## FIRST REGULAR SESSION

# **HOUSE BILL NO. 405**

# **103RD GENERAL ASSEMBLY**

#### INTRODUCED BY REPRESENTATIVE CLEMENS.

DANA RADEMAN MILLER, Chief Clerk

## AN ACT

To repeal sections 160.400, 160.403, 160.405, 160.408, 160.410, 160.415, 160.417, 160.420, and 160.425, RSMo, and to enact in lieu thereof eight 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Section A. Sections 160.400, 160.403, 160.405, 160.408, 160.410, 160.415, 160.417, 2 160.420, and 160.425, RSMo, are repealed and eight new sections enacted in lieu thereof, to be known as sections 160.400, 160.403, 160.405, 160.410, 160.415, 160.417, 160.420, and 3 160.425, to read as follows: 4 160.400. 1. A charter school is [an independent] a semi-autonomous 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 than three hundred fifty thousand inhabitants; 6 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 board of education and has received scores on its annual performance report consistent with a 10 11 elassification 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

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.

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15 161.529, or on financial hardship as defined by rule of the state board of education, shall be decided by a vote of the state board of education during the third consecutive school year after 16 17 the designation of provisional accreditation; and 18 (b) The sponsor is limited to the local school board or a sponsor who has met the 19 standards of accountability and performance as determined by the department based on sections 160.400 to 160.425 and section 167.349 and properly promulgated rules of the 20 21 department; 22 (5) In a school district located within a county with more than one hundred fifty 23 thousand but fewer than two hundred thousand inhabitants, provided that the provisions of 24 subsections 15 to 18 of section 160.415 shall not apply to any charter school operated in such 25 county; or 26 (6) In a school district that has been accredited without provisions, sponsored only by 27 the local school board; provided that no board with a current year enrollment of one thousand 28 five hundred fifty students or greater shall permit more than thirty five percent of its student 29 enrollment to enroll in charter schools sponsored by the local board under the authority of this 30 subdivision, except that this restriction shall not apply to any school district that subsequently 31 becomes eligible under subdivision (3) or (4) of this subsection or to any district accredited 32 without provisions that sponsors charter schools prior to having a current year student 33 enrollment of one thousand five hundred fifty students or greater. 34 3. Except as further provided in subsection 4 of this section, the following entities are 35 eligible to sponsor charter schools: 36 (1) The school board of the district in any district which is sponsoring a charter 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 40 board, or if the state board of education appoints a special administrative board to retain the authority granted to the board of education of an urban school district containing most or all 41 42 of a city with a population greater than three hundred fifty thousand inhabitants, the special 43 administrative board of such school district; 44 (2) A public four-year college or university with an approved teacher education 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 47 district: 48 (4) Any private four-year college or university with an enrollment of at least one 49 thousand students, with its primary campus in Missouri, and with an approved teacher preparation program; 50

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- 51 (5) Any two-year private vocational or technical school designated as a 501(c)(3)
   52 nonprofit organization under the Internal Revenue Code of 1986, as amended, and accredited
   53 by the Higher Learning Commission, with its primary campus in Missouri;
- 54 (6) The Missouri charter public school commission created in section 160.425.
- 55 4. Changes in a school district's accreditation status that affect charter schools shall be 56 addressed as follows, except for the districts described in subdivisions (1) and (2) of 57 subsection 2 of this section:
- (1) As a district transitions from unaccredited to provisionally accredited, the district
   shall continue to fall under the requirements for an unaccredited district until it achieves three
   consecutive full school years of provisional accreditation;
- 61 (2) As a district transitions from provisionally accredited to full accreditation, the
   62 district shall continue to fall under the requirements for a provisionally accredited district
   63 until it achieves three consecutive full school years of full accreditation;
- 64 (3) In any school district classified as unaccredited or provisionally accredited where 65 a charter school is operating and is sponsored by an entity other than the local school board, 66 when the school district becomes classified as accredited without provisions, a charter school 67 may continue to be sponsored by the entity sponsoring it prior to the classification of 68 accredited without provisions and shall not be limited to the local school board as a sponsor. 69
- A charter school operating in a school district identified in subdivision (1), (2), or (5) of subsection 2 of this section may be sponsored by any of the entities identified in subsection 3 of this section, irrespective of the accreditation classification of the district in which it is located. A charter school in a district described in this subsection whose charter provides for the addition of grade levels in subsequent years may continue to add levels until the planned expansion is complete to the extent of grade levels in comparable schools of the district in which the charter school is operated.
- 77 5. The mayor of a city not within a county may request a sponsor under subdivision (2), (3), (4), (5), or (6) of subsection 3 of this section to consider sponsoring a "workplace 78 79 charter school", which is defined for purposes of sections 160.400 to 160.425 as a charter 80 school with the ability to target prospective students whose parent or parents are employed in a business district, as defined in the charter, which is located in the city] Charter schools 81 may be operated in any school district sponsored only by the school board of the district 82 83 or by a special administrative board for the district. This section shall not be construed 84 to affect a charter contract that is in effect on the effective date of this section until the 85 expiration of such contract.

86 [6.] **3.** No sponsor shall receive from an applicant for a charter school any fee of any 87 type for the consideration of a charter, nor may a sponsor condition its consideration of a 88 charter on the promise of future payment of any kind.

89 [7.] 4. The charter school shall be organized as a Missouri nonprofit corporation 90 incorporated pursuant to chapter 355. The charter provided for herein shall constitute a 91 contract between the sponsor and the charter school.

92 [8. As a nonprofit corporation incorporated pursuant to chapter 355, the charter school 93 shall select] 5. The method for election of officers [pursuant to section 355.326 based on the 94 elass of corporation selected] of the charter school shall be mutually agreed to by the 95 charter school and sponsoring school board and shall comply with the provisions of 96 chapter 355. Meetings of the governing board of the charter school shall be subject to the 97 provisions of sections 610.010 to 610.030.

98 [9.] 6. A sponsor of a charter school, its agents and employees are not liable for any 99 acts or omissions of a charter school that it sponsors, including acts or omissions relating to 100 the charter submitted by the charter school, the operation of the charter school and the 101 performance of the charter school.

102 [10. A charter school may affiliate with a four-year college or university, including a 103 private college or university, or a community college as otherwise specified in subsection 3 of 104 this section when its charter is granted by a sponsor other than such college, university or 105 community college. Affiliation status recognizes a relationship between the charter school and the college or university for purposes of teacher training and staff development, 106 107 curriculum and assessment development, use of physical facilities owned by or rented on behalf of the college or university, and other similar purposes. A university, college or 108 109 community college may not charge or accept a fee for affiliation status.

