FIRST REGULAR SESSION

SENATE BILL NO. 271

100TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR EMERY.

Read 1st time January 17, 2019, and ordered printed.

1516S.01I

ADRIANE D. CROUSE, Secretary.

AN ACT

To repeal sections 160.011, 160.400, 160.403, 160.405, 160.408, 160.410, and 160.425, RSMo, and to enact in lieu thereof seven new sections relating to charter schools.

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

Section A. Sections 160.011, 160.400, 160.403, 160.405, 160.408, 160.410,

- 2 and 160.425, RSMo, are repealed and seven new sections enacted in lieu thereof,
- 3 to be known as sections 160.011, 160.400, 160.403, 160.405, 160.408, 160.410, and
- 4 160.425, to read as follows:

160.011. As used in chapters 160, 161, 162, 163, 164, 165, 167, 168, 170,

- 2 171, 177 and 178, the following terms mean:
- 3 (1) "Commission", the Missouri charter public school commission;
- 4 (2) "District" or "school district", when used alone, may include
- 5 seven-director, urban, and metropolitan school districts;
- 6 [(2)] (3) "Elementary school", a public school giving instruction in a grade
- 7 or grades not higher than the eighth grade;
- 8 [(3)] (4) "Family literacy programs", services of sufficient intensity in
- 9 terms of hours, and of sufficient duration, to make sustainable changes in
- 10 families that include:
- 11 (a) Interactive literacy activities between parents and their children;
- 12 (b) Training of parents regarding how to be the primary teacher of their
- 13 children and full partners in the education of their children;
- 14 (c) Parent literacy training that leads to high school completion and
- 15 economic self sufficiency; and
- 16 (d) An age-appropriate education to prepare children of all ages for

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

17 success in school;

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[(4)] (5) "Graduation rate", the quotient of the number of graduates in the current year as of June thirtieth divided by the sum of the number of graduates in the current year as of June thirtieth plus the number of twelfth graders who dropped out in the current year plus the number of eleventh graders who dropped out in the preceding year plus the number of tenth graders who dropped out in the second preceding year plus the number of ninth graders who dropped out in the third preceding year;

- [(5)] (6) "High school", a public school giving instruction in a grade or grades not lower than the ninth nor higher than the twelfth grade;
 - [(6)] (7) "Metropolitan school district", any school district the boundaries of which are coterminous with the limits of any city which is not within a county;
- [(7)] (8) "Public school" includes all elementary and high schools operated at public expense;
- 31 [(8)] (9) "School board", the board of education having general control of 32 the property and affairs of any school district;
- 33 [(9)] (10) "School term", a minimum of one hundred seventy-four school days, as that term is defined in section 160.041, for schools with a five-day school 34 35 week or a minimum of one hundred forty-two school days, as that term is defined in section 160.041, for schools with a four-day school week, and one thousand 36 37 forty-four hours of actual pupil attendance as scheduled by the board pursuant to section 171.031 during a twelve-month period in which the academic 38 instruction of pupils is actually and regularly carried on for a group of students 39 in the public schools of any school district. In school year 2019-20 and 40 subsequent years, one thousand forty-four hours of actual pupil attendance shall 41 be required with no minimum number of school days required. A school term may 42 be within a school year or may consist of parts of two consecutive school years, 43 but does not include summer school. A district may choose to operate two or more terms for different groups of children. A school term for students participating 45 in a school flex program as established in section 160.539 may consist of a 46 combination of actual pupil attendance and attendance at college or technical 47 career education or approved employment aligned with the student's career 48 49 academic plan for a total of the required number of hours as provided in this 50 subdivision;
- [(10)] (11) "Secretary", the secretary of the board of a school district;
- [(11)] (12) "Seven-director district", any school district which has seven

53 directors and includes urban districts regardless of the number of directors an 54 urban district may have unless otherwise provided by law;

- [(12)] (13) "Taxpayer", any individual who has paid taxes to the state or any subdivision thereof within the immediately preceding twelve-month period or the spouse of such individual;
- [(13)] (14) "Town", any town or village, whether or not incorporated, the plat of which has been filed in the office of the recorder of deeds of the county in which it is situated;
- [(14)] (15) "Urban school district", any district which includes more than half of the population or land area of any city which has not less than seventy thousand inhabitants, other than a city which is not within a county.
 - 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:
 - (1) In a metropolitan school district;

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- 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 17 of the state board of education, shall be decided by a vote of the [state board of 18 education] **commission** during the third consecutive school year after the 19 designation of 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] commission based on sections 160.400 to 160.425 and section 167.349 and properly promulgated rules of the [department] commission; or
- 24 (5) In a school district that has been accredited without provisions, 25 sponsored only by the local school board; provided that no board with a current

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26 year enrollment of one thousand five hundred fifty students or greater shall 27 permit more than thirty-five percent of its student enrollment to enroll in charter 28 schools sponsored by the local board under the authority of this subdivision, 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 32 having a current year student enrollment of one thousand five hundred fifty students or greater. 33

