

SENATE BILL NO. 259

101ST GENERAL ASSEMBLY

INTRODUCED BY SENATOR O'LAUGHLIN.

1083S.01I

ADRIANE D. CROUSE, Secretary

AN ACT

To repeal sections 160.400, 160.410, and 160.415, RSMo, and to enact in lieu thereof three new sections relating to recovery programs for high school students.

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

Section A. Sections 160.400, 160.410, and 160.415, RSMo,
2 are repealed and three new sections enacted in lieu thereof, to
3 be known as sections 160.400, 160.410, and 160.415, to read as
4 follows:

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

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

5 (1) In a metropolitan school district;

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

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

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

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

18 (a) The eligibility for charter schools of any school
19 district whose provisional accreditation is based in whole
20 or in part on financial stress as defined in sections
21 161.520 to 161.529, or on financial hardship as defined by
22 rule of the state board of education, shall be decided by a
23 vote of the state board of education during the third
24 consecutive school year after the designation of provisional
25 accreditation; and

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

31 (5) In a school district that has been accredited
32 without provisions, sponsored only by the local school
33 board; provided that no board with a current year enrollment
34 of one thousand five hundred fifty students or greater shall
35 permit more than thirty-five percent of its student
36 enrollment to enroll in charter schools sponsored by the
37 local board under the authority of this subdivision, except
38 that this restriction shall not apply to any school district
39 that subsequently becomes eligible under subdivision (3) or
40 (4) of this subsection or to any district accredited without
41 provisions that sponsors charter schools prior to having a
42 current year student enrollment of one thousand five hundred
43 fifty students or greater.

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

47 (1) The school board of the district in any district
48 which is sponsoring a charter school as of August 27, 2012,
49 as permitted under subdivision (1) or (2) of subsection 2 of

50 this section, the special administrative board of a
51 metropolitan school district during any time in which powers
52 granted to the district's board of education are vested in a
53 special administrative board, or if the state board of
54 education appoints a special administrative board to retain
55 the authority granted to the board of education of an urban
56 school district containing most or all of a city with a
57 population greater than three hundred fifty thousand
58 inhabitants, the special administrative board of such school
59 district;

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

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

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

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

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

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

80 (1) As a district transitions from unaccredited to
81 provisionally accredited, the district shall continue to

82 fall under the requirements for an unaccredited district
83 until it achieves three consecutive full school years of
84 provisional accreditation;

85 (2) As a district transitions from provisionally
86 accredited to full accreditation, the district shall
87 continue to fall under the requirements for a provisionally
88 accredited district until it achieves three consecutive full
89 school years of full accreditation;

90 (3) In any school district classified as unaccredited
91 or provisionally accredited where a charter school is
92 operating and is sponsored by an entity other than the local
93 school board, when the school district becomes classified as
94 accredited without provisions, a charter school may continue
95 to be sponsored by the entity sponsoring it prior to the
96 classification of accredited without provisions and shall
97 not be limited to the local school board as a sponsor.

98 A charter school operating in a school district identified
99 in subdivision (1) or (2) of subsection 2 of this section
100 may be sponsored by any of the entities identified in
101 subsection 3 of this section, irrespective of the
102 accreditation classification of the district in which it is
103 located. A charter school in a district described in this
104 subsection whose charter provides for the addition of grade
105 levels in subsequent years may continue to add levels until
106 the planned expansion is complete to the extent of grade
107 levels in comparable schools of the district in which the
108 charter school is operated.

109 5. **For purposes of sections 160.400 to 160.425 the**
110 **following terms shall mean:**

111 (1) "Recovery charter high school", a charter school
112 giving instruction in a grade or grades not lower than the
113 ninth nor higher than the twelfth grade;

114 (2) "Substance dependency", a state in which a person
115 functions normally in the presence of a drug following
116 repeated drug exposure, and suffers psychological reactions
117 such as withdrawal syndrome when the drug is removed;

118 (3) "Substance use disorder", shall have the same
119 meaning as in section 478.001.