110 11. The expenses associated with sponsorship of charter schools shall be defrayed by 111 the department of elementary and secondary education retaining one and five-tenths percent 112 of the amount of state and local funding allocated to the charter school under section 160.415, 113 not to exceed one hundred twenty-five thousand dollars, adjusted for inflation.]

114 7. The department of elementary and secondary education shall [remit the retained 115 funds for each charter school to the school's sponsor, provided the sponsor remains in good 116 standing by fulfilling its sponsorship obligations under sections 160.400 to 160.425 and 117 167.349 with regard to each charter school it sponsors, including appropriate demonstration 118 of the following:

(1) Expends no less than ninety percent of its charter school sponsorship funds in
 support of its charter school sponsorship program, or as a direct investment in the sponsored
 schools;] monitor each school board's sponsorship and ensure that the school board:

122 [(2)] (1) Maintains a comprehensive application process that follows fair procedures 123 and rigorous criteria and grants charters only to those developers who demonstrate strong 124 capacity for establishing and operating a quality charter school;

125 [(3)] (2) Negotiates contracts with charter schools that clearly articulate the rights and 126 responsibilities of each party regarding school autonomy, expected outcomes, measures for 127 evaluating success or failure, performance consequences [based on the annual performance 128 report], and other material terms;

129 [(4)] (3) Conducts contract oversight that evaluates performance, monitors 130 compliance, informs intervention and renewal decisions, and ensures autonomy provided 131 under applicable law; and

132 [(5)] (4) Designs and implements a transparent and rigorous process that uses 133 comprehensive data to make merit-based renewal decisions.

134 [12. Sponsors receiving funds under subsection 11 of this section shall be required to 135 submit annual reports to the joint committee on education demonstrating they are in 136 compliance with subsection 17 of this section.

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

140 14.] 8. No sponsor shall grant a charter under sections 160.400 to 160.425 and 141 167.349 without ensuring that a criminal background check and family care safety registry 142 check are conducted for all members of the governing board of the charter schools or the 143 incorporators of the charter school if initial directors are not named in the articles of 144 incorporation, nor shall a sponsor renew a charter without ensuring a criminal background 145 check and family care safety registry check are conducted for each member of the governing 146 board of the charter school.

147 [15.] 9. No member of the governing board of a charter school shall hold any office or 148 employment from the board or the charter school while serving as a member, nor shall the 149 member have any substantial interest, as defined in section 105.450, in any entity employed 150 by or contracting with the board. No board member shall be an employee of a company that provides substantial services to the charter school. All members of the governing board of the 151 152 charter school shall be considered decision-making public servants as defined in section 153 105.450 for the purposes of the financial disclosure requirements contained in sections 154 105.483, 105.485, 105.487, and 105.489.

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

156 (1) The review of a charter school proposal including an application that provides 157 sufficient information for rigorous evaluation of the proposed charter and provides clear 158 documentation that the education program and academic program are aligned with the state

159 standards and grade-level expectations, and provides clear documentation of effective 160 governance and management structures, and a sustainable operational plan;

161 (2) The granting of a charter;

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

166 (4) The sponsor's intervention, renewal, and revocation policies, including the 167 conditions under which the charter sponsor may intervene in the operation of the charter 168 school, along with actions and consequences that may ensue, and the conditions for renewal 169 of the charter at the end of the term[<del>, consistent with subsections 8 and 9 of section 160.405</del>];

170 (5) Additional criteria that the sponsor will use for ongoing oversight of the charter;171 and

172 (6) Procedures to be implemented if a charter school should close, consistent with the 173 provisions of subdivision (15) of subsection 1 of section 160.405.

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175 The department shall provide guidance to sponsors in developing such policies and 176 procedures.

177 [17.] 11. (1) A sponsor shall provide timely submission to the state board of 178 education of all data necessary to demonstrate that the sponsor is in material compliance with 179 all requirements of sections 160.400 to 160.425 and section 167.349. The state board of 180 education shall ensure each sponsor is in compliance with all requirements under sections 181 160.400 to 160.425 and 167.349 for each charter school sponsored by any sponsor. The state 182 board shall notify each sponsor of the standards for sponsorship of charter schools, 183 delineating both what is mandated by statute and what best practices dictate. The state board 184 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 185 186 approval; required charter agreement terms and content; sponsor performance evaluation and 187 compliance monitoring; and charter renewal, intervention, and revocation decisions. Nothing 188 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 charter school that it currently sponsors or to

196 sponsor any additional school until the sponsor is reauthorized by the state board of education 197 under section 160.403.

198 (3) The charter sponsor may, within thirty days of receipt of the notice of the 199 commissioner's recommendation, provide a written statement and other documentation to 200 show cause as to why that action should not be taken. Final determination of corrective 201 action shall be determined by the state board of education based upon a review of the 202 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] state
board shall become the sponsor of the school for the remainder of the term of the charter
contract, and the state board shall not be authorized to renew the contract.

[18:] 12. 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] 9 of section 160.415 to assure all obligations of the charter school shall be met. The state[, charter sponsor, or resident] and the sponsoring district shall not be liable for any outstanding liability or obligations of the charter school.

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

9 sponsor, except for the Missouri charter public school commission, to submit an application
 10 by February first that includes the following:

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

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

14 (3) An outline of the request for proposal that the applicant sponsor would, if 15 approved as a charter sponsor, issue to solicit charter school applicants consistent with 16 sections 160.400 to 160.425 and section 167.349;

17 (4) The performance contract that the applicant sponsor would, if approved as a
 18 charter sponsor, use to evaluate the charter schools it sponsors; and

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

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

4. Within thirty days of the department's decision, the department shall execute a

renewable sponsoring contract with each entity it has approved as a sponsor. The term of each authorizing contract shall be six years and renewable] exercise sponsorship oversight and monitoring to ensure that local school districts sponsor only charter schools that meet the criteria specified in sections 160.400 to 160.425 and do so by way of a procedure that complies with the process outlined in sections 160.400 to 160.425.

