

FIRST REGULAR SESSION

# HOUSE BILL NO. 550

98TH GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE WOOD.

0612H.051

D. ADAM CRUMBLISS, Chief Clerk

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## AN ACT

To repeal sections 160.400, 160.403, 160.405, 160.410, 160.415, and 160.417, RSMo, and to enact in lieu thereof seven new sections relating to charter schools.

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

Section A. Sections 160.400, 160.403, 160.405, 160.410, 160.415, and 160.417, RSMo, are repealed and seven new sections enacted in lieu thereof, to be known as sections 160.400, 160.403, 160.405, 160.408, 160.410, 160.415, and 160.417, to read as follows:

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

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

(1) In a metropolitan school district;

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

(3) In a school district that has been declared unaccredited;

(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 following conditions:

(a) The eligibility for charter schools of any school district whose provisional accreditation is based in whole or in part on financial stress as defined in sections 161.520 to 161.529, or on financial hardship as defined by rule of the state board of education, shall be decided by a vote of the state board of education during the third consecutive school year after the designation of provisional accreditation; and

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

17 (b) The sponsor is limited to the local school board or a sponsor who has met the  
18 standards of accountability and performance as determined by the department based on sections  
19 160.400 to 160.425 and section 167.349 and properly promulgated rules of the department; or

20 (5) In a school district that has been accredited without provisions, sponsored only by  
21 the local school board; provided that no board with a current year enrollment of one thousand  
22 five hundred fifty students or greater shall permit more than thirty-five percent of its student  
23 enrollment to enroll in charter schools sponsored by the local board under the authority of this  
24 subdivision, except that this restriction shall not apply to any school district that subsequently  
25 becomes eligible under subdivision (3) or (4) of this subsection or to any district accredited  
26 without provisions that sponsors charter schools prior to having a current year student enrollment  
27 of one thousand five hundred fifty students or greater.

28 3. Except as further provided in subsection 4 of this section, the following entities are  
29 eligible to sponsor charter schools:

30 (1) The school board of the district in any district which is sponsoring a charter school  
31 as of August 27, 2012, as permitted under subdivision (1) or (2) of subsection 2 of this section,  
32 the special administrative board of a metropolitan school district during any time in which  
33 powers granted to the district's board of education are vested in a special administrative board,  
34 or if the state board of education appoints a special administrative board to retain the authority  
35 granted to the board of education of an urban school district containing most or all of a city with  
36 a population greater than three hundred fifty thousand inhabitants, the special administrative  
37 board of such school district;

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

40 (3) A community college, the service area of which encompasses some portion of the  
41 district;

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

45 (5) Any two-year private vocational or technical school designated as a 501(c)(3)  
46 nonprofit organization under the Internal Revenue Code of 1986, as amended, [which is a  
47 member of the North Central Association] and accredited by the Higher Learning Commission,  
48 with its primary campus in Missouri; or

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

50 4. Changes in a school district's accreditation status that affect charter schools shall be  
51 addressed as follows, except for the districts described in subdivisions (1) and (2) of subsection  
52 2 of this section:

53 (1) As a district transitions from unaccredited to provisionally accredited, the district  
54 shall continue to fall under the requirements for an unaccredited district until it achieves three  
55 consecutive full school years of provisional accreditation;

56 (2) As a district transitions from provisionally accredited to full accreditation, the district  
57 shall continue to fall under the requirements for a provisionally accredited district until it  
58 achieves three consecutive full school years of full accreditation;

59 (3) In any school district classified as unaccredited or provisionally accredited where a  
60 charter school is operating and is sponsored by an entity other than the local school board, when  
61 the school district becomes classified as accredited without provisions, a charter school may  
62 continue to be sponsored by the entity sponsoring it prior to the classification of accredited  
63 without provisions and shall not be limited to the local school board as a sponsor.

64

65 A charter school operating in a school district identified in subdivision (1) or (2) of subsection  
66 2 of this section may be sponsored by any of the entities identified in subsection 3 of this section,  
67 irrespective of the accreditation classification of the district in which it is located. A charter  
68 school in a district described in this subsection whose charter provides for the addition of grade  
69 levels in subsequent years may continue to add levels until the planned expansion is complete  
70 to the extent of grade levels in comparable schools of the district in which the charter school is  
71 operated.

72 5. The mayor of a city not within a county may request a sponsor under subdivision (2),  
73 (3), (4), (5), or (6) of subsection 3 of this section to consider sponsoring a "workplace charter  
74 school", which is defined for purposes of sections 160.400 to 160.425 as a charter school with  
75 the ability to target prospective students whose parent or parents are employed in a business  
76 district, as defined in the charter, which is located in the city.

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

80 7. The charter school shall be organized as a Missouri nonprofit corporation incorporated  
81 pursuant to chapter 355. The charter provided for herein shall constitute a contract between the  
82 sponsor and the charter school.

83 8. As a nonprofit corporation incorporated pursuant to chapter 355, the charter school  
84 shall select the method for election of officers pursuant to section 355.326 based on the class of  
85 corporation selected. Meetings of the governing board of the charter school shall be subject to  
86 the provisions of sections 610.010 to 610.030.

87 9. A sponsor of a charter school, its agents and employees are not liable for any acts or  
88 omissions of a charter school that it sponsors, including acts or omissions relating to the charter

89 submitted by the charter school, the operation of the charter school and the performance of the  
90 charter school.