120 6. A recovery charter high school may be operated in
121 an urban school district containing most or all of a home
122 rule city with more than four hundred thousand inhabitants
123 and located in more than one county whose mission and vision
124 statement provides for the following:

125 (1) To educate all available and eligible students who
126 are in recovery from substance use disorder, substance
127 dependency, or co-occurring disorders such as anxiety,
128 depression, and attention deficit hyperactivity disorder;

129 (2) To meet state requirements for awarding a high
130 school diploma; and

131 (3) To support students in working a strong program of
132 recovery.

133 7. The mayor of a city not within a county may request
134 a sponsor under subdivision (2), (3), (4), (5), or (6) of
135 subsection 3 of this section to consider sponsoring a
136 "workplace charter school", which is defined for purposes of
137 sections 160.400 to 160.425 as a charter school with the
138 ability to target prospective students whose parent or
139 parents are employed in a business district, as defined in
140 the charter, which is located in the city.

141 [6.] 8. No sponsor shall receive from an applicant for
142 a charter school any fee of any type for the consideration

143 of a charter, nor may a sponsor condition its consideration
144 of a charter on the promise of future payment of any kind.

145 [7.] 9. The charter school shall be organized as a
146 Missouri nonprofit corporation incorporated pursuant to
147 chapter 355. The charter provided for herein shall
148 constitute a contract between the sponsor and the charter
149 school.

150 [8.] 10. As a nonprofit corporation incorporated
151 pursuant to chapter 355, the charter school shall select the
152 method for election of officers pursuant to section 355.326
153 based on the class of corporation selected. Meetings of the
154 governing board of the charter school shall be subject to
155 the provisions of sections 610.010 to 610.030.

156 [9.] 11. A sponsor of a charter school, its agents and
157 employees are not liable for any acts or omissions of a
158 charter school that it sponsors, including acts or omissions
159 relating to the charter submitted by the charter school, the
160 operation of the charter school and the performance of the
161 charter school.

162 [10.] 12. A charter school may affiliate with a four-
163 year college or university, including a private college or
164 university, or a community college as otherwise specified in
165 subsection 3 of this section when its charter is granted by
166 a sponsor other than such college, university or community
167 college. Affiliation status recognizes a relationship
168 between the charter school and the college or university for
169 purposes of teacher training and staff development,
170 curriculum and assessment development, use of physical
171 facilities owned by or rented on behalf of the college or
172 university, and other similar purposes. A university,
173 college or community college may not charge or accept a fee
174 for affiliation status.

175 [11.] 13. The expenses associated with sponsorship of
176 charter schools shall be defrayed by the department of
177 elementary and secondary education retaining one and five-
178 tenths percent of the amount of state and local funding
179 allocated to the charter school under section 160.415, not
180 to exceed one hundred twenty-five thousand dollars, adjusted
181 for inflation. The department of elementary and secondary
182 education shall remit the retained funds for each charter
183 school to the school's sponsor, provided the sponsor remains
184 in good standing by fulfilling its sponsorship obligations
185 under sections 160.400 to 160.425 and 167.349 with regard to
186 each charter school it sponsors, including appropriate
187 demonstration of the following:

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

192 (2) Maintains a comprehensive application process that
193 follows fair procedures and rigorous criteria and grants
194 charters only to those developers who demonstrate strong
195 capacity for establishing and operating a quality charter
196 school;

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

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

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

210 [12.] 14. Sponsors receiving funds under subsection
211 [11] 13 of this section shall be required to submit annual
212 reports to the joint committee on education demonstrating
213 they are in compliance with subsection [17] 19 of this
214 section.

215 [13.] 15. No university, college or community college
216 shall grant a charter to a nonprofit corporation if an
217 employee of the university, college or community college is
218 a member of the corporation's board of directors.

