

House _____ Amendment NO. _____

Offered By _____

1 AMEND House Committee Substitute for Senate Bill No. 323, Page 5, Section 160.263, Line 148,
2 by inserting after all of said section and line the following:

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

15 2. In all school districts except a metropolitan school district, this subsection shall apply to
16 all school years ending on or before June 30, 2022. In all metropolitan school districts, this
17 subsection shall apply to all school years ending on or before June 30, 2024. Except as provided in
18 subsections 3 and 4 of this section, the aid payments for charter schools shall be as described in this
19 subsection.

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

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

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

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

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

Action Taken _____ Date _____

1 3. In all school districts except a metropolitan school district, this subsection shall apply to
 2 all school years ending on or before June 30, 2022. In all metropolitan school districts, this
 3 subsection shall apply to all school years ending on or before June 30, 2024. A workplace charter
 4 school shall receive payment for each eligible pupil as provided under subsection 2 of this section,
 5 except that if the student is not a resident of the district and is participating in a voluntary
 6 interdistrict transfer program, the payment for such pupils shall be the same as provided under
 7 section 162.1060.

8 4. In all school districts except a metropolitan school district, this subsection shall apply to
 9 all school years ending on or before June 30, 2022. In all metropolitan school districts, this
 10 subsection shall apply to all school years ending on or before June 30, 2024. A charter school that
 11 has declared itself as a local educational agency shall receive from the department of elementary and
 12 secondary education an annual amount equal to the product of the charter school's weighted average
 13 daily attendance and the state adequacy target, multiplied by the dollar value modifier for the
 14 district, plus local tax revenues per weighted average daily attendance from the incidental and
 15 teachers funds in excess of the performance levy as defined in section 163.011 plus all other state
 16 aid attributable to such pupils. If a charter school declares itself as a local educational agency, the
 17 department of elementary and secondary education shall, upon notice of the declaration, reduce the
 18 payment made to the school district by the amount specified in this subsection and pay directly to
 19 the charter school the annual amount reduced from the school district's payment.

20 5. In all school districts except a metropolitan school district, this subsection shall apply to
 21 all school years ending on or before June 30, 2022. In all metropolitan school districts, this
 22 subsection shall apply to all school years ending on or before June 30, 2024. If a school district fails
 23 to make timely payments of any amount for which it is the disbursal agent, the state department of
 24 elementary and secondary education shall authorize payment to the charter school of the amount due
 25 pursuant to subsection 2 of this section and shall deduct the same amount from the next state school
 26 aid apportionment to the owing school district. If a charter school is paid more or less than the
 27 amounts due pursuant to this section, the amount of overpayment or underpayment shall be adjusted
 28 equally in the next twelve payments by the school district or the department of elementary and
 29 secondary education, as appropriate. Any dispute between the school district and a charter school as
 30 to the amount owing to the charter school shall be resolved by the department of elementary and
 31 secondary education, and the department's decision shall be the final administrative action for the
 32 purposes of review pursuant to chapter 536. During the period of dispute, the department of
 33 elementary and secondary education shall make every administrative and statutory effort to allow
 34 the continued education of children in their current [public] charter school setting.

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

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

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

47 (2) Provide a term sheet setting forth the proposed duration of the service contract; roles and
 48 responsibilities of the governing board, the school staff, and the service provider; scope of services
 49 and resources to be provided by the service provider; performance evaluation measures and time

lines; compensation structure, including clear identification of all fees to be paid to the service provider; methods of contract oversight and enforcement; investment disclosure; and conditions for renewal and termination of the contract;

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

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

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

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

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

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

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

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

11. A charter school [~~may~~] shall not charge tuition or impose fees that a school district is prohibited from charging or imposing, except that a charter school may receive tuition payments from districts in the same or an adjoining county for nonresident students who transfer to an approved charter school, as defined in section 167.895, from an unaccredited district.

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

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

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

the charter.

