

FIRST REGULAR SESSION

SENATE BILL NO. 315

101ST GENERAL ASSEMBLY

INTRODUCED BY SENATOR HOUGH.

1502S.01H

ADRIANE D. CROUSE, Secretary

AN ACT

To repeal sections 160.400, 160.403, 160.405, 160.408, 160.410, 160.415, 160.417, 160.420, 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, 160.403, 160.405, 160.408,
2 160.410, 160.415, 160.417, 160.420, and 160.425, RSMo, are
3 repealed and eight new sections enacted in lieu thereof, to be
4 known as sections 160.400, 160.403, 160.405, 160.410, 160.415,
5 160.417, 160.420, and 160.425, to read as follows:

160.400. 1. A charter school is **[an independent]** **a**
2 **semi-autonomous** public 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

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

16 with the 2012-13 accreditation year under the following
17 conditions:

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,

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.

109 5. The mayor of a city not within a county may request
110 a sponsor under subdivision (2), (3), (4), (5), or (6) of
111 subsection 3 of this section to consider sponsoring a
112 "workplace charter school", which is defined for purposes of
113 sections 160.400 to 160.425 as a charter school with the
114 ability to target prospective students whose parent or
115 parents are employed in a business district, as defined in
116 the charter, which is located in the city] **in any school**
117 **district sponsored only by the school board of the district**
118 **or by a special administrative board for the district. This**
119 **section shall not be construed to affect charter contracts**
120 **that are in effect on the effective date of this act until**
121 **the expiration of such contract in effect on the effective**
122 **date of this act.**

123 [6.] 3. No sponsor shall receive from an applicant for
124 a charter school any fee of any type for the consideration
125 of a charter, nor may a sponsor condition its consideration
126 of a charter on the promise of future payment of any kind.

127 [7.] 4. The charter school shall be organized as a
128 Missouri nonprofit corporation incorporated pursuant to
129 chapter 355. The charter provided for herein shall
130 constitute a contract between the sponsor and the charter
131 school.

132 [8. As a nonprofit corporation incorporated pursuant
133 to chapter 355, the charter school shall select]

134 5. The method for election of officers [pursuant to
135 section 355.326 based on the class of corporation selected]
136 **of the charter school shall be mutually agreed to by the**
137 **charter school and sponsoring school board and shall comply**
138 **with the provisions of chapter 355.** Meetings of the
139 governing board of the charter school shall be subject to
140 the provisions of sections 610.010 to 610.030.

141 [9.] 6. A sponsor of a charter school, its agents and
142 employees are not liable for any acts or omissions of a
143 charter school that it sponsors, including acts or omissions
144 relating to the charter submitted by the charter school, the
145 operation of the charter school and the performance of the
146 charter school.

147 [10. A charter school may affiliate with a four-year
148 college or university, including a private college or
149 university, or a community college as otherwise specified in
150 subsection 3 of this section when its charter is granted by
151 a sponsor other than such college, university or community
152 college. Affiliation status recognizes a relationship
153 between the charter school and the college or university for
154 purposes of teacher training and staff development,
155 curriculum and assessment development, use of physical
156 facilities owned by or rented on behalf of the college or
157 university, and other similar purposes. A university,
158 college or community college may not charge or accept a fee
159 for affiliation status.

160 11. The expenses associated with sponsorship of
161 charter schools shall be defrayed by the department of
162 elementary and secondary education retaining one and five-
163 tenths percent of the amount of state and local funding
164 allocated to the charter school under section 160.415, not
165 to exceed one hundred twenty-five thousand dollars, adjusted
166 for inflation.]

167 7. The department of elementary and secondary
168 education shall [remit the retained funds for each charter
169 school to the school's sponsor, provided the sponsor remains
170 in good standing by fulfilling its sponsorship obligations
171 under sections 160.400 to 160.425 and 167.349 with regard to

172 each charter school it sponsors, including appropriate
173 demonstration of the following:

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

178 (2)] **monitor each school board's sponsorship and ensure**
179 **the school board:**

180 (1) Maintains a comprehensive application process that
181 follows fair procedures and rigorous criteria and grants
182 charters only to those developers who demonstrate strong
183 capacity for establishing and operating a quality charter
184 school;

185 [(3)] (2) Negotiates contracts with charter schools
186 that clearly articulate the rights and responsibilities of
187 each party regarding school autonomy, expected outcomes,
188 measures for evaluating success or failure, performance
189 consequences [based on the annual performance report], and
190 other material terms;

191 [(4)] (3) Conducts contract oversight that evaluates
192 performance, monitors compliance, informs intervention and
193 renewal decisions, and ensures autonomy provided under
194 applicable law; and

195 [(5)] (4) Designs and implements a transparent and
196 rigorous process that uses comprehensive data to make merit-
197 based renewal decisions.

