

SECOND REGULAR SESSION

HOUSE BILL NO. 2866

103RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE DIEHL.

6108H.011

JOSEPH ENGLER, Chief Clerk

AN ACT

To repeal sections 135.712, 135.713, 135.715, 135.716, 160.400, 160.405, 160.410, 160.415, 166.700, 166.720, 167.241, 167.895, and 167.898, RSMo, and to enact in lieu thereof sixteen new sections relating to elementary and secondary education.

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

Section A. Sections 135.712, 135.713, 135.715, 135.716, 160.400, 160.405, 160.410, 160.415, 166.700, 166.720, 167.241, 167.895, and 167.898, RSMo, are repealed and sixteen new sections enacted in lieu thereof, to be known as sections 135.712, 135.713, 135.715, 135.716, 160.400, 160.405, 160.410, 160.415, 160.422, 162.092, 166.700, 166.720, 167.241, 167.895, 167.898, and 168.189, to read as follows:

135.712. 1. Sections 135.712 to 135.719 and sections 166.700 to 166.720 establish the "Missouri Empowerment Scholarship Accounts Program" to provide options toward ensuring the education of students in this state.

2. As used in sections 135.712 to 135.719, the following terms mean:

(1) "Educational assistance organization", a charitable organization registered in this state that is exempt from federal taxation under the Internal Revenue Code of 1986, as amended, that is certified by the state treasurer, and that allocates all of its annual revenue for educational assistance, except as provided in paragraph (i) of subdivision (4) of subsection 1 of section 135.714 and as provided in sections 135.712 to 135.719, derived from contributions for which a credit is claimed under sections 135.712 to 135.719 **or from appropriations distributed pursuant to subdivision (2) of subsection 6 of section 135.716;**

(2) "Parent", a parent, guardian, custodian, or other person with authority to act on behalf of the qualified student;

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.

14 (3) "Program", the Missouri empowerment scholarship accounts program established
15 under sections 135.712 to 135.719 and sections 166.700 to 166.720;

16 (4) "Qualified student", the same meaning as used in section 166.700;

17 (5) "Qualifying contribution", a donation of cash, stocks, bonds, or other marketable
18 securities for purposes of claiming a tax credit under sections 135.712 to 135.719;

19 (6) "Scholarship account", a savings account created by the Missouri empowerment
20 scholarship accounts program;

21 (7) "Taxpayer", any of the following that files a Missouri income tax return and is not
22 a dependent of any other taxpayer:

23 (a) An individual subject to the state income tax imposed by chapter 143;

24 (b) An individual, firm, partner in a firm, corporation, or shareholder in an S
25 corporation doing business in this state and subject to the state income tax imposed by chapter
26 143; or

27 (c) An express company that pays an annual tax on its gross receipts in this state
28 under chapter 153.

135.713. 1. Any taxpayer who makes a qualifying contribution to an educational
2 assistance organization after August 28, 2021, may claim a credit against the tax otherwise
3 due under chapter 143, other than taxes withheld under sections 143.191 to 143.265, and
4 chapter 153 in an amount equal to one hundred percent of the amount the taxpayer
5 contributed during the tax year for which the credit is claimed. No taxpayer shall claim a
6 credit pursuant to sections 135.712 to 135.719 for any contribution made by the taxpayer, or
7 an agent of the taxpayer, on behalf of the taxpayer's dependent or, in the case of a business
8 taxpayer, on behalf of the business's agent's dependent.

9 2. The amount of the tax credit claimed shall not exceed fifty percent of the taxpayer's
10 state tax liability for the tax year for which the credit is claimed. The state treasurer shall
11 certify the tax credit amount to the taxpayer. A taxpayer may carry the credit forward to any
12 of his or her four subsequent tax years. All tax credits authorized pursuant to the program
13 shall not be transferred, sold, or assigned, and are not refundable.

14 3. The cumulative amount of tax credits that may be allocated to all taxpayers
15 contributing to educational assistance organizations in any one calendar year shall not exceed
16 a maximum of ~~[seventy-five]~~ **one hundred fifty** million dollars. Such maximum amount
17 shall be annually adjusted by the state treasurer in an amount equal to the percent increase or
18 decrease in the amount of state aid distributed to school districts pursuant to the provisions of
19 section 163.031 in the current fiscal year as compared to such amount in the preceding fiscal
20 year, rounded to the nearest thousandth. The state treasurer shall establish a procedure by
21 which, from the beginning of the calendar year until August first, the cumulative amount of
22 tax credits shall be allocated on a first-come, first-served basis among all educational

23 assistance organizations. If an educational assistance organization fails to use all, or some
24 percentage to be determined by the state treasurer, of its allocated tax credits during this
25 period, the state treasurer may reallocate these unused tax credits to those educational
26 assistance organizations that have used all, or some percentage to be determined by the state
27 treasurer, of their allocated tax credits during this period. The state treasurer may establish
28 more than one period and reallocate more than once during each calendar year. The state
29 treasurer shall establish the procedure described in this subsection in such a manner as to
30 ensure that taxpayers can claim all the tax credits possible up to the cumulative amount of tax
31 credits available for the calendar year.

32 4. A taxpayer who makes a contribution to an education assistance organization shall
33 not designate the student who will receive a scholarship grant.

34 5. The provisions of sections 135.712 to 135.719 and sections 166.700 to 166.720
35 shall be effective in any fiscal year immediately after any fiscal year in which the amount
36 appropriated for pupil transportation pursuant to section 163.161 equals or exceeds forty
37 percent of the projected amount necessary to fully fund transportation aid funding for fiscal
38 year 2021. If the amount appropriated for transportation pursuant to section 163.161 in any
39 succeeding year falls below such amount, no additional scholarships for newly qualified
40 students shall be awarded.

135.715. 1. The cumulative amount of tax credits that may be allocated to all
2 taxpayers contributing to educational assistance organizations in the first year of the program
3 shall not exceed twenty-five million dollars.

4 2. The state treasurer shall limit the number of educational assistance organizations
5 that are certified to administer scholarship accounts to no more than ~~ten~~ **fifteen** such
6 organizations in any single school year. ~~[If the total contributions to educational assistance~~
7 ~~organizations exceed twenty-five million dollars in any school year, the state treasurer may~~
8 ~~certify one additional educational assistance organization to administer scholarship accounts.]~~
9 No more than ~~seven~~ **eleven** of such organizations shall have their principal place of business
10 in:

11 (1) A county of the first classification with more than two hundred sixty thousand but
12 fewer than three hundred thousand inhabitants;

13 (2) A county with a charter form of government and with more than six hundred
14 thousand but fewer than seven hundred thousand inhabitants;

15 (3) A county with a charter form of government and with more than three hundred
16 thousand but fewer than four hundred fifty thousand inhabitants;

17 (4) A county with a charter form of government and with more than nine hundred
18 fifty thousand inhabitants; or

19 (5) A city not within a county.

20 3. The state treasurer may delegate any duties assigned to the state treasurer under
21 sections 135.712 to 135.719 and sections 166.700 to 166.720 to the "Missouri Empowerment
22 Scholarship Accounts Board", which is hereby established. The Missouri empowerment
23 scholarship accounts board shall consist of the state treasurer, who shall serve as chair, the
24 commissioner of the department of higher education and workforce development, the
25 commissioner of education, one member appointed by the president pro tempore of the
26 senate, one member appointed by the speaker of the house of representatives, one member
27 appointed by the governor with the advice and consent of the senate, and one member
28 appointed by the six aforementioned board members who is an employee of an educational
29 assistance organization and whose responsibilities are directly related to such organization's
30 involvement in the empowerment scholarship accounts program. The appointed members
31 shall serve terms of four years or until their successors have been appointed and qualified.
32 The board shall have all powers and duties assigned to the state treasurer under sections
33 135.712 to 135.719 and sections 166.700 to 166.720 that are delegated to the board by the
34 state treasurer. The board shall assist the state treasurer with data collection, collaboration
35 with the department of elementary and secondary education, making recommendations to the
36 state treasurer regarding the promulgation of rules concerning the program. Members of the
37 board shall not receive compensation for their service, but may receive reimbursement for
38 necessary expenses.

