

SECOND REGULAR SESSION

SENATE BILL NO. 649

100TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR EIGEL.

Pre-filed December 1, 2019, and ordered printed.

ADRIANE D. CROUSE, Secretary.

3565S.011

AN ACT

To repeal sections 160.400, 160.405, 160.408, 160.410, and 160.425, RSMo, and to enact in lieu thereof seven new sections relating to charter schools.

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

Section A. Sections 160.400, 160.405, 160.408, 160.410, and 160.425, RSMo, are repealed and seven new sections enacted in lieu thereof, to be known as sections 160.400, 160.404, 160.405, 160.408, 160.410, 160.422, and 160.425, to read as follows:

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

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

(1) In a metropolitan school district;

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

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

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

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

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

18 education during the third consecutive school year after the designation of
19 provisional accreditation; and

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

24 (5) **In a school district located within a county with a charter**
25 **form of government except any such district that is accredited without**
26 **provisions by the state board of education and that has a resident pupil**
27 **enrollment of less than three thousand;**

28 (6) **In any municipality with a population greater than thirty**
29 **thousand with only one school district, except any such district that is**
30 **accredited without provisions by the state board of education and that**
31 **has a resident pupil enrollment of less than three thousand; or**

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

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

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

53 (2) A public four-year college or university with an approved teacher

54 education program that meets regional or national standards of accreditation;

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

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

60 (5) Any two-year private vocational or technical school designated as a
61 501(c)(3) nonprofit organization under the Internal Revenue Code of 1986, as
62 amended, and accredited by the Higher Learning Commission, with its primary
63 campus in Missouri;

64 (6) The Missouri charter public school commission created in section
65 160.425.

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

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

73 (2) As a district transitions from provisionally accredited to full
74 accreditation, the district shall continue to fall under the requirements for a
75 provisionally accredited district until it achieves three consecutive full school
76 years of full accreditation;

77 (3) In any school district classified as unaccredited or provisionally
78 accredited where a charter school is operating and is sponsored by an entity other
79 than the local school board, when the school district becomes classified as
80 accredited without provisions, a charter school may continue to be sponsored by
81 the entity sponsoring it prior to the classification of accredited without provisions
82 and shall not be limited to the local school board as a sponsor.

83 A charter school operating in a school district identified in subdivision (1) or (2)
84 of subsection 2 of this section may be sponsored by any of the entities identified
85 in subsection 3 of this section, irrespective of the accreditation classification of
86 the district in which it is located. A charter school in a district described in this
87 subsection whose charter provides for the addition of grade levels in subsequent
88 years may continue to add levels until the planned expansion is complete to the
89 extent of grade levels in comparable schools of the district in which the charter

90 school is operated.

91 5. The mayor of a city not within a county may request a sponsor under
92 subdivision (2), (3), (4), (5), or (6) of subsection 3 of this section to consider
93 sponsoring a "workplace charter school", which is defined for purposes of sections
94 160.400 to 160.425 as a charter school with the ability to target prospective
95 students whose parent or parents are employed in a business district, as defined
96 in the charter, which is located in the city.

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

100 [7.] 5. The charter school shall be organized as a Missouri nonprofit
101 corporation incorporated pursuant to chapter 355. The charter provided for
102 herein shall constitute a contract between the sponsor and the charter school.

103 [8.] 6. As a nonprofit corporation incorporated pursuant to chapter 355,
104 the charter school shall select the method for election of officers pursuant to
105 section 355.326 based on the class of corporation selected. Meetings of the
106 governing board of the charter school shall be subject to the provisions of sections
107 610.010 to 610.030.

108 [9.] 7. A sponsor of a charter school, its agents and employees are not
109 liable for any acts or omissions of a charter school that it sponsors, including acts
110 or omissions relating to the charter submitted by the charter school, the operation
111 of the charter school and the performance of the charter school.

112 [10.] 8. A charter school may affiliate with a four-year college or
113 university, including a private college or university, or a community college as
114 otherwise specified in subsection 3 of this section when its charter is granted by
115 a sponsor other than such college, university or community college. Affiliation
116 status recognizes a relationship between the charter school and the college or
117 university for purposes of teacher training and staff development, curriculum and
118 assessment development, use of physical facilities owned by or rented on behalf
119 of the college or university, and other similar purposes. A university, college or
120 community college may not charge or accept a fee for affiliation status.

