

FIRST REGULAR SESSION

HOUSE BILL NO. 158

102ND GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE O'DONNELL.

0661H.011

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal sections 160.400, 160.405, and 160.425, RSMo, and to enact in lieu thereof four 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Section A. Sections 160.400, 160.405, and 160.425, RSMo, are repealed and four
2 new sections enacted in lieu thereof, to be known as sections 160.400, 160.405, 160.422, and
3 160.425, 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~~]
3 **are hereby authorized to** be 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
6 greater 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

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
20 sections 160.400 to 160.425 and section 167.349 and properly promulgated rules of the
21 department; ~~or~~

22 (5) **In a school district located within a county with a charter form of**
23 **government;**

24 (6) **In any municipality with more than thirty thousand inhabitants; or**

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

33 3. ~~[Except as further provided in subsection 4 of this section,]~~ The following entities
34 are eligible to sponsor charter schools:

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

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

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

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

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

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

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

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

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

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

68

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

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

81 ~~6.] 4. No sponsor shall receive from an applicant for a charter school any fee of any~~
82 ~~type for the consideration of a charter, nor may a sponsor condition its consideration of a~~
83 ~~charter on the promise of future payment of any kind.~~

84 ~~[7.] 5. The charter school shall be organized as a Missouri nonprofit corporation~~
85 ~~incorporated pursuant to chapter 355. The charter provided for herein shall constitute a~~
86 ~~contract between the sponsor and the charter school.~~

87 ~~[8.] 6. As a nonprofit corporation incorporated pursuant to chapter 355, the charter~~
88 ~~school shall select the method for election of officers pursuant to section 355.326 based on~~

89 the class of corporation selected. Meetings of the governing board of the charter school shall
90 be subject to the provisions of sections 610.010 to 610.030.

91 ~~[9-]~~ 7. A sponsor of a charter school, its agents and employees are not liable for any
92 acts or omissions of a charter school that it sponsors, including acts or omissions relating to
93 the charter submitted by the charter school, the operation of the charter school and the
94 performance of the charter school.

95 ~~[10-]~~ 8. A charter school may affiliate with a four-year college or university, including
96 a private college or university, or a community college as otherwise specified in subsection 3
97 of this section when its charter is granted by a sponsor other than such college, university or
98 community college. Affiliation status recognizes a relationship between the charter school
99 and the college or university for purposes of teacher training and staff development,
100 curriculum and assessment development, use of physical facilities owned by or rented on
101 behalf of the college or university, and other similar purposes. A university, college or
102 community college ~~may~~ **shall** not charge or accept a fee for affiliation status.

103 ~~[11-]~~ 9. The expenses associated with sponsorship of charter schools shall be defrayed
104 by the department of elementary and secondary education retaining one and five-tenths
105 percent of the amount of state and local funding allocated to the charter school under section
106 160.415, not to exceed one hundred twenty-five thousand dollars, adjusted for inflation. The
107 department of elementary and secondary education shall remit the retained funds for each
108 charter school to the school's sponsor, provided the sponsor remains in good standing by
109 fulfilling its sponsorship obligations under sections 160.400 to 160.425 and 167.349 with
110 regard to each charter school it sponsors, including appropriate demonstration of the
111 following:

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

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

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

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

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

127 ~~[12.]~~ **10.** Sponsors receiving funds under subsection ~~[11]~~ **9** of this section shall be
128 required to submit annual reports to the joint committee on education demonstrating they are
129 in compliance with subsection ~~[17]~~ **15** of this section.

130 ~~[13.]~~ **11.** No university, college or community college shall grant a charter to a
131 nonprofit corporation if an employee of the university, college or community college is a
132 member of the corporation's board of directors.

133 ~~[14.]~~ **12.** No sponsor shall grant a charter under sections 160.400 to 160.425 and
134 167.349 without ensuring that a criminal background check and family care safety registry
135 check are conducted for all members of the governing board of the charter schools or the
136 incorporators of the charter school if initial directors are not named in the articles of
137 incorporation, nor shall a sponsor renew a charter without ensuring a criminal background
138 check and family care safety registry check are conducted for each member of the governing
139 board of the charter school.