- 3. Except as further provided in subsection 4 of this section, the following entities are eligible to sponsor charter schools:
- (1) The school board of the district in any district which is sponsoring a charter school as of August 27, 2012, as permitted under subdivision (1) or (2) of subsection 2 of this section, the special administrative board of a metropolitan school district during any time in which powers granted to the district's board of education are vested in a special administrative board, or if the state board of education appoints a special administrative board to retain the authority granted to the board of education of an urban school district containing most or all of a city with a population greater than three hundred fifty thousand inhabitants, the special administrative board of such school district;
- (2) A public four-year college or university with an approved teacher education program that meets regional or national standards of accreditation;
- (3) A community college, the service area of which encompasses some portion of the district;
- (4) Any private four-year college or university with an enrollment of at least one thousand students, with its primary campus in Missouri, and with an approved teacher preparation program;
- 52 (5) Any two-year private vocational or technical school designated as a 53 501(c)(3) nonprofit organization under the Internal Revenue Code of 1986, as 54 amended, and accredited by the Higher Learning Commission, with its primary 55 campus in Missouri;
- 56 (6) The Missouri charter public school commission created in section 57 160.425.
- 58 4. Changes in a school district's accreditation status that affect charter 59 schools shall be addressed as follows, except for the districts described in 60 subdivisions (1) and (2) of subsection 2 of this section:
- 61 (1) As a district transitions from unaccredited to provisionally accredited,

the district shall continue to fall under the requirements for an unaccredited district until it achieves three consecutive full school years of provisional accreditation:

- (2) As a district transitions from provisionally accredited to full accreditation, the district shall continue to fall under the requirements for a provisionally accredited district until it achieves three consecutive full school years of full accreditation;
- (3) In any school district classified as unaccredited or provisionally accredited where a charter school is operating and is sponsored by an entity other than the local school board, when the school district becomes classified as accredited without provisions, a charter school may continue to be sponsored by the entity sponsoring it prior to the classification of accredited without provisions and shall not be limited to the local school board as a sponsor.
- A charter school operating in a school district identified in subdivision (1) or (2) of subsection 2 of this section may be sponsored by any of the entities identified in subsection 3 of this section, irrespective of the accreditation classification of the district in which it is located. A charter school in a district described in this subsection whose charter provides for the addition of grade levels in subsequent years may continue to add levels until the planned expansion is complete to the extent of grade levels in comparable schools of the district in which the charter school is operated.
 - 5. The mayor of a city not within a county may request a sponsor under subdivision (2), (3), (4), (5), or (6) of subsection 3 of this section to consider sponsoring a "workplace charter school", which is defined for purposes of sections 160.400 to 160.425 as a charter school with the ability to target prospective students whose parent or parents are employed in a business district, as defined in the charter, which is located in the city.
 - 6. No sponsor shall receive from an applicant for a charter school any fee of any type for the consideration of a charter, nor may a sponsor condition its consideration of a charter on the promise of future payment of any kind.
 - 7. The charter school shall be organized as a Missouri nonprofit corporation incorporated pursuant to chapter 355. The charter provided for herein shall constitute a contract between the sponsor and the charter school.
 - 8. As a nonprofit corporation incorporated pursuant to chapter 355, the charter school shall select the method for election of officers pursuant to section 355.326 based on the class of corporation selected. Meetings of the governing

98 board of the charter school shall be subject to the provisions of sections 610.010 99 to 610.030.

- 9. A sponsor of a charter school, its agents and employees are not liable for any acts or omissions of a charter school that it sponsors, including acts or omissions relating to the charter submitted by the charter school, the operation of the charter school and the performance of the charter school.
 - 10. A charter school may affiliate with a four-year college or university, including a private college or university, or a community college as otherwise specified in subsection 3 of this section when its charter is granted by a sponsor other than such college, university or community college. Affiliation status recognizes a relationship between the charter school and the college or university for purposes of teacher training and staff development, curriculum and assessment development, use of physical facilities owned by or rented on behalf of the college or university, and other similar purposes. A university, college or community college may not charge or accept a fee for affiliation status.
 - 11. The expenses associated with sponsorship of charter schools shall be defrayed by the department of elementary and secondary education retaining one and five-tenths percent of the amount of state and local funding allocated to the charter school under section 160.415, not to exceed one hundred twenty-five thousand dollars, adjusted for inflation. The department of elementary and secondary education shall remit the retained funds for each charter school to the school's sponsor, provided the sponsor remains in good standing by fulfilling its sponsorship obligations under sections 160.400 to 160.425 and 167.349 with regard to each charter school it sponsors, including appropriate demonstration of the following:
 - (1) Expends no less than ninety percent of its charter school sponsorship funds in support of its charter school sponsorship program, or as a direct investment in the sponsored schools;
 - (2) Maintains a comprehensive application process that follows fair procedures and rigorous criteria and grants charters only to those developers who demonstrate strong capacity for establishing and operating a quality charter school;
- 130 (3) Negotiates contracts with charter schools that clearly articulate the 131 rights and responsibilities of each party regarding school autonomy, expected 132 outcomes, measures for evaluating success or failure, performance consequences 133 based on the annual performance report, and other material terms;

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

- 137 (5) Designs and implements a transparent and rigorous process that uses 138 comprehensive data to make merit-based renewal decisions.
- 139 12. Sponsors receiving funds under subsection 11 of this section shall be 140 required to submit annual reports to the joint committee on education 141 demonstrating they are in compliance with subsection 17 of this section.
 - 13. No university, college or community college shall grant a charter to a nonprofit corporation if an employee of the university, college or community college is a member of the corporation's board of directors.
 - 14. No sponsor shall grant a charter under sections 160.400 to 160.425 and 167.349 without ensuring that a criminal background check and family care safety registry check are conducted for all members of the governing board of the charter schools or the incorporators of the charter school if initial directors are not named in the articles of incorporation, nor shall a sponsor renew a charter without ensuring a criminal background check and family care safety registry check are conducted for each member of the governing board of the charter school.
 - 15. No member of the governing board of a charter school shall hold any office or employment from the board, **commission**, or the charter school while serving as a member, nor shall the member have any substantial interest, as defined in section 105.450, in any entity employed by or contracting with the board. No board member shall be an employee of a company that provides substantial services to the charter school. All members of the governing board of the charter school shall be considered decision-making public servants as defined in section 105.450 for the purposes of the financial disclosure requirements contained in sections 105.483, 105.485, 105.487, and 105.489.
 - 16. A sponsor shall develop the policies and procedures for:
 - (1) The review of a charter school proposal including an application that provides sufficient information for rigorous evaluation of the proposed charter and provides clear documentation that the education program and academic program are aligned with the state standards and grade-level expectations, and provides clear documentation of effective governance and management structures, and a sustainable operational plan;
 - (2) The granting of a charter;
- 169 (3) The performance contract that the sponsor will use to evaluate the

