

SENATE COMMITTEE SUBSTITUTE

FOR

SENATE BILL NO. 603

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Section A. Sections 160.400, 160.405, 160.408, 160.410, 160.415, and 160.425, RSMo, are repealed and eight new sections enacted in lieu thereof, to be known as sections 160.400, 160.404, 160.405, 160.408, 160.410, 160.415, 160.422, and 160.425, to read as follows:

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

2. [Except as further provided in subsection 4 of this section,] Charter schools may be operated only:

(1) In a metropolitan school district;

(2) In an urban school district containing most or all of a city with a population greater than three hundred fifty thousand inhabitants;

(3) In a school district that has been classified as unaccredited by the state board of education;

(4) In a school district that has been classified as provisionally accredited by the state board of education and has received scores on its annual performance report consistent with

a classification of provisionally accredited or unaccredited for three consecutive school years beginning with the 2012-13 accreditation year under the following conditions:

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

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

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

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

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

to having a current year student enrollment of one thousand five hundred fifty students or greater.

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;

(5) Any two-year private vocational or technical school designated as a 501(c)(3) nonprofit organization under the

Internal Revenue Code of 1986, as amended, and accredited by the Higher Learning Commission, with its primary campus in Missouri;

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

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

(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.] 5. 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.] 6. 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 board of the charter school shall be subject to the provisions of sections 610.010 to 610.030.

[9.] 7. 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.] 8. 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.] 9. 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;

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

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

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

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

[13.] 11. 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.] 12. 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.] 13. No member of the governing board of a charter school shall hold any office or employment from the board 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.] 14. 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;

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

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

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

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

[17.] 15. (1) A sponsor shall provide timely submission to the state board of education 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 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 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 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 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, the commissioner of education shall conduct a public hearing and thereafter provide notice to the charter sponsor of corrective action that will be recommended to the state board of education. Corrective action by the department may include withholding the sponsor's funding and 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 under section 160.403.

(3) The charter sponsor may, within thirty days of receipt of the notice of the commissioner's recommendation, 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 based upon a review of the documentation submitted to the department and the charter sponsor.

(4) If the state board 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.] 16. 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.

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

sponsorship. The provisions of this subsection shall not apply to sponsors who revoke or let lapse the three-year charter.

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

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

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

(2) The average rate of growth in English language arts and mathematics on the annual statewide system of assessments under section 160.518 based on the state's growth model for the charter school's students is higher than the average growth in English language arts and mathematics based on the state's growth model for grade-level-equivalent students attending nonselective attendance centers in the school district in which the charter school is located.

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, 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. 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;
- (2) A description of the charter school's organizational structure and bylaws of the governing body, which will be responsible for the policy, financial management, and operational decisions of the charter school, including the nature and extent of parental, professional educator, and community involvement in the governance and operation of the charter school;
- (3) A financial plan for the first three years of operation of the charter school including provisions for annual audits;
- (4) A description of the charter school's policy for securing personnel services, its personnel policies, personnel qualifications, and professional development plan;
- (5) A description of the grades or ages of students being served;
- (6) The school's calendar of operation, which shall include at least the 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;

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

(9) The term of the charter, which shall be five years and may be renewed for a five-year term; except that, if renewal occurs as described under paragraph (e) of subdivision (3) of subsection 9 of this section, such renewal shall be for only a three-year term;

(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;

(12) A description of the charter school's policies on student discipline and student admission, which shall include a statement, where applicable, of the validity of attendance of students who do not reside in the district but who may be eligible to attend under the terms of judicial settlements and

procedures that ensure admission of students with disabilities in a nondiscriminatory manner;

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

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

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

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

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

(c) Submission of final financial reports;

(d) Resolution of any remaining financial obligations;

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

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

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

(17) For all new or revised charters, procedures to be used upon closure of the charter school requiring that unobligated assets of the charter school be returned to the department of elementary and secondary education for their disposition, 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 which they would belong.