91 10. A charter school may affiliate with a four-year college or university, including a  
92 private college or university, or a community college as otherwise specified in subsection 3 of  
93 this section when its charter is granted by a sponsor other than such college, university or  
94 community college. Affiliation status recognizes a relationship between the charter school and  
95 the college or university for purposes of teacher training and staff development, curriculum and  
96 assessment development, use of physical facilities owned by or rented on behalf of the college  
97 or university, and other similar purposes. A university, college or community college may not  
98 charge or accept a fee for affiliation status.

99 11. The expenses associated with sponsorship of charter schools shall be defrayed by the  
100 department of elementary and secondary education retaining one and five-tenths percent of the  
101 amount of state and local funding allocated to the charter school under section 160.415, not to  
102 exceed one hundred twenty-five thousand dollars, adjusted for inflation. The department of  
103 elementary and secondary education shall remit the retained funds for each charter school to the  
104 school's sponsor, provided the sponsor remains in good standing by fulfilling its sponsorship  
105 obligations under sections 160.400 to 160.425 and 167.349 with regard to each charter school  
106 it sponsors, including appropriate demonstration of the following:

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

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

112 (3) Negotiates contracts with charter schools that clearly articulate the rights and  
113 responsibilities of each party regarding school autonomy, expected outcomes, measures for  
114 evaluating success or failure, performance consequences **aligned with annual performance**  
115 **report evaluations of public schools**, and other material terms;

116 (4) Conducts contract oversight that evaluates performance, monitors compliance,  
117 informs intervention and renewal decisions, and ensures autonomy provided under applicable  
118 law; and

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

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

124           13. No university, college or community college shall grant a charter to a nonprofit  
125 corporation if an employee of the university, college or community college is a member of the  
126 corporation's board of directors.

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

133           15. No member of the governing board of a charter school shall hold any office or  
134 employment from the board or the charter school while serving as a member, nor shall the  
135 member have any substantial interest, as defined in section 105.450, in any entity employed by  
136 or contracting with the board. No board member shall be an employee of a company that  
137 provides substantial services to the charter school. All members of the governing board of the  
138 charter school shall be considered decision-making public servants as defined in section 105.450  
139 for the purposes of the financial disclosure requirements contained in sections 105.483, 105.485,  
140 105.487, and 105.489.

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

142           (1) The review of a charter school proposal including an application that provides  
143 sufficient information for rigorous evaluation of the proposed charter and provides clear  
144 documentation that the education program and academic program are aligned with the state  
145 standards and grade-level expectations, and provides clear documentation of effective  
146 governance and management structures, and a sustainable operational plan;

147           (2) The granting of a charter;

148           (3) The performance [framework] **contract** that the sponsor will use to evaluate the  
149 performance of charter schools. **Charter schools shall meet current state academic**  
150 **performance standards as well as other standards agreed upon by the sponsor and the**  
151 **charter school in the performance contract;**

152           (4) The sponsor's intervention, renewal, and revocation policies, including the conditions  
153 under which the charter sponsor may intervene in the operation of the charter school, along with  
154 actions and consequences that may ensue, and the conditions for renewal of the charter at the end  
155 of the term, consistent with subsections 8 and 9 of section 160.405;

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

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

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

160           17. (1) A sponsor shall provide timely submission to the state board of education of all  
161 data necessary to demonstrate that the sponsor is in material compliance with all requirements  
162 of sections 160.400 to 160.425 and section 167.349. The state board of education shall ensure  
163 each sponsor is in compliance with all requirements under sections 160.400 to 160.425 and  
164 167.349 for each charter school sponsored by any sponsor. The state board shall notify each  
165 sponsor of the standards for sponsorship of charter schools, delineating both what is mandated  
166 by statute and what best practices dictate. The state board shall evaluate sponsors to determine  
167 compliance with these standards every three years. The evaluation shall include a sponsor's  
168 policies and procedures in the areas of charter application approval; required charter agreement  
169 terms and content; sponsor performance evaluation and compliance monitoring; and charter  
170 renewal, intervention, and revocation decisions. Nothing shall preclude the department from  
171 undertaking an evaluation at any time for cause.

172           (2) If the department determines that a sponsor is in material noncompliance with its  
173 sponsorship duties, the sponsor shall be notified and given reasonable time for remediation. If  
174 remediation does not address the compliance issues identified by the department, the  
175 commissioner of education shall conduct a public hearing and thereafter provide notice to the  
176 charter sponsor of corrective action that will be recommended to the state board of education.  
177 Corrective action by the department may include withholding the sponsor's funding and  
178 suspending the sponsor's authority to sponsor a school that it currently sponsors or to sponsor any  
179 additional school until the sponsor is reauthorized by the state board of education under section  
180 160.403.

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

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

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

          160.403. 1. The department of elementary and secondary education shall establish an  
2 annual application and approval process for all entities eligible to sponsor charters as set forth

3 in section 160.400 which are not sponsoring a charter school as of August 28, 2012. No later  
4 than November 1, 2012, the department shall make available information and guidelines for all  
5 eligible sponsors concerning the opportunity to apply for sponsoring authority under this section.

6 2. The application process for sponsorship shall require each interested eligible sponsor  
7 to submit an application by February first that includes the following:

8 (1) Written notification of intent to serve as a charter school sponsor in accordance with  
9 sections 160.400 to 160.425 and section 167.349;

10 (2) Evidence of the applicant sponsor's budget and personnel capacity;

11 (3) An outline of the request for proposal that the applicant sponsor would, if approved  
12 as a charter sponsor, issue to solicit charter school applicants consistent with sections 160.400  
13 to 160.425;

14 (4) The performance framework that the applicant sponsor would, if approved as a  
15 charter sponsor, use to guide the establishment of a charter contract and for ongoing oversight  
16 and a description of how it would evaluate the charter schools it sponsors; and

17 (5) The applicant sponsor's renewal, revocation, and nonrenewal processes consistent  
18 with section 160.405.

