

SENATE BILL NO. 1097

103RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR MAY.

4391S.011

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Section A. Section 160.400, RSMo, is repealed and one new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, 2026, shall**
8 **be ineligible to operate in a metropolitan school district**
9 **on August 28, 2026, 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

of subsections 15 to 18 of section 160.415 shall not apply to any charter school operated in such county; or

(6) In a school district that has been accredited 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;

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

81 (3) A community college, the service area of which
82 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

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

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

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

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

7. The charter school shall be organized as a Missouri 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
145 election of officers pursuant to section 355.326 based on
146 the class of corporation selected. Meetings of the
147 governing board of the charter school shall be subject to
148 the provisions of sections 610.010 to 610.030.

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

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

168 11. The expenses associated with sponsorship of
169 charter schools shall be defrayed by the department of
170 elementary and secondary education retaining one and five-
171 tenths percent of the amount of state and local funding
172 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 the university, college or community college is a member of the corporation's board of directors.

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

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

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

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

rigorous evaluation of the proposed charter and provides clear documentation that the education program and academic program are aligned with the state standards and grade-level expectations, and provides clear documentation of effective 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

268 sponsor is in compliance with all requirements under
269 sections 160.400 to 160.425 and 167.349 for each charter
270 school sponsored by any sponsor. The state board shall
271 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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