219 [14.] 16. No sponsor shall grant a charter under
220 sections 160.400 to 160.425 and 167.349 without ensuring
221 that a criminal background check and family care safety
222 registry check are conducted for all members of the
223 governing board of the charter schools or the incorporators
224 of the charter school if initial directors are not named in
225 the articles of incorporation, nor shall a sponsor renew a
226 charter without ensuring a criminal background check and
227 family care safety registry check are conducted for each
228 member of the governing board of the charter school.

229 [15.] 17. No member of the governing board of a
230 charter school shall hold any office or employment from the
231 board or the charter school while serving as a member, nor
232 shall the member have any substantial interest, as defined
233 in section 105.450, in any entity employed by or contracting
234 with the board. No board member shall be an employee of a
235 company that provides substantial services to the charter
236 school. All members of the governing board of the charter
237 school shall be considered decision-making public servants
238 as defined in section 105.450 for the purposes of the

239 financial disclosure requirements contained in sections
240 105.483, 105.485, 105.487, and 105.489.

241 [16.] 18. A sponsor shall develop the policies and
242 procedures for:

243 (1) The review of a charter school proposal including
244 an application that provides sufficient information for
245 rigorous evaluation of the proposed charter and provides
246 clear documentation that the education program and academic
247 program are aligned with the state standards and grade-level
248 expectations, and provides clear documentation of effective
249 governance and management structures, and a sustainable
250 operational plan;

251 (2) The granting of a charter;

252 (3) The performance contract that the sponsor will use
253 to evaluate the performance of charter schools. Charter
254 schools shall meet current state academic performance
255 standards as well as other standards agreed upon by the
256 sponsor and the charter school in the performance contract;

257 (4) The sponsor's intervention, renewal, and
258 revocation policies, including the conditions under which
259 the charter sponsor may intervene in the operation of the
260 charter school, along with actions and consequences that may
261 ensue, and the conditions for renewal of the charter at the
262 end of the term, consistent with subsections 8 and 9 of
263 section 160.405;

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

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

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

271 [17.] 19. (1) A sponsor shall provide timely
272 submission to the state board of education of all data
273 necessary to demonstrate that the sponsor is in material
274 compliance with all requirements of sections 160.400 to
275 160.425 and section 167.349. The state board of education
276 shall ensure each sponsor is in compliance with all
277 requirements under sections 160.400 to 160.425 and 167.349
278 for each charter school sponsored by any sponsor. The state
279 board shall notify each sponsor of the standards for
280 sponsorship of charter schools, delineating both what is
281 mandated by statute and what best practices dictate. The
282 state board shall evaluate sponsors to determine compliance
283 with these standards every three years. The evaluation
284 shall include a sponsor's policies and procedures in the
285 areas of charter application approval; required charter
286 agreement terms and content; sponsor performance evaluation
287 and compliance monitoring; and charter renewal,
288 intervention, and revocation decisions. Nothing shall
289 preclude the department from undertaking an evaluation at
290 any time for cause.

291 (2) If the department determines that a sponsor is in
292 material noncompliance with its sponsorship duties, the
293 sponsor shall be notified and given reasonable time for
294 remediation. If remediation does not address the compliance
295 issues identified by the department, the commissioner of
296 education shall conduct a public hearing and thereafter
297 provide notice to the charter sponsor of corrective action
298 that will be recommended to the state board of education.
299 Corrective action by the department may include withholding
300 the sponsor's funding and suspending the sponsor's authority

301 to sponsor a school that it currently sponsors or to sponsor
302 any additional school until the sponsor is reauthorized by
303 the state board of education under section 160.403.

304 (3) The charter sponsor may, within thirty days of
305 receipt of the notice of the commissioner's recommendation,
306 provide a written statement and other documentation to show
307 cause as to why that action should not be taken. Final
308 determination of corrective action shall be determined by
309 the state board of education based upon a review of the
310 documentation submitted to the department and the charter
311 sponsor.

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

316 [18.] 20. If a sponsor notifies a charter school of
317 closure under subsection 8 of section 160.405, the
318 department of elementary and secondary education shall
319 exercise its financial withholding authority under
320 subsection 12 of section 160.415 to assure all obligations
321 of the charter school shall be met. The state, charter
322 sponsor, or resident district shall not be liable for any
323 outstanding liability or obligations of the charter school.

