

SS SCS SB 576 -- CHARTER SCHOOLS

This bill changes the laws regarding charter schools. In its main provisions, the bill:

(1) Authorizes the State Auditor to audit a charter school in the same manner as he or she may audit any state agency (Section 29.205, RSMo);

(2) Allows, in addition to the St. Louis City and Kansas City School districts, a charter school to be operated in a school district that has been declared unaccredited; in a school district accredited without provisions if it is sponsored by the local school board, except that a local school board with a current enrollment of 1,550 students or more cannot permit more than 35% of its students to enroll in charter schools that it sponsors; and in a school district that has been classified provisionally accredited after three consecutive school years of provisional accreditation and annual performance report scores consistent with provisional accreditation or unaccredited status as of the 2012-2013 school year. If the provisional accreditation is based on financial stress or hardship, the State Board of Education within the Department of Elementary and Secondary Education must vote in the third year of provisional status to decide whether a charter may operate. The sponsor is limited to the local school board or a sponsor meeting specified accountability standards (Section 160.400.2);

(3) Specifies that the special administrative board of the St. Louis City School District as well as the special administrative board of the Kansas City school district may sponsor charter schools if the state board appoints one. The provision requiring a public four-year college or university to have its primary campus in the school district or in a county adjacent to the county in which the district is located is repealed. A community college whose service area encompasses some portion of the district may also be a sponsor. Currently, any private four-year college or university located in St. Louis City with an enrollment of at least 1,000 students and an approved teacher preparation program may be a sponsor. The requirement that the institution be located in St. Louis City is repealed, but its primary campus must be located in Missouri. Additional sponsors include any two-year private vocational or technical school, as specified in the bill, and the Missouri Charter Public School Commission established in the bill (Section 160.400.3);

(4) Requires a district whose accreditation status changes to maintain three consecutive full years of the higher status before the requirements of the charter school laws regarding the higher status will apply. In an unaccredited or provisionally

accredited district where a charter school is sponsored by an entity other than the local school board, when the district becomes classified as accredited without provisions, a charter school may continue to be sponsored by the entity sponsoring it prior to the classification of accreditation without provisions. The school will not be limited to the local school board as a sponsor. Charter schools in Kansas City and St. Louis may be sponsored by any eligible entity, regardless of the district's accreditation classification. A charter school whose charter provides for the addition of grade levels in subsequent years may continue to add grade levels until the planned expansion is complete. The mayor of St. Louis City may request a two-year private vocational or technical school or the commission to sponsor a workplace charter school within the city (Sections 160.400.4 and 160.400.5);

(5) Specifies that when a charter school affiliates with a four-year institution, the institution will no longer be required to be located within the county in which the school district lies or in an adjacent county. A school district or the state board, when acting as a sponsor, may have expenses associated with sponsorship defrayed by having the department withhold up to 1.5% of the charter school's state and local funding, up to \$125,000 adjusted for inflation. A sponsor receiving funds to defray expenses must submit annual reports demonstrating compliance with specified requirements to the Joint Committee on Education (Sections 160.400.10, 160.400.11, and 160.400.12);

(6) Requires a sponsor to develop policies and procedures for the review of a charter proposal; granting of a charter; performance framework of a charter; intervention, renewal, revocation, and nonrenewal policies; additional criteria for charter oversight; and procedures to be used if the school closes. The department must provide guidance to sponsors in developing these policies and procedures (Section 160.400.16);

(7) Requires a sponsor to provide timely submission to the state board of all data necessary to demonstrate that it is in material compliance with specified requirements. The bill repeals the provision allowing the state board to require remedial action or to suspend a sponsor for up to one year if it does not fulfill its sponsorship obligations. The bill requires the board to evaluate a sponsor every three years for compliance with sponsorship standards. If the department determines that a sponsor is in material noncompliance with its sponsorship duties, it must be notified and given reasonable time to improve. If improvement does not occur, the Commissioner of Education must conduct a public hearing and recommend corrective action to the state board, which will have the final determination of corrective action. If the state board removes sponsorship

authority for any currently operating charter school, the commission will become the school's sponsor (Section 160.400.17);