121 [11.] 9. The expenses associated with sponsorship of charter schools shall
122 be defrayed by the department of elementary and secondary education retaining
123 one and five-tenths percent of the amount of state and local funding allocated to
124 the charter school under section 160.415, not to exceed one hundred twenty-five
125 thousand dollars, adjusted for inflation. The department of elementary and

126 secondary education shall remit the retained funds for each charter school to the
127 school's sponsor, provided the sponsor remains in good standing by fulfilling its
128 sponsorship obligations under sections 160.400 to 160.425 and 167.349 with
129 regard to each charter school it sponsors, including appropriate demonstration of
130 the following:

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

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

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

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

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

147 [12.] 10. Sponsors receiving funds under subsection [11] 9 of this section
148 shall be required to submit annual reports to the joint committee on education
149 demonstrating they are in compliance with subsection [17] 15 of this section.

150 [13.] 11. No university, college or community college shall grant a charter
151 to a nonprofit corporation if an employee of the university, college or community
152 college is a member of the corporation's board of directors.

153 [14.] 12. No sponsor shall grant a charter under sections 160.400 to
154 160.425 and 167.349 without ensuring that a criminal background check and
155 family care safety registry check are conducted for all members of the governing
156 board of the charter schools or the incorporators of the charter school if initial
157 directors are not named in the articles of incorporation, nor shall a sponsor renew
158 a charter without ensuring a criminal background check and family care safety
159 registry check are conducted for each member of the governing board of the
160 charter school.

161 [15.] 13. No member of the governing board of a charter school shall hold

162 any office or employment from the board or the charter school while serving as
163 a member, nor shall the member have any substantial interest, as defined in
164 section 105.450, in any entity employed by or contracting with the board. No
165 board member shall be an employee of a company that provides substantial
166 services to the charter school. All members of the governing board of the charter
167 school shall be considered decision-making public servants as defined in section
168 105.450 for the purposes of the financial disclosure requirements contained in
169 sections 105.483, 105.485, 105.487, and 105.489.

170 [16.] 14. A sponsor shall develop the policies and procedures for:

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

177 (2) The granting of a charter;

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

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

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

189 (6) Procedures to be implemented if a charter school should close,
190 consistent with the provisions of subdivision (15) of subsection 1 of section
191 160.405.

192 The department shall provide guidance to sponsors in developing such policies
193 and procedures.

194 [17.] 15. (1) A sponsor shall provide timely submission to the state board
195 of education of all data necessary to demonstrate that the sponsor is in material
196 compliance with all requirements of sections 160.400 to 160.425 and section
197 167.349. The state board of education shall ensure each sponsor is in compliance

198 with all requirements under sections 160.400 to 160.425 and 167.349 for each
199 charter school sponsored by any sponsor. The state board shall notify each
200 sponsor of the standards for sponsorship of charter schools, delineating both what
201 is mandated by statute and what best practices dictate. The state board shall
202 evaluate sponsors to determine compliance with these standards every three
203 years. The evaluation shall include a sponsor's policies and procedures in the
204 areas of charter application approval; required charter agreement terms and
205 content; sponsor performance evaluation and compliance monitoring; and charter
206 renewal, intervention, and revocation decisions. Nothing shall preclude the
207 department from undertaking an evaluation at any time for cause.

208 (2) If the department determines that a sponsor is in material
209 noncompliance with its sponsorship duties, the sponsor shall be notified and
210 given reasonable time for remediation. If remediation does not address the
211 compliance issues identified by the department, the commissioner of education
212 shall conduct a public hearing and thereafter provide notice to the charter
213 sponsor of corrective action that will be recommended to the state board of
214 education. Corrective action by the department may include withholding the
215 sponsor's funding and suspending the sponsor's authority to sponsor a school that
216 it currently sponsors or to sponsor any additional school until the sponsor is
217 reauthorized by the state board of education under section 160.403.

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

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

227 [18.] 16. If a sponsor notifies a charter school of closure under subsection
228 8 of section 160.405, the department of elementary and secondary education shall
229 exercise its financial withholding authority under subsection 12 of section 160.415
230 to assure all obligations of the charter school shall be met. The state, charter
231 sponsor, or resident district shall not be liable for any outstanding liability or
232 obligations of the charter school.

