

SECOND REGULAR SESSION

SENATE BILL NO. 1496

103RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR GREGORY (21).

5995S.031

KRISTINA MARTIN, Secretary

AN ACT

To repeal sections 135.712, 135.713, 135.715, 135.716, 160.400, 160.405, 160.410, 160.415, 166.700, 166.720, 167.241, 167.895, and 167.898, RSMo, and to enact in lieu thereof sixteen new sections relating to elementary and secondary education.

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

Section A. Sections 135.712, 135.713, 135.715, 135.716,
2 160.400, 160.405, 160.410, 160.415, 166.700, 166.720, 167.241,
3 167.895, and 167.898, RSMo, are repealed and sixteen new
4 sections enacted in lieu thereof, to be known as sections
5 135.712, 135.713, 135.715, 135.716, 160.400, 160.405, 160.410,
6 160.415, 160.422, 162.092, 166.700, 166.720, 167.241, 167.895,
7 167.898, and 168.189, to read as follows:

135.712. 1. Sections 135.712 to 135.719 and sections
2 166.700 to 166.720 establish the "Missouri Empowerment
3 Scholarship Accounts Program" to provide options toward
4 ensuring the education of students in this state.

5 2. As used in sections 135.712 to 135.719, the
6 following terms mean:

7 (1) "Educational assistance organization", a
8 charitable organization registered in this state that is
9 exempt from federal taxation under the Internal Revenue Code
10 of 1986, as amended, that is certified by the state
11 treasurer, and that allocates all of its annual revenue for
12 educational assistance, except as provided in paragraph (i)

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

of subdivision (4) of subsection 1 of section 135.714 and as provided in sections 135.712 to 135.719, derived from contributions for which a credit is claimed under sections 135.712 to 135.719 **or from appropriations distributed pursuant to subdivision (2) of subsection 6 of section 135.716;**

(2) "Parent", a parent, guardian, custodian, or other person with authority to act on behalf of the qualified student;

(3) "Program", the Missouri empowerment scholarship accounts program established under sections 135.712 to 135.719 and sections 166.700 to 166.720;

(4) "Qualified student", the same meaning as used in section 166.700;

(5) "Qualifying contribution", a donation of cash, stocks, bonds, or other marketable securities for purposes of claiming a tax credit under sections 135.712 to 135.719;

(6) "Scholarship account", a savings account created by the Missouri empowerment scholarship accounts program;

(7) "Taxpayer", any of the following that files a Missouri income tax return and is not a dependent of any other taxpayer:

(a) An individual subject to the state income tax imposed by chapter 143;

(b) An individual, firm, partner in a firm, corporation, or shareholder in an S corporation doing business in this state and subject to the state income tax imposed by chapter 143; or

(c) An express company that pays an annual tax on its gross receipts in this state under chapter 153.

135.713. 1. Any taxpayer who makes a qualifying contribution to an educational assistance organization after

3 August 28, 2021, may claim a credit against the tax
4 otherwise due under chapter 143, other than taxes withheld
5 under sections 143.191 to 143.265, and chapter 153 in an
6 amount equal to one hundred percent of the amount the
7 taxpayer contributed during the tax year for which the
8 credit is claimed. No taxpayer shall claim a credit
9 pursuant to sections 135.712 to 135.719 for any contribution
10 made by the taxpayer, or an agent of the taxpayer, on behalf
11 of the taxpayer's dependent or, in the case of a business
12 taxpayer, on behalf of the business's agent's dependent.

13 2. The amount of the tax credit claimed shall not
14 exceed fifty percent of the taxpayer's state tax liability
15 for the tax year for which the credit is claimed. The state
16 treasurer shall certify the tax credit amount to the
17 taxpayer. A taxpayer may carry the credit forward to any of
18 his or her four subsequent tax years. All tax credits
19 authorized pursuant to the program shall not be transferred,
20 sold, or assigned, and are not refundable.

21 3. The cumulative amount of tax credits that may be
22 allocated to all taxpayers contributing to educational
23 assistance organizations in any one calendar year shall not
24 exceed a maximum of **[seventy-five] one hundred fifty** million
25 dollars. Such maximum amount shall be annually adjusted by
26 the state treasurer in an amount equal to the percent
27 increase or decrease in the amount of state aid distributed
28 to school districts pursuant to the provisions of section
29 163.031 in the current fiscal year as compared to such
30 amount in the preceding fiscal year, rounded to the nearest
31 thousandth. The state treasurer shall establish a procedure
32 by which, from the beginning of the calendar year until
33 August first, the cumulative amount of tax credits shall be
34 allocated on a first-come, first-served basis among all

educational assistance organizations. If an educational assistance organization fails to use all, or some percentage to be determined by the state treasurer, of its allocated tax credits during this period, the state treasurer may reallocate these unused tax credits to those educational assistance organizations that have used all, or some percentage to be determined by the state treasurer, of their allocated tax credits during this period. The state treasurer may establish more than one period and reallocate more than once during each calendar year. The state treasurer shall establish the procedure described in this subsection in such a manner as to ensure that taxpayers can claim all the tax credits possible up to the cumulative amount of tax credits available for the calendar year.

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

5. The provisions of sections 135.712 to 135.719 and sections 166.700 to 166.720 shall be effective in any fiscal year immediately after any fiscal year in which the amount appropriated for pupil transportation pursuant to section 163.161 equals or exceeds forty percent of the projected amount necessary to fully fund transportation aid funding for fiscal year 2021. If the amount appropriated for transportation pursuant to section 163.161 in any succeeding year falls below such amount, no additional scholarships for newly qualified students shall be awarded.

135.715. 1. The cumulative amount of tax credits that may be allocated to all taxpayers contributing to educational assistance organizations in the first year of the program shall not exceed twenty-five million dollars.

2. The state treasurer shall limit the number of educational assistance organizations that are certified to administer scholarship accounts to no more than ~~ten~~ **fifteen** such organizations in any single school year. ~~If the total contributions to educational assistance organizations exceed twenty-five million dollars in any school year, the state treasurer may certify one additional educational assistance organization to administer scholarship accounts.]~~ No more than ~~seven~~ **eleven** of such organizations shall have their principal place of business in:

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

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

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

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

(5) A city not within a county.

3. The state treasurer may delegate any duties assigned to the state treasurer under sections 135.712 to 135.719 and sections 166.700 to 166.720 to the "Missouri Empowerment Scholarship Accounts Board", which is hereby established. The Missouri empowerment scholarship accounts board shall consist of the state treasurer, who shall serve as chair, the commissioner of the department of higher education and workforce development, the commissioner of education, one member appointed by the president pro tempore

37 of the senate, one member appointed by the speaker of the
38 house of representatives, one member appointed by the
39 governor with the advice and consent of the senate, and one
40 member appointed by the six aforementioned board members who
41 is an employee of an educational assistance organization and
42 whose responsibilities are directly related to such
43 organization's involvement in the empowerment scholarship
44 accounts program. The appointed members shall serve terms
45 of four years or until their successors have been appointed
46 and qualified. The board shall have all powers and duties
47 assigned to the state treasurer under sections 135.712 to
48 135.719 and sections 166.700 to 166.720 that are delegated
49 to the board by the state treasurer. The board shall assist
50 the state treasurer with data collection, collaboration with
51 the department of elementary and secondary education, making
52 recommendations to the state treasurer regarding the
53 promulgation of rules concerning the program. Members of
54 the board shall not receive compensation for their service,
55 but may receive reimbursement for necessary expenses.