170 performance of charter schools. Charter schools shall meet current state 171 academic performance standards as well as other standards agreed upon by the 172 sponsor and the charter school in the performance contract;

- (4) The sponsor's intervention, renewal, and revocation policies, including the conditions under which the charter sponsor may intervene in the operation of the charter school, along with actions and consequences that may ensue, and the conditions for renewal of the charter at the end of the term, consistent with subsections 8 and 9 of section 160.405;
- 178 (5) Additional criteria that the sponsor will use for ongoing oversight of 179 the charter; and
- 180 (6) Procedures to be implemented if a charter school should close, 181 consistent with the provisions of subdivision (15) of subsection 1 of section 182 160.405.
- The [department] **commission** shall provide guidance to sponsors in developing such policies and procedures.
 - education] **commission** of all data necessary to demonstrate that the sponsor is in material compliance with all requirements of sections 160.400 to 160.425 and section 167.349. The [state board of education] **commission** shall ensure each sponsor is in compliance with all requirements under sections 160.400 to 160.425 and 167.349 for each charter school sponsored by any sponsor. The [state board] **commission** shall notify each sponsor of the standards for sponsorship of charter schools, delineating both what is mandated by statute and what best practices dictate. The [state board] **commission** shall evaluate sponsors to determine compliance with these standards every three years. The evaluation shall include a sponsor's policies and procedures in the areas of charter application approval; required charter agreement terms and content; sponsor performance evaluation and compliance monitoring; and charter renewal, intervention, and revocation decisions. [Nothing shall preclude the department from undertaking an evaluation at any time for cause.]
 - (2) If the [department] **commission** determines that a sponsor is in material noncompliance with its sponsorship duties, the sponsor shall be notified and given reasonable time for remediation. If remediation does not address the compliance issues identified by the [department] **commission**, the [commissioner of education] **commission** shall conduct a public hearing and thereafter provide notice to the charter sponsor and to the department of corrective action that

[will be recommended to the state board of education] the department and commission take. Corrective action by the department may include withholding the sponsor's funding and corrective action by the commission may include suspending the sponsor's authority to sponsor a school that it currently sponsors or to sponsor any additional school until the sponsor is reauthorized by the [state board of education] commission under section 160.403.

- (3) The charter sponsor may, within thirty days of receipt of the notice of the [commissioner's recommendation] commission's corrective action, provide a written statement and other documentation to show cause as to why that action should not be taken. Final determination of corrective action shall be determined by the [state board of education] commission based upon a review of the documentation submitted to the [department] commission and the charter sponsor.
- (4) If the [state board] **commission** removes the authority to sponsor a currently operating charter school under any provision of law, the Missouri charter public school commission shall become the sponsor of the school.
- 18. If a sponsor notifies a charter school of closure under subsection 8 of section 160.405, the department of elementary and secondary education shall exercise its financial withholding authority under subsection 12 of section 160.415 to assure all obligations of the charter school shall be met. The state, charter sponsor, or resident district shall not be liable for any outstanding liability or obligations of the charter school.
- commission shall establish an annual application and approval process for all entities eligible to sponsor charters as set forth in section 160.400 which are not sponsoring a charter school as of August 28, 2012, except that the Missouri charter public school commission shall not be required to undergo the application and approval process. No later than November 1, 2012, the [department] commission shall make available information and guidelines for all eligible sponsors concerning the opportunity to apply for sponsoring authority under this section.
 - 2. The application process for sponsorship shall require each interested eligible sponsor, except for the Missouri charter public school commission, to submit an application by February first that includes the following:
 - (1) Written notification of intent to serve as a charter school sponsor in

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- 14 accordance with sections 160.400 to 160.425 and section 167.349;
 - (2) Evidence of the applicant sponsor's budget and personnel capacity;
- 16 (3) An outline of the request for proposal that the applicant sponsor would, if approved as a charter sponsor, issue to solicit charter school applicants
- 18 consistent with sections 160.400 to 160.425 and section 167.349;
- 19 (4) The performance contract that the applicant sponsor would, if 20 approved as a charter sponsor, use to evaluate the charter schools it sponsors; 21 and
- 22 (5) The applicant sponsor's renewal, revocation, and nonrenewal processes 23 consistent with section 160.405.
- 3. By April first of each year, the [department] **commission** shall decide whether to grant or deny a sponsoring authority to a sponsor applicant. This decision shall be made based on the applicant sponsor's compliance with sections 160.400 to 160.425 and section 167.349 and properly promulgated rules of the [department] **commission**.
- 4. Within thirty days of the [department's] **commission's** decision, the [department] **commission** shall execute a renewable sponsoring contract with each entity it has approved as a sponsor. The term of each authorizing contract shall be six years and renewable.
- 160.405. 1. A person, group or organization seeking to establish a charter school shall submit the proposed charter, as provided in this section, to a sponsor. If the sponsor is not a school board, the applicant shall give a copy of its application to the school board of the district in which the charter school is to be located and to the [state board of education] commission, within five business days of the date the application is filed with the proposed sponsor. The school board may file objections with the proposed sponsor, and, if a charter is granted, the school board may file objections with the [state board of education] commission. The charter shall include a legally binding performance contract that describes the obligations and responsibilities of the school and the sponsor as outlined in sections 160.400 to 160.425 and section 167.349 and shall address the following:
 - (1) A mission and vision statement for the charter school;
- 14 (2) A description of the charter school's organizational structure and 15 bylaws of the governing body, which will be responsible for the policy, financial 16 management, and operational decisions of the charter school, including the nature 17 and extent of parental, professional educator, and community involvement in the