160.405. 1. (1) A person, group or organization seeking to establish a charter school shall submit the proposed charter, as provided in this section, to [a sponsor. If the sponsor is 2 not a school board, the applicant shall give a copy of its application to the school board of the 3 district in which the charter school is to be located and to the state board of education, within 4 five business days of the date the application is filed with the proposed sponsor. The school 5 6 board may file objections with the proposed sponsor, and, if a charter is granted, the school board may file objections with the state board of education] the local school board or the 7 8 special administrative board in the case that the state board has established a special administrative board for the district. 9 The charter shall include a [legally binding 10 performance] contract that describes the obligations and responsibilities of the school [and the sponsor as outlined in sections 160.400 to 160.425 and section 167.349 and shall address the 11 following to provide students with a free, accessible, nonsectarian, quality education 12 that is delivered subject to the same basic safeguards and standards as other district 13 14 schools, including compliance with:

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

16 (2) A description of the charter school's organizational structure and bylaws of the 17 governing body, which will be responsible for the policy, financial management, and 18 operational decisions of the charter school, including the nature and extent of parental, 19 professional educator, and community involvement in the governance and operation of the 20 charter school;

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

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

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

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

28 (7) A description of the charter school's pupil performance standards and academic 29 program performance standards, which shall meet the requirements of subdivision (6) of 30 subsection 4 of this section. The charter school program shall be designed to enable each pupil to achieve such standards and shall contain a complete set of indicators, measures, 31 metrics, and targets for academic program performance, including specific goals on 32 graduation rates and standardized test performance and academic growth; 33 34 (8) A description of the charter school's educational program and curriculum; 35 (9) The term of the charter, which shall be five years and may be renewed; 36 (10) Procedures, consistent with the Missouri financial accounting manual, for 37 monitoring the financial accountability of the charter, which shall meet the requirements of 38 subdivision (4) of subsection 4 of this section; 39 (11) Preopening requirements for applications that require that charter schools meet all health, safety, and other legal requirements prior to opening; 40 (12) A description of the charter school's policies on student discipline and student 41 admission, which shall include a statement, where applicable, of the validity of attendance of 42 43 students who do not reside in the district but who may be eligible to attend under the terms of judicial settlements and procedures that ensure admission of students with disabilities in a 44 45 nondiscriminatory manner; 46 (13) A description of the charter school's grievance procedure for parents or 47 guardians; 48 (14) A description of the agreement and time frame for implementation between the 49 charter school and the sponsor as to when a sponsor shall intervene in a charter school, when a sponsor shall revoke a charter for failure to comply with subsection 8 of this section, and 50 51 when a sponsor will not renew a charter under subsection 9 of this section; 52 (15) Procedures to be implemented if the charter school should close, as provided in subdivision (6) of subsection 16 of section 160.400 including: 53 (a) Orderly transition of student records to new schools and archival of student 54 55 records: 56 (b) Archival of business operation and transfer or repository of personnel records; 57 (c) Submission of final financial reports; 58 (d) Resolution of any remaining financial obligations; 59 (e) Disposition of the charter school's assets upon closure; and 60 (f) A notification plan to inform parents or guardians of students, the local school district, the retirement system in which the charter school's employees participate, and the 61 62 state board of education within thirty days of the decision to close; 63 (16) A description of the special education and related services that shall be available to meet the needs of students with disabilities: and 64

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65 (17) For all new or revised charters, procedures to be used upon closure of the charter 66 school requiring that unobligated assets of the charter school be returned to the department of 67 elementary and secondary education for their disposition, which upon receipt of such assets 68 shall return them to the local school district in which the school was located, the state, or any 69 other entity to which they would belong.

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

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(a) Open meetings and public record laws;

74 (b) Prohibitions against for-profit operation or profiteering as enforced by 75 conflict of interest, financial disclosure, and auditing requirements;

(c) The same civil rights including, but not limited to, constitutional rights and
 federal and state laws relating to employment, health, labor, safety, staff qualification,
 certification requirements, and protections for students with disabilities as other district
 schools; and

80 (d) The same standards of accreditation, accountability, and academic 81 assessment and performance as other district schools.

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(2) The term of the charter shall not exceed five years.

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

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

(2) A charter may be approved [when the sponsor determines that the requirements of this section are met, determines that the applicant is sufficiently qualified to operate a charter school, and that the proposed charter is consistent with the sponsor's charter sponsorship goals and capacity. The sponsor's decision of approval or denial shall be made within ninety days of the filing of the proposed charter] only if the sponsor determines the charter is both necessary to meet the needs of students in the district and will meet those needs in a manner that improves the local public school system;

95 (3) Charter schools may be authorized or expanded only after a district has 96 assessed the impact of the proposed charter school on local public school resources, 97 programs, and services including, but not limited to, the district's operating and capital 98 expenses, appropriate facility availability, the likelihood that the charter will prompt 99 cutbacks or closures in local public schools, and consideration of whether other 100 improvements in either educational program or school management, which may include 101 reduced class sizes and community or magnet schools, would better serve the district's

102 needs. The district shall also consider the impact of the charter on the racial, ethnic, 103 and socioeconomic composition of schools and neighborhoods and on equitable access to 104 quality services for all district students including, but not limited to, students with special needs and English-language learners. The impact analysis shall be independent, 105 106 developed with community input, and be written and publicly available. If the charter is denied, the proposed sponsor shall notify the applicant in writing as to the reasons for its 107 108 denial and forward a copy to the state board of education within five business days following 109 the denial;

110 (4) If a proposed charter is denied by a sponsor, the proposed charter may be 111 submitted to the state board of education, along with the sponsor's written reasons for its 112 denial. [If the state board determines that the applicant meets the requirements of this section, that the applicant is sufficiently qualified to operate the charter school, and that granting a 113 eharter to the applicant would be likely to provide educational benefit to the children of the 114 district, the state board may grant a charter and act as sponsor of the charter school. The state 115 board shall review the proposed charter and make a determination of whether to deny or grant 116 117 the proposed charter within sixty days of receipt of the proposed charter, provided that any 118 charter to be considered by the state board of education under this subdivision shall be 119 submitted no later than March first prior to the school year in which the charter school intends to begin operations. The state board of education shall notify the applicant in writing as the 120 121 reasons for its denial, if applicable; and

122 (5) The sponsor of a charter school shall give priority to charter school applicants that 123 propose a school oriented to high-risk students and to the reentry of dropouts into the school system. If a sponsor grants three or more charters, at least one-third of the charters granted by 124 125 the sponsor shall be to schools that actively recruit dropouts or high-risk students as their student body and address the needs of dropouts or high-risk students through their proposed 126 mission, curriculum, teaching methods, and services. For purposes of this subsection, a 127 "high risk" student is one who is at least one year behind in satisfactory completion of course 128 129 work or obtaining high school credits for graduation, has dropped out of school, is at risk of 130 dropping out of school, needs drug and alcohol treatment, has severe behavioral problems, has been suspended from school three or more times, has a history of severe truancy, is a 131 pregnant or parenting teen, has been referred for enrollment by the judicial system, is exiting 132 incarceration, is a refugee, is homeless or has been homeless sometime within the preceding 133 134 six months, has been referred by an area school district for enrollment in an alternative 135 program, or qualifies as high risk under department of elementary and secondary education 136 guidelines. Dropout shall be defined through the guidelines of the school core data report. 137 The provisions of this subsection do not apply to charters sponsored by the state board of education] The state board of education may consider appeals of approvals or denials of 138

139 charters only on the grounds that the sponsor's process for approving a charter was not 140 properly followed or that the approval or denial of a charter was arbitrary or illegal. If 141 the state board of education determines, following a hearing on the appeal, that the 142 sponsor's process for approving the charter was not properly followed or that the 143 approval or denial of a charter was arbitrary or illegal, the state board may remand the 144 application to the sponsor with specific instructions for correction of the sponsor's 145 review under the sponsor's approval process.

