

SECOND REGULAR SESSION

# SENATE BILL NO. 618

99TH GENERAL ASSEMBLY

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INTRODUCED BY SENATOR EIGEL.

Pre-filed December 1, 2017, and ordered printed.

ADRIANE D. CROUSE, Secretary.

4730S.01I

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## AN ACT

To repeal sections 160.400, 160.405, 160.410, 160.415, and 160.425, RSMo, and to enact in lieu thereof five new sections relating to charter schools, with a contingent effective date.

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

Section A. Sections 160.400, 160.405, 160.410, 160.415, and 160.425, RSMo, are repealed and five new sections enacted in lieu thereof, to be known as sections 160.400, 160.405, 160.410, 160.415, and 160.425, to read as follows:

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

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

(1) In a metropolitan school district;

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

(3) **In any school district with a current year enrollment of two thousand eight hundred students or greater and in which at least one school attendance center has received a score of sixty-eight percent or less on its annual performance report for two of the three most recent annual performance reports available as of the date on which a charter school applies to open a charter school in the district under this subdivision. New charter schools that open shall serve the same grade levels as the attendance center that has received a score of sixty-eight percent or less on its annual report for two of the three most recent annual performance reports. New charter schools shall be located as close to the underperforming attendance center as practically possible**

**EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.**

18 based on the availability of facilities in the area. New charter schools  
19 may continue to open in such a district until such time as the district  
20 has not had any of its school attendance centers receive an annual  
21 performance report score of sixty-eight percent or less for two of the  
22 three preceding years. Once a charter school is opened as allowed  
23 under this subdivision, the charter school may continue to operate in  
24 the district under this subdivision regardless of any improvement in  
25 the annual performance report scores of the attendance centers in the  
26 district. For the purposes of this subdivision, the term "attendance  
27 center" shall not include attendance centers:

28 (a) Recognized by the department as an alternative school;

29 (b) For which the department does not generate an annual  
30 performance report;

31 (c) For which the department generates an annual performance  
32 report in which the annual performance report relies solely on  
33 attendance data;

34 (d) That do not offer classes above the second grade level;

35 (e) With classification numbers outside the range of numbers  
36 assigned by the department to high schools, middle schools, junior high  
37 schools, or elementary schools; or

38 (f) Located in a special school district;

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

41 [(4)] (5) In a school district that has been classified as provisionally  
42 accredited by the state board of education and has received scores on its annual  
43 performance report consistent with a classification of provisionally accredited or  
44 unaccredited for three consecutive school years beginning with the 2012-13  
45 accreditation year under the following conditions:

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

52 (b) The sponsor is limited to the local school board or a sponsor who has  
53 met the standards of accountability and performance as determined by the

54 department based on sections 160.400 to 160.425 and section 167.349 and  
55 properly promulgated rules of the department; or

56       ~~[(5)]~~ **(6)** In a school district that has been accredited without provisions,  
57 sponsored only by the local school board; provided that no board with a current  
58 year enrollment of one thousand five hundred fifty students or greater shall  
59 permit more than thirty-five percent of its student enrollment to enroll in charter  
60 schools sponsored by the local board under the authority of this subdivision,  
61 except that this restriction shall not apply to any school district that  
62 subsequently becomes eligible under subdivision ~~[(3) or]~~ (4) **or (5)** of this  
63 subsection or to any district accredited without provisions that sponsors charter  
64 schools prior to having a current year student enrollment of one thousand five  
65 hundred fifty students or greater.

66       3. Except as further provided in subsection 4 of this section, the following  
67 entities are eligible to sponsor charter schools:

68       (1) The school board of the district in any district which is sponsoring a  
69 charter school as of August 27, 2012, as permitted under subdivision (1) or (2) of  
70 subsection 2 of this section, the special administrative board of a metropolitan  
71 school district during any time in which powers granted to the district's board of  
72 education are vested in a special administrative board, or if the state board of  
73 education appoints a special administrative board to retain the authority granted  
74 to the board of education of an urban school district containing most or all of a  
75 city with a population greater than three hundred fifty thousand inhabitants, the  
76 special administrative board of such school district;

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

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

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

84       (5) Any two-year private vocational or technical school designated as a  
85 501(c)(3) nonprofit organization under the Internal Revenue Code of 1986, as  
86 amended, and accredited by the Higher Learning Commission, with its primary  
87 campus in Missouri;

88       (6) The Missouri charter public school commission created in section  
89 160.425.

90           4. In the case of a charter school allowed to operate only under  
91 subdivision (3) of subsection 2 of this section, the person, group, or  
92 organization seeking to establish such a charter school shall submit the  
93 proposed charter to the local school board in which the charter school  
94 is to be located before or at the same time that the charter school  
95 submits its proposed charter to any other sponsor. Upon receipt of a  
96 proposed charter for a location within the district, the local school  
97 board shall have sixty days to consider the proposed charter and either  
98 enter into a sponsorship agreement or notify the charter school that it  
99 declines the opportunity to sponsor the charter school. Such  
100 notification shall be made in writing. If the local school board declines  
101 to sponsor the charter school or does not respond within the specified  
102 time, any other authorized sponsor may enter into a sponsorship  
103 agreement. No person, group, or organization seeking to establish a  
104 charter school shall be required to submit its proposed charter to the  
105 local school board if the school district in which it is to be located is  
106 provisionally accredited or unaccredited by the state board of  
107 education.