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

64 5. Notwithstanding the provisions of subdivision (5)
65 of subsection 2 of section 135.712 to the contrary, the term
66 "qualifying contribution" shall mean a donation of cash,
67 including, but not limited to, checks drawn on a banking
68 institution located in the continental United States in U.S.

dollars (other than cashier checks, or third-party checks exceeding ten thousand dollars), money orders, payroll deductions, and electronic fund transfers. This term shall not include stocks, bonds, other marketable securities, or property.

135.716. 1. The state treasurer shall provide a standardized format for a receipt to be issued by an educational assistance organization to a taxpayer to indicate the value of a contribution received. The department of revenue shall require a taxpayer to provide a copy of this receipt if claiming the tax credit authorized by the program.

2. The state treasurer shall provide a standardized format for educational assistance organizations to report the information required in subsection 1 of this section.

3. The state treasurer or state auditor may conduct an investigation if the state treasurer possesses evidence of fraud committed by the educational assistance organization.

4. The state treasurer may bar an educational assistance organization from participating in the program if the state treasurer establishes that the educational assistance organization has intentionally and substantially failed to comply with the requirements of section 135.714. If the state treasurer bars an educational assistance organization from the program under this subsection, the organization shall notify affected qualified students and their parents of the decision as soon as possible after the decision is made.

5. The state treasurer shall issue a report on the state of the program five years after it goes into effect. The report shall include, but is not limited to:

27 (1) Information regarding the finances of the
28 educational assistance organizations; and

29 (2) Educational outcomes of qualified students.

30 6. (1) There is hereby created in the state treasury
31 the "Missouri Empowerment Scholarship Accounts Fund", which
32 shall consist of moneys collected under this section. The
33 state treasurer shall be custodian of the fund. In
34 accordance with sections 30.170 and 30.180, the state
35 treasurer may approve disbursements. The fund shall be a
36 dedicated fund, and moneys in the fund shall be used solely
37 by the state treasurer for the purposes of sections 135.712
38 to 135.719 **and sections 166.700 to 166.720.**

39 (2) **The general assembly may appropriate funds to the**
40 **Missouri empowerment scholarship accounts fund or to the**
41 **state treasurer's office for the purpose of awarding**
42 **scholarships to qualified students in an order and in**
43 **amounts consistent with the provisions of section 135.714**
44 **and through agreements that satisfy the provisions of**
45 **section 166.705.**

46 (3) Notwithstanding the provisions of section 33.080
47 to the contrary, any moneys remaining in the fund at the end
48 of the biennium shall not revert to the credit of the
49 general revenue fund.

50 [(3)] (4) The state treasurer shall invest moneys in
51 the fund in the same manner as other funds are invested.
52 Any interest and moneys earned on such investments shall be
53 credited to the fund.

54 7. Two percent of the total qualifying contributions
55 received by each educational assistance organization per
56 calendar year shall be deposited in the Missouri empowerment
57 scholarship accounts fund to be used by the state treasurer
58 for marketing and administrative expenses or the costs

59 incurred in administering the program, whichever is less.
60 The state treasurer shall establish procedures to ensure the
61 percentage of funds for administration of the program is
62 directed to the state treasurer in a timely manner with the
63 necessary information to verify the correct amount has been
64 transmitted.

65 **8. Nothing in sections 135.712 to 135.719 or sections**
66 **166.700 to 166.720 shall be construed to limit the**
67 **appropriation authority of the general assembly.**

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

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

5 (1) In a metropolitan school district;

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

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

11 (4) In a school district that has been classified as
12 provisionally accredited by the state board of education and
13 has received scores on its annual performance report
14 consistent with a classification of provisionally accredited
15 or unaccredited for three consecutive school years beginning
16 with the 2012-13 accreditation year under the following
17 conditions:

18 (a) The eligibility for charter schools of any school
19 district whose provisional accreditation is based in whole
20 or in part on financial stress as defined in sections
21 161.520 to 161.529, or on financial hardship as defined by
22 rule of the state board of education, shall be decided by a
23 vote of the state board of education during the third

consecutive school year after the designation of provisional accreditation; and

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

(5) In a school district located within a county with more than one hundred fifty thousand but fewer than two 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] **in any school district.**

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;

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

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

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

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

(1) As a district transitions from unaccredited to provisionally accredited, the district shall continue to fall under the requirements for an unaccredited district

88 until it achieves three consecutive full school years of
89 provisional accreditation;

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

95 (3) In any school district classified as unaccredited
96 or provisionally accredited where a charter school is
97 operating and is sponsored by an entity other than the local
98 school board, when the school district becomes classified as
99 accredited without provisions, a charter school may continue
100 to be sponsored by the entity sponsoring it prior to the
101 classification of accredited without provisions and shall
102 not be limited to the local school board as a sponsor.] A
103 charter school operating in [a] **any** school district
104 [identified in subdivision (1), (2), or (5) of subsection 2
105 of this section] may be sponsored by any of the entities
106 identified in subsection 3 of this section[, irrespective of
107 the accreditation classification of the district in which it
108 is located]. A charter school in a district [described in
109 this subsection] whose charter provides for the addition of
110 grade levels in subsequent years may continue to add levels
111 until the planned expansion is complete to the extent of
112 grade levels in comparable schools of the district in which
113 the charter school is operated.

114 5. The mayor of a city not within a county may request
115 a sponsor under subdivision (2), (3), (4), (5), or (6) of
116 subsection 3 of this section to consider sponsoring a
117 "workplace charter school", which is defined for purposes of
118 sections 160.400 to 160.425 as a charter school with the
119 ability to target prospective students whose parent or

120 parents are employed in a business district, as defined in
121 the charter, which is located in the city.

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

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

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

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

142 10. A charter school may affiliate with a four-year
143 college or university, including a private college or
144 university, or a community college as otherwise specified in
145 subsection 3 of this section when its charter is granted by
146 a sponsor other than such college, university or community
147 college. Affiliation status recognizes a relationship
148 between the charter school and the college or university for
149 purposes of teacher training and staff development,
150 curriculum and assessment development, use of physical
151 facilities owned by or rented on behalf of the college or

152 university, and other similar purposes. A university,
153 college or community college may not charge or accept a fee
154 for affiliation status.

155 11. The expenses associated with sponsorship of
156 charter schools shall be defrayed by the department of
157 elementary and secondary education retaining one and five-
158 tenths percent of the amount of state and local funding
159 allocated to the charter school under section 160.415, not
160 to exceed one hundred twenty-five thousand dollars, adjusted
161 for inflation. The department of elementary and secondary
162 education shall remit the retained funds for each charter
163 school to the school's sponsor, provided the sponsor remains
164 in good standing by fulfilling its sponsorship obligations
165 under sections 160.400 to 160.425 and 167.349 with regard to
166 each charter school it sponsors, including appropriate
167 demonstration of the following:

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

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

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

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

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

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

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

198 14. No sponsor shall grant a charter under sections
199 160.400 to 160.425 and 167.349 without ensuring that a
200 criminal background check and family care safety registry
201 check are conducted for all members of the governing board
202 of the charter schools or the incorporators of the charter
203 school if initial directors are not named in the articles of
204 incorporation, nor shall a sponsor renew a charter without
205 ensuring a criminal background check and family care safety
206 registry check are conducted for each member of the
207 governing board of the charter school.