140 ~~[15.]~~ **13.** No member of the governing board of a charter school shall hold any office
141 or employment from the board or the charter school while serving as a member, nor shall the
142 member have any substantial interest, as defined in section 105.450, in any entity employed
143 by or contracting with the board. No board member shall be an employee of a company that
144 provides substantial services to the charter school. All members of the governing board of the
145 charter school shall be considered decision-making public servants as defined in section
146 105.450 for the purposes of the financial disclosure requirements contained in sections
147 105.483, 105.485, 105.487, and 105.489.

148 ~~[16.]~~ **14. (1)** A sponsor shall develop the policies and procedures for:

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

154 ~~[2.]~~ **(b)** The granting of a charter;

155 ~~[3.]~~ **(c)** The performance contract that the sponsor will use to evaluate the
156 performance of charter schools. Charter schools shall meet current state academic
157 performance standards as well as other standards agreed upon by the sponsor and the charter
158 school in the performance contract;

159 ~~[4.]~~ **(d)** The sponsor's intervention, renewal, and revocation policies, including the
160 conditions under which the charter sponsor may intervene in the operation of the charter

161 school, along with actions and consequences that may ensue, and the conditions for renewal
162 of the charter at the end of the term, consistent with subsections 8 and 9 of section 160.405;

163 ~~[(5)]~~ (e) Additional criteria that the sponsor will use for ongoing oversight of the
164 charter; and

165 ~~[(6)]~~ (f) Procedures to be implemented if a charter school should close, consistent
166 with the provisions of subdivision (15) of subsection 1 of section 160.405.

167 (2) The department shall provide guidance to sponsors in developing such policies
168 and procedures.

169 ~~[+7.]~~ 15. (1) A sponsor shall provide timely submission to the state board of
170 education of all data necessary to demonstrate that the sponsor is in material compliance with
171 all requirements of sections 160.400 to 160.425 and section 167.349. The state board of
172 education shall ensure each sponsor is in compliance with all requirements under sections
173 160.400 to 160.425 and 167.349 for each charter school sponsored by any sponsor. The state
174 board shall notify each sponsor of the standards for sponsorship of charter schools,
175 delineating both what is mandated by statute and what best practices dictate. The state board
176 shall evaluate sponsors to determine compliance with these standards every three years. The
177 evaluation shall include a sponsor's policies and procedures in the areas of charter application
178 approval; required charter agreement terms and content; sponsor performance evaluation and
179 compliance monitoring; and charter renewal, intervention, and revocation decisions. Nothing
180 shall preclude the department from undertaking an evaluation at any time for cause.

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

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

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

198 ~~[18:]~~ **16.** If a sponsor notifies a charter school of closure under subsection 8 of section
199 160.405, the department of elementary and secondary education shall exercise its financial
200 withholding authority under subsection 12 of section 160.415 to assure all obligations of the
201 charter school shall be met. The state, charter sponsor, or resident district shall not be liable
202 for any outstanding liability or obligations of the charter school.

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

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

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

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

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

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

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

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

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

31 (9) The term of the charter, which shall be five years and may be renewed;

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

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

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

42 (13) A description of the charter school's grievance procedure for parents or
43 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
46 a sponsor shall revoke a charter for failure to comply with subsection 8 of this section, and
47 when 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 **paragraph (f) of** subdivision [(6)] (1) of subsection [16] 14 of section 160.400 including:

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

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

53 (c) Submission of final financial reports;

54 (d) Resolution of any remaining financial obligations;

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

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

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

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

66

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

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

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

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

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

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

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

106 six months, has been referred by an area school district for enrollment in an alternative
107 program, or qualifies as high risk under department of elementary and secondary education
108 guidelines. Dropout shall be defined through the guidelines of the school core data report.
109 The provisions of this subsection do not apply to charters sponsored by the state board of
110 education.