108           5. Changes in a school district's accreditation status that affect charter  
109 schools shall be addressed as follows, except for the districts described in  
110 subdivisions (1) [and], (2), and (3) of subsection 2 of this section:

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

115           (2) As a district transitions from provisionally accredited to full  
116 accreditation, the district shall continue to fall under the requirements for a  
117 provisionally accredited district until it achieves three consecutive full school  
118 years of full accreditation;

119           (3) In any school district classified as unaccredited or provisionally  
120 accredited where a charter school is operating and is sponsored by an entity other  
121 than the local school board, when the school district becomes classified as  
122 accredited without provisions, a charter school may continue to be sponsored by  
123 the entity sponsoring it prior to the classification of accredited without provisions  
124 and shall not be limited to the local school board as a sponsor.

125 A charter school operating in a school district identified in subdivision (1) [or],

126 (2), **or (3)** of subsection 2 of this section may be sponsored by any of the entities  
127 identified in subsection 3 of this section, irrespective of the accreditation  
128 classification of the district in which it is located. A charter school in a district  
129 described in this subsection whose charter provides for the addition of grade  
130 levels in subsequent years may continue to add levels until the planned  
131 expansion is complete to the extent of grade levels in comparable schools of the  
132 district in which the charter school is operated.

133 [5.] **6.** The mayor of a city not within a county may request a sponsor  
134 under subdivision (2), (3), (4), (5), or (6) of subsection 3 of this section to consider  
135 sponsoring a "workplace charter school", which is defined for purposes of sections  
136 160.400 to 160.425 as a charter school with the ability to target prospective  
137 students whose parent or parents are employed in a business district, as defined  
138 in the charter, which is located in the city.

139 [6.] **7.** No sponsor shall receive from an applicant for a charter school any  
140 fee of any type for the consideration of a charter, nor may a sponsor condition its  
141 consideration of a charter on the promise of future payment of any kind.

142 [7.] **8.** The charter school shall be organized as a Missouri nonprofit  
143 corporation incorporated pursuant to chapter 355. The charter provided for  
144 herein shall constitute a contract between the sponsor and the charter school.

145 [8.] **9.** As a nonprofit corporation incorporated pursuant to chapter 355,  
146 the charter school shall select the method for election of officers pursuant to  
147 section 355.326 based on the class of corporation selected. Meetings of the  
148 governing board of the charter school shall be subject to the provisions of sections  
149 610.010 to 610.030.

150 [9.] **10.** A sponsor of a charter school, its agents and employees are not  
151 liable for any acts or omissions of a charter school that it sponsors, including acts  
152 or omissions relating to the charter submitted by the charter school, the operation  
153 of the charter school and the performance of the charter school.

154 [10.] **11.** A charter school may affiliate with a four-year college or  
155 university, including a private college or university, or a community college as  
156 otherwise specified in subsection 3 of this section when its charter is granted by  
157 a sponsor other than such college, university or community college. Affiliation  
158 status recognizes a relationship between the charter school and the college or  
159 university for purposes of teacher training and staff development, curriculum and  
160 assessment development, use of physical facilities owned by or rented on behalf  
161 of the college or university, and other similar purposes. A university, college or

162 community college may not charge or accept a fee for affiliation status.

163       [11.] 12. The expenses associated with sponsorship of charter schools  
164 shall be defrayed by the department of elementary and secondary education  
165 retaining one and five-tenths percent of the amount of state and local funding  
166 allocated to the charter school under section 160.415, not to exceed one hundred  
167 twenty-five thousand dollars, adjusted for inflation. The department of  
168 elementary and secondary education shall remit the retained funds for each  
169 charter school to the school's sponsor, provided the sponsor remains in good  
170 standing by fulfilling its sponsorship obligations under sections 160.400 to  
171 160.425 and 167.349 with regard to each charter school it sponsors, including  
172 appropriate demonstration of the following:

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

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

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

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

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

189       [12.] 13. Sponsors receiving funds under subsection [11] 12 of this  
190 section shall be required to submit annual reports to the joint committee on  
191 education demonstrating they are in compliance with subsection [17] 18 of this  
192 section.

193       [13.] 14. No university, college [or], community college, **or school board**  
194 shall grant a charter to a nonprofit corporation if an employee of the university,  
195 college [or], community college, **or school board** is a member of the  
196 corporation's board of directors.

197       [14.] 15. No sponsor shall grant a charter under sections 160.400 to

198 160.425 and 167.349 without ensuring that a criminal background check and  
199 family care safety registry check are conducted for all members of the governing  
200 board of the charter schools or the incorporators of the charter school if initial  
201 directors are not named in the articles of incorporation, nor shall a sponsor renew  
202 a charter without ensuring a criminal background check and family care safety  
203 registry check are conducted for each member of the governing board of the  
204 charter school.