39 4. Notwithstanding the provisions of subsection 7 of section 135.716 to the contrary,
40 four percent of the total qualifying contributions received by each educational assistance
41 organization per calendar year shall be deposited in the Missouri empowerment scholarship
42 accounts fund to be used by the state treasurer for marketing and administrative expenses or
43 the costs incurred in administering the program, whichever is less.

44 5. Notwithstanding the provisions of subdivision (5) of subsection 2 of section
45 135.712 to the contrary, the term "qualifying contribution" shall mean a donation of cash,
46 including, but not limited to, checks drawn on a banking institution located in the continental
47 United States in U.S. dollars (other than cashier checks, or third-party checks exceeding ten
48 thousand dollars), money orders, payroll deductions, and electronic fund transfers. This term
49 shall not include stocks, bonds, other marketable securities, or property.

135.716. 1. The state treasurer shall provide a standardized format for a receipt to be
2 issued by an educational assistance organization to a taxpayer to indicate the value of a
3 contribution received. The department of revenue shall require a taxpayer to provide a copy
4 of this receipt if claiming the tax credit authorized by the program.

5 2. The state treasurer shall provide a standardized format for educational assistance
6 organizations to report the information required in subsection 1 of this section.

7 3. The state treasurer or state auditor may conduct an investigation if the state
8 treasurer possesses evidence of fraud committed by the educational assistance organization.

9 4. The state treasurer may bar an educational assistance organization from
10 participating in the program if the state treasurer establishes that the educational assistance
11 organization has intentionally and substantially failed to comply with the requirements of
12 section 135.714. If the state treasurer bars an educational assistance organization from the
13 program under this subsection, the organization shall notify affected qualified students and
14 their parents of the decision as soon as possible after the decision is made.

15 5. The state treasurer shall issue a report on the state of the program five years after it
16 goes into effect. The report shall include, but is not limited to:

17 (1) Information regarding the finances of the educational assistance organizations;
18 and

19 (2) Educational outcomes of qualified students.

20 6. (1) There is hereby created in the state treasury the "Missouri Empowerment
21 Scholarship Accounts Fund", which shall consist of moneys collected under this section. The
22 state treasurer shall be custodian of the fund. In accordance with sections 30.170 and 30.180,
23 the state treasurer may approve disbursements. The fund shall be a dedicated fund, and
24 moneys in the fund shall be used solely by the state treasurer for the purposes of sections
25 135.712 to 135.719 **and sections 166.700 to 166.720.**

26 (2) **The general assembly may appropriate funds to the Missouri empowerment
27 scholarship accounts fund or to the state treasurer's office for the purpose of awarding
28 scholarships to qualified students in an order and in amounts consistent with the
29 provisions of section 135.714 and through agreements that satisfy the provisions of
30 section 166.705.**

31 (3) Notwithstanding the provisions of section 33.080 to the contrary, any moneys
32 remaining in the fund at the end of the biennium shall not revert to the credit of the general
33 revenue fund.

34 ~~(3)~~ (4) The state treasurer shall invest moneys in the fund in the same manner as
35 other funds are invested. Any interest and moneys earned on such investments shall be
36 credited to the fund.

37 7. Two percent of the total qualifying contributions received by each educational
38 assistance organization per calendar year shall be deposited in the Missouri empowerment
39 scholarship accounts fund to be used by the state treasurer for marketing and administrative
40 expenses or the costs incurred in administering the program, whichever is less. The state
41 treasurer shall establish procedures to ensure the percentage of funds for administration of the
42 program is directed to the state treasurer in a timely manner with the necessary information to
43 verify the correct amount has been transmitted.

44 **8. Nothing in sections 135.712 to 135.719 or sections 166.700 to 166.720 shall be**
45 **construed to limit the appropriation authority of the general assembly.**

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

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

4 ~~(1) In a metropolitan school district;~~

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

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

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

13 ~~(a) The eligibility for charter schools of any school district whose provisional~~
14 ~~accreditation is based in whole or in part on financial stress as defined in sections 161.520 to~~
15 ~~161.529, or on financial hardship as defined by rule of the state board of education, shall be~~
16 ~~decided by a vote of the state board of education during the third consecutive school year after~~
17 ~~the designation of provisional accreditation; and~~

18 ~~(b) The sponsor is limited to the local school board or a sponsor who has met the~~
19 ~~standards of accountability and performance as determined by the department based on~~
20 ~~sections 160.400 to 160.425 and section 167.349 and properly promulgated rules of the~~
21 ~~department;~~

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] in any school district in~~

34 **which a charter school is located as of the effective date of this section and, for the 2027-**
35 **28 school year and each subsequent school year, in any school district in which a charter**

36 **school is located as of the effective date of this section and in any school district with an**
37 **average daily attendance exceeding six thousand five hundred.**

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

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

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

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

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

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

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

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

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

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

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

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

80 5. The mayor of a city not within a county may request a sponsor under subdivision
81 (2), (3), (4), (5), or (6) of subsection 3 of this section to consider sponsoring a "workplace
82 charter school", which is defined for purposes of sections 160.400 to 160.425 as a charter
83 school with the ability to target prospective students whose parent or parents are employed in
84 a business district, as defined in the charter, which is located in the city.

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

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

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

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

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

107 11. The expenses associated with sponsorship of charter schools shall be defrayed by
108 the department of elementary and secondary education retaining one and five-tenths percent
109 of the amount of state and local funding allocated to the charter school under section 160.415,

110 not to exceed one hundred twenty-five thousand dollars, adjusted for inflation. The
111 department of elementary and secondary education shall remit the retained funds for each
112 charter school to the school's sponsor, provided the sponsor remains in good standing by
113 fulfilling its sponsorship obligations under sections 160.400 to 160.425 and 167.349 with
114 regard to each charter school it sponsors, including appropriate demonstration of the
115 following:

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

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

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

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

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

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

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

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

144 15. No member of the governing board of a charter school shall hold any office or
145 employment from the board or the charter school while serving as a member, nor shall the
146 member have any substantial interest, as defined in section 105.450, in any entity employed

147 by or contracting with the board. No board member shall be an employee of a company that
148 provides substantial services to the charter school. All members of the governing board of the
149 charter school shall be considered decision-making public servants as defined in section
150 105.450 for the purposes of the financial disclosure requirements contained in sections
151 105.483, 105.485, 105.487, and 105.489.

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

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

158 (2) The granting of a charter;

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

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

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

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

171

172 The department shall provide guidance to sponsors in developing such policies and
173 procedures.

174 17. (1) A sponsor shall provide timely submission to the state board of education of
175 all data necessary to demonstrate that the sponsor is in material compliance with all
176 requirements of sections 160.400 to 160.425 and section 167.349. The state board of
177 education shall ensure each sponsor is in compliance with all requirements under sections
178 160.400 to 160.425 and 167.349 for each charter school sponsored by any sponsor. The state
179 board shall notify each sponsor of the standards for sponsorship of charter schools,
180 delineating both what is mandated by statute and what best practices dictate. The state board
181 shall evaluate sponsors to determine compliance with these standards every three years. The
182 evaluation shall include a sponsor's policies and procedures in the areas of charter application
183 approval; required charter agreement terms and content; sponsor performance evaluation and

184 compliance monitoring; and charter renewal, intervention, and revocation decisions. Nothing
185 shall preclude the department from undertaking an evaluation at any time for cause.