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

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

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

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

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

138 (4) Be financially accountable, use practices consistent with the Missouri financial
139 accounting manual, provide for an annual audit by a certified public accountant, publish audit
140 reports and annual financial reports as provided in chapter 165, provided that the annual
141 financial report may be published on the department of elementary and secondary education's
142 internet website in addition to other publishing requirements, and provide liability insurance

143 to indemnify the school, its board, staff and teachers against tort claims. A charter school that
144 receives local educational agency status under subsection 6 of this section shall meet the
145 requirements imposed by the Elementary and Secondary Education Act for audits of such
146 agencies and comply with all federal audit requirements for charters with local educational
147 agency status. For purposes of an audit by petition under section 29.230, a charter school
148 shall be treated as a political subdivision on the same terms and conditions as the school
149 district in which it is located. For the purposes of securing such insurance, a charter school
150 shall be eligible for the Missouri public entity risk management fund pursuant to section
151 537.700. A charter school that incurs debt shall include a repayment plan in its financial plan;

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

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

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

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

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

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

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

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

197 5. (1) Proposed or existing high-risk or alternative charter schools may include
198 alternative arrangements for students to obtain credit for satisfying graduation requirements in
199 the school's charter application and charter. Alternative arrangements may include, but not be
200 limited to, credit for off-campus instruction, embedded credit, work experience through an
201 internship arranged through the school, and independent studies. When the state board of
202 education approves the charter, any such alternative arrangements shall be approved at such
203 time.

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

208 6. The charter of a charter school may be amended at the request of the governing
209 body of the charter school and on the approval of the sponsor. The sponsor and the governing
210 board and staff of the charter school shall jointly review the school's performance,
211 management and operations during the first year of operation and then every other year after
212 the most recent review or at any point where the operation or management of the charter
213 school is changed or transferred to another entity, either public or private. The governing
214 board of a charter school may amend the charter, if the sponsor approves such amendment, or
215 the sponsor and the governing board may reach an agreement in writing to reflect the charter

216 school's decision to become a local educational agency. In such case the sponsor shall give
217 the department of elementary and secondary education written notice no later than March first
218 of any year, with the agreement to become effective July first. The department may waive the
219 March first notice date in its discretion. The department shall identify and furnish a list of its
220 regulations that pertain to local educational agencies to such schools within thirty days of
221 receiving such notice.

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

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

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

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

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

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

233 8. (1) (a) A sponsor's policies shall give schools clear, adequate, evidence-based, and
234 timely notice of contract violations or performance deficiencies and mandate intervention
235 based upon findings of the state board of education of the following:

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

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

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

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

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

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

250 (c) A sponsor shall revoke a charter or take other appropriate remedial action, which
251 may include placing the charter school on probationary status for no more than twenty-four
252 months, provided that no more than one designation of probationary status shall be allowed

253 for the duration of the charter contract, at any time if the charter school commits a serious
254 breach of one or more provisions of its charter or on any of the following grounds: failure to
255 meet the performance contract as set forth in its charter, failure to meet generally accepted
256 standards of fiscal management, failure to provide information necessary to confirm
257 compliance with all provisions of the charter and sections 160.400 to 160.425 and 167.349
258 within forty-five days following receipt of written notice requesting such information, or
259 violation of law.

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

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

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

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

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

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

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

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

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

292 a. A negative balance in its operating funds;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**160.422. 1. Any city not within a county shall not adopt, enforce, impose, or
2 administer an ordinance, local policy, or local resolution that prohibits property sold,
3 leased, or transferred by the city not within a county from being used for any lawful
4 educational purpose by a charter school.**

**5 2. Any city not within a county shall not impose, enforce, or apply any deed
6 restriction that expressly, or by its operation, prohibits property sold, leased, or
7 transferred by the city not within a county from being used for any lawful educational
8 purpose by a charter school. Any deed restriction or affirmative use deed restriction
9 that affirmatively allows for only one or more specified uses or purposes that do not
10 include any educational use or purpose is prohibited under this section. Any deed
11 restriction or affirmative use deed restriction in effect on the effective date of this
12 section that prohibits or does not permit property previously used for any educational
13 purpose from being used for any future educational purpose is void.**

14 **3. If any city not within a county offers property of the city not within a county**
15 **for sale, lease, or rent, the city not within a county shall not refuse to sell, lease, or rent**
16 **the property to a charter school solely because the charter school intends to use the**
17 **property for an educational purpose, if the intent of the charter school is to use the**
18 **property for a lawful educational purpose. If the city not within a county offers**
19 **property of the city not within a county for sale, lease, or rent, the city not within a**
20 **county is not required to sell, lease, or rent the property to a charter school solely**
21 **because the charter school intends to use the property for an educational purpose.**

22 **4. Any ordinance, policy, regulation, deed, or contract made in violation of this**
23 **section shall be void from its inception.**

160.425. 1. The "Missouri Charter Public School Commission" is hereby created
2 with the authority to sponsor high quality charter schools throughout the state of Missouri.

