

SECOND REGULAR SESSION

HOUSE BILL NO. 2230

95TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES STREAM (Sponsor), LAMPE, NASHEED,
OXFORD AND McNARY (Co-sponsors).

5151L.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal sections 160.405 and 160.410, RSMo, and to enact in lieu thereof two new sections relating to charter schools.

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

Section A. Sections 160.405 and 160.410, RSMo, are repealed and two new sections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

160.405. 1. A person, group or organization seeking to establish a charter school shall
2 submit the proposed charter, as provided in this section, to a sponsor. If the sponsor is not a
3 school board, the applicant shall give a copy of its application to the school board of the district
4 in which the charter school is to be located and to the state board of education, within five
5 business days of the date the application is filed with the proposed sponsor. The school board
6 may file objections with the proposed sponsor, and, if a charter is granted, the school board may
7 file objections with the state board of education. The charter shall include a mission statement
8 for the charter school, a description of the charter school's organizational structure and bylaws
9 of the governing body, which will be responsible for the policy and operational decisions of the
10 charter school, a financial plan for the first three years of operation of the charter school
11 including provisions for annual audits, a description of the charter school's policy for securing
12 personnel services, its personnel policies, personnel qualifications, and professional development
13 plan, a description of the grades or ages of students being served, the school's calendar of
14 operation, which shall include at least the equivalent of a full school term as defined in section
15 160.011, and an outline of criteria specified in this section designed to measure the effectiveness
16 of the school. The charter shall also state:

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

17 (1) The educational goals and objectives to be achieved by the charter school;

18 (2) A description of the charter school's educational program and curriculum;

19 (3) The term of the charter, which shall be not less than five years, nor greater than ten
20 years and shall be renewable;

21 (4) A description of the charter school's pupil performance standards, which must meet
22 the requirements of subdivision (6) of subsection 5 of this section. The charter school program
23 must be designed to enable each pupil to achieve such standards;

24 (5) A description of the governance and operation of the charter school, including the
25 nature and extent of parental, professional educator, and community involvement in the
26 governance and operation of the charter school; and

27 (6) A description of the charter school's policies on student discipline and student
28 admission, which shall include a statement, where applicable, of the validity of attendance of
29 students who do not reside in the district but who may be eligible to attend under the terms of
30 judicial settlements.

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

32 (1) A charter may be approved when the sponsor determines that the requirements of this
33 section are met and determines that the applicant is sufficiently qualified to operate a charter
34 school. The sponsor's decision of approval or denial shall be made within ninety days of the
35 filing of the proposed charter;

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

39 (3) If a proposed charter is denied by a sponsor, the proposed charter may be submitted
40 to the state board of education, along with the sponsor's written reasons for its denial. If the state
41 board determines that the applicant meets the requirements of this section, that the applicant is
42 sufficiently qualified to operate the charter school, and that granting a charter to the applicant
43 would be likely to provide educational benefit to the children of the district, the state board may
44 grant a charter and act as sponsor of the charter school. The state board shall review the
45 proposed charter and make a determination of whether to deny or grant the proposed charter
46 within sixty days of receipt of the proposed charter, provided that any charter to be considered
47 by the state board of education under this subdivision shall be submitted no later than March first
48 prior to the school year in which the charter school intends to begin operations. The state board
49 of education shall notify the applicant in writing as the reasons for its denial, if applicable; and

50 (4) The sponsor of a charter school shall give priority to charter school applicants that
51 propose a school oriented to high-risk students and to the reentry of dropouts into the school
52 system. If a sponsor grants three or more charters, at least one-third of the charters granted by

53 the sponsor shall be to schools that actively recruit dropouts or high-risk students as their student
54 body and address the needs of dropouts or high-risk students through their proposed mission,
55 curriculum, teaching methods, and services. For purposes of this subsection, a "high-risk"
56 student is one who is at least one year behind in satisfactory completion of course work or
57 obtaining credits for graduation, pregnant or a parent, homeless or has been homeless sometime
58 within the preceding six months, has limited English proficiency, has been suspended from
59 school three or more times, is eligible for free or reduced-price school lunch, or has been referred
60 by the school district for enrollment in an alternative program. "Dropout" shall be defined
61 through the guidelines of the school core data report. The provisions of this subsection do not
62 apply to charters sponsored by the state board of education.

