

House _____ Amendment NO. _____

Offered By _____

1 AMEND House Committee Substitute for Senate Bill No. 827, Page 1, Section A, Line 4, by
2 inserting after all of said section and line the following:

3
4 "160.400. 1. A charter school is an independent public school.

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

7 (1) In a metropolitan school district;

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

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

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

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

21 (b) The sponsor is limited to the local school board or a sponsor who has met the standards
22 of accountability and performance as determined by the department based on sections 160.400 to
23 160.425 and section 167.349 and properly promulgated rules of the department; or

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

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

34 (1) The school board of the district in any district which is sponsoring a charter school as of
35 August 27, 2012, as permitted under subdivision (1) or (2) of subsection 2 of this section, the
36 special administrative board of a metropolitan school district during any time in which powers

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1 granted to the district's board of education are vested in a special administrative board, or if the state
 2 board of education appoints a special administrative board to retain the authority granted to the
 3 board of education of an urban school district containing most or all of a city with a population
 4 greater than three hundred fifty thousand inhabitants, the special administrative board of such school
 5 district;

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

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

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

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

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

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

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

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

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

31
 32 A charter school operating in a school district identified in subdivision (1) or (2) of subsection 2 of
 33 this section may be sponsored by any of the entities identified in subsection 3 of this section,
 34 irrespective of the accreditation classification of the district in which it is located. A charter school
 35 in a district described in this subsection whose charter provides for the addition of grade levels in
 36 subsequent years may continue to add levels until the planned expansion is complete to the extent of
 37 grade levels in comparable schools of the district in which the charter school is operated.

38 5. The mayor of a city not within a county may request a sponsor under subdivision (2), (3),
 39 (4), (5), or (6) of subsection 3 of this section to consider sponsoring a "workplace charter school",
 40 which is defined for purposes of sections 160.400 to 160.425 as a charter school with the ability to
 41 target prospective students whose parent or parents are employed in a business district, as defined in
 42 the charter, which is located in the city.

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

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

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

5 9. A sponsor of a charter school, its agents and employees are not liable for any acts or
6 omissions of a charter school that it sponsors, including acts or omissions relating to the charter
7 submitted by the charter school, the operation of the charter school and the performance of the
8 charter school.

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

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

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

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

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

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

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

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

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

44 14. No sponsor shall grant a charter under sections 160.400 to 160.425 and 167.349 without
45 ensuring that a criminal background check and family care safety registry check are conducted for
46 all members of the governing board of the charter schools or the incorporators of the charter school
47 if initial directors are not named in the articles of incorporation, nor shall a sponsor renew a charter
48 without ensuring a criminal background check and family care safety registry check are conducted

1 for each member of the governing board of the charter school.

2 15. No member of the governing board of a charter school shall hold any office or
3 employment from the board or the charter school while serving as a member, nor shall the member
4 have any substantial interest, as defined in section 105.450, in any entity employed by or
5 contracting with the board. No board member shall be an employee of a company that provides
6 substantial services to the charter school. All members of the governing board of the charter school
7 shall be considered decision-making public servants as defined in section 105.450 for the purposes
8 of the financial disclosure requirements contained in sections 105.483, 105.485, 105.487, and
9 105.489.

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

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

16 (2) The granting of a charter;

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

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

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

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

28
29 The department shall provide guidance to sponsors in developing such policies and procedures.

30 17. (1) A sponsor shall provide timely submission to the state board of education of all data
31 necessary to demonstrate that the sponsor is in material compliance with all requirements of sections
32 160.400 to 160.425 and section 167.349. The state board of education shall ensure each sponsor is
33 in compliance with all requirements under sections 160.400 to 160.425 and 167.349 for each charter
34 school sponsored by any sponsor. The state board shall notify each sponsor of the standards for
35 sponsorship of charter schools, delineating both what is mandated by statute and what best practices
36 dictate. The state board shall evaluate sponsors to determine compliance with these standards every
37 three years. The evaluation shall include a sponsor's policies and procedures in the areas of charter
38 application approval; required charter agreement terms and content; sponsor performance evaluation
39 and compliance monitoring; and charter renewal, intervention, and revocation decisions. Nothing
40 shall preclude the department from undertaking an evaluation at any time for cause.

