

SECOND REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 1740
96TH GENERAL ASSEMBLY

5879L.02C

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal sections 29.205, 160.400, 160.405, 160.410, 160.415, 160.420, 162.081, 162.1250, 163.011, 163.031, 163.172, 167.131, 168.102, 168.110, 168.124, 168.211, 168.221, 168.251, and 168.291, RSMo, and to enact in lieu thereof thirty new sections relating to school operations, with an emergency clause for certain sections, and an effective date for certain sections.

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

Section A. Sections 29.205, 160.400, 160.405, 160.410, 160.415, 160.420, 162.081, 2 162.1250, 163.011, 163.031, 163.172, 167.131, 168.102, 168.110, 168.124, 168.211, 168.221, 3 168.251, and 168.291, RSMo, are repealed and thirty new sections enacted in lieu thereof, to be 4 known as sections 29.205, 135.712, 135.713, 135.714, 135.715, 135.716, 135.717, 135.719, 5 160.400, 160.403, 160.405, 160.410, 160.415, 160.417, 160.420, 160.425, 162.081, 162.1250, 6 163.011, 163.031, 163.172, 167.131, 167.133, 167.425, 168.102, 168.110, 168.124, 168.211, 7 168.221, and 168.251, to read as follows:

29.205. Notwithstanding any provision of law to the contrary, the state auditor shall have 2 the power to audit any school district **or charter school** within the state in the same manner as 3 the auditor may audit any agency of the state.

135.712. 1. Sections 135.712 to 135.719 shall be known and may be cited as the
2 **"Passport Scholarship Program". This program shall grant scholarships to students from**
3 **unaccredited districts for certain educational costs as defined in sections 135.712 to**
4 **135.719.**

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

6 **(1) "Department", the department of economic development;**

7 **(2) "Director", the director of the department of economic development;**

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.

8 (3) "Educational assistance organization", a charitable organization registered in
9 this state that is exempt from federal taxation under the Internal Revenue Code of 1986,
10 as amended, is certified by the director, and that allocates all of its annual revenue, with
11 the exception of marketing and administrative expenses in paragraph (c) of subdivision (4)
12 of subsection 1 of section 135.714 and as otherwise directed in sections 135.712 to 135.719,
13 derived from contributions for which a credit is claimed under this section for educational
14 assistance;

15 (4) "Eligible student", a student who resides in any unaccredited district. Any
16 student who receives an educational scholarship under this program shall remain eligible
17 until the student graduates from high school or reaches twenty-one years of age, whichever
18 occurs earlier;

19 (5) "Parent", a parent, guardian, custodian, or other person with authority to act
20 on behalf of the eligible student;

21 (6) "Passport scholarships", grants to eligible students to cover all or part of the
22 applicable tuition and fees at a qualified school, or other approved educational expenses,
23 including but not limited to transportation and tuition and equipment necessary for virtual
24 classes or programs;

25 (7) "Program", the passport scholarship program established under sections
26 135.712 to 135.719;

27 (8) "Qualified school", a nonpublic elementary or secondary school in the state that
28 complies with all requirements of the program;

29 (9) "Qualifying contribution", a donation of cash, stock, bonds, or other
30 marketable securities for purposes of claiming a tax credit under sections 135.712 to
31 135.719;

32 (10) "Taxpayer", an individual subject to the state income tax imposed in chapter
33 143, an individual, a firm, a partner in a firm, corporation, or a shareholder in an S
34 corporation doing business in this state and subject to the state income tax imposed by
35 chapter 143, a corporation subject to the annual corporation franchise tax imposed by
36 chapter 147, or an express company which pays an annual tax on its gross receipts in this
37 state under chapter 153, which files a Missouri income tax return and is not a dependent
38 of any other taxpayer.

135.713. 1. For all tax years beginning on or after January 1, 2012, any taxpayer
2 who makes a qualifying contribution to an educational assistance organization may claim
3 a credit against the tax otherwise due under chapter 143, other than taxes withheld under
4 sections 143.191 to 143.265, and chapters 147 and 153, in an amount equal to sixty percent
5 of the amount the taxpayer contributed during the tax year for which the credit is claimed.

6 No taxpayer shall claim a credit under sections 135.712 to 135.719 for any contribution
7 made by the taxpayer, or an agent of the taxpayer, on behalf of the taxpayer's dependent,
8 or in the case of a business taxpayer, on behalf of the business's agent's dependent.

9 2. The amount of the tax credit claimed shall not exceed the amount of the
10 taxpayer's state tax liability for the tax year for which the credit is claimed. The
11 department shall certify the tax credit amount to the taxpayer and to the department of
12 revenue. A taxpayer may carry the credit forward to any of such taxpayer's four
13 subsequent taxable years. All tax credits authorized under the program may be
14 transferred, sold, or assigned.

15 3. The cumulative amount of tax credits which may be allocated to all taxpayers
16 contributing to educational assistance organizations in any one fiscal year shall not exceed
17 forty million dollars, which amount shall annually be adjusted by the department for
18 inflation based on the consumer price index for the Midwest, as defined and officially
19 recorded by the United States Department of Labor, or its successor. The director shall
20 establish a procedure by which the cumulative amount of tax credits are equally
21 apportioned among all facilities classified as educational assistance organizations. If an
22 educational assistance organization fails to use all, or some percentage to be determined
23 by the director, of its apportioned tax credits during this predetermined period of time, the
24 director may reapportion these unused tax credits to those educational assistance
25 organizations that have used all, or some percentage to be determined by the director, of
26 their apportioned tax credits during this predetermined period of time. The director may
27 establish more than one period of time and reapportion more than once during each fiscal
28 year. To the maximum extent possible, the director shall establish the procedure described
29 in this subsection in such a manner as to ensure that taxpayers can claim all the tax credits
30 possible up to the cumulative amount of tax credits available for the fiscal year.

135.714. 1. Each educational assistance organization shall:

- 2 (1) Notify the department of its intent to provide educational scholarships to
3 eligible students attending qualified schools;
- 4 (2) Demonstrate to the department that it is exempt from federal income tax under
5 section 501(c)(3) of the Internal Revenue Code of 1986, as amended;
- 6 (3) Provide a department-approved receipt to taxpayers for contributions made to
7 the organization;
- 8 (4) Ensure that:
 - 9 (a) One hundred percent of its revenues from interest or investments is spent on
10 educational scholarships;

11 **(b) At least ninety percent of its revenues from qualifying contributions is spent on**
12 **educational scholarships; and**

13 **(c) Marketing and administrative expenses shall not exceed the following limits of**
14 **its remaining revenue from contributions: ten percent for the first one hundred thousand**
15 **dollars; eight percent for the next four hundred thousand dollars; six percent for the next**
16 **five hundred thousand dollars; and three percent thereafter;**

17 **(5) Distribute educational scholarship payments four times per year in the form of**
18 **checks made out to an eligible student's parent and mailed to the qualified school where**
19 **the student is enrolled. The parent shall endorse the check before it can be deposited;**

20 **(6) Provide the department, upon request, with criminal background checks on all**
21 **of its employees and board members, and exclude from employment or governance any**
22 **individual that might reasonably pose a risk to the appropriate use of contributed funds;**

23 **(7) Ensure that passport scholarships are portable during the school year and can**
24 **be used at any qualified school that accepts the eligible student according to a parent's**
25 **wishes. If an eligible student moves to a new qualified school during a school year, the**
26 **passport scholarship amount may be prorated;**

27 **(8) Demonstrate its financial accountability by:**

28 **(a) Submitting a financial information report for the organization that complies**
29 **with uniform financial accounting standards established by the department and is**
30 **conducted by a certified public accountant; and**

31 **(b) Having an auditor certify that the report is free of material misstatements; and**

32 **(9) Demonstrate its financial viability, if it is to receive donations of fifty thousand**
33 **dollars or more during the school year, by filing with the department before the start of**
34 **the school year a surety bond payable to the state in an amount equal to the aggregate**
35 **amount of contributions expected to be received during the school year.**

36 **2. Each educational assistance organization shall ensure that qualified schools that**
37 **accept eligible students receiving passport scholarships from the organization will:**

38 **(1) Comply with all health and safety laws or codes that apply to nonpublic schools;**

39 **(2) Hold a valid occupancy permit if required by their municipality;**

40 **(3) Certify that the qualified schools will not discriminate in admissions of eligible**
41 **students on the basis of race, color, national origin, or disability;**

42 **(4) Provide academic accountability to parents of the eligible students in the**
43 **program by regularly reporting to the parent on the student's progress.**

44 **3. Educational assistance organizations shall not provide passport scholarships for**
45 **eligible students to attend any school with paid staff or board members, or relatives**
46 **thereof, in common with the educational assistance organization. Educational assistance**

47 organizations shall not provide scholarships to only one qualified school or to students of
48 only one school.

49 **4. An educational assistance organization shall publicly report to the department**
50 **by June first of each year the following information prepared by a certified public**
51 **accountant regarding its grants in the previous calendar year:**

52 **(1) The name and address of the educational assistance organization;**

53 **(2) The name and address of each eligible student who received a passport**
54 **scholarship from the organization;**

55 **(3) The total number and total dollar amount of contributions received during the**
56 **previous calendar year;**

57 **(4) The total number and total dollar amount of passport scholarships awarded**
58 **during the previous calendar year; and**

59 **(5) The total number and total dollar amount of passport scholarships awarded**
60 **during the previous year to eligible students qualifying for the federal free and reduced**
61 **price school lunch program.**

62 **5. Before educational assistance organizations may raise contributions under the**
63 **program, they shall have received or demonstrated ability to receive applications from**
64 **eligible students, and shall have identified potential vacancies in qualified schools as**
65 **determined by the director.**

135.715. 1. All qualified schools shall comply with all state laws that apply to
2 **public schools regarding criminal background checks for employees and shall exclude from**
3 **employment any person prohibited by state law from working in a public school.**

4 **2. All qualified schools may administer to their scholarship students the statewide**
5 **assessments under section 160.518, a nationally recognized norm-referenced assessment,**
6 **or an assessment of educational functioning level for adult basic education that meets the**
7 **guidelines for the national reporting system for adult education and literacy, except for**
8 **those students with individualized education programs that specify that such assessment**
9 **would not be appropriate. Such assessments or tests shall not be required to be given more**
10 **frequently in a grade than the statewide assessments are given. Results shall be provided**
11 **to parents of each passport scholarship recipient. The results of the scholarship recipients**
12 **shall not be considered for purposes of school accreditation or for purposes of the federal**
13 **No Child Left Behind Act.**

14 **3. All qualified schools shall:**

15 **(1) Comply with all health and safety laws or codes that apply to nonpublic schools;**

16 **(2) Hold a valid occupancy permit if required by their municipality; and**

17 **(3) Certify that they will not discriminate in admissions on the basis of race, color,**
18 **national origin, or disability;**

19 **(4) File a statement of intent to participate that includes the information listed in**
20 **this subdivision;**

21 **(5) For initial applicants, file a list of the information required under this**
22 **subsection, and for requalifying schools, annual reporting of the information required**
23 **under this subsection. No public reporting of information required under this subsection**
24 **shall be personally identifiable to an individual student;**

25 **(6) Be fiscally sound as evidenced by three years in existence, a surety bond, or**
26 **letter of credit covering the amount of funds received on behalf of scholarship recipients;**

27 **(7) Be accredited by a regional or national accrediting agency or for a school that**
28 **is not currently accredited, provisional approval pending the achievement of accreditation**
29 **no later than the fourth school year of participation;**

30 **(8) Annually administer a parental satisfaction survey; and**

31 **(9) Demonstrate evidence of the annual transmittal of the information required by**
32 **this section to parents and evidence of its availability to applicants.**

33 **4. Qualified schools shall have on record a form signed by the parent of the**
34 **scholarship recipient agreeing to the release of the following information to the director:**

35 **(1) The student's participation as a scholarship recipient under sections 135.712 to**
36 **135.719; and**

37 **(2) Testing results for statewide assessment.**

38 **5. As a condition of participation, the parents and scholarship recipients under**
39 **sections 135.712 to 135.719 shall agree to abide by the school's code of conduct and any**
40 **parental involvement requirements unless the qualifying school agrees to a waiver of any**
41 **requirements.**

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

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

7 **3. The department may conduct either a financial review or an audit of an**
8 **educational assistance organization if the department possesses evidence of fraud**
9 **committed by the organization or foundation.**

10 **4. The department may bar an educational assistance organization from**
11 **participating in the program if the department establishes that the educational assistance**

12 organization has intentionally and substantially failed to comply with the requirements in
13 section 135.714. If the department bars an educational assistance organization from the
14 program under this subsection, it shall notify affected eligible students and their parents
15 of the decision as soon as possible after the determination is made.

16 5. The department of economic development shall receive no more than two percent
17 of the qualifying contributions for marketing and administrative expenses or the costs
18 incurred in administering the program, whichever is less. The director shall establish
19 procedures to ensure the percentage of funds for administration of the program is directed
20 to the department of economic development in a timely manner with the necessary
21 information to verify the correct amount has been transmitted. The remaining funds shall
22 be distributed to the educational assistance organizations.

135.717. 1. Subject to appropriations, the joint committee on education shall
2 conduct a study of the program. The joint committee may contract with one or more
3 qualified researchers if assistance is needed and if funds are available.

4 2. The study shall assess the following areas:

5 (1) The impact of the program on public and private school capacity, availability,
6 and quality of service; and

7 (2) Student performance on annual assessment instruments before and after
8 entering the program, provided that no participating student shall be individually
9 identified.

10 3. The study shall be conducted during the first five years of commencement of the
11 program and shall cover that five year period.

12 4. The joint committee shall provide the general assembly with a final report of the
13 evaluation of the program.

14 5. The public and nonpublic participating schools to and from which students
15 transfer as part of the program shall cooperate with the research effort by providing
16 student assessment instrument scores and any other data necessary to complete this study.
17 Scores and data shall be provided in such a manner that no participating student, or
18 participating student's scores, shall be individually identified.

