

# SENATE BILL NO. 1392

102ND GENERAL ASSEMBLY

INTRODUCED BY SENATOR TRENT.

5544S.01I

KRISTINA MARTIN, Secretary

## AN ACT

To repeal sections 135.713, 135.714, 135.715, 160.400, and 166.700, RSMo, and to enact in lieu thereof five new sections relating to educational opportunities for elementary and secondary school students.

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

Section A. Sections 135.713, 135.714, 135.715, 160.400, and 166.700, RSMo, are repealed and five new sections enacted in lieu thereof, to be known as sections 135.713, 135.714, 135.715, 160.400, and 166.700, to read as follows:

135.713. 1. Any taxpayer who makes a qualifying contribution to an educational assistance organization after August 28, 2021, may claim a credit against the tax otherwise due under chapter 143, other than taxes withheld under sections 143.191 to 143.265, and chapter 153 in an amount equal to one hundred percent of the amount the taxpayer contributed during the tax year for which the credit is claimed. No taxpayer shall claim a credit under sections 135.712 to 135.719 for any contribution made by the taxpayer, or an agent of the taxpayer, on behalf of the taxpayer's dependent or, in the case of a business taxpayer, on behalf of the business's agent's dependent.

2. The amount of the tax credit claimed shall not exceed fifty percent of the taxpayer's state tax liability for the tax year for which the credit is claimed. The state treasurer shall certify the tax credit amount to the

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

17 taxpayer. A taxpayer may carry the credit forward to any of  
18 such taxpayer's four subsequent tax years. All tax credits  
19 authorized under the program shall not be transferred, sold,  
20 or assigned, and are [not] refundable.

21 3. The cumulative amount of tax credits that may be  
22 allocated to all taxpayers contributing to educational  
23 assistance organizations in any one calendar year shall not  
24 exceed **a maximum of [fifty] seventy-five** million dollars[, **which**]. **Such maximum** amount shall be annually adjusted **from**  
25 **the 2021 maximum amount** by the state treasurer for inflation  
26 based on the Consumer Price Index for All Urban Consumers  
27 for the Midwest region, as defined and officially recorded  
28 by the United States Department of Labor or its successor,  
29 [such annual increase will cease when the amount of tax  
30 credits reach seventy-five million dollars] **and shall**  
31 **additionally be annually adjusted by any percentage increase**  
32 **in the amount appropriated for pupil transportation under**  
33 **section 163.161 above the threshold of ninety percent of the**  
34 **projected amount necessary to fully fund transportation aid**  
35 **funding for the current fiscal year.** The state treasurer  
36 shall establish a procedure by which, from the beginning of  
37 the calendar year until August first, the cumulative amount  
38 of tax credits shall be allocated on a first-come, first-  
39 served basis among all educational assistance  
40 organizations. If an educational assistance organization  
41 fails to use all, or some percentage to be determined by the  
42 state treasurer, of its allocated tax credits during this  
43 period, the state treasurer may reallocate these unused tax  
44 credits to those educational assistance organizations that  
45 have used all, or some percentage to be determined by the  
46 state treasurer, of their allocated tax credits during this  
47 period. The state treasurer may establish more than one  
48

49 period and reallocate more than once during each calendar  
50 year. The state treasurer shall establish the procedure  
51 described in this subsection in such a manner as to ensure  
52 that taxpayers can claim all the tax credits possible up to  
53 the cumulative amount of tax credits available for the  
54 calendar year.

55 4. A taxpayer who makes a contribution to an education  
56 assistance organization shall not designate the student who  
57 will receive a scholarship grant.

58 [5. The provisions of sections 135.712 to 135.719 and  
59 sections 166.700 to 166.720 shall be effective in any fiscal  
60 year immediately subsequent to any fiscal year in which the  
61 amount appropriated for pupil transportation under section  
62 163.161 equals or exceeds forty percent of the projected  
63 amount necessary to fully fund transportation aid funding  
64 for fiscal year 2021. If the amount appropriated for  
65 transportation under section 163.161 in any succeeding year  
66 falls below such amount, no additional scholarships for  
67 newly qualified students shall be awarded.]