Charter schools operating on August 27, 2012, shall have until August 28, 2015, 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 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 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 of approval or denial shall be made within ninety days of the filing of the proposed charter;

(3) If the charter is denied, the proposed sponsor shall notify the applicant in writing as to the reasons for its denial and forward a copy to the state board of education 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, along with the sponsor's written reasons for its denial. If the state board 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 may grant a charter and act as sponsor of the charter school. The state board 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 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 shall notify the applicant in writing as the reasons for its denial, if applicable; and

(5) The sponsor of a charter school shall give priority to charter school applicants that propose a school oriented to high-risk students and to the reentry of dropouts into the school system. If a sponsor grants three or more charters, at least one-third of the charters granted by the sponsor shall be to schools that actively recruit dropouts or high-risk students as their student body and address the needs of dropouts or high-risk students through their proposed mission, curriculum, teaching methods, and services. For purposes of this subsection, a "high-risk" student is one who is at least one year behind in

satisfactory 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 treatment, has severe behavioral problems, has been suspended from school three or more times, has a history of severe truancy, is a pregnant or parenting teen, has been referred for enrollment by the judicial system, is exiting incarceration, is a refugee, is homeless or has been homeless sometime within the preceding six months, has been referred by an area school district for enrollment in an alternative program, or qualifies as high risk under department of elementary and secondary education guidelines. Dropout shall be defined through the guidelines of the school core data report. The provisions of this subsection do not apply to charters sponsored by the state board of education.

3. If a charter is approved by a sponsor, the charter application shall be submitted to the state board of education, along with a statement of finding by 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 charter sponsor shall evaluate the academic performance, including annual performance reports, of students enrolled in the charter school. The state board of education shall approve or deny a charter application within sixty days of receipt of the application. The state board of education 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 charter sponsor previously failed to meet the statutory responsibilities of a charter sponsor. Any denial of a charter application made by the state

board of education shall be in writing and shall identify the specific failures of the application to meet the requirements of sections 160.400 to 160.425 and section 167.349, and the written denial shall be provided within ten business days to the sponsor.

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

(1) Be nonsectarian in its programs, admission policies, employment 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 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 to other publishing requirements, and provide liability insurance to indemnify the school, its board, staff and teachers against tort claims. A charter school that receives local educational agency status under subsection 6 of this section shall meet the requirements imposed by the Elementary and Secondary Education Act for audits of such agencies and comply with all federal audit requirements for charters with local educational agency status. The charter school shall make the results of such audits available on its website. For purposes of an audit by petition under section 29.230, a charter school shall be treated as a political subdivision on the same terms and conditions as the school district in which it is located. For the purposes of securing such insurance, a charter school shall be eligible for the Missouri public entity risk management fund pursuant to section 537.700. A charter school that incurs debt shall include a repayment plan in its 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;

(6) (a) Design a method to measure pupil progress toward the pupil academic standards adopted by the state board of education pursuant to section 160.514, establish baseline student performance in accordance with the performance contract during the first year of operation, collect student performance data as defined by the annual performance report throughout the duration of the charter to annually monitor student academic performance, and to the extent applicable based upon grade levels offered by the charter school, participate in the statewide system of

assessments, comprised of the essential skills tests and the nationally standardized norm-referenced achievement tests, as designated by the state board pursuant to section 160.518, complete and distribute an annual report card as prescribed in section 160.522, which shall also include a statement that background checks have been completed on the charter school's board members, and report to its sponsor, the local school district, and the state board of education as to its teaching methods and any educational innovations and the results thereof. No charter school shall be considered in the Missouri school improvement program review of the district in 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 standards on a different time frame as specified in that school's charter. Student performance shall be assessed comprehensively to determine whether a high-risk or alternative charter school has documented adequate student progress. Student performance shall be based on sponsor-approved comprehensive measures as well as standardized public school measures. Annual presentation of charter school report card data to the department of elementary and secondary education, the state board, and the public shall include comprehensive 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;

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

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

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

(9) Seek to ensure that the percentage of its students who perform proficient and advanced on the annual statewide system of assessments under section 160.518 in English language arts and mathematics is equal to or higher than the average percentage of

grade-level-equivalent students attending nonselective attendance centers in the school district in which it is located who perform proficient and advanced in English language arts and mathematics.

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

(2) The department of elementary and secondary education 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.

6. The charter of a charter school may be amended at the request of the governing body of the charter school and on the approval of the sponsor. The sponsor and the governing board and staff of the charter school shall jointly review the school's performance, management and operations during the first year of operation and then every other year after the most recent review or at any point where the operation or management of the charter school is changed or transferred to another entity, either public or private. The governing board of a charter school may amend the charter, if the sponsor approves such amendment, or the

sponsor and the governing board may reach an agreement in writing to reflect the charter school's decision to become a local educational agency. In such case the sponsor shall give the department of elementary and secondary education written notice no later than March first of any year, with the agreement to become effective July first. The department may waive the March first notice date in its discretion. The department shall identify and furnish a list of its regulations that pertain to local educational agencies to such schools within thirty days of receiving such notice.