160.410. 1. A charter school shall enroll:

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

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

6 (3) Nonresident pupils who transfer from an
7 unaccredited district under section 167.895, provided that
8 the charter school is an approved charter school, as defined

9 in section 167.895, and subject to all other provisions of
10 section 167.895;

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

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

28 **(6) In the case of a recovery charter high school, any**
29 **pupil who is eligible to attend under subdivision (1), (2),**
30 **or (3) of this subsection, and any nonresident pupil, who is**
31 **in recovery from substance use disorder, substance**
32 **dependency, or co-occurring disorders such as anxiety,**
33 **depression, and attention deficit hyperactivity disorder.**

34 **(a) A recovery charter high school may enroll students**
35 **residing in another state, provided such student is in**
36 **recovery from substance use disorder, substance dependency,**
37 **or co-occurring disorders such as anxiety, depression, and**
38 **attention deficit hyperactivity disorder.**

39 **(b) The department of elementary and secondary**
40 **education may enter into agreements with states to develop a**

41 reciprocity agreement for students seeking to attend a
42 recovery charter high school in the state of Missouri. An
43 out-of-state school district from a state subject to a
44 reciprocity agreement having one or more resident pupils
45 attending a recovery charter high school in the state of
46 Missouri shall pay to the recovery charter high school an
47 annual amount equal to one hundred five percent of the
48 previous school year's per pupil expenditure in the state of
49 Missouri. If an out-of-state student resides in a state
50 that is not subject to a reciprocity agreement, such student
51 shall pay to the recovery charter high school an amount
52 equal to one hundred five percent of the previous school
53 year's per pupil expenditure in the state of Missouri. Such
54 student shall not be included in the count of average daily
55 attendance.

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

61 (1) A charter school may establish a geographical area
62 around the school whose residents will receive a preference
63 for enrolling in the school, provided that such preferences
64 do not result in the establishment of racially or
65 socioeconomically isolated schools and provided such
66 preferences conform to policies and guidelines established
67 by the state board of education;

68 (2) A charter school may also give a preference for
69 admission of children whose siblings attend the school or
70 whose parents are employed at the school or in the case of a
71 workplace charter school, a child whose parent is employed
72 in the business district or at the business site of such

73 school. **A recovery charter high school may give preference**
74 **to such students provided such student is in recovery from**
75 **substance use disorder, substance dependency, or co-**
76 **occurring disorders such as anxiety, depression, and**
77 **attention deficit hyperactivity;**

78 (3) Charter schools may also give a preference for
79 admission to high-risk students, as defined in subdivision
80 (5) of subsection 2 of section 160.405, when the school
81 targets these students through its proposed mission,
82 curriculum, teaching methods, and services;

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

86 3. A charter school shall not limit admission based on
87 race, ethnicity, national origin, disability, income level,
88 except as allowed under subdivision (4) of subsection 2 of
89 this section, proficiency in the English language or
90 athletic ability, but may limit admission to pupils within a
91 given age group or grade level. **A recovery charter high**
92 **school shall limit admission to pupils who are in recovery**
93 **from substance use disorder, substance dependency, or co-**
94 **occurring disorders such as anxiety, depression, and**
95 **attention deficit hyperactivity disorder.** Charter schools
96 may limit admission based on gender only when the school is
97 a single-gender school. Students of a charter school who
98 have been enrolled for a full academic year shall be counted
99 in the performance of the charter school on the statewide
100 assessments in that calendar year, unless otherwise exempted
101 as English language learners. For purposes of this
102 subsection, "full academic year" means the last Wednesday in
103 September through the administration of the Missouri

104 assessment program test without transferring out of the
105 school and re-enrolling.

