

FIRST REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 924
100TH GENERAL ASSEMBLY

1694H.02C

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal sections 160.400, 160.405, 160.408, and 160.410, RSMo, and to enact in lieu thereof six new sections relating to charter schools.

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

Section A. Sections 160.400, 160.405, 160.408, and 160.410, RSMo, are repealed and
2 six new sections enacted in lieu thereof, to be known as sections 160.400, 160.404, 160.405,
3 160.407, 160.408, and 160.410, to read as follows:

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

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

4 (1) In a metropolitan school district;

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

7 (3) In a school district that has been classified as unaccredited by the state board of
8 education;

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

13 (a) The eligibility for charter schools of any school district whose provisional
14 accreditation is based in whole or in part on financial stress as defined in sections 161.520 to
15 161.529, or on financial hardship as defined by rule of the state board of education, shall be
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

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.

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

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

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

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

64

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

147 (2) The granting of a charter;

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

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

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

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

158
159 The department shall provide guidance to sponsors in developing such policies and procedures.

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

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

19. If a charter school fails to receive a renewal of its charter after a three-year term as described in paragraph (e) of subdivision (3) of subsection 9 of section 160.405, the

196 sponsor of the charter school at the time of the failure of renewal shall not sponsor any new
197 charter schools until the state board of education has completed an evaluation and the
198 sponsor has received notice that it is compliant with all requirements and is meeting state
199 standards. The evaluation by the state board of education shall determine whether the
200 sponsor meets the state standards of sponsorship and was in compliance with all
201 requirements under sections 160.400 to 160.425 and section 167.349 for all charter schools
202 sponsored by the sponsor.

160.404. For purposes of sections 160.400 to 160.425, "underperformance",
2 "underperforms", or "underperformed" means the receipt of scores demonstrating that
3 the percentage of students who perform proficient and advanced on the annual statewide
4 system of assessments under section 160.518 in English language arts and mathematics in
5 a charter school is lower than the average percentage of grade-level-equivalent students
6 attending attendance centers in the school district in which the charter school is located
7 who perform proficient and advanced in English language arts and mathematics; except
8 that, the receipt of such scores shall not result in the term "underperformance",
9 "underperforms", or "underperformed" being applied to a charter school if the charter
10 school is a school in which:

11 (1) Fifty percent or more of the school's students were previously considered
12 dropouts under subdivision (5) of subsection 2 of section 160.405; or

13 (2) The average rate of growth in English language arts and mathematics on the
14 annual statewide system of assessments under section 160.518 based on the state's growth
15 model for the charter school's students is higher than the average rate of growth in English
16 language arts and mathematics based on the state's growth model for grade-level-
17 equivalent students attending attendance centers in the school district in which the charter
18 school is located.

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; except that, if renewal occurs as described under paragraph (e) of subdivision**
32 **(3) of subsection 9 of this section, such renewal shall be for only a three-year term;**
- 33 (10) Procedures, consistent with the Missouri financial accounting manual, for
34 monitoring the financial accountability of the charter, which shall meet the requirements of
35 subdivision (4) of subsection 4 of this section;
- 36 (11) Preopening requirements for applications that require that charter schools meet all
37 health, safety, and other legal requirements prior to opening;
- 38 (12) A description of the charter school's policies on student discipline and student
39 admission, which shall include a statement, where applicable, of the validity of attendance of
40 students who do not reside in the district but who may be eligible to attend under the terms of
41 judicial settlements and procedures that ensure admission of students with disabilities in a
42 nondiscriminatory manner;
- 43 (13) A description of the charter school's grievance procedure for parents or guardians;
- 44 (14) A description of the agreement and time frame for implementation between the
45 charter school and the sponsor as to when a sponsor shall intervene in a charter school, when a
46 sponsor shall revoke a charter for failure to comply with subsection 8 of this section, and when
47 a sponsor will not renew a charter under subsection 9 of this section;

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

- 50 (a) Orderly transition of student records to new schools and archival of student records;
- 51 (b) Archival of business operation and transfer or repository of personnel records;
- 52 (c) Submission of final financial reports;
- 53 (d) Resolution of any remaining financial obligations;
- 54 (e) Disposition of the charter school's assets upon closure; and
- 55 (f) A notification plan to inform parents or guardians of students, the local school
56 district, the retirement system in which the charter school's employees participate, and the state
57 board of education within thirty days of the decision to close;

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

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

65

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

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

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

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

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

81 (4) If a proposed charter is denied by a sponsor, the proposed charter may be submitted
82 to the state board of education, along with the sponsor's written reasons for its denial. If the state
83 board determines that the applicant meets the requirements of this section, that the applicant is

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

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

108 3. If a charter is approved by a sponsor, the charter application shall be submitted to the
109 state board of education, along with a statement of finding by the sponsor that the application
110 meets the requirements of sections 160.400 to 160.425 and section 167.349 and a monitoring
111 plan under which the charter sponsor shall evaluate the academic performance, including annual
112 performance reports, of students enrolled in the charter school. The state board of education
113 shall approve or deny a charter application within sixty days of receipt of the application. The
114 state board of education may deny a charter on grounds that the application fails to meet the
115 requirements of sections 160.400 to 160.425 and section 167.349 or that a charter sponsor
116 previously failed to meet the statutory responsibilities of a charter sponsor. Any denial of a
117 charter application made by the state board of education shall be in writing and shall identify the
118 specific failures of the application to meet the requirements of sections 160.400 to 160.425 and
119 section 167.349, and the written denial shall be provided within ten business days to the sponsor.