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

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

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

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

(4) A method to measure pupil progress toward the pupil academic 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, evidence-based, and timely notice of contract violations or performance deficiencies and mandate intervention

based upon findings of the state board of education 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.

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

a. Clear evidence of **[underperformance]** low performance 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:

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

b. Underperformance for at least two years;

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

d. 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[,];

e. 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.

(3) At least sixty days before acting to revoke a charter, the sponsor shall notify the governing board of the charter school of the proposed action in 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, 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.

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

(a) The charter school has maintained results on its annual performance report that meet or exceed the district in which the charter school is located 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;

(b) The charter school has underperformed for two of the

three consecutive years immediately before a decision whether to renew the school's charter is made;

(c) The charter school is organizationally and fiscally viable determining 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

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

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

[(d)] (e) 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)] (c) 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.

(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 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 for review. Such application shall include a financial audit performed by an independent certified public accountant in accordance with generally accepted auditing standards, which shall be paid for by the charter school.

(c) Using the data requested and the revised charter application under paragraphs (a) and (b) of this subdivision, the state board of education shall determine if compliance with all standards enumerated in this subdivision has been achieved. The state board of education 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 shall renew the school's charter.

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

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 employee or an educational program.

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.

13. Any entity, either public or private, operating, administering, or otherwise managing a charter school shall be considered a quasi-public 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:

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

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

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

16. The joint committee on education shall create a committee to investigate facility access and affordability for charter schools. The committee shall be comprised of equal numbers of the charter school sector and the public school sector and shall report its findings to the general assembly by December 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:

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

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

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

(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:

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

(2) The sponsor's decision to approve or deny shall be made within sixty 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 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 be five years, and the charter may be renewed for terms of up to ten years. Renewal shall be subject to the provisions of paragraphs (a) to ~~[(d)]~~ (e) of subdivision (3) of subsection 9 of section 160.405.

160.410. 1. A charter school shall enroll:

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

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

(3) Nonresident pupils who transfer from an unaccredited district under section 167.895, provided that the charter school is an approved charter school, as defined in section 167.895, and subject to all other provisions of section 167.895;

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

(5) In the case of a charter school whose mission includes student drop-out prevention or recovery, any nonresident pupil from the same or an adjacent 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)]~~ (6) 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;

(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;

(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;

(4) A charter school may also give a preference for admission to students who will be eligible for the free and reduced price lunch program in the upcoming school year.

3. A charter school shall not limit admission based on race, ethnicity, national origin, disability, income level, except as allowed under subdivision (4) of subsection 2 of this

section, 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 subsection, "full academic year" means the last Wednesday in September through the administration of the Missouri assessment program test without transferring out of the school and re-enrolling.

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

(1) The school's charter;

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

(3) ~~【The results of】~~ A statement that the charter school has completed background checks on the charter school's board members, provided that the results of such background checks shall be made available for public inspection and provided upon request under the provisions of this subsection; and

(4) If a charter school is operated by a management company, a copy of the written contract between the governing board of the charter school and the educational management

organization or the charter management organization 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 subsection.

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 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.

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

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

160.415. 1. For the purposes of calculation and distribution of state school aid under section 163.031, pupils enrolled in a charter school shall be included in the pupil

enrollment of the school district within which each pupil resides. Each charter school shall report the names, addresses, and eligibility for free and reduced price lunch, special education, or limited English proficiency status, as well as eligibility for categorical aid, of pupils resident in a school district who are enrolled in the charter school to the school district in which those pupils reside. The charter school shall report the average daily attendance data, free and reduced price lunch count, special education pupil count, and limited English proficiency pupil count to the state department of elementary and secondary education. Each charter school shall promptly notify the state department of elementary and secondary education and the pupil's school district when a student discontinues enrollment at a charter school.

2. Except as provided in subsections 3 and 4 of this section, the aid payments for charter schools shall be as described in this subsection.

(1) A school district having one or more resident pupils attending a charter school shall pay to the charter school an annual amount equal to the product of the charter school's weighted average daily attendance and the state adequacy target, multiplied by the dollar value modifier for the district, plus local tax revenues per weighted average daily attendance from the incidental and teachers' funds in excess of the performance levy as defined in section 163.011 plus all other state aid attributable to such pupils.

(2) The district of residence of a pupil attending a charter school shall also pay to the charter school any other

federal or state aid that the district receives on account of such child.