15. (1) As used in this section, the following terms mean:

(a) "Department", the department of elementary and secondary education;

(b) "Local aid", all local and county revenue received by the school district and charter schools within the school district. The term "local aid":

a. Includes, but is not limited to, the following:

(i) Property taxes and delinquent taxes;

(ii) Merchants' and manufacturers' tax revenues, except that an urban school district containing most or all of a city with a population greater than three hundred fifty thousand inhabitants may annually withhold merchants' and manufacturers' tax revenues required for repayment of Series 2009, Series 2010, Series 2015, and Series 2016 bonds. Such school district shall not withhold merchants' and manufacturers' tax revenues after the fiscal year ending June 30, 2036;

(iii) Financial institutions' tax revenues;

(iv) City sales tax revenue, including city sales tax collected in any city not within a county;

(v) Payments in lieu of taxes;

(vi) Revenues from state-assessed railroad and utilities tax; and

(vii) Any future aid; and

b. Shall not be construed to include:

(i) Charitable contributions, gifts, and grants made to school districts and charter schools;

(ii) Interest earnings of school districts and charter schools;

(iii) Student fees paid to school districts and charter schools;

(iv) Debt service authorized by a public vote for the purpose of making payments on a bond issuance of a school district;

(v) Proposition C revenues received for school purposes from the school district trust fund under section 163.087; or

(vi) Any other funding solely intended for a particular school district or charter school and its respective employees, schools, foundations, or organizations.

(2) Notwithstanding any other provision of law to the contrary, the calculation in this subsection shall be used to calculate state and local aid only for charter schools operated in:

(a) A metropolitan school district;

(b) An urban school district containing part or all of a city with more than three hundred fifty thousand inhabitants;

(c) A school district that has been classified as unaccredited by the state board of education;

(d) A school district that has been accredited without provisions, sponsored only by the local school board. No board with a current school year enrollment of at least one thousand five hundred fifty students shall permit more than thirty-five percent of the school district's student enrollment to enroll in charter schools sponsored by the local board under the authority of this subdivision, except that this restriction shall not apply to any school district that subsequently becomes eligible under paragraph (a) or (b) of this subdivision or to any district accredited without provisions that sponsors charter schools prior to having a current school year student enrollment of at least one thousand five hundred fifty students; or

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

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

1 the state board of education during the third consecutive school year after the designation of
 2 provisional accreditation; and

3 b. The sponsor is limited to the local school board or a sponsor who has met the standards of
 4 accountability and performance as determined by the department based on sections 160.400 to
 5 160.425 and section 167.349 and properly promulgated rules of the department.

6 (3) Each charter school and each school district responsible for distributing local aid to
 7 charter schools under this subsection shall include as part of its annual independent audit an audit of
 8 pupil residency, enrollment, and attendance in order to verify pupil residency in the school district or
 9 local education agency.

10 (4) A school district having one or more resident pupils attending a charter school shall pay
 11 to the charter school an annual amount equal to the product of the charter school's weighted average
 12 daily attendance and the state adequacy target, multiplied by the dollar value modifier for the
 13 district, less the charter school's share of local effort as defined in section 163.011 plus all other state
 14 aid attributable to such pupils plus local aid received by the school district divided by the total
 15 weighted average daily attendance of the school district and all charter schools within the school
 16 district per weighted average daily attendance of the charter school.

17 (5) A charter school that has declared itself a local educational agency shall receive all state
 18 aid calculated under this subsection from the department and all local aid calculated under this
 19 subsection from the school district. A charter school shall receive an annual amount equal to the
 20 product of the charter school's weighted average daily attendance and the state adequacy target,
 21 multiplied by the dollar value modifier for the district, less the charter school's share of local effort
 22 as defined in section 163.011 plus all other state aid attributable to such pupils plus local aid
 23 received by the school district divided by the total weighted average daily attendance of the school
 24 district and all charter schools within the school district per weighted average daily attendance of the
 25 charter school.

26 (6) (a) The school district shall withhold, from the January local effort payment received by
 27 the school district, an annual administrative fee for the purpose of supporting administrative costs
 28 the school district incurs for charter schools operating within the school district. The administrative
 29 fee shall be equal to one-fourth of one percent of the sum of the prior year's state aid received by the
 30 school district, the prior year's state aid received by the charter schools within the school district,
 31 and the prior year's local aid received by the school district and the charter schools within the school
 32 district. As used in this paragraph, "state aid" means the product of the school district or charter
 33 school's weighted average daily attendance and the state adequacy target, multiplied by the dollar
 34 value modifier for the district, less the school district or charter school's share of local effort as
 35 defined in section 163.011.

36 (b) On or before December thirty-first of each year, the school district shall transmit to the
 37 department the total annual local aid calculation described in subdivision (7) of this subsection. If
 38 the school district fails to transmit the annual local aid calculation to the department, the school
 39 district shall not withhold the administrative fee.

40 (c) The department shall calculate the administrative fee under the formula in this
 41 subdivision using data from the previous school year. On or before January fifteenth of the
 42 following year, the department shall transmit to the school district the calculation of the
 43 administrative fee and make such calculation publicly available on the department's website.