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

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

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

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

160.403. 1. The department of elementary and secondary education shall establish an annual application and approval process for all entities eligible to sponsor charters as set forth in section 160.400 which are not sponsoring a charter school as of August 28, 2012, except that the Missouri charter public school commission shall not be required to undergo the application and approval process. No later than November 1, 2012, the department shall make available information and guidelines for all eligible sponsors concerning the opportunity to apply for sponsoring authority under this section.

2. The application process for sponsorship shall require each interested eligible sponsor, except for the Missouri charter public school commission, to submit an application by February first that includes the following:

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

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

(3) An outline of the request for proposal that the applicant sponsor would, if approved as a charter sponsor, issue to solicit charter school applicants consistent with sections 160.400 to 160.425 and section 167.349;

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

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

3. By April first of each year, the department shall decide whether to grant or deny a sponsoring authority to a sponsor applicant. This decision shall be made based on the applicant [charter's] sponsor's compliance with sections 160.400 to 160.425 and section 167.349 and properly promulgated rules of the department.

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

160.405. 1. A person, group or organization seeking to establish a charter school shall submit the proposed charter, as provided in this section, to a sponsor. If the sponsor is not a school board, the applicant shall give a copy of its application to the school board of the district in which the charter school is to be located and to the state board of education, within five business days of the date the application is filed with the proposed sponsor. The school board may file objections

1 with the proposed sponsor, and, if a charter is granted, the school board may file objections with the
 2 state board of education. The charter shall [be] include a legally binding performance contract that
 3 describes the obligations and responsibilities of the school and the sponsor as outlined in sections
 4 160.400 to 160.425 and section 167.349 and shall [also include] address the following:

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

6 (2) A description of the charter school's organizational structure and bylaws of the
 7 governing body, which will be responsible for the policy, financial management, and operational
 8 decisions of the charter school, including the nature and extent of parental, professional educator,
 9 and community involvement in the governance and operation of the charter school;

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

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

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

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

17 (7) A description of the charter school's pupil performance standards and academic program
 18 performance standards, which shall meet the requirements of subdivision (6) of subsection 4 of this
 19 section. The charter school program shall be designed to enable each pupil to achieve such
 20 standards and shall contain a complete set of indicators, measures, metrics, and targets for academic
 21 program performance, including specific goals on graduation rates and standardized test
 22 performance and academic growth;

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

24 (9) The term of the charter, which shall be five years and [shall] may be [renewable]
 25 renewed;

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

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

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

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

37 (14) A description of the agreement and time frame for implementation between the charter
 38 school and the sponsor as to when a sponsor shall intervene in a charter school, when a sponsor shall
 39 revoke a charter for failure to comply with subsection 8 of this section, and when a sponsor will not
 40 renew a charter under subsection 9 of this section;

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

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

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

45 (c) Submission of final financial reports;

46 (d) Resolution of any remaining financial obligations; [and]

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

48 (f) A notification plan to inform parents or guardians of students, the local school district,

the retirement system in which the charter school's employees participate, and the state board of education within thirty days of the decision to close;

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

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

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

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

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

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

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

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

(5) The sponsor of a charter school shall give priority to charter school applicants that propose a school oriented to high-risk students and to the reentry of dropouts into the school system. If a sponsor grants three or more charters, at least one-third of the charters granted by the sponsor shall be to schools that actively recruit dropouts or high-risk students as their student body and address the needs of dropouts or high-risk students through their proposed mission, curriculum, teaching methods, and services. For purposes of this subsection, a "high-risk" student is one who is at least one year behind in satisfactory completion of course work or obtaining high school credits for graduation, has dropped out of school, is at risk of dropping out of school, needs drug and alcohol treatment, has severe behavioral problems, has been suspended from school three or more times, has a history of severe truancy, is a pregnant or parenting teen, has been referred for enrollment by the judicial system, is exiting incarceration, is a refugee, is homeless or has been homeless sometime within the preceding six months, has been referred by an area school district for

1 enrollment in an alternative program, or qualifies as high risk under department of elementary and
2 secondary education guidelines. "Dropout" shall be defined through the guidelines of the school
3 core data report. The provisions of this subsection do not apply to charters sponsored by the state
4 board of education.