(8) Requires the department to establish an annual application and approval process for eligible sponsors that are not sponsoring a charter school as of August 28, 2012. All information and guidelines for eligible sponsors must be made available by November 1, 2012. An interested eligible sponsor must submit an application that includes specified information by February 1. By April 1 of each year, the department must grant or deny authority to a sponsor applicant and execute a renewable sponsoring contract with each approved sponsor within 30 days of its decision. The term will be six years (Section 160.403);

(9) Specifies that the charter will be a legally binding performance contract describing the obligations and responsibilities of the school and the sponsor. The term of a charter will be five years, instead of the current term of not less than five but not greater than 10 years. Additional information that must be contained in a charter is specified. A charter school operating on August 27, 2012, will have until August 28, 2015, to meet specified new requirements (Section 160.405.1);

(10) Requires a charter to be submitted to the sponsor and to follow the sponsor's policies and procedures for review and granting of a charter approval. The charter must be consistent with the sponsor's charter sponsorship goals and capacity. The charter must be approved by the state board by December 1 of the year prior to the proposed opening date of the charter school. The definition of "high risk" student is changed to include more qualifying characteristics of behavior and situations outside of school (Section 160.405.2);

(11) Repeals the provision requiring any disapproval of a charter to be subject to judicial review. A charter school must provide in its charter that it will comply with the laws and regulations regarding the employee criminal history background check and the Family Safety Registry check under Section 168.133. A charter school with a local educational agency status must also comply with all federal audit requirements. Currently, a charter school must collect baseline data during the first three years to determine performance. The bill requires the establishment of baseline student performance during the first year of operation and the collection of student performance data annually to monitor student academic performance based upon grade levels offered by the school. The performance standards for alternative and special purpose charter schools that target high-risk students must be based on measures defined in the school's performance contract with its sponsor. A charter school must

comply with all applicable federal and state laws and regulations regarding students with disabilities, including specified provisions of the federal Individuals with Disabilities Education Act and the Rehabilitation Act of 1973 (Section 160.405.4);

(12) Allows proposed or existing high risk or alternative charter schools to include alternative arrangements for students to obtain credits for satisfying graduation requirements in the charter application and charter. Alternative arrangements may include credit for off-campus instruction, embedded credit, work experience, and independent studies. Upon approval of the charter by the state board, any alternative arrangements are approved at that time. The department must conduct a study of any school granted alternative arrangements after three years of operation to assess student performance, graduation rates, educational outcomes, and entry into the workforce or higher education (Section 160.405.5);

(13) Requires the sponsor, governing board, and charter school staff to 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 instead of at least once every two years. The option of a charter school to become a local educational agency for the sole purpose of direct access to federal grants is repealed, so the school may become such an agency if the sponsor and the governing board reach a written agreement. Sponsors must annually review the charter school's compliance with statutory standards including statewide assessment participation, completion and distribution of an annual report card, baseline data collection, a method to measure pupil progress, and publication of the charter school's annual performance report (Sections 160.405.6 and 160.405.7);

(14) Requires a sponsor's intervention policies to give schools notice of contract violations or performance deficiencies and mandate intervention based upon specified findings of the state board. A sponsor must have a policy to revoke a charter upon evidence of underperformance or a violation of the law or public trust that imperils students or public funds. Probationary status is limited to no more than 12 months, with no more than one designation of probationary status allowed for the duration of the charter contract. The provision specifying that a sponsor's final decision to revoke a charter is subject to judicial review is repealed, but it may be appealed to the state board, which must determine whether the charter will be revoked (Section 160.405.8);