63 3. If a charter is approved by a sponsor, the charter application shall be submitted to the
64 state board of education, along with a statement of finding that the application meets the
65 requirements of sections 160.400 to 160.420 and section 167.439, RSMo, and a monitoring plan
66 under which the charter sponsor will evaluate the academic performance of students enrolled in
67 the charter school. The state board of education may, within sixty days, disapprove the granting
68 of the charter. The state board of education may disapprove a charter on grounds that the
69 application fails to meet the requirements of sections 160.400 to 160.420 and section 167.349,
70 RSMo, or that a charter sponsor previously failed to meet the statutory responsibilities of a
71 charter sponsor.

72 4. Any disapproval of a charter pursuant to subsection 3 of this section shall be subject
73 to judicial review pursuant to chapter 536, RSMo.

74 5. A charter school shall, as provided in its charter:

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

77 (2) Comply with laws and regulations of the state, county, or city relating to health,
78 safety, and state minimum educational standards, as specified by the state board of education,
79 including the requirements relating to student discipline under sections 160.261, 167.161,
80 167.164, and 167.171, RSMo, notification of criminal conduct to law enforcement authorities
81 under sections 167.115 to 167.117, RSMo, academic assessment under section 160.518,
82 transmittal of school records under section 167.020, RSMo, and the minimum number of school
83 days and hours required under section 160.041;

84 (3) Except as provided in sections 160.400 to 160.420, be exempt from all laws and rules
85 relating to schools, governing boards and school districts;

86 (4) Be financially accountable, use practices consistent with the Missouri financial
87 accounting manual, provide for an annual audit by a certified public accountant, publish audit
88 reports and annual financial reports as provided in chapter 165, RSMo, provided that the annual

89 financial report may be published on the department of elementary and secondary education's
90 Internet website in addition to other publishing requirements, and provide liability insurance to
91 indemnify the school, its board, staff and teachers against tort claims. A charter school that
92 receives local educational agency status under subsection 6 of this section shall meet the
93 requirements imposed by the Elementary and Secondary Education Act for audits of such
94 agencies. For purposes of an audit by petition under section 29.230, RSMo, a charter school
95 shall be treated as a political subdivision on the same terms and conditions as the school district
96 in which it is located. For the purposes of securing such insurance, a charter school shall be
97 eligible for the Missouri public entity risk management fund pursuant to section 537.700, RSMo.
98 A charter school that incurs debt must include a repayment plan in its financial plan;

99 (5) Provide a comprehensive program of instruction for at least one grade or age group
100 from kindergarten through grade twelve, which may include early childhood education if funding
101 for such programs is established by statute, as specified in its charter;

102 (6) (a) Design a method to measure pupil progress toward the pupil academic standards
103 adopted by the state board of education pursuant to section 160.514, collect baseline data during
104 at least the first three years for determining how the charter school is performing and to the
105 extent applicable, participate in the statewide system of assessments, comprised of the essential
106 skills tests and the nationally standardized norm-referenced achievement tests, as designated by
107 the state board pursuant to section 160.518, complete and distribute an annual report card as
108 prescribed in section 160.522, which shall also include a statement that background checks have
109 been completed on the charter school's board members, report to its sponsor, the local school
110 district, and the state board of education as to its teaching methods and any educational
111 innovations and the results thereof, and provide data required for the study of charter schools
112 pursuant to subsection 4 of section 160.410. No charter school will be considered in the
113 Missouri school improvement program review of the district in which it is located for the
114 resource or process standards of the program.

115 (b) For proposed high risk or alternative charter schools, sponsors shall approve
116 performance measures based on mission, curriculum, teaching methods, and services. Sponsors
117 shall also approve comprehensive academic and behavioral measures to determine whether
118 students are meeting performance standards on a different time frame as specified in that school's
119 charter. Student performance shall be assessed comprehensively to determine whether a high
120 risk or alternative charter school has documented adequate student progress. Student
121 performance shall be based on sponsor-approved comprehensive measures as well as
122 standardized public school measures. Annual presentation of charter school report card data to
123 the department of elementary and secondary education, the state board, and the public shall
124 include comprehensive measures of student progress.

