

# SENATE BILL NO. 920

102ND GENERAL ASSEMBLY

INTRODUCED BY SENATOR KOENIG.

4027S.01H

KRISTINA MARTIN, Secretary

## AN ACT

To repeal section 160.400, RSMo, and to enact in lieu thereof one new section relating to charter schools.

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

Section A. Section 160.400, RSMo, is repealed and one new  
2 section enacted in lieu thereof, to be known as section 160.400,  
3 to read as follows:

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

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

5 (1) In a metropolitan school district;

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

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

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

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

18           (a) The eligibility for charter schools of any school  
19 district whose provisional accreditation is based in whole  
20 or in part on financial stress as defined in sections  
21 161.520 to 161.529, or on financial hardship as defined by  
22 rule of the state board of education, shall be decided by a  
23 vote of the state board of education during the third  
24 consecutive school year after the designation of provisional  
25 accreditation; and

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

31           (5) **In a school district located within a county with**  
32 **more than one million inhabitants;**

33           (6) **In a school district located within a county with**  
34 **more than one hundred fifty thousand but fewer than two**  
35 **hundred thousand inhabitants; or**

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

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

52           (1) The school board of the district in any district  
53 which is sponsoring a charter school as of August 27, 2012,  
54 as permitted under subdivision (1) or (2) of subsection 2 of  
55 this section, the special administrative board of a  
56 metropolitan school district during any time in which powers  
57 granted to the district's board of education are vested in a  
58 special administrative board, or if the state board of  
59 education appoints a special administrative board to retain  
60 the authority granted to the board of education of an urban  
61 school district containing most or all of a city with a  
62 population greater than three hundred fifty thousand  
63 inhabitants, the special administrative board of such school  
64 district;

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

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

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

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

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

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

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

90           (2) As a district transitions from provisionally  
91 accredited to full accreditation, the district shall  
92 continue to fall under the requirements for a provisionally  
93 accredited district until it achieves three consecutive full  
94 school years of full accreditation;

95           (3) In any school district classified as unaccredited  
96 or provisionally accredited where a charter school is  
97 operating and is sponsored by an entity other than the local  
98 school board, when the school district becomes classified as  
99 accredited without provisions, a charter school may continue  
100 to be sponsored by the entity sponsoring it prior to the  
101 classification of accredited without provisions and shall  
102 not be limited to the local school board as a sponsor.

103 A charter school operating in a school district identified  
104 in subdivision (1) or (2) of subsection 2 of this section  
105 may be sponsored by any of the entities identified in  
106 subsection 3 of this section, irrespective of the  
107 accreditation classification of the district in which it is  
108 located. A charter school in a district described in this  
109 subsection whose charter provides for the addition of grade  
110 levels in subsequent years may continue to add levels until  
111 the planned expansion is complete to the extent of grade

112 levels in comparable schools of the district in which the  
113 charter school is operated.

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

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

126         7. The charter school shall be organized as a Missouri  
127 nonprofit corporation incorporated pursuant to chapter 355.  
128 The charter provided for herein shall constitute a contract  
129 between the sponsor and the charter school.

130         8. As a nonprofit corporation incorporated pursuant to  
131 chapter 355, the charter school shall select the method for  
132 election of officers pursuant to section 355.326 based on  
133 the class of corporation selected. Meetings of the  
134 governing board of the charter school shall be subject to  
135 the provisions of sections 610.010 to 610.030.

136         9. A sponsor of a charter school, its agents and  
137 employees are not liable for any acts or omissions of a  
138 charter school that it sponsors, including acts or omissions  
139 relating to the charter submitted by the charter school, the  
140 operation of the charter school and the performance of the  
141 charter school.

142         10. A charter school may affiliate with a four-year  
143 college or university, including a private college or

144 university, or a community college as otherwise specified in  
145 subsection 3 of this section when its charter is granted by  
146 a sponsor other than such college, university or community  
147 college. Affiliation status recognizes a relationship  
148 between the charter school and the college or university for  
149 purposes of teacher training and staff development,  
150 curriculum and assessment development, use of physical  
151 facilities owned by or rented on behalf of the college or  
152 university, and other similar purposes. A university,  
153 college or community college may not charge or accept a fee  
154 for affiliation status.

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

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

172             (2) Maintains a comprehensive application process that  
173 follows fair procedures and rigorous criteria and grants  
174 charters only to those developers who demonstrate strong

175 capacity for establishing and operating a quality charter  
176 school;

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

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

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

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

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

198 14. No sponsor shall grant a charter under sections  
199 160.400 to 160.425 and 167.349 without ensuring that a  
200 criminal background check and family care safety registry  
201 check are conducted for all members of the governing board  
202 of the charter schools or the incorporators of the charter  
203 school if initial directors are not named in the articles of  
204 incorporation, nor shall a sponsor renew a charter without  
205 ensuring a criminal background check and family care safety

206 registry check are conducted for each member of the  
207 governing board of the charter school.

208         15. No member of the governing board of a charter  
209 school shall hold any office or employment from the board or  
210 the charter school while serving as a member, nor shall the  
211 member have any substantial interest, as defined in section  
212 105.450, in any entity employed by or contracting with the  
213 board. No board member shall be an employee of a company  
214 that provides substantial services to the charter school.  
215 All members of the governing board of the charter school  
216 shall be considered decision-making public servants as  
217 defined in section 105.450 for the purposes of the financial  
218 disclosure requirements contained in sections 105.483,  
219 105.485, 105.487, and 105.489.

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

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

230             (2) The granting of a charter;

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

236             (4) The sponsor's intervention, renewal, and  
237 revocation policies, including the conditions under which



238 the charter sponsor may intervene in the operation of the  
239 charter school, along with actions and consequences that may  
240 ensue, and the conditions for renewal of the charter at the  
241 end of the term, consistent with subsections 8 and 9 of  
242 section 160.405;

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

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

248 The department shall provide guidance to sponsors in  
249 developing such policies and procedures.

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

269           (2) If the department determines that a sponsor is in  
270 material noncompliance with its sponsorship duties, the  
271 sponsor shall be notified and given reasonable time for  
272 remediation. If remediation does not address the compliance  
273 issues identified by the department, the commissioner of  
274 education shall conduct a public hearing and thereafter  
275 provide notice to the charter sponsor of corrective action  
276 that will be recommended to the state board of education.  
277 Corrective action by the department may include withholding  
278 the sponsor's funding and suspending the sponsor's authority  
279 to sponsor a school that it currently sponsors or to sponsor  
280 any additional school until the sponsor is reauthorized by  
281 the state board of education under section 160.403.

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

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

294           18. If a sponsor notifies a charter school of closure  
295 under subsection 8 of section 160.405, the department of  
296 elementary and secondary education shall exercise its  
297 financial withholding authority under subsection 12 of  
298 section 160.415 to assure all obligations of the charter  
299 school shall be met. The state, charter sponsor, or

300 resident district shall not be liable for any outstanding  
301 liability or obligations of the charter school.

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