

HCS SB 243 -- EDUCATION

SPONSOR: Cunningham (Dieckhaus)

COMMITTEE ACTION: Voted "do pass" by the Committee on Elementary and Secondary Education by a vote of 9 to 5.

This substitute changes the laws regarding education. In its main provisions, the substitute:

(1) Requires the State Board of Education within the Department of Elementary and Secondary Education to adopt a system that accredits districts and individual schools separately, after the fifth cycle of its current school improvement program, and to submit a report periodically to the Joint Committee on Education beginning December 1, 2011, on its progress (Section 160.080, RSMo);

(2) Changes the laws regarding charter schools by:

(a) Allowing a charter school to be operated in any school district that has been declared unaccredited; in a provisionally accredited district that has had this status for three full consecutive school years with sponsorship limited to the local school board and those meeting accountability and performance standards established by the state board and, in the case of a district in which financial stress or hardship played a part in the provisional accreditation status, a vote by the state board; and in any district that has been accredited without provisions with sponsorship limited to the local school board. A local school board may not sponsor a charter school in an unaccredited district, but a charter school sponsored by the school board in St. Louis City is permitted to continue its sponsorship. Currently, charter schools are permitted only in the St. Louis City and Kansas City school districts (Section 160.400.2);

(b) Expanding eligible sponsors to include any public four-year college or university with an approved teacher education program instead of certain colleges or universities; a community college with a service area that encompasses some portion of an eligible school district instead of a college located in the district; any private college or university with its primary campus in Missouri that meets specified enrollment and program requirements instead of a college or university located in St. Louis City; a two-year private nonprofit vocational or technical school meeting specified requirements; the Missouri Charter Public School Commission established by the substitute; and a nonprofit or charitable organization meeting specified requirements (Section 160.400.3);

(c) Establishing guidelines for the operation of a charter school in a district that undergoes changes in accreditation status (Section 160.400.4);

(d) Requiring a sponsor to submit an annual report to the Joint Committee on Education when it receives sponsorship funds to demonstrate its compliance with the sponsorship requirements and requires a sponsor to develop policies and procedures for the review of a charter school proposal; the granting of a charter; the performance framework for the evaluation of a school's performance; ongoing oversight; renewal, nonrenewal, or revocation processes; and procedures to be implemented if a charter school closes, including stakeholder notification, student record transfer, and asset disposition (Sections 160.400.12 and 160.400.17);

(e) Allowing the state board to suspend a sponsor and requiring the sponsor to reapply, and when the state board is acting as an interim sponsor, to revoke the charter of the school that it is sponsoring if the school fails to meet academic performance or other goals as specified in the school's charter (Section 160.400.18);

(f) Allowing the Special Administrative Board in St. Louis City to operate a charter school in conjunction with the cooperating school districts of St. Louis County for a period of three years with an option for renewal or incorporation back into the city school system (Sections 160.400.19 and 160.405.1);

(g) Allowing an accredited district or a cooperative association of accredited districts to sponsor or operate a charter school in an unaccredited district. The unaccredited district with an unused facility must give a charter school the opportunity of first refusal for the lease or purchase of the building. If the school district regains accreditation and the district or cooperative wishes to discontinue the school, it must solicit continuation proposals which will be presented to a vote of the parents and guardians of the district's students in the year during which the district undergoes its next accreditation review (Section 160.402);

(h) Requiring the department to establish an annual application and approval process for potential sponsors and requiring each current sponsor to apply for approval to continue as a sponsor by April 1, 2012 (Section 160.403);

(i) Revising the required contents of a charter to include a performance contract that contains targets and measures for academic performance; operational program performance, including governance; and the school's mission and vision when applicable.

A description of the special education services that will be available to meet the needs of students with disabilities; a grievance procedure for parents or guardians; and procedures upon the revocation or nonrenewal of the school's charter or its closure must also be included in a charter (Section 160.405.1);

(j) Requiring a charter school to establish baseline student performance in accordance with the performance contract during the first year of operation; collect student performance data throughout the duration of the charter and annually monitor student academic performance; and participate in the statewide assessment system to the extent applicable based on the grade levels offered by the charter school. Performance standards for alternative and special purpose charter schools that target high-risk students must be based on academic growth measures (Section 160.405.5);