135.719. 1. The department and the department of revenue may promulgate rules
2 to implement the provisions of sections 135.712 to 135.719. Any rule or portion of a rule,
3 as that term is defined in section 536.010, that is created under the authority delegated in
4 this section shall become effective only if it complies with and is subject to all of the
5 provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536
6 are nonseverable and if any of the powers vested with the general assembly pursuant to
7 chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are

8 **subsequently held unconstitutional, then the grant of rulemaking authority and any rule**
9 **proposed or adopted after August 28, 2012, shall be invalid and void.**

10 **2. Under section 23.253 of the Missouri sunset act:**

11 **(1) The provisions of the new program authorized under sections 135.712 to**
12 **135.719 shall automatically sunset six years after the effective date of sections 135.712 to**
13 **135.719 unless reauthorized by an act of the general assembly; and**

14 **(2) If such program is reauthorized, the program authorized under sections 135.712**
15 **to 135.719 shall automatically sunset six years after the effective date of the reauthorization**
16 **of sections 135.712 to 135.719; and**

17 **(3) Sections 135.712 to 135.719 shall terminate on September first of the calendar**
18 **year immediately following the calendar year in which the program authorized under**
19 **sections 135.712 to 135.719 is sunset.**

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

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

4 **(1) In a metropolitan school district [or] ;**

5 **(2) In an urban school district containing most or all of a city with a population greater**
6 **than three hundred fifty thousand inhabitants [and may be sponsored by any of the following]**
7 **;**

8 **(3) In a school district that has been declared unaccredited;**

9 **(4) In a provisionally accredited school district under the following conditions:**

10 **(a) A school district is first eligible for charter schools after three consecutive full**
11 **school years in provisionally accredited status beginning with the 2009-2010 accreditation**
12 **year;**

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

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

22 **(5) In a school district that has been accredited without provisions, sponsored only**
23 **by the local school board.**

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

26 (1) The school board of the district **in any district which is sponsoring a charter**
27 **school as of August 27, 2012, as permitted under subdivision (1) or (2) of subsection 2 of**
28 **this section, or the special administrative board of a metropolitan school district during**
29 **any time in which powers granted to the district's board of education are vested in a special**
30 **administrative board;**

31 (2) A public four-year college or university [with its primary campus in the school
32 district or in a county adjacent to the county in which the district is located,] with an approved
33 teacher education program that meets regional or national standards of accreditation;

34 (3) A community college [located in] , **the service area of which encompasses some**
35 **portion of the district; [or]**

36 (4) Any private four-year college or university [located in a city not within a county] with
37 an enrollment of at least one thousand students, **with its primary campus in Missouri**, and with
38 an approved teacher preparation program;

39 (5) **Any two-year private vocational or technical school designated as a 501(c)(3)**
40 **nonprofit organization under the Internal Revenue Code of 1986, as amended, which is a**
41 **member of the North Central Association and accredited by the Higher Learning**
42 **Commission, with its primary campus in Missouri; or**

43 (6) **The Missouri Charter Public School Commission created in section 160.425.**

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

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

50 (2) **As a district transitions from provisionally accredited to full accreditation, the**
51 **district shall continue to fall under the requirements for a provisionally accredited district**
52 **until it achieves three consecutive full school years of full accreditation;**

53 (3) **A charter school operating in a school district identified in subdivision (1) or (2)**
54 **of subsection 2 of this section may be sponsored by any of the entities identified in**
55 **subsection 3 of this section, irrespective of the accreditation classification of the district in**
56 **which it is located.**

57 [3.] **5.** The mayor of a city not within a county may request a sponsor under subdivision
58 (2), (3), [or] (4), **(5), or (6)** of subsection [2] **3** of this section to consider sponsoring a
59 "workplace charter school", which is defined for purposes of sections 160.400 to [160.420]

60 **160.425** as a charter school with the ability to target prospective students whose parent or parents
61 are employed in a business district, as defined in the charter, which is located in the city.

62 [4.] **6.** No sponsor shall receive from an applicant for a charter school any fee of any type
63 for the consideration of a charter, nor may a sponsor condition its consideration of a charter on
64 the promise of future payment of any kind.

65 [5.] **7.** The charter school shall be **organized as** a Missouri nonprofit corporation
66 incorporated pursuant to chapter 355. The charter provided for herein shall constitute a contract
67 between the sponsor and the charter school.

68 [6.] **8.** As a nonprofit corporation incorporated pursuant to chapter 355, the charter
69 school shall select the method for election of officers pursuant to section 355.326 based on the
70 class of corporation selected. Meetings of the governing board of the charter school shall be
71 subject to the provisions of sections 610.010 to 610.030[, the open meetings law].

72 [7.] **9.** A sponsor of a charter school, its agents and employees are not liable for any acts
73 or omissions of a charter school that it sponsors, including acts or omissions relating to the
74 charter submitted by the charter school, the operation of the charter school and the performance
75 of the charter school.

76 [8.] **10.** A charter school may affiliate with a four-year college or university, including
77 a private college or university, or a community college as otherwise specified in subsection [2]
78 **3** of this section when its charter is granted by a sponsor other than such college, university or
79 community college. Affiliation status recognizes a relationship between the charter school and
80 the college or university for purposes of teacher training and staff development, curriculum and
81 assessment development, use of physical facilities owned by or rented on behalf of the college
82 or university, and other similar purposes. [The primary campus of the college or university must
83 be located within the county in which the school district lies wherein the charter school is located
84 or in a county adjacent to the county in which the district is located.] A university, college or
85 community college may not charge or accept a fee for affiliation status.

86 [9.] **11.** The expenses associated with sponsorship of charter schools shall be defrayed
87 by the department of elementary and secondary education retaining one and five-tenths percent
88 of the amount of state and local funding allocated to the charter school under section 160.415,
89 not to exceed one hundred twenty-five thousand dollars, adjusted for inflation. [Such amount
90 shall not be withheld when the sponsor is a school district or the state board of education.] The
91 department of elementary and secondary education shall remit the retained funds for each charter
92 school to the school's sponsor, provided the sponsor remains in good standing by fulfilling its
93 sponsorship obligations under sections 160.400 to [160.420] **160.425** and 167.349 with regard
94 to each charter school it sponsors, including appropriate demonstration of the following:

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

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

100 (3) Negotiates contracts with charter schools that clearly articulate the rights and
101 responsibilities of each party regarding school autonomy, expected outcomes, measures for
102 evaluating success or failure, performance consequences, and other material terms;

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

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

108 **12. Sponsors receiving funds under subsection 11 of this section shall be required**
109 **to submit annual reports to the joint committee on education demonstrating they are in**
110 **compliance with subsection 16 of this section.**

111 [10.] **13.** No university, college or community college shall grant a charter to a nonprofit
112 corporation if an employee of the university, college or community college is a member of the
113 corporation's board of directors.

114 [11.] **14.** No sponsor shall grant a charter under sections 160.400 to [160.420] **160.425**
115 and 167.349 without ensuring that a criminal background check and [child abuse] **family care**
116 **safety** registry check are conducted for all members of the governing board of the charter schools
117 or the incorporators of the charter school if initial directors are not named in the articles of
118 incorporation, nor shall a sponsor renew a charter without ensuring a criminal background check
119 and [child abuse] **family care** registry check are conducted for each member of the governing
120 board of the charter school.

121 [12.] **15.** No member of the governing board of a charter school shall hold any office or
122 employment from the board or the charter school while serving as a member, nor shall the
123 member have any substantial interest, as defined in section 105.450, in any entity employed by
124 or contracting with the board. No board member shall be an employee of a company that
125 provides substantial services to the charter school. All members of the governing board of the
126 charter school shall be considered decision-making public servants as defined in section 105.450
127 for the purposes of the financial disclosure requirements contained in sections 105.483, 105.485,
128 105.487, and 105.489.

129 [13.] **16.** A sponsor shall provide timely submission to the state board of education of
130 all data necessary to demonstrate that the sponsor is in material compliance with all requirements
131 of sections 160.400 to [160.420] **160.425** and 167.349.

132 **17. A sponsor shall develop the policies and procedures for:**

133 **(1) The review and approval of a charter school proposal including an application**
134 **that provides sufficient information for rigorous evaluation of the proposed charter and**
135 **provides clear documentation of a quality education program, effective governance and**
136 **management structures, and a sustainable operational plan;**

137 **(2) The granting of a charter;**

138 **(3) The performance framework that the sponsor will use to evaluate the**
139 **performance of charter schools;**

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

144 **(5) Additional criteria that the sponsor will use for ongoing oversight of the**
145 **charter; and**

146 **(6) Procedures to be implemented if a charter school should close, consistent with**
147 **the provisions of subdivision (12) of subsection 1 of section 160.405.**

148

149 **The department shall provide guidance to sponsors in developing such policies and**
150 **procedures.**

151 [14.] **18. (1)** The state board of education shall ensure each sponsor is in compliance
152 with all requirements under sections 160.400 to [160.420] **160.425** and 167.349 for each charter
153 school sponsored by any sponsor. The state board shall notify each sponsor of the standards for
154 sponsorship of charter schools, delineating both what is mandated by statute and what best
155 practices dictate. [The state board, after a public hearing, may require remedial action for a
156 sponsor that it finds has not fulfilled its obligations of sponsorship, such remedial actions
157 including withholding the sponsor's funding and suspending for a period of up to one year the
158 sponsor's authority to sponsor a school that it currently sponsors or to sponsor any additional
159 school.] **The state board shall evaluate sponsors to determine compliance with these**
160 **standards every three years. The evaluation shall include a sponsor's policies and**
161 **procedures in the areas of charter application approval; required charter agreement terms**
162 **and content; sponsor performance evaluation and compliance monitoring; and charter**
163 **renewal, intervention, and revocation decisions. Nothing shall preclude the department**
164 **from undertaking an evaluation at any time for cause.**

165 **(2) If the department determines that a sponsor is in material noncompliance with**
166 **its sponsorship duties, the sponsor shall be notified and given reasonable time for**
167 **remediation. If remediation does not address the compliance issues identified by the**
168 **department, the commissioner of education shall conduct a public hearing and thereafter**
169 **provide notice to the charter sponsor of corrective action that will be recommended to the**
170 **state board of education. Corrective action by the department may include withholding**
171 **the sponsor's funding and suspending the sponsor's authority to sponsor a school that it**
172 **currently sponsors or to sponsor any additional school until the sponsor is reauthorized by**
173 **the state board of education under section 160.403.**

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

179 **(4) If the state board removes the authority to sponsor a currently operating charter**
180 **school under any provision of law, the [state board] Missouri Charter Public School**
181 **Commission shall become the [interim] sponsor of the school [for a period of up to three years**
182 **until the school finds a new sponsor or until the charter contract period lapses].**

160.403. 1. The department of elementary and secondary education shall establish
2 **an annual application and approval process for all entities eligible to sponsor charters as**
3 **set forth in section 160.400 which are not sponsoring a charter school as of August 28,**
4 **2012. No later than January 1, 2013, the department shall make available information and**
5 **guidelines for all eligible sponsors concerning the opportunity to apply for sponsoring**
6 **authority under this section.**

7 **2. The application process for sponsorship shall require each interested eligible**
8 **sponsor to submit an application by April first that includes the following:**

9 **(1) Written notification of intent to serve as a charter school sponsor in accordance**
10 **with sections 160.400 to 160.425 and section 167.349;**

11 **(2) Evidence of the applicant sponsor's budget and personnel capacity;**

12 **(3) An outline of the request for proposal that the applicant sponsor would, if**
13 **approved as a charter sponsor, issue to solicit charter school applicants consistent with**
14 **sections 160.400 to 160.425;**

15 **(4) The performance framework that the applicant sponsor would, if approved as**
16 **a charter sponsor, use to guide the establishment of a charter contract and for ongoing**
17 **oversight and a description of how it would evaluate the charter schools it sponsors; and**

18 **(5) The applicant sponsor's renewal, revocation, and nonrenewal processes**
19 **consistent with section 160.405.**

20 **3. By July first of each year, the department shall decide whether to grant or deny**
21 **a sponsoring authority to a sponsor applicant. This decision shall be made based on the**
22 **applicant charter's compliance with sections 160.400 to 160.425 and properly promulgate**
23 **rules of the department.**

24 **4. Within thirty days of the department's decision, the department shall execute a**
25 **renewable sponsoring contract with each entity it has approved as a sponsor. The term of**
26 **each authorizing contract shall be ten years and renewable. No eligible sponsor which is**
27 **not currently sponsoring a charter school as of August 28, 2012, shall commence charter**
28 **sponsorship without approval from the state board of education and a sponsor contract**
29 **with the state board of education in effect.**

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, **which shall include a description of the obligations and**
17 **responsibilities of the charter school as outlined in sections 160.400 to 160.425 and section**
18 **167.349**, shall also state:

19 **(1) [The educational goals and objectives to be achieved by the charter school] A legally**
20 **binding performance contract that describes the obligations and responsibilities of the**
21 **school and the sponsor, which shall contain a complete set of indicators, measures, metrics,**
22 **and targets in the following areas: academic program performance, including specific**
23 **goals on graduation rates and standardized test performance and student academic**
24 **growth; operational program performance, including governance and financial**

25 **management; and, if applicable, elements related specifically to the charter school's**
26 **mission and vision;**

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

28 (3) The term of the charter, which shall be [not less than] five years[, nor greater than
29 ten years] and shall be renewable;

30 (4) A description of the charter school's pupil performance standards, which [must] **shall**
31 meet the requirements of subdivision (6) of subsection 5 of this section. The charter school
32 program [must] **shall** be designed to enable each pupil to achieve such standards;

33 **(5) An annual review of the charter school's compliance with statutory standards**
34 **including:**

35 **(a) Participation in the statewide system of assessments, as designated by the state**
36 **board of education under section 160.518;**

37 **(b) Assurances for the completion and distribution of an annual report card as**
38 **prescribed in section 160.522;**

39 **(c) The collection of baseline data during the first three years of operation to**
40 **determine the longitudinal success of the charter school;**

41 **(d) A method to measure pupil progress toward the pupil academic standards**
42 **adopted by the state board of education under section 160.514; and**

43 **(e) Publication of each charter school's annual performance report;**

44 **(6) Procedures, consistent with the Missouri Financial Accounting Manual, for**
45 **monitoring the financial accountability of the charter, which shall include:**

46 **(a) An annual audit by a certified public accountant, published audit reports, and**
47 **annual financial report as provided in chapter 165;**

48 **(b) Compliance with all federal audit requirements established for charter schools**
49 **with local education agency status; and**

50 **(c) Compliance with the requirements of any audit petition under section 29.230**
51 **for a political subdivision of the state;**

52 [(5)] (7) A description of the governance and operation of the charter school, including
53 the nature and extent of parental, professional educator, and community involvement in the
54 governance and operation of the charter school; [and]

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

57 [(6)] (9) A description of the charter school's policies on student discipline and student
58 admission, which shall include a statement, where applicable, of the validity of attendance of
59 students who do not reside in the district but who may be eligible to attend under the terms of

60 judicial settlements and procedures that ensure admission of students with disabilities in a
61 nondiscriminatory manner;

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

64 (11) A description of the agreement between the charter school and the sponsor as
65 to when a charter shall be revoked for failure to comply with subsection 8 of this section
66 and when it shall fail to be renewed under subsection 9 of this section;

67 (12) Procedures to be implemented if the charter school should close, as provided
68 in subdivision (6) of subsection 17 of section 160.400 including:

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

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

72 (c) Submission of final financial reports;

73 (d) Resolution of any remaining financial obligations; and

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

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

78 (13) A description of the special education and related services that shall be
79 available to meet the needs of students with disabilities; and

80 (14) For all new or revised charters, procedures to be used upon closure of the
81 charter school requiring that unobligated assets of the charter school be returned to the
82 department of elementary and secondary education for their disposition.