19 3. By April first of each year, the department shall decide whether to grant or deny a  
20 sponsoring authority to a sponsor applicant. This decision shall be made based on the applicant  
21 charter's compliance with sections 160.400 to 160.425 and properly promulgated rules of the  
22 department.

23 4. Within thirty days of the department's decision, the department shall execute a  
24 renewable sponsoring contract with each entity it has approved as a sponsor. The term of each  
25 authorizing contract shall be six years and renewable. [No eligible sponsor which is not currently  
26 sponsoring a charter school as of August 28, 2012, shall commence charter sponsorship without  
27 approval from the state board of education and a sponsor contract with the state board of  
28 education in effect.]

160.405. 1. A person, group or organization seeking to establish a charter school shall  
2 submit the proposed charter, as provided in this section, to a sponsor. If the sponsor is not a  
3 school board, the applicant shall give a copy of its application to the school board of the district  
4 in which the charter school is to be located and to the state board of education, within five  
5 business days of the date the application is filed with the proposed sponsor. The school board  
6 may file objections with the proposed sponsor, and, if a charter is granted, the school board may  
7 file objections with the state board of education. The charter shall [be] **include** a legally binding  
8 performance contract that describes the obligations and responsibilities of the school and the  
9 sponsor as outlined in sections 160.400 to 160.425 and section 167.349 and shall [also include]  
10 **address the following:**

- 11 (1) A mission and vision statement for the charter school;
- 12 (2) A description of the charter school's organizational structure and bylaws of the  
13 governing body, which will be responsible for the policy, financial management, and operational  
14 decisions of the charter school, including the nature and extent of parental, professional educator,  
15 and community involvement in the governance and operation of the charter school;
- 16 (3) A financial plan for the first three years of operation of the charter school including  
17 provisions for annual audits;
- 18 (4) A description of the charter school's policy for securing personnel services, its  
19 personnel policies, personnel qualifications, and professional development plan;
- 20 (5) A description of the grades or ages of students being served;
- 21 (6) The school's calendar of operation, which shall include at least the equivalent of a  
22 full school term as defined in section 160.011;
- 23 (7) A description of the charter school's pupil performance standards and academic  
24 program performance standards, which shall meet the requirements of subdivision (6) of  
25 subsection 4 of this section. The charter school program shall be designed to enable each pupil  
26 to achieve such standards and shall contain a complete set of indicators, measures, metrics, and  
27 targets for academic program performance, including specific goals on graduation rates and  
28 standardized test performance and academic growth;
- 29 (8) A description of the charter school's educational program and curriculum;
- 30 (9) The term of the charter, which shall be five years and [shall] **may** be [renewable]  
31 **renewed**;
- 32 (10) Procedures, consistent with the Missouri financial accounting manual, for  
33 monitoring the financial accountability of the charter, which shall meet the requirements of  
34 subdivision (4) of subsection 4 of this section;
- 35 (11) Preopening requirements for applications that require that charter schools meet all  
36 health, safety, and other legal requirements prior to opening;
- 37 (12) A description of the charter school's policies on student discipline and student  
38 admission, which shall include a statement, where applicable, of the validity of attendance of  
39 students who do not reside in the district but who may be eligible to attend under the terms of  
40 judicial settlements and procedures that ensure admission of students with disabilities in a  
41 nondiscriminatory manner;
- 42 (13) A description of the charter school's grievance procedure for parents or guardians;
- 43 (14) A description of the agreement **and time frame for implementation** between the  
44 charter school and the sponsor as to when a sponsor shall intervene in a charter school, when a  
45 sponsor shall revoke a charter for failure to comply with subsection 8 of this section, and when  
46 a sponsor will not renew a charter under subsection 9 of this section;

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

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

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

51 (c) Submission of final financial reports;

52 (d) **Notwithstanding any provision of chapter 355 to the contrary**, resolution of any  
53 remaining financial obligations **is to be carried out by a trustee designated in subdivision (18)**  
54 **of this subsection**; [and]

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

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

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

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

66 **(18) A clause naming a trustee who will be responsible for the disposition of all**  
67 **assets in the event there is a dissolution.**

68

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

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

72 (1) A charter shall be submitted to the sponsor, and follow the sponsor's policies and  
73 procedures for review and granting of a charter approval, and be approved by the state board of  
74 education by [December first of the year] **January thirty-first** prior to **the school year of the**  
75 **proposed opening date of the charter school**;

76 (2) A charter may be approved when the sponsor determines that the requirements of this  
77 section are met, determines that the applicant is sufficiently qualified to operate a charter school,  
78 and that the proposed charter is consistent with the sponsor's charter sponsorship goals and  
79 capacity. The sponsor's decision of approval or denial shall be made within ninety days of the  
80 filing of the proposed charter;

