

FIRST REGULAR SESSION

# HOUSE BILL NO. 942

## 103RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE BOSLEY.

1813H.011

JOSEPH ENGLER, Chief Clerk

### AN ACT

To repeal sections 160.400 and 160.425, RSMo, and to enact in lieu thereof two 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Section A. Sections 160.400 and 160.425, RSMo, are repealed and two new sections enacted in lieu thereof, to be known as sections 160.400 and 160.425, to read as follows:

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

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

(1) In a metropolitan school district;

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

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

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

(a) The eligibility for charter schools of any school district whose provisional accreditation is based in whole or in part on financial stress as defined in sections 161.520 to 161.529, or on financial hardship as defined by rule of the state board of education, shall be decided by a vote of the state board of education during the third consecutive school year after the designation of provisional accreditation; and

EXPLANATION — Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

18 (b) The sponsor is limited to the local school board or a sponsor who has met the  
19 standards of accountability and performance as determined by the department based on  
20 sections 160.400 to 160.425 and section 167.349 and properly promulgated rules of the  
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  
37 school as of August 27, 2012, as permitted under subdivision (1) or (2) of subsection 2 of this  
38 section, the special administrative board of a metropolitan school district during any time in  
39 which powers granted to the district's board of education are vested in a special administrative  
40 board, or if the state board of education appoints a special administrative board to retain the  
41 authority granted to the board of education of an urban school district containing most or all  
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  
45 program that meets regional or national standards of accreditation;

46 (3) A community college, the service area of which encompasses some portion of the  
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  
50 preparation program;

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:

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

61           (2) As a district transitions from provisionally accredited to full accreditation, the  
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

70 A charter school operating in a school district identified in subdivision (1), (2), or (5) of  
71 subsection 2 of this section may be sponsored by any of the entities identified in subsection 3  
72 of this section, irrespective of the accreditation classification of the district in which it is  
73 located. A charter school in a district described in this subsection whose charter provides for  
74 the addition of grade levels in subsequent years may continue to add levels until the planned  
75 expansion is complete to the extent of grade levels in comparable schools of the district in  
76 which the charter school is operated.

77           5. The mayor of a city not within a county may request a sponsor under subdivision  
78 (2), (3), (4), (5), or (6) of subsection 3 of this section to consider sponsoring a "workplace  
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  
81 a business district, as defined in the charter, which is located in the city.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

155           (2) The granting of a charter;

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

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

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

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

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

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

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

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

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

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

**19. (1) For the 2026-27 school year and all subsequent school years, before a charter school may be established under this section, the sponsoring entity of the proposed charter school shall conduct and submit a community-needs feasibility study to the state board of education and the Missouri charter public school commission.**

**(2) The study shall address the following relating to such charter school establishment:**

**(a) Whether the community has sufficient demand for the establishment of a new charter school or the establishment of an additional charter school;**

**(b) Whether the establishment of a charter school is financially feasible in such community;**

**(c) Whether the proposed charter plan provides for instruction equity and diversity;**

**(d) Whether the establishment of a new charter school or the establishment of an additional charter school in the community will have an impact on desegregation efforts; and**

**(e) Other issues deemed necessary by the state board or the commission.**

**20. Notwithstanding any other provision of law to the contrary, beginning in the 2026-27 school year, the state board of education is hereby authorized to make a final determination on whether to authorize the establishment of a new charter school in an existing school district.**

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

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 **and shall reside in a school district that currently has a**  
28 **charter school established within such district.**

29 5. The commission shall annually elect a chairperson and vice chairperson, who shall  
30 act as chairperson in his or her absence. The commission shall meet at the call of the  
31 chairperson. The chairperson may call meetings at such times as he or she deems advisable  
32 and shall call a meeting when requested to do so by three or more members of the  
33 commission. Members of the 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 11 of section  
40 160.400. Sponsorship funding due to the commission shall be deposited to the credit of the  
41 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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