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18 governance and operation of the charter school;

- 19 (3) A financial plan for the first three years of operation of the charter 20 school including provisions for annual audits;
- 21 (4) A description of the charter school's policy for securing personnel 22 services, its personnel policies, personnel qualifications, and professional 23 development plan;
 - (5) A description of the grades or ages of students being served;
- 25 (6) The school's calendar of operation, which shall include at least the 26 equivalent of a full school term as defined in section 160.011;
- (7) A description of the charter school's pupil performance standards and academic program performance standards, which shall meet the requirements of subdivision (6) of subsection 4 of this section. The charter school program shall be designed to enable each pupil to achieve such standards and shall contain a complete set of indicators, measures, metrics, and targets for academic program performance, including specific goals on graduation rates and standardized test performance and academic growth;
- 34 (8) A description of the charter school's educational program and 35 curriculum;
 - (9) The term of the charter, which shall be five years and may be renewed;
 - (10) Procedures, consistent with the Missouri financial accounting manual, for monitoring the financial accountability of the charter, which shall meet the requirements of subdivision (4) of subsection 4 of this section;
 - (11) Preopening requirements for applications that require that charter schools meet all health, safety, and other legal requirements prior to opening;
- 42 (12) A description of the charter school's policies on student discipline and 43 student admission, which shall include a statement, where applicable, of the 44 validity of attendance of students who do not reside in the district but who may 45 be eligible to attend under the terms of judicial settlements and procedures that 46 ensure admission of students with disabilities in a nondiscriminatory manner;
- 47 (13) A description of the charter school's grievance procedure for parents 48 or guardians;
- 49 (14) A description of the agreement and time frame for implementation 50 between the charter school and the sponsor as to when a sponsor shall intervene 51 in a charter school, when a sponsor shall revoke a charter for failure to comply 52 with subsection 8 of this section, and when a sponsor will not renew a charter 53 under subsection 9 of this section;

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54 (15) Procedures to be implemented if the charter school should close, as 55 provided in subdivision (6) of subsection 16 of section 160.400 including:

- 56 (a) Orderly transition of student records to new schools and archival of student records; 57
- 58 (b) Archival of business operation and transfer or repository of personnel records; 59
- (c) Submission of final financial reports; 60
- 61 (d) Resolution of any remaining financial obligations;
- 62 (e) Disposition of the charter school's assets upon closure; and
- 63 (f) A notification plan to inform parents or guardians of students, the local 64 school district, the retirement system in which the charter school's employees 65 participate, and the [state board of education] commission within thirty days 66 of the decision to close;
- 67 (16) A description of the special education and related services that shall 68 be available to meet the needs of students with disabilities; and
- 69 (17) For all new or revised charters, procedures to be used upon closure 70 of the charter school requiring that unobligated assets of the charter school be returned to the department of elementary and secondary education for their 7172disposition, which upon receipt of such assets shall return them to the local school district in which the school was located, the state, or any other entity to 7374which they would belong.
- Charter schools operating on August 27, 2012, shall have until August 28, 2015, 75 76 to meet the requirements of this subsection.
 - 2. Proposed charters shall be subject to the following requirements:
 - (1) A charter shall be submitted to the sponsor, and follow the sponsor's policies and procedures for review and granting of a charter approval, and be approved by the [state board of education] commission by January thirty-first prior to the school year of the proposed opening date of the charter school;
- (2) A charter may be approved when the sponsor determines that the 83 requirements of this section are met, determines that the applicant is sufficiently qualified to operate a charter school, and that the proposed charter is consistent with the sponsor's charter sponsorship goals and capacity. The sponsor's decision 85 of approval or denial shall be made within ninety days of the filing of the proposed charter;
- 88 (3) If the charter is denied, the proposed sponsor shall notify the applicant 89 in writing as to the reasons for its denial and forward a copy to the [state board

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90 of education] commission within five business days following the denial;

- (4) If a proposed charter is denied by a sponsor, the proposed charter may be submitted to the [state board of education] commission, along with the sponsor's written reasons for its denial. If the [state board] commission determines that the applicant meets the requirements of this section, that the applicant is sufficiently qualified to operate the charter school, and that granting a charter to the applicant would be likely to provide educational benefit to the children of the district, the [state board] commission may grant a charter and act as sponsor of the charter school. The [state board] commission shall review the proposed charter and make a determination of whether to deny or grant the proposed charter within sixty days of receipt of the proposed charter, provided that any charter to be considered by the [state board of education] commission under this subdivision shall be submitted no later than March first prior to the school year in which the charter school intends to begin operations. The [state board of education] commission shall notify the applicant in writing as the reasons for its denial, if applicable; and
- 106 (5) The sponsor of a charter school shall give priority to charter school 107 applicants that propose a school oriented to high-risk students and to the reentry 108 of dropouts into the school system. If a sponsor grants three or more charters, 109 at least one-third of the charters granted by the sponsor shall be to schools that 110 actively recruit dropouts or high-risk students as their student body and address 111 the needs of dropouts or high-risk students through their proposed mission, 112 curriculum, teaching methods, and services. For purposes of this subsection, a 113 "high-risk" student is one who is at least one year behind in satisfactory 114 completion of course work or obtaining high school credits for graduation, has dropped out of school, is at risk of dropping out of school, needs drug and alcohol 115 treatment, has severe behavioral problems, has been suspended from school three 116 or more times, has a history of severe truancy, is a pregnant or parenting teen, 117 has been referred for enrollment by the judicial system, is exiting incarceration, 118 119 is a refugee, is homeless or has been homeless sometime within the preceding six 120 months, has been referred by an area school district for enrollment in an 121 alternative program, or qualifies as high risk under department of elementary 122 and secondary education guidelines. Dropout shall be defined through the 123 guidelines of the school core data report. The provisions of this [subsection] 124 **subdivision** do not apply to charters sponsored by the [state board of education] 125 commission.