146 3. If a charter is approved by a sponsor, the charter application shall be submitted to 147 the state board of education, along with a statement of finding by the sponsor that the application meets the requirements of sections 160.400 to 160.425 and section 167.349 and a 148 149 monitoring plan under which the charter sponsor shall monitor and evaluate the [academic performance, including annual performance reports, of students enrolled in the charter school. 150 151 The state board of education shall approve or deny a charter application within sixty days of receipt of the application. The state board of education may deny a charter on grounds that 152 153 the application fails to meet the requirements of sections 160.400 to 160.425 and section 154 167.349 or that a charter sponsor previously failed to meet the statutory responsibilities of a 155 charter sponsor. Any denial of a charter application made by the state board of education 156 shall be in writing and shall identify the specific failures of the application to meet the requirements of sections 160.400 to 160.425 and section 167.349, and the written denial shall 157 158 be provided within ten business days to the sponsor] charter school.

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

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

162 (2) Comply with laws and regulations of the state, county, or city relating to health, safety, and state minimum educational standards, as specified by the state board of education, 163 including the requirements relating to student discipline under sections 160.261, 167.161, 164 167.164, and 167.171, notification of criminal conduct to law enforcement authorities under 165 166 sections 167.115 to 167.117, academic assessment under section 160.518, transmittal of 167 school records under section 167.020, the minimum amount of school time required under section 171.031, and the employee criminal history background check and the family care 168 169 safety registry check under section 168.133;

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

173 (4) Be financially accountable, use practices consistent with the Missouri financial
 174 accounting manual, provide for an annual audit by a certified public accountant, publish audit
 175 reports and annual financial reports as provided in chapter 165, provided that the annual

176 financial report may be published on the department of elementary and secondary education's 177 internet website in addition to other publishing requirements, and provide liability insurance 178 to indemnify the school, its board, staff and teachers against tort claims. A charter school that receives local educational agency status under subsection 6 of this section shall meet the 179 180 requirements imposed by the Elementary and Secondary Education Act for audits of such agencies and comply with all federal audit requirements for charters with local educational 181 182 agency status. For purposes of an audit by petition under section 29.230, a charter school shall be treated as a political subdivision on the same terms and conditions as the school 183 184 district in which it is located. For the purposes of securing such insurance, a charter school 185 shall be eligible for the Missouri public entity risk management fund pursuant to section 537.700. A charter school that incurs debt shall include a repayment plan in its financial plan; 186 187 (5) Provide a comprehensive program of instruction for at least one grade or age group from early childhood through grade twelve, as specified in its charter; 188 189 (6) (a) Design a method to measure pupil progress toward the pupil academic 190 standards adopted by the state board of education pursuant to section 160.514, establish 191 baseline student performance in accordance with the performance contract during the first 192 year of operation, collect student performance data as defined by the annual performance 193 report throughout the duration of the charter to annually monitor student academic performance, and to the extent applicable based upon grade levels offered by the charter 194 school, participate in the statewide system of assessments, comprised of the essential skills 195 196 tests and the nationally standardized norm referenced achievement tests, as designated by the 197 state board pursuant to section 160.518, complete and distribute an annual report card as 198 prescribed in section 160.522, which shall also include a statement that background checks 199 have been completed on the charter school's board members, and report to its sponsor, the local school district, and the state board of education as to its teaching methods and any 200 201 educational innovations and the results thereof. No] Each charter school shall be considered in the Missouri school improvement program review of the district in which it is located [for 202 203 the resource or process standards of the program. 204 (b) For proposed high-risk or alternative charter schools, sponsors shall approve performance measures based on mission, eurriculum, teaching methods, and services. 205 206 Sponsors shall also approve comprehensive academic and behavioral measures to determine

207 whether students are meeting performance standards on a different time frame as specified in

that school's charter. Student performance shall be assessed comprehensively to determine
 whether a high-risk or alternative charter school has documented adequate student progress.

- 210 Student performance shall be based on sponsor approved comprehensive measures as well as
- 210 Student performance shall be based on sponsor approved comprehensive measures as wen as
- 211 standardized public school measures. Annual presentation of charter school report card data

212 to the department of elementary and secondary education, the state board, and the public shall include comprehensive measures of student progress. 213 214 (c) Nothing in this subdivision shall be construed as permitting a charter school to be 215 held to lower performance standards than other public schools within a district; however, the 216 charter of a charter school may permit students to meet performance standards on a different 217 time frame as specified in its charter. The performance standards for alternative and special 218 purpose charter schools that target high-risk students as defined in subdivision (5) of 219 subsection 2 of this section shall be based on measures defined in the school's performance 220 contract with its sponsors; 221 (7) Comply with all applicable federal and state laws and regulations regarding 222 students with disabilities, including sections 162.670 to 162.710, the Individuals with 223 Disabilities Education Act (20 U.S.C. Section 1400) and Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. Section 794) or successor legislation; 224 (8) Provide along with any request for review by the state board of education the 225 226 following: 227 (a) Documentation that the applicant has provided a copy of the application to the 228 school board of the district in which the charter school is to be located, except in those 229 circumstances where the school district is the sponsor of the charter school; and 230 (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. 231 232 5. (1) Proposed or existing high risk or alternative charter schools may include 233 alternative arrangements for students to obtain credit for satisfying graduation requirements in 234 the school's charter application and charter. Alternative arrangements may include, but not be 235 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 236 education approves the charter, any such alternative arrangements shall be approved at such 237 238 time. 239 (2) The department of elementary and secondary education shall conduct a study of 240 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, 241 242 educational outcomes, and entry into the workforce or higher education]. 243 [6.] 5. The charter of a charter school may be amended [at the request] by mutual 244 agreement of the governing body of the charter school and [on the approval of] the sponsor. 245 The sponsor and the governing board and staff of the charter school shall jointly review the 246 school's performance, management, and operations [during the first year of operation and 247 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 248