135.714. 1. Each educational assistance organization  
2 shall:

3 (1) Notify the state treasurer of [its] **such**  
4 **organization's** intent to provide scholarship accounts to  
5 qualified students;

6 (2) Demonstrate to the state treasurer that [it] **such**  
7 **organization** is exempt from federal income tax under Section  
8 501(c)(3) of the Internal Revenue Code of 1986, as amended;

9 (3) Provide a state treasurer-approved receipt to  
10 taxpayers for contributions made to the organization;

11 (4) Ensure that grants are distributed to scholarship  
12 accounts of qualified students in the following order:

13 (a) Qualified students that have an approved  
14 "individualized education plan" (IEP) developed under the  
15 federal Individuals with Disabilities Education Act (IDEA),  
16 20 U.S.C. Section 1400[, ] et seq., as amended, or qualified  
17 students living in a household whose total annual income  
18 does not exceed an amount equal to one hundred percent of  
19 the income standard used to qualify for free and reduced  
20 price lunches;

21 (b) Qualified students living in a household whose  
22 total annual income does not exceed an amount equal to two  
23 hundred percent of the income standard used to qualify for  
24 free and reduced price lunches; and

25 (c) All other qualified students;

26 (5) Ensure that:

27 (a) One hundred percent of [its] **such organization's**  
28 revenues from interest or investments is spent on  
29 scholarship accounts;

30 (b) At least ninety percent of [its] **such**  
31 **organization's** revenues from qualifying contributions is  
32 spent on scholarship accounts; and

33 (c) Marketing and administrative expenses do not  
34 exceed the following limits of [its] **such organization's**  
35 remaining revenue from contributions:

36 a. Ten percent for the first two hundred fifty  
37 thousand dollars;

38 b. Eight percent for the next five hundred thousand  
39 dollars; and

40 c. Three percent thereafter;

41 (6) **(a)** Distribute scholarship account payments  
42 either four times per year or in a single lump sum at the  
43 beginning of the year as requested by the parent of a  
44 qualified student, [not to exceed a total grant amount equal

45 **to] based on** the state adequacy target as defined in section  
46 163.011 and calculated by the department of elementary and  
47 secondary education, **subject to the following total grant**  
48 **amount limits:**

49 a. For a qualified student who meets the criteria to  
50 be included in a school district's limited English  
51 proficiency pupil count as set forth in subdivision (8) of  
52 section 163.011, not more than one hundred sixty percent of  
53 the state adequacy target;

54 b. For a qualified student who is eligible for free or  
55 reduced price lunch as approved by the department of  
56 elementary and secondary education in accordance with  
57 federal regulations, not more than one hundred twenty-five  
58 percent of the state adequacy target;

59 c. For a qualified student who has an approved  
60 individualized education plan developed under the federal  
61 Individuals with Disabilities Education Act (IDEA), 20  
62 U.S.C. Section 1400 et seq., as amended, not more than one  
63 hundred seventy-five percent of the state adequacy target;  
64 and

65 d. For all other qualified students, not more than the  
66 state adequacy target;

67 (b) Scholarship account payments distributed under  
68 this subdivision shall be in the form of a deposit into the  
69 scholarship account of the qualified student;

70 (7) Provide the state treasurer, upon request, with  
71 criminal background checks on all **[its] such organization's**  
72 employees and board members and exclude from employment or  
73 governance any individual who might reasonably pose a risk  
74 to the appropriate use of contributed funds, **provided that**  
75 **no background check shall be required by the educational**  
76 **assistance organization or the state treasurer for a parent**

77 **who educates their child at a home school as defined in**  
78 **section 167.031;**

79 (8) Demonstrate [its] **such organization's** financial  
80 accountability by:

81 (a) Submitting to the state treasurer annual audit  
82 financial statements by a certified public accountant within  
83 six months of the end of the educational assistance  
84 organization's fiscal year; and

85 (b) Having an auditor certify that the report is free  
86 of material misstatements; and

87 (9) Ensure that participating students take the state  
88 achievement tests or nationally norm-referenced tests that  
89 measure learning gains in math and English language arts,  
90 and provide for value-added assessment, in grades that  
91 require testing under the statewide assessment system set  
92 forth in section 160.518;