205 [15.] 16. No member of the governing board of a charter school shall hold  
206 any office or employment from the board or the charter school while serving as  
207 a member, nor shall the member have any substantial interest, as defined in  
208 section 105.450, in any entity employed by or contracting with the board. No  
209 board member shall be an employee of a company that provides substantial  
210 services to the charter school. All members of the governing board of the charter  
211 school shall be considered decision-making public servants as defined in section  
212 105.450 for the purposes of the financial disclosure requirements contained in  
213 sections 105.483, 105.485, 105.487, and 105.489. **All members of the**  
214 **governing board shall be individuals subject to the income tax imposed**  
215 **under chapter 143; except that, any member serving a term as of August**  
216 **28, 2018, may serve the remainder of his or her term even if such**  
217 **member is not subject to the income tax imposed under chapter 143.**

218 [16.] 17. A sponsor shall develop the policies and procedures for:

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

225 (2) The granting of a charter;

226 (3) The performance contract that the sponsor will use to evaluate the  
227 performance of charter schools. Charter schools shall meet [current] **all state**  
228 **and federal requirements and shall meet the same** academic performance  
229 standards **required of seven-director school districts** as well as other  
230 standards agreed upon by the sponsor and the charter school in the performance  
231 contract;

232 (4) The sponsor's intervention, renewal, and revocation policies, including  
233 the conditions under which the charter sponsor may intervene in the operation

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

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

239 (6) Procedures to be implemented if a charter school should close,  
240 consistent with the provisions of subdivision (15) of subsection 1 of section  
241 160.405.

242 The department shall provide guidance to sponsors in developing such policies  
243 and procedures.

244 [17.] 18. (1) A sponsor shall provide timely submission to the state board  
245 of education of all data necessary to demonstrate that the sponsor is in material  
246 compliance with all requirements of sections 160.400 to 160.425 and section  
247 167.349. The state board of education shall ensure each sponsor is in compliance  
248 with all requirements under sections 160.400 to 160.425 and 167.349 for each  
249 charter school sponsored by any sponsor. The state board shall notify each  
250 sponsor of the standards for sponsorship of charter schools, delineating both what  
251 is mandated by statute and what best practices dictate. The state board shall  
252 evaluate sponsors to determine compliance with these standards every three  
253 years. The evaluation shall include a sponsor's policies and procedures in the  
254 areas of charter application approval; required charter agreement terms and  
255 content; sponsor performance evaluation and compliance monitoring; and charter  
256 renewal, intervention, and revocation decisions. Nothing shall preclude the  
257 department from undertaking an evaluation at any time for cause.

258 (2) If the department determines that a sponsor is in material  
259 noncompliance with its sponsorship duties, the sponsor shall be notified and  
260 given reasonable time for remediation. If remediation does not address the  
261 compliance issues identified by the department, the commissioner of education  
262 shall conduct a public hearing and thereafter provide notice to the charter  
263 sponsor of corrective action that will be recommended to the state board of  
264 education. Corrective action by the department may include withholding the  
265 sponsor's funding and suspending the sponsor's authority to sponsor a school that  
266 it currently sponsors or to sponsor any additional school until the sponsor is  
267 reauthorized by the state board of education under section 160.403.

268 (3) The charter sponsor may, within thirty days of receipt of the notice of  
269 the commissioner's recommendation, provide a written statement and other

270 documentation to show cause as to why that action should not be taken. Final  
271 determination of corrective action shall be determined by the state board of  
272 education based upon a review of the documentation submitted to the department  
273 and the charter sponsor.

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

277 [18.] 19. If a sponsor notifies a charter school of closure under subsection  
278 8 of section 160.405, the department of elementary and secondary education shall  
279 exercise its financial withholding authority under subsection [12] 13 of section  
280 160.415 to assure all obligations of the charter school shall be met. The state,  
281 charter sponsor, or resident district shall not be liable for any outstanding  
282 liability or obligations of the charter school.

160.405. 1. A person, group or organization seeking to establish a charter  
2 school shall submit the proposed charter, as provided in this section, to a sponsor.  
3 If the sponsor is not a school board, the applicant shall give a copy of its  
4 application to the school board of the district in which the charter school is to be  
5 located and to the state board of education, within five business days of the date  
6 the application is filed with the proposed sponsor. The school board may file  
7 objections with the proposed sponsor, and, if a charter is granted, the school  
8 board may file objections with the state board of education. The charter shall  
9 include a legally binding performance contract that describes the obligations and  
10 responsibilities of the school and the sponsor as outlined in sections 160.400 to  
11 160.425 and section 167.349 and shall address the following:

