

FIRST REGULAR SESSION

# HOUSE BILL NO. 424

100TH GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE FRANKS JR.

0417H.011

DANA RADEMAN MILLER, Chief Clerk

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## AN ACT

To repeal sections 160.400, 160.405, and 160.408, RSMo, and to enact in lieu thereof three 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Section A. Sections 160.400, 160.405, and 160.408, RSMo, are repealed and three new sections enacted in lieu thereof, to be known as sections 160.400, 160.405, and 160.408, to read as follows: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 classified as unaccredited by the state board of education;

(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

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.

16 decided by a vote of the state board of education during the third consecutive school year after  
17 the designation of provisional accreditation; and

18 (b) The sponsor is limited to the local school board or a sponsor who has met the  
19 standards of accountability and performance as determined by the department based on sections  
20 160.400 to 160.425 and section 167.349 and properly promulgated rules of the department; or

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

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

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

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

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

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

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

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

50

51 **No college, university, school, or other entity under this subsection shall be eligible to**  
52 **sponsor a charter school if the entity is currently sponsoring a charter school whose most**  
53 **recent three-year average score on its annual performance report is consistent with a**  
54 **classification of unaccredited.**

55 4. Changes in a school district's accreditation status that affect charter schools shall be  
56 addressed as follows, except for the districts described in subdivisions (1) and (2) of subsection  
57 2 of this section:

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

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

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

69

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

77 5. The mayor of a city not within a county may request a sponsor under subdivision (2),  
78 (3), (4), (5), or (6) of subsection 3 of this section to consider sponsoring a “workplace charter  
79 school”, which is defined for purposes of sections 160.400 to 160.425 as a charter school with  
80 the ability to target prospective students whose parent or parents are employed in a business  
81 district, as defined in the charter, which is located in the city.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

138 15. No member of the governing board of a charter school shall hold any office or  
139 employment from the board or the charter school while serving as a member, nor shall the  
140 member have any substantial interest, as defined in section 105.450, in any entity employed by  
141 or contracting with the board. No board member shall be an employee of a company that  
142 provides substantial services to the charter school. All members of the governing board of the  
143 charter school shall be considered decision-making public servants as defined in section 105.450  
144 for the purposes of the financial disclosure requirements contained in sections 105.483, 105.485,  
145 105.487, and 105.489.

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

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

152 (2) The granting of a charter;

153 (3) The performance contract that the sponsor will use to evaluate the performance of  
154 charter schools. Charter schools shall meet current state academic performance standards as well  
155 as other standards agreed upon by the sponsor and the charter school in the performance contract;

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

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

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

163

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

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

177 (2) If the department determines that a sponsor is in material noncompliance with its  
178 sponsorship duties, the sponsor shall be notified and given reasonable time for remediation. If  
179 remediation does not address the compliance issues identified by the department, the  
180 commissioner of education shall conduct a public hearing and thereafter provide notice to the  
181 charter sponsor of corrective action that will be recommended to the state board of education.  
182 Corrective action by the department may include withholding the sponsor's funding and  
183 suspending the sponsor's authority to sponsor a school that it currently sponsors or to sponsor any  
184 additional school until the sponsor is reauthorized by the state board of education under section  
185 160.403.

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

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

194 18. If a sponsor notifies a charter school of closure under subsection 8 of section  
195 160.405, the department of elementary and secondary education shall exercise its financial  
196 withholding authority under subsection 12 of section 160.415 to assure all obligations of the  
197 charter school shall be met. The state, charter sponsor, or resident district shall not be liable for  
198 any outstanding liability or obligations of the charter school.

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 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 address the  
10 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 may be renewed **for a five-**  
31 **year term, subject to the approval of the voters of the district as described in subsection 9**  
32 **of this section; except that, if the annual performance report score of a charter school,**  
33 **other than a charter school in which fifty percent or more of the school's students were**  
34 **previously considered dropouts under subdivision (5) of subsection 2 of this section, is**  
35 **below the average of the annual performance report scores of all nonselective grade-level-**  
36 **equivalent school buildings in the school district in which the charter school is located for**  
37 **two of the three consecutive years immediately before a decision whether to renew is made,**  
38 **such renewal, if approved by the voters of the school district as described in subsection 9**  
39 **of this section, shall be for only a three-year term. If, during such three-year term, the**  
40 **charter school's annual performance report score is below such average for two of the**  
41 **three years, the charter school term shall not be renewed, and the question of renewal shall**  
42 **not be put before the voters of the school district in which the charter school is located;**

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

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

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

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

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

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

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

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

62 (c) Submission of final financial reports;

63 (d) Resolution of any remaining financial obligations;

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

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

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

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

75

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

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

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

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

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

91 (4) If a proposed charter is denied by a sponsor, the proposed charter may be submitted  
92 to the state board of education, along with the sponsor's written reasons for its denial. If the state  
93 board determines that the applicant meets the requirements of this section, that the applicant is  
94 sufficiently qualified to operate the charter school, and that granting a charter to the applicant  
95 would be likely to provide educational benefit to the children of the district, the state board may  
96 grant a charter and act as sponsor of the charter school. The state board shall review the  
97 proposed charter and make a determination of whether to deny or grant the proposed charter  
98 within sixty days of receipt of the proposed charter, provided that any charter to be considered  
99 by the state board of education under this subdivision shall be submitted no later than March first