(k) Allowing a high-risk or alternative charter school to establish alternative ways for students to obtain credit for graduation, such as credit for off-campus instruction, work experience, or embedded instruction. The department, after three years of operation, must conduct a study of a school which was granted alternative arrangements to assess student performance, graduation rates, educational outcomes, and entry into the workforce or higher education rates (Section 160.405.6);

(l) Removing the right to a judicial review of the sponsor's decision to revoke a charter and the state board's decision to revoke or not to renew a charter (Section 160.405.8);

(m) Requiring, beginning August 1 during the year in which a charter is considered for renewal, a charter school sponsor as part of the renewal process to demonstrate to the state board several specified areas of compliance if the school falls below the specified graduation rate, is in the persistently lowest achieving 5% of schools based on certain assessment data, or does not demonstrate growth as evidenced by the Missouri Assessment Program scores three out of the last four years. If compliance with all standards cannot be established according to the deadlines in the substitute, the state board must vote by February 28 to close the school at the end of the current academic year or to continue it under certain conditions (Section 160.405.9);

(n) Requiring a charter school to close at the end of the current academic year if the charter is revoked by the state board or its sponsor, if the charter is not renewed by the state board, or if the charter is voluntarily relinquished (Section 160.405.10);

(o) Allowing a charter school whose mission includes dropout prevention or recovery to admit a nonresident student when the student resides in a residential care facility, a transitional living group home, or an independent living program who submits a timely application. Charter alternative or special purpose schools may give admission preference to high-risk students. Charter school students who are present for the January membership count must be counted in the statewide assessment results in that year unless they are exempted as English language learners (Section 160.410.1);

(p) Requiring a charter school operated by a management company to make a copy of the written contract between the governing board of the charter school and the educational or charter management organization available for public inspection and upon the request of specified district residents (Section 160.410.5);

(q) Allowing an educational cooperative of school districts to become a managerial or academic contractor and establishing disclosure requirements for contractors (Section 160.415.6);

(r) Requiring a contract with a service provider to include evidence of student achievement in other schools with which the provider has contracted, compensation structure, and any existing or potential conflict of interest and to ensure that payments for services are approved by the charter school board and that the lead administrator and legal counsel of the charter school are direct employees of the board (Section 160.415.7);

(s) Allowing the department to withhold funding during a charter school's last year of operation until it determines that school records, liabilities, and reporting requirements including a full audit are satisfied (Section 160.415.12);

(t) Establishing a procedure for determining if a charter school is under financial stress and requiring an annual review of charter school finances by the department by October 1 of each year. The department must annually provide a list of those charter schools to the Governor, Speaker of the House of Representatives, and the President Pro Tem of the Senate. The department may withhold any payment of financial aid due to a charter school until it has fully complied with all requirements regarding a school under financial stress (Section 160.417); and

(u) Establishing the nine-member Missouri Charter Public School Commission and specifying its duties and the requirements for its operation (Section 160.425);

(3) Requires a school district to include on its annual school accountability report card whether it has a state-approved gifted

education program and the number and percentage of students currently being served in the program (Section 160.522);

(4) Requires the department to ensure that specified criteria are implemented in every school district regarding the enrollment and educational success of foster care children due to frequent moves (Section 160.1990);

(5) Allows the transfer corporation, upon an affirmative vote of its board, to coordinate transfers undertaken by students in unaccredited districts and requires it to act as a central repository for student transfer applications, establish an open-enrollment period and publicize the procedure for transfer applications in advance of the period, and make student assignments based on availability of seats in accredited districts. A district must annually inform the corporation of its anticipated open seats at each attendance center. Officers of a district who do not report may be prosecuted for a violation of school law under Section 162.091 (Section 162.1062);

(6) Allows a nonresident Missouri student who is eligible for public education to attend a school district or a charter school to access virtual courses or programs. This student will be defined as a virtual resident student. The department must pay the district or charter school 85% of its tuition charge for a nonresident or of the state adequacy target, whichever is greater, but the amount cannot exceed 1.25 times the state adequacy target for each enrolled virtual resident student. If the local tax effort per average daily attendance of the residence district does not exceed 85% of the amount paid per virtual resident student, the department must deposit an amount into the General Revenue Fund that is the greater of 10% of the tuition charge for a nonresident student or 10% of the state adequacy target. The department must withhold from the residence district an amount equal to the amount paid for the virtual education plus the amount deposited into the fund. The entities authorized to sponsor a charter school are allowed to sponsor a virtual charter school. Any institution of higher education with its primary campus in Missouri with an approved teacher education program may also sponsor a virtual charter school. Virtual charter schools are subject to the provisions regarding charter schools (Section 162.1250);