249 private. The governing board of a charter school may amend the charter, if the sponsor 250 approves such amendment, or the sponsor and the governing board may reach an agreement 251 in writing to reflect the charter school's decision to become a local educational agency. In 252 such case the sponsor shall give the department of elementary and secondary education 253 written notice no later than March first of any year, with the agreement to become effective 254 July first. The department may waive the March first notice date in its discretion. The 255 department shall identify and furnish a list of its regulations that pertain to local educational 256 agencies to such schools within thirty days of receiving such notice] as provided in the 257 contract. 258 [7. Sponsors shall annually review the charter school's compliance with statutory 259 standards including: 260 (1) Participation in the statewide system of assessments, as designated by the state board of education under section 160.518; 261 (2) Assurances for the completion and distribution of an annual report card as 262 263 prescribed in section 160.522; 264 (3) The collection of baseline data during the first three years of operation to 265 determine the longitudinal success of the charter school; 266 (4) A method to measure pupil progress toward the pupil academic standards adopted by the state board of education under section 160.514; and 267 268 (5) Publication of each charter school's annual performance report. 269 8. (1) (a) A sponsor's policies shall give schools clear, adequate, evidence based, and 270 timely notice of contract violations or performance deficiencies and mandate intervention based upon findings of the state board of education of the following: 271 272 a. The charter school provides a high school program which fails to maintain a 273 graduation rate of at least seventy percent in three of the last four school years unless the 274 school has dropout recovery as its mission; 275 b. The charter school's annual performance report results are below the district's 276 annual performance report results based on the performance standards that are applicable to 277 the grade level configuration of both the charter school and the district in which the charter 278 school is located in three of the last four school years; and 279 c. The charter school is identified as a persistently lowest achieving school by the 280 department of elementary and secondary education. 281 (b) 6. (1) A sponsor shall have a policy to revoke a charter during the charter term if 282 there is [: 283 a.] clear evidence of underperformance [as demonstrated in the charter school's 284 annual performance report in three of the last four school years;] or 285 [b.] a violation of the law or the public trust that imperils students or public funds.

286 (c) (2) A sponsor shall revoke a charter or take other appropriate remedial action, 287 which may include placing the charter school on probationary status for no more than twenty-288 four months, provided that no more than one designation of probationary status shall be 289 allowed for the duration of the charter contract, at any time if the charter school commits a 290 serious breach of one or more provisions of its charter or on any of the following grounds: 291 failure to meet the performance contract as set forth in its charter, failure to meet generally 292 accepted standards of fiscal management, failure to provide information necessary to confirm compliance with all provisions of the charter and sections 160.400 to 160.425 and 167.349 293 294 within forty-five days following receipt of written notice requesting such information, or 295 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.

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

303 (4) The sponsor of a charter school shall establish procedures to conduct 304 administrative hearings upon determination by the sponsor that grounds exist to revoke a 305 charter. Final decisions of a sponsor from hearings conducted pursuant to this subsection are 306 subject to an appeal to the state board of education, which shall determine whether the charter 307 shall be revoked.

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

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

[9.] 7. [(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.

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

- 322 (a) The charter school has maintained results on its annual performance report that 323 meet or exceed the district in which the charter school is located based on the performance 324 standards that are applicable to the grade-level configuration of both the charter school and 325 the district in which the charter school is located in three of the last four school years; 326 (b) The charter school is organizationally and fiscally viable determining at a 327 minimum that the school does not have: 328 a. A negative balance in its operating funds; 329 b. A combined balance of less than three percent of the amount expended for such 330 funds during the previous fiscal year; or 331 c. Expenditures that exceed receipts for the most recently completed fiscal year; 332 (c) The charter is in compliance with its legally binding performance contract and sections 160.400 to 160.425 and section 167.349; and 333 334 (d) The charter school has an annual performance report consistent with a elassification of accredited for three of the last four years and is fiscally viable as described in 335 paragraph (b) of this subdivision. If such is the case, the charter school may have an 336 337 expedited renewal process as defined by rule of the department of elementary and secondary 338 education.
- 339 (3) (a) Beginning August first during the year in which a charter is considered for 340 renewal, a charter school sponsor shall demonstrate to the state board of education that the 341 charter school is in compliance with federal and state law as provided in sections 160.400 to 342 160.425 and section 167.349 and the school's performance contract including but not limited 343 to those requirements specific to academic performance.
- 344 (b) Along with data reflecting the academic performance standards indicated in 345 paragraph (a) of this subdivision, the sponsor shall submit a revised charter application to the state board of education for review. 346
- 347 (c) Using the data requested and the revised charter application under paragraphs (a) and (b) of this subdivision, the state board of education shall determine if compliance with all 348 349 standards enumerated in this subdivision has been achieved. The state board of education at 350 its next regularly scheduled meeting shall vote on the revised charter application.
- 351
- (d) If a charter school sponsor demonstrates the objectives identified in this subdivision, the state board of education shall renew the school's charter. 352
- 353 **10.**] **8.** A school district may enter into a lease with a charter school for physical 354 facilities.

355 [11-] 9. A governing board or a school district employee who has control over 356 personnel actions shall not take unlawful reprisal against another employee at the school district because the employee is directly or indirectly involved in an application to establish a 357 358 charter school. A governing board or a school district employee shall not take unlawful

359 reprisal against an educational program of the school or the school district because an 360 application to establish a charter school proposes the conversion of all or a portion of the 361 educational program to a charter school. As used in this subsection, "unlawful reprisal" 362 means an action that is taken by a governing board or a school district employee as a direct 363 result of a lawful application to establish a charter school and that is adverse to another 364 employee or an educational program.

365 [12.] 10. Charter school board members shall be subject to the same liability for acts 366 while in office as if they were regularly and duly elected members of school boards in any 367 other public school district in this state. The governing board of a charter school may 368 participate, to the same extent as a school board, in the Missouri public entity risk 369 management fund in the manner provided under sections 537.700 to 537.756.

370 [13.] 11. Any entity, either public or private, operating, administering, or otherwise
371 managing a charter school shall be considered a quasi-public governmental body and subject
372 to the provisions of sections 610.010 to 610.035.

373

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

374 (1) A surety bond in an amount determined by the sponsor to be adequate based on 375 the cash flow of the school; or

376 (2) An insurance policy issued by an insurance company licensed to do business in 377 Missouri on all employees in the amount of five hundred thousand dollars or more that 378 provides coverage in the event of employee theft.

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

382 16. The joint committee on education shall create a committee to investigate facility 383 access and affordability for charter schools. The committee shall be comprised of equal 384 numbers of the charter school sector and the public school sector and shall report its findings 385 to the general assembly by December 31, 2016.]