208 15. No member of the governing board of a charter
209 school shall hold any office or employment from the board or
210 the charter school while serving as a member, nor shall the
211 member have any substantial interest, as defined in section
212 105.450, in any entity employed by or contracting with the
213 board. No board member shall be an employee of a company
214 that provides substantial services to the charter school.

215 All members of the governing board of the charter school
216 shall be considered decision-making public servants as
217 defined in section 105.450 for the purposes of the financial
218 disclosure requirements contained in sections 105.483,
219 105.485, 105.487, and 105.489.

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

222 (1) The review of a charter school proposal including
223 an application that provides sufficient information for
224 rigorous evaluation of the proposed charter and provides
225 clear documentation that the education program and academic
226 program are aligned with the state standards and grade-level
227 expectations, and provides clear documentation of effective
228 governance and management structures, and a sustainable
229 operational plan;

230 (2) The granting of a charter;

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

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

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

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

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

250 17. (1) A sponsor shall provide timely submission to
251 the state board of education of all data necessary to
252 demonstrate that the sponsor is in material compliance with
253 all requirements of sections 160.400 to 160.425 and section
254 167.349. The state board of education shall ensure each
255 sponsor is in compliance with all requirements under
256 sections 160.400 to 160.425 and 167.349 for each charter
257 school sponsored by any sponsor. The state board shall
258 notify each sponsor of the standards for sponsorship of
259 charter schools, delineating both what is mandated by
260 statute and what best practices dictate. The state board
261 shall evaluate sponsors to determine compliance with these
262 standards every three years. The evaluation shall include a
263 sponsor's policies and procedures in the areas of charter
264 application approval; required charter agreement terms and
265 content; sponsor performance evaluation and compliance
266 monitoring; and charter renewal, intervention, and
267 revocation decisions. Nothing shall preclude the department
268 from undertaking an evaluation at any time for cause.

269 (2) If the department determines that a sponsor is in
270 material noncompliance with its sponsorship duties, the
271 sponsor shall be notified and given reasonable time for
272 remediation. If remediation does not address the compliance
273 issues identified by the department, the commissioner of
274 education shall conduct a public hearing and thereafter
275 provide notice to the charter sponsor of corrective action

that will be recommended to the state board of education. Corrective action by the department may include withholding the sponsor's funding and suspending the sponsor's authority to sponsor a school that it currently sponsors or to sponsor any additional school until the sponsor is reauthorized by the state board of education under section 160.403.

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

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

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

160.405. 1. A person, group or organization seeking to establish a charter school shall submit the proposed charter, as provided in this section, to a sponsor. If the sponsor is not a school board, the applicant shall give a copy of its application to the school board of the district in which the charter school is to be located and to the

7 state board of education, within five business days of the
8 date the application is filed with the proposed sponsor.
9 The school board may file objections with the proposed
10 sponsor, and, if a charter is granted, the school board may
11 file objections with the state board of education. The
12 charter shall include a legally binding performance contract
13 that describes the obligations and responsibilities of the
14 school and the sponsor as outlined in sections 160.400 to
15 160.425 and section 167.349 and shall address the following:

16 (1) A mission and vision statement for the charter
17 school;

18 (2) A description of the charter school's
19 organizational structure and bylaws of the governing body,
20 which will be responsible for the policy, financial
21 management, and operational decisions of the charter school,
22 including the nature and extent of parental, professional
23 educator, and community involvement in the governance and
24 operation of the charter school;

25 (3) A financial plan for the first three years of
26 operation of the charter school including provisions for
27 annual audits;

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

31 (5) A description of the grades or ages of students
32 being served;

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

36 (7) A description of the charter school's pupil
37 performance standards and academic program performance
38 standards, which shall meet the requirements of subdivision

(6) of subsection 4 of this section. The charter school program shall be designed to enable each pupil to achieve such standards and shall contain a complete set of indicators, measures, metrics, and targets for academic program performance, including specific goals on graduation rates and standardized test performance and academic growth;

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

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

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

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

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

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

(14) A description of the agreement and time frame for implementation between the charter school and the sponsor as to when a sponsor shall intervene in a charter school, when a sponsor shall revoke a charter for failure to comply with

subsection 8 of this section, and when a sponsor will not renew a charter under subsection 9 of this section;

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

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

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

(c) Submission of final financial reports;

(d) Resolution of any remaining financial obligations;

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

(f) A notification plan to inform parents or guardians of students, the local school district, the retirement system in which the charter school's employees participate, and the state board of education within thirty days of the decision to close;

(16) A description of the special education and related services that shall be available to meet the needs of students with disabilities; and

(17) For all new or revised charters, procedures to be used upon closure of the charter school requiring that unobligated assets of the charter school be returned to the department of elementary and secondary education for their disposition, which upon receipt of such assets shall return them to the local school district in which the school was located, the state, or any other entity to which they would belong.

99 Charter schools operating on August 27, 2012, shall have
100 until August 28, 2015, to meet the requirements of this
101 subsection.

102 2. Proposed charters shall be subject to the following
103 requirements:

104 (1) A charter shall be submitted to the sponsor, and
105 follow the sponsor's policies and procedures for review and
106 granting of a charter approval, and be approved by the state
107 board of education by January thirty-first prior to the
108 school year of the proposed opening date of the charter
109 school; **except that, a charter school sponsored and approved**
110 **by the Missouri charter public school commission created in**
111 **section 160.425 shall not require approval by the state**
112 **board of education;**

113 (2) A charter may be approved when the sponsor
114 determines that the requirements of this section are met,
115 determines that the applicant is sufficiently qualified to
116 operate a charter school, and that the proposed charter is
117 consistent with the sponsor's charter sponsorship goals and
118 capacity. The sponsor's decision of approval or denial
119 shall be made within ninety days of the filing of the
120 proposed charter;

121 (3) If the charter is denied, the proposed sponsor
122 shall notify the applicant in writing as to the reasons for
123 its denial and forward a copy to the state board of
124 education within five business days following the denial;

125 (4) If a proposed charter is denied by a sponsor, the
126 proposed charter may be submitted to the state board of
127 education, along with the sponsor's written reasons for its
128 denial. If the state board determines that the applicant
129 meets the requirements of this section, that the applicant
130 is sufficiently qualified to operate the charter school, and

131 that granting a charter to the applicant would be likely to
132 provide educational benefit to the children of the district,
133 the state board may grant a charter and act as sponsor of
134 the charter school. The state board shall review the
135 proposed charter and make a determination of whether to deny
136 or grant the proposed charter within sixty days of receipt
137 of the proposed charter, provided that any charter to be
138 considered by the state board of education under this
139 subdivision shall be submitted no later than March first
140 prior to the school year in which the charter school intends
141 to begin operations. The state board of education shall
142 notify the applicant in writing as the reasons for its
143 denial, if applicable; and