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

84 (4) If a proposed charter is denied by a sponsor, the proposed charter may be submitted  
85 to the state board of education, along with the sponsor's written reasons for its denial. If the state  
86 board determines that the applicant meets the requirements of this section, that the applicant is  
87 sufficiently qualified to operate the charter school, and that granting a charter to the applicant  
88 would be likely to provide educational benefit to the children of the district, the state board may  
89 grant a charter and act as sponsor of the charter school. The state board shall review the  
90 proposed charter and make a determination of whether to deny or grant the proposed charter  
91 within sixty days of receipt of the proposed charter, provided that any charter to be considered  
92 by the state board of education under this subdivision shall be submitted no later than March first  
93 prior to the school year in which the charter school intends to begin operations. The state board  
94 of education shall notify the applicant in writing as the reasons for its denial, if applicable; and

95 (5) The sponsor of a charter school shall give priority to charter school applicants that  
96 propose a school oriented to high-risk students and to the reentry of dropouts into the school  
97 system. If a sponsor grants three or more charters, at least one-third of the charters granted by  
98 the sponsor shall be to schools that actively recruit dropouts or high-risk students as their student  
99 body and address the needs of dropouts or high-risk students through their proposed mission,  
100 curriculum, teaching methods, and services. For purposes of this subsection, a "high-risk"  
101 student is one who is at least one year behind in satisfactory completion of course work or  
102 obtaining high school credits for graduation, has dropped out of school, is at risk of dropping out  
103 of school, needs drug and alcohol treatment, has severe behavioral problems, has been suspended  
104 from school three or more times, has a history of severe truancy, is a pregnant or parenting teen,  
105 has been referred for enrollment by the judicial system, is exiting incarceration, is a refugee, is  
106 homeless or has been homeless sometime within the preceding six months, has been referred by  
107 an area school district for enrollment in an alternative program, or qualifies as high risk under  
108 department of elementary and secondary education guidelines. "Dropout" shall be defined  
109 through the guidelines of the school core data report. The provisions of this subsection do not  
110 apply to charters sponsored by the state board of education.

111 3. If a charter is approved by a sponsor, the charter application shall be submitted to the  
112 state board of education, along with a statement of finding **by the sponsor** that the application  
113 meets the requirements of sections 160.400 to 160.425 and section 167.349 and a monitoring  
114 plan under which the charter sponsor shall evaluate the academic performance, **including**  
115 **annual performance reports**, of students enrolled in the charter school. The state board of  
116 education [may, within] **has** sixty days[, disapprove the granting of the charter] **from receipt of**

117 **the charter application to approve or deny the application. Any charter application**  
118 **received by the state board of education on or before November fifteenth of the year prior**  
119 **to the proposed opening of the charter school shall be considered by the state board of**  
120 **education within the sixty-day period.** The state board of education may disapprove a charter  
121 on grounds that the application fails to meet the requirements of sections 160.400 to 160.425 and  
122 section 167.349 or that a charter sponsor previously failed to meet the statutory responsibilities  
123 of a charter sponsor. **Any disapproval of a charter application made by the state board of**  
124 **education shall be in writing and shall identify the specific failures of the application to**  
125 **meet the requirements of sections 160.400 to 160.425 and section 167.349, and the written**  
126 **disapproval shall be provided within ten business days to the sponsor.**

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

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

130 (2) Comply with laws and regulations of the state, county, or city relating to health,  
131 safety, and state minimum educational standards, as specified by the state board of education,  
132 including the requirements relating to student discipline under sections 160.261, 167.161,  
133 167.164, and 167.171, notification of criminal conduct to law enforcement authorities under  
134 sections 167.115 to 167.117, academic assessment under section 160.518, transmittal of school  
135 records under section 167.020, the minimum [number of school days and hours] **amount of**  
136 **school time** required under section [160.041] **171.031**, and the employee criminal history  
137 background check and the family care safety registry check under section 168.133;

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

140 (4) Be financially accountable, use practices consistent with the Missouri financial  
141 accounting manual, provide for an annual audit by a certified public accountant, publish audit  
142 reports and annual financial reports as provided in chapter 165, provided that the annual financial  
143 report may be published on the department of elementary and secondary education's internet  
144 website in addition to other publishing requirements, and provide liability insurance to indemnify  
145 the school, its board, staff and teachers against tort claims. A charter school that receives local  
146 educational agency status under subsection 6 of this section shall meet the requirements imposed  
147 by the Elementary and Secondary Education Act for audits of such agencies and comply with all  
148 federal audit requirements for charters with local education agency status. For purposes of an  
149 audit by petition under section 29.230, a charter school shall be treated as a political subdivision  
150 on the same terms and conditions as the school district in which it is located. For the purposes  
151 of securing such insurance, a charter school shall be eligible for the Missouri public entity risk

152 management fund pursuant to section 537.700. A charter school that incurs debt shall include  
153 a repayment plan in its financial plan;

154 (5) Provide a comprehensive program of instruction for at least one grade or age group  
155 from [kindergarten] **early childhood education** through grade twelve, [which may include early  
156 childhood education if funding for such programs is established by statute,] as specified in its  
157 charter;

158 (6) (a) Design a method to measure pupil progress toward the pupil academic standards  
159 adopted by the state board of education pursuant to section 160.514, establish baseline student  
160 performance in accordance with the performance contract during the first year of operation,  
161 collect student performance data as defined by the annual performance report throughout the  
162 duration of the charter to annually monitor student academic performance, and to the extent  
163 applicable based upon grade levels offered by the charter school, participate in the statewide  
164 system of assessments, comprised of the essential skills tests and the nationally standardized  
165 norm-referenced achievement tests, as designated by the state board pursuant to section 160.518,  
166 complete and distribute an annual report card as prescribed in section 160.522, which shall also  
167 include a statement that background checks have been completed on the charter school's board  
168 members, report to its sponsor, the local school district, and the state board of education as to  
169 its teaching methods and any educational innovations and the results thereof, and provide data  
170 required for the study of charter schools pursuant to subsection 4 of section 160.410. No charter  
171 school shall be considered in the Missouri school improvement program review of the district  
172 in which it is located for the resource or process standards of the program.

