

FIRST REGULAR SESSION

# SENATE BILL NO. 693

103RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR MAY.

2639S.01I

KRISTINA MARTIN, Secretary

## AN ACT

To repeal section 160.400, RSMo, and to enact in lieu thereof one new section relating to charter schools in metropolitan school districts.

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

Section A. Section 160.400, RSMo, is repealed and one new  
2 section enacted in lieu thereof, to be known as section 160.400,  
3 to read as follows:

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

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

5 (1) In a metropolitan school district, **provided that:**

6 (a) **A charter school that was not established in a**  
7 **metropolitan school district prior to August 28, 2025, shall**  
8 **be ineligible to operate in a metropolitan school district**  
9 **on August 28, 2025, or on any day thereafter,**  
10 **notwithstanding any provision of this section to the**  
11 **contrary; and**

12 (b) **The provisions of paragraph (a) of this**  
13 **subdivision shall not apply to:**

14 a. **The renewal of an existing charter contract**  
15 **pursuant to the provisions of section 160.405; or**

16 b. **The transfer of sponsorship of a charter school in**  
17 **accordance with rules promulgated by the state board of**  
18 **education;**

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

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

24           (4) In a school district that has been classified as  
25 provisionally accredited by the state board of education and  
26 has received scores on its annual performance report  
27 consistent with a classification of provisionally accredited  
28 or unaccredited for three consecutive school years beginning  
29 with the 2012-13 accreditation year under the following  
30 conditions:

31           (a) The eligibility for charter schools of any school  
32 district whose provisional accreditation is based in whole  
33 or in part on financial stress as defined in sections  
34 161.520 to 161.529, or on financial hardship as defined by  
35 rule of the state board of education, shall be decided by a  
36 vote of the state board of education during the third  
37 consecutive school year after the designation of provisional  
38 accreditation; and

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

44           (5) In a school district located within a county with  
45 more than one hundred fifty thousand but fewer than two  
46 hundred thousand inhabitants, provided that the provisions  
47 of subsections 15 to 18 of section 160.415 shall not apply  
48 to any charter school operated in such county; or

49           (6) In a school district that has been accredited  
50 without provisions, sponsored only by the local school

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

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

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

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

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

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

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

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

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

98           (1) As a district transitions from unaccredited to  
99 provisionally accredited, the district shall continue to  
100 fall under the requirements for an unaccredited district  
101 until it achieves three consecutive full school years of  
102 provisional accreditation;

103           (2) As a district transitions from provisionally  
104 accredited to full accreditation, the district shall  
105 continue to fall under the requirements for a provisionally  
106 accredited district until it achieves three consecutive full  
107 school years of full accreditation;

108           (3) In any school district classified as unaccredited  
109 or provisionally accredited where a charter school is  
110 operating and is sponsored by an entity other than the local  
111 school board, when the school district becomes classified as  
112 accredited without provisions, a charter school may continue  
113 to be sponsored by the entity sponsoring it prior to the

114 classification of accredited without provisions and shall  
115 not be limited to the local school board as a sponsor.

116 A charter school operating in a school district identified  
117 in subdivision (1), (2), or (5) of subsection 2 of this  
118 section may be sponsored by any of the entities identified  
119 in subsection 3 of this section, irrespective of the  
120 accreditation classification of the district in which it is  
121 located. A charter school in a district described in this  
122 subsection whose charter provides for the addition of grade  
123 levels in subsequent years may continue to add levels until  
124 the planned expansion is complete to the extent of grade  
125 levels in comparable schools of the district in which the  
126 charter school is operated.

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

135 6. No sponsor shall receive from an applicant for a  
136 charter school any fee of any type for the consideration of  
137 a charter, nor may a sponsor condition its consideration of  
138 a charter on the promise of future payment of any kind.

139 7. The charter school shall be organized as a Missouri  
140 nonprofit corporation incorporated pursuant to chapter 355.  
141 The charter provided for herein shall constitute a contract  
142 between the sponsor and the charter school.

143 8. As a nonprofit corporation incorporated pursuant to  
144 chapter 355, the charter school shall select the method for

election of officers pursuant to section 355.326 based on the class of corporation selected. Meetings of the governing board of the charter school shall be subject to the provisions of sections 610.010 to 610.030.

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

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

11. The expenses associated with sponsorship of charter schools shall be defrayed by the department of elementary and secondary education retaining one and five-tenths percent of the amount of state and local funding allocated to the charter school under section 160.415, not to exceed one hundred twenty-five thousand dollars, adjusted for inflation. The department of elementary and secondary education shall remit the retained funds for each charter school to the school's sponsor, provided the sponsor remains

in good standing by fulfilling its sponsorship obligations under sections 160.400 to 160.425 and 167.349 with regard to each charter school it sponsors, including appropriate demonstration of the following:

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

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

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

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

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

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

13. No university, college or community college shall grant a charter to a nonprofit corporation if an employee of

209 the university, college or community college is a member of  
210 the corporation's board of directors.

211 14. No sponsor shall grant a charter under sections  
212 160.400 to 160.425 and 167.349 without ensuring that a  
213 criminal background check and family care safety registry  
214 check are conducted for all members of the governing board  
215 of the charter schools or the incorporators of the charter  
216 school if initial directors are not named in the articles of  
217 incorporation, nor shall a sponsor renew a charter without  
218 ensuring a criminal background check and family care safety  
219 registry check are conducted for each member of the  
220 governing board of the charter school.

221 15. No member of the governing board of a charter  
222 school shall hold any office or employment from the board or  
223 the charter school while serving as a member, nor shall the  
224 member have any substantial interest, as defined in section  
225 105.450, in any entity employed by or contracting with the  
226 board. No board member shall be an employee of a company  
227 that provides substantial services to the charter school.  
228 All members of the governing board of the charter school  
229 shall be considered decision-making public servants as  
230 defined in section 105.450 for the purposes of the financial  
231 disclosure requirements contained in sections 105.483,  
232 105.485, 105.487, and 105.489.

233 16. A sponsor shall develop the policies and  
234 procedures for:

235 (1) The review of a charter school proposal including  
236 an application that provides sufficient information for  
237 rigorous evaluation of the proposed charter and provides  
238 clear documentation that the education program and academic  
239 program are aligned with the state standards and grade-level  
240 expectations, and provides clear documentation of effective



governance and management structures, and a sustainable operational plan;

(2) The granting of a charter;

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

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

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

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

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

17. (1) A sponsor shall provide timely submission to the state board of education of all data necessary to demonstrate that the sponsor is in material compliance with all requirements of sections 160.400 to 160.425 and section 167.349. The state board of education shall ensure each sponsor is in compliance with all requirements under sections 160.400 to 160.425 and 167.349 for each charter school sponsored by any sponsor. The state board shall notify each sponsor of the standards for sponsorship of

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

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

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

303           (4) If the state board removes the authority to  
304 sponsor a currently operating charter school under any  
305 provision of law, the Missouri charter public school  
306 commission shall become the sponsor of the school.

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

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