5 3. If a charter is approved by a sponsor, the charter application shall be submitted to the
6 state board of education, along with a statement of finding by the sponsor that the application meets
7 the requirements of sections 160.400 to 160.425 and section 167.349 and a monitoring plan under
8 which the charter sponsor shall evaluate the academic performance, including annual performance
9 reports, of students enrolled in the charter school. The state board of education [may, within sixty
10 days, disapprove the granting of the charter] shall approve or deny a charter application within sixty
11 days of receipt of the application. The state board of education may [disapprove] deny a charter on
12 grounds that the application fails to meet the requirements of sections 160.400 to 160.425 and
13 section 167.349 or that a charter sponsor previously failed to meet the statutory responsibilities of a
14 charter sponsor. Any denial of a charter application made by the state board of education shall be in
15 writing and shall identify the specific failures of the application to meet the requirements of sections
16 160.400 to 160.425 and section 167.349, and the written denial shall be provided within ten
17 business days to the sponsor.

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

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

21 (2) Comply with laws and regulations of the state, county, or city relating to health, safety,
22 and state minimum educational standards, as specified by the state board of education, including the
23 requirements relating to student discipline under sections 160.261, 167.161, 167.164, and 167.171,
24 notification of criminal conduct to law enforcement authorities under sections 167.115 to 167.117,
25 academic assessment under section 160.518, transmittal of school records under section 167.020,
26 the minimum [number of school days and hours] amount of school time required under section
27 [160.041] 171.031, and the employee criminal history background check and the family care safety
28 registry check under section 168.133;

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

32 (4) Be financially accountable, use practices consistent with the Missouri financial
33 accounting manual, provide for an annual audit by a certified public accountant, publish audit
34 reports and annual financial reports as provided in chapter 165, provided that the annual financial
35 report may be published on the department of elementary and secondary education's internet website
36 in addition to other publishing requirements, and provide liability insurance to indemnify the
37 school, its board, staff and teachers against tort claims. A charter school that receives local
38 educational agency status under subsection 6 of this section shall meet the requirements imposed by
39 the Elementary and Secondary Education Act for audits of such agencies and comply with all
40 federal audit requirements for charters with local [education] educational agency status. For
41 purposes of an audit by petition under section 29.230, a charter school shall be treated as a political
42 subdivision on the same terms and conditions as the school district in which it is located. For the
43 purposes of securing such insurance, a charter school shall be eligible for the Missouri public entity
44 risk management fund pursuant to section 537.700. A charter school that incurs debt shall include a
45 repayment plan in its financial plan;

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

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

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

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

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

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

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

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

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

(2) The department of elementary and secondary education shall conduct a study of any

1 charter school granted alternative arrangements for students to obtain credit under this subsection
 2 after three years of operation to assess student performance, graduation rates, educational outcomes,
 3 and entry into the workforce or higher education.

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

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

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

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

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

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

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

28 8. (1) (a) A sponsor's [intervention] policies shall give schools clear, adequate, evidence-
 29 based, and timely notice of contract violations or performance deficiencies and mandate
 30 intervention based upon findings of the state board of education of the following:

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

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

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

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

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

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

44 (c) A sponsor shall revoke a charter or take other appropriate remedial action, which may
 45 include placing the charter school on probationary status for no more than [twelve] twenty-four
 46 months, provided that no more than one designation of probationary status shall be allowed for the
 47 duration of the charter contract, at any time if the charter school commits a serious breach of one or
 48 more provisions of its charter or on any of the following grounds: failure to meet the performance

1 contract as set forth in its charter, failure to meet generally accepted standards of fiscal management,
 2 failure to provide information necessary to confirm compliance with all provisions of the charter
 3 and sections 160.400 to 160.425 and 167.349 within forty-five days following receipt of written
 4 notice requesting such information, or violation of law.