83

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

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

87 (1) A charter shall be submitted to the sponsor, and follow the sponsor's policies
88 and procedures for review and granting of a charter approval, and be approved by the
89 state board of education by December first of the year prior to the proposed opening date
90 of the charter school;

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

95 [(2)] (3) If the charter is denied, the proposed sponsor shall notify the applicant in writing
96 as to the reasons for its denial and forward a copy to the state board of education within five
97 business days following the denial;

98 [(3)] (4) If a proposed charter is denied by a sponsor, the proposed charter may be
99 submitted to the state board of education, along with the sponsor's written reasons for its denial.
100 If the state board determines that the applicant meets the requirements of this section, that the
101 applicant is sufficiently qualified to operate the charter school, and that granting a charter to the
102 applicant would be likely to provide educational benefit to the children of the district, the state
103 board may grant a charter and act as sponsor of the charter school. The state board shall review
104 the proposed charter and make a determination of whether to deny or grant the proposed charter
105 within sixty days of receipt of the proposed charter, provided that any charter to be considered
106 by the state board of education under this subdivision shall be submitted no later than March first
107 prior to the school year in which the charter school intends to begin operations. The state board
108 of education shall notify the applicant in writing as the reasons for its denial, if applicable; and

109 [(4)] (5) The sponsor of a charter school shall give priority to charter school applicants
110 that propose a school oriented to high-risk students and to the reentry of dropouts into the school
111 system. If a sponsor grants three or more charters, at least one-third of the charters granted by
112 the sponsor shall be to schools that actively recruit dropouts or high-risk students as their student
113 body and address the needs of dropouts or high-risk students through their proposed mission,
114 curriculum, teaching methods, and services. For purposes of this subsection, a "high-risk"
115 student is one who is at least one year behind in satisfactory completion of course work or
116 obtaining [credits for graduation, pregnant or a parent, homeless or has been homeless sometime
117 within the preceding six months, has limited English proficiency, has been suspended from
118 school three or more times, is eligible for free or reduced-price school lunch, or has been referred
119 by the school district for enrollment in an alternative program] **high school credits for
120 graduation, has dropped out of school, is at risk of dropping out of school, needs drug and
121 alcohol treatment, has severe behavioral problems, has been suspended from school three
122 or more times, has a history of severe truancy, is a pregnant or parenting teen, has been
123 referred for enrollment by the judicial system, is exiting incarceration, is a refugee, is
124 homeless or has been homeless sometime within the preceding six months, has been
125 referred by an area school district for enrollment in an alternative program, or qualifies
126 as high risk under department of elementary and secondary education guidelines.**
127 "Dropout" shall be defined through the guidelines of the school core data report. The provisions
128 of this subsection do not apply to charters sponsored by the state board of education.

129 3. If a charter is approved by a sponsor, the charter application shall be submitted to the
130 state board of education, along with a statement of finding that the application meets the

131 requirements of sections 160.400 to [160.420] **160.425** and section [167.439] **167.349** and a
132 monitoring plan under which the charter sponsor [will] **shall** evaluate the academic performance
133 of students enrolled in the charter school. The state board of education may, within sixty days,
134 disapprove the granting of the charter. The state board of education may disapprove a charter
135 on grounds that the application fails to meet the requirements of sections 160.400 to [160.420]
136 **160.425** and section 167.349 or that a charter sponsor previously failed to meet the statutory
137 responsibilities of a charter sponsor.

138 4. Any disapproval of a charter pursuant to subsection 3 of this section shall be subject
139 to judicial review pursuant to chapter 536.

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

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

143 (2) Comply with laws and regulations of the state, county, or city relating to health,
144 safety, and state minimum educational standards, as specified by the state board of education,
145 including the requirements relating to student discipline under sections 160.261, 167.161,
146 167.164, and 167.171, notification of criminal conduct to law enforcement authorities under
147 sections 167.115 to 167.117, academic assessment under section 160.518, transmittal of school
148 records under section 167.020, [and] the minimum number of school days and hours required
149 under section 160.041, **and the employee criminal history background check and the family**
150 **care safety registry check under section 168.133;**

151 (3) Except as provided in sections 160.400 to [160.420] **160.425**, be exempt from all
152 laws and rules relating to schools, governing boards and school districts;

153 (4) Be financially accountable, use practices consistent with the Missouri financial
154 accounting manual, provide for an annual audit by a certified public accountant, publish audit
155 reports and annual financial reports [as provided in chapter 165, provided that the annual
156 financial report may be published] **on the charter school's internet website or** on the
157 department of elementary and secondary education's internet website [in addition to other
158 publishing requirements], and provide liability insurance to indemnify the school, its board, staff
159 and teachers against tort claims. A charter school that receives local educational agency status
160 under subsection [6] 7 of this section shall meet the requirements imposed by the Elementary and
161 Secondary Education Act for audits of such agencies. For purposes of an audit by petition under
162 section 29.230, a charter school shall be treated as a political subdivision on the same terms and
163 conditions as the school district in which it is located. For the purposes of securing such
164 insurance, a charter school shall be eligible for the Missouri public entity risk management fund
165 pursuant to section 537.700. A charter school that incurs debt [must] **shall** include a repayment
166 plan in its financial plan;

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

170 (6) (a) Design a method to measure pupil progress toward the pupil academic standards
171 adopted by the state board of education pursuant to section 160.514, [collect baseline data during
172 at least the first three years for determining how the charter school is performing] **establish**
173 **baseline student performance in accordance with the performance contract during the first**
174 **year of operation, collect student performance data as defined by the annual performance**
175 **report throughout the duration of the charter to annually monitor student academic**
176 **performance**, and to the extent applicable **based upon grade levels offered by the charter**
177 **school**, participate in the statewide system of assessments, comprised of the essential skills tests
178 and the nationally standardized norm-referenced achievement tests, as designated by the state
179 board pursuant to section 160.518, complete and distribute an annual report card as prescribed
180 in section 160.522, which shall also include a statement that background checks have been
181 completed on the charter school's board members, report to its sponsor, the local school district,
182 and the state board of education as to its teaching methods and any educational innovations and
183 the results thereof, and provide data required for the study of charter schools pursuant to
184 subsection 4 of section 160.410. No charter school [will] **shall** be considered in the Missouri
185 school improvement program review of the district in which it is located for the resource or
186 process standards of the program.

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

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

201 (7) [Assure that the needs of special education children are met in compliance] **Comply**
202 with all applicable federal and state laws and regulations **regarding students with disabilities**

203 **including sections 162.670 to 162.710, the Individuals with Disabilities Education Act (20**
204 **U.S.C. Section 1400) and Section 504 of the Rehabilitation Act of 1973 (20 U.S.C. Section**
205 **794) or successor legislation;**

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

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

211 (b) A statement outlining the reasons for approval or disapproval by the sponsor,
212 specifically addressing the requirements of sections 160.400 to [160.420] **160.425** and 167.349.

213 **6. (1) Proposed or existing high risk or alternative charter schools may include**
214 **alternative arrangements for students to obtain credit for satisfying graduation**
215 **requirements in the school's charter application and charter. Alternative arrangements**
216 **may include, but not be limited to, credit for off-campus instruction, embedded credit,**
217 **work experience through an internship arranged through the school, and independent**
218 **studies. When the state board of education approves the charter, any such alternative**
219 **arrangements shall be approved at such time.**

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

224 7. The charter of a charter school may be amended at the request of the governing body
225 of the charter school and on the approval of the sponsor. The sponsor and the governing board
226 and staff of the charter school shall jointly review the school's performance, management and
227 operations [at least once every two years] **during the first year of operation and then every**
228 **other year after the most recent review** or at any point where the operation or management of
229 the charter school is changed or transferred to another entity, either public or private. The
230 governing board of a charter school may amend the charter, if the sponsor approves such
231 amendment, or the sponsor and the governing board may reach an agreement in writing to reflect
232 the charter school's decision to become a local educational agency [for the sole purpose of
233 seeking direct access to federal grants]. In such case the sponsor shall give the department of
234 elementary and secondary education written notice no later than March first of any year, with the
235 agreement to become effective July first. The department may waive the March first notice date
236 in its discretion. The department shall identify and furnish a list of its regulations that pertain
237 to local educational agencies to such schools within thirty days of receiving such notice.

238 [7.] **8. (1) (a) A sponsor's intervention policies shall give schools clear, adequate,**
239 **evidence-based, and timely notice of contract violations or performance deficiencies and**
240 **mandate intervention based upon findings of the state board of education of the following:**

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

244 **b. The charter school's annual performance report results are below the district's**
245 **annual performance report results based on the performance standards that are applicable**
246 **to the grade level configuration of both the charter school and the district in which the**
247 **charter school is located three out of the last four years; or**

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

250 **(b) A sponsor shall have a policy to revoke a charter during the charter term if**
251 **there is:**

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

254 **b. A violation of the law or the public trust that imperils students or public funds.**

255 **(c) A sponsor shall revoke a charter or take other appropriate remedial action, which may**
256 **include placing the charter school on probationary status for no more than twelve months,**
257 **provided that no more than one designation of probationary status shall be allowed for the**
258 **duration of the charter contract, at any time if the charter school commits a serious breach of**
259 **one or more provisions of its charter or on any of the following grounds: failure to meet**
260 **[academic performance standards] the performance contract as set forth in its charter, failure**
261 **to meet generally accepted standards of fiscal management, failure to provide information**
262 **necessary to confirm compliance with all provisions of the charter and sections 160.400 to**
263 **[160.420] 160.425 and 167.349 within forty-five days following receipt of written notice**
264 **requesting such information, or violation of law.**

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

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

272 **(4) The sponsor of a charter school shall establish procedures to conduct administrative**
273 **hearings upon determination by the sponsor that grounds exist to revoke a charter. Final**

274 decisions of a sponsor from hearings conducted pursuant to this subsection are subject to
275 [judicial review pursuant to chapter 536] **an appeal to the state board of education, which**
276 **shall determine whether the charter shall be revoked.**

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

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

283 [8.] **9. (1)** A sponsor shall take all reasonable steps necessary to confirm that each
284 charter school sponsored by such sponsor is in material compliance and remains in material
285 compliance with all material provisions of the charter and sections 160.400 to [160.420] **160.425**
286 and 167.349. Every charter school shall provide all information necessary to confirm ongoing
287 compliance with all provisions of its charter and sections 160.400 to [160.420] **160.425** and
288 167.349 in a timely manner to its sponsor.

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

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

293 **a. A negative balance in its operating funds;**

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

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

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

299 **(3) (a) Beginning August first during the year in which a charter is considered for**
300 **renewal, a charter school sponsor shall demonstrate to the state board of education that**
301 **the charter school is in compliance with federal and state law as provided in sections**
302 **160.400 to 160.425 and section 167.349 and the school's performance contract including but**
303 **not limited to those requirements specific to academic performance.**

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

307 **(c) Using the data requested and the revised charter application under paragraphs**
308 **(a) and (b) of this subdivision, the state board of education shall determine if compliance**
309 **with all standards enumerated in this subdivision has been achieved. The state board of**

310 **education at its next regularly scheduled meeting shall vote on the revised charter**
311 **application.**

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

314 [9.] **10.** A school district may enter into a lease with a charter school for physical
315 facilities. **A properly authorized charter school shall have the right to purchase or lease an**
316 **unused facility or unused portion of a facility from a school district. Such purchase or**
317 **lease shall be made available to a charter school at a fair market value prior to any unused**
318 **facility or unused portion of a facility being offered to any noncharter school entity. No**
319 **school district shall sell or lease a facility to another entity unless it has first complied with**
320 **this subsection.**

321 [10.] **11.** A governing board or a school district employee who has control over
322 personnel actions shall not take unlawful reprisal against another employee at the school district
323 because the employee is directly or indirectly involved in an application to establish a charter
324 school. A governing board or a school district employee shall not take unlawful reprisal against
325 an educational program of the school or the school district because an application to establish
326 a charter school proposes the conversion of all or a portion of the educational program to a
327 charter school. As used in this subsection, "unlawful reprisal" means an action that is taken by
328 a governing board or a school district employee as a direct result of a lawful application to
329 establish a charter school and that is adverse to another employee or an educational program.

330 [11.] **12.** Charter school board members shall be subject to the same liability for acts
331 while in office as if they were regularly and duly elected members of school boards in any other
332 public school district in this state. The governing board of a charter school may participate, to
333 the same extent as a school board, in the Missouri public entity risk management fund in the
334 manner provided under sections 537.700 to 537.756.

335 [12.] **13.** Any entity, either public or private, operating, administering, or otherwise
336 managing a charter school shall be considered a quasi-public governmental body and subject to
337 the provisions of sections 610.010 to 610.035.

338 [13.] **14.** The chief financial officer of a charter school shall maintain:

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

341 (2) An insurance policy issued by an insurance company licensed to do business in
342 Missouri on all employees in the amount of five hundred thousand dollars or more that provides
343 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 **resides in a residential care facility, a transitional living group home, or an independent**
8 **living program whose last school of enrollment is in the school district where the charter**
9 **school is established, who submits a timely application; and**

10 (4) In the case of a workplace charter school, any student eligible to attend under
11 subdivision (1) or (2) of this subsection whose parent is employed in the business district, who
12 submits a timely application, unless the number of applications exceeds the capacity of a
13 program, class, grade level or building. The configuration of a business district shall be set forth
14 in the charter and shall not be construed to create an undue advantage for a single employer or
15 small number of employers.