93 (10) Allow costs of the testing requirements to be  
94 covered by the scholarships distributed by the educational  
95 assistance organization;

96 (11) Provide the parents of each student who was  
97 tested with a copy of the results of the tests on an annual  
98 basis, beginning with the first year of testing;

99 (12) Provide the test results to the state treasurer  
100 on an annual basis, beginning with the first year of testing;

101 (13) Report student information that would allow the  
102 state treasurer to aggregate data by grade level, gender,  
103 family income level, and race;

104 (14) Provide rates of high school graduation, college  
105 attendance, and college graduation for participating  
106 students to the state treasurer in a manner consistent with  
107 nationally recognized standards;

108           (15) Provide to the state treasurer the results from  
109 an annual parental satisfaction survey, including  
110 information about the number of years that the parent's  
111 child has participated in the scholarship program. The  
112 annual satisfaction survey shall ask parents of scholarship  
113 students to express:

114           (a) Their level of satisfaction with the child's  
115 academic achievement, including academic achievement at the  
116 schools the child attends through the scholarship program  
117 versus academic achievement at the school previously  
118 attended;

119           (b) Their level of satisfaction with school safety at  
120 the schools the child attends through the scholarship  
121 program versus safety at the schools previously attended;

122           (16) Demonstrate **[its] such organization's** financial  
123 viability, if **[it] such organization** is to receive donations  
124 of fifty thousand dollars or more during the school year, by  
125 filing with the state treasurer before the start of the  
126 school year a surety bond payable to the state in an amount  
127 equal to the aggregate amount of contributions expected to  
128 be received during the school year or other financial  
129 information that demonstrates the financial viability of the  
130 educational assistance organization.

131           2. The annual audit required under this section shall  
132 include:

133           (1) The name and address of the educational assistance  
134 organization;

135           (2) The name and address of each qualified student for  
136 whom a parent opened a scholarship account with the  
137 organization;

138           (3) The total number and total dollar amount of  
139 contributions received during the previous calendar year; and

140 (4) The total number and total dollar amount of  
141 scholarship accounts opened during the previous calendar  
142 year.

143 3. The state treasurer shall:

144 (1) Ensure compliance with all student privacy laws  
145 for data in the state treasurer's possession;

146 (2) Collect all test results;

147 (3) Provide the test results and associated learning  
148 gains to the public via a state website after the third year  
149 of test and test-related data collection. The findings  
150 shall be aggregated by the students' grade level, gender,  
151 family income level, number of years of participation in the  
152 scholarship program, and race; and

153 (4) Provide graduation rates to the public via a state  
154 website after the third year of test and test-related data  
155 collection.

156 4. An educational assistance organization may contract  
157 with private financial management firms to manage  
158 scholarship accounts with the supervision of the state  
159 treasurer.

135.715. 1. [Notwithstanding any provision in section  
2 135.713 to the contrary, the annual increase to the  
3 cumulative amount of tax credits under subsection 3 of  
4 section 135.713 shall cease when the amount of tax credits  
5 reaches fifty million dollars.] The cumulative amount of  
6 tax credits that may be allocated to all taxpayers  
7 contributing to educational assistance organizations in the  
8 first year of the program shall not exceed twenty-five  
9 million dollars.

10 2. The state treasurer shall limit the number of  
11 educational assistance organizations that are certified to  
12 administer scholarship accounts to no more than ten such



13 organizations in any single school year[, with]. **If the**  
14 **total contributions to educational assistance organizations**  
15 **exceed twenty-five million dollars in any school year, the**  
16 **state treasurer may certify one additional educational**  
17 **assistance organization to administer scholarship accounts.**

18 No more than [six] **seven** of such organizations [having]  
19 **shall have** their principal place of business in:

20 (1) A county of the first classification with more  
21 than two hundred sixty thousand but fewer than three hundred  
22 thousand inhabitants;

23 (2) A county with a charter form of government and  
24 with more than six hundred thousand but fewer than seven  
25 hundred thousand inhabitants;

26 (3) A county with a charter form of government and  
27 with more than three hundred thousand but fewer than four  
28 hundred fifty thousand inhabitants;

29 (4) A county with a charter form of government and  
30 with more than nine hundred fifty thousand inhabitants; or

31 (5) A city not within a county.