160.410. 1. A charter school shall enroll[:

2

(1)] all pupils [resident] residing 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 6 167.895, provided that the charter school is an approved charter school, as defined in section 7 167.895, and subject to all other provisions of section 167.895;

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

12 established, who submits a timely application; and

13 (5) In the case of a workplace charter school, any student eligible to attend under subdivision (1) or (2) of this subsection whose parent is employed in the business district, 14 15 who submits a timely application, unless the number of applications exceeds the capacity of a program, class, grade level or building. The configuration of a business district shall be set 16 17 forth in the charter and shall not be construed to create an undue advantage for a single employer or small number of employers] as provided in the contract and subject to other 18 requirements of law applicable to enrollment of students in the district, provided that a 19 charter school operating under a contract in effect on the effective date of this section 20 may enroll pupils as provided in the charter and such contract until the expiration of 21 such contract. 22

2. If capacity is insufficient to enroll all pupils who submit a timely application, the 24 charter school shall have an admissions process that assures all applicants of an equal chance 25 of gaining admission and does not discriminate based on parents' ability to pay fees or tuition 26 [except that:

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

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

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

39 (4) A charter school may also give a preference for admission to students who will be
 40 eligible for the free and reduced price lunch program in the upcoming school year].

3. A charter school shall not limit admission based on race, ethnicity, national origin, disability, income level, [except as allowed under subdivision (4) of subsection 2 of this section,] proficiency in the English language, or athletic ability, but may limit admission to pupils within a given age group or grade level. Charter schools may limit admission based on gender only when the school is a single-gender school. [Students of a charter school who have been enrolled for a full academic year shall be counted in the performance of the charter school on the statewide assessments in that calendar year, unless otherwise exempted as

48 English language learners. For purposes of this subsection, "full academic year" means the

49 last Wednesday in September through the administration of the Missouri assessment program

50 test without transferring out of the school and re-enrolling.]

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

54

## (1) The school's charter;

55 (2) The school's most recent annual report card published according to section 56 160.522; and

57

(3) The results of background checks on the charter school's board members[; and

58 (4) If a charter school is operated by a management company, a copy of the written 59 contract between the governing board of the charter school and the educational management 60 organization or the charter management organization for services. The charter school may 61 charge reasonable fees, not to exceed the rate specified in section 610.026 for furnishing 62 copies of documents under this subsection].

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

68 6. If a change in school district boundary lines occurs under section 162.223, 69 162.431, 162.441, or 162.451, or by action of the state board of education under section 162.081, including attachment of a school district's territory to another district or dissolution, 70 71 such that a student attending a charter school prior to such change no longer resides in a school district in which the charter school is located, then the student may complete the 72 73 current academic year at the charter school. The student shall be considered a resident student. The student's parent or legal guardian shall be responsible for the student's 74 75 transportation to and from the charter school.

76 7. The provisions of sections 167.018 and 167.019 concerning foster children's 77 educational rights are applicable to charter schools.

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

8 special education pupil count, and limited English proficiency pupil count to the state 9 department of elementary and secondary education. Each charter school shall promptly 10 notify the state department of elementary and secondary education and the pupil's school 11 district when a pupil discontinues enrollment at a charter school.

12 2. [Except as provided in subsections 3 and 4 of this section, the] Aid payments for 13 charter schools shall be as described in this subsection.

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

20 (2) The district of residence of a pupil attending a charter school shall also pay to the 21 charter school any other federal or state aid that the district receives on account of such pupil.

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

(4) The amounts provided pursuant to this subsection shall be prorated for partial yearenrollment for a pupil.

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

31 3. [A workplace charter school shall receive payment for each eligible pupil as 32 provided under subsection 2 of this section, except that if the pupil is not a resident of the 33 district and is participating in a voluntary interdistrict transfer program, the payment for such 34 pupils shall be the same as provided under section 162.1060.

35 4. A charter school that has declared itself as a local educational agency shall receive from the department of elementary and secondary education an annual amount equal to the 36 product of the charter school's weighted average daily attendance and the state adequacy 37 target, multiplied by the dollar value modifier for the district, plus local tax revenues per 38 39 weighted average daily attendance from the incidental and teachers funds in excess of the performance levy as defined in section 163.011 plus all other state aid attributable to such 40 pupils. If a charter school declares itself as a local educational agency, the department of 41 42 elementary and secondary education shall, upon notice of the declaration, reduce the payment 43 made to the school district by the amount specified in this subsection and pay directly to the charter school the annual amount reduced from the school district's payment. 44

45 5. If a school district fails to make timely payments of any amount for which it is the disbursal agent, the state department of elementary and secondary education shall authorize 46 47 payment to the charter school of the amount due pursuant to subsection 2 of this section and shall deduct the same amount from the next state school aid apportionment to the owing 48 school district. If a charter school is paid more or less than the amounts due pursuant to this 49 section, the amount of overpayment or underpayment shall be adjusted equally in the next 50 51 twelve payments by the school district or the department of elementary and secondary education, as appropriate.] Any dispute between the school district and a charter school as to 52 the amount owing to the charter school shall be resolved [by the department of elementary 53 and secondary education, and the department's decision shall be the final administrative 54 action for the purposes of review pursuant to chapter 536. During the period of dispute, the 55 department of elementary and secondary education shall make every administrative and 56 statutory effort to allow the continued education of students in their current charter school 57 58 setting] as provided in the contract.

59 [6.] 4. The charter school and a local school board may agree by contract for services 60 to be provided by the school district to the charter school. The charter school may contract 61 with any other entity for services. Such services may include but are not limited to food 62 service, custodial service, maintenance, management assistance, curriculum assistance, media services and libraries, provided that no charter school shall be operated by a management 63 64 company or any entity other than the charter school board and its chief administrative 65 officer, and shall be subject to negotiation between the charter school and the local school board or other entity. Documented actual costs of such services shall be paid for by the 66 charter school. 67

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

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

74 (2) Provide a term sheet setting forth the proposed duration of the service contract;
75 roles and responsibilities of the governing board, the school staff, and the service provider;
76 scope of services and resources to be provided by the service provider; performance
77 evaluation measures and time lines; compensation structure, including clear identification of
78 all fees to be paid to the service provider; methods of contract oversight and enforcement;
79 investment disclosure; and conditions for renewal and termination of the contract;
80 (3) Disclose any known conflicts of interest between the school governing board and

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

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

84 (5) Ensure that the legal counsel for the charter school shall report directly to the 85 charter school's governing board; and

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

89 8.] 5. A charter school may enter into contracts with community partnerships and
90 state agencies acting in collaboration with such partnerships that provide services to students
91 and their families linked to the school.

92 [9.] 6. A charter school shall be eligible for transportation state aid pursuant to section 93 163.161 and shall be free to contract with the local district, or any other entity, for the 94 provision of transportation to the students of the charter school.