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

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

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

203 18. If a sponsor notifies a charter school of closure under subsection 8 of section
204 160.405, the department of elementary and secondary education shall exercise its financial
205 withholding authority under subsection 12 of section 160.415 to assure all obligations of the
206 charter school shall be met. The state, charter sponsor, or resident district shall not be liable
207 for any outstanding liability or obligations of the charter school.

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

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

12 (2) A description of the charter school's organizational structure and bylaws of the
13 governing body, which will be responsible for the policy, financial management, and

14 operational decisions of the charter school, including the nature and extent of parental,
15 professional educator, and community involvement in the governance and operation of the
16 charter school;

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

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

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

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

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

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

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

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

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

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

42 (13) A description of the charter school's grievance procedure for parents or
43 guardians;

44 (14) A description of the agreement and time frame for implementation between the
45 charter school and the sponsor as to when a sponsor shall intervene in a charter school, when
46 a sponsor shall revoke a charter for failure to comply with subsection 8 of this section, and
47 when a sponsor will not renew a charter under subsection 9 of this section;

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

- 50 (a) Orderly transition of student records to new schools and archival of student
51 records;
- 52 (b) Archival of business operation and transfer or repository of personnel records;
- 53 (c) Submission of final financial reports;
- 54 (d) Resolution of any remaining financial obligations;
- 55 (e) Disposition of the charter school's assets upon closure; and
- 56 (f) A notification plan to inform parents or guardians of students, the local school
57 district, the retirement system in which the charter school's employees participate, and the
58 state board of education within thirty days of the decision to close;
- 59 (16) A description of the special education and related services that shall be available
60 to meet the needs of students with disabilities; and
- 61 (17) For all new or revised charters, procedures to be used upon closure of the charter
62 school requiring that unobligated assets of the charter school be returned to the department of
63 elementary and secondary education for their disposition, which upon receipt of such assets
64 shall return them to the local school district in which the school was located, the state, or any
65 other entity to which they would belong.

66

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

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

70 (1) A charter shall be submitted to the sponsor, and follow the sponsor's policies and
71 procedures for review and granting of a charter approval, and be approved by the state board
72 of education by January thirty-first prior to the school year of the proposed opening date of
73 the charter school; **except that, a charter school sponsored and approved by the Missouri**
74 **charter public school commission created in section 160.425 shall not require approval**
75 **by the state board of education;**

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

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

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

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

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

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

124 sections 160.400 to 160.425 and section 167.349, and the written denial shall be provided
125 within ten business days to the sponsor.

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

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

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

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

140 (4) Be financially accountable, use practices consistent with the Missouri financial
141 accounting manual, provide for an annual audit by a certified public accountant, publish audit
142 reports and annual financial reports as provided in chapter 165, provided that the annual
143 financial report may be published on the department of elementary and secondary education's
144 internet website in addition to other publishing requirements, and provide liability insurance
145 to indemnify the school, its board, staff and teachers against tort claims. A charter school that
146 receives local educational agency status under subsection 6 of this section shall meet the
147 requirements imposed by the Elementary and Secondary Education Act for audits of such
148 agencies and comply with all federal audit requirements for charters with local educational
149 agency status. For purposes of an audit by petition under section 29.230, a charter school
150 shall be treated as a political subdivision on the same terms and conditions as the school
151 district in which it is located. For the purposes of securing such insurance, a charter school
152 shall be eligible for the Missouri public entity risk management fund pursuant to section
153 537.700. A charter school that incurs debt shall include a repayment plan in its financial plan;

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

156 (6) (a) Design a method to measure pupil progress toward the pupil academic
157 standards adopted by the state board of education pursuant to section 160.514, establish
158 baseline student performance in accordance with the performance contract during the first
159 year of operation, collect student performance data as defined by the annual performance
160 report throughout the duration of the charter to annually monitor student academic

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- 234 (5) Publication of each charter school's annual performance report.
- 235 8. (1) (a) A sponsor's policies shall give schools clear, adequate, evidence-based, and
236 timely notice of contract violations or performance deficiencies and mandate intervention
237 based upon findings of the state board of education of the following:
- 238 a. The charter school provides a high school program which fails to maintain a
239 graduation rate of at least seventy percent in three of the last four school years unless the
240 school has dropout recovery as its mission;
- 241 b. The charter school's annual performance report results are below the district's
242 annual performance report results based on the performance standards that are applicable to
243 the grade level configuration of both the charter school and the district in which the charter
244 school is located in three of the last four school years; and
- 245 c. The charter school is identified as a persistently lowest achieving school by the
246 department of elementary and secondary education.
- 247 (b) A sponsor shall have a policy to revoke a charter during the charter term if there
248 is:
- 249 a. Clear evidence of underperformance as demonstrated in the charter school's annual
250 performance report in three of the last four school years; or
- 251 b. A violation of the law or the public trust that imperils students or public funds.
- 252 (c) A sponsor shall revoke a charter or take other appropriate remedial action, which
253 may include placing the charter school on probationary status for no more than twenty-four
254 months, provided that no more than one designation of probationary status shall be allowed
255 for the duration of the charter contract, at any time if the charter school commits a serious
256 breach of one or more provisions of its charter or on any of the following grounds: failure to
257 meet the performance contract as set forth in its charter, failure to meet generally accepted
258 standards of fiscal management, failure to provide information necessary to confirm
259 compliance with all provisions of the charter and sections 160.400 to 160.425 and 167.349
260 within forty-five days following receipt of written notice requesting such information, or
261 violation of law.
- 262 (2) The sponsor may place the charter school on probationary status to allow the
263 implementation of a remedial plan, which may require a change of methodology, a change in
264 leadership, or both, after which, if such plan is unsuccessful, the charter may be revoked.
- 265 (3) At least sixty days before acting to revoke a charter, the sponsor shall notify the
266 governing board of the charter school of the proposed action in writing. The notice shall state
267 the grounds for the proposed action. The school's governing board may request in writing a
268 hearing before the sponsor within two weeks of receiving the notice.
- 269 (4) The sponsor of a charter school shall establish procedures to conduct
270 administrative hearings upon determination by the sponsor that grounds exist to revoke a

271 charter. Final decisions of a sponsor from hearings conducted pursuant to this subsection are
272 subject to an appeal to the state board of education, which shall determine whether the charter
273 shall be revoked.

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

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

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

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

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

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

294 a. A negative balance in its operating funds;

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

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

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

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

305 (3) (a) Beginning August first during the year in which a charter is considered for
306 renewal, a charter school sponsor shall demonstrate to the state board of education that the
307 charter school is in compliance with federal and state law as provided in sections 160.400 to

308 160.425 and section 167.349 and the school's performance contract including but not limited
309 to those requirements specific to academic performance.