(7) Allows any student who is enrolled and attending a public school in a district that has been declared unaccredited when the declaration is made or in a subsequent year and any student who resides in the unaccredited district and becomes eligible for kindergarten or first grade after the effective date of the section to be eligible for transfer to an accredited district in the same or adjoining county. The unaccredited district has the

right of first intervention by assigning a potential transfer student to a school within the unaccredited district that is making adequate yearly progress. The tuition paid by the unaccredited district will be the lesser of the nonresident tuition established by each district or, in the absence of an established tuition, the lesser of the two districts' average expenditure per pupil for the most recent year for which data are available. The residence district must pay the cost of education in the receiving district for any transfer student with an individualized education plan. The residence district's responsibility for transportation remains unchanged. A school district must develop criteria by June 30, 2011, for the admission of nonresident pupils from unaccredited districts, based primarily upon the availability of highly qualified teachers in existing classroom space. A district must take demographic projections into account when establishing these policies so that it will not be required to hire extra teachers or build new classrooms. No resident student can be displaced by a transfer student. The receiving district will assign the transfer student to a particular building. An accepted transfer student is allowed to complete the education program in the building to which he or she is assigned, even if the sending district regains its accreditation, but the student must return to the residence district upon the transition to another building if the sending district regains its accreditation (Section 167.131);

(8) Requires each public high school, including a charter school, to provide instruction in cardiopulmonary resuscitation and specifies that the instruction will become a new requirement for high school graduation beginning with students graduating in the 2014-2015 school year. The instruction may be part of a health education course and must include hands-on practice and skills testing. A school district may develop an agreement with a local first responder organization to provide the required practice and testing. Curriculum sources and teacher qualifications are specified in the substitute (Section 170.310);

(9) Retains the current requirement of 1,044 hours in a school year for any school that bases its calendar on days and hours but allows a calendar to be based solely on hours if the minimum number of hours is at least 1,088 (Section 171.031);

(10) Repeals a requirement that certain payments made by a school district that result in the transfer of the title of real property to the school district be deducted as an adjustment to the funds payable under the school funding formula (Section 177.088);

(11) Establishes the Sharing of Services and Increasing

Efficiencies Act which clarifies the conditions under which a school district or charter school may cooperate and share resources with each other and any public, private, or nonprofit entity, political subdivision, or public or private institution of higher education. Cooperative actions may include group purchases of supplies and insurance products; administration of certain services; participation in a deferred compensation plan; and joint use of school district facilities for education purposes. Nothing in these provisions may be construed to prohibit any of the entities from entering into any cooperative agreement or to prohibit any entity from altering a current agreement it may have with another entity without agreement from all parties or the expiration of the contract that is in force upon the effective date of the substitute (Section 177.250);

(12) Requires the Department of Mental Health to develop a continuing professional education curriculum on eating disorders by December 31, 2011. The department will work with the Department of Elementary and Secondary Education and the Missouri Eating Disorder Council to develop a curriculum that covers recognition of individuals at risk, the seriousness of the disorder, counseling and treatment resources, materials for students and their families, and body image and self-esteem. A school district may adopt the curriculum for personnel responsible for students in sixth through twelfth grade, including school nurses, health care professionals, psychologists, counselors, and athletic coaches (Section 630.590); and

(13) Requires the Joint Committee on Education to review the fifth cycle school improvement program standards for the potential effects on the number and type of charter schools and their sponsors and to report by December 31, 2011, and again if substantive changes are made to the standards (Section 1).

The substitute contains an emergency clause for the provisions regarding the enrollment of students from unaccredited districts.

FISCAL NOTE: Estimated Net Cost on General Revenue Fund of Unknown - Could Exceed \$1,502,775 in FY 2012, Unknown - Could Exceed \$1,464,455 in FY 2013, and Unknown - Could Exceed \$1,460,912. No impact on Other State Funds in FY 2012, FY 2013, and FY 2014.

PROPOSERS: Supporters say that the bill expands the ability of schools to partner with other agencies to save money.

Testifying for the bill was Senator Cunningham.

OPPOSERS: There was no opposition voiced to the committee.