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

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

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

27 (3) **Charter alternative and special purpose schools may also give a preference for**
28 **admission to high-risk students, as defined in subdivision (5) of subsection 2 of section**
29 **160.405, when the school targets these students through its proposed mission, curriculum,**
30 **teaching methods, and services.**

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. **Charter schools may limit**
34 **admission based on gender only when the school is a single-gender school. Students of a**
35 **charter school that are present for the January membership count as defined in section**
36 **163.011 shall be counted in the performance of the charter school on the statewide**
37 **assessments in that calendar year, unless otherwise exempted as English language learners.**

38 4. The department of elementary and secondary education shall commission a study of
39 the performance of students at each charter school in comparison with an equivalent group of
40 district students representing an equivalent demographic and geographic population and a study
41 of the impact of charter schools upon the constituents they serve in the districts in which they are
42 located, to be conducted by the joint committee on education. The charter school study shall
43 include analysis of the administrative and instructional practices of each charter school and shall
44 include findings on innovative programs that illustrate best practices and lend themselves to
45 replication or incorporation in other schools. The joint committee on education shall coordinate
46 with individuals representing charter [public] schools and the districts in which charter schools
47 are located in conducting the study. The study of a charter school's student performance in
48 relation to a comparable group shall be designed to provide information that would allow parents
49 and educators to make valid comparisons of academic performance between the charter school's
50 students and an equivalent group of district students representing an equivalent demographic and
51 geographic population. The student performance assessment and comparison shall include, but
52 may not be limited to:

53 (1) Missouri assessment program test performance and aggregate growth over several
54 years;

55 (2) Student reenrollment rates;

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

57 (4) Graduation rates in secondary programs; and

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

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

71 (1) The school's charter;

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

73 [and]

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

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

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

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

93 **8. The provisions of sections 167.018 and 167.019 concerning foster children's**
94 **educational rights are applicable to charter schools.**

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

12 2. Except as provided in subsections 3 and 4 of this section, the aid payments for charter
13 schools shall be as described in this subsection.

14 (1) A school district having one or more resident pupils attending a charter school shall
15 pay to the charter school an annual amount equal to the product of the charter school's weighted

16 average daily attendance and the state adequacy target, multiplied by the dollar value modifier
17 for the district, plus local tax revenues per weighted average daily attendance from the incidental
18 and teachers' funds in excess of the performance levy as defined in section 163.011 plus all other
19 state aid attributable to such pupils.

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

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

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

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

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

35 4. A charter school that has declared itself as a local educational agency shall receive
36 from the department of elementary and secondary education an annual amount equal to the
37 product of the charter school's weighted average daily attendance and the state adequacy target,
38 multiplied by the dollar value modifier for the district, plus local tax revenues per weighted
39 average daily attendance from the incidental and teachers funds in excess of the performance
40 levy as defined in section 163.011 plus all other state aid attributable to such pupils. If a charter
41 school declares itself as a local education agency, the department of elementary and secondary
42 education shall, upon notice of the declaration, reduce the payment made to the school district
43 by the amount specified in this subsection and pay directly to the charter school the annual
44 amount reduced from the school district's payment.

45 5. If a school district fails to make timely payments of any amount for which it is the
46 disbursal agent, the state department of elementary and secondary education shall authorize
47 payment to the charter school of the amount due pursuant to subsection 2 of this section and shall
48 deduct the same amount from the next state school aid apportionment to the owing school
49 district. If a charter school is paid more or less than the amounts due pursuant to this section,
50 the amount of overpayment or underpayment shall be adjusted equally in the next twelve
51 payments by the school district or the department of elementary and secondary education, as

52 appropriate. Any dispute between the school district and a charter school as to the amount owing
53 to the charter school shall be resolved by the department of elementary and secondary education,
54 and the department's decision shall be the final administrative action for the purposes of review
55 pursuant to chapter 536. During the period of dispute, the department of elementary and
56 secondary education shall make every administrative and statutory effort to allow the continued
57 education of children in their current public charter school setting.

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

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

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

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

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

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

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

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

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

90 [8.] **9.** A charter school shall be eligible for transportation state aid pursuant to section
91 163.161 and shall be free to contract with the local district, or any other entity, for the provision
92 of transportation to the students of the charter school.

93 [9.] **10.** (1) The proportionate share of state and federal resources generated by students
94 with disabilities or staff serving them shall be paid in full to charter schools enrolling those
95 students by their school district where such enrollment is through a contract for services
96 described in this section. The proportionate share of money generated under other federal or
97 state categorical aid programs shall be directed to charter schools serving such students eligible
98 for that aid.

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

102 [10.] **11.** A charter school may not charge tuition, nor may it impose fees that a school
103 district is prohibited from imposing.

104 [11.] **12.** A charter school is authorized to incur debt in anticipation of receipt of funds.
105 A charter school may also borrow to finance facilities and other capital items. A school district
106 may incur bonded indebtedness or take other measures to provide for physical facilities and other
107 capital items for charter schools that it sponsors or contracts with. Upon the dissolution of a
108 charter school, any liabilities of the corporation will be satisfied through the procedures of
109 chapter 355. **The department of elementary and secondary education may withhold**
110 **funding at a level the department determines to be adequate during a school's last year of**
111 **operation until the department determines that school records, liabilities, and reporting**
112 **requirements, including a full audit, are satisfied.**

113 [12.] **13.** Charter schools shall not have the power to acquire property by eminent
114 domain.

115 [13.] **14.** The governing body of a charter school is authorized to accept grants, gifts or
116 donations of any kind and to expend or use such grants, gifts or donations. A grant, gift or
117 donation may not be accepted by the governing body if it is subject to any condition contrary to
118 law applicable to the charter school or other public schools, or contrary to the terms of the
119 charter.

160.417. 1. By October 1, 2012, and by each October first thereafter, the sponsor
2 **of each charter school shall review the information submitted on the report required by**
3 **section 162.821 to identify charter schools experiencing financial stress. The department**

4 of elementary and secondary education shall be authorized to obtain such additional
5 information from a charter school as may be necessary to determine the financial condition
6 of the charter school. Annually, a listing of charter schools identified as experiencing
7 financial stress according to the provisions of this section shall be provided to the governor,
8 speaker of the house of representatives, and president pro tem of the senate by the
9 department of elementary and secondary education.

10 2. For the purposes of this section, a charter school shall be identified as
11 experiencing financial stress if it:

12 (1) At the end of its most recently completed fiscal year:

13 (a) Has a negative balance in its operating funds; or

14 (b) Has a combined balance of less than three percent of the amount expended from
15 such funds during the previous fiscal year; or

16 (2) For the most recently completed fiscal year expenditures, exceeded receipts for
17 any of its funds because of recurring costs.

18 3. The sponsor shall notify by November first the governing board of the charter
19 school identified as experiencing financial stress. Upon receiving the notification, the
20 governing board shall develop, or cause to have developed, and shall approve a budget and
21 education plan on forms provided by the sponsor. The budget and education plan shall
22 be submitted to the sponsor, signed by the officers of the charter school, within forty-five
23 calendar days of notification that the charter school has been identified as experiencing
24 financial stress. Minimally, the budget and education plan shall:

25 (1) Give assurances that adequate educational services to students of the charter
26 school shall continue uninterrupted for the remainder of the current school year and that
27 the charter school can provide the minimum number of school days and hours required
28 by section 160.041;

29 (2) Outline a procedure to be followed by the charter school to report to charter
30 school patrons about the financial condition of the charter school; and

31 (3) Detail the expenditure reduction measures, revenue increases, or other actions
32 to be taken by the charter school to address its condition of financial stress.

33 4. Upon receipt and following review of any budget and education plan, the sponsor
34 may make suggestions to improve the plan. Nothing in sections 160.400 to 160.425 or
35 section 167.349 shall exempt a charter school from submitting a budget and education plan
36 to the sponsor according to the provisions of this section following each such notification
37 that a charter school has been identified as experiencing financial stress, except that the
38 sponsor may permit a charter school's governing board to make amendments to or update
39 a budget and education plan previously submitted to the sponsor.

40 **5. The department may withhold any payment of financial aid otherwise due to the**
41 **charter school until such time as the sponsor and the charter school have fully complied**
42 **with this section.**

160.420. 1. Any school district in which charter schools may be established under
2 sections 160.400 to [160.420] **160.425** shall establish a uniform policy which provides that if a
3 charter school offers to retain the services of an employee of a school district, and the employee
4 accepts a position at the charter school, an employee at the employee's option may remain an
5 employee of the district and the charter school shall pay to the district the district's full costs of
6 salary and benefits provided to the employee. The district's policy shall provide that any teacher
7 who accepts a position at a charter school and opts to remain an employee of the district retains
8 such teacher's permanent teacher status and retains such teacher's seniority rights in the district
9 for three years. The school district shall not be liable for any such employee's acts while an
10 employee of the charter school.

11 2. A charter school may employ noncertificated instructional personnel; provided that
12 no more than twenty percent of the full-time equivalent instructional staff positions at the school
13 are filled by noncertificated personnel. All noncertificated instructional personnel shall be
14 supervised by certificated instructional personnel. A charter school that has a foreign language
15 immersion experience as its chief educational mission, as stated in its charter, shall not be subject
16 to the twenty-percent requirement of this subsection but shall ensure that any teachers whose
17 duties include instruction given in a foreign language have current valid credentials in the
18 country in which such teacher received his or her training and shall remain subject to the
19 remaining requirements of this subsection. The charter school shall ensure that all instructional
20 employees of the charter school have experience, training and skills appropriate to the
21 instructional duties of the employee, and the charter school shall ensure that a criminal
22 background check and [child abuse] **family care safety** registry check are conducted for each
23 employee of the charter school prior to the hiring of the employee **under the requirements of**
24 **section 168.133**. The charter school may not employ instructional personnel whose certificate
25 of license to teach has been revoked or is currently suspended by the state board of education.
26 Appropriate experience, training and skills of noncertificated instructional personnel shall be
27 determined considering:

- 28 (1) Teaching certificates issued by another state or states;
29 (2) Certification by the National [Standards] Board **for Professional Teaching**
30 **Standards**;
31 (3) College degrees in the appropriate field;
32 (4) Evidence of technical training and competence when such is appropriate; and
33 (5) The level of supervision and coordination with certificated instructional staff.

34 3. Personnel employed by the charter school shall participate in the retirement system
35 of the school district in which the charter school is located, subject to the same terms, conditions,
36 requirements and other provisions applicable to personnel employed by the school district. For
37 purposes of participating in the retirement system, the charter school shall be considered to be
38 a public school within the school district, and personnel employed by the charter school shall be
39 public school employees. In the event of a lapse of the school district's corporate organization
40 as described in subsections 1 and 4 of section 162.081, personnel employed by the charter school
41 shall continue to participate in the retirement system and shall do so on the same terms,
42 conditions, requirements and other provisions as they participated prior to the lapse.

43 [4. The charter school and a local school board may agree by contract for services to be
44 provided by the school district to the charter school. The charter school may contract with any
45 other entity for services. Such services may include but are not limited to food service, custodial
46 service, maintenance, management assistance, curriculum assistance, media services and libraries
47 and shall be subject to negotiation between the charter school and the local school board or other
48 entity. Documented actual costs of such services shall be paid for by the charter school.

49 5. A charter school may enter into contracts with community partnerships and state
50 agencies acting in collaboration with such partnerships that provide services to children and their
51 families linked to the school.

52 6. A charter school shall be eligible for transportation state aid pursuant to section
53 163.161 and shall be free to contract with the local district, or any other entity, for the provision
54 of transportation to the students of the charter school.

55 7. (1) The proportionate share of state and federal resources generated by students with
56 disabilities or staff serving them shall be paid in full to charter schools enrolling those students
57 by their school district where such enrollment is through a contract for services described in this
58 section. The proportionate share of money generated under other federal or state categorical aid
59 programs shall be directed to charter schools serving such students eligible for that aid.

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

63 8. A charter school may not charge tuition, nor may it impose fees that a school district
64 is prohibited from imposing.

65 9. A charter school is authorized to incur debt in anticipation of receipt of funds. A
66 charter school may also borrow to finance facilities and other capital items. A school district
67 may incur bonded indebtedness or take other measures to provide for physical facilities and other
68 capital items for charter schools that it sponsors or contracts with. Upon the dissolution of a

69 charter school, any liabilities of the corporation will be satisfied through the procedures of
70 chapter 355.

71 10. Charter schools shall not have the power to acquire property by eminent domain.

72 11. The governing body of a charter school is authorized to accept grants, gifts or
73 donations of any kind and to expend or use such grants, gifts or donations. A grant, gift or
74 donation may not be accepted by the governing body if it is subject to any condition contrary to
75 law applicable to the charter school or other public schools, or contrary to the terms of the
76 charter.]

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

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

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

**12 (1) One member selected by the governor from a slate of three recommended by the
13 commissioner of education;**

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

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

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

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

**23 4. Members appointed to the commission shall collectively possess strong
24 experience and expertise in governance, management and finance, school leadership,
25 assessment, curriculum and instruction, and education law. All members of the
26 commission shall have demonstrated understanding of and commitment to charter
27 schooling as a strategy for strengthening public education.**

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

33 **6. The commission may approve proposed charters for its sponsorship under**
34 **sections 160.400 to 160.425 and shall:**

35 **(1) Comply with all of the requirements applicable to sponsors under sections**
36 **160.400 to 160.425;**

37 **(2) Exercise sponsorship over charters approved by the commission under sections**
38 **160.400 to 160.425, including receipt of sponsorship funding under subsection 11 of section**
39 **160.400.**

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

42 **8. The commission shall conduct its business in accordance with chapter 610.**

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

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

162.081. 1. Whenever any school district in this state fails or refuses in any school year
2 to provide for the minimum school term required by section 163.021 or is classified unaccredited
3 [for two successive school years by the state board of education, its corporate organization shall
4 lapse. The corporate organization of any school district that is classified as unaccredited shall
5 lapse on June thirtieth of the second full school year of such unaccredited classification after the
6 school year during which the unaccredited classification is initially assigned. The territory
7 theretofore embraced within any district that lapses pursuant to this section or any portion thereof
8 may be attached to any district for school purposes by the state board of education; but no school
9 district, except a district classified as unaccredited pursuant to section 163.023 and section
10 160.538 shall lapse where provision is lawfully made for the attendance of the pupils of the
11 district at another school district that is classified as provisionally accredited or accredited by the
12 state board of education] **the state board of education shall:**

13 **(1) Review the governance of the district to establish the conditions under which**
14 **the existing school board shall continue to govern; or**

15 **(2) Determine the date the district shall lapse and determine an alternative**
16 **governing structure for the district.**

17 2. [Prior to or] **If at the time any school district in this state shall [lapse, but after the**
18 **school district has been] be classified as unaccredited, the department of elementary and**
19 **secondary education shall conduct a public hearing at a location in the unaccredited school**
20 **district regarding the accreditation status of the school district. The hearing shall provide**
21 **an opportunity to convene community resources that may be useful or necessary in**
22 **supporting the school district as it attempts to return to accredited status, continues under**
23 **revised governance, or plans for continuity of educational services and resources upon its**
24 **attachment to a neighboring district. The department may request the attendance of**
25 **stakeholders and district officials to review the district's plan to return to accredited status,**
26 **if any; offer technical assistance; and facilitate and coordinate community resources.** [The
27 purpose of the hearing shall be to:

28 (1) Review any plan by the district to return to accredited status; or

29 (2) Offer any technical assistance that can be provided to the district.