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

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

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

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

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

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

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

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

35           (9) **(a)** The term of the charter, which shall be five years and may be  
36 renewed for a five-year term; except that, if the annual performance  
37 report score of a charter school, other than a charter school in which  
38 fifty percent or more of the school's students were previously  
39 considered dropouts under subdivision (5) of subsection 2 of this  
40 section, is below the average of the annual performance report scores  
41 of all nonselective grade-level-equivalent school attendance centers in  
42 the school district in which the charter school is located for two of the  
43 three consecutive years immediately before a decision whether to  
44 renew is made, such renewal shall be for only a two-year term, and if,  
45 during such two-year term, the charter school's annual performance  
46 report score is below such average for one of the two years, the charter  
47 school term shall not be renewed;

48           **(b)** If a charter school is sponsored by a local school board, the  
49 term may be up to fifteen years and may be renewed for a three-year  
50 term;

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

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

56           (12) A description of the charter school's policies on student discipline and  
57 student admission, which shall include a statement, where applicable, of the  
58 validity of attendance of students who do not reside in the district but who may  
59 be eligible to attend under the terms of judicial settlements and procedures that

60 ensure admission of students with disabilities in a nondiscriminatory manner;

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

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

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

70 (a) Orderly transition of student records to new schools and archival of  
71 student records;

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

74 (c) Submission of final financial reports;

75 (d) Resolution of any remaining financial obligations;

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

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

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

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

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

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

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

96           (2) A charter may be approved when the sponsor determines that the  
97 requirements of this section are met, determines that the applicant is sufficiently  
98 qualified to operate a charter school, and that the proposed charter is consistent  
99 with the sponsor's charter sponsorship goals and capacity. The sponsor's decision  
100 of approval or denial shall be made within ninety days of the filing of the  
101 proposed charter; **except that, if a proposed charter is submitted to the**  
102 **local school board under subsection 4 of section 160.400, the local**  
103 **school board has sixty days to accept or decline sponsorship;**

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

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

121           (5) The sponsor of a charter school shall give priority to charter school  
122 applicants that propose a school oriented to high-risk students and to the reentry  
123 of dropouts into the school system. If a sponsor grants three or more charters,  
124 at least one-third of the charters granted by the sponsor shall be to schools that  
125 actively recruit dropouts or high-risk students as their student body and address  
126 the needs of dropouts or high-risk students through their proposed mission,  
127 curriculum, teaching methods, and services. For purposes of this subsection, a  
128 "high-risk" student is one who is at least one year behind in satisfactory  
129 completion of course work or obtaining high school credits for graduation, has  
130 dropped out of school, is at risk of dropping out of school, needs drug and alcohol  
131 treatment, has severe behavioral problems, has been suspended from school three

132 or more times, has a history of severe truancy, is a pregnant or parenting teen,  
133 has been referred for enrollment by the judicial system, is exiting incarceration,  
134 is a refugee, is homeless or has been homeless sometime within the preceding six  
135 months, has been referred by an area school district for enrollment in an  
136 alternative program, or qualifies as high risk under department of elementary  
137 and secondary education guidelines. Dropout shall be defined through the  
138 guidelines of the school core data report. The provisions of this subsection do not  
139 apply to charters sponsored by the state board of education.

140         3. If a charter is approved by a sponsor, the charter application shall be  
141 submitted to the state board of education, along with a statement of finding by  
142 the sponsor that the application meets the requirements of sections 160.400 to  
143 160.425 and section 167.349 and a monitoring plan under which the charter  
144 sponsor shall evaluate the academic performance, including annual performance  
145 reports, of students enrolled in the charter school. The state board of education  
146 shall approve or deny a charter application within sixty days of receipt of the  
147 application. The state board of education may deny a charter on grounds that the  
148 application fails to meet the requirements of sections 160.400 to 160.425 and  
149 section 167.349 or that a charter sponsor previously failed to meet the statutory  
150 responsibilities of a charter sponsor. Any denial of a charter application made  
151 by the state board of education shall be in writing and shall identify the specific  
152 failures of the application to meet the requirements of sections 160.400 to 160.425  
153 and section 167.349, and the written denial shall be provided within ten business  
154 days to the sponsor.

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

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

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

167         (3) Except as provided in sections 160.400 to 160.425 and as specifically

168 provided in other sections, be exempt from all laws and rules relating to schools,  
169 governing boards and school districts;

170 (4) Be financially accountable, use practices consistent with the Missouri  
171 financial accounting manual, provide for an annual audit by a certified public  
172 accountant, publish audit reports and annual financial reports as provided in  
173 chapter 165, provided that the annual financial report may be published on the  
174 department of elementary and secondary education's internet website in addition  
175 to other publishing requirements, and provide liability insurance to indemnify the  
176 school, its board, staff and teachers against tort claims. A charter school that  
177 receives local educational agency status under subsection 6 of this section shall  
178 meet the requirements imposed by the Elementary and Secondary Education Act  
179 for audits of such agencies and comply with all federal audit requirements for  
180 charters with local educational agency status. **The charter school shall make**  
181 **the results of such audits available on its website.** For purposes of an  
182 audit by petition under section 29.230, a charter school shall be treated as a  
183 political subdivision on the same terms and conditions as the school district in  
184 which it is located. For the purposes of securing such insurance, a charter school  
185 shall be eligible for the Missouri public entity risk management fund pursuant  
186 to section 537.700. A charter school that incurs debt shall include a repayment  
187 plan in its financial plan;

