

SENATE COMMITTEE SUBSTITUTE

FOR

SENATE BILLS NOS. 215 & 70

AN ACT

To repeal sections 160.410, 160.415, 162.081, 167.132, 167.151, 167.241, 167.895, and 167.898, RSMo, and to enact in lieu thereof seven new sections relating to admission of nonresident students.

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

Section A. Sections 160.410, 160.415, 162.081, 167.132, 167.151, 167.241, 167.895, and 167.898, RSMo, are repealed and seven new sections enacted in lieu thereof, to be known as sections 160.410, 160.415, 162.081, 167.151, 167.241, 167.895, and 167.898, to read as follows:

160.410. 1. A charter school shall enroll:

- (1) All pupils resident in the district in which it operates;
- (2) Nonresident pupils eligible to attend a district's school under an urban voluntary transfer program;
- (3) Nonresident pupils who transfer [from an unaccredited district] under section 167.895, [provided that the charter school is an approved charter school, as defined in section 167.895, and] subject to all other provisions of section 167.895;

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

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

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

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

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

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

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

3. A charter school shall not limit admission based on race, ethnicity, national origin, disability, income level, except as allowed under subdivision (4) of subsection 2 of this section, proficiency in the English language or athletic ability, but may limit admission to pupils within a given age group or grade level. Charter schools may limit admission based on gender only when the school is a single-gender school. Students of a charter school who have been enrolled for a full academic year shall be counted in the performance of the charter school on the statewide assessments in that calendar year, unless otherwise exempted as English language learners. For purposes of this subsection, "full academic year" means the last Wednesday in September through the administration of the Missouri assessment program test without transferring out of the school and re-enrolling.

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

- (1) The school's charter;
- (2) The school's most recent annual report card published according to section 160.522;
- (3) The results of background checks on the charter school's board members; and
- (4) If a charter school is operated by a management company, a copy of the written contract between the governing board of the charter school and the educational management organization or the charter management

organization for services. The charter school may charge reasonable fees, not to exceed the rate specified in section 610.026 for furnishing copies of documents under this subsection.

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

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

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

160.415. 1. For the purposes of calculation and distribution of state school aid under section 163.031, pupils enrolled in a charter school shall be included in the pupil enrollment of the school district within which each pupil resides. Each charter school shall report the 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 pupil discontinues enrollment at a charter school.

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

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

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

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

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

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

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

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

5. If a school district fails to make timely payments of any amount for which it is the disbursal agent, the state department of elementary and secondary education shall

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

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

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

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

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

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

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

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

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

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

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

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

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

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

12. A charter school is authorized to incur debt in anticipation of receipt of funds. A charter school may also borrow to finance facilities and other capital items. A school district may incur bonded indebtedness or take other measures to provide for physical facilities and other capital items for charter schools that it sponsors or contracts with. Except as otherwise specifically provided in sections 160.400 to 160.425, upon the dissolution of a

charter school, any liabilities of the corporation will be satisfied through the procedures of chapter 355. A charter school shall satisfy all its financial obligations within twelve months of notice from the sponsor of the charter school's closure under subsection 8 of section 160.405. After satisfaction of all its financial obligations, a charter school shall return any remaining state and federal funds to the department of elementary and secondary education for disposition as stated in subdivision (17) of subsection 1 of section 160.405. The department of elementary and secondary education may withhold funding at a level the department determines to be adequate during a school's last year of operation until the department determines that school records, liabilities, and reporting requirements, including a full audit, are satisfied.

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

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

15. In addition to any state aid remitted to charter schools under this section, the department of elementary and secondary education shall remit to any charter school an amount equal to the weighted average daily attendance of the charter school multiplied by the difference of:

(1) The amount of state aid and local aid per weighted average daily attendance received by the school district in which the charter school is located, not including any funds remitted to charter schools in the district. For the

purposes of this subdivision, the weighted average daily attendance of the school district shall not include the weighted average daily attendance of the charter schools located in the district; and

(2) The amount of state aid and local aid per weighted average daily attendance of the charter school received by the charter school.