233 17. If a charter school fails to receive a renewal of its charter

234 after a three-year term as described in paragraph (e) of subdivision (3)
235 of subsection 9 of section 160.405, the sponsor of the charter school at
236 the time of the failure of renewal shall not sponsor any new charter
237 schools until the state board of education has completed an evaluation
238 and received a determination of compliance with all requirements
239 under sections 160.400 to 160.425 and section 167.349 for all charter
240 schools sponsored by the sponsor and meets the state standards of
241 sponsorship. The provisions of this subsection shall not apply to
242 sponsors who revoke or let lapse the three-year charter.

160.404. 1. For purposes of sections 160.400 to 160.425, the term
2 "underperformance", "underperforms", or "underperformed" means the
3 receipt of scores demonstrating that the percentage of students who
4 perform proficient and advanced on the annual statewide system of
5 assessments under section 160.518 in English language arts and
6 mathematics in a charter school is lower than the average percentage
7 of grade-level-equivalent students attending nonselective attendance
8 centers in the school district which the charter school is located who
9 perform proficient and advanced in English language arts and
10 mathematics.

11 2. Notwithstanding subsection 1 of this section, the term
12 "underperformance", "underperforms", or "underperformed" shall not
13 apply to any charter school in which:

14 (1) Fifty percent or more of the school's students were previously
15 considered dropouts under subdivision (5) of subsection 2 of section
16 160.405; or

17 (2) The average rate of growth in English language arts and
18 mathematics on the annual statewide system of assessments under
19 section 160.518 based on the state's growth model for the charter
20 school's students is higher than the average growth in English language
21 arts and mathematics based on the state's growth model for grade-level-
22 equivalent students attending nonselective attendance centers in the
23 school district in which the charter school is located.

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) The term of the charter, which shall be five years and may be renewed
36 **for a five-year term; except that, if renewal occurs as described under**
37 **paragraph (e) of subdivision (3) of subsection 9 of this section, such**
38 **renewal shall be for only a three-year term;**

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

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

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

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

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

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

58 (a) Orderly transition of student records to new schools and archival of
59 student records;

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

62 (c) Submission of final financial reports;

63 (d) Resolution of any remaining financial obligations;

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

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

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

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

77 Charter schools operating on August 27, 2012, shall have until August 28, 2015,

78 to meet the requirements of this subsection.

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

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

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

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

93 (4) If a proposed charter is denied by a sponsor, the proposed charter may
94 be submitted to the state board of education, along with the sponsor's written
95 reasons for its denial. If the state board determines that the applicant meets the
96 requirements of this section, that the applicant is sufficiently qualified to operate
97 the charter school, and that granting a charter to the applicant would be likely
98 to provide educational benefit to the children of the district, the state board may
99 grant a charter and act as sponsor of the charter school. The state board shall
100 review the proposed charter and make a determination of whether to deny or
101 grant the proposed charter within sixty days of receipt of the proposed charter,
102 provided that any charter to be considered by the state board of education under
103 this subdivision shall be submitted no later than March first prior to the school
104 year in which the charter school intends to begin operations. The state board of
105 education shall notify the applicant in writing as the reasons for its denial, if
106 applicable; and

107 (5) The sponsor of a charter school shall give priority to charter school
108 applicants that propose a school oriented to high-risk students and to the reentry
109 of dropouts into the school system. If a sponsor grants three or more charters,
110 at least one-third of the charters granted by the sponsor shall be to schools that
111 actively recruit dropouts or high-risk students as their student body and address
112 the needs of dropouts or high-risk students through their proposed mission,
113 curriculum, teaching methods, and services. For purposes of this subsection, a

114 "high-risk" student is one who is at least one year behind in satisfactory
115 completion of course work or obtaining high school credits for graduation, has
116 dropped out of school, is at risk of dropping out of school, needs drug and alcohol
117 treatment, has severe behavioral problems, has been suspended from school three
118 or more times, has a history of severe truancy, is a pregnant or parenting teen,
119 has been referred for enrollment by the judicial system, is exiting incarceration,
120 is a refugee, is homeless or has been homeless sometime within the preceding six
121 months, has been referred by an area school district for enrollment in an
122 alternative program, or qualifies as high risk under department of elementary
123 and secondary education guidelines. Dropout shall be defined through the
124 guidelines of the school core data report. The provisions of this subsection do not
125 apply to charters sponsored by the state board of education.