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

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

188 section shall be based on measures defined in the school's performance contract with its  
189 sponsors;

190 (7) Comply with all applicable federal and state laws and regulations regarding students  
191 with disabilities, including sections 162.670 to 162.710, the Individuals with Disabilities  
192 Education Act (20 U.S.C. Section 1400) and Section 504 of the Rehabilitation Act of 1973 (29  
193 U.S.C. Section 794) or successor legislation;

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

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

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

201 5. (1) Proposed or existing high-risk or alternative charter schools may include  
202 alternative arrangements for students to obtain credit for satisfying graduation requirements in  
203 the school's charter application and charter. Alternative arrangements may include, but not be  
204 limited to, credit for off-campus instruction, embedded credit, work experience through an  
205 internship arranged through the school, and independent studies. When the state board of  
206 education approves the charter, any such alternative arrangements shall be approved at such time.

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

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

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

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

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

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

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

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

235 8. (1) (a) A sponsor's [intervention] policies shall give schools clear, adequate,  
236 evidence-based, and timely notice of contract violations or performance deficiencies and  
237 mandate intervention based upon findings of the state board of education of the following:

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

241 b. The charter school's annual performance report results are below the district's annual  
242 performance report results based on the performance standards that are applicable to the grade  
243 level configuration of both the charter school and the district in which the charter school is  
244 located in three of the last four school years; and

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

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

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

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

251 (c) A sponsor shall revoke a charter or take other appropriate remedial action, which may  
252 include placing the charter school on probationary status for no more than [twelve] **twenty-four**  
253 months, provided that no more than one designation of probationary status shall be allowed for  
254 the duration of the charter contract, at any time if the charter school commits a serious breach  
255 of one or more provisions of its charter or on any of the following grounds: failure to meet the  
256 performance contract as set forth in its charter, failure to meet generally accepted standards of  
257 fiscal management, failure to provide information necessary to confirm compliance with all  
258 provisions of the charter and sections 160.400 to 160.425 and 167.349 within forty-five days  
259 following receipt of written notice requesting such information, or violation of law.

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

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

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

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

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

278 9. (1) A sponsor shall take all reasonable steps necessary to confirm that each charter  
279 school sponsored by such sponsor is in material compliance and remains in material compliance  
280 with all material provisions of the charter and sections 160.400 to 160.425 and 167.349. Every  
281 charter school shall provide all information necessary to confirm ongoing compliance with all  
282 provisions of its charter and sections 160.400 to 160.425 and 167.349 in a timely manner to its  
283 sponsor.

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

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

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

292 a. A negative balance in its operating funds;

293 b. A combined balance of less than three percent of the amount expended for such funds  
294 during the previous fiscal year; or

295 c. Expenditures that exceed receipts for the most recently completed fiscal year;

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

298 (d) **A charter school that has an annual performance report consistent with a**  
299 **classification of accredited for three of the last four years and is fiscally viable may have**  
300 **an expedited renewal process as defined by rule.**

301 (3) (a) Beginning August first during the year in which a charter is considered for  
302 renewal, a charter school sponsor shall demonstrate to the state board of education that the  
303 charter school is in compliance with federal and state law as provided in sections 160.400 to  
304 160.425 and section 167.349 and the school's performance contract including but not limited to  
305 those requirements specific to academic performance.

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

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

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

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

316 11. A governing board or a school district employee who has control over personnel  
317 actions shall not take unlawful reprisal against another employee at the school district because  
318 the employee is directly or indirectly involved in an application to establish a charter school. A  
319 governing board or a school district employee shall not take unlawful reprisal against an  
320 educational program of the school or the school district because an application to establish a  
321 charter school proposes the conversion of all or a portion of the educational program to a charter  
322 school. As used in this subsection, "unlawful reprisal" means an action that is taken by a  
323 governing board or a school district employee as a direct result of a lawful application to  
324 establish a charter school and that is adverse to another employee or an educational program.

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

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

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

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

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

339           **15. The department of elementary and secondary education shall calculate an**  
340 **annual performance report for each charter school and shall publish it in the same manner**  
341 **as annual performance reports are calculated and published for districts and attendance**  
342 **centers.**

343           **16. The department of elementary and secondary education shall create a**  
344 **committee to investigate facility access and affordability for charter schools. The**  
345 **committee shall be comprised of equal members of the charter school sector and the public**  
346 **school sector and shall report its findings to the general assembly by December 31, 2015.**

**160.408. 1. A high-quality local education agency is a charter school operating in**  
2 **the state of Missouri which meets the following requirements:**

3           **(1) Receives eighty-five percent or more of the total points on the annual**  
4 **performance report for three out of the last four school years by comparing points earned**  
5 **to the points possible on the annual performance report for three of the last four school**  
6 **years;**

7           **(2) Maintains a graduation rate of at least eighty percent for three of the last four**  
8 **school years, if the charter school provides a high school program;**

9           **(3) Is in material compliance with its legally binding performance contract and**  
10 **sections 160.400 to 160.425 and section 167.349; and**

11           **(4) Is organizationally and fiscally viable as described in paragraph (b) of**  
12 **subdivision (2) of subsection 9 of section 160.405.**