32 3. The state treasurer may delegate any duties  
33 assigned to the state treasurer under sections 135.712 to  
34 135.719 and sections 166.700 to 166.720 to the "Missouri  
35 Empowerment Scholarship Accounts Board", which is hereby  
36 established. The Missouri empowerment scholarship accounts  
37 board shall consist of the state treasurer, who shall serve  
38 as chair, the commissioner of the department of higher  
39 education and workforce development, the commissioner of  
40 education, the commissioner of the office of administration,  
41 one member appointed by the president pro tempore of the  
42 senate, one member appointed by the speaker of the house of  
43 representatives, and one member appointed by the governor  
44 with the advice and consent of the senate. The appointed

45 members shall serve terms of four years or until their  
46 successors have been appointed and qualified. The board  
47 shall have all powers and duties assigned to the state  
48 treasurer under sections 135.712 to 135.719 and sections  
49 166.700 to 166.720 that are delegated to the board by the  
50 state treasurer. Members of the board shall not receive  
51 compensation for their service, but may receive  
52 reimbursement for necessary expenses.

53 4. Notwithstanding the provisions of subsection 7 of  
54 section 135.716 to the contrary, four percent of the total  
55 qualifying contributions received by each educational  
56 assistance organization per calendar year shall be deposited  
57 in the Missouri empowerment scholarship accounts fund to be  
58 used by the state treasurer for marketing and administrative  
59 expenses or the costs incurred in administering the program,  
60 whichever is less.

61 5. Notwithstanding the provisions of subdivision (5)  
62 of subsection 2 of section 135.712 to the contrary, the term  
63 "qualifying contribution" shall mean a donation of cash,  
64 including, but not limited to, checks drawn on a banking  
65 institution located in the continental United States in U.S.  
66 dollars (other than cashier checks, or third-party checks  
67 exceeding ten thousand dollars), money orders, payroll  
68 deductions, and electronic fund transfers. This term shall  
69 not include stocks, bonds, other marketable securities, or  
70 property.

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:

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 located within a county with**  
32 **more than one million inhabitants;**

33           **(6) In a school district located within a county with**  
34 **more than one hundred fifty thousand but fewer than two**  
35 **hundred thousand inhabitants;**

36           **(7) In a school district located within a county with**  
37 **more than four hundred thousand but fewer than five hundred**  
38 **thousand inhabitants; or**

39           **(8)** In a school district that has been accredited  
40 without provisions, sponsored only by the local school  
41 board; provided that no board with a current year enrollment  
42 of one thousand five hundred fifty students or greater shall  
43 permit more than thirty-five percent of its student  
44 enrollment to enroll in charter schools sponsored by the  
45 local board under the authority of this subdivision, except  
46 that this restriction shall not apply to any school district  
47 that subsequently becomes eligible under subdivision (3) or  
48 (4) of this subsection or to any district accredited without  
49 provisions that sponsors charter schools prior to having a  
50 current year student enrollment of one thousand five hundred  
51 fifty students or greater.

52           3. Except as further provided in subsection 4 of this  
53 section, the following entities are eligible to sponsor  
54 charter schools:

55           (1) The school board of the district in any district  
56 which is sponsoring a charter school as of August 27, 2012,  
57 as permitted under subdivision (1) or (2) of subsection 2 of  
58 this section, the special administrative board of a  
59 metropolitan school district during any time in which powers  
60 granted to the district's board of education are vested in a  
61 special administrative board, or if the state board of  
62 education appoints a special administrative board to retain  
63 the authority granted to the board of education of an urban  
64 school district containing most or all of a city with a  
65 population greater than three hundred fifty thousand  
66 inhabitants, the special administrative board of such school  
67 district;

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

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

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

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

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

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

88           (1) As a district transitions from unaccredited to  
89 provisionally accredited, the district shall continue to  
90 fall under the requirements for an unaccredited district  
91 until it achieves three consecutive full school years of  
92 provisional accreditation;

93           (2) As a district transitions from provisionally  
94 accredited to full accreditation, the district shall  
95 continue to fall under the requirements for a provisionally  
96 accredited district until it achieves three consecutive full  
97 school years of full accreditation;

98           (3) In any school district classified as unaccredited  
99 or provisionally accredited where a charter school is

100 operating and is sponsored by an entity other than the local  
101 school board, when the school district becomes classified as  
102 accredited without provisions, a charter school may continue  
103 to be sponsored by the entity sponsoring it prior to the  
104 classification of accredited without provisions and shall  
105 not be limited to the local school board as a sponsor.