125 (c) Nothing in this [paragraph] **subdivision** shall be construed as permitting a charter
126 school to be held to lower performance standards than other public schools within a district;
127 however, the charter of a charter school may permit students to meet performance standards on
128 a different time frame as specified in its charter;

129 (7) Assure that the needs of special education children are met in compliance with all
130 applicable federal and state laws and regulations;

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

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

136 (b) A statement outlining the reasons for approval or disapproval by the sponsor,
137 specifically addressing the requirements of sections 160.400 to 160.420 and 167.349, RSMo.

138 **6. (1) Proposed or existing high risk or alternative charter schools may include**
139 **alternative arrangements for students to obtain credit for satisfying graduation**
140 **requirements in the school's charter application and charter. Alternative arrangements**
141 **may include, but not be limited to, credit for off-campus instruction, embedded credit,**
142 **work experience through a paid or unpaid internship arranged through the school, and**
143 **independent studies. When the state board of education approves the charter, any such**
144 **alternative arrangements shall be approved at such time.**

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

149 **7.** The charter of a charter school may be amended at the request of the governing body
150 of the charter school and on the approval of the sponsor. The sponsor and the governing board
151 and staff of the charter school shall jointly review the school's performance, management and
152 operations at least once every two years or at any point where the operation or management of
153 the charter school is changed or transferred to another entity, either public or private. The
154 governing board of a charter school may amend the charter, if the sponsor approves such
155 amendment, or the sponsor and the governing board may reach an agreement in writing to reflect
156 the charter school's decision to become a local educational agency for the sole purpose of seeking
157 direct access to federal grants. In such case the sponsor shall give the department of elementary
158 and secondary education written notice no later than March first of any year, with the agreement
159 to become effective July first. The department may waive the March first notice date in its

160 discretion. The department shall identify and furnish a list of its regulations that pertain to local
161 educational agencies to such schools within thirty days of receiving such notice.

162 [7.] **8.** (1) A sponsor shall revoke a charter or take other appropriate remedial action,
163 which may include placing the charter school on probationary status, at any time if the charter
164 school commits a serious breach of one or more provisions of its charter or on any of the
165 following grounds: failure to meet academic performance standards as set forth in its charter,
166 failure to meet generally accepted standards of fiscal management, failure to provide information
167 necessary to confirm compliance with all provisions of the charter and sections 160.400 to
168 160.420 and 167.349, RSMo, within forty-five days following receipt of written notice
169 requesting such information, or violation of law.

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

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

177 (4) The sponsor of a charter school shall establish procedures to conduct administrative
178 hearings upon determination by the sponsor that grounds exist to revoke a charter. Final
179 decisions of a sponsor from hearings conducted pursuant to this subsection are subject to judicial
180 review pursuant to chapter 536, RSMo.

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

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

187 [8.] **9.** A sponsor shall take all reasonable steps necessary to confirm that each charter
188 school sponsored by such sponsor is in material compliance and remains in material compliance
189 with all material provisions of the charter and sections 160.400 to 160.420 and 167.349, RSMo.
190 Every charter school shall provide all information necessary to confirm ongoing compliance with
191 all provisions of its charter and sections 160.400 to 160.420 and 167.349, RSMo, in a timely
192 manner to its sponsor.

193 [9.] **10.** A school district may enter into a lease with a charter school for physical
194 facilities.

195 [10.] 11. A governing board or a school district employee who has control over
196 personnel actions shall not take unlawful reprisal against another employee at the school district
197 because the employee is directly or indirectly involved in an application to establish a charter
198 school. A governing board or a school district employee shall not take unlawful reprisal against
199 an educational program of the school or the school district because an application to establish
200 a charter school proposes the conversion of all or a portion of the educational program to a
201 charter school. As used in this subsection, "unlawful reprisal" means an action that is taken by
202 a governing board or a school district employee as a direct result of a lawful application to
203 establish a charter school and that is adverse to another employee or an educational program.

204 [11.] 12. Charter school board members shall be subject to the same liability for acts
205 while in office as if they were regularly and duly elected members of school boards in any other
206 public school district in this state. The governing board of a charter school may participate, to
207 the same extent as a school board, in the Missouri public entity risk management fund in the
208 manner provided under sections 537.700 to 537.756, RSMo.