(15) Requires a sponsor to conduct a renewal process for its charter schools based on the thorough analysis of a comprehensive body of objective evidence, including annual performance report

results. Beginning August 1 of the year in which a charter is considered for renewal, a sponsor must demonstrate to the state board that the charter school is in compliance with specified federal and state law and the school's performance contract and submit a revised charter application. If compliance is demonstrated, the state board must renew the charter (Section 160.405.9);

(16) Allows a charter school whose mission includes student dropout prevention or recovery to enroll a nonresident pupil from the same or an adjacent county who resides in a residential care facility, transitional living group home, or independent living program whose last school of enrollment is in the school district where the charter school is established and submits a timely application. Charter alternative and special purpose schools may also give a preference for admission to high-risk students if the school targets these students through its proposed mission, curriculum, teaching methods, and services. Charter schools may limit admission based on gender only if the school is a single-gender school. Students of a charter school who are present for the January membership count will be counted in the performance of the charter school on the statewide assessments in that calendar year, unless otherwise exempted as English language learners. If a charter school is operated by a management company, a copy of the contract must be made available for public inspection (Sections 160.410.1, 160.410.3, and 160.410.5);

(17) Specifies that if a student attending a charter school moves out of the school district in which the charter school is located, he or she may complete the current semester at the charter school and will be considered a resident student. If a change in school district boundary lines occurs or if the district where the charter school is located is dissolved or attached to another district so that a student no longer lives in the school district where the charter school is located, the student may complete the current academic year. The student's parent or legal guardian will be responsible for the student's transportation to and from the charter school in either case. The provisions of the Foster Care Bill of Rights are applicable to charter schools (Sections 160.410.6 - 160.410.8);

(18) Specifies the requirements that must be included in a request for proposal if a proposed charter school intends to contract with an education service provider for substantial educational services, management services, or both (Section 160.415.7);

(19) Allows the department to withhold adequate funding during a charter school's last year of operation until the department determines that school records, liabilities, and reporting

requirements, including a full audit, are satisfied (Section 160.415.12);

(20) Requires, by October 1, 2012, and each October 1 thereafter, the sponsor of each charter school to review the information submitted on the report required by Section 162.821 to identify charter schools experiencing financial stress. The department is authorized to obtain any additional information from a charter school as may be necessary to determine the financial condition of the school. Annually, the department must provide a list of these schools to the Governor, Speaker of the House of Representatives, and President Pro Tem of the Senate. Parameters for identifying financial stress are specified in the bill. By November 1, the sponsor must notify the governing board of a charter school if it is identified as experiencing financial stress, and the governing board must develop, or cause to have developed, and approve a budget and education plan to be submitted to the sponsor within 45 days. Minimum requirements for what must be included in the plan are specified. The sponsor may make suggestions to improve the plan. The department may withhold any payment of financial aid otherwise due to the school until the sponsor and charter school are in full compliance with these requirements (Section 160.417);

(21) Requires, in addition to existing criminal background check requirements, a charter school to ensure that a Family Care Safety Registry check is conducted for each employee. Several provisions that are identical to provisions contained in Section 160.415 are repealed (Section 160.420);

(22) Establishes the Missouri Charter Public School Commission with nine members appointed by the Governor with the advice and consent of the Senate. One member must be selected from a slate of three candidates recommended by the Commissioner of Education; one member selected from a slate of three candidates recommended by the Commissioner of Higher Education; one member selected from a slate of three recommended by the President Pro Tem of the Senate; a member selected from a slate of three recommended by the Speaker of the House of Representatives; and five additional members, one of whom must be selected from a slate of three submitted by the Missouri School Boards Association. No more than five members can be of the same political party, and no more than two members can be from the same Congressional district. Members will serve a term of four years, except for the initial appointees whose terms are staggered. The operating procedures for the commission are specified (Sections 160.425.1 - 160.425.5); and

(23) Authorizes the commission to approve proposed charters for its sponsorship. The department must provide start-up funding

for the commission to operate that will be reimbursed from funds it receives as the sponsor of any charter school (Sections 160.425.6 - 160.425.10).