95 [10.] 7. (1) The proportionate share of state and federal resources generated by 96 students with disabilities or staff serving them shall be paid in full to charter schools enrolling 97 those students by their school district where such enrollment is through a contract for services 98 described in this section. The proportionate share of money generated under other federal or 99 state categorical aid programs shall be directed to charter schools serving such students 100 eligible for that aid.

101 (2) A charter school shall provide the special services provided pursuant to section 102 162.705 and may provide the special services pursuant to a contract with a school district or 103 any provider of such services.

104 [11.] 8. A charter school shall not charge tuition or impose fees that a school district is 105 prohibited from charging or imposing, except that a charter school may receive tuition 106 payments from districts in the same or an adjoining county for nonresident students who 107 transfer to an approved charter school, as defined in section 167.895, from an unaccredited 108 district.

109 [12.] 9. 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 110 district may incur bonded indebtedness or take other measures to provide for physical 111 112 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 113 114 charter school, any liabilities of the corporation will be satisfied through the procedures of 115 chapter 355. A charter school shall satisfy all its financial obligations within twelve months 116 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 117 118 remaining state and federal funds to the department of elementary and secondary education

119 for disposition [as stated in subdivision (17) of subsection 1 of section 160.405]. The 120 department of elementary and secondary education may withhold funding at a level the 121 department determines to be adequate during a school's last year of operation until the 122 department determines that school records, liabilities, and reporting requirements, including a 123 full audit, are satisfied.

124 [13.] 10. Charter schools shall not have the power to acquire property by eminent 125 domain.

126 [14.] 11. The governing board of a charter school is authorized to accept grants, gifts 127 or donations of any kind and to expend or use such grants, gifts or donations. A grant, gift or 128 donation shall not be accepted by the governing board if it is subject to any condition contrary 129 to law applicable to the charter school or other public schools, or contrary to the terms of the 130 charter.

131 [15.] 12. In addition to any state aid remitted to charter schools under this section, the 132 department of elementary and secondary education shall remit to any charter school an 133 amount equal to the weighted average daily attendance of the charter school multiplied by the 134 difference of:

(1) The amount of state aid and local aid per weighted average daily attendance received by the school district in which the charter school is located, not including any funds remitted to charter schools in the district. For the purposes of this subdivision, the weighted average daily attendance of the school district shall not include the weighted average daily attendance of the charter schools located in the district; and

140 (2) The amount of state aid and local aid per weighted average daily attendance of the 141 charter school received by the charter school.

142 [16.] 13. Charter schools may adjust weighted average daily attendance pursuant to
143 section 163.036.

144 [17.] 14. When calculating the amounts in subdivisions (1) and (2) of subsection [15]
145 12 of this section, the department shall utilize the most current data to which the department
146 has access.

147 [18.] 15. For the purposes of subsection [15] 12 of this section:

148

(1) The definitions contained in section 163.011, shall apply;

149 (2) The term "local aid" shall mean all local and county revenue received, including,150 but not limited to, the following:

151 (a) Property taxes and delinquent taxes;

152 (b) Merchants' and manufacturers' tax revenues;

153 (c) Financial institutions' tax revenues;

(d) City sales tax revenue, including city sales tax collected in any city not within acounty;

25

156 (e) Payments in lieu of taxes; and 157 (f) Revenues from state-assessed railroad and utilities tax; 158 (3) The term local aid shall not be construed to include: 159 (a) Charitable contributions, gifts, and grants made to school districts; 160 (b) Interest earnings of school districts and student fees paid to school districts; 161 (c) Debt service authorized by a public vote for the purpose of making payments on a 162 bond issuance of a school district; 163 (d) Proposition C revenues received for school purposes from the school district trust 164 fund under section 163.087; or (e) Any other funding solely intended for a particular school district or their 165 respective employees, schools, foundations, or organizations; 166 167 (4) The term "state aid" shall mean any revenues received pursuant to this section and 168 sections 163.043 and 163.087. [19. Notwithstanding any other provision of law to the contrary, subsections 15 to 18 169 of this section shall be applicable to charter schools operated only in the following school 170 171 districts, provided that no such school district shall be located in a county with more than one 172 hundred fifty thousand but fewer than two hundred thousand inhabitants: 173 (1) In a metropolitan school district; 174 (2) In an urban school district containing most or all of a city with more than four hundred thousand inhabitants and located in more than one county; 175 176 (3) In a school district that has been classified as unaccredited by the state board of 177 education: 178 (4) In a school district that has been classified as provisionally accredited by the state 179 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 180 beginning with the 2012-13 accreditation year under the conditions described in paragraphs 181 (a) and (b) of subdivision (4) of subsection 2 of section 160.400; or 182 183 (5) In a school district that has been accredited without provisions, sponsored only by 184 the local school board under the conditions described in subdivision (6) of subsection 2 of 185 section 160.400. 186 20.] 16. (1) The members of the governing board of a charter school shall be residents of the state of Missouri. 187 188 (2) Any current member of a governing board of a charter school who does not meet 189 the requirements in subdivision (1) of this subsection may complete their term. Such 190 individual shall not be renominated as a member of the governing board on which he or she 191 sits.

192 [21.] 17. (1) Any charter school management company operating a charter school in
193 the state shall be a nonprofit corporation incorporated pursuant to chapter 355.

(2) Notwithstanding any provision of law to the contrary, if a charter school is operated by a charter school management company, all laws and regulations that apply to employees of such charter school shall apply to the actions of any employees of the management company while they are conducting any work relating to the direct decisionmaking of the operation of such charter school.

199 [22.] 18. Beginning July 1, 2023, the provisions of section 160.995 shall be 200 applicable to charter schools.

201 [23.] 19. Each charter school shall publish its annual performance report on the 202 school's website in a downloadable format.

160.417. 1. By October 1, 2012, and by each October first thereafter, the sponsor of

each charter school shall review the information submitted on the report required by section 2 3 162.821 to identify charter schools experiencing financial stress. [The department of elementary and secondary education shall be authorized to obtain such additional information 4 5 from a charter school as may be necessary to determine the financial condition of the charter 6 school. Annually, a listing of charter schools identified as experiencing financial stress 7 according to the provisions of this section shall be provided to the governor, speaker of the house of representatives, and president pro tempore of the senate by the department of 8 9 elementary and secondary education. [2. For the purposes of this section, a charter school shall be identified as 10 experiencing financial stress if it: 11 12 (1) At the end of its most recently completed fiscal year: 13 (a) Has a negative balance in its operating funds; or 14 (b) Has a combined balance of less than three percent of the amount expended from such funds during the previous fiscal year; 15 16 (2) For the most recently completed fiscal year expenditures, exceeded receipts for 17 any of its funds because of recurring costs; or 18 (3) Due to insufficient fund balances or reserves, incurred debt after January thirtyfirst and before July first during the most recently completed fiscal year in order to meet 19 20 expenditures of the charter school.