106 4. A charter school shall make available for public
107 inspection, and provide upon request, to the parent,
108 guardian, or other custodian of any school-age pupil
109 resident in the district in which the school is located the
110 following information:

111 (1) The school's charter;

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

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

116 (4) If a charter school is operated by a management
117 company, a copy of the written contract between the
118 governing board of the charter school and the educational
119 management organization or the charter management
120 organization for services. The charter school may charge
121 reasonable fees, not to exceed the rate specified in section
122 610.026 for furnishing copies of documents under this
123 subsection.

124 5. When a student attending a charter school who is a
125 resident of the school district in which the charter school
126 is located moves out of the boundaries of such school
127 district, the student may complete the current semester and
128 shall be considered a resident student. The student's
129 parent or legal guardian shall be responsible for the
130 student's transportation to and from the charter school.

131 6. If a change in school district boundary lines
132 occurs under section 162.223, 162.431, 162.441, or 162.451,
133 or by action of the state board of education under section
134 162.081, including attachment of a school district's
135 territory to another district or dissolution, such that a

136 student attending a charter school prior to such change no
137 longer resides in a school district in which the charter
138 school is located, then the student may complete the current
139 academic year at the charter school. The student shall be
140 considered a resident student. The student's parent or
141 legal guardian shall be responsible for the student's
142 transportation to and from the charter school.

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

160.415. 1. For the purposes of calculation and
2 distribution of state school aid under section 163.031,
3 pupils enrolled in a charter school shall be included in the
4 pupil enrollment of the school district within which each
5 pupil resides. Each charter school shall report the names,
6 addresses, and eligibility for free and reduced price lunch,
7 special education, or limited English proficiency status, as
8 well as eligibility for categorical aid, of pupils resident
9 in a school district who are enrolled in the charter school
10 to the school district in which those pupils reside. The
11 charter school shall report the average daily attendance
12 data, free and reduced price lunch count, special education
13 pupil count, and limited English proficiency pupil count to
14 the state department of elementary and secondary education.
15 Each charter school shall promptly notify the state
16 department of elementary and secondary education and the
17 pupil's school district when a student discontinues
18 enrollment at a charter school.

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

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

31 (2) The district of residence of a pupil attending a
32 charter school shall also pay to the charter school any
33 other federal or state aid that the district receives on
34 account of such child.

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

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

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

48 **(6) If a recovery charter high school that has not**
49 **declared itself as a local educational agency has one or**
50 **more nonresident pupils, the nonresident pupils shall not be**
51 **counted for purposes of determining the amount of aid**
52 **described in subdivisions (1) and (2) of this subsection.**
53 **Each school district that has one or more of its resident**

54 **pupils attending such a charter school shall pay to the**
55 **charter school, for each such pupil, one hundred percent of**
56 **its average per-pupil expenditure, excluding interest**
57 **payments and grants.**

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

64 4. **(1)** A charter school that has declared itself as a
65 local educational agency shall receive from the department
66 of elementary and secondary education an annual amount equal
67 to the product of the charter school's weighted average
68 daily attendance and the state adequacy target, multiplied
69 by the dollar value modifier for the district, plus local
70 tax revenues per weighted average daily attendance from the
71 incidental and teachers funds in excess of the performance
72 levy as defined in section 163.011 plus all other state aid
73 attributable to such pupils. If a charter school declares
74 itself as a local educational agency, the department of
75 elementary and secondary education shall, upon notice of the
76 declaration, reduce the payment made to the school district
77 by the amount specified in this subsection and pay directly
78 to the charter school the annual amount reduced from the
79 school district's payment.

80 **(2) (a) If a recovery charter high school that has**
81 **declared itself as a local educational agency has one or**
82 **more nonresident pupils, the charter school shall receive**
83 **from the department of elementary and secondary education an**
84 **annual amount equal to the amount described in subdivision**
85 **(1) of this subsection; except that, the nonresident pupils**

86 shall not be counted for purposes of determining the amount
87 of aid as described in subdivision (1) of this subsection.
88 Each school district that has one or more of its resident
89 pupils attending such a charter school as nonresident pupils
90 shall pay to the charter school, for each such pupil, one
91 hundred percent of its average per-pupil expenditure,
92 excluding interest payments and grants.