126 3. If a charter is approved by a sponsor, the charter application shall be
127 submitted to the state board of education, along with a statement of finding by
128 the sponsor that the application meets the requirements of sections 160.400 to
129 160.425 and section 167.349 and a monitoring plan under which the charter
130 sponsor shall evaluate the academic performance, including annual performance
131 reports, of students enrolled in the charter school. The state board of education
132 shall approve or deny a charter application within sixty days of receipt of the
133 application. The state board of education may deny a charter on grounds that the
134 application fails to meet the requirements of sections 160.400 to 160.425 and
135 section 167.349 or that a charter sponsor previously failed to meet the statutory
136 responsibilities of a charter sponsor. Any denial of a charter application made
137 by the state board of education shall be in writing and shall identify the specific
138 failures of the application to meet the requirements of sections 160.400 to 160.425
139 and section 167.349, and the written denial shall be provided within ten business
140 days to the sponsor.

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

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

144 (2) Comply with laws and regulations of the state, county, or city relating
145 to health, safety, and state minimum educational standards, as specified by the
146 state board of education, including the requirements relating to student discipline
147 under sections 160.261, 167.161, 167.164, and 167.171, notification of criminal
148 conduct to law enforcement authorities under sections 167.115 to 167.117,
149 academic assessment under section 160.518, transmittal of school records under

150 section 167.020, the minimum amount of school time required under section
151 171.031, and the employee criminal history background check and the family care
152 safety registry check under section 168.133;

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

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

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

177 (6) (a) Design a method to measure pupil progress toward the pupil
178 academic standards adopted by the state board of education pursuant to section
179 160.514, establish baseline student performance in accordance with the
180 performance contract during the first year of operation, collect student
181 performance data as defined by the annual performance report throughout the
182 duration of the charter to annually monitor student academic performance, and
183 to the extent applicable based upon grade levels offered by the charter school,
184 participate in the statewide system of assessments, comprised of the essential
185 skills tests and the nationally standardized norm-referenced achievement tests,

186 as designated by the state board pursuant to section 160.518, complete and
187 distribute an annual report card as prescribed in section 160.522, which shall also
188 include a statement that background checks have been completed on the charter
189 school's board members, and report to its sponsor, the local school district, and
190 the state board of education as to its teaching methods and any educational
191 innovations and the results thereof. No charter school shall be considered in the
192 Missouri school improvement program review of the district in which it is located
193 for the resource or process standards of the program.

194 (b) For proposed high-risk or alternative charter schools, sponsors shall
195 approve performance measures based on mission, curriculum, teaching methods,
196 and services. Sponsors shall also approve comprehensive academic and
197 behavioral measures to determine whether students are meeting performance
198 standards on a different time frame as specified in that school's charter. Student
199 performance shall be assessed comprehensively to determine whether a high-risk
200 or alternative charter school has documented adequate student progress. Student
201 performance shall be based on sponsor-approved comprehensive measures as well
202 as standardized public school measures. Annual presentation of charter school
203 report card data to the department of elementary and secondary education, the
204 state board, and the public shall include comprehensive measures of student
205 progress.

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

214 (7) Comply with all applicable federal and state laws and regulations
215 regarding students with disabilities, including sections 162.670 to 162.710, the
216 Individuals with Disabilities Education Act (20 U.S.C. Section 1400) and Section
217 504 of the Rehabilitation Act of 1973 (29 U.S.C. Section 794) or successor
218 legislation;

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

221 (a) Documentation that the applicant has provided a copy of the

222 application to the school board of the district in which the charter school is to be
223 located, except in those circumstances where the school district is the sponsor of
224 the charter school; and

225 (b) A statement outlining the reasons for approval or denial by the
226 sponsor, specifically addressing the requirements of sections 160.400 to 160.425
227 and 167.349; and

228 **(9) Seek to ensure that the percentage of its students who**
229 **perform proficient and advanced on the annual statewide system of**
230 **assessments under section 160.518 in English language arts and**
231 **mathematics is equal to or higher than the average percentage of**
232 **grade-level-equivalent students attending nonselective attendance**
233 **centers in the school district in which it is located who perform**
234 **proficient and advanced in English language arts and mathematics.**

235 5. (1) Proposed or existing high-risk or alternative charter schools may
236 include alternative arrangements for students to obtain credit for satisfying
237 graduation requirements in the school's charter application and
238 charter. Alternative arrangements may include, but not be limited to, credit for
239 off-campus instruction, embedded credit, work experience through an internship
240 arranged through the school, and independent studies. When the state board of
241 education approves the charter, any such alternative arrangements shall be
242 approved at such time.