144 (5) The sponsor of a charter school shall give
145 priority to charter school applicants that propose a school
146 oriented to high-risk students and to the reentry of
147 dropouts into the school system. If a sponsor grants three
148 or more charters, at least one-third of the charters granted
149 by the sponsor shall be to schools that actively recruit
150 dropouts or high-risk students as their student body and
151 address the needs of dropouts or high-risk students through
152 their proposed mission, curriculum, teaching methods, and
153 services. For purposes of this subsection, a "high-risk"
154 student is one who is at least one year behind in
155 satisfactory completion of course work or obtaining high
156 school credits for graduation, has dropped out of school, is
157 at risk of dropping out of school, needs drug and alcohol
158 treatment, has severe behavioral problems, has been
159 suspended from school three or more times, has a history of
160 severe truancy, is a pregnant or parenting teen, has been
161 referred for enrollment by the judicial system, is exiting
162 incarceration, is a refugee, is homeless or has been

homeless sometime within the preceding six months, has been referred by an area school district for enrollment in an alternative program, or qualifies as high risk under department of elementary and secondary education guidelines. Dropout shall be defined through the guidelines of the school core data report. The provisions of this subsection do not apply to charters sponsored by the state board of education.

3. If a charter is approved by a sponsor, the charter application shall be submitted to the state board of education, along with a statement of finding by the sponsor that the application meets the requirements of sections 160.400 to 160.425 and section 167.349 and a monitoring plan under which the charter sponsor shall evaluate the academic performance, including annual performance reports, of students enrolled in the charter school. The state board of education shall approve or deny a charter application within sixty days of receipt of the application. The state board of education may deny a charter on grounds that the application fails to meet the requirements of sections 160.400 to 160.425 and section 167.349 or that a charter sponsor previously failed to meet the statutory responsibilities of a charter sponsor. Any denial of a charter application made by the state board of education shall be in writing and shall identify the specific failures of the application to meet the requirements of sections 160.400 to 160.425 and section 167.349, and the written denial shall be provided within ten business days to the sponsor.

4. A charter school shall, as provided in its charter:

(1) Be nonsectarian in its programs, admission policies, employment practices, and all other operations;

(2) Comply with laws and regulations of the state, county, or city relating to health, safety, and state minimum educational standards, as specified by the state board of education, including the requirements relating to student discipline under sections 160.261, 167.161, 167.164, and 167.171, notification of criminal conduct to law enforcement authorities under sections 167.115 to 167.117, academic assessment under section 160.518, transmittal of school records under section 167.020, the minimum amount of school time required under section 171.031, and the employee criminal history background check and the family care safety registry check under section 168.133;

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

(4) Be financially accountable, use practices consistent with the Missouri financial accounting manual, provide for an annual audit by a certified public accountant, publish audit reports and annual financial reports as provided in chapter 165, provided that the annual financial report may be published on the department of elementary and secondary education's internet website in addition to other publishing requirements, and provide liability insurance to indemnify the school, its board, staff and teachers against tort claims. A charter school that receives local educational agency status under subsection 6 of this section shall meet the requirements imposed by the Elementary and Secondary Education Act for audits of such agencies and comply with all federal audit requirements for charters with local educational agency status. For purposes of an audit by petition under section

227 29.230, a charter school shall be treated as a political
228 subdivision on the same terms and conditions as the school
229 district in which it is located. For the purposes of
230 securing such insurance, a charter school shall be eligible
231 for the Missouri public entity risk management fund pursuant
232 to section 537.700. A charter school that incurs debt shall
233 include a repayment plan in its financial plan;

234 (5) Provide a comprehensive program of instruction for
235 at least one grade or age group from early childhood through
236 grade twelve, as specified in its charter;

237 (6) (a) Design a method to measure pupil progress
238 toward the pupil academic standards adopted by the state
239 board of education pursuant to section 160.514, establish
240 baseline student performance in accordance with the
241 performance contract during the first year of operation,
242 collect student performance data as defined by the annual
243 performance report throughout the duration of the charter to
244 annually monitor student academic performance, and to the
245 extent applicable based upon grade levels offered by the
246 charter school, participate in the statewide system of
247 assessments, comprised of the essential skills tests and the
248 nationally standardized norm-referenced achievement tests,
249 as designated by the state board pursuant to section
250 160.518, complete and distribute an annual report card as
251 prescribed in section 160.522, which shall also include a
252 statement that background checks have been completed on the
253 charter school's board members, and report to its sponsor,
254 the local school district, and the state board of education
255 as to its teaching methods and any educational innovations
256 and the results thereof. No charter school shall be
257 considered in the Missouri school improvement program review

of the district in which it is located for the resource or process standards of the program.

(b) For proposed high-risk or alternative charter schools, sponsors shall approve performance measures based on mission, curriculum, teaching methods, and services. Sponsors shall also approve comprehensive academic and behavioral measures to determine whether students are meeting performance standards on a different time frame as specified in that school's charter. Student performance shall be assessed comprehensively to determine whether a high-risk or alternative charter school has documented adequate student progress. Student performance shall be based on sponsor-approved comprehensive measures as well as standardized public school measures. Annual presentation of charter school report card data to the department of elementary and secondary education, the state board, and the public shall include comprehensive measures of student progress.

(c) Nothing in this subdivision shall be construed as permitting a charter school to be held to lower performance standards than other public schools within a district; however, the charter of a charter school may permit students to meet performance standards on a different time frame as specified in its charter. The performance standards for alternative and special purpose charter schools that target high-risk students as defined in subdivision (5) of subsection 2 of this section shall be based on measures defined in the school's performance contract with its sponsors;

(7) Comply with all applicable federal and state laws and regulations regarding students with disabilities, including sections 162.670 to 162.710, the Individuals with

Disabilities Education Act (20 U.S.C. Section 1400) and
Section 504 of the Rehabilitation Act of 1973 (29 U.S.C.
Section 794) or successor legislation;

(8) Provide along with any request for review by the
state board of education the following:

(a) Documentation that the applicant has provided a
copy of the application to the school board of the district
in which the charter school is to be located, except in
those circumstances where the school district is the sponsor
of the charter school; and

(b) A statement outlining the reasons for approval or
denial by the sponsor, specifically addressing the
requirements of sections 160.400 to 160.425 and 167.349.

5. (1) Proposed or existing high-risk or alternative
charter schools may include alternative arrangements for
students to obtain credit for satisfying graduation
requirements in the school's charter application and
charter. Alternative arrangements may include, but not be
limited to, credit for off-campus instruction, embedded
credit, work experience through an internship arranged
through the school, and independent studies. When the state
board of education approves the charter, any such
alternative arrangements shall be approved at such time.

(2) The department of elementary and secondary
education shall conduct a study of any charter school
granted alternative arrangements for students to obtain
credit under this subsection after three years of operation
to assess student performance, graduation rates, educational
outcomes, and entry into the workforce or higher education.