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126 3. If a charter is approved by a sponsor, the charter application shall be submitted to the [state board of education] commission, along with a statement 127 of finding by the sponsor that the application meets the requirements of sections 128 129 160.400 to 160.425 and section 167.349 and a monitoring plan under which the 130 charter sponsor shall evaluate the academic performance, including annual performance reports, of students enrolled in the charter school. The [state board 131 132 of education commission shall approve or deny a charter application within 133 sixty days of receipt of the application. The [state board of education] 134 commission may deny a charter on grounds that the application fails to meet the requirements of sections 160.400 to 160.425 and section 167.349 or that a 135 charter sponsor previously failed to meet the statutory responsibilities of a 136 137 charter sponsor. Any denial of a charter application made by the [state board of 138 education] commission shall be in writing and shall identify the specific failures 139 of the application to meet the requirements of sections 160.400 to 160.425 and 140 section 167.349, and the written denial shall be provided within ten business days 141 to the sponsor.

- 4. A charter school shall, as provided in its charter:
- 143 (1) Be nonsectarian in its programs, admission policies, employment 144 practices, and all other operations;
 - (2) Comply with laws and regulations of the state, county, or city relating to health, safety, and state minimum educational standards, as specified by the state board of education, including the requirements relating to student discipline under sections 160.261, 167.161, 167.164, and 167.171, notification of criminal conduct to law enforcement authorities under sections 167.115 [to] and 167.117, academic assessment under section 160.518, transmittal of school records under section 167.020, the minimum amount of school time required under section 171.031, and the employee criminal history background check and the family care safety registry check under section 168.133;
 - (3) Except as provided in sections 160.400 to 160.425 and as specifically provided in other sections, be exempt from all laws and rules relating to schools, governing boards and school districts;
 - (4) Be financially accountable, use practices consistent with the Missouri financial accounting manual, provide for an annual audit by a certified public accountant, publish audit reports and annual financial reports as provided in chapter 165, provided that the annual financial report may be published on the department of elementary and secondary education's internet website in addition

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162 to other publishing requirements, and provide liability insurance to indemnify the 163 school, its board, staff and teachers against tort claims. A charter school that 164 receives local educational agency status under subsection 6 of this section shall 165 meet the requirements imposed by the Elementary and Secondary Education Act 166 for audits of such agencies and comply with all federal audit requirements for 167 charters with local educational agency status. For purposes of an audit by 168 petition under section 29.230, a charter school shall be treated as a political 169 subdivision on the same terms and conditions as the school district in which it is 170 located. For the purposes of securing such insurance, a charter school shall be 171 eligible for the Missouri public entity risk management fund pursuant to section 172 537.700. A charter school that incurs debt shall include a repayment plan in its 173 financial plan;

- (5) Provide a comprehensive program of instruction for at least one grade or age group from early childhood through grade twelve, as specified in its charter;
- 177 (6) (a) Design a method to measure pupil progress toward the pupil 178 academic standards adopted by the state board of education pursuant to section 179 160.514, establish baseline student performance in accordance with the performance contract during the first year of operation, collect student 180 181 performance data as defined by the annual performance report throughout the 182 duration of the charter to annually monitor student academic performance, and 183 to the extent applicable based upon grade levels offered by the charter school, 184 participate in the statewide system of assessments, comprised of the essential 185 skills tests and the nationally standardized norm-referenced achievement tests, 186 as designated by the state board pursuant to section 160.518, complete and 187 distribute an annual report card as prescribed in section 160.522, which shall also 188 include a statement that background checks have been completed on the charter 189 school's board members, and report to its sponsor, the local school district, the 190 **commission**, and the state board of education as to its teaching methods and 191 any educational innovations and the results thereof. No charter school shall be 192 considered in the Missouri school improvement program review of the district in 193 which it is located for the resource or process standards of the program.
 - (b) For proposed high-risk or alternative charter schools, sponsors shall approve performance measures based on mission, curriculum, teaching methods, and services. Sponsors shall also approve comprehensive academic and behavioral measures to determine whether students are meeting performance

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198 standards on a different time frame as specified in that school's charter. Student 199 performance shall be assessed comprehensively to determine whether a high-risk or alternative charter school has documented adequate student progress. Student 200 performance shall be based on sponsor-approved comprehensive measures as well 201202 as standardized public school measures. Annual presentation of charter school report card data to the department of elementary and secondary education, the 203state board, the commission, and the public shall include comprehensive 204 205 measures of student progress.