(3) If the department overpays or underpays the amount due to the charter school, such overpayment or underpayment shall be repaid by the public charter school or credited to the public charter school in twelve equal payments in the next fiscal year.

(4) The amounts provided pursuant to this subsection shall be prorated for partial year enrollment for a pupil.

(5) A school district shall pay the amounts due pursuant to this subsection as the disbursal agent and no later than twenty days following the receipt of any such funds. The department of elementary and secondary education shall pay the amounts due when it acts as the disbursal agent within five days of the required due date.

(6) If a charter school has one or more nonresident pupils, the nonresident pupils shall not be counted for purposes of determining the amount of aid described in subdivisions (1) and (2) of this subsection. Each school district that has one or more of its resident pupils attending such a charter school shall pay to the charter, for each pupil, one hundred percent of its average per-pupil expenditure excluding interest payments and grants.

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

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

(2) (a) If a charter school has one or more nonresident pupils, the charter school shall receive from the department of elementary and secondary education an annual amount equal to the amount described in subdivision (1) of this subsection; except that the nonresident pupils shall not be counted for the purposes of determining the amount of aid as described in subdivision (1) of this subsection. Each school district that has one or more of its resident pupils attending such a charter school as nonresident pupils shall pay to the charter school, for each pupil, one hundred percent of its average per-pupil expenditure excluding interest payments and grants.

(b) Upon notice of the charter school's declaration of local educational agency status, the department of elementary and

secondary education shall reduce the payment made to the school district in which the charter school is located from any source by the amount specified in subdivision (1) of this subsection, calculated as described in paragraph (a) of this subdivision, and pay directly to the charter school the annual amount reduced from the school district's payment.

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

6. The charter school and a local school board may agree by contract for services to be provided by the school district to

the charter school. The charter school may contract with any other entity for services. Such services may include but are not limited to food service, custodial service, maintenance, management assistance, curriculum assistance, media services and libraries and shall be subject to negotiation between the charter school and the local school board or other entity. Documented actual costs of such services shall be paid for by the charter school.

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

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

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

(3) Disclose any known conflicts of interest between the

school governing board and proposed service provider or any affiliated business entities;

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

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

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

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

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

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

schools serving such students eligible for that aid.

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

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

(1) Tuition payments from districts in the same or an adjoining county for nonresident students who transfer to an approved charter school, as defined in section 167.895, from an unaccredited district; and

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

12. A charter school is authorized to incur debt in anticipation of receipt of funds. A charter school may also borrow to finance facilities and other capital items. A school district may incur bonded indebtedness or take other measures to provide for physical facilities and other capital items for charter schools that it sponsors or contracts with. Except as otherwise specifically provided in sections 160.400 to 160.425, upon the dissolution of a charter school, any liabilities of the corporation will be satisfied through the procedures of chapter 355. A charter school shall satisfy all its financial obligations within twelve months of notice from the sponsor of the charter school's closure under subsection 8 of section 160.405. After satisfaction of all its financial obligations, a charter school shall return any remaining state and federal funds

to the department of elementary and secondary education for disposition as stated in subdivision (17) of subsection 1 of section 160.405. The department of elementary and secondary education may withhold funding at a level the department determines to be adequate during a school's last year of operation until the department determines that school records, liabilities, and reporting requirements, including a full audit, are satisfied.

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

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

15. Notwithstanding any other provision in this section, if a pupil attends a charter school outside of his or her district of residence under the provisions of 160.410 and any other provision that specifies a tuition amount to be paid by the resident district, the provision of the other section specifying the tuition amount shall govern and the provisions of this section shall not apply to such pupil.

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

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

3. If a political subdivision offers property of the political subdivision for sale, lease, or rent, the political subdivision shall not refuse to sell, lease, or rent the property to a charter school solely because the charter school intends to use the property for an educational purpose, if the intent of the charter school is to use the property for a lawful educational purpose. If a political subdivision offers property of the political subdivision for sale, lease, or rent, the political subdivision is not required to sell, lease, or rent the property to a charter school solely because the charter school intends to use the property for an educational purpose.

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

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.

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;

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

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

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

(5) Five additional members appointed by the governor, one of whom shall be selected from a slate of three nominees recommended by the Missouri School 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 sections 160.400 to 160.425;

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

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

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

9. The department of elementary and secondary education shall provide start-up funding for the commission to operate. The commission shall reimburse the department's costs from any

funds it receives as sponsor under section 160.400.

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 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 law.