30 3. Except as otherwise provided in section 162.1100, in a metropolitan school district
31 or an urban school district containing most or all of a city with a population greater than three
32 hundred fifty thousand inhabitants and in any other school district if the local board of education
33 does not anticipate a return to accredited status, the state board of education may appoint a
34 special administrative board to supervise the financial operations, maintain and preserve the
35 financial assets or, if warranted, continue operation of the educational programs within the
36 district or what provisions might otherwise be made in the best interest of the education of the
37 children of the district. The special administrative board shall consist of two persons who are
38 residents of the school district, who shall serve without compensation, and a professional
39 administrator, who shall chair the board and shall be compensated, as determined by the state
40 board of education, in whole or in part with funds from the district.

41 4.] **3. Upon [lapse of the district] classification of a district as unaccredited, the state**
42 **board of education may:**

43 (1) **Allow continued governance by the existing school district board of education**
44 **under terms and conditions established by the state board of education;**

45 (2) Appoint a special administrative board, [if such a board has not already been
46 appointed, and authorize the special administrative board to retain the authority granted to a
47 board of education] **determining the number of members and specifying the board's duties**
48 **for the operation of all or part of the district;**

49 [(2)] **(3) Determine an alternative governing structure for the district including, at**
50 **a minimum:**

51 **(a) A rationale for the decision to use an alternative form of governance and in the**
52 **absence of the district's achievement of full accreditation, the state board of education shall**
53 **review and recertify the alternative form of governance every three years;**

54 **(b) A method for the residents of the district to provide public comment after a**
55 **stated period of time or upon achievement of specified academic objectives;**

56 **(c) Expectations for progress on academic achievement, which shall include an**
57 **anticipated timeline for the district to reach full accreditation; and**

58 **(d) Annual reports to the general assembly and the governor on the progress**
59 **towards accreditation of any district that has been declared unaccredited and is placed**
60 **under an alternative form of governance, including a review of the effectiveness of the**
61 **alternative governance;**

62 **(4) Attach the territory of the lapsed district to another district or districts for school**
63 **purposes; or**

64 **[(3)] (5) Establish one or more school districts within the territory of the lapsed district,**
65 **with a governance structure [consistent with the laws applicable to districts of a similar size]**
66 **specified by the state board of education, with the option of permitting a district to remain**
67 **intact for the purposes of assessing, collecting, and distributing property taxes, to be distributed**
68 **equitably on a weighted average daily attendance basis, but to be divided for operational**
69 **purposes, which shall take effect sixty days after the adjournment of the regular session of the**
70 **general assembly next following the state board's decision unless a statute or concurrent**
71 **resolution is enacted to nullify the state board's decision prior to such effective date. [The special**
72 **administrative board may retain the authority granted to a board of education for the operation**
73 **of the lapsed school district under the laws of the state in effect at the time of the lapse.]**

74 **[5.] 4. A special administrative board appointed under this section shall retain the**
75 **authority granted to a board of education for the operation of the lapsed school district**
76 **under the laws of the state in effect at the time of the lapse. The authority of the special**
77 **administrative board shall expire at the end of the third full school year following its**
78 **appointment, unless extended by the state board of education. If the lapsed district is reassigned,**
79 **the special administrative board shall provide an accounting of all funds, assets and liabilities**
80 **of the lapsed district and transfer such funds, assets, and liabilities of the lapsed district as**
81 **determined by the state board of education.**

82 **[6. Upon recommendation of the special administrative board, the state board of**
83 **education may assign the funds, assets and liabilities of the lapsed district to another district or**
84 **districts. Upon assignment, all authority of the special administrative board shall transfer to the**
85 **assigned districts.**

86 7.] 5. Neither the special administrative board nor any district or other entity assigned
87 territory, assets or funds from a lapsed district shall be considered a successor entity for the
88 purpose of employment contracts, unemployment compensation payment pursuant to section
89 288.110, or any other purpose.

90 [8.] 6. If additional teachers are needed by a district as a result of increased enrollment
91 due to the annexation of territory of a lapsed or dissolved district, such district shall grant an
92 employment interview to any permanent teacher of the lapsed or dissolved district upon the
93 request of such permanent teacher.

94 [9. (1) The governing body of a school district, upon an initial declaration by the state
95 board of education that such district is provisionally accredited, may, and, upon an initial
96 declaration by the state board of education that such district is unaccredited, shall develop a plan
97 to be submitted to the voters of the school district to divide the school district if the district
98 cannot attain accreditation within three years of the initial declaration that such district is
99 unaccredited. In the case of such a district being declared unaccredited, such plan shall be
100 presented to the voters of the district before the district lapses. In the case of such a district being
101 declared provisionally accredited, such plan may be presented before the close of the current
102 accreditation cycle.

103 (2) The plan may provide that the school district shall remain intact for the purposes of
104 assessing, collecting and distributing taxes for support of the schools, and the governing body
105 of the district shall develop a plan for the distribution of such taxes equitably on a per-pupil basis
106 if the district selects this option.

107 (3) The makeup of the new districts shall be racially balanced as far as the proportions
108 of students allow.

109 (4) If a majority of the district's voters approve the plan, the state board of education
110 shall cooperate with the local board of education to implement the plan, which may include use
111 of the provisions of this section to provide an orderly transition to new school districts and
112 achievement of accredited status for such districts.

113 10.] 7. In the event that a school district with an enrollment in excess of five thousand
114 pupils lapses, no school district shall have all or any part of such lapsed school district attached
115 without the approval of the board of the receiving school district.

162.1250. 1. School districts shall receive state school funding under sections 163.031,
2 163.043, and 163.087 for resident students who are enrolled in the school district and who are
3 taking a virtual course or full-time virtual program offered by the school district. The school
4 district may offer instruction in a virtual setting using technology, intranet, and Internet methods
5 of communications that could take place outside of the regular school district facility. The
6 school district may develop a virtual program for any grade level, kindergarten through twelfth

7 grade, with the courses available in accordance with district policy to any resident student of the
8 district who is enrolled in the school district. Nothing in this section shall preclude a private,
9 parochial, or home school student residing within a school district offering virtual courses or
10 virtual programs from enrolling in the school district in accordance with the combined
11 enrollment provisions of section 167.031 for the purposes of participating in the virtual courses
12 or virtual programs.

13 2. Charter schools shall receive state school funding under section 160.415 for students
14 enrolled in the charter school who are completing a virtual course or full-time virtual program
15 offered by the charter school. Charter schools may offer instruction in a virtual setting using
16 technology, intranet, and Internet methods of communications. The charter school may develop
17 a virtual program for any grade level, kindergarten through twelfth grade, with the courses
18 available in accordance with school policy and the charter school's charter to any student enrolled
19 in the charter school.

20 3. For purposes of calculation and distribution of state school funding, attendance of a
21 student enrolled in a district or charter school virtual class shall equal, upon course completion,
22 ninety-four percent of the hours of attendance possible for such class delivered in the nonvirtual
23 program in the student's resident district or charter school. Course completion shall be calculated
24 in two increments, fifty percent completion and one hundred percent completion, based on the
25 student's completion of defined assignments and assessments, with distribution of state funding
26 to a school district or charter school at each increment equal to forty-seven percent of hours of
27 attendance possible for such course delivered in the nonvirtual program in a student's school
28 district of residence or charter school.

29 4. **Any student who is a resident of an unaccredited school district as described in**
30 **section 167.133 who is enrolled in a public school in the unaccredited district at the time**
31 **the district is declared unaccredited or subsequently while the district is classified as**
32 **unaccredited may enroll in a school district other than his or her school district of**
33 **residence or in a charter school for the purpose of attending virtual courses or programs.**
34 **For purposes of this subsection, "virtual nonresident students" shall mean students who**
35 **are enrolled in a public school in an unaccredited district who seek to enroll in another**
36 **school district or a charter school for the purpose of attending virtual courses or programs.**
37 **School districts or charter schools may enroll any virtual nonresident student. School**
38 **districts and charter schools shall admit students under this subsection based on the time**
39 **of submission of an application for enrollment until full capacity is reached. A school**
40 **district or charter school shall give a preference to a sibling of a student already enrolled.**
41 **A student who enrolls in another school district or charter school under this subsection**
42 **may remain enrolled until he or she has completed all grade levels offered or he or she**

43 **withdraws from the school. For purposes of calculation and distribution of state school**
44 **funding for virtual nonresident students, the virtual nonresident student shall be included**
45 **in the average daily attendance of his or her school district of residence. The virtual**
46 **nonresident student's district of residence shall pay the school district or charter school**
47 **providing such virtual education an amount equal to seventy-two and one half percent of**
48 **the previous year's statewide average current expenditure per average daily attendance for**
49 **full-time enrollment, provided that the amount paid by any district shall not exceed the**
50 **total amount due to the district under subsections 1 and 2 of section 163.031.**

51 **5. In addition to those entities which may sponsor charter schools under section**
52 **160.400, any institution of higher education with its primary campus located in Missouri**
53 **with an approved teacher education program may sponsor virtual charter schools for**
54 **attendance by nonresident virtual students as defined in subsection 4 of this section.**
55 **Virtual charter schools are charter schools and subject to all of the applicable provisions**
56 **of sections 160.400 to 160.420 and this section. Virtual charter schools may only offer**
57 **instruction in a virtual setting using technology, intranet and internet methods of**
58 **communication.**

59 **6. When courses are purchased from an outside vendor, the district or charter school**
60 **shall ensure that they are aligned with the show-me curriculum standards and comply with state**
61 **requirements for teacher certification. The state board of education reserves the right to request**
62 **information and materials sufficient to evaluate the online course. Online classes should be**
63 **considered like any other class offered by the school district or charter school.**

64 **[5.] 7. Any school district or charter school that offers instruction in a virtual setting,**
65 **develops a virtual course or courses, or develops a virtual program of instruction shall ensure that**
66 **the following standards are satisfied:**

67 **(1) The virtual course or virtual program utilizes appropriate content-specific tools and**
68 **software;**

69 **(2) Orientation training is available for teachers, instructors, and students as needed;**

70 **(3) Privacy policies are stated and made available to teachers, instructors, and students;**

71 **(4) Academic integrity and Internet etiquette expectations regarding lesson activities,**
72 **discussions, electronic communications, and plagiarism are stated to teachers, instructors, and**
73 **students prior to the beginning of the virtual course or virtual program;**

74 **(5) Computer system requirements, including hardware, web browser, and software, are**
75 **specified to participants;**

76 **(6) The virtual course or virtual program architecture, software, and hardware permit the**
77 **online teacher or instructor to add content, activities, and assessments to extend learning**
78 **opportunities;**

79 (7) The virtual course or virtual program makes resources available by alternative means,
80 including but not limited to, video and podcasts;

81 (8) Resources and notes are available for teachers and instructors in addition to
82 assessment and assignment answers and explanations;

83 (9) Technical support and course management are available to the virtual course or
84 virtual program teacher and school coordinator;

85 (10) The virtual course or virtual program includes assignments, projects, and
86 assessments that are aligned with students' different visual, auditory, and hands-on learning
87 styles;

88 (11) The virtual course or virtual program demonstrates the ability to effectively use and
89 incorporate subject-specific and developmentally appropriate software in an online learning
90 module; and

91 (12) The virtual course or virtual program arranges media and content to help transfer
92 knowledge most effectively in the online environment.

93 [6.] 8. Any special school district shall count any student's completion of a virtual course
94 or program in the same manner as the district counts completion of any other course or program
95 for credit.

96 [7.] 9. A school district or charter school may contract with multiple providers of virtual
97 courses or virtual programs, provided they meet the criteria for virtual courses or virtual
98 programs under this section.

163.011. As used in this chapter unless the context requires otherwise:

2 (1) "Adjusted operating levy", the sum of tax rates for the current year for teachers' and
3 incidental funds for a school district as reported to the proper officer of each county pursuant to
4 section 164.011;

5 (2) **"Aggregate proration factor", the total formula appropriation under**
6 **subsections 1, 2, and 8 of section 163.031 for any given fiscal year divided by the amount**
7 **that would be necessary to fund the entire entitlement calculation determined by**
8 **subsections 1 and 2 of section 163.031 for the same fiscal year;**

9 (3) "Average daily attendance", the quotient or the sum of the quotients obtained by
10 dividing the total number of hours attended in a term by resident pupils between the ages of five
11 and twenty-one by the actual number of hours school was in session in that term. To the average
12 daily attendance of the following school term shall be added the full-time equivalent average
13 daily attendance of summer school students. "Full-time equivalent average daily attendance of
14 summer school students" shall be computed by dividing the total number of hours, except for
15 physical education hours that do not count as credit toward graduation for students in grades
16 nine, ten, eleven, and twelve, attended by all summer school pupils by the number of hours

17 required in section 160.011 in the school term. For purposes of determining average daily
18 attendance under this subdivision, the term "resident pupil" shall include all children between
19 the ages of five and twenty-one who are residents of the school district and who are attending
20 kindergarten through grade twelve in such district. If a child is attending school in a district
21 other than the district of residence and the child's parent is teaching in the school district or is a
22 regular employee of the school district which the child is attending, then such child shall be
23 considered a resident pupil of the school district which the child is attending for such period of
24 time when the district of residence is not otherwise liable for tuition. Average daily attendance
25 for students below the age of five years for which a school district may receive state aid based
26 on such attendance shall be computed as regular school term attendance unless otherwise
27 provided by law;

28 [(3)] (4) "Current operating expenditures":

29 (a) For the fiscal year 2007 calculation, "current operating expenditures" shall be
30 calculated using data from fiscal year 2004 and shall be calculated as all expenditures for
31 instruction and support services except capital outlay and debt service expenditures minus the
32 revenue from federal categorical sources; food service; student activities; categorical payments
33 for transportation costs pursuant to section 163.161; state reimbursements for early childhood
34 special education; the career ladder entitlement for the district, as provided for in sections
35 168.500 to 168.515; the vocational education entitlement for the district, as provided for in
36 section 167.332; and payments from other districts;

37 (b) In every fiscal year subsequent to fiscal year 2007, current operating expenditures
38 shall be the amount in paragraph (a) of this subdivision plus any increases in state funding
39 pursuant to sections 163.031 and 163.043 subsequent to fiscal year 2005, not to exceed five
40 percent, per recalculation, of the state revenue received by a district in the 2004-05 school year
41 from the foundation formula, line 14, gifted, remedial reading, exceptional pupil aid, fair share,
42 and free textbook payments for any district from the first preceding calculation of the state
43 adequacy target. Beginning on July 1, 2010, current operating expenditures shall be the amount
44 in paragraph (a) of this subdivision plus any increases in state funding pursuant to sections
45 163.031 and 163.043 subsequent to fiscal year 2005 received by a district in the 2004-05 school
46 year from the foundation formula, line 14, gifted, remedial reading, exceptional pupil aid, fair
47 share, and free textbook payments for any district from the first preceding calculation of the state
48 adequacy target. **Beginning on July 1, 2012, current operating expenditures shall be the**
49 **amount in paragraph (a) of this subdivision plus any increases in state funding under**
50 **sections 163.031 and 163.043 subsequent to fiscal year 2005, not to exceed five percent, per**
51 **recalculation, of the state revenue received by a district in the 2004-05 school year from the**
52 **foundation formula, line 14, gifted, remedial reading, exceptional pupil aid, fair share, and**