16. Charter schools may adjust weighted average daily attendance pursuant to section 163.036.

17. When calculating the amounts in subdivisions (1) and (2) of subsection 15 of this section, the department shall utilize the most current data to which the department has access.

18. For the purposes of subsection 15 of this section:

(1) The definitions contained in section 163.011, shall apply;

(2) The term "local aid" shall mean all local and county revenue received, including, but not limited to, the following:

- (a) Property taxes and delinquent taxes;
- (b) Merchants' and manufacturers' tax revenues;
- (c) Financial institutions' tax revenues;
- (d) City sales tax revenue, including city sales tax collected in any city not within a county;
- (e) Payments in lieu of taxes; and
- (f) Revenues from state-assessed railroad and utilities tax;

(3) The term local aid shall not be construed to include:

- (a) Charitable contributions, gifts, and grants made to school districts;
- (b) Interest earnings of school districts and student fees paid to school districts;

(c) Debt service authorized by a public vote for the purpose of making payments on a bond issuance of a school district;

(d) Proposition C revenues received for school purposes from the school district trust fund under section 163.087; or

(e) Any other funding solely intended for a particular school district or their respective employees, schools, foundations, or organizations;

(4) The term "state aid" shall mean any revenues received pursuant to this section and sections 163.043 and 163.087.

19. Notwithstanding any other provision of law to the contrary, subsections 15 to 18 of this section shall be applicable to charter schools operated only in the following school districts, provided that no such school district shall be located in a county with more than one hundred fifty thousand but fewer than two hundred thousand inhabitants:

(1) In a metropolitan school district;

(2) In an urban school district containing most or all of a city with more than four hundred thousand inhabitants and located in more than one county;

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

(4) In a school district that has been classified as provisionally accredited by the state board of education and has received scores on its annual performance report consistent with a classification of provisionally accredited or unaccredited for three consecutive school years beginning with the 2012-13 accreditation year under the conditions described in paragraphs (a) and (b) of subdivision (4) of subsection 2 of section 160.400; or

(5) In a school district that has been accredited without provisions, sponsored only by the local school board under the conditions described in subdivision (6) of subsection 2 of section 160.400.

20. (1) The members of the governing board of a charter school shall be residents of the state of Missouri.

(2) Any current member of a governing board of a charter school who does not meet the requirements in subdivision (1) of this subsection may complete their term. Such individual shall not be renominated as a member of the governing board on which he or she sits.

21. (1) Any charter school management company operating a charter school in the state shall be a nonprofit corporation incorporated pursuant to chapter 355.

(2) Notwithstanding any provision of law to the contrary, if a charter school is operated by a charter school management company, all laws and regulations that apply to employees of such charter school shall apply to the actions of any employees of the management company while they are conducting any work relating to the direct decision-making of the operation of such charter school.

22. Beginning July 1, 2023, the provisions of section 160.995 shall be applicable to charter schools.

23. Each charter school shall publish its annual performance report on the school's website in a downloadable format.

162.081. 1. Whenever any school district in this state fails or refuses in any school year to provide for the minimum school term required by section 163.021 or is classified unaccredited, the state board of education shall, upon a district's initial classification or reclassification as unaccredited:

(1) Review the governance of the district to establish the conditions under which the existing school board shall continue to govern; or

(2) Determine the date the district shall lapse and determine an alternative governing structure for the district.

2. If at the time any school district in this state shall be classified as unaccredited, the department of elementary and secondary education shall conduct at least two public hearings at a location in the unaccredited school district regarding the accreditation status of the school district. The hearings shall provide an opportunity to convene community resources that may be useful or necessary in supporting the school district as it attempts to return to accredited status, continues under revised governance, or plans for continuity of educational services and resources upon its attachment to a neighboring district. The department may request the attendance of stakeholders and district officials to review the district's plan to return to accredited status, if any; offer technical assistance; and facilitate and coordinate community resources. Such hearings shall be conducted at least twice annually for every year in which the district remains unaccredited or provisionally accredited.