6. The charter of a charter school may be amended at
the request of the governing body of the charter school and
on the approval of the sponsor. The sponsor and the

governing board and staff of the charter school shall jointly review the school's performance, management and operations during the first year of operation and then every other year after the most recent review or at any point where the operation or management of the charter school is changed or transferred to another entity, either public or private. The governing board of a charter school may amend the charter, if the sponsor approves such amendment, or the sponsor and the governing board may reach an agreement in writing to reflect the charter school's decision to become a local educational agency. In such case the sponsor shall give the department of elementary and secondary education written notice no later than March first of any year, with the agreement to become effective July first. The department may waive the March first notice date in its discretion. The department shall identify and furnish a list of its regulations that pertain to local educational agencies to such schools within thirty days of receiving such notice.

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

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

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

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

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

354 (5) Publication of each charter school's annual
355 performance report.

356 8. (1) (a) A sponsor's policies shall give schools
357 clear, adequate, evidence-based, and timely notice of
358 contract violations or performance deficiencies and mandate
359 intervention based upon findings of the state board of
360 education of the following:

361 a. The charter school provides a high school program
362 which fails to maintain a graduation rate of at least
363 seventy percent in three of the last four school years
364 unless the school has dropout recovery as its mission;

365 b. The charter school's annual performance report
366 results are below the district's annual performance report
367 results based on the performance standards that are
368 applicable to the grade level configuration of both the
369 charter school and the district in which the charter school
370 is located in three of the last four school years; and

371 c. The charter school is identified as a persistently
372 lowest achieving school by the department of elementary and
373 secondary education.

374 (b) A sponsor shall have a policy to revoke a charter
375 during the charter term if there is:

376 a. Clear evidence of underperformance as demonstrated
377 in the charter school's annual performance report in three
378 of the last four school years; or

379 b. A violation of the law or the public trust that
380 imperils students or public funds.

381 (c) A sponsor shall revoke a charter or take other
382 appropriate remedial action, which may include placing the
383 charter school on probationary status for no more than
384 twenty-four months, provided that no more than one
385 designation of probationary status shall be allowed for the

duration of the charter contract, at any time if the charter school commits a serious breach of one or more provisions of its charter or on any of the following grounds: failure to meet the performance contract as set forth in its charter, failure to meet generally accepted standards of fiscal management, failure to provide information necessary to confirm compliance with all provisions of the charter and sections 160.400 to 160.425 and 167.349 within forty-five days following receipt of written notice requesting such information, or violation of law.

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

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

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

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

(6) A charter sponsor shall make available the school accountability report card information as provided under section 160.522 and the results of the academic monitoring required under subsection 3 of this section.

9. (1) A sponsor shall take all reasonable steps necessary to confirm that each charter school sponsored by such sponsor is in material compliance and remains in material compliance with all material provisions of the charter and sections 160.400 to 160.425 and 167.349. Every charter school shall provide all information necessary to confirm ongoing compliance with all provisions of its charter and sections 160.400 to 160.425 and 167.349 in a timely manner to its sponsor.

(2) The sponsor's renewal process of the charter school shall be based on the thorough analysis of a comprehensive body of objective evidence and consider if:

(a) The charter school has maintained results on its annual performance report that meet or exceed the district in which the charter school is located based on the performance standards that are applicable to the grade-level configuration of both the charter school and the district in which the charter school is located in three of the last four school years;

(b) The charter school is organizationally and fiscally viable determining at a minimum that the school does not have:

- a. A negative balance in its operating funds;
- b. A combined balance of less than three percent of the amount expended for such funds during the previous fiscal year; or
- c. Expenditures that exceed receipts for the most recently completed fiscal year;

450 (c) The charter is in compliance with its legally
451 binding performance contract and sections 160.400 to 160.425
452 and section 167.349; and

453 (d) The charter school has an annual performance
454 report consistent with a classification of accredited for
455 three of the last four years and is fiscally viable as
456 described in paragraph (b) of this subdivision. If such is
457 the case, the charter school may have an expedited renewal
458 process as defined by rule of the department of elementary
459 and secondary education.

460 (3) (a) Beginning August first during the year in
461 which a charter is considered for renewal, a charter school
462 sponsor shall demonstrate to the state board of education
463 that the charter school is in compliance with federal and
464 state law as provided in sections 160.400 to 160.425 and
465 section 167.349 and the school's performance contract
466 including but not limited to those requirements specific to
467 academic performance.

468 (b) Along with data reflecting the academic
469 performance standards indicated in paragraph (a) of this
470 subdivision, the sponsor shall submit a revised charter
471 application to the state board of education for review.

472 (c) Using the data requested and the revised charter
473 application under paragraphs (a) and (b) of this
474 subdivision, the state board of education shall determine if
475 compliance with all standards enumerated in this subdivision
476 has been achieved. The state board of education at its next
477 regularly scheduled meeting shall vote on the revised
478 charter application.

479 (d) If a charter school sponsor demonstrates the
480 objectives identified in this subdivision, the state board
481 of education shall renew the school's charter.

482 10. A school district may enter into a lease with a
483 charter school for physical facilities.

484 11. A governing board or a school district employee
485 who has control over personnel actions shall not take
486 unlawful reprisal against another employee at the school
487 district because the employee is directly or indirectly
488 involved in an application to establish a charter school. A
489 governing board or a school district employee shall not take
490 unlawful reprisal against an educational program of the
491 school or the school district because an application to
492 establish a charter school proposes the conversion of all or
493 a portion of the educational program to a charter school.
494 As used in this subsection, "unlawful reprisal" means an
495 action that is taken by a governing board or a school
496 district employee as a direct result of a lawful application
497 to establish a charter school and that is adverse to another
498 employee or an educational program.

499 12. Charter school board members shall be subject to
500 the same liability for acts while in office as if they were
501 regularly and duly elected members of school boards in any
502 other public school district in this state. The governing
503 board of a charter school may participate, to the same
504 extent as a school board, in the Missouri public entity risk
505 management fund in the manner provided under sections
506 537.700 to 537.756.

507 13. Any entity, either public or private, operating,
508 administering, or otherwise managing a charter school shall
509 be considered a quasi-public governmental body and subject
510 to the provisions of sections 610.010 to 610.035.

511 14. The chief financial officer of a charter school
512 shall maintain:

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

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

520 15. The department of elementary and secondary
521 education shall calculate an annual performance report for
522 each charter school and shall publish it in the same manner
523 as annual performance reports are calculated and published
524 for districts and attendance centers.

525 16. The joint committee on education shall create a
526 committee to investigate facility access and affordability
527 for charter schools. The committee shall be comprised of
528 equal numbers of the charter school sector and the public
529 school sector and shall report its findings to the general
530 assembly by December 31, 2016.

