

HCS HB 842 & 831 -- CHARTER SCHOOLS

SPONSOR: Cunningham, 86 (Robb)

COMMITTEE ACTION: Voted "do pass" by the Committee on Elementary and Secondary Education by a vote of 11 to 4.

This substitute permits sponsorship of charter schools by private universities with their primary campuses in the metropolitan area of a district where charters are authorized if the college has at least 1,000 students and an approved teacher preparation program, as well as by the University of Missouri-Rolla. The mayor of the City of St. Louis may request the sponsorship of a workplace charter school, as defined in the substitute. The Department of Elementary and Secondary Education will disburse to the sponsor 1.5% of a charter school's aid allocation to defray the costs of sponsorship. The chief financial officer of a charter school must maintain a surety bond in an amount determined to be sufficient by the school's board based on its cash flow. The current maximum of 5% of a district's buildings being available for conversion to charter schools is repealed, as is the provision that a charter school cannot be located on district property without the district's consent.

Charter sponsors must ensure that criminal background and child abuse registry checks are conducted for all members of the school's governing board. Charter school governing board members must not be employed by the charter school or any company that provides substantial services to the charter school. Board members are considered to be decision-making public servants for financial disclosure purposes, and companies managing the schools are to be considered quasi-public governmental bodies. Board members are subject to liability as if they were members of school boards, and charter schools may participate in the Missouri Public Entity Risk Management Fund. The State Board of Education may require remedial action for a sponsor that it finds is not discharging its responsibilities correctly. If the state board removes the sponsor's authority to operate a school, the state board becomes the temporary sponsor for up to three years.

The substitute specifies several technical changes to the charter application process, clarifying what items must be submitted and on what timetable. Sponsors must take all reasonable steps to confirm compliance. Alternative charter schools will be judged on their performance on measures selected by the sponsors, as well as standardized public school measures. Charters must be reviewed when operation or management is transferred to another entity and may be amended if a charter school decides to become a local education agency (LEA) for purposes of seeking direct access to federal grants. If a charter school becomes an LEA, it

may receive its aid payment directly from the department rather than from the district.

Charter schools offering a foreign language immersion program are not required to meet the minimum percentage for certificated teachers, but any teachers who teach in a foreign language must have proper credentials from the country in which they received their teacher training. No charter school may employ a teacher whose certificate has been revoked or is suspended. An employee of an entity providing service to a charter school may elect to participate in the retirement plan of the employer. Currently, a district employee who contracts as a teacher with a charter school may retain seniority in the district indefinitely; the substitute limits the period to three years.

FISCAL NOTE: Estimated Effect on General Revenue Fund of a Cost of \$35,000 in FY 2006, an Income of \$0 in FY 2007, and an Income of \$0 in FY 2008. No impact on Other State Funds in FY 2006, FY 2007, and FY 2008.

PROPOSERS: Supporters of HB 842 say that incidents have brought to light where there are weaknesses in oversight responsibilities. The bill attempts to close loopholes and will give the Department of Elementary and Secondary Education more authority to prevent failures from happening. Supporters of HB 831 say that many charter schools would welcome the changes in sponsorship and oversight requirements in the bill because good charter schools are willing to be open about their work. Occasionally, conflicts with school districts and confusion about state requirements cloud the relationship between school and sponsor.

Testifying for HB 842 were Representative Brooks; Department of Elementary and Secondary Education; St. Louis Board of Education; Kansas City Board of Education; Office of the Attorney General; Missouri National Education Association; and Missouri State Teachers Association. Testifying for HB 831 were Representatives Robb and Muschany; University Academy Charter School; Ethel Hedgman Lyle School; Academie Lafayette; and Damen Paul.

OPPOSERS: Those who oppose HB 842 say that the purpose of charter schools is to free schools from unnecessary regulation; in trying to close loopholes, the bill runs the risk of making charter schools into copies of other public schools. Those who oppose HB 831 say that without rule-making authority, the Department of Elementary and Secondary Education lacks authority to address some situations. The State Auditor's report on the situation recommended rule-making authority.

Testifying against HB 842 was Missouri Public School Charter

Association. Testifying against HB 831 were Department of Elementary and Secondary Education; and School Administrators Coalition.

OTHERS: Others testifying on the bill say that HB 831 has beneficial features, but the lack of rule-making authority is problematic. Some said the sponsorship remuneration is a bad idea, while others say the sponsors need to have the expenses of oversight defrayed.

Others testifying on HB 831 were Missouri National Education Association; Missouri Public Charter School Association; St. Louis Board of Education; Kansas City Board of Education; and Doug Thomas.

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