3 2. The commission shall consist of nine members appointed by the governor, by and
4 with the advice and consent of the senate. No more than five of the members shall be of the
5 same political party. No more than two members shall be from the same congressional
6 district. The term of office of each member shall be four years, except those of the members
7 first appointed, of which three shall be appointed for a term of one year, two for a term of two
8 years, two for a term of three years, and two for a term of four years. At the expiration of the
9 term of each member, the governor, by and with the advice and consent of the senate, shall
10 appoint a successor.

11 3. The appointees to the commission shall be selected as follows:

12 (1) One member selected by the governor from a slate of three recommended by the
13 commissioner of education;

14 (2) One member selected by the governor from a slate of three recommended by the
15 commissioner of higher education;

16 (3) One member selected by the governor from a slate of three recommended by the
17 president pro tempore of the senate;

18 (4) One member selected by the governor from a slate of three recommended by the
19 speaker of the house of representatives; and

20 (5) Five additional members appointed by the governor, one of whom shall be
21 selected from a slate of three nominees recommended by the Missouri School Boards
22 Association.

23 4. Members appointed to the commission shall collectively possess strong experience
24 and expertise in governance, management and finance, school leadership, assessment,
25 curriculum and instruction, and education law. All members of the commission shall have
26 demonstrated understanding of and commitment to charter schooling as a strategy for
27 strengthening public education.

28 5. The commission shall annually elect a ~~[chairperson]~~ **chair** and vice ~~[chairperson]~~
29 **chair**, who shall act as ~~[chairperson]~~ **chair** in ~~[his or her]~~ **the chair's** absence. The
30 commission shall meet at the call of the ~~[chairperson]~~ **chair**. The ~~[chairperson]~~ **chair** may
31 call meetings at such times as ~~[he or she]~~ **the chair** deems advisable and shall call a meeting
32 when requested to do so by three or more members of the commission. Members of the
33 commission are not eligible to receive compensation.

34 6. The commission may approve proposed charters for its sponsorship under sections
35 160.400 to 160.425 and shall:

36 (1) Comply with all of the requirements applicable to sponsors under sections
37 160.400 to 160.425;

38 (2) Exercise sponsorship over charters approved by the commission under sections
39 160.400 to 160.425, including receipt of sponsorship funding under subsection ~~[44]~~ **9** of
40 section 160.400. Sponsorship funding due to the commission shall be deposited to the credit
41 of the charter public school commission revolving fund created pursuant to this section.

42 7. Charter schools sponsored by the commission shall comply with all of the
43 requirements applicable to charter schools under sections 160.400 to 160.425.

44 8. The commission shall conduct its business in accordance with chapter 610.

45 9. The department of elementary and secondary education shall provide start-up
46 funding for the commission to operate. The commission shall reimburse the department's
47 costs from any funds it receives as sponsor under section 160.400.

48 10. The commission is authorized to receive and expend gifts, grants, and donations
49 of any kind from any public or private entity to carry out the purposes of sections 160.400 to
50 160.425, subject to the terms and conditions under which they are given, provided that all
51 such terms and conditions are permissible under law.

52 11. There is hereby created in the state treasury the "Charter Public School
53 Commission Revolving Fund", which shall consist of moneys collected under this section.
54 The state treasurer shall be custodian of the fund. In accordance with sections 30.170 and
55 30.180, the state treasurer may approve disbursements. Notwithstanding the provisions of
56 section 33.080 to the contrary, any moneys remaining in the fund at the end of the biennium
57 shall not revert to the credit of the general revenue fund. The state treasurer shall invest
58 moneys in the fund in the same manner as other funds are invested. Subject to appropriation,
59 moneys in the fund shall be used solely for the administration of this section.

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