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

248 6. The charter of a charter school may be amended at the request of the
249 governing body of the charter school and on the approval of the sponsor. The
250 sponsor and the governing board and staff of the charter school shall jointly
251 review the school's performance, management and operations during the first year
252 of operation and then every other year after the most recent review or at any
253 point where the operation or management of the charter school is changed or
254 transferred to another entity, either public or private. The governing board of a
255 charter school may amend the charter, if the sponsor approves such amendment,
256 or the sponsor and the governing board may reach an agreement in writing to
257 reflect the charter school's decision to become a local educational agency. In such

258 case the sponsor shall give the department of elementary and secondary
259 education written notice no later than March first of any year, with the
260 agreement to become effective July first. The department may waive the March
261 first notice date in its discretion. The department shall identify and furnish a list
262 of its regulations that pertain to local educational agencies to such schools within
263 thirty days of receiving such notice.

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

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

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

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

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

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

275 8. (1) (a) A sponsor's policies shall give schools clear, adequate,
276 evidence-based, and timely notice of contract violations or performance
277 deficiencies and mandate intervention based upon findings of the state board of
278 education of the following:

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

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

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

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

291 a. Clear evidence of [underperformance] **low performance** as
292 demonstrated in the charter school's annual performance report in three of the
293 last four school years; or

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

296 (c) A sponsor shall revoke a charter or take other appropriate remedial
297 action, which may include placing the charter school on probationary status for
298 no more than twenty-four months, provided that no more than one designation
299 of probationary status shall be allowed for the duration of the charter contract,
300 at any time if the charter school commits a serious breach of one or more
301 provisions of its charter or on any of the following grounds:

302 a. Failure to meet the performance contract as set forth in its charter[.];

303 **b. Underperformance for at least two years;**

304 c. Failure to meet generally accepted standards of fiscal management[.];

305 d. Failure to provide information necessary to confirm compliance with
306 all provisions of the charter and sections 160.400 to 160.425 and 167.349 within
307 forty-five days following receipt of written notice requesting such information[.];
308 or

309 e. Violation of law.

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

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

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

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

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

330 9. (1) A sponsor shall take all reasonable steps necessary to confirm that
331 each charter school sponsored by such sponsor is in material compliance and
332 remains in material compliance with all material provisions of the charter and
333 sections 160.400 to 160.425 and 167.349. Every charter school shall provide all
334 information necessary to confirm ongoing compliance with all provisions of its
335 charter and sections 160.400 to 160.425 and 167.349 in a timely manner to its
336 sponsor.

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

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

345 (b) **The charter school has underperformed for two of the three**
346 **consecutive years immediately before a decision whether to renew the**
347 **school's charter is made;**

348 (c) 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 fiscal
354 year;

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

357 [(d)] (e) The charter school has an annual performance report consistent
358 with a classification of accredited for three of the last four years and is fiscally
359 viable as described in paragraph (b) of this subdivision. If such is the case, the
360 charter 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 state
365 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 revised
370 charter application to the state board of education for review. **Such application**
371 **shall include a financial audit performed by an independent certified**
372 **public accountant in accordance with generally accepted auditing**
373 **standards, 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 **(e) If a charter school underperforms for two of the three**
382 **consecutive years immediately before a decision whether to renew the**
383 **school's charter is made, any renewal granted shall be for only a three-**
384 **year term. If the charter school again underperforms for two years of**
385 **the three-year term, the school's charter shall not be renewed.**

386 10. A school district may enter into a lease with a charter school for
387 physical facilities.

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

399 12. Charter school board members shall be subject to the same liability
400 for acts while in office as if they were regularly and duly elected members of
401 school boards in any other public school district in this state. The governing

402 board of a charter school may participate, to the same extent as a school board,
403 in the Missouri public entity risk management fund in the manner provided
404 under sections 537.700 to 537.756.

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

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

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

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

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

418 16. The joint committee on education shall create a committee to
419 investigate facility access and affordability for charter schools. The committee
420 shall be comprised of equal numbers of the charter school sector and the public
421 school sector and shall report its findings to the general assembly by December
422 31, 2016.