198 [12. Sponsors receiving funds under subsection 11 of
199 this section shall be required to submit annual reports to
200 the joint committee on education demonstrating they are in
201 compliance with subsection 17 of this section.

202 13. No university, college or community college shall
203 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.] 8. 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.] 9. 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.] 10. 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

236 governance and management structures, and a sustainable
237 operational plan;

238 (2) The granting of a charter;

239 (3) The performance contract that the sponsor will use
240 to evaluate the performance of charter schools. Charter
241 schools shall meet current state academic performance
242 standards as well as other standards agreed upon by the
243 sponsor and the charter school in the performance contract;

244 (4) The sponsor's intervention, renewal, and
245 revocation policies, including the conditions under which
246 the charter sponsor may intervene in the operation of the
247 charter school, along with actions and consequences that may
248 ensue, and the conditions for renewal of the charter at the
249 end of the term, consistent with subsections 8 and 9 of
250 section 160.405;

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

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

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

258 **[17.] 11.** (1) A sponsor shall provide timely
259 submission to the state board of education of all data
260 necessary to demonstrate that the sponsor is in material
261 compliance with all requirements of sections 160.400 to
262 160.425 and section 167.349. The state board of education
263 shall ensure each sponsor is in compliance with all
264 requirements under sections 160.400 to 160.425 and 167.349
265 for each charter school sponsored by any sponsor. The state
266 board shall notify each sponsor of the standards for

267 sponsorship of charter schools, delineating both what is
268 mandated by statute and what best practices dictate. The
269 state board shall evaluate sponsors to determine compliance
270 with these standards every three years. The evaluation
271 shall include a sponsor's policies and procedures in the
272 areas of charter application approval; required charter
273 agreement terms and content; sponsor performance evaluation
274 and compliance monitoring; and charter renewal,
275 intervention, and revocation decisions. Nothing shall
276 preclude the department from undertaking an evaluation at
277 any time for cause.

278 (2) If the department determines that a sponsor is in
279 material noncompliance with its sponsorship duties, the
280 sponsor shall be notified and given reasonable time for
281 remediation. If remediation does not address the compliance
282 issues identified by the department, the commissioner of
283 education shall conduct a public hearing and thereafter
284 provide notice to the charter sponsor of corrective action
285 that will be recommended to the state board of education.
286 Corrective action by the department may include [withholding
287 the sponsor's funding and] suspending the sponsor's
288 authority to sponsor a **charter** school that it currently
289 sponsors or to sponsor any additional school until the
290 sponsor is reauthorized by the state board of education
291 under section 160.403.

292 (3) The charter sponsor may, within thirty days of
293 receipt of the notice of the commissioner's recommendation,
294 provide a written statement and other documentation to show
295 cause as to why that action should not be taken. Final
296 determination of corrective action shall be determined by
297 the state board of education based upon a review of the

298 documentation submitted to the department and the charter
299 sponsor.

300 (4) If the state board removes the authority to
301 sponsor a currently operating charter school under any
302 provision of law, the [Missouri charter public school
303 commission] **state board** shall become the sponsor of the
304 school **for the remainder of the term of the charter**
305 **contract, and the state board shall not be authorized to**
306 **renew the contract.**

307 [18.] **12.** If a sponsor notifies a charter school of
308 closure [under subsection 8 of section 160.405], the
309 department of elementary and secondary education shall
310 exercise its financial withholding authority under
311 subsection [12] **9** of section 160.415 to assure all
312 obligations of the charter school shall be met. The state[,
313 charter sponsor, or resident] **and the sponsoring** district
314 shall not be liable for any outstanding liability or
315 obligations of the charter school.

160.403. [1.] The department of elementary and
2 secondary education shall [establish an annual application
3 and approval process for all entities eligible to sponsor
4 charters as set forth in section 160.400 which are not
5 sponsoring a charter school as of August 28, 2012, except
6 that the Missouri charter public school commission shall not
7 be required to undergo the application and approval
8 process. No later than November 1, 2012, the department
9 shall make available information and guidelines for all
10 eligible sponsors concerning the opportunity to apply for
11 sponsoring authority under this section.