106 A charter school operating in a school district identified  
107 in subdivision (1) or (2) of subsection 2 of this section  
108 may be sponsored by any of the entities identified in  
109 subsection 3 of this section, irrespective of the  
110 accreditation classification of the district in which it is  
111 located. A charter school in a district described in this  
112 subsection whose charter provides for the addition of grade  
113 levels in subsequent years may continue to add levels until  
114 the planned expansion is complete to the extent of grade  
115 levels in comparable schools of the district in which the  
116 charter school is operated.

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

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

129 7. The charter school shall be organized as a Missouri  
130 nonprofit corporation incorporated pursuant to chapter 355.

131 The charter provided for herein shall constitute a contract  
132 between the sponsor and the charter school.

133 8. As a nonprofit corporation incorporated pursuant to  
134 chapter 355, the charter school shall select the method for  
135 election of officers pursuant to section 355.326 based on  
136 the class of corporation selected. Meetings of the  
137 governing board of the charter school shall be subject to  
138 the provisions of sections 610.010 to 610.030.

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

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

158 11. The expenses associated with sponsorship of  
159 charter schools shall be defrayed by the department of  
160 elementary and secondary education retaining one and five-  
161 tenths percent of the amount of state and local funding  
162 allocated to the charter school under section 160.415, not

163 to exceed one hundred twenty-five thousand dollars, adjusted  
164 for inflation. The department of elementary and secondary  
165 education shall remit the retained funds for each charter  
166 school to the school's sponsor, provided the sponsor remains  
167 in good standing by fulfilling its sponsorship obligations  
168 under sections 160.400 to 160.425 and 167.349 with regard to  
169 each charter school it sponsors, including appropriate  
170 demonstration of the following:

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

175 (2) Maintains a comprehensive application process that  
176 follows fair procedures and rigorous criteria and grants  
177 charters only to those developers who demonstrate strong  
178 capacity for establishing and operating a quality charter  
179 school;

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

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

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

193 12. Sponsors receiving funds under subsection 11 of  
194 this section shall be required to submit annual reports to



195 the joint committee on education demonstrating they are in  
196 compliance with subsection 17 of this section.

197 13. No university, college or community college shall  
198 grant a charter to a nonprofit corporation if an employee of  
199 the university, college or community college is a member of  
200 the corporation's board of directors.

201 14. No sponsor shall grant a charter under sections  
202 160.400 to 160.425 and 167.349 without ensuring that a  
203 criminal background check and family care safety registry  
204 check are conducted for all members of the governing board  
205 of the charter schools or the incorporators of the charter  
206 school if initial directors are not named in the articles of  
207 incorporation, nor shall a sponsor renew a charter without  
208 ensuring a criminal background check and family care safety  
209 registry check are conducted for each member of the  
210 governing board of the charter school.

211 15. No member of the governing board of a charter  
212 school shall hold any office or employment from the board or  
213 the charter school while serving as a member, nor shall the  
214 member have any substantial interest, as defined in section  
215 105.450, in any entity employed by or contracting with the  
216 board. No board member shall be an employee of a company  
217 that provides substantial services to the charter school.  
218 All members of the governing board of the charter school  
219 shall be considered decision-making public servants as  
220 defined in section 105.450 for the purposes of the financial  
221 disclosure requirements contained in sections 105.483,  
222 105.485, 105.487, and 105.489.