160.410. 1. A charter school shall enroll:

2 (1) All pupils resident in the district in which it
3 operates;

4 (2) Nonresident pupils eligible to attend a district's
5 school under an urban voluntary transfer program;

6 (3) Nonresident pupils who transfer [from an
7 unaccredited district] under section 167.895, [provided that
8 the charter school is an approved charter school, as defined
9 in section 167.895, and] subject to all other provisions of
10 section 167.895;

11 (4) In the case of a charter school whose mission
12 includes student drop-out prevention or recovery, any
13 nonresident pupil from the same or an adjacent county who
14 resides in a residential care facility, a transitional

15 living group home, or an independent living program whose
16 last school of enrollment is in the school district where
17 the charter school is established, who submits a timely
18 application; [and]

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

28 (6) **Where capacity is available, all students who**
29 **transfer under the Missouri empowerment scholarship accounts**
30 **program created in sections 135.712 to 135.719 and sections**
31 **166.700 to 166.720.**

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

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

44 (2) A charter school may also give a preference for
45 admission of children whose siblings attend the school or
46 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:

79 (1) The school's charter;
80 (2) The school's most recent annual report card
81 published according to section 160.522;
82 (3) The results of background checks on the charter
83 school's board members; and
84 (4) If a charter school is operated by a management
85 company, a copy of the written contract between the
86 governing board of the charter school and the educational
87 management organization or the charter management
88 organization for services. The charter school may charge
89 reasonable fees, not to exceed the rate specified in section
90 610.026 for furnishing copies of documents under this
91 subsection.

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

99 6. If a change in school district boundary lines
100 occurs under section 162.223, 162.431, 162.441, or 162.451,
101 or by action of the state board of education under section
102 162.081, including attachment of a school district's
103 territory to another district or dissolution, such that a
104 student attending a charter school prior to such change no
105 longer resides in a school district in which the charter
106 school is located, then the student may complete the current
107 academic year at the charter school. The student shall be
108 considered a resident student. The student's parent or
109 legal guardian shall be responsible for the student's
110 transportation to and from the charter school.

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

 160.415. 1. For the purposes of calculation and
2 distribution of state school aid under section 163.031,
3 pupils enrolled in a charter school shall be included in the
4 pupil enrollment of the school district within which each
5 pupil resides. Each charter school shall report the
6 eligibility for free and reduced price lunch, special
7 education, or limited English proficiency status, as well as
8 eligibility for categorical aid, of pupils resident in a
9 school district who are enrolled in the charter school to
10 the school district in which those pupils reside. The
11 charter school shall report the average daily attendance
12 data, free and reduced price lunch count, special education
13 pupil count, and limited English proficiency pupil count to
14 the state department of elementary and secondary education.
15 Each charter school shall promptly notify the state
16 department of elementary and secondary education and the
17 pupil's school district when a pupil discontinues enrollment
18 at a charter school.

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

22 (1) A school district having one or more resident
23 pupils attending a charter school shall pay to the charter
24 school an annual amount equal to the product of the charter
25 school's weighted average daily attendance and the state
26 adequacy target, multiplied by the dollar value modifier for
27 the district, plus local tax revenues per weighted average
28 daily attendance from the incidental and teachers' funds in

29 excess of the performance levy as defined in section 163.011
30 plus all other state aid attributable to such pupils.

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

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

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

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

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

54 4. A charter school that has declared itself as a
55 local educational agency shall receive from the department
56 of elementary and secondary education an annual amount equal
57 to the product of the charter school's weighted average
58 daily attendance and the state adequacy target, multiplied
59 by the dollar value modifier for the district, plus local
60 tax revenues per weighted average daily attendance from the

61 incidental and teachers funds in excess of the performance
62 levy as defined in section 163.011 plus all other state aid
63 attributable to such pupils. If a charter school declares
64 itself as a local educational agency, the department of
65 elementary and secondary education shall, upon notice of the
66 declaration, reduce the payment made to the school district
67 by the amount specified in this subsection and pay directly
68 to the charter school the annual amount reduced from the
69 school district's payment.

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

91 6. The charter school and a local school board may
92 agree by contract for services to be provided by the school

93 district to the charter school. The charter school may
94 contract with any other entity for services. Such services
95 may include but are not limited to food service, custodial
96 service, maintenance, management assistance, curriculum
97 assistance, media services and libraries and shall be
98 subject to negotiation between the charter school and the
99 local school board or other entity. Documented actual costs
100 of such services shall be paid for by the charter school.

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

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

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

121 (3) Disclose any known conflicts of interest between
122 the school governing board and proposed service provider or
123 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]:

(1) Students transferring under the Missouri empowerment scholarship accounts program created in sections 135.712 to 135.719 and sections 166.700 to 166.720; or

(2) Students transferring under section 167.895.

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.] 20. (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.] 21. Beginning July 1, 2023, the provisions of section 160.995 shall be applicable to charter schools.

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

160.422. 1. A political subdivision shall not adopt, enforce, impose, or administer an ordinance, local policy, or local resolution that prohibits property sold, leased, or transferred by the political subdivision from being used by a charter public school for any lawful educational purpose.

2. A political subdivision shall not impose, enforce, or apply any deed restriction, property use restriction, or other such restriction that expressly, or by its operation, prohibits property sold, leased, or transferred by the political subdivision from being used by a charter public school for any lawful educational purpose. Any deed restriction, affirmative use deed restriction, property use restriction, or other such restriction that affirmatively allows for only one or more specified uses or purposes that

do not include any educational use or purpose by a charter public school is prohibited under this section. Any deed restriction, affirmative use deed restriction, property use restriction, or other such restriction in effect on the effective date of this section that prohibits or does not permit property previously used for any educational purpose from being used for any future educational purpose by a charter public school is void.

3. Any ordinance, policy, regulation, deed, use restriction, or contract made in violation of this section shall be void from its inception.

4. For purposes of this section, "political subdivision" shall include, but shall not be limited to, municipalities, counties, and school districts.

162.092. 1. If a school district extends an offer to purchase or lease an unused facility to a party other than a public entity, the contract shall include a provision that makes the purchase or lease subject to the right of first refusal by a public entity.

2. If the offer to purchase or lease is accepted, the school district selling or leasing the unused facility shall provide a public notice on its website stating:

(1) The unused facility is available for lease or purchase;

(2) The square footage of the unused facility;

(3) The contact information for the school district representative in charge of the lease or sale; and

(4) The expiration date of the right of first refusal, which shall be sixty days after the date of notification.

3. If two or more public entities notify the offering school district indicating an interest in the unused

18 facility to lease or purchase, the offering school district
19 shall make the final selection of the purchaser or lessee.

20 4. In right of first refusal negotiations with a
21 public entity, it shall be the option of the offering school
22 district whether to sell or lease the property under
23 consideration, at fair market value or less, for a term to
24 be agreed upon by the parties. A lease shall include
25 ingress to and egress from the facility, and where a part of
26 a facility is leased, the right to access and use of the
27 common area shared by all tenants and users of the
28 facility. If a public entity leases the entire facility,
29 the public entity may incur debt to make improvements to the
30 facility, and the school district shall subordinate its
31 interest in the lease to such debt.

32 5. The public entity shall have six months after the
33 date of making a written offer to complete the purchase or
34 lease of the unused facility for a price negotiated with the
35 school district.

36 6. During the term of a lease, the public entity shall
37 be responsible for direct expenses related to the facility
38 or any part of the facility, including utilities, insurance,
39 maintenance, property taxes, and repairs.

40 7. If a public entity plans to sell an unused facility
41 that it has purchased, it shall first offer the facility to
42 the school district from which it was purchased. Such offer
43 shall be governed by the procedures set forth in this
44 section.