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

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

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

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

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

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

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

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

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

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

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

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

160.410. 1. A charter school shall enroll:

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

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

5 (3) Nonresident pupils who transfer ~~[from an unaccredited district]~~ under section
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
14 subdivision (1) or (2) of this subsection whose parent is employed in the business district,
15 who submits a timely application, unless the number of applications exceeds the capacity of a
16 program, class, grade level or building. The configuration of a business district shall be set
17 forth in the charter and shall not be construed to create an undue advantage for a single
18 employer or small number of employers; **and**

19 **(6) Where capacity is available, all students who transfer under the Missouri**
20 **empowerment scholarship accounts program created in sections 135.712 to 135.719 and**
21 **sections 166.700 to 166.720.**

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

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

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

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

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

40 3. A charter school shall not limit admission based on race, ethnicity, national origin,
41 disability, income level, except as allowed under subdivision (4) of subsection 2 of this
42 section, proficiency in the English language or athletic ability, but may limit admission to
43 pupils within a given age group or grade level. Charter schools may limit admission based on
44 gender only when the school is a single-gender school. Students of a charter school who have
45 been enrolled for a full academic year shall be counted in the performance of the charter
46 school on the statewide assessments in that calendar year, unless otherwise exempted as
47 English language learners. For purposes of this subsection, "full academic year" means the
48 last Wednesday in September through the administration of the Missouri assessment program
49 test without transferring out of the school and re-enrolling.

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

53 (1) The school's charter;

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

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

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

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

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

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

 160.415. 1. For the purposes of calculation and distribution of state school aid under
2 section 163.031, pupils enrolled in a charter school shall be included in the pupil enrollment
3 of the school district within which each pupil resides. Each charter school shall report the
4 eligibility for free and reduced price lunch, special education, or limited English proficiency
5 status, as well as eligibility for categorical aid, of pupils resident in a school district who are
6 enrolled in the charter school to the school district in which those pupils reside. The charter
7 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.

14 (1) A school district having one or more resident pupils attending a charter school
15 shall pay to the charter school an annual amount equal to the product of the charter school's
16 weighted average daily attendance and the state adequacy target, multiplied by the dollar
17 value modifier for the district, plus local tax revenues per weighted average daily attendance
18 from the incidental and teachers' funds in excess of the performance levy as defined in section
19 163.011 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.

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

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

27 (5) A school district shall pay the amounts due pursuant to this subsection as the
28 disbursal agent and no later than twenty days following the receipt of any such funds. The
29 department of elementary and secondary education shall pay the amounts due when it acts as
30 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
36 from the department of elementary and secondary education an annual amount equal to the
37 product of the charter school's weighted average daily attendance and the state adequacy
38 target, multiplied by the dollar value modifier for the district, plus local tax revenues per
39 weighted average daily attendance from the incidental and teachers funds in excess of the
40 performance levy as defined in section 163.011 plus all other state aid attributable to such
41 pupils. If a charter school declares itself as a local educational agency, the department of
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
44 charter school the annual amount reduced from the school district's payment.

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

58 6. The charter school and a local school board may agree by contract for services to
59 be provided by the school district to the charter school. The charter school may contract with
60 any other entity for services. Such services may include but are not limited to food service,
61 custodial service, maintenance, management assistance, curriculum assistance, media
62 services and libraries and shall be subject to negotiation between the charter school and

63 the local school board or other entity. Documented actual costs of such services shall be paid
64 for by the charter school.

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

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

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

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

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

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

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

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

89 9. A charter school shall be eligible for transportation state aid pursuant to section
90 163.161 and shall be free to contract with the local district, or any other entity, for the
91 provision of transportation to the students of the charter school.

92 10. (1) The proportionate share of state and federal resources generated by students
93 with disabilities or staff serving them shall be paid in full to charter schools enrolling those
94 students by their school district where such enrollment is through a contract for services
95 described in this section. The proportionate share of money generated under other federal or
96 state categorical aid programs shall be directed to charter schools serving such students
97 eligible for that aid.

98 (2) A charter school shall provide the special services provided pursuant to section
99 162.705 and may provide the special services pursuant to a contract with a school district or
100 any provider of such services.

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

106 (1) **Students transferring under the Missouri empowerment scholarship**
107 **accounts program created in sections 135.712 to 135.719 and sections 166.700 to**
108 **166.720; or**

109 (2) **Students transferring under section 167.895.**

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

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

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

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

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

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

141 16. Charter schools may adjust weighted average daily attendance pursuant to section
142 163.036.

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

145 18. For the purposes of subsection 15 of this section:

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

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

149 (a) Property taxes and delinquent taxes;

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

151 (c) Financial institutions' tax revenues;

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

154 (e) Payments in lieu of taxes; and

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

156 (3) The term local aid shall not be construed to include:

157 (a) Charitable contributions, gifts, and grants made to school districts;

158 (b) Interest earnings of school districts and student fees paid to school districts;

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

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

163 (e) Any other funding solely intended for a particular school district or their
164 respective employees, schools, foundations, or organizations;

165 (4) The term "state aid" shall mean any revenues received pursuant to this section and
166 sections 163.043 and 163.087.

167 19. ~~Notwithstanding any other provision of law to the contrary, subsections 15 to 18~~
168 ~~of this section shall be applicable to charter schools operated only in the following school~~
169 ~~districts, provided that no such school district shall be located in a county with more than one~~
170 ~~hundred fifty thousand but fewer than two hundred thousand inhabitants:~~

171 ~~(1) In a metropolitan school district;~~
172 ~~(2) In an urban school district containing most or all of a city with more than four~~
173 ~~hundred thousand inhabitants and located in more than one county;~~
174 ~~(3) In a school district that has been classified as unaccredited by the state board of~~
175 ~~education;~~
176 ~~(4) In a school district that has been classified as provisionally accredited by the state~~
177 ~~board of education and has received scores on its annual performance report consistent with a~~
178 ~~classification of provisionally accredited or unaccredited for three consecutive school years~~
179 ~~beginning with the 2012-13 accreditation year under the conditions described in paragraphs~~
180 ~~(a) and (b) of subdivision (4) of subsection 2 of section 160.400; or~~
181 ~~(5) In a school district that has been accredited without provisions, sponsored only by~~
182 ~~the local school board under the conditions described in subdivision (6) of subsection 2 of~~
183 ~~section 160.400.~~

184 ~~20.]~~ (1) The members of the governing board of a charter school shall be residents of
185 the state of Missouri.

186 (2) Any current member of a governing board of a charter school who does not meet
187 the requirements in subdivision (1) of this subsection may complete their term. Such
188 individual shall not be renominated as a member of the governing board on which he or she
189 sits.

190 ~~[21.]~~ **20.** (1) Any charter school management company operating a charter school in
191 the state shall be a nonprofit corporation incorporated pursuant to chapter 355.

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

197 ~~[22.]~~ **21.** Beginning July 1, 2023, the provisions of section 160.995 shall be
198 applicable to charter schools.

199 ~~[23.]~~ **22.** Each charter school shall publish its annual performance report on the
200 school's website in a downloadable format.

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

5 **2. A political subdivision shall not impose, enforce, or apply any deed restriction,**
6 **property use restriction, or other such restriction that expressly, or by its operation,**
7 **prohibits property sold, leased, or transferred by the political subdivision from being**

8 used by a charter public school for any lawful educational purpose. Any deed
9 restriction, affirmative use deed restriction, property use restriction, or other such
10 restriction that affirmatively allows for only one or more specified uses or purposes that
11 do not include any educational use or purpose by a charter public school is prohibited
12 under this section. Any deed restriction, affirmative use deed restriction, property use
13 restriction, or other such restriction in effect on the effective date of this section that
14 prohibits or does not permit property previously used for any educational purpose from
15 being used for any future educational purpose by a charter public school is void.

16 3. Any ordinance, policy, regulation, deed, use restriction, or contract made in
17 violation of this section shall be void from its inception.