12 2. The application process for sponsorship shall
13 require each interested eligible sponsor, except for the

Missouri charter public school commission, to submit an application by February first that includes the following:

(1) Written notification of intent to serve as a charter school sponsor in accordance with sections 160.400 to 160.425 and section 167.349;

(2) Evidence of the applicant sponsor's budget and personnel capacity;

(3) An outline of the request for proposal that the applicant sponsor would, if approved as a charter sponsor, issue to solicit charter school applicants consistent with sections 160.400 to 160.425 and section 167.349;

(4) The performance contract that the applicant sponsor would, if approved as a charter sponsor, use to evaluate the charter schools it sponsors; and

(5) The applicant sponsor's renewal, revocation, and nonrenewal processes consistent with section 160.405.

3. By April first of each year, the department shall decide whether to grant or deny a sponsoring authority to a sponsor applicant. This decision shall be made based on the applicant sponsor's compliance with sections 160.400 to 160.425 and section 167.349 and properly promulgated rules of the department.

4. Within thirty days of the department's decision, the department shall execute a renewable sponsoring contract with each entity it has approved as a sponsor. The term of each authorizing contract shall be six years and renewable.]
exercise sponsorship oversight and monitoring to ensure that local school districts only sponsor charter schools that meet the criteria specified in sections 160.400 to 160.425 and do so by way of a procedure that complies with the process outlined in sections 160.400 to 160.425.

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 local
school board, or the special administrative board in the
case that the state board has established a special
administrative board for the district.** 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] **to
provide students with a free, accessible, non-sectarian,
quality education that is delivered subject to the same
basic safeguards and standards as other district schools,
including compliance with:**

[(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;

32 (3) A financial plan for the first three years of
33 operation of the charter school including provisions for
34 annual audits;

35 (4) A description of the charter school's policy for
36 securing personnel services, its personnel policies,
37 personnel qualifications, and professional development plan;

38 (5) A description of the grades or ages of students
39 being served;

40 (6) The school's calendar of operation, which shall
41 include at least the equivalent of a full school term as
42 defined in section 160.011;

43 (7) A description of the charter school's pupil
44 performance standards and academic program performance
45 standards, which shall meet the requirements of subdivision
46 (6) of subsection 4 of this section. The charter school
47 program shall be designed to enable each pupil to achieve
48 such standards and shall contain a complete set of
49 indicators, measures, metrics, and targets for academic
50 program performance, including specific goals on graduation
51 rates and standardized test performance and academic growth;

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

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

56 (10) Procedures, consistent with the Missouri
57 financial accounting manual, for monitoring the financial
58 accountability of the charter, which shall meet the
59 requirements of subdivision (4) of subsection 4 of this
60 section;

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

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

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

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

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

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

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

86 (c) Submission of final financial reports;

87 (d) Resolution of any remaining financial obligations;

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

90 (f) A notification plan to inform parents or guardians
91 of students, the local school district, the retirement
92 system in which the charter school's employees participate,
93 and the state board of education within thirty days of the
94 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.] **(1) Open meetings and public record laws;**

(2) Prohibitions against for-profit operation or profiteering as enforced by conflict of interest, financial disclosure and auditing requirements;

(3) The same civil rights, including constitutional rights and federal and state laws relating to employment, health, labor, safety, staff qualification, certification requirements, and protections for students with disabilities as other district schools; and

(4) The same standards of accreditation, accountability, and academic assessment and performance as other district schools.

The term of the charter shall not exceed five years.

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

125 granting of a charter approval[, and be approved by the
126 state board of education by January thirty-first prior to
127 the school year of the proposed opening date of the charter
128 school];

129 (2) A charter may be approved [when the sponsor
130 determines that the requirements of this section are met,
131 determines that the applicant is sufficiently qualified to
132 operate a charter school, and that the proposed charter is
133 consistent with the sponsor's charter sponsorship goals and
134 capacity. The sponsor's decision of approval or denial
135 shall be made within ninety days of the filing of the
136 proposed charter] **only if the sponsor determines the charter**
137 **is both necessary to meet the needs of students in the**
138 **district and will meet those needs in a manner that improves**
139 **the local public school system;**