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

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

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

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

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

22 9. (1) A sponsor shall take all reasonable steps necessary to confirm that each charter
 23 school sponsored by such sponsor is in material compliance and remains in material compliance
 24 with all material provisions of the charter and sections 160.400 to 160.425 and 167.349. Every
 25 charter school shall provide all information necessary to confirm ongoing compliance with all
 26 provisions of its charter and sections 160.400 to 160.425 and 167.349 in a timely manner to its
 27 sponsor.

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

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

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

36 a. A negative balance in its operating funds;

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

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

40 (c) The charter is in compliance with its legally binding performance contract and sections
 41 160.400 to 160.425 and section 167.349; and

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

46 (3) (a) Beginning August first during the year in which a charter is considered for renewal,
 47 a charter school sponsor shall demonstrate to the state board of education that the charter school is
 48 in compliance with federal and state law as provided in sections 160.400 to 160.425 and section

1 167.349 and the school's performance contract including but not limited to those requirements
2 specific to academic performance.

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

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

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

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

13 11. A governing board or a school district employee who has control over personnel actions
14 shall not take unlawful reprisal against another employee at the school district because the employee
15 is directly or indirectly involved in an application to establish a charter school. A governing board
16 or a school district employee shall not take unlawful reprisal against an educational program of the
17 school or the school district because an application to establish a charter school proposes the
18 conversion of all or a portion of the educational program to a charter school. As used in this
19 subsection, "unlawful reprisal" means an action that is taken by a governing board or a school
20 district employee as a direct result of a lawful application to establish a charter school and that is
21 adverse to another employee or an educational program.

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

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

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

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

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

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

39 16. The joint committee on education shall create a committee to investigate facility access
40 and affordability for charter schools. The committee shall be comprised of equal numbers of the
41 charter school sector and the public school sector and shall report its findings to the general
42 assembly by December 31, 2016.

43 160.408. 1. For purposes of this section, "high-quality charter school" means a charter
44 school operating in the state of Missouri that meets the following requirements:

45 (1) Receives eighty-five percent or more of the total points on the annual performance
46 report for three out of the last four school years by comparing points earned to the points possible
47 on the annual performance report for three of the last four school years;

48 (2) Maintains a graduation rate of at least eighty percent for three of the last four school

1 years, if the charter school provides a high school program;

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

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

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

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

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

16 (3) If a charter is approved by a sponsor, the charter application shall be filed with the state
 17 board of education with a statement of finding from the sponsor that the application meets the
 18 requirements of sections 160.400 to 160.425 and section 167.349 and a monitoring plan under
 19 which the sponsor shall evaluate the academic performance of students enrolled in the charter
 20 school. Such filing shall be made by January thirty-first prior to the school year in which the
 21 charter school intends to begin operations.

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

25 160.410. 1. A charter school shall enroll:

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

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

29 (3) Nonresident pupils who transfer from an unaccredited district under section 167.131,
 30 provided that the charter school is an approved charter school, as defined in section 167.131, and
 31 subject to all other provisions of section 167.131;

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

37 [(4)] (5) In the case of a workplace charter school, any student eligible to attend under
 38 subdivision (1) or (2) of this subsection whose parent is employed in the business district, who
 39 submits a timely application, unless the number of applications exceeds the capacity of a program,
 40 class, grade level or building. The configuration of a business district shall be set forth in the
 41 charter and shall not be construed to create an undue advantage for a single employer or small
 42 number of employers.

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

46 (1) A charter school may establish a geographical area around the school whose residents
 47 will receive a preference for enrolling in the school, provided that such preferences do not result in
 48 the establishment of racially or socioeconomically isolated schools and provided such preferences

1 conform to policies and guidelines established by the state board of education;

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

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

10 3. A charter school shall not limit admission based on race, ethnicity, national origin,
11 disability, income level, proficiency in the English language or athletic ability, but may limit
12 admission to pupils within a given age group or grade level. Charter schools may limit admission
13 based on gender only when the school is a single-gender school. Students of a charter school [that
14 are present for the January membership count as defined in section 163.011] who have been
15 enrolled for a full academic year shall be counted in the performance of the charter school on the
16 statewide assessments in that calendar year, unless otherwise exempted as English language
17 learners. For purposes of this subsection, "full academic year" means the last Wednesday in
18 September through the administration of the Missouri assessment program test without transferring
19 out of the school and re-enrolling.