18 4. For purposes of this section, "political subdivision" shall include, but shall not
19 be limited to, municipalities, counties, and school districts.

162.092. 1. If a school district extends an offer to purchase or lease an unused
2 facility to a party other than a public entity, the contract shall include a provision that
3 makes the purchase or lease subject to the right of first refusal by a public entity.

4 2. If the offer to purchase or lease is accepted, the school district selling or
5 leasing the unused facility shall provide a public notice on its website stating:

6 (1) The unused facility is available for lease or purchase;

7 (2) The square footage of the unused facility;

8 (3) The contact information for the school district representative in charge of the
9 lease or sale; and

10 (4) The expiration date of the right of first refusal, which shall be sixty days after
11 the date of notification.

12 3. If two or more public entities notify the offering school district indicating an
13 interest in the unused facility to lease or purchase, the offering school district shall make
14 the final selection of the purchaser or lessee.

15 4. In right of first refusal negotiations with a public entity, it shall be the option
16 of the offering school district whether to sell or lease the property under consideration,
17 at fair market value or less, for a term to be agreed upon by the parties. A lease shall
18 include ingress to and egress from the facility, and where a part of a facility is leased, the
19 right to access and use of the common area shared by all tenants and users of the facility.
20 If a public entity leases the entire facility, the public entity may incur debt to make
21 improvements to the facility, and the school district shall subordinate its interest in the
22 lease to such debt.

23 5. The public entity shall have six months after the date of making a written
24 offer to complete the purchase or lease of the unused facility for a price negotiated with
25 the school district.

26 **6. During the term of a lease, the public entity shall be responsible for direct**
27 **expenses related to the facility or any part of the facility, including utilities, insurance,**
28 **maintenance, property taxes, and repairs.**

29 **7. If a public entity plans to sell an unused facility that it has purchased, it shall**
30 **first offer the facility to the school district from which it was purchased. Such offer shall**
31 **be governed by the procedures set forth in this section.**

32 **8. As used in this section, the following terms mean:**

33 **(1) "Public entity", the state of Missouri; any political subdivision of the state,**
34 **including all boards, commissions, agencies, institutions, authorities, and bodies politic**
35 **and corporate of the state created by or in accordance with state law or regulations; or**
36 **any institution supported in whole or in part by public funds;**

37 **(2) "School board-approved written plan", a written plan that is approved by**
38 **the school board for future use of an unused school building or facility owned by the**
39 **school district and that specifies purposes for which such building or facility shall be**
40 **used by the school within two years of the plan's approval, such as academic purposes,**
41 **extracurricular activities, administrative school functions, or sports;**

42 **(3) "Unused facility", a school building or facility that is owned by a school**
43 **district and is not used for academic purposes, extracurricular activities, administrative**
44 **school functions, or sports, and for which either of the following is true:**

45 **(a) The school district does not have a school board-approved written plan for**
46 **future use of the building or facility; or**

47 **(b) The school district has a school board-approved written plan for future use**
48 **of the building or facility, but such plan has not been executed within two years of the**
49 **plan's approval.**

166.700. As used in sections 166.700 to 166.720, the following terms mean:

2 **(1) "Curriculum", a complete course of study for a particular content area or grade**
3 **level, including any supplemental materials;**

4 **(2) "District", the same meaning as used in section 160.011;**

5 **(3) "Educational assistance organization", the same meaning as used in section**
6 **135.712;**

7 **(4) "Illegal alien", any person who is not lawfully present in the United States or any**
8 **person who gained illegal entry into the United States;**

9 **(5) "Parent", the same meaning as used in section 135.712;**

10 **(6) "Private school", a school that is not a part of the public school system of the state**
11 **of Missouri and that charges tuition for the rendering of elementary or secondary educational**
12 **services;**

13 **(7) "Program", the same meaning as used in section 135.712;**

14 (8) "Qualified school", an FPE school or any of the following entities that is
 15 incorporated in Missouri and that does not discriminate on the basis of race, color, or national
 16 origin:

17 (a) A charter school as defined in section 160.400;

18 (b) A private school;

19 (c) A public school as defined in section 160.011; or

20 (d) A public or private virtual school;

21 (9) "Qualified student", any elementary or secondary school student who is a resident
 22 of this state[;] **and** who is not an illegal alien[; ~~and who:~~

23 ~~(a) Has an approved "individualized education plan" (IEP) developed under the~~
 24 ~~federal Individuals with Disabilities Education Act (IDEA), 20 U.S.C. Section 1400 et seq.,~~
 25 ~~as amended; or~~

26 ~~(b) Is a member of a household whose total annual income does not exceed an amount~~
 27 ~~equal to three hundred percent of the income standard used to qualify for free and reduced~~
 28 ~~price lunches, and that meets at least one of the following qualifications:~~

29 ~~a. Attended a public school as a full-time student for at least one semester during the~~
 30 ~~previous twelve months;~~

31 ~~b. Is a child who is eligible to begin kindergarten or first grade under sections 160.051~~
 32 ~~to 160.055; or~~

33 ~~c. Is a sibling of a qualified student who received a scholarship grant in the previous~~
 34 ~~school year and will receive a scholarship grant in the current school year].~~

166.720. 1. Sections 166.700 to 166.720 shall not be construed to permit any
 2 governmental agency to exercise control or supervision over any qualified school in which a
 3 qualified student enrolls other than a qualified school that is a public school.

4 2. A qualified school, other than a qualified school that is a public school, that accepts
 5 a payment from a parent under sections 166.700 to 166.720 shall not be considered an agent
 6 of the state or federal government due to its acceptance of the payment.

7 3. A qualified school shall not be required to alter its creed, practices, admissions
 8 policy, or curriculum in order to accept students whose parents pay tuition or fees from a
 9 Missouri empowerment scholarship account to participate as a qualified school.

10 4. ~~[(1) Any qualified student receiving a Missouri empowerment scholarship who~~
 11 ~~leaves a public school or charter school, as such terms are defined in chapter 160, in the~~
 12 ~~qualified student's resident school district to enroll in a qualified school that is not the~~
 13 ~~qualified student's resident school district shall continue to be counted in the resident public~~
 14 ~~school or charter school's weighted average daily attendance as a resident student for the~~
 15 ~~purposes of determining state and federal aid for the qualified student's resident school district~~
 16 ~~or charter school.~~

17 ~~(2) The qualified student will continue to be counted for such purpose as provided:~~

18 ~~(a) For five years after the qualified student no longer attends school in the qualified~~
 19 ~~student's resident school district;~~

20 ~~(b) Until any calendar year that the qualified student no longer receives grant money~~
 21 ~~in their scholarship account;~~

22 ~~(c) Until the qualified student is counted in the weighted average daily attendance for~~
 23 ~~a public school or charter that they are a resident student in; or~~

24 ~~(d) Until the qualified student graduates.~~

25 ~~(3) The educational assistance organization and the state treasurer shall provide the~~
 26 ~~necessary information to the department of elementary and secondary education to allow the~~
 27 ~~federal and state aid to continue to the public school or charter school in the qualified~~
 28 ~~student's resident school district previously attended by the qualified student.~~

29 ~~(4) The provisions of this subsection shall terminate five years after August 28, 2021.~~

30 ~~5.]~~ In any legal proceeding challenging the application of sections 166.700 to 166.720
 31 to a qualified school, the state shall bear the burden of establishing that the law is necessary
 32 and does not impose any undue burden on qualified schools.

33 ~~[6.]~~ 5. The provisions of section 23.253 of the Missouri sunset act shall not apply to
 34 sections 166.700 to 166.720.