100 prior to the school year in which the charter school intends to begin operations. The state board  
101 of education shall notify the applicant in writing as to the reasons for its denial, if applicable; and

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

118 3. If a charter is approved by a sponsor, the charter application shall be submitted to the  
119 state board of education, along with a statement of finding by the sponsor that the application  
120 meets the requirements of sections 160.400 to 160.425 and section 167.349 and a monitoring  
121 plan under which the charter sponsor shall evaluate the academic performance, including annual  
122 performance reports, of students enrolled in the charter school. The state board of education  
123 shall approve or deny a charter application within sixty days of receipt of the application. The  
124 state board of education may deny a charter on grounds that the application fails to meet the  
125 requirements of sections 160.400 to 160.425 and section 167.349 or that a charter sponsor  
126 previously failed to meet the statutory responsibilities of a charter sponsor. Any denial of a  
127 charter application made by the state board of education shall be in writing and shall identify the  
128 specific failures of the application to meet the requirements of sections 160.400 to 160.425 and  
129 section 167.349, and the written denial shall be provided within ten business days to the sponsor.

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

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

133 (2) Comply with laws and regulations of the state, county, or city relating to health,  
134 safety, and state minimum educational standards, as specified by the state board of education,  
135 including the requirements relating to student discipline under sections 160.261, 167.161,

136 167.164, and 167.171, notification of criminal conduct to law enforcement authorities under  
137 sections 167.115 [tø] **and** 167.117, academic assessment under section 160.518, transmittal of  
138 school records under section 167.020, the minimum amount of school time required under  
139 section 171.031, and the employee criminal history background check and the family care safety  
140 registry check under section 168.133;

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

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

158 (5) Provide a comprehensive program of instruction for at least one grade or age group  
159 from early childhood through grade twelve, as specified in its charter;

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

172 school shall be considered in the Missouri school improvement program review of the district  
173 in which it is located for the resource or process standards of the program.

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

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

191 (7) Comply with all applicable federal and state laws and regulations regarding students  
192 with disabilities, including sections 162.670 to 162.710, the Individuals with Disabilities  
193 Education Act (20 U.S.C. Section 1400, *et seq.*) and Section 504 of the Rehabilitation Act of  
194 1973 (29 U.S.C. Section 794) or successor legislation;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

242 b. The charter school's annual performance report results are below the district's annual  
243 performance report results based on the performance standards that are applicable to the grade

244 level configuration of both the charter school and the district in which the charter school is  
245 located in three of the last four school years; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

293 a. A negative balance in its operating funds;

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

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

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

299 (d) The charter school has an annual performance report consistent with a classification  
300 of accredited for three of the last four years and is fiscally viable as described in paragraph (b)  
301 of this subdivision. If such is the case, the charter school may have an expedited renewal process  
302 as defined by rule of the department of elementary and secondary education; **except that, such**  
303 **expedited renewal process shall not eliminate the vote described in paragraph (d) of**  
304 **subdivision (3) of this subsection.**

305 (3) (a) Beginning August first during the year in which a charter is considered for  
306 renewal, a charter school sponsor shall demonstrate to the state board of education that the  
307 charter school is in compliance with federal and state law as provided in sections 160.400 to  
308 160.425 and section 167.349 and the school's performance contract including but not limited to  
309 those requirements specific to academic performance.

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

313 (c) Using the data requested and the revised charter application under paragraphs (a) and  
314 (b) of this subdivision, the state board of education shall determine if compliance with all

315 standards enumerated in this subdivision has been achieved. The state board of education at its  
316 next regularly scheduled meeting shall vote on **whether** the revised charter application  
317 **demonstrates compliance with all standards enumerated in this subdivision.**

318 (d) If a charter school sponsor demonstrates the objectives identified in this subdivision,  
319 the state board of education shall [~~renew the school's charter~~] **direct the board of directors of**  
320 **the school district in which the charter school is located to cause the question of renewal**  
321 **to be submitted to the voters of the district at the next municipal election or, if the next**  
322 **annual school election is more than sixty days away, cause the question to be submitted to**  
323 **the voters in the district at a special election called in accordance with law on a date set by**  
324 **the state board of education. The election shall be conducted in the manner provided by**  
325 **law for the conducting of school district elections generally. A majority affirmative vote**  
326 **for renewal is required for renewal of the school's charter.**

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

328 11. A governing board or a school district employee who has control over personnel  
329 actions shall not take unlawful reprisal against another employee at the school district because  
330 the employee is directly or indirectly involved in an application to establish a charter school. A  
331 governing board or a school district employee shall not take unlawful reprisal against an  
332 educational program of the school or the school district because an application to establish a  
333 charter school proposes the conversion of all or a portion of the educational program to a charter  
334 school. As used in this subsection, "unlawful reprisal" means an action that is taken by a  
335 governing board or a school district employee as a direct result of a lawful application to  
336 establish a charter school and that is adverse to another employee or an educational program.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

28 3. The term of the charter for schools operating under this section shall be five years, and  
29 the charter may be renewed for terms of up to ten years. Renewal shall be subject to the

30 provisions of paragraphs (a) to (d) of subdivision (3) of subsection 9 of section 160.405,  
31 **including the requirement that the question of renewal be put before the voters of the**  
32 **district in which the charter school is located if the state board of education finds that the**  
33 **revised charter application demonstrates compliance with all standards enumerated in**  
34 **subdivision (3) of subsection 9 of section 160.405.**

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