3. Upon classification of a district as unaccredited, the state board of education may:

(1) Allow continued governance by the existing school district board of education under terms and conditions established by the state board of education; or

(2) Lapse the corporate organization of all or part of the unaccredited district and:

(a) Appoint a special administrative board for the operation of all or part of the district. If a special

administrative board is appointed for the operation of a part of a school district, the state board of education shall determine an equitable apportionment of state and federal aid for the part of the district and the school district shall provide local revenue in proportion to the weighted average daily attendance of the part. The number of members of the special administrative board shall not be less than five, the majority of whom shall be residents of the district. The members of the special administrative board shall reflect the population characteristics of the district and shall collectively possess strong experience in school governance, management and finance, and leadership. The state board of education may appoint members of the district's elected school board to the special administrative board, but members of the elected school board shall not comprise more than forty-nine percent of the special administrative board's membership. Within fourteen days after the appointment by the state board of education, the special administrative board shall organize by the election of a president, vice president, secretary and a treasurer, with their duties and organization as enumerated in section 162.301. The special administrative board shall appoint a superintendent of schools to serve as the chief executive officer of the school district, or a subset of schools, and to have all powers and duties of any other general superintendent of schools in a seven-director school district. Any special administrative board appointed under this section shall be responsible for the operation of the district or part of the district until such time that the district is classified by the state board of education as provisionally accredited for at least two successive academic years, after which time the state board of

education may provide for a transition pursuant to section 162.083; or

(b) Determine an alternative governing structure for the district including, at a minimum:

a. A rationale for the decision to use an alternative form of governance and in the absence of the district's achievement of full accreditation, the state board of education shall review and recertify the alternative form of governance every three years;

b. A method for the residents of the district to provide public comment after a stated period of time or upon achievement of specified academic objectives;

c. Expectations for progress on academic achievement, which shall include an anticipated time line for the district to reach full accreditation; and

d. Annual reports to the general assembly and the governor on the progress towards accreditation of any district that has been declared unaccredited and is placed under an alternative form of governance, including a review of the effectiveness of the alternative governance; or

(c) Attach the territory of the lapsed district to another district or districts for school purposes; or

(d) Establish one or more school districts within the territory of the lapsed district, with a governance structure specified by the state board of education, with the option of permitting a district to remain intact for the purposes of assessing, collecting, and distributing property taxes, to be distributed equitably on a weighted average daily attendance basis, but to be divided for operational purposes, which shall take effect sixty days after the adjournment of the regular session of the general assembly next following the state board's decision unless a statute

or concurrent resolution is enacted to nullify the state board's decision prior to such effective date.

4. If a district remains under continued governance by the school board under subdivision (1) of subsection 3 of this section and either has been unaccredited for three consecutive school years and failed to attain accredited status after the third school year or has been unaccredited for two consecutive school years and the state board of education determines its academic progress is not consistent with attaining accredited status after the third school year, then the state board of education shall proceed under subdivision (2) of subsection 3 of this section in the following school year.

5. A special administrative board or any other form of governance appointed under this section shall retain the authority granted to a board of education for the operation of the lapsed school district under the laws of the state in effect at the time of the lapse and may enter into contracts with accredited school districts or other education service providers in order to deliver high-quality educational programs to the residents of the district. If a student graduates while attending a school building in the district that is operated under a contract with an accredited school district as specified under this subsection, the student shall receive his or her diploma from the accredited school district. The authority of the special administrative board or any other form of governance appointed under this section shall expire at the end of the third full school year following its appointment, unless extended by the state board of education. If the lapsed district is reassigned, the governing board prior to lapse shall provide an accounting of all funds, assets and liabilities of the lapsed district and transfer such funds, assets, and

liabilities of the lapsed district as determined by the state board of education. Neither the special administrative board nor any other form of governance appointed under this section nor its members or employees shall be deemed to be the state or a state agency for any purpose, including section 105.711, et seq. The state of Missouri, its agencies and employees shall be absolutely immune from liability for any and all acts or omissions relating to or in any way involving the lapsed district, a special administrative board, any other form of governance appointed under this section, or the members or employees of the lapsed district, a special administrative board, or any other form of governance appointed under this section. Such immunities, and immunity doctrines as exist or may hereafter exist benefitting boards of education, their members and their employees shall be available to the special administrative board or any other form of governance appointed under this section and the members and employees of the special administrative board or any other form of governance appointed under this section.