167.241. 1. Except as otherwise provided under this section, transportation for pupils
 2 whose tuition the district of residence is required to pay by section 167.131 or who are
 3 assigned as provided in section 167.121 shall be provided by the district of residence.

4 2. In the case of pupils covered by section 167.131, the district of residence shall be
 5 required to provide transportation only to school districts accredited by the state board of
 6 education pursuant to the authority of the state board of education to classify schools as
 7 established in section 161.092, and those school districts designated by the board of education
 8 of the district of residence.

9 3. ~~[(1) For purposes of this subsection, "approved charter school" has the same~~
 10 ~~meaning given to the term under section 167.895.~~

11 ~~(2)]~~ For pupils ~~[covered by]~~ **transferring to another school district or charter**
 12 **school pursuant to the provisions of** section 167.895, the district of residence shall be
 13 required to provide transportation only to school districts or ~~[approved]~~ charter schools
 14 designated by the department of elementary and secondary education or its designee. For
 15 **such** pupils ~~[covered by section 167.895]~~, the department of elementary and secondary
 16 education or its designee shall designate at least one ~~[accredited]~~ **school** district or ~~[approved]~~
 17 charter school to which the district of residence shall provide transportation. If the designated
 18 district or charter school reaches full student capacity and is unable to receive additional
 19 students, the department of elementary and secondary education or its designee shall

20 designate at least one additional [~~accredited~~] district or [~~approved~~] charter school to which the
 21 district of residence shall provide transportation.

167.895. 1. For purposes of this section and section 167.898, the following terms
 2 mean:

3 (1) [~~"Approved charter school", a charter school that has existed for less than three~~
 4 ~~years or a charter school with a three year average score consistent with a classification of~~
 5 ~~accredited without provisions on its annual performance report;~~

6 (2) [~~"Attendance center", a public school building, public school buildings, or part of a~~
 7 ~~public school building that offers education in a grade or grades not higher than the twelfth~~
 8 ~~grade and that constitutes one unit for accountability and reporting purposes for the~~
 9 ~~department of elementary and secondary education;~~

10 (3) [~~"Available receiving district", a school district able to receive transfer students~~
 11 ~~under this section;~~

12 (4) "Receiving district", a school district receiving transfer students under this
 13 section;

14 [(5)] (2) "Sending district", a school district from which students are transferring to a
 15 receiving district or approved charter school, as allowed under this section.

16 2. (1) Any student may transfer to another public school [~~in the student's district of~~
 17 ~~residence if such student is enrolled in and has attended, for the full semester immediately~~
 18 ~~prior to requesting the transfer, an attendance center;~~

19 (a) [~~That is located within an unaccredited district; and~~

20 (b) [~~That has an annual performance report score consistent with a classification of~~
 21 ~~unaccredited] or charter school pursuant to the provisions of this section and section
 22 **167.898 beginning in the 2027-28 school year and in all subsequent school years.**~~

23 However, no such transfer shall result in a class size and assigned enrollment in a receiving
 24 school that exceeds the standards for class size and assigned enrollment as promulgated in the
 25 Missouri school improvement program's resource standards. If the student chooses to attend
 26 a magnet school, an academically selective school, or a school with a competitive entrance
 27 process within his or her district of residence that has admissions requirements, the student
 28 shall meet the admissions requirements in order to attend.

29 (2) The school board of each [~~unaccredited~~] **school** district shall determine the
 30 capacity at each [~~of the district's attendance centers that has an annual performance report~~
 31 ~~score consistent with a classification of accredited]~~ **grade level and each school, and shall**
 32 **accept all transfer students who apply and are assigned to the school district under the**
 33 **Missouri empowerment scholarship accounts program created in sections 135.712 to**
 34 **135.719 and sections 166.700 to 166.720 and all students who apply and are assigned to**
 35 **the school district as provided in section 167.898, provided that there is capacity in the**

36 **requested grade level and school.** The district's school board shall be responsible for
37 coordinating transfers within the district as allowed under this subsection, **and school board**
38 **policies governing transfers shall not discriminate against any student on the basis of**
39 **such student's residential address, academic performance, athletic ability, disability,**
40 **race, ethnicity, sex, or free and reduced price lunch status.**

41 ~~(3) [The school board of each unaccredited district shall annually report to the~~
42 ~~department of elementary and secondary education or its designee the number of available~~
43 ~~slots in attendance centers within the district that have annual performance report scores~~
44 ~~consistent with a classification of accredited, the number of students who request to transfer~~
45 ~~within the district, and the number of such transfer requests that are granted.]~~ (a) **The local**
46 **school board shall adopt a policy to determine the number of transfer students the**
47 **school district has the capacity to accept for each grade level and school no later than**
48 **October 27, 2026. The policy shall be publicly posted on the school district's website.**

49 (b) **By July 15, 2027, and by the first day of each month thereafter, each local**
50 **school board shall, upon establishing the number of transfer students the school district**
51 **has the capacity to accept in each grade level and school:**

52 a. **Publish the number of available transfer placements for each grade level and**
53 **school in a prominent and publicly accessible place on the school district's website;**

54 b. **Report the number of available transfer placements for each grade level and**
55 **school to the department of elementary and secondary education; and**

56 c. **Report such district's average per pupil expenditure to the department of**
57 **elementary and secondary education.**

58 (c) **The department of elementary and secondary education shall publish the**
59 **data received from school districts under paragraph (b) of this subdivision on an online**
60 **portal accessible via a primary tab on the top banner of the homepage of such**
61 **department's website. The portal shall be updated at least monthly and shall include a**
62 **search function permitting users to easily identify schools with capacity near their home**
63 **address.**

64 (d) **If a request for transfer is denied, an appeal may be taken to the state board**
65 **of education by the requesting parents or student, if such appeal is commenced not more**
66 **than ten days after the denial. An appeal is commenced by mailing a notice of appeal by**
67 **certified mail to the superintendent of the receiving school district and to the state board**
68 **of education. If the state board of education does not hear the appeal within sixty**
69 **calendar days of such appeal's commencement, then the appeal shall be deemed granted**
70 **with immediate effect. The department of elementary and secondary education shall**
71 **develop forms for filing appeals and shall assist the parent or student in the mechanics**

72 **of commencing the appeal. The state board of education shall promulgate rules to**
73 **establish the process for appeals.**

74 ~~3. [(1) Any student who is eligible to transfer within his or her district under~~
75 ~~subsection 2 of this section but who is unable to do so due to a lack of capacity in the~~
76 ~~attendance centers in his or her district of residence may apply to the department of~~
77 ~~elementary and secondary education or its designee to transfer to:~~

78 ~~(a) An attendance center:~~

79 ~~a. That is located within an accredited district that is located in the same or an~~
80 ~~adjoining county; and~~

81 ~~b. That has an annual performance report score consistent with a classification of~~
82 ~~accredited; or~~

83 ~~(b) An approved charter school located in another district in the same or an adjoining~~
84 ~~county.~~

85 ~~(2) A student who is eligible to begin kindergarten or first grade at an attendance~~
86 ~~center:~~

87 ~~(a) That is located within an unaccredited district;~~

88 ~~(b) That has an annual performance report score consistent with a classification of~~
89 ~~unaccredited; and~~

90 ~~(c) That offers classes above the second grade level~~

91

92 ~~may apply to the department of elementary and secondary education or its designee for a~~
93 ~~transfer to a school described under paragraph (a) or (b) of subdivision (1) of this subsection~~
94 ~~if he or she resides in the attendance area of the attendance center described under this~~
95 ~~subdivision on March first preceding the school year of first attendance. A student who does~~
96 ~~not apply by March first for enrollment in any school year after the 2019-20 school year shall~~
97 ~~be required to enroll and attend the attendance center described under this subdivision for one~~
98 ~~semester to become eligible.~~

