10 English proficiency pupil count to the state department of elementary and
11 secondary education. Each charter school shall promptly notify the state
12 department of elementary and secondary education and the pupil's school district
13 when a 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 **(6) If a charter school has one or more nonresident pupils, the**
38 **nonresident pupils shall not be counted for purposes of determining the**
39 **amount of aid described in subdivisions (1) and (2) of this**
40 **subsection. Each school district that has one or more of its resident**
41 **pupils attending such a charter school shall pay to the charter, for each**
42 **pupil one hundred percent of its average per-pupil expenditure**
43 **excluding interest payments and grants.**

44 3. A workplace charter school shall receive payment for each eligible pupil
45 as provided under subsection 2 of this section, except that if the student is not a
46 resident of the district and is participating in a voluntary interdistrict transfer
47 program, the payment for such pupils shall be the same as provided under section
48 162.1060.

49 4. **(1)** A charter school that has declared itself as a local educational
50 agency shall receive from the department of elementary and secondary education
51 an annual amount equal to the product of the charter school's weighted average
52 daily attendance and the state adequacy target, multiplied by the dollar value
53 modifier for the district, plus local tax revenues per weighted average daily
54 attendance from the incidental and teachers funds in excess of the performance
55 levy as defined in section 163.011 plus all other state aid attributable to such
56 pupils. If a charter school declares itself as a local educational agency, the
57 department of elementary and secondary education shall, upon notice of the
58 declaration, reduce the payment made to the school district by the amount
59 specified in this subsection and pay directly to the charter school the annual
60 amount reduced from the school district's payment.

61 **(2) (a) If a charter school has one or more nonresident pupils,**
62 **the charter school shall receive from the department of elementary and**
63 **secondary education an annual amount equal to the amount described**
64 **in subdivision (1) of this subsection; except that, the nonresident pupils**
65 **shall not be counted for the purposes of determining the amount of aid**
66 **as described in subdivision (1) of this subsection. Each school district**
67 **that has one or more of its resident pupils attending such a charter**
68 **school as nonresident pupils shall pay to the charter school, for each**

69 **pupil one hundred percent of its average per-pupil expenditure**
70 **excluding interest payments and grants.**

71 **(b) Upon notice of the charter school's declaration of local**
72 **educational agency status, the department of elementary and secondary**
73 **education shall reduce the payment made to the school district in**
74 **which the charter school is located from any source by the amount**
75 **specified in subdivision (1) of this subsection, calculated as described**
76 **in paragraph (a) of this subdivision, and pay directly to the charter**
77 **school the annual amount reduced from the school district's payment.**

78 5. If a school district fails to make timely payments of any amount for
79 which it is the disbursal agent, the state department of elementary and secondary
80 education shall authorize payment to the charter school of the amount due
81 pursuant to subsection 2 of this section and shall deduct the same amount from
82 the next state school aid apportionment to the owing school district. If a charter
83 school is paid more or less than the amounts due pursuant to this section, the
84 amount of overpayment or underpayment shall be adjusted equally in the next
85 twelve payments by the school district or the department of elementary and
86 secondary education, as appropriate. Any dispute between the school district and
87 a charter school as to the amount owing to the charter school shall be resolved by
88 the department of elementary and secondary education, and the department's
89 decision shall be the final administrative action for the purposes of review
90 pursuant to chapter 536. During the period of dispute, the department of
91 elementary and secondary education shall make every administrative and
92 statutory effort to allow the continued education of children in their current
93 public charter school setting.

94 6. The charter school and a local school board may agree by contract for
95 services to be provided by the school district to the charter school. The charter
96 school may contract with any other entity for services. Such services may include
97 but are not limited to food service, custodial service, maintenance, management
98 assistance, curriculum assistance, media services and libraries and shall be
99 subject to negotiation between the charter school and the local school board or
100 other entity. Documented actual costs of such services shall be paid for by the
101 charter school.

102 7. In the case of a proposed charter school that intends to contract with
103 an education service provider for substantial educational services or management
104 services, the request for proposals shall additionally require the charter school

105 applicant to:

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

110 (2) Provide a term sheet setting forth the proposed duration of the service
111 contract; roles and responsibilities of the governing board, the school staff, and
112 the service provider; scope of services and resources to be provided by the service
113 provider; performance evaluation measures and time lines; compensation
114 structure, including clear identification of all fees to be paid to the service
115 provider; methods of contract oversight and enforcement; investment disclosure;
116 and conditions for renewal and termination of the contract;

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

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

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

124 (6) Provide a process to ensure that the expenditures that the education
125 service provider intends to bill to the charter school shall receive prior approval
126 of the governing board or its designee.