6. Neither the special administrative board nor any other form of governance appointed under this section nor any district or other entity assigned territory, assets or funds from a lapsed district shall be considered a successor entity for the purpose of employment contracts, unemployment compensation payment pursuant to section 288.110, or any other purpose.

7. If additional teachers are needed by a district as a result of increased enrollment due to the annexation of territory of a lapsed or dissolved district, such district shall grant an employment interview to any permanent teacher of the lapsed or dissolved district upon the request of such permanent teacher.

8. In the event that a school district with an enrollment in excess of five thousand pupils lapses, no school district shall have all or any part of such lapsed school district attached without the approval of the board of the receiving school district.

9. If the state board of education reasonably believes that a school district is unlikely to provide for the minimum school term required by section 163.021 because of financial difficulty, the state board of education may, prior to the start of the school term:

(1) Allow continued governance by the existing district school board under terms and conditions established by the state board of education; or

(2) Lapse the corporate organization of the district and implement one of the options available under subdivision (2) of subsection 3 of this section.

10. The provisions of subsection 9 of this section shall not apply to any district solely on the basis of financial difficulty resulting from paying [tuition] costs associated with the provision of special education and related services and providing transportation for transfer students under sections 167.895 and 167.898.

167.151. 1. The school board of any district, in its discretion, may admit to the school pupils not entitled to free instruction and prescribe the tuition fee to be paid by them, except as provided in subdivision (2) of subsection 3 of this section and in sections 167.121, 167.131, [167.132,] and 167.895.

2. Orphan children, children with only one parent living, and children whose parents do not contribute to their support-if the children are between the ages of six and twenty years and are unable to pay tuition-may attend

the schools of any district in the state in which they have a permanent or temporary home without paying a tuition fee.

3. (1) For all school years ending on or before June 30, 2023, any individual who pays a school tax in any other district than that in which such individual resides may send such individual's children to any public school in the district in which the tax is paid and receive as a credit on the amount charged for tuition the amount of the school tax paid to the district; except that any individual who owns real estate of which eighty acres or more are used for agricultural purposes and upon which such individual's residence is situated may send such individual's children to public school in any school district in which a part of such real estate, contiguous to that upon which such individual's residence is situated, lies and shall not be charged tuition therefor; so long as thirty-five percent of the real estate is located in the school district of choice. The school district of choice shall count the children in its average daily attendance for the purpose of distribution of state aid through the foundation formula.

(2) For all school years beginning on or after July 1, 2023, any current owner of residential real property or agricultural real property or a named beneficiary of a trust that currently owns residential real property or agricultural real property and that pays a school tax in a district or districts other than the district in which such current owner or current beneficiary resides may send up to four of such owner's or beneficiary's children to a public school, excluding a charter school, in any district in which such owner or trust pays such school tax. For purposes of this subdivision, "residential real property" shall not include any multifamily residential property which exceeds four units. An owner or a named beneficiary of a trust that

currently owns residential real property shall not be permitted under this subdivision to send their child to a district outside of the county in which they currently reside. Such owner or beneficiary shall send thirty days' written notice to all school districts involved specifying which school district each child will attend. Such owner or beneficiary shall also present proof of the owner's or trust's annual payment of at least two thousand dollars of school taxes levied on the real property specified in this subdivision within such school district and ownership of the specified real property for not less than the immediately preceding four consecutive years. Neither the resident nor nonresident districts shall be responsible for providing transportation services under this subdivision. The school district attended shall count a child attending under this subdivision in its average daily attendance for the purpose of distribution of state aid under chapter 163, except that such nonresident students shall not be counted in the district's average daily attendance for the purposes of determining eligibility for aid payments under section 163.044.

4. For any school year ending on or before June 30, 2023, any owner of agricultural land who, pursuant to subsection 3 of this section, has the option of sending his children to the public schools of more than one district shall exercise such option as provided in this subsection. Such person shall send written notice to all school districts involved specifying to which school district his children will attend by June thirtieth in which such a school year begins. If notification is not received, such children shall attend the school in which the majority of his property lies. Such person shall not send any of his children to the public schools of any district other than

the one to which he has sent notice pursuant to this subsection in that school year or in which the majority of his property lies without paying tuition to such school district.