20 [4. The department of elementary and secondary education shall commission a study of the
21 performance of students at each charter school in comparison with an equivalent group of district
22 students representing an equivalent demographic and geographic population and a study of the
23 impact of charter schools upon the constituents they serve in the districts in which they are located,
24 to be conducted by the joint committee on education. The charter school study shall include
25 analysis of the administrative and instructional practices of each charter school and shall include
26 findings on innovative programs that illustrate best practices and lend themselves to replication or
27 incorporation in other schools. The joint committee on education shall coordinate with individuals
28 representing charter schools and the districts in which charter schools are located in conducting the
29 study. The study of a charter school's student performance in relation to a comparable group shall
30 be designed to provide information that would allow parents and educators to make valid
31 comparisons of academic performance between the charter school's students and an equivalent
32 group of district students representing an equivalent demographic and geographic population. The
33 student performance assessment and comparison shall include, but may not be limited to:

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

35 (2) Student reenrollment rates;

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

37 (4) Graduation rates in secondary programs; and

38 (5) Performance of students enrolled in the same public school for three or more
39 consecutive years. The impact study shall be undertaken every two years to determine the impact of
40 charter schools on the constituents they serve in the districts where charter schools are operated.
41 The impact study shall include, but is not limited to, determining if changes have been made in
42 district policy or procedures attributable to the charter school and to perceived changes in attitudes
43 and expectations on the part of district personnel, school board members, parents, students, the
44 business community and other education stakeholders. The department of elementary and
45 secondary education shall make the results of the studies public and shall deliver copies to the
46 governing boards of the charter schools, the sponsors of the charter schools, the school board and
47 superintendent of the districts in which the charter schools are operated.]

48 [5.] 4. A charter school shall make available for public inspection, and provide upon

request, to the parent, guardian, or other custodian of any school-age pupil resident in the district in which the school is located the following information:

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

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

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

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

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

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

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

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

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

(4) The amounts provided pursuant to this subsection shall be prorated for partial year

1 enrollment for a pupil.

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

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

10 4. A charter school that has declared itself as a local educational agency shall receive from
11 the department of elementary and secondary education an annual amount equal to the product of the
12 charter school's weighted average daily attendance and the state adequacy target, multiplied by the
13 dollar value modifier for the district, plus local tax revenues per weighted average daily attendance
14 from the incidental and teachers funds in excess of the performance levy as defined in section
15 163.011 plus all other state aid attributable to such pupils. If a charter school declares itself as a
16 local [education] educational agency, the department of elementary and secondary education shall,
17 upon notice of the declaration, reduce the payment made to the school district by the amount
18 specified in this subsection and pay directly to the charter school the annual amount reduced from
19 the school district's payment.

20 5. If a school district fails to make timely payments of any amount for which it is the
21 disbursal agent, the state department of elementary and secondary education shall authorize payment
22 to the charter school of the amount due pursuant to subsection 2 of this section and shall deduct the
23 same amount from the next state school aid apportionment to the owing school district. If a charter
24 school is paid more or less than the amounts due pursuant to this section, the amount of
25 overpayment or underpayment shall be adjusted equally in the next twelve payments by the school
26 district or the department of elementary and secondary education, as appropriate. Any dispute
27 between the school district and a charter school as to the amount owing to the charter school shall be
28 resolved by the department of elementary and secondary education, and the department's decision
29 shall be the final administrative action for the purposes of review pursuant to chapter 536. During
30 the period of dispute, the department of elementary and secondary education shall make every
31 administrative and statutory effort to allow the continued education of children in their current
32 public charter school setting.