160.408. 1. For purposes of this section, "high-quality charter school"
2 means a charter school operating in the state of Missouri that meets the following
3 requirements:

4 (1) Receives eighty-five percent or more of the total points on the annual
5 performance report for three out of the last four school years by comparing points
6 earned to the points possible on the annual performance report for three of the
7 last four school years;

8 (2) Maintains a graduation rate of at least eighty percent for three of the
9 last four school years, if the charter school provides a high school program;

10 (3) Is in material compliance with its legally binding performance contract
11 and sections 160.400 to 160.425 and section 167.349; and

12 (4) Is organizationally and fiscally viable as described in paragraph (b) of
13 subdivision (2) of subsection 9 of section 160.405.

14 2. Notwithstanding any other provision of law, high-quality charter
15 schools shall be provided expedited opportunities to replicate and expand into

16 unaccredited districts, a metropolitan district, or an urban school district
17 containing most or all of a home rule city with more than four hundred thousand
18 inhabitants and located in more than one county. Such replication and expansion
19 shall be subject to the following:

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

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

26 (3) If a charter is approved by a sponsor, the charter application shall be
27 filed with the state board of education with a statement of finding from the
28 sponsor that the application meets the requirements of sections 160.400 to
29 160.425 and section 167.349 and a monitoring plan under which the sponsor shall
30 evaluate the academic performance of students enrolled in the charter
31 school. Such filing shall be made by January thirty-first prior to the school year
32 in which the charter school intends to begin operations.

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

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
4 voluntary transfer program;

5 (3) Nonresident pupils who transfer from an unaccredited district under
6 section 167.895, provided that the charter school is an approved charter school,
7 as defined in section 167.895, and subject to all other provisions of section
8 167.895;

9 (4) In the case of a charter school whose mission includes student drop-out
10 prevention or recovery, any nonresident pupil from the same or an adjacent
11 county who resides in a residential care facility, a transitional living group home,
12 or an independent living program whose last school of enrollment is in the school
13 district where the charter school is established, who submits a timely application;
14 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 of
18 applications exceeds the capacity of a program, class, grade level or building. The
19 configuration of a business district shall be set forth in the charter and shall not
20 be construed to create an undue advantage for a single employer or small number
21 of employers.

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

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

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

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

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

42 3. A charter school shall not limit admission based on race, ethnicity,
43 national origin, disability, income level, except as allowed under subdivision (4)
44 of subsection 2 of this section, proficiency in the English language or athletic
45 ability, but may limit admission to pupils within a given age group or grade
46 level. Charter schools may limit admission based on gender only when the school
47 is a single-gender school. Students of a charter school who have been enrolled for
48 a full academic year shall be counted in the performance of the charter school on
49 the statewide assessments in that calendar year, unless otherwise exempted as
50 English language learners. For purposes of this subsection, "full academic year"
51 means the last Wednesday in September through the administration of the

52 Missouri assessment program test without transferring out of the school and
53 re-enrolling.

54 4. A charter school shall make available for public inspection **as well as**
55 **on their website**, and provide upon request, to the parent, guardian, or other
56 custodian of any school-age pupil resident in the district in which the school is
57 located the following information:

58 (1) The school's charter;

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

61 (3) ~~[The results of]~~ **A statement that the charter school has**
62 **completed** background checks on the charter school's board members, **provided**
63 **that the results of such background checks shall be made available for**
64 **public inspection and provided upon request under the provisions of**
65 **this subsection**; and

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

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

77 6. If a change in school district boundary lines occurs under section
78 162.223, 162.431, 162.441, or 162.451, or by action of the state board of education
79 under section 162.081, including attachment of a school district's territory to
80 another district or dissolution, such that a student attending a charter school
81 prior to such change no longer resides in a school district in which the charter
82 school is located, then the student may complete the current academic year at the
83 charter school. The student shall be considered a resident student. The student's
84 parent or legal guardian shall be responsible for the student's transportation to
85 and from the charter school.

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

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

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

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

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

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

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

10 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 shall
23 be selected from a slate of three nominees recommended by the Missouri School
24 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 education.

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

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

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

40 (2) Exercise sponsorship over charters approved by the commission under
41 sections 160.400 to 160.425, including receipt of sponsorship funding under
42 subsection [11] 9 of section 160.400.

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

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

46 610.

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

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

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