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

191 (6) (a) Design a method to measure pupil progress toward the pupil  
192 academic standards adopted by the state board of education pursuant to section  
193 160.514, establish baseline student performance in accordance with the  
194 performance contract during the first year of operation, collect student  
195 performance data as defined by the annual performance report throughout the  
196 duration of the charter to annually monitor student academic performance, and  
197 to the extent applicable based upon grade levels offered by the charter school,  
198 participate in the statewide system of assessments, comprised of the essential  
199 skills tests and the nationally standardized norm-referenced achievement tests,  
200 as designated by the state board pursuant to section 160.518, complete and  
201 distribute an annual report card as prescribed in section 160.522, which shall also  
202 include a statement that background checks have been completed on the charter  
203 school's board members, and report to its sponsor, the local school district, and

204 the state board of education as to its teaching methods and any educational  
205 innovations and the results thereof. No charter school shall be considered in the  
206 Missouri school improvement program review of the district in which it is located  
207 for the resource or process standards of the program.

208 (b) For proposed high-risk or alternative charter schools, sponsors shall  
209 approve performance measures based on mission, curriculum, teaching methods,  
210 and services. Sponsors shall also approve comprehensive academic and  
211 behavioral measures to determine whether students are meeting performance  
212 standards on a different time frame as specified in that school's charter. Student  
213 performance shall be assessed comprehensively to determine whether a high-risk  
214 or alternative charter school has documented adequate student progress. Student  
215 performance shall be based on sponsor-approved comprehensive measures as well  
216 as standardized public school measures. Annual presentation of charter school  
217 report card data to the department of elementary and secondary education, the  
218 state board, and the public shall include comprehensive measures of student  
219 progress.

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

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

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

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

239 (b) A statement outlining the reasons for approval or denial by the

240 sponsor, specifically addressing the requirements of sections 160.400 to 160.425  
241 and 167.349.

242         5. (1) Proposed or existing high-risk or alternative charter schools may  
243 include alternative arrangements for students to obtain credit for satisfying  
244 graduation requirements in the school's charter application and  
245 charter. Alternative arrangements may include, but not be limited to, credit for  
246 off-campus instruction, embedded credit, work experience through an internship  
247 arranged through the school, and independent studies. When the state board of  
248 education approves the charter, any such alternative arrangements shall be  
249 approved at such time.

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

255         6. The charter of a charter school may be amended at the request of the  
256 governing body of the charter school and on the approval of the sponsor. The  
257 sponsor and the governing board and staff of the charter school shall jointly  
258 review the school's performance, management and operations during the first year  
259 of operation and then every other year after the most recent review or at any  
260 point where the operation or management of the charter school is changed or  
261 transferred to another entity, either public or private. The governing board of a  
262 charter school may amend the charter, if the sponsor approves such amendment,  
263 or the sponsor and the governing board may reach an agreement in writing to  
264 reflect the charter school's decision to become a local educational agency. In such  
265 case the sponsor shall give the department of elementary and secondary  
266 education written notice no later than March first of any year, with the  
267 agreement to become effective July first. The department may waive the March  
268 first notice date in its discretion. The department shall identify and furnish a list  
269 of its regulations that pertain to local educational agencies to such schools within  
270 thirty days of receiving such notice.

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

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

275                 (2) Assurances for the completion and distribution of an annual report

276 card as prescribed in section 160.522;

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

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

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

282 8. (1) (a) A sponsor's policies shall give schools clear, adequate,  
283 evidence-based, and timely notice of contract violations or performance  
284 deficiencies and mandate intervention based upon findings of the state board of  
285 education of the following:

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

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

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

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

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

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

302 (c) A sponsor shall revoke a charter or take other appropriate remedial  
303 action, which may include placing the charter school on probationary status for  
304 no more than twenty-four months, provided that no more than one designation  
305 of probationary status shall be allowed for the duration of the charter contract,  
306 at any time if the charter school commits a serious breach of one or more  
307 provisions of its charter or on any of the following grounds: failure to meet the  
308 performance contract as set forth in its charter, failure to meet generally accepted  
309 standards of fiscal management, failure to provide information necessary to  
310 confirm compliance with all provisions of the charter and sections 160.400 to  
311 160.425 and 167.349 within forty-five days following receipt of written notice

312 requesting such information, or violation of law.

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

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

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

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

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

333           9. (1) A sponsor shall take all reasonable steps necessary to confirm  
334 that each charter school sponsored by such sponsor is in material compliance  
335 and remains in material compliance with all material provisions of the charter  
336 and sections 160.400 to 160.425 and 167.349. Every charter school shall provide  
337 all information necessary to confirm ongoing compliance with all provisions of  
338 its charter and sections 160.400 to 160.425 and 167.349 in a timely manner to  
339 its sponsor.