140 (3) Charter schools may be authorized or expanded only
141 after a district has assessed the impact of the proposed
142 charter school on local public school resources, programs
143 and services, including the district's operating and capital
144 expenses, appropriate facility availability, the likelihood
145 that the charter will prompt cutbacks or closures in local
146 public schools, and consideration of whether other
147 improvements in either educational program or school
148 management, which may include reduced class sizes and
149 community or magnet schools, would better serve the
150 district's needs. The district shall also consider the
151 impact of the charter on the racial, ethnic and socio-
152 economic composition of schools and neighborhoods and on
153 equitable access to quality services for all district
154 students, including students with special needs and English
155 language learners. The impact analysis shall be
156 independent, developed with community input, and be written

157 **and publicly available.** If the charter is denied, the
158 proposed sponsor shall notify the applicant in writing as to
159 the reasons for its denial and forward a copy to the state
160 board of education within five business days following the
161 denial;

162 (4) If a proposed charter is denied by a sponsor, the
163 proposed charter may be submitted to the state board of
164 education, along with the sponsor's written reasons for its
165 denial. [If the state board determines that the applicant
166 meets the requirements of this section, that the applicant
167 is sufficiently qualified to operate the charter school, and
168 that granting a charter to the applicant would be likely to
169 provide educational benefit to the children of the district,
170 the state board may grant a charter and act as sponsor of
171 the charter school. The state board shall review the
172 proposed charter and make a determination of whether to deny
173 or grant the proposed charter within sixty days of receipt
174 of the proposed charter, provided that any charter to be
175 considered by the state board of education under this
176 subdivision shall be submitted no later than March first
177 prior to the school year in which the charter school intends
178 to begin operations. The state board of education shall
179 notify the applicant in writing as the reasons for its
180 denial, if applicable; and

181 (5) The sponsor of a charter school shall give
182 priority to charter school applicants that propose a school
183 oriented to high-risk students and to the reentry of
184 dropouts into the school system. If a sponsor grants three
185 or more charters, at least one-third of the charters granted
186 by the sponsor shall be to schools that actively recruit
187 dropouts or high-risk students as their student body and
188 address the needs of dropouts or high-risk students through

189 their proposed mission, curriculum, teaching methods, and
190 services. For purposes of this subsection, a "high-risk"
191 student is one who is at least one year behind in
192 satisfactory completion of course work or obtaining high
193 school credits for graduation, has dropped out of school, is
194 at risk of dropping out of school, needs drug and alcohol
195 treatment, has severe behavioral problems, has been
196 suspended from school three or more times, has a history of
197 severe truancy, is a pregnant or parenting teen, has been
198 referred for enrollment by the judicial system, is exiting
199 incarceration, is a refugee, is homeless or has been
200 homeless sometime within the preceding six months, has been
201 referred by an area school district for enrollment in an
202 alternative program, or qualifies as high risk under
203 department of elementary and secondary education
204 guidelines. Dropout shall be defined through the guidelines
205 of the school core data report. The provisions of this
206 subsection do not apply to charters sponsored by the state
207 board of education.] **The state board of education may only
208 consider appeals of approvals or denials of charters on the
209 grounds that the sponsor's process for approving a charter
210 was not properly followed or that the approval or denial of
211 a charter was arbitrary or illegal. If the state board of
212 education determines, following a hearing on the appeal,
213 that the sponsor's process for approving the charter was not
214 properly followed or that the approval or denial of a
215 charter was arbitrary or illegal, the state board may remand
216 the application to the sponsor with specific instructions
217 for correction of the sponsor's review pursuant to the
218 sponsor's approval process.**

219 3. If a charter is approved by a sponsor, the charter
220 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 **monitor and** 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] **charter school**.

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

253 criminal history background check and the family care safety
254 registry check under section 168.133;

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

259 (4) Be financially accountable, use practices
260 consistent with the Missouri financial accounting manual,
261 provide for an annual audit by a certified public
262 accountant, publish audit reports and annual financial
263 reports as provided in chapter 165, provided that the annual
264 financial report may be published on the department of
265 elementary and secondary education's internet website in
266 addition to other publishing requirements, and provide
267 liability insurance to indemnify the school, its board,
268 staff and teachers against tort claims. A charter school
269 that receives local educational agency status under
270 subsection 6 of this section shall meet the requirements
271 imposed by the Elementary and Secondary Education Act for
272 audits of such agencies and comply with all federal audit
273 requirements for charters with local educational agency
274 status. For purposes of an audit by petition under section
275 29.230, a charter school shall be treated as a political
276 subdivision on the same terms and conditions as the school
277 district in which it is located. For the purposes of
278 securing such insurance, a charter school shall be eligible
279 for the Missouri public entity risk management fund pursuant
280 to section 537.700. A charter school that incurs debt shall
281 include a repayment plan in its financial plan;

282 (5) Provide a comprehensive program of instruction for
283 at least one grade or age group from early childhood through
284 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] **Each** 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.