53 **free textbook payments for any district from the first preceding calculation of the state**
54 **adequacy target. The five percent increase limit over the previous calculation shall be**
55 **applied to the recalculation of the state adequacy target for fiscal years 2013 and 2014, and**
56 **subsequently;**

57 [(4)] (5) "District's tax rate ceiling", the highest tax rate ceiling in effect subsequent to
58 the 1980 tax year or any subsequent year. Such tax rate ceiling shall not contain any tax levy for
59 debt service;

60 [(5)] (6) "Dollar-value modifier", an index of the relative purchasing power of a dollar,
61 calculated as one plus fifteen percent of the difference of the regional wage ratio minus one,
62 provided that the dollar value modifier shall not be applied at a rate less than 1.0 **provided**
63 **further that the dollar-value modifier shall be recalculated every fiscal year, beginning in**
64 **fiscal year 2013, using a three-year simple moving average of the wage data from the**
65 **fourth, fifth, and sixth years preceding the payment year from the Bureau of Economic**
66 **Analysis of the United States Department of Commerce, as provided in this subdivision:**

67 (a) "County wage per job", the total county wage and salary disbursements divided by
68 the total county wage and salary employment for each county and the city of St. Louis as reported
69 by the Bureau of Economic Analysis of the United States Department of Commerce for the
70 fourth year preceding the payment year;

71 (b) "Regional wage per job":

72 a. The total Missouri wage and salary disbursements of the metropolitan area as defined
73 by the Office of Management and Budget divided by the total Missouri metropolitan wage and
74 salary employment for the metropolitan area for the county signified in the school district number
75 or the city of St. Louis, as reported by the Bureau of Economic Analysis of the United States
76 Department of Commerce for the fourth year preceding the payment year and recalculated upon
77 every decennial census to incorporate counties that are newly added to the description of
78 metropolitan areas; or if no such metropolitan area is established, then:

79 b. The total Missouri wage and salary disbursements of the micropolitan area as defined
80 by the Office of Management and Budget divided by the total Missouri micropolitan wage and
81 salary employment for the micropolitan area for the county signified in the school district
82 number, as reported by the Bureau of Economic Analysis of the United States Department of
83 Commerce for the fourth year preceding the payment year, if a micropolitan area for such county
84 has been established and recalculated upon every decennial census to incorporate counties that
85 are newly added to the description of micropolitan areas; or

86 c. If a county is not part of a metropolitan or micropolitan area as established by the
87 Office of Management and Budget, then the county wage per job, as defined in paragraph (a) of
88 this subdivision, shall be used for the school district, as signified by the school district number;

89 (c) "Regional wage ratio", the ratio of the regional wage per job divided by the state
90 median wage per job;

91 (d) "State median wage per job", the fifty- eighth highest county wage per job;

92 [(6)] (7) "Free and reduced lunch pupil count", the number of pupils eligible for free and
93 reduced lunch on the last Wednesday in January for the preceding school year who were enrolled
94 as students of the district, as approved by the department in accordance with applicable federal
95 regulations;

96 [(7)] (8) "Free and reduced lunch threshold" shall be calculated by dividing the total free
97 and reduced lunch pupil count of every performance district that falls entirely above the bottom
98 five percent and entirely below the top five percent of average daily attendance, when such
99 districts are rank-ordered based on their current operating expenditures per average daily
100 attendance, by the total average daily attendance of all included performance districts;

101 [(8)] (9) "Limited English proficiency pupil count", the number in the preceding school
102 year of pupils aged three through twenty-one enrolled or preparing to enroll in an elementary
103 school or secondary school who were not born in the United States or whose native language is
104 a language other than English or are Native American or Alaskan native, or a native resident of
105 the outlying areas, and come from an environment where a language other than English has had
106 a significant impact on such individuals' level of English language proficiency, or are migratory,
107 whose native language is a language other than English, and who come from an environment
108 where a language other than English is dominant; and have difficulties in speaking, reading,
109 writing, or understanding the English language sufficient to deny such individuals the ability to
110 meet the state's proficient level of achievement on state assessments described in Public Law
111 107-10, the ability to achieve successfully in classrooms where the language of instruction is
112 English, or the opportunity to participate fully in society;

113 [(9)] (10) "Limited English proficiency threshold" shall be calculated by dividing the
114 total limited English proficiency pupil count of every performance district that falls entirely
115 above the bottom five percent and entirely below the top five percent of average daily attendance,
116 when such districts are rank-ordered based on their current operating expenditures per average
117 daily attendance, by the total average daily attendance of all included performance districts;

118 [(10)] (11) "Local effort":

119 (a) For the fiscal year 2007 calculation, "local effort" shall be computed as the equalized
120 assessed valuation of the property of a school district in calendar year 2004 divided by one
121 hundred and multiplied by the performance levy less the percentage retained by the county
122 assessor and collector plus one hundred percent of the amount received in fiscal year 2005 for
123 school purposes from intangible taxes, fines, escheats, payments in lieu of taxes and receipts
124 from state-assessed railroad and utility tax, one hundred percent of the amount received for

125 school purposes pursuant to the merchants' and manufacturers' taxes under sections 150.010 to
126 150.370, one hundred percent of the amounts received for school purposes from federal
127 properties under sections 12.070 and 12.080 except when such amounts are used in the
128 calculation of federal impact aid pursuant to P.L. 81-874, fifty percent of Proposition C revenues
129 received for school purposes from the school district trust fund under section 163.087, and one
130 hundred percent of any local earnings or income taxes received by the district for school
131 purposes. Under this paragraph, for a special district established under sections 162.815 to
132 162.940 in a county with a charter form of government and with more than one million
133 inhabitants, a tax levy of zero shall be utilized in lieu of the performance levy for the special
134 school district;

135 (b) In every year subsequent to fiscal year 2007, "local effort" shall be the amount
136 calculated under paragraph (a) of this subdivision plus any increase in the amount received for
137 school purposes from fines. If a district's assessed valuation has decreased subsequent to the
138 calculation outlined in paragraph (a) of this subdivision, the district's local effort shall be
139 calculated using the district's current assessed valuation in lieu of the assessed valuation utilized
140 in the calculation outlined in paragraph (a) of this subdivision;

141 [(11)] **(12)** "Membership" shall be the average of:

142 (a) The number of resident full-time students and the full-time equivalent number of
143 part-time students who were enrolled in the public schools of the district on the last Wednesday
144 in September of the previous year and who were in attendance one day or more during the
145 preceding ten school days; and

146 (b) The number of resident full-time students and the full-time equivalent number of
147 part-time students who were enrolled in the public schools of the district on the last Wednesday
148 in January of the previous year and who were in attendance one day or more during the preceding
149 ten school days, plus the full-time equivalent number of summer school pupils. "Full-time
150 equivalent number of part-time students" is determined by dividing the total number of hours for
151 which all part-time students are enrolled by the number of hours in the school term. "Full-time
152 equivalent number of summer school pupils" is determined by dividing the total number of hours
153 for which all summer school pupils were enrolled by the number of hours required pursuant to
154 section 160.011 in the school term. Only students eligible to be counted for average daily
155 attendance shall be counted for membership;

156 **(13) "Modified formula payment", the product of the proration factor and the**
157 **calculation determined by subsection 1 of section 163.031;**

158 **(14) "Modified hold harmless payment", the product of the calculation determined**
159 **by subsection 2 of section 163.031 and the sum of one-third the proration factor plus two-**
160 **thirds;**

161 [(12)] (15) "Operating levy for school purposes", the sum of tax rates levied for teachers'
162 and incidental funds plus the operating levy or sales tax equivalent pursuant to section 162.1100
163 of any transitional school district containing the school district, in the payment year, not
164 including any equalized operating levy for school purposes levied by a special school district in
165 which the district is located;

166 [(13)] (16) "Performance district", any district that has met all performance standards and
167 indicators as established by the department of elementary and secondary education for purposes
168 of accreditation under section 161.092 and as reported on the final annual performance report
169 for that district each year;

170 [(14)] (17) "Performance levy", three dollars and forty-three cents;

171 (18) "Proration factor", a percentage applied to the calculations determined by
172 subsections 1 and 2 of section 163.031, prior to subtracting payments from the classroom
173 trust fund, such that the sum total of every payment made to school districts eligible for a
174 modified formula payment combined with the sum total of every payment made to school
175 districts eligible for a modified hold harmless payment shall equal the total formula
176 appropriation for a given fiscal year. The proration factor shall be calculated by the
177 department of elementary and secondary education using the most current available data;

178 [(15)] (19) "School purposes" pertains to teachers' and incidental funds;

179 [(16)] (20) "Special education pupil count", the number of public school students with
180 a current individualized education program or services plan and receiving services from the
181 resident district as of December first of the preceding school year, except for special education
182 services provided through a school district established under sections 162.815 to 162.940 in a
183 county with a charter form of government and with more than one million inhabitants, in which
184 case the sum of the students in each district within the county exceeding the special education
185 threshold of each respective district within the county shall be counted within the special district
186 and not in the district of residence for purposes of distributing the state aid derived from the
187 special education pupil count;

188 [(17)] (21) "Special education threshold" shall be calculated by dividing the total special
189 education pupil count of every performance district that falls entirely above the bottom five
190 percent and entirely below the top five percent of average daily attendance, when such districts
191 are rank-ordered based on their current operating expenditures per average daily attendance, by
192 the total average daily attendance of all included performance districts;

193 [(18)] (22) "State adequacy target", the sum of the current operating expenditures of
194 every performance district that falls entirely above the bottom five percent and entirely below
195 the top five percent of average daily attendance, when such districts are rank-ordered based on
196 their current operating expenditures per average daily attendance, divided by the total average

197 daily attendance of all included performance districts. The department of elementary and
198 secondary education shall first calculate the state adequacy target for fiscal year 2007 and
199 recalculate the state adequacy target every two years using the most current available data. The
200 recalculation shall never result in a decrease from the previous state adequacy target amount.
201 Should a recalculation result in an increase in the state adequacy target amount, fifty percent of
202 that increase shall be included in the state adequacy target amount in the year of recalculation,
203 and fifty percent of that increase shall be included in the state adequacy target amount in the
204 subsequent year[. The state adequacy target may be adjusted to accommodate available
205 appropriations];

206 [(19)] **(23)** "Teacher", any teacher, teacher-secretary, substitute teacher, supervisor,
207 principal, supervising principal, superintendent or assistant superintendent, school nurse, social
208 worker, counselor or librarian who shall, regularly, teach or be employed for no higher than
209 grade twelve more than one-half time in the public schools and who is certified under the laws
210 governing the certification of teachers in Missouri;

211 [(20)] **(24)** "Weighted average daily attendance", the average daily attendance plus the
212 product of twenty-five hundredths multiplied by the free and reduced lunch pupil count that
213 exceeds the free and reduced lunch threshold, plus the product of seventy-five hundredths
214 multiplied by the number of special education pupil count that exceeds the special education
215 threshold, plus the product of six-tenths multiplied by the number of limited English proficiency
216 pupil count that exceeds the limited English proficiency threshold. For special districts
217 established under sections 162.815 to 162.940 in a county with a charter form of government and
218 with more than one million inhabitants, weighted average daily attendance shall be the average
219 daily attendance plus the product of twenty-five hundredths multiplied by the free and reduced
220 lunch pupil count that exceeds the free and reduced lunch threshold, plus the product of
221 seventy-five hundredths multiplied by the sum of the special education pupil count that exceeds
222 the threshold for each county district, plus the product of six-tenths multiplied by the limited
223 English proficiency pupil count that exceeds the limited English proficiency threshold. None of
224 the districts comprising a special district established under sections 162.815 to 162.940 in a
225 county with a charter form of government and with more than one million inhabitants, shall use
226 any special education pupil count in calculating their weighted average daily attendance.

163.031. 1. The department of elementary and secondary education shall calculate and
2 distribute to each school district qualified to receive state aid under section 163.021 an amount
3 determined by multiplying the district's weighted average daily attendance by the state adequacy
4 target, multiplying this product by the dollar value modifier for the district, and subtracting from
5 this product the district's local effort and[, in years not governed under subsection 4 of this
6 section,] subtracting payments from the classroom trust fund under section 163.043.

7 2. [Other provisions of law to the contrary] Notwithstanding **subsection 1 of this**
8 **section:**

9 (1) For districts with an average daily attendance of more than three hundred fifty in the
10 school year preceding the payment year:

11 (a) For the 2006-07 school year, the state revenue per weighted average daily attendance
12 received by a district from the state aid calculation under subsections 1 and 4 of this section, as
13 applicable, and the classroom trust fund under section 163.043 shall not be less than the state
14 revenue received by a district in the 2005-06 school year from the foundation formula, line 14,
15 gifted, remedial reading, exceptional pupil aid, fair share, and free textbook payment amounts
16 multiplied by the sum of one plus the product of one-third multiplied by the remainder of the
17 dollar value modifier minus one, and dividing this product by the weighted average daily
18 attendance computed for the 2005-06 school year;

19 (b) For the 2007-08 school year, the state revenue per weighted average daily attendance
20 received by a district from the state aid calculation under subsections 1 and 4 of this section, as
21 applicable, and the classroom trust fund under section 163.043 shall not be less than the state
22 revenue received by a district in the 2005-06 school year from the foundation formula, line 14,
23 gifted, remedial reading, exceptional pupil aid, fair share, and free textbook payment amounts
24 multiplied by the sum of one plus the product of two-thirds multiplied by the remainder of the
25 dollar value modifier minus one, and dividing this product by the weighted average daily
26 attendance computed for the 2005-06 school year;

27 (c) For the 2008-09 school year, the state revenue per weighted average daily attendance
28 received by a district from the state aid calculation under subsections 1 and 4 of this section, as
29 applicable, and the classroom trust fund under section 163.043 shall not be less than the state
30 revenue received by a district in the 2005-06 school year from the foundation formula, line 14,
31 gifted, remedial reading, exceptional pupil aid, fair share, and free textbook payment amounts
32 multiplied by the dollar value modifier, and dividing this product by the weighted average daily
33 attendance computed for the 2005-06 school year;

34 (d) For each year subsequent to the 2008-09 school year, the amount shall be no less than
35 that computed in paragraph (c) of this subdivision, multiplied by the weighted average daily
36 attendance pursuant to section 163.036, less any increase in revenue received from the classroom
37 trust fund under section 163.043;

38 (2) For districts with an average daily attendance of three hundred fifty or less in the
39 school year preceding the payment year:

40 (a) For the 2006-07 school year, the state revenue received by a district from the state
41 aid calculation under subsections 1 and 4 of this section, as applicable, and the classroom trust
42 fund under section 163.043 shall not be less than the greater of state revenue received by a

43 district in the 2004-05 or 2005-06 school year from the foundation formula, line 14, gifted,
44 remedial reading, exceptional pupil aid, fair share, and free textbook payment amounts
45 multiplied by the sum of one plus the product of one-third multiplied by the remainder of the
46 dollar value modifier minus one;

47 (b) For the 2007-08 school year, the state revenue received by a district from the state
48 aid calculation under subsections 1 and 4 of this section, as applicable, and the classroom trust
49 fund under section 163.043 shall not be less than the greater of state revenue received by a
50 district in the 2004-05 or 2005-06 school year from the foundation formula, line 14, gifted,
51 remedial reading, exceptional pupil aid, fair share, and free textbook payment amounts
52 multiplied by the sum of one plus the product of two-thirds multiplied by the remainder of the
53 dollar value modifier minus one;

54 (c) For the 2008-09 school year, the state revenue received by a district from the state
55 aid calculation under subsections 1 and 4 of this section, as applicable, and the classroom trust
56 fund under section 163.043 shall not be less than the greater of state revenue received by a
57 district in the 2004-05 or 2005-06 school year from the foundation formula, line 14, gifted,
58 remedial reading, exceptional pupil aid, fair share, and free textbook payment amounts
59 multiplied by the dollar value modifier;

60 (d) For each year subsequent to the 2008-09 school year, the amount shall be no less than
61 that computed in paragraph (c) of this subdivision;

62 (3) The department of elementary and secondary education shall make an addition in the
63 payment amount specified in subsection 1 of this section to assure compliance with the
64 provisions contained in this subsection.