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

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

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

45 (2) Provide a term sheet setting forth the proposed duration of the service contract; roles and
46 responsibilities of the governing board, the school staff, and the service provider; scope of services
47 and resources to be provided by the service provider; performance evaluation measures and time
48 lines; compensation structure, including clear identification of all fees to be paid to the service

1 provider; methods of contract oversight and enforcement; investment disclosure; and conditions for
2 renewal and termination of the contract;

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

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

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

9 (6) Provide a process to ensure that the expenditures that the [educational] education service
10 provider intends to bill to the charter school shall receive prior approval of the governing board or
11 its designee.

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

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

18 10. (1) The proportionate share of state and federal resources generated by students with
19 disabilities or staff serving them shall be paid in full to charter schools enrolling those students by
20 their school district where such enrollment is through a contract for services described in this
21 section. The proportionate share of money generated under other federal or state categorical aid
22 programs shall be directed to charter schools serving such students eligible for that aid.

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

26 11. A charter school may not charge tuition[, nor may it] or impose fees that a school
27 district is prohibited from charging or imposing except that a charter school may receive tuition
28 payments from districts in the same or an adjoining county for nonresident students who transfer to
29 an approved charter school, as defined in section 167.131, from an unaccredited district.

30 12. A charter school is authorized to incur debt in anticipation of receipt of funds. A charter
31 school may also borrow to finance facilities and other capital items. A school district may incur
32 bonded indebtedness or take other measures to provide for physical facilities and other capital items
33 for charter schools that it sponsors or contracts with. Except as otherwise specifically provided in
34 sections 160.400 to 160.425, upon the dissolution of a charter school, any liabilities of the
35 corporation will be satisfied through the procedures of chapter 355. A charter school shall satisfy
36 all its financial obligations within twelve months of notice from the sponsor of the charter school's
37 closure under subsection 8 of section 160.405. After satisfaction of all its financial obligations, a
38 charter school shall return any remaining state and federal funds to the department of elementary
39 and secondary education for disposition as stated in subdivision (17) of subsection 1 of section
40 160.405. The department of elementary and secondary education may withhold funding at a level
41 the department determines to be adequate during a school's last year of operation until the
42 department determines that school records, liabilities, and reporting requirements, including a full
43 audit, are satisfied.

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

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

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

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

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

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

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

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

(3) Due to insufficient fund balances or reserves, incurred debt after January thirty-first and before July first during the most recently completed fiscal year in order to meet expenditures of the charter school.

3. The sponsor shall notify by November first the governing board of the charter school identified as experiencing financial stress. Upon receiving the notification, the governing board shall develop, or cause to have developed, and shall approve a budget and education plan on forms provided by the sponsor. The budget and education plan shall be submitted to the sponsor, signed by the officers of the charter school, within forty-five calendar days of notification that the charter school has been identified as experiencing financial stress. Minimally, the budget and education plan shall:

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

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

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

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

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

and

Further amend said bill, Page 5, Section 162.720, Line 10, by inserting after all of said section and line the following:

1 "163.018. 1. Notwithstanding the definition of "average daily attendance" in subdivision
2 (2) of section 163.011 to the contrary, pupils between the ages of three and five who are eligible for
3 free and reduced price lunch and attend an early childhood education program;

4 (1) That is operated by and in a district or by a charter school that has declared itself as a
5 local educational agency providing full-day kindergarten and that meets standards established by the
6 state board of education; or

7 (2) That is under contract with a district or charter school that has declared itself as a local
8 educational agency and that meets standards established by the state board of education
9

10 shall be included in the district's or charter school's calculation of average daily attendance. The
11 total number of such pupils included in the district's or charter school's calculation of average daily
12 attendance shall not exceed four percent of the total number of pupils who are eligible for free and
13 reduced price lunch between the ages of [three] five and eighteen who are included in the district's
14 or charter school's calculation of average daily attendance.

15 2. (1) For any district that has been declared unaccredited by the state board of education
16 and remains unaccredited as of July 1, 2015, the provisions of subsection 1 of this section shall
17 become applicable during the 2015-16 school year.