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.] 5. The charter of a charter school may be amended [at the request] **by mutual agreement** 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

380 charter school's decision to become a local educational
381 agency. In such case the sponsor shall give the department
382 of elementary and secondary education written notice no
383 later than March first of any year, with the agreement to
384 become effective July first. The department may waive the
385 March first notice date in its discretion. The department
386 shall identify and furnish a list of its regulations that
387 pertain to local educational agencies to such schools within
388 thirty days of receiving such notice] **as provided in the**
389 **contract.**

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

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

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

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

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

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

405 8. (1) (a) A sponsor's policies shall give schools
406 clear, adequate, evidence-based, and timely notice of
407 contract violations or performance deficiencies and mandate
408 intervention based upon findings of the state board of
409 education of the following:

410 a. The charter school provides a high school program
411 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)] 6. A sponsor shall have a policy to revoke a
charter during the charter term if there is[:

a.] clear evidence of underperformance [as demonstrated
in the charter school's annual performance report in three
of the last four school years;] or

[b.] a violation of the law or the public trust that
imperils students or public funds.

[(c)] A sponsor shall revoke a charter or take other
appropriate remedial action[, which may include placing the
charter school on probationary status for no more than
twenty-four months, provided that no more than one
designation of probationary status shall be allowed for the
duration of the charter contract, at any time if the charter
school commits a serious breach of one or more provisions of
its charter or on any of the following grounds: failure to
meet the performance contract as set forth in its charter,
failure to meet generally accepted standards of fiscal
management, failure to provide information necessary to
confirm compliance with all provisions of the charter and
sections 160.400 to 160.425 and 167.349 within forty-five

443 days following receipt of written notice requesting such
444 information, or violation of law.

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

450 (3) At least sixty days before acting to revoke a
451 charter, the sponsor shall notify the governing board of the
452 charter school of the proposed action in writing. The
453 notice shall state the grounds for the proposed action. The
454 school's governing board may request in writing a hearing
455 before the sponsor within two weeks of receiving the notice.

456 (4) The sponsor of a charter school shall establish
457 procedures to conduct administrative hearings upon
458 determination by the sponsor that grounds exist to revoke a
459 charter. Final decisions of a sponsor from hearings
460 conducted pursuant to this subsection are subject to an
461 appeal to the state board of education, which shall
462 determine whether the charter shall be revoked.

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

467 (6) A charter sponsor shall make available the school
468 accountability report card information as provided under
469 section 160.522 and the results of the academic monitoring
470 required under subsection 3 of this section] **as provided in**
471 **the contract.**

472 [9. (1)] 7. A sponsor shall [take all reasonable
473 steps necessary to] confirm that each charter school
474 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 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) The charter is in compliance with its legally binding performance contract and sections 160.400 to 160.425 and section 167.349; and

(d) The charter school has an annual performance report consistent with a classification of accredited for three of the last four years and is fiscally viable as described in paragraph (b) of this subdivision. If such is

the case, the charter school may have an expedited renewal process as defined by rule of the department of elementary and secondary education.

(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.

(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.

10.] 8. A school district may enter into a lease with a charter school for physical facilities.

[11.] 9. 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

539 school. A governing board or a school district employee
540 shall not take unlawful reprisal against an educational
541 program of the school or the school district because an
542 application to establish a charter school proposes the
543 conversion of all or a portion of the educational program to
544 a charter school. As used in this subsection, "unlawful
545 reprisal" means an action that is taken by a governing board
546 or a school district employee as a direct result of a lawful
547 application to establish a charter school and that is
548 adverse to another employee or an educational program.

549 **[12.] 10.** Charter school board members shall be
550 subject to the same liability for acts while in office as if
551 they were regularly and duly elected members of school
552 boards in any other public school district in this state.
553 The governing board of a charter school may participate, to
554 the same extent as a school board, in the Missouri public
555 entity risk management fund in the manner provided under
556 sections 537.700 to 537.756.

557 **[13.] 11.** Any entity, either public or private,
558 operating, administering, or otherwise managing a charter
559 school shall be considered a quasi-public governmental body
560 and subject to the provisions of sections 610.010 to 610.035.