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

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

123 (2) Comply with laws and regulations of the state, county, or city relating to health,
124 safety, and state minimum educational standards, as specified by the state board of education,
125 including the requirements relating to student discipline under sections 160.261, 167.161,
126 167.164, and 167.171, notification of criminal conduct to law enforcement authorities under
127 sections 167.115 [tø] and 167.117, academic assessment under section 160.518, transmittal of
128 school records under section 167.020, the minimum amount of school time required under
129 section 171.031, and the employee criminal history background check and the family care safety
130 registry check under section 168.133;

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

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

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

151 (6) (a) Design a method to measure pupil progress toward the pupil academic standards
152 adopted by the state board of education pursuant to section 160.514, establish baseline student
153 performance in accordance with the performance contract during the first year of operation,
154 collect student performance data as defined by the annual performance report throughout the
155 duration of the charter to annually monitor student academic performance, and to the extent

156 applicable based upon grade levels offered by the charter school, participate in the statewide
157 system of assessments, comprised of the essential skills tests and the nationally standardized
158 norm-referenced achievement tests, as designated by the state board pursuant to section 160.518,
159 complete and distribute an annual report card as prescribed in section 160.522, which shall also
160 include a statement that background checks have been completed on the charter school's board
161 members, and report to its sponsor, the local school district, and the state board of education as
162 to its teaching methods and any educational innovations and the results thereof. No charter
163 school shall be considered in the Missouri school improvement program review of the district
164 in which it is located for the resource or process standards of the program.

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

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

182 (7) Comply with all applicable federal and state laws and regulations regarding students
183 with disabilities, including sections 162.670 to 162.710, the Individuals with Disabilities
184 Education Act (20 U.S.C. Section 1400, **et seq.**) and Section 504 of the Rehabilitation Act of
185 1973 (29 U.S.C. Section 794) or successor legislation;

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

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

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

(9) Seek to ensure that the percentage of its students who perform proficient and advanced on the annual statewide system of assessments under section 160.518 in English language arts and mathematics is equal to or higher than the average percentage of grade-level-equivalent students attending attendance centers in the school district in which it is located who perform proficient and advanced in English language arts and mathematics.

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

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

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

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

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

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

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

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

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

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

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

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

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

a. Clear evidence of ~~[underperformance]~~ **low performance** as demonstrated in the charter school's annual performance report in three of the last four school years; or

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

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

a. Failure to meet the performance contract as set forth in its charter[;] ;

b. Underperformance for at least two years;

c. Failure to meet generally accepted standards of fiscal management[;] ;

d. Failure to provide information necessary to confirm compliance with all provisions of the charter and sections 160.400 to 160.425 and 167.349 within forty-five days following receipt of written notice requesting such information[;] ; or

e. Violation of law.

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

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

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

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

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

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

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

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

(b) **The charter school has underperformed for two of the three consecutive years immediately before a decision whether to renew the school's charter is made;**

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

- a. A negative balance in its operating funds;
- b. A combined balance of less than three percent of the amount expended for such funds during the previous fiscal year; or
- c. Expenditures that exceed receipts for the most recently completed fiscal year;

298 ~~[(e)]~~ (d) The charter is in compliance with its legally binding performance contract and
299 sections 160.400 to 160.425 and section 167.349; and

300 ~~[(d)]~~ (e) The charter school has an annual performance report consistent with a
301 classification of accredited for three of the last four years and is fiscally viable as described in
302 paragraph ~~[(b)]~~ (c) of this subdivision. If such is the case, the charter school may have an
303 expedited renewal process as defined by rule of the department of elementary and secondary
304 education.

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. **Such application shall include a financial audit**
313 **performed by an independent certified public accountant in accordance with generally**
314 **accepted auditing standards, which shall be paid for by the charter school.**

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

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

321 (e) **If a charter school underperforms for two of the three consecutive years**
322 **immediately before a decision whether to renew the school's charter is made, any renewal**
323 **granted shall be for only a three-year term. If the charter school again underperforms for**
324 **two years of the three-year term, the school's charter shall not be renewed.**

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

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

governing board or a school district employee as a direct result of a lawful application to establish a charter school and that is adverse to another employee or an educational program.

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

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

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

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

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

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

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

160.407. 1. For the purpose of this section, the term "student mobility" shall mean the number of students who either enrolled in or withdrew from a Missouri public school local educational agency during the school year divided by the total school enrollment numbers not including a change of schools due to academic promotion.

2. The department of elementary and secondary education shall conduct a student mobility study for all public school local educational agencies. The study shall analyze student mobility by local educational agency and by school building, and shall include data on the next local educational agency and school building to which students transfer. The study shall be made available on the department's official website.

160.408. 1. For purposes of this section, "high-quality charter school" means a charter 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)]~~ (c) of
11 subdivision (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)]~~ (e) of subdivision (3) of subsection 9 of section 160.405.

160.410. 1. A charter school shall enroll:

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

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

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

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

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

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

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

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

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

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

43 4. A charter school shall **publish on its website and otherwise** make available for
44 public inspection, and provide upon request, to the parent, guardian, or other custodian of any
45 school-age pupil resident in the district in which the school is located the following information:

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

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

59 6. If a change in school district boundary lines occurs under section 162.223, 162.431,
60 162.441, or 162.451, or by action of the state board of education under section 162.081,
61 including attachment of a school district's territory to another district or dissolution, such that a
62 student attending a charter school prior to such change no longer resides in a school district in
63 which the charter school is located, then the student may complete the current academic year at
64 the charter school. The student shall be considered a resident student. The student's parent or
65 legal guardian shall be responsible for the student's transportation to and from the charter school.

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

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