- (c) Nothing in this subdivision shall be construed as permitting a charter school to be held to lower performance standards than other public schools within a district; however, the charter of a charter school may permit students to meet performance standards on a different time frame as specified in its charter. The performance standards for alternative and special purpose charter schools that target high-risk students as defined in subdivision (5) of subsection 2 of this section shall be based on measures defined in the school's performance contract with its sponsors;
- 214 (7) Comply with all applicable federal and state laws and regulations 215 regarding students with disabilities, including sections 162.670 to 162.710, the 216 Individuals with Disabilities Education Act (20 U.S.C. Section 1400) and Section 217 504 of the Rehabilitation Act of 1973 (29 U.S.C. Section 794) or successor 218 legislation;
 - (8) Provide along with any request for review by the [state board of education] **commission** the following:
 - (a) Documentation that the applicant has provided a copy of the application to the school board of the district in which the charter school is to be located, except in those circumstances where the school district is the sponsor of the charter school; and
- 225 (b) A statement outlining the reasons for approval or denial by the 226 sponsor, specifically addressing the requirements of sections 160.400 to 160.425 227 and 167.349.
- 5. (1) Proposed or existing high-risk or alternative charter schools may include alternative arrangements for students to obtain credit for satisfying graduation requirements in the school's charter application and charter. Alternative arrangements may include, but not be limited to, credit for off-campus instruction, embedded credit, work experience through an internship arranged through the school, and independent studies. When the [state board of

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education] **commission** approves the charter, any such alternative arrangements shall be approved at such time.

- (2) The [department of elementary and secondary education] **commission** shall conduct a study of any charter school granted alternative arrangements for students to obtain credit under this subsection after three years of operation to assess student performance, graduation rates, educational outcomes, and entry into the workforce or higher education.
- 241 6. The charter of a charter school may be amended at the request of the 242 governing body of the charter school and on the approval of the sponsor. The 243 sponsor and the governing board and staff of the charter school shall jointly 244 review the school's performance, management and operations during the first year 245of operation and then every other year after the most recent review or at any 246 point where the operation or management of the charter school is changed or 247 transferred to another entity, either public or private. The governing board of a 248 charter school may amend the charter, if the sponsor approves such amendment, 249 or the sponsor and the governing board may reach an agreement in writing to 250 reflect the charter school's decision to become a local educational agency. In such 251 case the sponsor shall give the [department of elementary and secondary 252 education commission written notice no later than March first of any year, with 253 the agreement to become effective July first. The [department] commission may 254 waive the March first notice date in its discretion. The [department] commission shall identify and furnish a list of its regulations that pertain to 255 256 local educational agencies to such schools within thirty days of receiving such 257 notice.
 - 7. Sponsors shall annually review the charter school's compliance with statutory standards including:
- 260 (1) Participation in the statewide system of assessments, as designated 261 by the state board of education under section 160.518;
- 262 (2) Assurances for the completion and distribution of an annual report 263 card as prescribed in section 160.522;
- 264 (3) The collection of baseline data during the first three years of operation 265 to determine the longitudinal success of the charter school;
- 266 (4) A method to measure pupil progress toward the pupil academic 267 standards adopted by the state board of education under section 160.514; and
 - (5) Publication of each charter school's annual performance report.
- 8. (1) (a) A sponsor's policies shall give schools clear, adequate,

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evidence-based, and timely notice of contract violations or performance deficiencies and mandate intervention based upon findings of the [state board of education] **commission** of the following:

- a. The charter school provides a high school program which fails to maintain a graduation rate of at least seventy percent in three of the last four school years unless the school has dropout recovery as its mission;
- b. The charter school's annual performance report results are below the district's annual performance report results based on the performance standards that are applicable to the grade level configuration of both the charter school and the district in which the charter school is located in three of the last four school years; and
- c. The charter school is identified as a persistently lowest achieving school by the department of elementary and secondary education.
- 283 (b) A sponsor shall have a policy to revoke a charter during the charter 284 term if there is:
- a. Clear evidence of underperformance as demonstrated in the charter school's annual performance report in three of the last four school years; or
- b. A violation of the law or the public trust that imperils students or public funds.
 - (c) A sponsor shall revoke a charter or take other appropriate remedial action, which may include placing the charter school on probationary status for no more than twenty-four months, provided that no more than one designation of probationary status shall be allowed for the duration of the charter contract, at any time if the charter school commits a serious breach of one or more provisions of its charter or on any of the following grounds: failure to meet the performance contract as set forth in its charter, failure to meet generally accepted standards of fiscal management, failure to provide information necessary to confirm compliance with all provisions of the charter and sections 160.400 to 160.425 and 167.349 within forty-five days following receipt of written notice requesting such information, or violation of law.
 - (2) The sponsor may place the charter school on probationary status to allow the implementation of a remedial plan, which may require a change of methodology, a change in leadership, or both, after which, if such plan is unsuccessful, the charter may be revoked.
- 304 (3) At least sixty days before acting to revoke a charter, the sponsor shall 305 notify the governing board of the charter school of the proposed action in

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writing. The notice shall state the grounds for the proposed action. The school's governing board may request in writing a hearing before the sponsor within two weeks of receiving the notice.

- (4) The sponsor of a charter school shall establish procedures to conduct administrative hearings upon determination by the sponsor that grounds exist to revoke a charter. Final decisions of a sponsor from hearings conducted pursuant to this subsection are subject to an appeal to the [state board of education] **commission**, which shall determine whether the charter shall be revoked.
- (5) A termination shall be effective only at the conclusion of the school year, unless the sponsor determines that continued operation of the school presents a clear and immediate threat to the health and safety of the children.
- (6) A charter sponsor shall make available the school accountability report card information as provided under section 160.522 and the results of the academic monitoring required under subsection 3 of this section.
- 9. (1) A sponsor shall take all reasonable steps necessary to confirm that each charter school sponsored by such sponsor is in material compliance and remains in material compliance with all material provisions of the charter and sections 160.400 to 160.425 and 167.349. Every charter school shall provide all information necessary to confirm ongoing compliance with all provisions of its charter and sections 160.400 to 160.425 and 167.349 in a timely manner to its sponsor.
- 327 (2) The sponsor's renewal process of the charter school shall be based on 328 the thorough analysis of a comprehensive body of objective evidence and consider 329 if:
- 330 (a) The charter school has maintained results on its annual performance 331 report that meet or exceed the district in which the charter school is located 332 based on the performance standards that are applicable to the grade-level 333 configuration of both the charter school and the district in which the charter 334 school is located in three of the last four school years;
- 335 (b) The charter school is organizationally and fiscally viable determining 336 at a minimum that the school does not have:
 - a. A negative balance in its operating funds;
- b. A combined balance of less than three percent of the amount expended for such funds during the previous fiscal year; or
- 340 c. Expenditures that exceed receipts for the most recently completed fiscal 341 year;