561 **[14.] 12.** The chief financial officer of a charter
562 school shall maintain:

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

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

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

575 16. The joint committee on education shall create a
576 committee to investigate facility access and affordability
577 for charter schools. The committee shall be comprised of
578 equal numbers of the charter school sector and the public
579 school sector and shall report its findings to the general
580 assembly by December 31, 2016.]

160.410. 1. A charter school shall enroll[:

2 (1)] all pupils [resident] **residing** in the district in
3 which it 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

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], **as provided in the contract and subject to other requirements of law applicable to enrollment of students in the district; provided that charter schools operating under contracts in effect on the effective date of this act may enroll pupils as provided in the charter and contract in effect on the effective date of this act until the expiration of such contract.**

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, 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; **and**

86 (3) The results of background checks on the charter
87 school's board members[; and

88 (4) If a charter school is operated by a management
89 company, a copy of the written contract between the
90 governing board of the charter school and the educational
91 management organization or the charter management
92 organization for services. The charter school may charge
93 reasonable fees, not to exceed the rate specified in section
94 610.026 for furnishing copies of documents under this
95 subsection].

96 5. When a student attending a charter school who is a
97 resident of the school district in which the charter school
98 is located moves out of the boundaries of such school
99 district, the student may complete the current semester and
100 shall be considered a resident student. The student's
101 parent or legal guardian shall be responsible for the
102 student's transportation to and from the charter school.

103 6. If a change in school district boundary lines
104 occurs under section 162.223, 162.431, 162.441, or 162.451,
105 or by action of the state board of education under section
106 162.081, including attachment of a school district's
107 territory to another district or dissolution, such that a
108 student attending a charter school prior to such change no
109 longer resides in a school district in which the charter
110 school is located, then the student may complete the current
111 academic year at the charter school. The student shall be
112 considered a resident student. The student's parent or
113 legal guardian shall be responsible for the student's
114 transportation to and from the charter school.

115 7. The provisions of sections 167.018 and 167.019
116 concerning foster children's educational rights are
117 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

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

54 4. A charter school that has declared itself as a
55 local educational agency shall receive from the department
56 of elementary and secondary education an annual amount equal
57 to the product of the charter school's weighted average
58 daily attendance and the state adequacy target, multiplied
59 by the dollar value modifier for the district, plus local
60 tax revenues per weighted average daily attendance from the
61 incidental and teachers funds in excess of the performance
62 levy as defined in section 163.011 plus all other state aid
63 attributable to such pupils. If a charter school declares
64 itself as a local educational agency, the department of

65 elementary and secondary education shall, upon notice of the
66 declaration, reduce the payment made to the school district
67 by the amount specified in this subsection and pay directly
68 to the charter school the annual amount reduced from the
69 school district's payment.

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

91 [6.] 4. The charter school and a local school board
92 may agree by contract for services to be provided by the
93 school district to the charter school. The charter school
94 may contract with any other entity for services. Such
95 services may include but are not limited to food service,
96 custodial service, maintenance, management assistance,

97 curriculum assistance, media services and libraries,
98 **provided that no charter school shall be operated by a**
99 **management company or any entity other than the charter**
100 **school board and its chief administrative officer,** and shall
101 be subject to negotiation between the charter school and the
102 local school board or other entity. Documented actual costs
103 of such services shall be paid for by the charter school.

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

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

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

124 (3) Disclose any known conflicts of interest between
125 the school governing board and proposed service provider or
126 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.] 5. 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.] 6. 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.] 7. (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.

159 [11.] 8. A charter school may not charge tuition or
160 impose fees that a school district is prohibited from
161 charging or imposing, except that a charter school may
162 receive tuition payments from districts in the same or an
163 adjoining county for nonresident students who transfer to an
164 approved charter school, as defined in section 167.895, from
165 an unaccredited district.

166 [12.] 9. A charter school is authorized to incur debt
167 in anticipation of receipt of funds. A charter school may
168 also borrow to finance facilities and other capital items.
169 A school district may incur bonded indebtedness or take
170 other measures to provide for physical facilities and other
171 capital items for charter schools that it sponsors or
172 contracts with. Except as otherwise specifically provided
173 in sections 160.400 to 160.425, upon the dissolution of a
174 charter school, any liabilities of the corporation will be
175 satisfied through the procedures of chapter 355. A charter
176 school shall satisfy all its financial obligations within
177 twelve months of notice from the sponsor of the charter
178 school's closure [under subsection 8 of section 160.405].
179 After satisfaction of all its financial obligations, a
180 charter school shall return any remaining state and federal
181 funds to the department of elementary and secondary
182 education for disposition [as stated in subdivision (17) of
183 subsection 1 of section 160.405]. The department of
184 elementary and secondary education may withhold funding at a
185 level the department determines to be adequate during a
186 school's last year of operation until the department
187 determines that school records, liabilities, and reporting
188 requirements, including a full audit, are satisfied.