223 16. A sponsor shall develop the policies and  
224 procedures for:

225 (1) The review of a charter school proposal including  
226 an application that provides sufficient information for

227 rigorous evaluation of the proposed charter and provides  
228 clear documentation that the education program and academic  
229 program are aligned with the state standards and grade-level  
230 expectations, and provides clear documentation of effective  
231 governance and management structures, and a sustainable  
232 operational plan;

233 (2) The granting of a charter;

234 (3) The performance contract that the sponsor will use  
235 to evaluate the performance of charter schools. Charter  
236 schools shall meet current state academic performance  
237 standards as well as other standards agreed upon by the  
238 sponsor and the charter school in the performance contract;

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

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

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

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

253 17. (1) A sponsor shall provide timely submission to  
254 the state board of education of all data necessary to  
255 demonstrate that the sponsor is in material compliance with  
256 all requirements of sections 160.400 to 160.425 and section  
257 167.349. The state board of education shall ensure each

258 sponsor is in compliance with all requirements under  
259 sections 160.400 to 160.425 and 167.349 for each charter  
260 school sponsored by any sponsor. The state board shall  
261 notify each sponsor of the standards for sponsorship of  
262 charter schools, delineating both what is mandated by  
263 statute and what best practices dictate. The state board  
264 shall evaluate sponsors to determine compliance with these  
265 standards every three years. The evaluation shall include a  
266 sponsor's policies and procedures in the areas of charter  
267 application approval; required charter agreement terms and  
268 content; sponsor performance evaluation and compliance  
269 monitoring; and charter renewal, intervention, and  
270 revocation decisions. Nothing shall preclude the department  
271 from undertaking an evaluation at any time for cause.

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

285 (3) The charter sponsor may, within thirty days of  
286 receipt of the notice of the commissioner's recommendation,  
287 provide a written statement and other documentation to show  
288 cause as to why that action should not be taken. Final  
289 determination of corrective action shall be determined by

290 the state board of education based upon a review of the  
291 documentation submitted to the department and the charter  
292 sponsor.

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

297 18. If a sponsor notifies a charter school of closure  
298 under subsection 8 of section 160.405, the department of  
299 elementary and secondary education shall exercise its  
300 financial withholding authority under subsection 12 of  
301 section 160.415 to assure all obligations of the charter  
302 school shall be met. The state, charter sponsor, or  
303 resident district shall not be liable for any outstanding  
304 liability or obligations of the charter school.

166.700. As used in sections 166.700 to 166.720, the  
2 following terms mean:

3 (1) "Curriculum", a complete course of study for a  
4 particular content area or grade level, including any  
5 supplemental materials;

6 (2) "District", the same meaning as used in section  
7 160.011;

8 (3) "Educational assistance organization", the same  
9 meaning as used in section 135.712;

10 (4) "Parent", the same meaning as used in section  
11 135.712;

12 (5) "Private school", a school that is not a part of  
13 the public school system of the state of Missouri and that  
14 charges tuition for the rendering of elementary or secondary  
15 educational services;

16 (6) "Program", the same meaning as used in section  
17 135.712;

18 (7) "Qualified school", a home school as defined in  
19 section 167.031 or any of the following entities that is  
20 incorporated in Missouri and that does not discriminate on  
21 the basis of race, color, or national origin:

22 (a) A charter school as defined in section 160.400;

23 (b) A private school;

24 (c) A public school as defined in section 160.011; or

25 (d) A public or private virtual school;

26 (8) "Qualified student", any elementary or secondary  
27 school student who is a resident of this state and [resides  
28 in any county with a charter form of government or any city  
29 with at least thirty thousand inhabitants] who:

30 (a) Has an approved "individualized education plan"  
31 (IEP) developed under the federal Individuals with  
32 Disabilities Education Act (IDEA), 20 U.S.C. Section 1400[,]  
33 et seq., as amended; or

34 (b) Is a member of a household whose total annual  
35 income does not exceed an amount equal to [two] **four** hundred  
36 percent of the income standard used to qualify for free and  
37 reduced price lunches, and **that** meets at least one of the  
38 following qualifications:

39 a. Attended a public school as a full-time student for  
40 at least one semester during the previous twelve months; or

41 b. Is a child who is eligible to begin kindergarten or  
42 first grade under sections 160.051 to 160.055.

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