342 (c) The charter is in compliance with its legally binding performance 343 contract and sections 160.400 to 160.425 and section 167.349; and

- (d) The charter school has an annual performance report consistent with a classification of accredited for three of the last four years and is fiscally viable as described in paragraph (b) of this subdivision. If such is the case, the charter school may have an expedited renewal process as defined by rule of the [department of elementary and secondary education] **commission**.
- (3) (a) Beginning August first during the year in which a charter is considered for renewal, a charter school sponsor shall demonstrate to the [state board of education] **commission** that the charter school is in compliance with federal and state law as provided in sections 160.400 to 160.425 and section 167.349 and the school's performance contract including but not limited to those requirements specific to academic performance.
- (b) Along with data reflecting the academic performance standards indicated in paragraph (a) of this subdivision, the sponsor shall submit a revised charter application to the [state board of education] **commission** for review.
- (c) Using the data requested and the revised charter application under paragraphs (a) and (b) of this subdivision, the [state board of education] **commission** shall determine if compliance with all standards enumerated in this subdivision has been achieved. The [state board of education] **commission** at its next regularly scheduled meeting shall vote on the revised charter application.
- (d) If a charter school sponsor demonstrates the objectives identified in this subdivision, the [state board of education] **commission** shall renew the school's charter.
- 10. A school district may enter into a lease with a charter school for physical facilities.
- 11. A governing board or a school district employee who has control over personnel actions shall not take unlawful reprisal against another employee at the school district because the employee is directly or indirectly involved in an application to establish a charter school. A governing board or a school district employee shall not take unlawful reprisal against an educational program of the school or the school district because an application to establish a charter school proposes the conversion of all or a portion of the educational program to a charter school. As used in this subsection, "unlawful reprisal" means an action that is taken by a governing board or a school district employee as a direct result of a lawful application to establish a charter school and that is adverse to another

378 employee or an educational program.

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- 12. Charter school board members shall be subject to the same liability for acts while in office as if they were regularly and duly elected members of school boards in any other public school district in this state. The governing board of a charter school may participate, to the same extent as a school board, in the Missouri public entity risk management fund in the manner provided under sections 537.700 to 537.756.
- 385 13. Any entity, either public or private, operating, administering, or 386 otherwise managing a charter school shall be considered a quasi-public 387 governmental body and subject to the provisions of sections 610.010 to 610.035.
 - 14. The chief financial officer of a charter school shall maintain:
- 389 (1) A surety bond in an amount determined by the sponsor to be adequate 390 based on the cash flow of the school; or
- 391 (2) An insurance policy issued by an insurance company licensed to do 392 business in Missouri on all employees in the amount of five hundred thousand 393 dollars or more that provides coverage in the event of employee theft.
- 394 15. The department of elementary and secondary education shall calculate 395 an annual performance report for each charter school and shall publish it in the 396 same manner as annual performance reports are calculated and published for 397 districts and attendance centers.
- 398 16. The joint committee on education shall create a committee to 399 investigate facility access and affordability for charter schools. The committee 400 shall be comprised of equal numbers of the charter school sector and the public 401 school sector and shall report its findings to the general assembly by December 402 31, 2016.
 - 160.408. 1. For purposes of this section, "high-quality charter school"
 means a charter school operating in the state of Missouri that meets the following
 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 subdivision (2) of subsection 9 of section 160.405.
- 2. Notwithstanding any other provision of law, high-quality charter schools shall be provided expedited opportunities to replicate and expand into unaccredited districts, a metropolitan district, or an urban school district containing most or all of a home rule city with more than four hundred thousand inhabitants and located in more than one county. Such replication and expansion 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;
- (3) If a charter is approved by a sponsor, the charter application shall be filed with the [state board of education] **commission** with a statement of finding from the sponsor that the application meets the requirements of sections 160.400 to 160.425 and section 167.349 and a monitoring plan under which the sponsor shall evaluate the academic performance of students enrolled in the charter school. Such filing shall be made by January thirty-first prior to the school year in which the charter school intends to begin operations.
- 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) 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) In the case of a charter school whose mission includes student drop-out 10 prevention or recovery, any nonresident pupil from the same or an adjacent 11 county who resides in a residential care facility, a transitional living group home,

or an independent living program whose last school of enrollment is in the school district where the charter school is established, who submits a timely application; and

- (5) In the case of a workplace charter school, any student eligible to attend under subdivision (1) or (2) of this subsection whose parent is employed in the business district, who submits a timely application, unless the number of applications exceeds the capacity of a program, class, grade level or building. The configuration of a business district shall be set forth in the charter and shall not be construed to create an undue advantage for a single employer or small number of employers.
 - 2. If capacity is insufficient to enroll all pupils who submit a timely application, the charter school shall have an admissions process that assures all applicants of an equal chance of gaining admission and does not discriminate based on parents' ability to pay fees or tuition except that:
 - (1) A charter school may establish a geographical area around the school whose residents will receive a preference for enrolling in the school, provided that such preferences do not result in the establishment of racially or socioeconomically isolated schools and provided such preferences conform to policies and guidelines established by the [state board of education] commission;
 - (2) A charter school may also give a preference for admission of children whose siblings attend the school or whose parents are employed at the school or in the case of a workplace charter school, a child whose parent is employed in the business district or at the business site of such school; and
 - (3) Charter schools may also give a preference for admission to high-risk students, as defined in subdivision (5) of subsection 2 of section 160.405, when the school targets these students through its proposed mission, curriculum, teaching methods, and services.
 - 3. A charter school shall not limit admission based on race, ethnicity, national origin, disability, income level, proficiency in the English language or athletic ability, but may limit admission to pupils within a given age group or grade level. Charter schools may limit admission based on gender only when the school is a single-gender school. Students of a charter school who have been enrolled for a full academic year shall be counted in the performance of the charter school on the statewide assessments in that calendar year, unless otherwise exempted as English language learners. For purposes of this