5. If a pupil is attending school in a district other than the district of residence and the pupil's parent is teaching in the school district or is a regular employee of the school district which the pupil is attending, then the district in which the pupil attends school shall allow the pupil to attend school upon payment of tuition in the same manner in which the district allows other pupils not entitled to free instruction to attend school in the district. The provisions of this subsection shall apply only to pupils attending school in a district which has an enrollment in excess of thirteen thousand pupils and not in excess of fifteen thousand pupils and which district is located in a county with a charter form of government which has a population in excess of six hundred thousand persons and not in excess of nine hundred thousand persons.

167.241. 1. Except as otherwise provided under this section, transportation for pupils whose tuition the district of residence is required to pay by section 167.131 or who are assigned as provided in section 167.121 shall be provided by the district of residence.

2. In the case of pupils covered by section 167.131, the district of residence shall be required to provide transportation only to school districts accredited by the state board of education pursuant to the authority of the state board of education to classify schools as established in section 161.092, and those school districts designated by the board of education of the district of residence.

3. [(1) For purposes of this subsection, "approved charter school" has the same meaning given to the term under section 167.895.]

(2)] For pupils [covered by] transferring to another school district or charter school pursuant to the provisions of section 167.895, the district of residence shall be required to provide transportation only to school districts or [approved] charter schools designated by the department of elementary and secondary education or its designee. For such pupils [covered by section 167.895], the department of elementary and secondary education or its designee shall designate at least one [accredited] school district or [approved] charter school to which the district of residence shall provide transportation. If the designated district or charter school reaches full student capacity and is unable to receive additional students, the department of elementary and secondary education or its designee shall designate at least one additional [accredited] school district or [approved] charter school to which the district of residence shall provide transportation.

167.895. 1. For purposes of this section and section 167.898, the following terms mean:

(1) ["Approved charter school", a charter school that has existed for less than three years or a charter school with a three-year average score consistent with a classification of accredited without provisions on its annual performance report] "Charter school", an independent public school established pursuant to the provisions of sections 160.400 to 160.425;

(2) ["Attendance center", a public school building, public school buildings, or part of a public school building that offers education in a grade or grades not higher than the twelfth grade and that constitutes one unit for

accountability and reporting purposes for the department of elementary and secondary education;

(3) "Available receiving district", a school district able to receive transfer students under this section;

(4)] "Receiving district", a school district receiving transfer students under this section;

[(5)] (3) "Sending district", a school district from which students are transferring to a receiving district or [approved] charter school, as allowed under this section.

2. (1) Any student may transfer to another public school [in the student's district of residence if such student is enrolled in and has attended, for the full semester immediately prior to requesting the transfer, an attendance center:

(a) That is located within an unaccredited district; and

(b) That has an annual performance report score consistent with a classification of unaccredited] pursuant to the provisions of this section beginning in the 2026-27 school year and in all subsequent school years. However, no such transfer shall result in a class size and assigned enrollment in a receiving school that exceeds the standards for class size and assigned enrollment as promulgated in the Missouri school improvement program's resource standards. If the student chooses to attend a magnet school, an academically selective school, or a school with a competitive entrance process within his or her district of residence that has admissions requirements, the student shall meet the admissions requirements in order to attend.

(2) The school board of each [unaccredited] school district shall determine the capacity at each [of the district's attendance centers that has an annual performance report score consistent with a classification of accredited]

grade level and each school, and shall accept all transfer students who apply and are assigned to the school district as provided in section 167.898 so long as there is capacity in the requested grade level and school. The district's school board shall be responsible for coordinating transfers within the district as allowed under this subsection, and school board policies governing transfers shall not discriminate against any student on the basis of his or her residential address, academic performance, athletic ability, disability, race, ethnicity, sex, or free and reduced price lunch status.

(3) The school board of each [unaccredited] school district shall [annually] report to the department of elementary and secondary education or its designee the number of available slots in [attendance centers within the district that have annual performance report scores consistent with a classification of accredited] each grade level and each school, the number of students who request to transfer within the district, and the number of such transfer requests that are granted and denied by July 15, 2026, and by the first day of each month thereafter. The department of elementary and secondary education shall publish and update the capacity of each district's grade levels and schools on its website.