189 [13.] 10. Charter schools shall not have the power to
190 acquire property by eminent domain.

191 [14.] 11. The governing body of a charter school is
192 authorized to accept grants, gifts or donations of any kind
193 and to expend or use such grants, gifts or donations. A
194 grant, gift or donation may not be accepted by the governing
195 body if it is subject to any condition contrary to law
196 applicable to the charter school or other public schools, or
197 contrary to the terms of the charter.

 160.417. 1. By October 1, 2012, and by each October
2 first thereafter, the sponsor of each charter school shall
3 review the information submitted on the report required by
4 section 162.821 to identify charter schools experiencing
5 financial stress. [The department of elementary and
6 secondary education shall be authorized to obtain such
7 additional information from a charter school as may be
8 necessary to determine the financial condition of the
9 charter school. Annually, a listing of charter schools
10 identified as experiencing financial stress according to the
11 provisions of this section shall be provided to the
12 governor, speaker of the house of representatives, and
13 president pro tempore of the senate by the department of
14 elementary and secondary education.

15 2. For the purposes of this section, a charter school
16 shall be identified as experiencing financial stress if it:

17 (1) At the end of its most recently completed fiscal
18 year:

19 (a) Has a negative balance in its operating funds; or

20 (b) Has a combined balance of less than three percent
21 of the amount expended from such funds during the previous
22 fiscal year;

23 (2) For the most recently completed fiscal year
24 expenditures, exceeded receipts for any of its funds because
25 of recurring costs; or

(3) Due to insufficient fund balances or reserves, incurred debt after January thirty-first and before July first during the most recently completed fiscal year in order to meet expenditures of the charter school.

3.] 2. The sponsor shall **promptly** notify [by November first] the governing board of the charter school identified as experiencing financial stress. Upon receiving the notification, the [governing board shall develop, or cause to have developed, and shall approve a budget and education plan on forms provided by the sponsor. The budget and education plan shall be submitted to the sponsor, signed by the officers of the charter school, within forty-five calendar days of notification that the charter school has been identified as experiencing financial stress. Minimally, the budget and education plan] **charter school and sponsor shall mutually agree to a revised budget and education plan that** shall:

(1) Give **competent** assurances that adequate educational services to students of the charter school shall continue uninterrupted for the remainder of the current school year and that the charter school can provide the minimum amount of school time required by section 171.031;

(2) Outline a procedure to be followed by the charter school to report to charter school patrons about the financial condition of the charter school; and

(3) Detail the expenditure reduction measures, revenue increases, or other actions to be taken by the charter school to address its condition of financial stress.

[4. Upon receipt and following review of any budget and education plan, the sponsor may make suggestions to improve the plan. Nothing in sections 160.400 to 160.425 or section 167.349 shall exempt a charter school from

58 submitting a budget and education plan to the sponsor
59 according to the provisions of this section following each
60 such notification that a charter school has been identified
61 as experiencing financial stress, except that the sponsor
62 may permit a charter school's governing board to make
63 amendments to or update a budget and education plan
64 previously submitted to the sponsor.

65 5. The department may withhold any payment of
66 financial aid otherwise due to the charter school until such
67 time as the sponsor and the charter school have fully
68 complied with this section.]

160.420. 1. Any school district in which charter
2 schools may be established under sections 160.400 to 160.425
3 shall establish a uniform policy which provides that if a
4 charter school offers to retain the services of an employee
5 of a school district, and the employee accepts a position at
6 the charter school, an employee at the employee's option may
7 remain an employee of the district and the charter school
8 shall pay to the district the district's full costs of
9 salary and benefits provided to the employee. The
10 district's policy shall provide that any teacher who accepts
11 a position at a charter school and opts to remain an
12 employee of the district retains such teacher's permanent
13 teacher status and retains such teacher's seniority rights
14 in the district for three years. The school district shall
15 not be liable for any such employee's acts while an employee
16 of the charter school.