209 [12.] 13. Any entity, either public or private, operating, administering, or otherwise
210 managing a charter school shall be considered a quasi-public governmental body and subject to
211 the provisions of sections 610.010 to 610.035, RSMo.

212 [13.] 14. The chief financial officer of a charter school shall maintain:

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

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

160.410. 1. A charter school shall enroll:

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

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

5 (3) **In the case of a charter school whose mission includes student drop-out**
6 **prevention or recovery, any nonresident pupil from the same or an adjacent county who**
7 **is considered high risk or is a dropout, or any nonresident pupil from the same or an**
8 **adjacent county who resides in a residential care facility, a transitional living group home,**
9 **or an independent living program whose last school of enrollment is in the school district**
10 **where the charter school is established, who submits a timely application; and**

11 (4) In the case of a workplace charter school, any student eligible to attend under
12 subdivision (1) or (2) of this subsection whose parent is employed in the business district, who
13 submits a timely application, unless the number of applications exceeds the capacity of a

14 program, class, grade level or building. The configuration of a business district shall be set forth
15 in the charter and shall not be construed to create an undue advantage for a single employer or
16 small number of employers.

17 2. If capacity is insufficient to enroll all pupils who submit a timely application, the
18 charter school shall have an admissions process that assures all applicants of an equal chance of
19 gaining admission except that:

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

24 (2) A charter school may also give a preference for admission of children whose siblings
25 attend the school or whose parents are employed at the school or in the case of a workplace
26 charter school, a child whose parent is employed in the business district or at the business site
27 of such school; **and**

28 (3) **A charter school whose mission includes student drop-out prevention or**
29 **recovery as described in subdivision (3) of subsection 1 of this section shall give preference**
30 **for admission to resident pupils over nonresident pupils.**

31 3. A charter school shall not limit admission based on race, ethnicity, national origin,
32 disability, gender, income level, proficiency in the English language or athletic ability, but may
33 limit admission to pupils within a given age group or grade level. **A charter school may give**
34 **a preference for admission to high-risk students and dropouts, as defined in subdivision**
35 **(4) of subsection 2 of section 160.405.**

36 4. The department of elementary and secondary education shall commission a study of
37 the performance of students at each charter school in comparison with an equivalent group of
38 district students representing an equivalent demographic and geographic population and a study
39 of the impact of charter schools upon the constituents they serve in the districts in which they are
40 located, to be conducted by the joint committee on education. The charter school study shall
41 include analysis of the administrative and instructional practices of each charter school and shall
42 include findings on innovative programs that illustrate best practices and lend themselves to
43 replication or incorporation in other schools. The joint committee on education shall coordinate
44 with individuals representing charter [public] schools and the districts in which charter schools
45 are located in conducting the study. The study of a charter school's student performance in
46 relation to a comparable group shall be designed to provide information that would allow parents
47 and educators to make valid comparisons of academic performance between the charter school's
48 students and an equivalent group of district students representing an equivalent demographic and

49 geographic population. The student performance assessment and comparison shall include, but
50 may not be limited to:

51 (1) Missouri assessment program test performance and aggregate growth over several
52 years;

53 (2) Student reenrollment rates;

54 (3) Educator, parent, and student satisfaction data;

55 (4) Graduation rates in secondary programs; and

56 (5) Performance of students enrolled in the same public school for three or more
57 consecutive years. The impact study shall be undertaken every two years to determine the impact
58 of charter schools on the constituents they serve in the districts where charter schools are
59 operated. The impact study shall include, but is not limited to, determining if changes have been
60 made in district policy or procedures attributable to the charter school and to perceived changes
61 in attitudes and expectations on the part of district personnel, school board members, parents,
62 students, the business community and other education stakeholders. The department of
63 elementary and secondary education shall make the results of the studies public and shall deliver
64 copies to the governing boards of the charter schools, the sponsors of the charter schools, the
65 school board and superintendent of the districts in which the charter schools are operated.

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

69 (1) The school's charter;

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

71 and

72 (3) The results of background checks on the charter school's board members. The charter
73 school may charge reasonable fees, not to exceed the rate specified in section 610.026, RSMo,
74 for furnishing copies of documents under this subsection.

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