99 ~~(3) If a student who is eligible to transfer under this subsection chooses to apply to~~
100 ~~attend a magnet school, an academically selective school, or a school with a competitive~~
101 ~~entrance process that has admissions requirements, the student shall furnish proof that he or~~
102 ~~she meets the admissions requirements.~~

103 ~~(4) Any student who does not maintain residency in the attendance area of his or her~~
104 ~~attendance center in the district of residence shall lose eligibility to transfer.~~

105 ~~(5) Except as provided under subsection 7 of this section, any student who transfers~~
106 ~~but later withdraws shall lose eligibility to transfer.~~

107 ~~(6) The transfer provisions of this subsection shall not apply to a district created under~~
108 ~~sections 162.815 to 162.840 or to any early childhood programs or early childhood special~~
109 ~~education programs.~~

110 ~~4. (1) No student enrolled in and attending an attendance center that does not offer~~
111 ~~classes above the second grade level shall be eligible to transfer under this section.~~

112 ~~(2) No student who is eligible to begin kindergarten or first grade at an attendance~~
113 ~~center that does not offer classes above the second grade level shall be eligible to transfer~~
114 ~~under this section.~~

115 ~~5. (1) (a) No provisionally accredited district shall be eligible to receive transfer~~
116 ~~students.~~

117 ~~(b) Except as provided under paragraph (c) of this subdivision, no attendance center~~
118 ~~that has an annual performance report score consistent with a classification of provisionally~~
119 ~~accredited shall be eligible to receive transfer students.~~

120 ~~(c) A transfer student who chooses to attend an attendance center that has an annual~~
121 ~~performance report score consistent with a classification of provisionally accredited and that~~
122 ~~is located within his or her unaccredited district of residence shall be allowed to transfer to~~
123 ~~such attendance center if there is an available slot.~~

124 ~~(2) (a) No unaccredited district shall be eligible to receive transfer students.~~

125 ~~(b) No attendance center that has an annual performance report score consistent with~~
126 ~~a classification of unaccredited shall be eligible to receive transfer students.~~

127 ~~(3) No district or attendance center that has received two consecutive annual~~
128 ~~performance reports consistent with a classification of provisionally accredited for the years~~
129 ~~immediately preceding the year in which it seeks to enroll transfer students shall be eligible to~~
130 ~~receive any transfer students, irrespective of its state board of education classification~~
131 ~~designation; except that, any student who was granted a transfer to such a district or~~
132 ~~attendance center prior to August 28, 2019 may remain enrolled in that district or attendance~~
133 ~~center.~~

134 ~~6. Notwithstanding the provisions of subsection 5 of this section, a student may~~
135 ~~transfer to an attendance center:~~

136 ~~(1) That is located within an unaccredited or provisionally accredited district; and~~

137 ~~(2) That has an annual performance report score consistent with a classification of~~
138 ~~accredited~~

139

140 ~~if the attendance center applies for and is granted a waiver by the department of elementary~~
141 ~~and secondary education or its designee to allow the attendance center to accept transfer~~
142 ~~students.~~

143 ~~7. If a receiving district becomes unaccredited or provisionally accredited, or if an~~
144 ~~approved charter school loses its status as an approved charter school, any students who~~
145 ~~previously transferred to the district or charter school shall receive the opportunity to remain~~
146 ~~enrolled in the district or charter school or to transfer to another district or approved charter~~
147 ~~school without losing their eligibility to transfer.~~

148 ~~8. For a receiving district, no acceptance of a transfer student shall require any of the~~
149 ~~following actions, unless the board of education of the receiving district has approved the~~
150 ~~action:~~

151 ~~(1) The hiring of additional classroom teachers;~~

152 ~~(2) The construction of additional classrooms; or~~

153 ~~(3) A class size and assigned enrollment in a receiving school that exceeds the~~
154 ~~standards for class size and assigned enrollment as promulgated in the Missouri school~~
155 ~~improvement program's resource standards.~~

156 ~~9. (1) By July 15, 2019, the board of education of each available receiving district~~
157 ~~and the governing board of each approved charter school eligible to receive transfer students~~
158 ~~under this section shall set the number of transfer students the district or charter school is able~~
159 ~~to receive for the 2019-20 school year.~~

160 ~~(2) By February first annually, the board of education of each available receiving~~
161 ~~district and the governing board of each approved charter school eligible to receive transfer~~
162 ~~students under this section shall set the number of transfer students the district or charter~~
163 ~~school is able to receive for the following school year.~~

164 ~~(3) An available receiving district or approved charter school eligible to receive~~
165 ~~transfer students under this section shall publish the number set under this subsection and~~
166 ~~shall not be required to accept any transfer students under this section that would cause it to~~
167 ~~exceed the published number.~~

168 ~~10. (1) Each available receiving district shall adopt a policy establishing a tuition rate~~
169 ~~for transfer students by February first annually.~~

170 ~~(2) Each approved charter school eligible to receive transfer students under this~~
171 ~~section shall adopt a policy establishing a tuition rate for transfer students by February first~~
172 ~~annually.~~

173 ~~(3) A sending district shall pay the receiving district or the approved charter school~~
174 ~~the amount specified under section 167.132 for each transfer student.~~

175 ~~11. A student whose transfer application has been denied by a receiving district shall~~
176 ~~have the right to appeal the decision of the receiving district to the department of elementary~~
177 ~~and secondary education. The appeal shall be taken within fifteen days after the decision of~~
178 ~~the department and may be taken by filing notice of appeal with the department. Such appeal~~
179 ~~shall be heard as provided in chapter 536.~~

180 ~~12. If an unaccredited district becomes classified as provisionally accredited or~~
181 ~~accredited without provisions by the state board of education, or if an attendance center~~
182 ~~within an unaccredited district improves its annual performance report score from a score that~~
183 ~~is consistent with a classification of unaccredited to a score that is consistent with a~~
184 ~~classification of provisionally accredited or accredited, any resident student of the~~
185 ~~unaccredited district who has transferred to an approved charter school or to an accredited~~
186 ~~district in the same or an adjoining county, as allowed under subsection 3 of this section, shall~~
187 ~~be permitted to continue his or her educational program in the receiving district or charter~~
188 ~~school through the completion of middle school, junior high school, or high school,~~
189 ~~whichever occurs first; except that, a student who attends any school serving students through~~
190 ~~high school graduation but starting at grades lower than ninth grade shall be permitted to~~
191 ~~complete high school in the school to which he or she has transferred.~~

192 ~~13. Notwithstanding the provisions of subsection 10 of this section, if costs associated~~
193 ~~with the provision of special education and related services to a student with a disability~~
194 ~~exceed the tuition amount established under this section, the unaccredited district shall remain~~
195 ~~responsible for paying the excess cost to the receiving district. If the receiving district is a~~
196 ~~component district of a special school district, the unaccredited district, including any~~
197 ~~metropolitan school district, shall contract with the special school district for the entirety of~~
198 ~~the costs to provide special education and related services, excluding transportation in~~
199 ~~accordance with this section. The special school district may contract with an unaccredited~~
200 ~~district, including any metropolitan district, for the provision of transportation of a student~~
201 ~~with a disability or the unaccredited district may provide transportation on its own.~~

202 **14.] Notwithstanding the provisions of chapter 163 or federal calculations of**
203 **military impact aid to the contrary, for the purposes of determining state and federal**
204 **aid, a transfer student shall be counted as a resident of the receiving district in which the**
205 **student is enrolled. Tuition shall not be charged to any student or to his or her parent or**
206 **legal guardian.**

207 **4.** A special school district shall continue to provide special education and related
208 services, with the exception of transportation under this section, to a student with a disability
209 transferring ~~[from an attendance center with an annual performance report score consistent~~
210 ~~with a classification of unaccredited that is within a component district to an attendance~~
211 ~~center with an annual performance report score consistent with a classification of accredited~~
212 ~~that is within the same or a different component district]~~ **to another school** within the special
213 school district.