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

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

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

- 350 a. A negative balance in its operating funds;  
351 b. A combined balance of less than three percent of the amount expended  
352 for such funds during the previous fiscal year; or  
353 c. Expenditures that exceed receipts for the most recently completed  
354 fiscal year;

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

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

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

368 (b) Along with data reflecting the academic performance standards  
369 indicated in paragraph (a) of this subdivision, the sponsor shall submit a  
370 revised charter application to the state board of education for review. **Such**  
371 **application shall include a financial audit performed by the state**  
372 **auditor in accordance with the procedures outlined in chapter 29,**  
373 **which shall be paid for by the charter school.**

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

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

381 10. A school district may enter into a lease with a charter school for  
382 physical facilities.

383 11. A governing board or a school district employee who has control over

384 personnel actions shall not take unlawful reprisal against another employee at  
385 the school district because the employee is directly or indirectly involved in an  
386 application to establish a charter school. A governing board or a school district  
387 employee shall not take unlawful reprisal against an educational program of the  
388 school or the school district because an application to establish a charter school  
389 proposes the conversion of all or a portion of the educational program to a  
390 charter school. As used in this subsection, "unlawful reprisal" means an action  
391 that is taken by a governing board or a school district employee as a direct  
392 result of a lawful application to establish a charter school and that is adverse  
393 to another employee or an educational program.

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

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

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

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

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

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

413 16. The joint committee on education shall create a committee to  
414 investigate facility access and affordability for charter schools. The committee  
415 shall be comprised of equal numbers of the charter school sector and the public  
416 school sector and shall report its findings to the general assembly by December  
417 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  
4 urban voluntary transfer program;

5 (3) Nonresident pupils who transfer from an unaccredited district under  
6 section 167.131, provided that the charter school is an approved charter school,  
7 as defined in section 167.131, and subject to all other provisions of section  
8 167.131;

9 (4) [In the case of a charter school whose mission includes student  
10 drop-out prevention or recovery, any nonresident pupil from the same or an  
11 adjacent county who resides in a residential care facility, a transitional living  
12 group home, or an independent living program whose last school of enrollment  
13 is in the school district where the charter school is established, who submits a  
14 timely application; and

15 (5) In the case of a workplace charter school, any student eligible to  
16 attend under subdivision (1) or (2) of this subsection whose parent is employed  
17 in the business district, who submits a timely application, unless the number  
18 of applications exceeds the capacity of a program, class, grade level or  
19 building. The configuration of a business district shall be set forth in the  
20 charter and shall not be construed to create an undue advantage for a single  
21 employer or small number of employers] **Nonresident pupils who are**  
22 **residents of the state of Missouri, unless the pupil's enrollment will**  
23 **cause a resident pupil to be denied enrollment.**

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

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

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

37 (3) Charter alternative and special purpose schools may also give a  
38 preference for admission to high-risk students, as defined in subdivision (5) of

39 subsection 2 of section 160.405, when the school targets these students through  
40 its proposed mission, curriculum, teaching methods, and services; **and**

41 **(4) A charter school that opened only as a result of the operation**  
42 **of subdivision (3) of subsection 2 of section 160.400 shall give a**  
43 **preference for admission of resident students who reside in the**  
44 **attendance area of any school attendance center that has received a**  
45 **score of sixty-eight percent or less on its annual performance report. If**  
46 **such a school attendance center receives a score on its annual**  
47 **performance report greater than sixty-eight percent after the student**  
48 **who qualified for the preference enrolled in the charter school required**  
49 **to give him or her preference due to the attendance center's previous**  
50 **score, any charter school described in this subdivision shall continue**  
51 **to give a preference for admission of the student each school year so**  
52 **long as the student continues to reside in the attendance area of the**  
53 **school attendance center that initially allowed him or her to receive**  
54 **the preference in admissions.**

55 3. A charter school shall not limit admission based on race, ethnicity,  
56 national origin, disability, income level, proficiency in the English language or  
57 athletic ability, but may limit admission to pupils within a given age group or  
58 grade level. Charter schools may limit admission based on gender only when  
59 the school is a single-gender school. Students of a charter school who have been  
60 enrolled for a full academic year shall be counted in the performance of the  
61 charter school on the statewide assessments in that calendar year, unless  
62 otherwise exempted as English language learners. For purposes of this  
63 subsection, "full academic year" means the last Wednesday in September  
64 through the administration of the Missouri assessment program test without  
65 transferring out of the school and re-enrolling.

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

- 70 (1) The school's charter;  
71 (2) The school's most recent annual report card published according to  
72 section 160.522;  
73 (3) The results of background checks on the charter school's board  
74 members; and

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

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

86 6. If a change in school district boundary lines occurs under section  
87 162.223, 162.431, 162.441, or 162.451, or by action of the state board of  
88 education under section 162.081, including attachment of a school district's  
89 territory to another district or dissolution, such that a student attending a  
90 charter school prior to such change no longer resides in a school district in  
91 which the charter school is located, then the student may complete the current  
92 academic year at the charter school. The student shall be considered a resident  
93 student. The student's parent or legal guardian shall be responsible for the  
94 student's transportation to and from the charter school.