44 (7) Each month the school district shall calculate the amount of local aid received by the
 45 school district that is owed to the charter school by the school district under this subsection. The
 46 school district shall pay to the charter school the amount of local aid owed to the charter school, as
 47 calculated by the school district using the previous month's weighted average daily attendance of the
 48 charter school. If any payment of local aid is due, the school district shall make monthly payments
 49 on the twenty-first day of each month or upon the closest business day beginning in July of each

1 year.

2 (a) If the school district fails to make timely payment, the department shall impose any
3 penalty the department deems appropriate.

4 (b) The school district shall, as part of its annual audit as required by section 165.111,
5 include a report converting the local aid received from an accrual basis to a cash basis. Such report
6 shall be made publicly available on its district website in a searchable format or as a downloadable
7 and searchable document.

8 (8) The department shall conduct an annual review of any payments made in the previous
9 fiscal year under subdivision (7) of this subsection to determine if there has been any underpayment
10 or overpayment. The annual review, to be conducted in January of each year, shall include a
11 calculation of the amount of local aid owed to charter schools using the first preceding year's annual
12 audit required by section 165.111. The school district shall pay to the charter school the amount of
13 local aid owed to the charter school as calculated by the department. In the event of an
14 underpayment, the school district shall remit the underpayment amount to the charter school. In the
15 event of an overpayment, the charter school shall remit the overpayment amount to the school
16 district.

17 (a) If the school district fails to remit any underpayment amount to the charter school within
18 thirty days of notification of the underpayment amount, the department shall impose any penalty the
19 department deems appropriate.

20 (b) If the charter school fails to remit any overpayment amount to the school district within
21 thirty days of notification of the overpayment amount, the department shall impose any penalty the
22 department deems appropriate.

23 (9) If a prior year correction of the amount of local aid is necessary, the school district shall
24 recalculate the amount owed to a charter school and either remit any underpayment amount to the
25 charter school or provide a bill to the charter school for any overpayment amount. Any
26 underpayment or overpayment amount shall be remitted under the schedules in paragraphs (a) and
27 (b) of subdivision (8) of this subsection.

28 (10) (a) The annual review conducted pursuant to subdivision (8) of this subsection shall
29 also assess whether public school and charter school recipients of state and local taxpayer dollars
30 provide similar amounts and quality of services to schools and their pupils, including but not limited
31 to:

- 32 a. Taxpayer accountability for use of public funds;
- 33 b. Transparency in accreditation standards and classifications;
- 34 c. Student transportation;
- 35 d. School calendar allowances and requirements;
- 36 e. Ability to enroll and accommodate new students;
- 37 f. Teacher certification; and
- 38 g. Teacher retention.

39 (b) The results of the annual assessment shall be a public record and distributed to the
40 general assembly.

41 (11) (a) For the purposes of this subdivision, net cost for providing special educational
42 services for the school district and each charter school within the school district shall be calculated
43 as the total special educational services costs minus the total special educational services funding.

44 (b) For the purposes of this subdivision, total special educational services costs shall be
45 calculated as the sum of the total cost of the following as reported on the annual secretary of the
46 board report for the school district and each charter school within the school district:

- 47 a. Department-defined special education instruction;
- 48 b. Tuition for special education programs;
- 49 c. Health services;

- 1 d. Psychology services;
- 2 e. Speech and language services;
- 3 f. Audiology services;
- 4 g. Occupational therapy;
- 5 h. Physical therapy;
- 6 i. Visually impaired services; and
- 7 j. Special education transportation services.

8 (c) For the purposes of this subdivision, total special educational services funding shall be
 9 calculated as the sum of the state aid and local effort per weighted average daily attendance for the
 10 school district and the sum of the state aid and local aid per weighted average daily attendance for
 11 the charter schools within the school district multiplied by the total number of students with an
 12 individualized educational plan as reported in December to the department, plus any funds received
 13 under 162.974, plus any funds received under the federal Individuals with Disabilities Education
 14 Act (IDEA) (20 U.S.C. Section 1400, et seq.), as amended, plus any additional weighted state aid
 15 funds received as a result of serving a percentage of special education students that exceeds the
 16 special educational threshold as defined in 163.011. As used in this subdivision, "school district
 17 state aid" means the product of the school district's weighted average daily attendance and the state
 18 adequacy target, multiplied by the dollar value modifier for the district, less the school district's
 19 share of local effort as defined in section 163.011. As used in this subdivision, "charter school state
 20 aid" means the product of the charter school's weighted average daily attendance and the state
 21 adequacy target, multiplied by the dollar value modifier for the district, less the charter school's
 22 share of local effort as defined in section 163.011.