65 3. School districts that meet the requirements of section 163.021 shall receive categorical
66 add-on revenue as provided in this subsection. The categorical add-on for the district shall be
67 the sum of: seventy-five percent of the district allowable transportation costs under section
68 163.161; the career ladder entitlement for the district, as provided for in sections 168.500 to
69 168.515; the vocational education entitlement for the district, as provided for in section 167.332;
70 and the district educational and screening program entitlements as provided for in sections
71 178.691 to 178.699. The categorical add-on revenue amounts may be adjusted to accommodate
72 available appropriations.

73 4. [In the 2006-07 school year and each school year thereafter for five years, those
74 districts entitled to receive state aid under the provisions of subsection 1 of this section shall
75 receive state aid in an amount as provided in this subsection.

76 (1) For the 2006-07 school year, the amount shall be fifteen percent of the amount of
77 state aid calculated for the district for the 2006-07 school year under the provisions of subsection
78 1 of this section, plus eighty-five percent of the total amount of state revenue received by the

79 district for the 2005-06 school year from the foundation formula, line 14, gifted, remedial
80 reading, exceptional pupil aid, fair share, and free textbook payments less any amounts received
81 under section 163.043.

82 (2) For the 2007-08 school year, the amount shall be thirty percent of the amount of state
83 aid calculated for the district for the 2007-08 school year under the provisions of subsection 1
84 of this section, plus seventy percent of the total amount of state revenue received by the district
85 for the 2005-06 school year from the foundation formula, line 14, gifted, remedial reading,
86 exceptional pupil aid, fair share, and free textbook payments less any amounts received under
87 section 163.043.

88 (3) For the 2008-09 school year, the amount of state aid shall be forty-four percent of the
89 amount of state aid calculated for the district for the 2008-09 school year under the provisions
90 of subsection 1 of this section plus fifty-six percent of the total amount of state revenue received
91 by the district for the 2005-06 school year from the foundation formula, line 14, gifted, remedial
92 reading, exceptional pupil aid, fair share, and free textbook payments less any amounts received
93 under section 163.043.

94 (4) For the 2009-10 school year, the amount of state aid shall be fifty-eight percent of
95 the amount of state aid calculated for the district for the 2009-10 school year under the provisions
96 of subsection 1 of this section plus forty-two percent of the total amount of state revenue
97 received by the district for the 2005-06 school year from the foundation formula, line 14, gifted,
98 remedial reading, exceptional pupil aid, fair share, and free textbook payments less any amounts
99 received under section 163.043.

100 (5) For the 2010-11 school year, the amount of state aid shall be seventy-two percent of
101 the amount of state aid calculated for the district for the 2010-11 school year under the provisions
102 of subsection 1 of this section plus twenty-eight percent of the total amount of state revenue
103 received by the district for the 2005-06 school year from the foundation formula, line 14, gifted,
104 remedial reading, exceptional pupil aid, fair share, and free textbook payments less any amounts
105 received under section 163.043.

106 (6) For the 2011-12 school year, the amount of state aid shall be eighty-six percent of
107 the amount of state aid calculated for the district for the 2011-12 school year under the provisions
108 of subsection 1 of this section plus fourteen percent of the total amount of state revenue received
109 by the district for the 2005-06 school year from the foundation formula, line 14, gifted, remedial
110 reading, exceptional pupil aid, fair share, and free textbook payments less any amounts received
111 under section 163.043.

112 (7) (a) Notwithstanding subdivision (18) of section 163.011, the state adequacy target
113 may not be adjusted downward to accommodate available appropriations in any year governed
114 by this subsection.

115 (b) a. For the 2006-07 school year, if a school district experiences a decrease in summer
116 school average daily attendance of more than twenty percent from the district's 2005-06 summer
117 school average daily attendance, an amount equal to the product of the percent reduction that is
118 in excess of twenty percent of the district's summer school average daily attendance multiplied
119 by the funds generated by the district's summer school program in the 2005-06 school year shall
120 be subtracted from the district's current year payment amount.

121 b. For the 2007-08 school year, if a school district experiences a decrease in summer
122 school average daily attendance of more than thirty percent from the district's 2005-06 summer
123 school average daily attendance, an amount equal to the product of the percent reduction that is
124 in excess of thirty percent of the district's summer school average daily attendance multiplied by
125 the funds generated by the district's summer school program in the 2005-06 school year shall be
126 subtracted from the district's payment amount.

127 c. For the 2008-09 school year, if a school district experiences a decrease in summer
128 school average daily attendance of more than thirty-five percent from the district's 2005-06
129 summer school average daily attendance, an amount equal to the product of the percent reduction
130 that is in excess of thirty-five percent of the district's summer school average daily attendance
131 multiplied by the funds generated by the district's summer school program in the 2005-06 school
132 year shall be subtracted from the district's payment amount.

133 d. Notwithstanding the provisions of this paragraph, no such reduction shall be made in
134 the case of a district that is receiving a payment under section 163.044 or any district whose
135 regular school term average daily attendance for the preceding year was three hundred fifty or
136 less.

137 e. This paragraph shall not be construed to permit any reduction applied under this
138 paragraph to result in any district receiving a current-year payment that is less than the amount
139 calculated for such district under subsection 2 of this section.

140 (c)] (1) (a) **For fiscal year 2014, the general assembly shall appropriate an amount**
141 **under subsections 1, 2, and 8 of this section that equals or exceeds the formula**
142 **appropriation under subsections 1, 2, and 4 of this section as it existed in fiscal year 2011;**

143 (b) **For fiscal year 2015, the general assembly shall appropriate an amount under**
144 **subsections 1, 2, and 8 of this section that is sufficient to produce an aggregate proration**
145 **factor of at least .93;**

146 (c) **For fiscal year 2016, the general assembly shall appropriate an amount under**
147 **subsections 1, 2, and 8 of this section that is sufficient to produce an aggregate proration**
148 **factor of at least .96;**

149 **(d) For fiscal year 2017, the general assembly shall appropriate an amount under**
150 **subsections 1, 2, and 8 of this section that is sufficient to produce an aggregate proration**
151 **factor of at least 1.0;**

152 **(2)** If a school district experiences a decrease in its gifted program enrollment of more
153 than twenty percent from its 2005-06 gifted program enrollment in any year governed by this
154 subsection, an amount equal to the product of the percent reduction in the district's gifted
155 program enrollment multiplied by the funds generated by the district's gifted program in the
156 2005-06 school year shall be subtracted from the district's current year payment amount.

157 5. For any school district meeting the eligibility criteria for state aid as established in
158 section 163.021, but which is considered an option district under section 163.042 and therefore
159 receives no state aid, the commissioner of education shall present a plan to the superintendent
160 of the school district for the waiver of rules and the duration of said waivers, in order to promote
161 flexibility in the operations of the district and to enhance and encourage efficiency in the delivery
162 of instructional services as provided in section 163.042.

163 6. (1) No less than seventy-five percent of the state revenue received under the
164 provisions of subsections 1, 2, and 4 of this section shall be placed in the teachers' fund, and the
165 remaining percent of such moneys shall be placed in the incidental fund. No less than
166 seventy-five percent of one-half of the funds received from the school district trust fund
167 distributed under section 163.087 shall be placed in the teachers' fund. One hundred percent of
168 revenue received under the provisions of section 163.161 shall be placed in the incidental fund.
169 One hundred percent of revenue received under the provisions of sections 168.500 to 168.515
170 shall be placed in the teachers' fund.

171 (2) A school district shall spend for certificated compensation and tuition expenditures
172 each year:

173 (a) An amount equal to at least seventy-five percent of the state revenue received under
174 the provisions of subsections 1, 2, and 4 of this section;

175 (b) An amount equal to at least seventy-five percent of one-half of the funds received
176 from the school district trust fund distributed under section 163.087 during the preceding school
177 year; and

178 (c) Beginning in fiscal year 2008, as much as was spent per the second preceding year's
179 weighted average daily attendance for certificated compensation and tuition expenditures the
180 previous year from revenue produced by local and county tax sources in the teachers' fund, plus
181 the amount of the incidental fund to teachers' fund transfer calculated to be local and county tax
182 sources by dividing local and county tax sources in the incidental fund by total revenue in the
183 incidental fund. In the event a district fails to comply with this provision, the amount by which
184 the district fails to spend funds as provided herein shall be deducted from the district's state

185 revenue received under the provisions of subsections 1, 2, and 4 of this section for the following
186 year, provided that the state board of education may exempt a school district from this provision
187 if the state board of education determines that circumstances warrant such exemption.

188 7. If a school district's annual audit discloses that students were inappropriately identified
189 as eligible for free and reduced lunch, special education, or limited English proficiency and the
190 district does not resolve the audit finding, the department of elementary and secondary education
191 shall require that the amount of aid paid pursuant to the weighting for free and reduced lunch,
192 special education, or limited English proficiency in the weighted average daily attendance on the
193 inappropriately identified pupils be repaid by the district in the next school year and shall
194 additionally impose a penalty of one hundred percent of such aid paid on such pupils, which
195 penalty shall also be paid within the next school year. Such amounts may be repaid by the
196 district through the withholding of the amount of state aid.

197 **8. Notwithstanding the provisions of subsections 1 and 2 of this section, in any year**
198 **in which the formula appropriation does not equal the amount necessary to fund the entire**
199 **entitlement calculation determined by subsections 1 and 2 of this section, each district shall**
200 **receive the greater of the district's modified formula payment or the district's modified**
201 **hold harmless payment.**

163.172. 1. In school year 1994-95 and thereafter until school year 2006-07, the
2 minimum teacher's salary shall be eighteen thousand dollars. Beginning in school year 2006- 07,
3 the minimum teacher's salary shall be twenty-two thousand dollars; in school year 2007-08, the
4 minimum teacher's salary shall be twenty-three thousand dollars; in school year 2008- 09, the
5 minimum teacher's salary shall be twenty-four thousand dollars; in school year 2009-10 and
6 thereafter, the minimum teacher's salary shall be twenty-five thousand dollars. [Beginning in the
7 school year 1996-97 until school year 2006- 07, for any full-time teacher with a master's degree
8 and at least ten years' teaching experience in a public school or combination of public schools,
9 the minimum salary shall be twenty-four thousand dollars. Beginning in the school year
10 2006-07, for any full-time teacher with a master's degree in an academic teaching field and at
11 least ten years' teaching experience in a public school or combination of public schools, the
12 minimum salary shall be thirty thousand dollars; in the 2007-08 school year such minimum
13 salary shall be thirty-one thousand dollars; in the 2008-09 school year such minimum salary shall
14 be thirty-two thousand dollars; and in the 2009-10 school year such minimum salary shall be
15 thirty- three thousand dollars.]

16 2. Beginning with the budget requests for fiscal year 1991, the commissioner of
17 education shall present to the appropriate committees of the general assembly information on the
18 average Missouri teacher's salary, regional average salary data, and national average salary data.

19 3. All school salary information shall be public information.

20 4. As used in this section, the term "salary" shall be defined as the salary figure which
21 appears on the teacher's contract and as determined by the local school district's basic salary
22 schedule and does not include supplements for extra duties.

23 5. The minimum salary for any fully certificated teacher employed on a less than
24 full-time basis by a school district, state school for the severely handicapped, the Missouri
25 School for the Deaf, or the Missouri School for the Blind shall be prorated to reflect the amounts
26 provided in subsection 1 of this section.

167.131. 1. The board of education of each district in this state that does not maintain
2 an accredited school **for specific grade levels** pursuant to the authority of the state board of
3 education to classify schools as established in section 161.092 shall pay [the] tuition [of] **as**
4 **calculated by the receiving district under subsection 2 of this section** and provide
5 transportation consistent with the provisions of section 167.241 for each pupil resident therein
6 who attends an accredited **public** school in another district of the same or an adjoining county.

7 2. The rate of tuition to be charged by the district attended and paid by the sending
8 district is the per pupil cost of maintaining the district's grade level grouping which includes the
9 school attended. The cost of maintaining a grade level grouping shall be determined by the board
10 of education of the district but in no case shall it exceed all amounts spent for teachers' wages,
11 incidental purposes, debt service, maintenance and replacements. The term "debt service", as
12 used in this section, means expenditures for the retirement of bonded indebtedness and
13 expenditures for interest on bonded indebtedness. Per pupil cost of the grade level grouping
14 shall be determined by dividing the cost of maintaining the grade level grouping by the average
15 daily pupil attendance. If there is disagreement as to the amount of tuition to be paid, the facts
16 shall be submitted to the state board of education, and its decision in the matter shall be final.
17 Subject to the limitations of this section, each pupil shall be free to attend the public school of
18 his or her choice.