13           **2. Notwithstanding any other provision of law, high quality charter schools shall**  
14 **be provided expedited opportunities to replicate and expand into unaccredited districts,**  
15 **a metropolitan district, or an urban school district containing most or all of a home rule**  
16 **city with more than four hundred thousand inhabitants and located in more than one**  
17 **county. Such replication and expansion shall be subject to the following:**

18           **(1) The school seeking to replicate or expand shall submit its proposed charter to**  
19 **a proposed sponsor. The charter shall include a legally binding performance contract that**  
20 **meets the requirements of sections 160.400 to 160.425 and section 167.349;**

21           **(2) The sponsor's decision to approve or deny shall be made within sixty days of the**  
22 **filing of the proposed charter with the proposed sponsor;**

23           **(3) If a charter is approved by a sponsor, the charter application shall be filed with**  
24 **the state board of education, along with a statement of finding from the sponsor that the**  
25 **application meets the requirements of sections 160.400 to 160.425 and section 167.349 and**  
26 **a monitoring plan under which the sponsor shall evaluate the academic performance of**  
27 **students enrolled in the charter school. Such filing shall be made by January thirty-first**  
28 **prior to the school year of the proposed opening date of the charter school.**

29           **3. The term of the charter for schools operating under this section shall be five**  
30 **years, and the charter may be renewed for terms of up to ten years. Renewal shall be**  
31 **subject to the provisions of paragraphs (a) to (d) of subdivision (3) of subsection 9 of**  
32 **section 160.405.**

160.410. 1. A charter school shall enroll:

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

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

5           **(3) Nonresident pupils who have at least one parent employed by the charter school**  
6 **at which the nonresident pupil is seeking enrollment unless the pupil's enrollment will**  
7 **cause a resident student to be denied enrollment;**

8           **(4)** In the case of a charter school whose mission includes student drop-out prevention  
9 or recovery, any nonresident pupil from the same or an adjacent county who resides in a  
10 residential care facility, a transitional living group home, or an independent living program  
11 whose last school of enrollment is in the school district where the charter school is established,  
12 who submits a timely application; and

13           **[(4)] (5)** In the case of a workplace charter school, any student eligible to attend under  
14 subdivision (1) or (2) of this subsection whose parent is employed in the business district, who  
15 submits a timely application, unless the number of applications exceeds the capacity of a  
16 program, class, grade level or building. The configuration of a business district shall be set forth  
17 in the charter and shall not be construed to create an undue advantage for a single employer or  
18 small number of employers.

19           2. If capacity is insufficient to enroll all pupils who submit a timely application, the  
20 charter school shall have an admissions process that assures all applicants of an equal chance of  
21 gaining admission except that:

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

26 (2) A charter school may also give a preference for admission of children whose siblings  
27 attend the school or whose parents are employed at the school or in the case of a workplace  
28 charter school, a child whose parent is employed in the business district or at the business site  
29 of such school; [and]

30 (3) Charter alternative and special purpose schools may also give a preference for  
31 admission to high-risk students, as defined in subdivision (5) of subsection 2 of section 160.405,  
32 when the school targets these students through its proposed mission, curriculum, teaching  
33 methods, and services; **and**

34 **(4) The lottery system shall not discriminate based on parents' ability to pay fees**  
35 **or tuition.**

36 3. A charter school shall not limit admission based on race, ethnicity, national origin,  
37 disability, income level, proficiency in the English language or athletic ability, but may limit  
38 admission to pupils within a given age group or grade level. Charter schools may limit  
39 admission based on gender only when the school is a single-gender school. Students of a charter  
40 school that [are present for the January membership count as defined in section 163.011] **have**  
41 **been enrolled for a full academic year** shall be counted in the performance of the charter  
42 school on the statewide assessments in that calendar year, unless otherwise exempted as English  
43 language learners. **For the purposes of this section, "full academic year" shall mean the last**  
44 **Wednesday in September through the administration of the Missouri assessment program**  
45 **test without transferring out of the school for a significant period of time and re-enrolling.**

46 4. The department of elementary and secondary education shall commission a study of  
47 the performance of students at each charter school in comparison with an equivalent group of  
48 district students representing an equivalent demographic and geographic population and a study  
49 of the impact of charter schools upon the constituents they serve in the districts in which they are  
50 located, to be conducted by the joint committee on education. The charter school study shall  
51 include analysis of the administrative and instructional practices of each charter school and shall  
52 include findings on innovative programs that illustrate best practices and lend themselves to  
53 replication or incorporation in other schools. The joint committee on education shall coordinate  
54 with individuals representing charter schools and the districts in which charter schools are  
55 located in conducting the study. The study of a charter school's student performance in relation  
56 to a comparable group shall be designed to provide information that would allow parents and  
57 educators to make valid comparisons of academic performance between the charter school's

58 students and an equivalent group of district students representing an equivalent demographic and  
59 geographic population. The student performance assessment and comparison shall include, but  
60 may not be limited to:

61 (1) Missouri assessment program test performance and aggregate growth over several  
62 years;

63 (2) Student reenrollment rates;

64 (3) Educator, parent, and student satisfaction data;

65 (4) Graduation rates in secondary programs; and

66 (5) Performance of students enrolled in the same public school for three or more  
67 consecutive years. The impact study shall be undertaken every two years to determine the impact  
68 of charter schools on the constituents they serve in the districts where charter schools are  
69 operated. The impact study shall include, but is not limited to, determining if changes have been  
70 made in district policy or procedures attributable to the charter school and to perceived changes  
71 in attitudes and expectations on the part of district personnel, school board members, parents,  
72 students, the business community and other education stakeholders. The department of  
73 elementary and secondary education shall make the results of the studies public and shall deliver  
74 copies to the governing boards of the charter schools, the sponsors of the charter schools, the  
75 school board and superintendent of the districts in which the charter schools are operated.