18 (2) For any district that is declared unaccredited by the state board of education after July 1,
19 2015, and for any charter school located in said district, the provisions of subsection 1 of this
20 section shall become applicable immediately upon such declaration.

21 (3) For any district that has been declared provisionally accredited by the state board of
22 education and remains provisionally accredited as of July 1, 2016, and for any charter school
23 located in said district, the provisions of subsection 1 of this section shall become applicable
24 beginning in the 2016-17 school year.

25 (4) For any district that is declared provisionally accredited by the state board of education
26 after July 1, 2016, and for any charter school located in said district, the provisions of this section
27 shall become applicable beginning in the 2016-17 school year or immediately upon such
28 declaration, whichever is later.

29 (5) For all other districts and charter schools, the provisions of subsection 1 of this section
30 shall become effective in any school year subsequent to a school year in which the amount
31 appropriated for subsections 1 and 2 of section 163.031 is equal to or exceeds the amount necessary
32 to fund the entire entitlement calculation determined by subsections 1 and 2 of section 163.031, and
33 shall remain effective in all school years thereafter, irrespective of the amount appropriated for
34 subsections 1 and 2 of section 163.031 in any succeeding year.

35 3. This section shall not require school attendance beyond that mandated under section
36 167.031 and shall not change or amend the provisions of sections 160.051, 160.053, 160.054, and
37 160.055 relating to kindergarten attendance."; and
38

39 Further amend said bill, Page 8, Section 163.031, Line 99, by inserting after all of said section and
40 line the following:
41

42 "167.131. 1. The board of education of each district in this state that does not maintain an
43 accredited school pursuant to the authority of the state board of education to classify schools as
44 established in section 161.092 shall pay the tuition of and provide transportation consistent with the
45 provisions of section 167.241 for each pupil resident therein who attends an accredited school in
46 another district of the same or an adjoining county or who attends an approved charter school in the
47 same or an adjoining county.

48 2. The rate of tuition to be charged by the district attended and paid by the sending district is

the per pupil cost of maintaining the district's grade level grouping which includes the school attended. The rate of tuition to be charged by the approved charter school attended and paid by the sending district is the per pupil cost of maintaining the approved charter school's grade level grouping. For a district, the cost of maintaining a grade level grouping shall be determined by the board of education of the district but in no case shall it exceed all amounts spent for teachers' wages, incidental purposes, debt service, maintenance and replacements. For an approved charter school, the cost of maintaining a grade level grouping shall be determined by the approved charter school but in no case shall it exceed all amounts spent by the district in which the approved charter school is located for teachers' wages, incidental purposes, debt service, maintenance, and replacements. The term "debt service", as used in this section, means expenditures for the retirement of bonded indebtedness and expenditures for interest on bonded indebtedness. Per pupil cost of the grade level grouping shall be determined by dividing the cost of maintaining the grade level grouping by the average daily pupil attendance. If there is disagreement as to the amount of tuition to be paid, the facts shall be submitted to the state board of education, and its decision in the matter shall be final. Subject to the limitations of this section, each pupil shall be free to attend the public school of his or her choice.

3. For purposes of this section, "approved charter school" means a charter school that has existed for less than three years or a charter school with a three-year average score of seventy percent or higher on its annual performance report.

167.241. Transportation for pupils whose tuition the district of residence is required to pay by section 167.131 or who are assigned as provided in section 167.121 shall be provided by the district of residence; however, in the case of pupils covered by section 167.131, the district of residence shall be required to provide transportation only to approved charter schools, school districts accredited by the state board of education pursuant to the authority of the state board of education to classify schools as established in section 161.092, and those school districts designated by the board of education of the district of residence."; and

Further amend said bill, Page 16, Section B, Line 2, by inserting after all of said section and line the following:

"Section C. Because of the importance of funding early childhood education programs, section 163.018 of section A of this act is deemed necessary for the immediate preservation of the public health, welfare, peace, and safety, and is hereby declared to be an emergency act within the meaning of the constitution, and section 163.018 of section A of this act shall be in full force and effect upon its passage and approval."; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.