3. [(1) Any student who is eligible to transfer within his or her district under subsection 2 of this section but who is unable to do so due to a lack of capacity in the attendance centers in his or her district of residence may apply to the department of elementary and secondary education or its designee to transfer to:

(a) An attendance center:

a. That is located within an accredited district that is located in the same or an adjoining county; and

b. That has an annual performance report score consistent with a classification of accredited; or

(b) An approved charter school located in another district in the same or an adjoining county.

(2) A student who is eligible to begin kindergarten or first grade at an attendance center:

(a) That is located within an unaccredited district;

(b) That has an annual performance report score consistent with a classification of unaccredited; and

(c) That offers classes above the second grade level

may apply to the department of elementary and secondary education or its designee for a transfer to a school described under paragraph (a) or (b) of subdivision (1) of this subsection if he or she resides in the attendance area of the attendance center described under this subdivision on March first preceding the school year of first attendance. A student who does not apply by March first for enrollment in any school year after the 2019-20 school year shall be required to enroll and attend the attendance center described under this subdivision for one semester to become eligible.

(3) If a student who is eligible to transfer under this subsection chooses to apply to attend a magnet school, an academically selective school, or a school with a competitive entrance process that has admissions requirements, the student shall furnish proof that he or she meets the admissions requirements.

[(4) Any student who does not maintain residency in the attendance area of his or her attendance center in the district of residence shall lose eligibility to transfer.

(5) Except as provided under subsection 7 of this section, any student who transfers but later withdraws shall lose eligibility to transfer.

(6) The transfer provisions of this subsection shall not apply to a district created under sections 162.815 to 162.840 or to any early childhood programs or early childhood special education programs.

4. (1) No student enrolled in and attending an attendance center that does not offer classes above the second grade level shall be eligible to transfer under this section.

(2) No student who is eligible to begin kindergarten or first grade at an attendance center that does not offer classes above the second grade level shall be eligible to transfer under this section.

5. (1) (a) No provisionally accredited district shall be eligible to receive transfer students.

(b) Except as provided under paragraph (c) of this subdivision, no attendance center that has an annual performance report score consistent with a classification of provisionally accredited shall be eligible to receive transfer students.

(c) A transfer student who chooses to attend an attendance center that has an annual performance report score consistent with a classification of provisionally accredited and that is located within his or her unaccredited district of residence shall be allowed to transfer to such attendance center if there is an available slot.

(2) (a) No unaccredited district shall be eligible to receive transfer students.

(b) No attendance center that has an annual performance report score consistent with a classification of unaccredited shall be eligible to receive transfer students.

(3) No district or attendance center that has received two consecutive annual performance reports consistent with a

classification of provisionally accredited for the years immediately preceding the year in which it seeks to enroll transfer students shall be eligible to receive any transfer students, irrespective of its state board of education classification designation; except that, any student who was granted a transfer to such a district or attendance center prior to August 28, 2019 may remain enrolled in that district or attendance center.

6. Notwithstanding the provisions of subsection 5 of this section, a student may transfer to an attendance center:

(1) That is located within an unaccredited or provisionally accredited district; and

(2) That has an annual performance report score consistent with a classification of accredited

if the attendance center applies for and is granted a waiver by the department of elementary and secondary education or its designee to allow the attendance center to accept transfer students.

7. If a receiving district becomes unaccredited or provisionally accredited, or if an approved charter school loses its status as an approved charter school, any students who previously transferred to the district or charter school shall receive the opportunity to remain enrolled in the district or charter school or to transfer to another district or approved charter school without losing their eligibility to transfer.

8. For a receiving district, no acceptance of a transfer student shall require any of the following actions, unless the board of education of the receiving district has approved the action:

(1) The hiring of additional classroom teachers;

(2) The construction of additional classrooms; or

(3) A class size and assigned enrollment in a receiving school that exceeds the standards for class size and assigned enrollment as promulgated in the Missouri school improvement program's resource standards.