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subsection, "full academic year" means the last Wednesday in September through 48

- 49 the administration of the Missouri assessment program test without transferring
- out of the school and re-enrolling. 50
- 51 4. A charter school shall make available for public inspection, and provide
- upon request, to the parent, guardian, or other custodian of any school-age pupil 52
- resident in the district in which the school is located the following information: 53
- 54 (1) The school's charter;

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- 55 (2) The school's most recent annual report card published according to section 160.522; 56
- 57 (3) The results of background checks on the charter school's board 58 members; and
- 59 (4) If a charter school is operated by a management company, a copy of 60 the written contract between the governing board of the charter school and the educational management organization or the charter management organization 61 62 for services. The charter school may charge reasonable fees, not to exceed the rate specified in section 610.026 for furnishing copies of documents under this 63 64 subsection.
- 65 5. When a student attending a charter school who is a resident of the school district in which the charter school is located moves out of the boundaries 66 of such school district, the student may complete the current semester and shall be considered a resident student. The student's parent or legal guardian shall be responsible for the student's transportation to and from the charter school.
- 70 6. If a change in school district boundary lines occurs under section 71 162.223, 162.431, 162.441, or 162.451, or by action of the state board of education 72under section 162.081, including attachment of a school district's territory to another district or dissolution, such that a student attending a charter school 73 prior to such change no longer resides in a school district in which the charter 74school is located, then the student may complete the current academic year at the 75charter school. The student shall be considered a resident student. The student's 76 parent or legal guardian shall be responsible for the student's transportation to 77 and from the charter school. 78
- 79 7. The provisions of sections 167.018 and 167.019 concerning foster children's educational rights are applicable to charter schools.
 - 160.425. 1. The "Missouri Charter Public School Commission" is hereby created with the authority to sponsor high quality charter schools throughout the state of Missouri. The commission shall be responsible for oversight and

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4 regulation of charter schools throughout the state of Missouri.

- 2. The commission shall consist of nine members appointed by the governor, by and with the advice and consent of the senate. No more than five of the members shall be of the same political party. No more than two members shall be from the same congressional district. The term of office of each member shall be four years, except those of the members first appointed, of which three shall be appointed for a term of one year, two for a term of two years, two for a term of three years, and two for a term of four years. At the expiration of the term of each member, the governor, by and with the advice and consent of the senate, shall appoint a successor.
 - 3. The appointees to the commission shall be selected as follows:
 - (1) One member selected by the governor from a slate of three recommended by the commissioner of education;
- 17 (2) One member selected by the governor from a slate of three 18 recommended by the commissioner of higher education;
- 19 (3) One member selected by the governor from a slate of three 20 recommended by the president pro tempore of the senate;
- 21 (4) One member selected by the governor from a slate of three 22 recommended by the speaker of the house of representatives; and
- 23 (5) Five additional members appointed by the governor, one of whom shall 24 be selected from a slate of three nominees recommended by the Missouri School 25 Boards Association.
 - 4. Members appointed to the commission shall collectively possess strong experience and expertise in governance, management and finance, school leadership, assessment, curriculum and instruction, and education law. All members of the commission shall have demonstrated understanding of and commitment to charter schooling as a strategy for strengthening public education.
- 5. The commission shall annually elect a chairperson and vice chairperson, who shall act as chairperson in his or her absence. The commission shall meet at the call of the chairperson. The chairperson may call meetings at such times as he or she deems advisable and shall call a meeting when requested to do so by three or more members of the commission. Members of the commission are not eligible to receive compensation.
- 6. The commission may approve proposed charters for its sponsorship under sections 160.400 to 160.425 and shall:
 - (1) Comply with all of the requirements applicable to sponsors under

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40 sections 160.400 to 160.425;

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- 41 (2) Exercise sponsorship over charters approved by the commission under sections 160.400 to 160.425, including receipt of sponsorship funding under 42 subsection 11 of section 160.400. 43
- 44 7. Charter schools sponsored by the commission shall comply with all of 45 the requirements applicable to charter schools under sections 160.400 to 160.425.
- 46 8. The commission shall conduct its business in accordance with chapter 47610.
- 48 9. The department of elementary and secondary education shall provide 49 start-up funding for the commission to operate. The commission shall reimburse 50 the department's costs from any funds it receives as sponsor under section 51 160.400.
- 52 10. The commission is authorized to receive and expend gifts, grants, and 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 they are given, provided that all such terms and conditions are permissible under 56 law.
 - 11. The commission shall have the authority to hire employees as may be necessary to perform duties assigned to the commission under sections 160.400 to 160.425.
 - 12. The Missouri public charter school commission shall promulgate all rules and regulations necessary for the administration of sections 160.400 to 160.425. Any rules promulgated under the authority granted by sections 160.400 to 160.425 that are in effect on August 28, 2019, shall remain effective unless and until modified or repealed by the commission. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536, RSMo, and, if applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536, RSMo, to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2019, shall be invalid and void.

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