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

130 9. A charter school shall be eligible for transportation state aid pursuant
131 to section 163.161 and shall be free to contract with the local district, or any
132 other entity, for the provision of transportation to the students of the charter
133 school.

134 10. (1) The proportionate share of state and federal resources generated
135 by students with disabilities or staff serving them shall be paid in full to charter
136 schools enrolling those students by their school district where such enrollment is
137 through a contract for services described in this section. The proportionate share
138 of money generated under other federal or state categorical aid programs shall
139 be directed to charter schools serving such students eligible for that aid.

140 (2) A charter school shall provide the special services provided pursuant

141 to section 162.705 and may provide the special services pursuant to a contract
142 with a school district or any provider of such services.

143 11. A charter school may not charge tuition or impose fees that a school
144 district is prohibited from charging or imposing, except that a charter school may
145 receive:

146 (1) Tuition payments from districts in the same or an adjoining county for
147 nonresident students who transfer to an approved charter school, as defined in
148 section 167.131, from an unaccredited district; and

149 (2) **Payments from school districts as described in this section.**

150 12. A charter school is authorized to incur debt in anticipation of receipt
151 of funds. A charter school may also borrow to finance facilities and other capital
152 items. A school district may incur bonded indebtedness or take other measures
153 to provide for physical facilities and other capital items for charter schools that
154 it sponsors or contracts with. Except as otherwise specifically provided in
155 sections 160.400 to 160.425, upon the dissolution of a charter school, any
156 liabilities of the corporation will be satisfied through the procedures of chapter
157 355. A charter school shall satisfy all its financial obligations within twelve
158 months of notice from the sponsor of the charter school's closure under subsection
159 8 of section 160.405. After satisfaction of all its financial obligations, a charter
160 school shall return any remaining state and federal funds to the department of
161 elementary and secondary education for disposition as stated in subdivision (17)
162 of subsection 1 of section 160.405. The department of elementary and secondary
163 education may withhold funding at a level the department determines to be
164 adequate during a school's last year of operation until the department determines
165 that school records, liabilities, and reporting requirements, including a full audit,
166 are satisfied.

167 13. Charter schools shall not have the power to acquire property by
168 eminent domain.

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

174 15. **Notwithstanding any other provision in this section, if a pupil**
175 **attends a charter school outside of his or her district of residence**
176 **under the provisions of 160.410 and any other provision that specifies**

177 a tuition amount to be paid by the resident district, the provision of the
178 other section specifying the tuition amount shall govern and the
179 provisions of this section shall not apply to such pupil.

160.422. 1. A political subdivision shall not adopt, enforce,
2 impose, or administer an ordinance, local policy, or local resolution
3 that prohibits property sold, leased, or transferred by the political
4 subdivision from being used for any lawful educational purpose by a
5 charter school.

6 2. A political subdivision shall not impose, enforce, or apply any
7 deed restriction that expressly, or by its operation, prohibits property
8 sold, leased, or transferred by the political subdivision from being used
9 for any lawful educational purpose by a charter school. Any deed
10 restriction or affirmative use deed restriction that affirmatively allows
11 for only one or more specified uses or purposes that do not include any
12 educational use or purpose is prohibited under this section. Any deed
13 restriction or affirmative use deed restriction in effect on the effective
14 date of this act that prohibits or does not permit property previously
15 used for any educational purpose from being used for any future
16 educational purpose is void.

17 3. If a political subdivision offers property of the political
18 subdivision for sale, lease, or rent, the political subdivision shall not
19 refuse to sell, lease, or rent the property to a charter school solely
20 because the charter school intends to use the property for an
21 educational purpose, if the intent of the charter school is to use the
22 property for a lawful educational purpose. If a political subdivision
23 offers property of the political subdivision for sale, lease, or rent, the
24 political subdivision is not required to sell, lease, or rent the property
25 to a charter school solely because the charter school intends to use the
26 property for an educational purpose.

27 4. Any ordinance, policy, regulation, deed, or contract made in
28 violation of this section shall be void from its inception.

29 5. The provisions of this section shall not apply to any deeds that
30 have been executed and recorded prior to the effective date of sections
31 160.400 to 160.425.

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

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

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

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

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

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

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

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

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

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

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

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

40 (2) Exercise sponsorship over charters approved by the commission under
41 sections 160.400 to 160.425, including receipt of sponsorship funding under
42 subsection [11] 9 of section 160.400.

43 7. Charter schools sponsored by the commission shall comply with all of
44 the requirements applicable to charter schools under sections 160.400 to 160.425.

45 8. The commission shall conduct its business in accordance with chapter
46 610.

47 9. The department of elementary and secondary education shall provide
48 start-up funding for the commission to operate. The commission shall reimburse
49 the department's costs from any funds it receives as sponsor under section
50 160.400.

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

✓
Bill

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