9. (1) By July 15, 2019, the board of education of each available receiving district and the governing board of each approved charter school eligible to receive transfer students under this section shall set the number of transfer students the district or charter school is able to receive for the 2019-20 school year.

(2) By February first annually, the board of education of each available receiving district and the governing board of each approved charter school eligible to receive transfer students under this section shall set the number of transfer students the district or charter school is able to receive for the following school year.

(3) An available receiving district or approved charter school eligible to receive transfer students under this section shall publish the number set under this subsection and shall not be required to accept any transfer students under this section that would cause it to exceed the published number.

10. (1) Each available receiving district shall adopt a policy establishing a tuition rate for transfer students by February first annually.

(2) Each approved charter school eligible to receive transfer students under this section shall adopt a policy establishing a tuition rate for transfer students by February first annually.

(3) A sending district shall pay the receiving district or the approved charter school the amount specified under section 167.132 for each transfer student.】

4. Notwithstanding the provisions of chapter 163 or federal calculations of military impact aid to the contrary, for the purposes of determining state and federal aid, a transfer student shall be counted as a resident of the receiving district in which the student is enrolled. Tuition shall not be charged to any student or to his or her parent or legal guardian.

[11.] 5. A student whose transfer application has been denied by a receiving district shall have the right to appeal the decision of the receiving district to the department of elementary and secondary education. The appeal shall be taken within fifteen days after the decision of the [department] receiving district and may be taken by filing notice of appeal with the department. Such appeal shall be heard as provided in chapter 536.

[12. If an unaccredited district becomes classified as provisionally accredited or accredited without provisions by the state board of education, or if an attendance center within an unaccredited district improves its annual performance report score from a score that is consistent with a classification of unaccredited to a score that is consistent with a classification of provisionally accredited or accredited, any resident student of the unaccredited district who has transferred to an approved charter school or to an accredited district in the same or an adjoining county, as allowed under subsection 3 of this section, shall be permitted to continue his or her educational program in the receiving district or charter school through the completion of middle school, junior high school, or high school, whichever occurs first; except that, a student who attends any school serving students through high school graduation but starting at grades lower than ninth grade

shall be permitted to complete high school in the school to which he or she has transferred.

13.] 6. Notwithstanding the provisions of subsection [10] 4 of this section, if costs associated with the provision of special education and related services to a student with a disability exceed the tuition amount established under this section, the [unaccredited] sending district shall remain responsible for paying the excess cost to the receiving district. If the receiving district is a component district of a special school district, the [unaccredited] sending district, including any metropolitan school district, shall contract with the special school district for the entirety of the costs to provide special education and related services, excluding transportation in accordance with this section. The special school district may contract with [an unaccredited] a sending district, including any metropolitan district, for the provision of transportation of a student with a disability or the [unaccredited] sending district may provide transportation on its own.

[14.] 7. A special school district shall continue to provide special education and related services, with the exception of transportation under this section, to a student with a disability transferring [from an attendance center with an annual performance report score consistent with a classification of unaccredited that is within a component district to an attendance center with an annual performance report score consistent with a classification of accredited that is within the same or a different component district] to another school within the special school district.

[15.] 8. If [any] the sending district is a metropolitan school district [is classified as unaccredited], it shall remain responsible for the provision

of special education and related services, including transportation, to students with disabilities. A special school district in an adjoining county to a metropolitan school district may contract with the metropolitan school district for the reimbursement of special education services under sections 162.705 and 162.710 provided by the special school district for transfer students who are residents of the [unaccredited] sending district.

[16.] 9. Regardless of whether transportation is identified as a related service within a student's individualized education program, a receiving district that is not part of a special school district shall not be responsible for providing transportation to a student transferring under this section. [An unaccredited] A sending district may contract with a receiving district that is not part of a special school district under sections 162.705 and 162.710 for transportation of students with disabilities.

[17.] 10. If the sending district is a seven-director school district or urban school district [is classified as unaccredited], it may contract with a receiving district that is not part of a special school district in the same or an adjoining county for the reimbursement of special education and related services under sections 162.705 and 162.710 provided by the receiving district for transfer students who are residents of the [unaccredited] sending district.