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

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

14 2. Except as provided in subsections 3 [and], 4, **and 5** of this section, the

15 aid payments for charter schools shall be as described in this subsection.

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

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

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

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

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

37 **(6) If a charter school that has not declared itself as a local**  
38 **educational agency and that did not open as a result of the operation**  
39 **of subdivision (3) of subsection 2 of section 160.400 has one or more**  
40 **nonresident pupils, the nonresident pupils shall not be counted for**  
41 **purposes of determining the amount of aid described in subdivisions (1)**  
42 **and (2) of this subsection. Each school district that has one or more of**  
43 **its resident pupils attending such a charter school as nonresident**  
44 **pupils shall pay to the charter school, for each such pupil, ninety**  
45 **percent of its average per-pupil expenditure.**

46 3. A workplace charter school shall receive payment for each eligible  
47 pupil as provided under subsection 2 of this section, except that if the student  
48 is not a resident of the district and is participating in a voluntary interdistrict  
49 transfer program, the payment for such pupils shall be the same as provided  
50 under section 162.1060.

51           4. **(1)** A charter school that has declared itself as a local educational  
52 agency shall receive from the department of elementary and secondary  
53 education an annual amount equal to the product of the charter school's  
54 weighted average daily attendance and the state adequacy target, multiplied by  
55 the dollar value modifier for the district, plus local tax revenues per weighted  
56 average daily attendance from the incidental and teachers funds in excess of the  
57 performance levy as defined in section 163.011 plus all other state aid  
58 attributable to such pupils. **A charter school that operates within the**  
59 **attendance area of a district receiving funds under subsection 2 of**  
60 **section 163.031 shall receive from the department of elementary and**  
61 **secondary education a proportionate amount, based on the charter**  
62 **school's weighted average daily attendance, of the calculation pursuant**  
63 **to subsection 2 of section 163.031 per the total weighted average daily**  
64 **attendance of the school district and the charter school or charter**  
65 **schools located within the district, plus local tax revenues per weighted**  
66 **average daily attendance from the incidental and teachers funds in**  
67 **excess of the performance levy as defined in section 163.011 plus all**  
68 **other state aid attributable to such pupils.** If a charter school declares  
69 itself as a local educational agency, the department of elementary and secondary  
70 education shall, upon notice of the declaration, reduce the payment made to the  
71 school district by the amount [specified in this subsection] **of local tax**  
72 **revenue per weighted average daily attendance to which the charter**  
73 **school or charter schools located within the district is entitled plus all**  
74 **other state aid attributable to such pupils** and pay directly to the charter  
75 school, **or charter schools, as applicable,** the annual amount reduced from  
76 the school district's payment **under sections 163.031, 163.043, 163.161, and**  
77 **163.087, respectfully. In aggregate, no charter school shall receive from**  
78 **the state and local funding sources an amount that is greater than the**  
79 **per-weighted average daily attendance funding of the noncharter**  
80 **public schools located within such district.**

81           **(2)** If a charter school that has declared itself as a local  
82 educational agency and that did not open as a result of the operation  
83 of subdivision (3) of subsection 2 of section 160.400 has one or more  
84 nonresident pupils, such nonresident pupils shall not be counted for  
85 purposes of determining the amount of the charter school's state aid as  
86 described in subdivision (1) of this subsection. Each school district

87 that has one or more of its resident pupils attending such a charter  
88 school as nonresident pupils shall pay to the charter school, for each  
89 such pupil, ninety percent of its average per-pupil expenditure.

90 5. Notwithstanding subsections 2, 3, and 4 of this section, aid  
91 payments for any charter school that opened only as a result of the  
92 operation of subdivision (3) of subsection 2 of section 160.400 shall be  
93 as described in this subsection, regardless of whether the charter  
94 school has declared itself as a local educational agency. Each school  
95 district that has one or more of its resident pupils attending a charter  
96 school described in this subsection as resident pupils of the school  
97 district in which the charter school is located or as nonresident pupils  
98 shall pay to the charter school, for each such pupil, ninety percent of  
99 its average per-pupil expenditure.

100 6. If a school district fails to make timely payments of any amount for  
101 which it is the disbursal agent, the state department of elementary and  
102 secondary education shall authorize payment to the charter school of the  
103 amount due pursuant to subsection 2 of this section and shall deduct the same  
104 amount from the next state school aid apportionment to the owing school  
105 district. If a charter school is paid more or less than the amounts due pursuant  
106 to this section, the amount of overpayment or underpayment shall be adjusted  
107 equally in the next twelve payments by the school district or the department of  
108 elementary and secondary education, as appropriate. Any dispute between the  
109 school district and a charter school as to the amount owing to the charter school  
110 shall be resolved by the department of elementary and secondary education, and  
111 the department's decision shall be the final administrative action for the  
112 purposes of review pursuant to chapter 536. During the period of dispute, the  
113 department of elementary and secondary education shall make every  
114 administrative and statutory effort to allow the continued education of children  
115 in their current public charter school setting.