17 2. A charter school [may] **shall** employ
18 [noncertificated] **certificated** instructional personnel[;
19 provided that no more than twenty percent of the full-time
20 equivalent instructional staff positions at the school are
21 filled by noncertificated personnel. All noncertificated

instructional personnel shall be supervised by certificated instructional personnel. A charter school that has a foreign language immersion experience as its chief educational mission, as stated in its charter, shall not be subject to the twenty-percent requirement of this subsection but shall ensure that any teachers whose duties include instruction given in a foreign language have current valid credentials in the country in which such teacher received his or her training and shall remain subject to the remaining requirements of this subsection. The charter school shall ensure that all instructional employees of the charter school have experience, training and skills appropriate to the instructional duties of the employee, and the charter school shall ensure that a criminal background check and family care safety registry check are conducted for each employee of the charter school prior to the hiring of the employee under the requirements of section 168.133. The charter school may not employ instructional personnel whose certificate of license to teach has been revoked or is currently suspended by the state board of education. Appropriate experience, training and skills of noncertificated instructional personnel shall be determined considering:

- (1) Teaching certificates issued by another state or states;
- (2) Certification by the National Board for Professional Teaching Standards;
- (3) College degrees in the appropriate field;
- (4) Evidence of technical training and competence when such is appropriate; and
- (5) The level of supervision and coordination with certificated instructional staff] **under the same**

54 **requirements applicable to instructional personnel of the**
55 **district; provided that this subsection shall not apply to**
56 **noncertificated personnel employed by a charter school under**
57 **a contract in effect on the effective date of this act.**

58 3. Personnel employed by the charter school shall
59 participate in the retirement system of the school district
60 in which the charter school is located, subject to the same
61 terms, conditions, requirements and other provisions
62 applicable to personnel employed by the school district.
63 For purposes of participating in the retirement system, the
64 charter school shall be considered to be a public school
65 within the school district, and personnel employed by the
66 charter school shall be public school employees. In the
67 event of a lapse of the school district's corporate
68 organization as described in subsections 1 and 4 of section
69 162.081, personnel employed by the charter school shall
70 continue to participate in the retirement system and shall
71 do so on the same terms, conditions, requirements and other
72 provisions as they participated prior to the lapse.

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

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

14 four years. At the expiration of the term of each member,
15 the governor, by and with the advice and consent of the
16 senate, shall appoint a successor.

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

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

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

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

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

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

32 4. Members appointed to the commission shall
33 collectively possess strong experience and expertise in
34 governance, management and finance, school leadership,
35 assessment, curriculum and instruction, and education law.
36 All members of the commission shall have demonstrated
37 understanding of and commitment to charter schooling as a
38 strategy for strengthening public education.

39 5. The commission shall annually elect a chairperson
40 and vice chairperson, who shall act as chairperson in his or
41 her absence. The commission shall meet at the call of the
42 chairperson. The chairperson may call meetings at such
43 times as he or she deems advisable and shall call a meeting
44 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 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.

11. The commission shall not approve any charter for sponsorship on or after the effective date of this act.

12. The commission shall not renew any charter contract on or after the effective date of this act.

13. The commission shall be abolished as of thirty days following the date of the last expiration of existing

77 charter contracts effective on the effective date of this
78 act for charter schools sponsored by the commission on the
79 effective date of this act.

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

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

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

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

20 (4) Is organizationally and fiscally
21 viable as described in paragraph (b) of
22 subdivision (2) of subsection 9 of section
23 160.405.

24 2. Notwithstanding any other provision of
25 law, high-quality charter schools shall be
26 provided expedited opportunities to replicate
27 and expand into unaccredited districts, a
28 metropolitan district, or an urban school
29 district containing most or all of a home rule
30 city with more than four hundred thousand
31 inhabitants and located in more than one
32 county. Such replication and expansion shall be
33 subject to the following:

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

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

44 (3) If a charter is approved by a sponsor,
45 the charter application shall be filed with the
46 state board of education with a statement of
47 finding from the sponsor that the application
48 meets the requirements of sections 160.400 to
49 160.425 and section 167.349 and a monitoring
50 plan under which the sponsor shall evaluate the
51 academic performance of students enrolled in the
charter school. Such filing shall be made by

52 January thirty-first prior to the school year in
53 which the charter school intends to begin
54 operations.

55 3. The term of the charter for schools
56 operating under this section shall be five
57 years, and the charter may be renewed for terms
58 of up to ten years. Renewal shall be subject to
59 the provisions of paragraphs (a) to (d) of
60 subdivision (3) of subsection 9 of section
61 160.405.]

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