167.898. 1. (1) By July 15, [2019] 2026, and by [January first annually] the first day of each month thereafter, each [accredited] school district~~[, any portion of which is located in the same county as or in an adjoining county to an unaccredited district,]~~ shall report to the department of elementary and secondary education or its

designee the number of available enrollment slots by grade level and school.

(2) [By July 15, 2019, and by January first annually, each unaccredited district shall report to the department of elementary and secondary education or its designee the number of available enrollment slots in the schools of its district that have received annual performance report scores consistent with a classification of accredited.

(3)] By July 15, [2019] 2026, and by [January first annually] the first day of each month thereafter, each [approved] charter school [that is eligible to receive transfer students under section 167.895] shall report to the department of elementary and secondary education or its designee the number of available enrollment slots by grade level.

2. The department of elementary and secondary education or its designee shall make information and assistance available to parents or guardians who intend to transfer their child to [an accredited] a receiving district or [to an approved] charter school as described under section 167.895.

3. The parent or guardian of a student who intends to transfer his or her child to [an accredited] a receiving district or [to an approved] charter school as described under section 167.895 for enrollment in that district or charter school in any school year after the [2019-20] 2025-26 school year shall send initial notification to the department of elementary and secondary education or its designee by [March first for enrollment in the subsequent school year] August 1, 2026, and by the first day of each month thereafter, for enrollment in any subsequent month.

4. The department of elementary and secondary education or its designee shall assign those students who

seek to transfer to [an accredited] a receiving district or [to an approved] charter school as described under section 167.895. When assigning transfer students to [approved] charter schools, the department of elementary and secondary education or its designee shall coordinate with each [approved] charter school and its admissions process if capacity is insufficient to enroll all students who submit a timely application. [An approved] A charter school shall not be required to institute a lottery procedure for determining the admission of resident students. The department of elementary and secondary education or its designee shall give first priority to students who live in the same household with any family member within the first or second degree of consanguinity or affinity who already attends a school with an annual performance report score consistent with a classification of accredited and who apply to attend the same school. If insufficient grade-appropriate enrollment slots are available for a student to be able to transfer, the student shall receive first priority the following [school year] month. The department of elementary and secondary education or its designee shall consider the following factors in assigning school districts and charter schools:

- (1) The student's or parent's choice of the receiving school district or charter school;
- (2) The best interests of the student;
- (3) The availability of transportation funding, as provided under section 167.241; and
- (4) Distance and travel time to a receiving school.

The department of elementary and secondary education or its designee shall not consider student academic performance, free and reduced price lunch status, or athletic ability in assigning a student to a school. The parent or guardian may

make an application for a specific building assignment within the district or [approved] charter school. Final building assignment shall be determined by the receiving school district or [approved] charter school.

5. (1) The department of elementary and secondary education or its designee may deny a transfer to a student who in the most recent school year has been suspended from school two or more times or who has been suspended for an act of school violence under subsection 2 of section 160.261. A student whose transfer is initially precluded under this subsection may be permitted to transfer on a provisional basis as a probationary transfer student, subject to no further disruptive behavior, upon a statement from the student's current school that the student is not disruptive. A student who is denied a transfer under this subsection has the right to an in-person meeting with an employee of the department of elementary and secondary education or its designee.

(2) The department of elementary and secondary education shall promulgate rules to provide common standards for determining disruptive behavior that shall include, but not be limited to, criteria under section 160.261. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable, and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2019, shall be invalid and void.

[167.132. 1. For purposes of this section, the following terms mean:

(1) "Receiving approved charter school", an approved charter school, as defined under section 167.895, receiving transfer students under section 167.895;

(2) "Receiving district", a school district receiving transfer students under section 167.895;

(3) "Sending district", a school district from which students are transferring to a receiving district or approved charter school, as allowed under section 167.895;

(4) "State adequacy target", the same meaning given to the term under section 163.011.

2. Notwithstanding any other provision of law, the tuition rate paid by a sending district to the receiving district or the receiving approved charter school for transfer students shall be the lesser of:

(1) The tuition rate set by the receiving district or the receiving approved charter school under the policy adopted in accordance with section 167.895; or

(2) The state adequacy target plus the average sum produced per child by the local tax effort above the state adequacy target of the sending district.]