116 [6.] 7. The charter school and a local school board may agree by contract  
117 for services to be provided by the school district to the charter school. The  
118 charter school may contract with any other entity for services. Such services  
119 may include but are not limited to food service, custodial service, maintenance,  
120 management assistance, curriculum assistance, media services and libraries and  
121 shall be subject to negotiation between the charter school and the local school  
122 board or other entity. Documented actual costs of such services shall be paid

123 for by the charter school.

124       **[7.] 8.** In the case of a proposed charter school that intends to contract  
125 with an education service provider for substantial educational services or  
126 management services, the request for proposals shall additionally require the  
127 charter school applicant to:

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

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

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

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

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

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

149       **[8.] 9.** A charter school may enter into contracts with community  
150 partnerships and state agencies acting in collaboration with such partnerships  
151 that provide services to children and their families linked to the school.

152       **[9.] 10.** A charter school shall be eligible for transportation state aid  
153 pursuant to section 163.161 and shall be free to contract with the local district,  
154 or any other entity, for the provision of transportation to the students of the  
155 charter school.

156       **[10.] 11.** (1) The proportionate share of state and federal resources  
157 generated by students with disabilities or staff serving them shall be paid in  
158 full to charter schools enrolling those students by their school district where

159 such enrollment is through a contract for services described in this section. The  
160 proportionate share of money generated under other federal or state categorical  
161 aid programs shall be directed to charter schools serving such students eligible  
162 for that aid.

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

166 [11.] 12. A charter school may not charge tuition or impose fees that a  
167 school district is prohibited from charging or imposing, except that a charter  
168 school may receive:

169 (1) Tuition payments from districts in the same or an adjoining county  
170 for nonresident students who transfer to an approved charter school, as defined  
171 in section 167.131, from an unaccredited district; and

172 (2) **Payments from school districts as described in this section.**

173 [12.] 13. A charter school is authorized to incur debt in anticipation of  
174 receipt of funds. A charter school may also borrow to finance facilities and  
175 other capital items. A school district may incur bonded indebtedness or take  
176 other measures to provide for physical facilities and other capital items for  
177 charter schools that it sponsors or contracts with. Except as otherwise  
178 specifically provided in sections 160.400 to 160.425, upon the dissolution of a  
179 charter school, any liabilities of the corporation will be satisfied through the  
180 procedures of chapter 355. A charter school shall satisfy all its financial  
181 obligations within twelve months of notice from the sponsor of the charter  
182 school's closure under subsection 8 of section 160.405. After satisfaction of all  
183 its financial obligations, a charter school shall return any remaining state and  
184 federal funds to the department of elementary and secondary education for  
185 disposition as stated in subdivision (17) of subsection 1 of section 160.405. The  
186 department of elementary and secondary education may withhold funding at a  
187 level the department determines to be adequate during a school's last year of  
188 operation until the department determines that school records, liabilities, and  
189 reporting requirements, including a full audit, are satisfied.

190 [13.] 14. Charter schools shall not have the power to acquire property  
191 by eminent domain.

192 [14.] 15. The governing body of a charter school is authorized to accept  
193 grants, gifts or donations of any kind and to expend or use such grants, gifts or  
194 donations. A grant, gift or donation may not be accepted by the governing body

195 if it is subject to any condition contrary to law applicable to the charter school  
196 or other public schools, or contrary to the terms of the charter.

197       **16. Notwithstanding any other provision of this section, if it is**  
198 **permissible for a pupil to attend a charter school located outside his or**  
199 **her district of residence under the provisions of section 160.410 and**  
200 **under the provisions of any other section that specifies the tuition**  
201 **amount to be paid by the resident district, the provisions of the other**  
202 **section specifying the tuition amount shall govern, and the provisions**  
203 **of this section shall not apply to such pupil.**

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

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

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

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

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

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

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

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

25       4. Members appointed to the commission shall collectively possess strong  
26 experience and expertise in governance, management and finance, school  
27 leadership, assessment, curriculum and instruction, and education law. All

28 members of the commission shall have demonstrated understanding of and  
29 commitment to charter schooling as a strategy for strengthening public  
30 education.

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

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

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

41             (2) Exercise sponsorship over charters approved by the commission  
42 under sections 160.400 to 160.425, including receipt of sponsorship funding  
43 under subsection [11] 12 of section 160.400.

44         7. Charter schools sponsored by the commission shall comply with all of  
45 the requirements applicable to charter schools under sections 160.400 to  
46 160.425.

47         8. The commission shall conduct its business in accordance with chapter  
48 610.

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

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

Section B. This act shall become effective on July first following the  
2 school year in which the amount appropriated for subsections 1 and 2 of section  
3 163.031 is equal to or exceeds the amount necessary to fund the entire  
4 entitlement calculation determined by subsections 1 and 2 of section  
5 163.031. The department of elementary and secondary education shall inform  
6 the revisor of statutes when the amount appropriated for subsections 1 and 2

7 of section 163.031 is equal to or exceeds the amount necessary to fund the entire  
8 entitlement calculation determined by subsections 1 and 2 of section 163.031.

✓

Unofficial

Bill

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