93 (b) Upon notice of the charter school's declaration of
94 local educational agency status, the department of
95 elementary and secondary education shall reduce the payment
96 made to the school district in which the charter school is
97 located from any source by the amount specified in
98 subdivision (1) of this subsection, calculated as described
99 in paragraph (a) of this subdivision, and pay directly to
100 the charter school the annual amount reduced from the school
101 district's payment.

102 5. If a school district fails to make timely payments
103 of any amount for which it is the disbursal agent, the state
104 department of elementary and secondary education shall
105 authorize payment to the charter school of the amount due
106 pursuant to subsection 2 of this section and shall deduct
107 the same amount from the next state school aid apportionment
108 to the owing school district. If a charter school is paid
109 more or less than the amounts due pursuant to this section,
110 the amount of overpayment or underpayment shall be adjusted
111 equally in the next twelve payments by the school district
112 or the department of elementary and secondary education, as
113 appropriate. Any dispute between the school district and a
114 charter school as to the amount owing to the charter school
115 shall be resolved by the department of elementary and
116 secondary education, and the department's decision shall be
117 the final administrative action for the purposes of review

118 pursuant to chapter 536. During the period of dispute, the
119 department of elementary and secondary education shall make
120 every administrative and statutory effort to allow the
121 continued education of children in their current public
122 charter school setting.

123 6. The charter school, **including a recovery charter**
124 **high school**, and a local school board may agree by contract
125 for services to be provided by the school district to the
126 charter school. The charter school may contract with any
127 other entity for services. Such services may include but
128 are not limited to food service, custodial service,
129 maintenance, management assistance, curriculum assistance,
130 media services and libraries and shall be subject to
131 negotiation between the charter school and the local school
132 board or other entity. Documented actual costs of such
133 services shall be paid for by the charter school.

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

139 (1) Provide evidence of the education service
140 provider's success in serving student populations similar to
141 the targeted population, including demonstrated academic
142 achievement as well as successful management of nonacademic
143 school functions, if applicable. **In the case of a recovery**
144 **charter high school, such applicant need only provide**
145 **evidence of the education service provider's history of**
146 **providing such educational services;**

147 (2) Provide a term sheet setting forth the proposed
148 duration of the service contract; roles and responsibilities
149 of the governing board, the school staff, and the service

150 provider; scope of services and resources to be provided by
151 the service provider; performance evaluation measures and
152 time lines; compensation structure, including clear
153 identification of all fees to be paid to the service
154 provider; methods of contract oversight and enforcement;
155 investment disclosure; and conditions for renewal and
156 termination of the contract;

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

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

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

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

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

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

179 10. (1) The proportionate share of state and federal
180 resources generated by students with disabilities or staff
181 serving them shall be paid in full to charter schools

182 enrolling those students by their school district where such
183 enrollment is through a contract for services described in
184 this section. The proportionate share of money generated
185 under other federal or state categorical aid programs shall
186 be directed to charter schools serving such students
187 eligible for that aid.

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

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

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

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

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

214 After satisfaction of all its financial obligations, a
215 charter school shall return any remaining state and federal
216 funds to the department of elementary and secondary
217 education for disposition as stated in subdivision (17) of
218 subsection 1 of section 160.405. The department of
219 elementary and secondary education may withhold funding at a
220 level the department determines to be adequate during a
221 school's last year of operation until the department
222 determines that school records, liabilities, and reporting
223 requirements, including a full audit, are satisfied.

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

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

233 **15. Notwithstanding any other provision of this**
234 **section, if the provisions of any other section specify a**
235 **tuition amount to be paid by the resident district for a**
236 **nonresident pupil attending a recovery charter high school,**
237 **the provisions of such section specifying the tuition amount**
238 **shall govern, and the provisions of this section shall not**
239 **apply to such pupil.**

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