76 5. A charter school shall make available for public inspection, and provide upon request,  
77 to the parent, guardian, or other custodian of any school-age pupil resident in the district in which  
78 the school is located the following information:

79 (1) The school's charter;

80 (2) The school's most recent annual report card published according to section 160.522;

81 (3) The results of background checks on the charter school's board members; and

82 (4) If a charter school is operated by a management company, a copy of the written  
83 contract between the governing board of the charter school and the educational management  
84 organization or the charter management organization for services. The charter school may  
85 charge reasonable fees, not to exceed the rate specified in section 610.026 for furnishing copies  
86 of documents under this subsection.

87 6. When a student attending a charter school who is a resident of the school district in  
88 which the charter school is located moves out of the boundaries of such school district, the  
89 student may complete the current semester and shall be considered a resident student. The  
90 student's parent or legal guardian shall be responsible for the student's transportation to and from  
91 the charter school.

92 7. If a change in school district boundary lines occurs under section 162.223, 162.431,  
93 162.441, or 162.451, or by action of the state board of education under section 162.081,

94 including attachment of a school district's territory to another district or dissolution, such that a  
95 student attending a charter school prior to such change no longer resides in a school district in  
96 which the charter school is located, then the student may complete the current academic year at  
97 the charter school. The student shall be considered a resident student. The student's parent or  
98 legal guardian shall be responsible for the student's transportation to and from the charter school.

99 8. The provisions of sections 167.018 and 167.019 concerning foster children's  
100 educational rights are applicable to charter schools.

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

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

14 (1) A school district having one or more resident pupils attending a charter school shall  
15 pay to the charter school an annual amount equal to the product of the charter school's weighted  
16 average daily attendance and the state adequacy target, multiplied by the dollar value modifier  
17 for the district, plus local tax revenues per weighted average daily attendance from the incidental  
18 and teachers' funds in excess of the performance levy as defined in section 163.011 plus all other  
19 state aid attributable to such pupils.

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

22 (3) If the department overpays or underpays the amount due to the charter school, such  
23 overpayment or underpayment shall be repaid by the public charter school or credited to the  
24 public charter school in twelve equal payments in the next fiscal year.

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

27 (5) A school district shall pay the amounts due pursuant to this subsection as the  
28 disbursal agent and no later than twenty days following the receipt of any such funds. The

29 department of elementary and secondary education shall pay the amounts due when it acts as the  
30 disbursal agent within five days of the required due date.

31 3. A workplace charter school shall receive payment for each eligible pupil as provided  
32 under subsection 2 of this section, except that if the student is not a resident of the district and  
33 is participating in a voluntary interdistrict transfer program, the payment for such pupils shall be  
34 the same as provided under section 162.1060.

35 4. A charter school that has declared itself as a local educational agency shall receive  
36 from the department of elementary and secondary education an annual amount equal to the  
37 product of the charter school's weighted average daily attendance and the state adequacy target,  
38 multiplied by the dollar value modifier for the district, plus local tax revenues per weighted  
39 average daily attendance from the incidental and teachers funds in excess of the performance  
40 levy as defined in section 163.011 plus all other state aid attributable to such pupils. If a charter  
41 school declares itself as a local education agency, the department of elementary and secondary  
42 education shall, upon notice of the declaration, reduce the payment made to the school district  
43 by the amount specified in this subsection and pay directly to the charter school the annual  
44 amount reduced from the school district's payment.

45 5. If a school district fails to make timely payments of any amount for which it is the  
46 disbursal agent, the state department of elementary and secondary education shall authorize  
47 payment to the charter school of the amount due pursuant to subsection 2 of this section and shall  
48 deduct the same amount from the next state school aid apportionment to the owing school  
49 district. If a charter school is paid more or less than the amounts due pursuant to this section,  
50 the amount of overpayment or underpayment shall be adjusted equally in the next twelve  
51 payments by the school district or the department of elementary and secondary education, as  
52 appropriate. Any dispute between the school district and a charter school as to the amount owing  
53 to the charter school shall be resolved by the department of elementary and secondary education,  
54 and the department's decision shall be the final administrative action for the purposes of review  
55 pursuant to chapter 536. During the period of dispute, the department of elementary and  
56 secondary education shall make every administrative and statutory effort to allow the continued  
57 education of children in their current public charter school setting.

58 6. The charter school and a local school board may agree by contract for services to be  
59 provided by the school district to the charter school. The charter school may contract with any  
60 other entity for services. Such services may include but are not limited to food service, custodial  
61 service, maintenance, management assistance, curriculum assistance, media services and libraries  
62 and shall be subject to negotiation between the charter school and the local school board or other  
63 entity. Documented actual costs of such services shall be paid for by the charter school.