45 8. As used in this section, the following terms mean:

46 (1) "Public entity", the state of Missouri; any
47 political subdivision of the state, including all boards,
48 commissions, agencies, institutions, authorities, and bodies
49 politic and corporate of the state created by or in

50 accordance with state law or regulations; or any institution
51 supported in whole or in part by public funds;

52 (2) "School board-approved written plan", a written
53 plan that is approved by the school board for future use of
54 an unused school building or facility owned by the school
55 district and that specifies purposes for which such building
56 or facility shall be used by the school within two years of
57 the plan's approval, such as academic purposes,
58 extracurricular activities, administrative school functions,
59 or sports;

60 (3) "Unused facility", a school building or facility
61 that is owned by a school district and is not used for
62 academic purposes, extracurricular activities,
63 administrative school functions, or sports, and for which
64 either of the following is true:

65 (a) The school district does not have a school board-
66 approved written plan for future use of the building or
67 facility; or

68 (b) The school district has a school board-approved
69 written plan for future use of the building or facility, but
70 such plan has not been executed within two years of the
71 plan's approval.

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

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

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

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

10 (4) "Illegal alien", any person who is not lawfully
11 present in the United States or any person who gained
12 illegal entry into the United States;

13 (5) "Parent", the same meaning as used in section
14 135.712;

15 (6) "Private school", a school that is not a part of
16 the public school system of the state of Missouri and that
17 charges tuition for the rendering of elementary or secondary
18 educational services;

19 (7) "Program", the same meaning as used in section
20 135.712;

21 (8) "Qualified school", an FPE school or any of the
22 following entities that is incorporated in Missouri and that
23 does not discriminate on the basis of race, color, or
24 national origin:

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

26 (b) A private school;

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

28 (d) A public or private virtual school;

29 (9) "Qualified student", any elementary or secondary
30 school student who is a resident of this state[,] **and** who is
31 not an illegal alien[, and who:

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

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

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

43 b. Is a child who is eligible to begin kindergarten or
44 first grade under sections 160.051 to 160.055; or

45 c. Is a sibling of a qualified student who received a
46 scholarship grant in the previous school year and will
47 receive a scholarship grant in the current school year].

166.720. 1. Sections 166.700 to 166.720 shall not be
2 construed to permit any governmental agency to exercise
3 control or supervision over any qualified school in which a
4 qualified student enrolls other than a qualified school that
5 is a public school.

6 2. A qualified school, other than a qualified school
7 that is a public school, that accepts a payment from a
8 parent under sections 166.700 to 166.720 shall not be
9 considered an agent of the state or federal government due
10 to its acceptance of the payment.

11 3. A qualified school shall not be required to alter
12 its creed, practices, admissions policy, or curriculum in
13 order to accept students whose parents pay tuition or fees
14 from a Missouri empowerment scholarship account to
15 participate as a qualified school.

16 4. [(1) Any qualified student receiving a Missouri
17 empowerment scholarship who leaves a public school or
18 charter school, as such terms are defined in chapter 160, in
19 the qualified student's resident school district to enroll
20 in a qualified school that is not the qualified student's
21 resident school district shall continue to be counted in the
22 resident public school or charter school's weighted average
23 daily attendance as a resident student for the purposes of
24 determining state and federal aid for the qualified
25 student's resident school district or charter school.

(2) The qualified student will continue to be counted for such purpose as provided:

(a) For five years after the qualified student no longer attends school in the qualified student's resident school district;

(b) Until any calendar year that the qualified student no longer receives grant money in their scholarship account;

(c) Until the qualified student is counted in the weighted average daily attendance for a public school or charter that they are a resident student in; or

(d) Until the qualified student graduates.

(3) The educational assistance organization and the state treasurer shall provide the necessary information to the department of elementary and secondary education to allow the federal and state aid to continue to the public school or charter school in the qualified student's resident school district previously attended by the qualified student.

(4) The provisions of this subsection shall terminate five years after August 28, 2021.

5.] In any legal proceeding challenging the application of sections 166.700 to 166.720 to a qualified school, the state shall bear the burden of establishing that the law is necessary and does not impose any undue burden on qualified schools.

[6.] 5. The provisions of section 23.253 of the Missouri sunset act shall not apply to sections 166.700 to 166.720.

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.

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

13 3. [(1) For purposes of this subsection, "approved
14 charter school" has the same meaning given to the term under
15 section 167.895.]

16 (2)] For pupils [covered by] **transferring to another**
17 **school district or charter school pursuant to the provisions**
18 **of** section 167.895, the district of residence shall be
19 required to provide transportation only to school districts
20 or [approved] charter schools designated by the department
21 of elementary and secondary education or its designee. For
22 **such** pupils [covered by section 167.895], the department of
23 elementary and secondary education or its designee shall
24 designate at least one [accredited] **school** district or
25 [approved] charter school to which the district of residence
26 shall provide transportation. If the designated district or
27 charter school reaches full student capacity and is unable
28 to receive additional students, the department of elementary
29 and secondary education or its designee shall designate at
30 least one additional [accredited] district or [approved]
31 charter school to which the district of residence shall
32 provide transportation.

 167.895. 1. For purposes of this section and section
2 167.898, the following terms mean:

3 (1) ["Approved charter school", a charter school that
4 has existed for less than three years or a charter school
5 with a three-year average score consistent with a

6 classification of accredited without provisions on its
7 annual performance report;

8 (2) "Attendance center", a public school building,
9 public school buildings, or part of a public school building
10 that offers education in a grade or grades not higher than
11 the twelfth grade and that constitutes one unit for
12 accountability and reporting purposes for the department of
13 elementary and secondary education;

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

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

18 [(5)] (2) "Sending district", a school district from
19 which students are transferring to a receiving district or
20 approved charter school, as allowed under this section.

21 2. (1) Any student may transfer to another public
22 school [in the student's district of residence if such
23 student is enrolled in and has attended, for the full
24 semester immediately prior to requesting the transfer, an
25 attendance center:

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

28 (b) That has an annual performance report score
29 consistent with a classification of unaccredited] or charter
30 school pursuant to the provisions of this section and
31 section 167.898 beginning in the 2027-28 school year and in
32 all subsequent school years. However, no such transfer
33 shall result in a class size and assigned enrollment in a
34 receiving school that exceeds the standards for class size
35 and assigned enrollment as promulgated in the Missouri
36 school improvement program's resource standards. If the
37 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 under the Missouri empowerment scholarship accounts program created in sections 135.712 to 135.719 and sections 166.700 to 166.720 and all students who apply and are assigned to the school district as provided in section 167.898, provided that 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 such student's residential address, academic performance, athletic ability, disability, race, ethnicity, sex, or free and reduced price lunch status.

(3) [The school board of each unaccredited 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, the number of students who request to transfer within the district, and the number of such transfer requests that are granted.] (a) The local school board shall adopt a policy to determine the number of transfer students the school district has the capacity to

70 accept for each grade level and school no later than October
71 27, 2026. The policy shall be publicly posted on the school
72 district's website.