214 ~~[15.]~~ **5.** If ~~[any]~~ **the sending school district is a metropolitan school district [is**
215 ~~classified as unaccredited],~~ it shall remain responsible for the provision of special education
216 and related services, including transportation, to students with disabilities. A special school

217 district in an adjoining county to a metropolitan school district may contract with the
 218 metropolitan school district for the reimbursement of special education services under
 219 sections 162.705 and 162.710 provided by the special school district for transfer students who
 220 are residents of the ~~[unaccredited]~~ **sending** district.

221 ~~[16.]~~ **6.** Regardless of whether transportation is identified as a related service within a
 222 student's individualized education program, a receiving district that is not part of a special
 223 school district shall not be responsible for providing transportation to a student transferring
 224 under this section. ~~[An unaccredited]~~ **A sending** district may contract with a receiving
 225 district that is not part of a special school district under sections 162.705 and 162.710 for
 226 transportation of students with disabilities.

227 ~~[17.]~~ **7.** If **the sending district is** a seven-director school district or urban school
 228 district ~~[is classified as unaccredited]~~, it may contract with a receiving district that is not part
 229 of a special school district in the same or an adjoining county for the reimbursement of special
 230 education and related services under sections 162.705 and 162.710 provided by the receiving
 231 district for transfer students who are residents of the ~~[unaccredited]~~ **sending** district.

167.898. 1. ~~[(1)]~~ By July 15, ~~[2019]~~ **2027**, and by ~~[January first annually]~~ **the first**
 2 **day of each month thereafter**, each ~~[accredited]~~ **school** district~~[, any portion of which is~~
 3 ~~located in the same county as or in an adjoining county to an unaccredited district,]~~ shall
 4 report to the department of elementary and secondary education or its designee the number of
 5 available enrollment slots by grade level **and school**.

6 ~~[(2) By July 15, 2019, and by January first annually, each unaccredited district shall~~
 7 ~~report to the department of elementary and secondary education or its designee the number of~~
 8 ~~available enrollment slots in the schools of its district that have received annual performance~~
 9 ~~report scores consistent with a classification of accredited.~~

10 ~~[(3) By July 15, 2019, and by January first annually, each approved charter school that~~
 11 ~~is eligible to receive transfer students under section 167.895 shall report to the department of~~
 12 ~~elementary and secondary education or its designee the number of available enrollment slots.]~~

13 2. The department of elementary and secondary education or its designee shall make
 14 information and assistance available ~~[to parents or guardians who intend to transfer their child~~
 15 ~~to an accredited district or to an approved charter school as described under section 167.895]~~
 16 **via the Missouri open enrollment portal created under section 167.895.**

17 3. The parent or guardian of a student who intends to transfer his or her child to ~~[an~~
 18 ~~accredited]~~ **a receiving** district or to ~~[an approved]~~ **a** charter school as described under section
 19 167.895 for enrollment in that district or charter school in any school year after the 2019-20
 20 school year shall send initial notification to the department of elementary and secondary
 21 education or its designee by ~~[March first for enrollment in the subsequent school year]~~

22 **August 1, 2027, and by the first day of each month thereafter, for enrollment in any**
23 **subsequent month.**

24 4. The department of elementary and secondary education or its designee shall assign
25 those students who seek to transfer to ~~[an accredited]~~ **a receiving** district or to ~~[an approved]~~
26 **a** charter school as described under section 167.895. When assigning transfer students to
27 ~~[approved]~~ charter schools, the department of elementary and secondary education or its
28 designee shall coordinate with each approved charter school and its admissions process if
29 capacity is insufficient to enroll all students who submit a timely application. ~~[An approved]~~
30 **A** charter school shall not be required to institute a lottery procedure for determining the
31 admission of resident students. The department of elementary and secondary education or its
32 designee shall give first priority to students who live in the same household with any family
33 member within the first or second degree of consanguinity or affinity who already attends a
34 school with an annual performance report score consistent with a classification of accredited
35 and who apply to attend the same school. If insufficient grade-appropriate enrollment slots
36 are available for a student to be able to transfer, the student shall receive first priority the
37 following ~~[school-year]~~ **month**. The department of elementary and secondary education or its
38 designee shall consider the following factors in assigning school districts and charter schools:

- 39 (1) The student's or parent's choice of the receiving school district or charter school;
40 (2) The best interests of the student;
41 (3) The availability of transportation funding, as provided under section 167.241; and
42 (4) Distance and travel time to a receiving school.

43

44 The department of elementary and secondary education or its designee shall not consider
45 student academic performance, free and reduced price lunch status, or athletic ability in
46 assigning a student to a school. The parent or guardian may make an application for a
47 specific building assignment within the district or ~~[approved]~~ charter school. Final building
48 assignment shall be determined by the receiving school district or ~~[approved]~~ charter school.

49 5. (1) The department of elementary and secondary education or its designee may
50 deny a transfer to a student who in the most recent school year has been suspended from
51 school two or more times or who has been suspended for an act of school violence under
52 subsection 2 of section 160.261. A student whose transfer is initially precluded under this
53 subsection may be permitted to transfer on a provisional basis as a probationary transfer
54 student, subject to no further disruptive behavior, upon a statement from the student's current
55 school that the student is not disruptive. A student who is denied a transfer under this
56 subsection has the right to an in-person meeting with an employee of the department of
57 elementary and secondary education or its designee.

58 (2) The department of elementary and secondary education shall promulgate rules to
59 provide common standards for determining disruptive behavior that shall include, but not be
60 limited to, criteria under section 160.261. Any rule or portion of a rule, as that term is defined
61 in section 536.010, that is created under the authority delegated in this section shall become
62 effective only if it complies with and is subject to all of the provisions of chapter 536 and, if
63 applicable, section 536.028. This section and chapter 536 are nonseverable, and if any of the
64 powers vested with the general assembly pursuant to chapter 536 to review, to delay the
65 effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then
66 the grant of rulemaking authority and any rule proposed or adopted after August 28, 2019,
67 shall be invalid and void.

**168.189. 1. A school district may consider, but may not require, any criteria
2 greater than that which is necessary to obtain a Missouri initial administrator certificate
3 as promulgated under 5 CSR 20-400.610 in an application to hire a district
4 administrator.**

**5 2. A school district may employ as an administrator an individual who does not
6 possess a Missouri initial administrator certificate as promulgated under 5 CSR 20-
7 400.610 if the individual meets the following criteria:**

8 (1) Master's degree or, at minimum, its equivalent;

**9 (2) Eight years of experience in an executive role that is responsible for leading
10 teams and accountable for profits and losses; and**

**11 (3) A waiver specific to the applicant has been granted to the school district for
12 this purpose.**

**13 3. A waiver granted under subdivision (3) of subsection 2 of this section shall be
14 valid for no longer than three years and eligible for renewal once. Upon conclusion of
15 the six year waiver period, the state board of education may grant the applicant a
16 permanent certificate to serve as an administrator in any school district.**

✓