64           7. In the case of a proposed charter school that intends to contract with an education  
65 service provider for substantial educational services[,] or management services, the request for  
66 proposals shall additionally require the charter school applicant to:

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

70           (2) Provide a term sheet setting forth the proposed duration of the service contract; roles  
71 and responsibilities of the governing board, the school staff, and the service provider; scope of  
72 services and resources to be provided by the service provider; performance evaluation measures  
73 and time lines; compensation structure, including clear identification of all fees to be paid to the  
74 service provider; methods of contract oversight and enforcement; investment disclosure; and  
75 conditions for renewal and termination of the contract;

76           (3) Disclose any known conflicts of interest between the school governing board and  
77 proposed service provider or any affiliated business entities;

78           (4) Disclose and explain any termination or nonrenewal of contracts for equivalent  
79 services for any other charter school in the United States within the past five years;

80           (5) Ensure that the legal counsel for the charter school shall report directly to the charter  
81 school's governing board; and

82           (6) Provide a process to ensure that the expenditures that the educational service provider  
83 intends to bill to the charter school shall receive prior approval of the governing board or its  
84 designee.

85           8. A charter school may enter into contracts with community partnerships and state  
86 agencies acting in collaboration with such partnerships that provide services to children and their  
87 families linked to the school.

88           9. A charter school shall be eligible for transportation state aid pursuant to section  
89 163.161 and shall be free to contract with the local district, or any other entity, for the provision  
90 of transportation to the students of the charter school.

91           10. (1) The proportionate share of state and federal resources generated by students with  
92 disabilities or staff serving them shall be paid in full to charter schools enrolling those students  
93 by their school district where such enrollment is through a contract for services described in this  
94 section. The proportionate share of money generated under other federal or state categorical aid  
95 programs shall be directed to charter schools serving such students eligible for that aid.

96           (2) A charter school shall provide the special services provided pursuant to section  
97 162.705 and may provide the special services pursuant to a contract with a school district or any  
98 provider of such services.

99 11. A charter school may not charge tuition[, nor may it] **or** impose fees that a school  
100 district is prohibited from **charging or** imposing.

101 12. A charter school is authorized to incur debt in anticipation of receipt of funds. A  
102 charter school may also borrow to finance facilities and other capital items. A school district  
103 may incur bonded indebtedness or take other measures to provide for physical facilities and other  
104 capital items for charter schools that it sponsors or contracts with. **Except as otherwise**  
105 **specifically provided in sections 160.400 to 160.425**, upon the dissolution of a charter school,  
106 any liabilities of the corporation will be satisfied through the procedures of chapter 355. The  
107 department of elementary and secondary education may withhold funding at a level the  
108 department determines to be adequate during a school's last year of operation until the  
109 department determines that school records, liabilities, and reporting requirements, including a  
110 full audit, are satisfied.

111 13. Charter schools shall not have the power to acquire property by eminent domain.

112 14. The governing body of a charter school is authorized to accept grants, gifts or  
113 donations of any kind and to expend or use such grants, gifts or donations. A grant, gift or  
114 donation may not be accepted by the governing body if it is subject to any condition contrary to  
115 law applicable to the charter school or other public schools, or contrary to the terms of the  
116 charter.

160.417. 1. By October 1, 2012, and by each October first thereafter, the sponsor of each  
2 charter school shall review the information submitted on the report required by section 162.821  
3 to identify charter schools experiencing financial stress. The department of elementary and  
4 secondary education shall be authorized to obtain such additional information from a charter  
5 school as may be necessary to determine the financial condition of the charter school. Annually,  
6 a listing of charter schools identified as experiencing financial stress according to the provisions  
7 of this section shall be provided to the governor, speaker of the house of representatives, and  
8 president pro tempore of the senate by the department of elementary and secondary education.

9 2. For the purposes of this section, a charter school shall be identified as experiencing  
10 financial stress if it:

11 (1) At the end of its most recently completed fiscal year:

12 (a) Has a negative balance in its operating funds; or

13 (b) Has a combined balance of less than three percent of the amount expended from such  
14 funds during the previous fiscal year; or

15 (2) For the most recently completed fiscal year expenditures, exceeded receipts for any  
16 of its funds because of recurring costs.

17 3. The sponsor shall notify by November first the governing board of the charter school  
18 identified as experiencing financial stress. Upon receiving the notification, the governing board

19 shall develop, or cause to have developed, and shall approve a budget and education plan on  
20 forms provided by the sponsor. The budget and education plan shall be submitted to the sponsor,  
21 signed by the officers of the charter school, within forty-five calendar days of notification that  
22 the charter school has been identified as experiencing financial stress. Minimally, the budget and  
23 education plan shall:

24 (1) Give assurances that adequate educational services to students of the charter school  
25 shall continue uninterrupted for the remainder of the current school year and that the charter  
26 school can provide the minimum [number of school days and hours] **amount of school time**  
27 required by section [160.041] **171.031**;

28 (2) Outline a procedure to be followed by the charter school to report to charter school  
29 patrons about the financial condition of the charter school; and

30 (3) Detail the expenditure reduction measures, revenue increases, or other actions to be  
31 taken by the charter school to address its condition of financial stress.

32 4. Upon receipt and following review of any budget and education plan, the sponsor may  
33 make suggestions to improve the plan. Nothing in sections 160.400 to 160.425 or section  
34 167.349 shall exempt a charter school from submitting a budget and education plan to the  
35 sponsor according to the provisions of this section following each such notification that a charter  
36 school has been identified as experiencing financial stress, except that the sponsor may permit  
37 a charter school's governing board to make amendments to or update a budget and education plan  
38 previously submitted to the sponsor.

39 5. The department may withhold any payment of financial aid otherwise due to the  
40 charter school until such time as the sponsor and the charter school have fully complied with this  
41 section.

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