23 (d) Each school district that has charter schools operating within the school district and each
 24 charter school shall, as part of the annual audit provided to the department, report the number of
 25 students with an individualized educational plan, the costs incurred for providing special educational
 26 services as described in paragraph (b) of this subdivision, the amount of funds drawn down under
 27 section 162.974, and the amount of funds drawn down under the federal Individuals with
 28 Disabilities Education Act (IDEA) (20 U.S.C. Section 1400, et seq.), as amended.

29 (e) On or before February fourteenth of each year, the department shall calculate for each
 30 school district that has charter schools operating within the school district and each charter school
 31 the net cost for providing special educational services. The department shall transmit such
 32 calculations to the charter school or school district and make such calculations publicly available on
 33 the department's website.

34 (f) The February local aid payment to charter schools within the school district shall be paid
 35 from the total local aid funds received in January by the school district. The February local aid
 36 payment per weighted average daily attendance to charter schools within the school district shall be
 37 calculated as follows:

38 a. The school district shall withhold the administrative fee described in paragraph (a) of
 39 subdivision (6) of this subsection from the total local aid funds received in January by the school
 40 district.

41 b. After withholding the administrative fee, the school district shall withhold from the
 42 remaining local aid funds an amount equal to the school district's prior year positive net cost for
 43 providing special educational services only if the school district is determined to have a positive net
 44 cost by the department under paragraph (e) of this subdivision.

45 c. After withholding the administrative fee, the school district shall withhold from the
 46 remaining local aid funds an amount equal to the sum of the prior year positive net cost for
 47 providing special educational services for charter schools within the school district for charter
 48 schools determined to have a positive net cost by the department under paragraph (e) of this
 49 subdivision. No later than February twenty-eighth of each year the school district shall distribute

1 such funds to each charter school determined to have a positive net cost an amount equal to each
 2 charter school's positive net cost as calculated under paragraph (e) of this subdivision.

3 d. After withholding the administrative fee and special education funds under subparagraphs
 4 a., b., and c. of this paragraph, the school district shall divide the remaining local aid funds by the
 5 sum of the current year estimated weighted average daily attendance for January of the school
 6 district plus the sum of the current year estimated weighted average daily attendance for January of
 7 all charter schools within the school district.

8 e. To determine the amount of the February local aid payment to each charter school within
 9 the school district, the school district shall multiply the value calculated in subparagraph d. of this
 10 paragraph by the current year estimated weighted average daily attendance for January for each
 11 charter school within the school district. The school district shall distribute the February local aid
 12 payment to each charter school within the school district on or before February twenty-eighth.

13 (g) The department shall adjust the net cost for providing special educational services for
 14 each charter school and each school district that has charter schools operating within the school
 15 district based on the report required in paragraph (d) of this subdivision for reasons including, but
 16 not limited to, underreporting or overreporting the number of students with an individualized
 17 educational plan or the cost to provide services to students with an individualized educational plan,
 18 failure to draw down funds under section 162.974, failure to draw down or accrue for within the
 19 applicable fiscal year all funds to which the charter school or school district is entitled under the
 20 federal Individuals with Disabilities Education Act (IDEA) (20 U.S.C. Section 1400 et seq.), as
 21 amended, and costs determined by the department to be excessive relative to the special educational
 22 services provided.

23 (h) Any funds received by the school district or charter school under this subdivision shall
 24 not be considered when calculating a withhold or payment in paragraph (f) of this subdivision in the
 25 following year.

26 (i) In all school districts except a metropolitan school district, this subdivision shall apply
 27 beginning on February 1, 2024. In all metropolitan school districts, this subdivision shall apply
 28 beginning on February 1, 2026.

29 (12) In all school districts except a metropolitan school district, this subsection shall apply
 30 to all school years beginning on or after July 1, 2022. In all metropolitan school districts, this
 31 subsection shall apply to all school years beginning on or after July 1, 2024.

32 16. The department may promulgate rules for the annual review of payments and any
 33 penalties to be assessed under subsection 15 of this section. Any rule or portion of a rule, as that
 34 term is defined in section 536.010, that is created under the authority delegated in this section shall
 35 become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if
 36 applicable, section 536.028. This section and chapter 536 are nonseverable, and if any of the
 37 powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective
 38 date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of
 39 rulemaking authority and any rule proposed or adopted after August 28, 2021, shall be invalid and
 40 void."; and

41
 42 Further amend said bill by amending the title, enacting clause, and intersectional references
 43 accordingly.