73 (b) By July 15, 2027, and by the first day of each
74 month thereafter, each local school board shall, upon
75 establishing the number of transfer students the school
76 district has the capacity to accept in each grade level and
77 school:

78 a. Publish the number of available transfer placements
79 for each grade level and school in a prominent and publicly
80 accessible place on the school district's website;

81 b. Report the number of available transfer placements
82 for each grade level and school to the department of
83 elementary and secondary education; and

84 c. Report such district's average per pupil
85 expenditure to the department of elementary and secondary
86 education.

87 (c) The department of elementary and secondary
88 education shall publish the data received from school
89 districts under paragraph (b) of this subdivision on an
90 online portal accessible via a primary tab on the top banner
91 of the homepage of such department's website. The portal
92 shall be updated at least monthly and shall include a search
93 function permitting users to easily identify schools with
94 capacity near their home address.

95 (d) If a request for transfer is denied, an appeal may
96 be taken to the state board of education by the requesting
97 parents or student, if such appeal is commenced not more
98 than ten days after the denial. An appeal is commenced by
99 mailing a notice of appeal by certified mail to the
100 superintendent of the receiving school district and to the
101 state board of education. If the state board of education

does not hear the appeal within sixty calendar days of such appeal's commencement, then the appeal shall be deemed granted with immediate effect. The department of elementary and secondary education shall develop forms for filing appeals and shall assist the parent or student in the mechanics of commencing the appeal. The state board of education shall promulgate rules to establish the process for appeals.

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.

164 5. (1) (a) No provisionally accredited district
165 shall be eligible to receive transfer students.

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

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

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

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

183 (3) No district or attendance center that has received
184 two consecutive annual performance reports consistent with a
185 classification of provisionally accredited for the years
186 immediately preceding the year in which it seeks to enroll
187 transfer students shall be eligible to receive any transfer
188 students, irrespective of its state board of education
189 classification designation; except that, any student who was
190 granted a transfer to such a district or attendance center
191 prior to August 28, 2019 may remain enrolled in that
192 district or attendance center.

193 6. Notwithstanding the provisions of subsection 5 of
194 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.

11. 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 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. Notwithstanding the provisions of subsection 10 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 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 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 district,

including any metropolitan district, for the provision of transportation of a student with a disability or the unaccredited district may provide transportation on its own.

14.] 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.

4. 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.] 5. If [any] **the sending school 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.

320 [16.] 6. Regardless of whether transportation is
321 identified as a related service within a student's
322 individualized education program, a receiving district that
323 is not part of a special school district shall not be
324 responsible for providing transportation to a student
325 transferring under this section. [An unaccredited] A
326 **sending** district may contract with a receiving district that
327 is not part of a special school district under sections
328 162.705 and 162.710 for transportation of students with
329 disabilities.

330 [17.] 7. If **the sending district is** a seven-director
331 school district or urban school district [is classified as
332 unaccredited], it may contract with a receiving district
333 that is not part of a special school district in the same or
334 an adjoining county for the reimbursement of special
335 education and related services under sections 162.705 and
336 162.710 provided by the receiving district for transfer
337 students who are residents of the [unaccredited] **sending**
338 district.

167.898. 1. [(1)] By July 15, [2019] **2027**, and by
2 [January first annually] **the first day of each month**
3 **thereafter**, each [accredited] **school** district[, any portion
4 of which is located in the same county as or in an adjoining
5 county to an unaccredited district,] shall report to the
6 department of elementary and secondary education or its
7 designee the number of available enrollment slots by grade
8 level **and school**.

9 [(2) By July 15, 2019, and by January first annually,
10 each unaccredited district shall report to the department of
11 elementary and secondary education or its designee the
12 number of available enrollment slots in the schools of its

13 district that have received annual performance report scores
14 consistent with a classification of accredited.

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

20 2. The department of elementary and secondary
21 education or its designee shall make information and
22 assistance available [to parents or guardians who intend to
23 transfer their child to an accredited district or to an
24 approved charter school as described under section 167.895]
25 **via the Missouri open enrollment portal created under**
26 **section 167.895.**

27 3. The parent or guardian of a student who intends to
28 transfer his or her child to [an accredited] **a receiving**
29 district or to [an approved] **a** charter school as described
30 under section 167.895 for enrollment in that district or
31 charter school in any school year after the 2019-20 school
32 year shall send initial notification to the department of
33 elementary and secondary education or its designee by [March
34 first for enrollment in the subsequent school year] **August**
35 **1, 2027, and by the first day of each month thereafter, for**
36 **enrollment in any subsequent month.**

37 4. The department of elementary and secondary
38 education or its designee shall assign those students who
39 seek to transfer to [an accredited] **a receiving** district or
40 to [an approved] **a** charter school as described under section
41 167.895. When assigning transfer students to [approved]
42 charter schools, the department of elementary and secondary
43 education or its designee shall coordinate with each
44 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.

76 5. (1) The department of elementary and secondary
77 education or its designee may deny a transfer to a student
78 who in the most recent school year has been suspended from
79 school two or more times or who has been suspended for an
80 act of school violence under subsection 2 of section
81 160.261. A student whose transfer is initially precluded
82 under this subsection may be permitted to transfer on a
83 provisional basis as a probationary transfer student,
84 subject to no further disruptive behavior, upon a statement
85 from the student's current school that the student is not
86 disruptive. A student who is denied a transfer under this
87 subsection has the right to an in-person meeting with an
88 employee of the department of elementary and secondary
89 education or its designee.

90 (2) The department of elementary and secondary
91 education shall promulgate rules to provide common standards
92 for determining disruptive behavior that shall include, but
93 not be limited to, criteria under section 160.261. Any rule
94 or portion of a rule, as that term is defined in section
95 536.010, that is created under the authority delegated in
96 this section shall become effective only if it complies with
97 and is subject to all of the provisions of chapter 536 and,
98 if applicable, section 536.028. This section and chapter
99 536 are nonseverable, and if any of the powers vested with
100 the general assembly pursuant to chapter 536 to review, to
101 delay the effective date, or to disapprove and annul a rule
102 are subsequently held unconstitutional, then the grant of
103 rulemaking authority and any rule proposed or adopted after
104 August 28, 2019, shall be invalid and void.

168.189. 1. A school district may consider, but may
2 **not require, any criteria greater than that which is**
3 **necessary to obtain a Missouri initial administrator**

4 certificate as promulgated under 5 CSR 20-400.610 in an
5 application to hire a district administrator.

6 2. A school district may employ as an administrator an
7 individual who does not possess a Missouri initial
8 administrator certificate as promulgated under 5 CSR 20-
9 400.610 if the individual meets the following criteria:

10 (1) Master's degree or, at minimum, its equivalent;

11 (2) Eight years of experience in an executive role
12 that is responsible for leading teams and accountable for
13 profits and losses; and

14 (3) A waiver specific to the applicant has been
15 granted to the school district for this purpose.

16 3. A waiver granted under subdivision (3) of
17 subsection 2 of this section shall be valid for no longer
18 than three years and eligible for renewal once. Upon
19 conclusion of the six year waiver period, the state board of
20 education may grant the applicant a permanent certificate to
21 serve as an administrator in any school district.

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