21 3.] 2. The sponsor shall promptly notify [by November first] the governing board of 22 the charter school identified as experiencing financial stress. Upon receiving the notification, 23 the [governing board shall develop, or cause to have developed, and shall approve a budget 24 and education plan on forms provided by the sponsor. The budget and education plan shall be 25 submitted to the sponsor, signed by the officers of the charter school, within forty-five 26 calendar days of notification that the charter school has been identified as experiencing

financial stress. Minimally, the budget and education plan] charter school and sponsor
shall mutually agree to a revised budget and education plan that shall:

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

33 (2) Outline a procedure to be followed by the charter school to report to charter34 school patrons about the financial condition of the charter school; and

35 (3) Detail the expenditure reduction measures, revenue increases, or other actions to36 be taken by the charter school to address its condition of financial stress.

37 [4. Upon receipt and following review of any budget and education plan, the sponsor may make suggestions to improve the plan. Nothing in sections 160.400 to 160.425 or 38 section 167.349 shall exempt a charter school from submitting a budget and education plan to 39 the sponsor according to the provisions of this section following each such notification that a 40 charter school has been identified as experiencing financial stress, except that the sponsor 41 42 may permit a charter school's governing board to make amendments to or update a budget and 43 education plan previously submitted to the sponsor. 44 5. The department may withhold any payment of financial aid otherwise due to the

45 charter school until such time as the sponsor and the charter school have fully complied with 46 this section.]

160.420. 1. Any school district in which charter schools may be established under sections 160.400 to 160.425 shall establish a uniform policy which provides that if a charter 2 school offers to retain the services of an employee of a school district, and the employee 3 accepts a position at the charter school, an employee at the employee's option may remain an 4 employee of the district and the charter school shall pay to the district the district's full costs 5 of salary and benefits provided to the employee. The district's policy shall provide that any 6 teacher who accepts a position at a charter school and opts to remain an employee of the 7 district retains such teacher's permanent teacher status and retains such teacher's seniority 8 9 rights in the district for three years. The school district shall not be liable for any such employee's acts while an employee of the charter school. 10

2. A charter school [may] shall employ [noncertificated] certificated instructional personnel[; provided that no more than twenty percent of the full-time equivalent instructional staff positions at the school are filled by noncertificated personnel. All noncertificated instructional personnel shall be supervised by certificated instructional personnel. A charter school that has a foreign language immersion experience as its chief educational mission, as stated in its charter, shall not be subject to the twenty-percent requirement of this subsection but shall ensure that any teachers whose duties include

18 instruction given in a foreign language have current valid credentials in the country in which such teacher received his or her training and shall remain subject to the remaining 19 requirements of this subsection. The charter school shall ensure that all instructional 20 employees of the charter school have experience, training and skills appropriate to the 21 22 instructional duties of the employee, and the charter school shall ensure that a criminal background check and family care safety registry check are conducted for each employee of 23 the charter school prior to the hiring of the employee under the requirements of section 24 168.133. The charter school may not employ instructional personnel whose certificate of 25 license to teach has been revoked or is currently suspended by the state board of education. 26 Appropriate experience, training and skills of noncertificated instructional personnel shall be 27 28 determined considering: 29 (1) Teaching certificates issued by another state or states; 30 (2) Certification by the National Board for Professional Teaching Standards; 31 (3) College degrees in the appropriate field; (4) Evidence of technical training and competence when such is appropriate; and 32 33 (5) The level of supervision and coordination with certificated instructional staff 34 under the same requirements applicable to instructional personnel of the district, 35 provided that this subsection shall not apply to noncertificated personnel employed by a charter school under a contract in effect on the effective date of this section. 36 37 3. Personnel employed by the charter school shall participate in the retirement system 38 of the school district in which the charter school is located, subject to the same terms, conditions, requirements and other provisions applicable to personnel employed by the school 39 district. For purposes of participating in the retirement system, the charter school shall be 40 41 considered to be a public school within the school district, and personnel employed by the charter school shall be public school employees. In the event of a lapse of the school district's 42 corporate organization as described in subsections 1 and 4 of section 162.081, personnel 43 employed by the charter school shall continue to participate in the retirement system and shall 44 45 do so on the same terms, conditions, requirements and other provisions as they participated 46 prior to the lapse. 160.425. 1. The "Missouri Charter Public School Commission" is hereby created with the authority to sponsor high quality charter schools throughout the state of Missouri. 2 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, shall10 appoint a successor.

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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 the19 speaker of the house of representatives; and

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

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

5. The commission shall annually elect a chairperson and vice chairperson, who shall act as chairperson in his or her absence. The commission shall meet at the call of the chairperson. The chairperson may call meetings at such times as he or she deems advisable and shall call a meeting when requested to do so by three or more members of the commission. Members of the commission are not eligible to receive compensation.

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

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

(2) Exercise sponsorship over charters approved by the commission under sections
160.400 to 160.425[<del>, including receipt of sponsorship funding under subsection 11 of section</del>
160.400]. Sponsorship funding due to the commission shall be deposited to the credit of the
charter public school commission revolving fund created pursuant to this section.

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

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

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

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

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

59 **12.** The commission shall not approve any charter for sponsorship on or after 60 the effective date of this section.

61 13. The commission shall not renew any charter contract on or after the effective
62 date of this section.

63 14. The commission shall be abolished as of thirty days following the date of the 64 expiration of the last existing charter contract effective on the effective date of this 65 section for charter schools sponsored by the commission on the effective date of this 66 section.

[160.408. 1. For purposes of this section, "high-quality charter 2 school" means a charter school operating in the state of Missouri that meets the 3 following requirements: 4 (1) Receives eighty-five percent or more of the total points on the 5 annual performance report for three out of the last four school years by 6 comparing points earned to the points possible on the annual performance 7 report for three of the last four school years; 8 (2) Maintains a graduation rate of at least eighty percent for three of 9 the last four school years, if the charter school provides a high school program; 10 (3) Is in material compliance with its legally binding performance contract and sections 160.400 to 160.425 and section 167.349; and 11 12 (4) Is organizationally and fiscally viable as described in paragraph (b) 13 of subdivision (2) of subsection 9 of section 160.405. 14 2. Notwithstanding any other provision of law, high-quality charter 15 schools shall be provided expedited opportunities to replicate and expand into unaccredited districts, a metropolitan district, or an urban school district 16 containing most or all of a home rule city with more than four hundred 17

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thousand inhabitants and located in more than one county. Such replication
 and expansion shall be subject to the following:

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

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

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

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

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