167.133. 1. (1) The board of education of each district in this state that has been
2 **declared unaccredited pursuant to the authority of the state board of education as**
3 **established in section 161.092 shall pay tuition and provide transportation consistent with**
4 **the provisions of section 167.241 for each pupil resident therein who meets the criteria of**
5 **this section.**

6 **(2) Unless a receiving district qualifies under subdivision (3) of this subsection, the**
7 **rate of tuition to be charged by the district attended and paid by the sending district is the**
8 **per-pupil cost of maintaining the district's grade-level grouping which includes the school**
9 **attended. The cost of maintaining a grade-level grouping shall be determined by the board**
10 **of education of the district but in no case shall it exceed all amounts spent for teachers'**
11 **wages, incidental purposes, debt service, maintenance and replacements. The term "debt**

12 service", as used in this section, means expenditures for the retirement of bonded
13 indebtedness and expenditures for interest on bonded indebtedness. Per-pupil cost of the
14 grade-level grouping shall be determined by dividing the cost of maintaining the grade-
15 level grouping by the average daily pupil attendance.

16 (3) When any metropolitan school district is unaccredited or any district located
17 in a county with a charter form of government and with more than nine hundred fifty
18 thousand inhabitants is unaccredited, the tuition amount for students residing in those
19 districts shall be the same as the tuition payment in effect at the time for any voluntary
20 interdistrict transfer program regardless of whether the receiving district was or is
21 participating in the interdistrict transfer program.

22

23 If there is disagreement as to the amount of tuition to be paid, the facts shall be submitted
24 to the state board of education, and its decision in the matter shall be final.

25 2. A pupil from an unaccredited district may attend a school in another district of
26 the same or an adjoining county if the receiving district is accredited without provision and
27 if the pupil has been enrolled in and attending a public school in the district during the
28 school year when such declaration is made, or has enrolled and attended in the
29 unaccredited district in school years subsequent to the year in which the declaration is
30 made. Pupils who reside in the unaccredited district who become eligible for kindergarten
31 or first grade in a school year after the effective date of this section are also eligible to
32 transfer. A student who resides in an unaccredited district but who is attending a private
33 school on or after the date the district is declared unaccredited shall become eligible to
34 transfer to a public school in another district of the same or adjoining county under this
35 section after the student has enrolled in and completed a full school year in a public school
36 or charter school in the unaccredited district.

37 3. By June 30, 2012, each school district shall establish specific criteria through
38 board policy for the admission of nonresident pupils from districts that have been classified
39 as unaccredited by the state board of education who seek admission into a school district
40 under this section. The primary criteria shall be the availability of highly qualified
41 teachers in existing classroom space. Each district shall establish criteria for calculating
42 available seats that take into account the district's resident student population growth or
43 decrease, based on demographic projections provided by the office of socioeconomic data
44 analysis, such that the receiving district shall not be required to employ additional teachers
45 or construct new classrooms to accommodate such transfer pupils. No resident pupil shall
46 be displaced from a school to which he or she would otherwise be assigned to accommodate
47 the admission of a nonresident pupil. The assignment of a student to a particular building

48 shall be the decision of the receiving district. Once a student from an unaccredited district
49 has been accepted under this section, the student may complete the educational program
50 in the building to which he or she has been assigned even if the student's residence district
51 has regained its accreditation. Upon a student's transition from an educational program
52 in the building to which the student was assigned to an educational program in a different
53 building, if the student's residence district has regained accreditation, the student shall
54 return to the residence district to begin the next educational program.

55 4. Subject to the limitations of this section, each pupil shall be free to attend the
56 public school of his or her choice.

167.425. 1. When the state board of education classifies a metropolitan school
2 district as unaccredited or any school district located in a county with a charter form of
3 government and with more than nine hundred thousand inhabitants as unaccredited, the
4 department of elementary and secondary education shall establish a clearinghouse, as
5 provided in this section, to assist students to transfer from an unaccredited district.

6 2. For purposes of this section, "clearinghouse" means a neutral third party
7 appointed by the department of elementary and secondary education to coordinate student
8 transfers from unaccredited school districts to accredited districts or nonpublic schools
9 with a passport scholarship subject to the conditions of section 167.133.

10 3. The clearinghouse shall make information and assistance available to assist
11 parents or guardians who intend to transfer their child from an unaccredited district to an
12 accredited district or nonpublic school using a passport scholarship under this section.
13 The clearinghouse shall provide the most current information possible, with the assistance
14 of the department of elementary and secondary education, on the possible effects of private
15 school placement for children who may require special education services.

16 4. The parent or guardian of a pupil residing in an unaccredited district who
17 intends to enroll the parent's or guardian's child in an accredited district or nonpublic
18 school using a passport scholarship under the provisions of this section shall send initial
19 notification to the pupil's school district of residence and the clearinghouse. Each parent
20 or guardian of a pupil who provides notice of intent to transfer from an unaccredited
21 school district to another school under this section shall do so on forms prescribed by the
22 department of elementary and secondary education. Initial notification shall be made by
23 January fifteenth for enrollment in the subsequent school year.

24 5. (1) If a parent or guardian fails to file the initial notification forms by the
25 deadline specified in subsection 4 of this section, and satisfies the definition of good cause
26 as defined in subdivision (3) of this subsection, or if the request is to enroll a child in a
27 school in an accredited district under this section for kindergarten or first grade or in any

28 grade if a child is moving into Missouri or moving into the public school district for the
29 first time, the parent or guardian shall be permitted, if accepted, to enroll the child in the
30 other district in the same manner as if the deadline had been met.

31 (2) Until the last Friday in March of that calendar year, the parent or guardian
32 requesting transfer shall send notification to the district of residence and the clearinghouse,
33 on forms prescribed by the department of elementary and secondary education, that good
34 cause, as defined in subdivision (3) of this subsection, exists for failure to meet the deadline.
35 The clearinghouse shall take action to approve the request if good cause exists. A denial
36 of a request by the clearinghouse is not subject to appeal.

37 (3) For purposes of this section, "good cause" means a change in a child's residence
38 due to a change in family residence, a change in a child's parents' marital status, a
39 guardianship or custody change, placement in foster care, adoption, participation in a
40 substance abuse or mental health treatment program, or student health or safety concerns;
41 or a change in the status of a child's district of residence, such as removal of accreditation
42 by the state board of education, permanent closure of a public or nonpublic school that the
43 child attends, or revocation of a charter school's charter as provided in section 160.405.
44 If the good cause relates to a change in status of a child's school district of residence,
45 however, action by a parent or guardian must be taken to file the notification within
46 forty-five days of the last official action relating to such status. Student health or safety
47 concerns shall include, but not be limited to, ongoing bullying, supported by official school
48 reports, sexual misconduct complaints, reports, or investigations, and drug or alcohol
49 concerns with peers. If the district does not agree with the parent's or child's concerns, a
50 written notice of need for relocation from a medical or mental health professional shall
51 suffice to satisfy "good cause" under this subsection.

52 6. The clearinghouse may contract with a school district, any voluntary interdistrict
53 council, or any private entity for transportation services.

54 7. The expenses associated with the administration of pupil transfers under this
55 section shall be defrayed by the department of elementary and secondary education
56 retaining funds to cover the cost of administration from the state school aid withheld from
57 a transfer student's district of residence.

168.102. 1. Sections 168.102 to 168.130 shall be known and may be cited as the
2 "Teacher Tenure Act" and shall become effective July 1, 1970.

3 2. Sections 168.101 to 168.130 shall not apply to teachers hired to begin employment
4 after June 30, 2013.

168.110. The board of education of a school district may modify an indefinite contract
2 annually on or before the fifteenth day of May in the following particulars:

3 (1) Determination of the date of beginning and length of the next school year;

4 (2) Fixing the amount of annual compensation for the following school year as provided
5 by the [salary schedule] **compensation plan** adopted by the board of education [applicable to
6 all teachers]. The modifications shall be effective at the beginning of the next school year. All
7 teachers affected by the modification shall be furnished written copies of the modifications
8 within thirty days after their adoption by the board of education.

168.124. 1. The board of education of a school district may place on leave of absence
2 as many teachers as may be necessary because of a decrease in pupil enrollment, school district
3 reorganization or the financial condition of the school district. [In placing teachers on leave, the
4 board of education shall be governed by the following provisions:

5 (1) No permanent teacher shall be placed on leave of absence while probationary
6 teachers are retained in positions for which a permanent teacher is qualified;

7 (2) Permanent teachers shall be retained on the basis of performance-based evaluations
8 and seniority (however, seniority shall not be controlling) within the field of specialization;

9 (3) Permanent teachers shall be reinstated to the positions from which they have been
10 given leaves of absence, or if not available, to positions requiring like training and experience,
11 or to other positions in the school system for which they are qualified by training and experience;

12 (4) No appointment of new teachers shall be made while there are available teachers on
13 unrequested leave of absence who are properly qualified to fill such vacancies;

14 (5) **Seniority or years of service shall not be used as criteria for reduction in force;**
15 **effective teacher performance shall be the deciding criterion.**

16 2. A teacher placed on leave of absence may engage in teaching or another occupation
17 during the period of such leave[;] .

18 [(6)] 3. The leave of absence shall not impair the tenure of a teacher[;] .

19 [(7)] 4. The leave of absence shall continue for a period of not more than three years
20 unless extended by the board.

21 [2. Should a board of education choose to utilize the mechanism for reducing teacher
22 forces as provided in subsection 1 of this section in an attempt to manage adverse financial
23 conditions caused at least partially by a withholding of, or a decrease or less than expected
24 increase in, education appropriations, then the district additionally shall follow the provisions
25 of subsection 3 of this section.

26 3. If a school district has an unrestricted combined ending fund balance of more than ten
27 percent of current expenditures in its teachers' and incidental funds, and in the subsequent fiscal
28 year such district, because of state appropriations, places a contracted teacher on leave of absence
29 after forty days subsequent to the governor signing the elementary and secondary education

30 appropriation bill, the district shall pay the affected teacher the greater of his or her salary for any
31 days worked under the contract, or a sum equal to three thousand dollars.]

168.211. 1. In metropolitan districts the superintendent of schools shall be appointed
2 by the board of education for a term of one to five years, during which term [his] **such**
3 compensation shall not be reduced. The superintendent of schools may appoint, with the
4 approval of the board, a treasurer, a commissioner of school buildings and he shall serve at the
5 pleasure of the superintendent of schools and as many associate and assistant superintendents as
6 he deems necessary, whose compensation shall be fixed by the board. The superintendent of
7 schools shall give bond in the sum that the board requires but not less than fifty thousand dollars.
8 No employee or agent of the board shall be a member of the board.

9 2. The superintendent of schools shall have general supervision, subject to policies
10 established by the board, of the school system, including its various departments and physical
11 properties, courses of instruction, discipline and conduct of the schools, textbooks and studies.
12 All appointments, promotions and transfers of teachers and all other employees, and introduction
13 and changes of textbooks and apparatus, shall be made by the superintendent with the approval
14 of the board. All appointments and promotions of teachers and all other employees shall be
15 made upon the basis of merit, to be ascertained, as far as practicable, in cases of appointment,
16 by examination, and in cases of promotion, by [length and] character of service. Examinations
17 for appointment shall be conducted by the superintendent under regulations to be made by the
18 board. [He] **The superintendent** shall make such reports to the board that it directs or the rules
19 provide.

20 3. The superintendent of schools shall have general supervision, subject to policies
21 established by the board, of all school buildings, apparatus, equipment and school grounds and
22 of their construction, installation, operation, repair, care and maintenance; the purchasing of all
23 supplies and equipment; the operation of the school lunchrooms; the administration of
24 examinations for the appointment and promotion of all employees of the school system; and the
25 preparation and administration of the annual budget for the school system. Subject to the
26 approval of the board of education as to number and salaries, the superintendent may appoint as
27 many employees as are necessary for the proper performance of his duties.

28 4. The board may grant a leave of absence to the superintendent of schools, and may
29 remove him from office by vote of a majority of its members.

30 5. Should the superintendent hire a commissioner of school buildings, said person shall
31 be a person qualified by reason of education, experience and general familiarity with buildings
32 and personnel to assume the following responsibilities and duties. Subject to the control of the
33 superintendent of schools, [he] **the commissioner** shall exercise supervision over all school
34 buildings, machinery, heating systems, equipment, school grounds and other buildings and

35 premises of the board of education and the construction, installation, operation, repair, care and
36 maintenance related thereto and the personnel connected therewith; the purchasing of building
37 supplies and equipment and such other duties as may be assigned to him by board rules or
38 regulations.

168.221. 1. The first five years of employment of all teachers entering the employment
2 of the metropolitan school district shall be deemed a period of probation during which period all
3 appointments of teachers shall expire at the end of each school year. During the probationary
4 period any probationary teacher whose work is unsatisfactory shall be furnished by the
5 superintendent of schools with a written statement setting forth the nature of his incompetency.
6 If improvement satisfactory to the superintendent is not made within one semester after the
7 receipt of the statement, the probationary teacher shall be dismissed. The semester granted the
8 probationary teacher in which to improve shall not in any case be a means of prolonging the
9 probationary period beyond five years and six months from the date on which the teacher entered
10 the employ of the board of education. The superintendent of schools on or before the fifteenth
11 day of April in each year shall notify probationary teachers who will not be retained by the
12 school district of the termination of their services. Any probationary teacher who is not so
13 notified shall be deemed to have been appointed for the next school year. Any principal who
14 prior to becoming a principal had attained permanent employee status as a teacher shall upon
15 ceasing to be a principal have a right to resume his or her permanent teacher position with the
16 time served as a principal being treated as if such time had been served as a teacher for the
17 purpose of calculating seniority and pay scale. The rights and duties and remuneration of a
18 teacher who was formerly a principal shall be the same as any other teacher with the same level
19 of qualifications and time of service.

20 2. After completion of satisfactory probationary services, appointments of teachers shall
21 become permanent, subject to removal for any one or more causes herein described and to the
22 right of the board to terminate the services of all who attain the age of compulsory retirement
23 fixed by the retirement system. In determining the duration of the probationary period of
24 employment in this section specified, the time of service rendered as a substitute teacher shall
25 not be included.

26 3. No teacher whose appointment has become permanent may be removed except for one
27 or more of the following causes: immorality, inefficiency in line of duty, violation of the
28 published regulations of the school district, violation of the laws of Missouri governing the
29 public schools of the state, or physical or mental condition which incapacitates him **or her** for
30 instructing or associating with children, and then only by a vote of not less than a majority of all
31 the members of the board, upon written charges presented by the superintendent of schools, to
32 be heard by the board after thirty days' notice, with copy of the charges served upon the person

33 against whom they are preferred, who shall have the privilege of being present at the hearing,
34 together with counsel, offering evidence and making defense thereto. Notifications received by
35 an employee during a vacation period shall be considered as received on the first day of the
36 school term following. At the request of any person so charged the hearing shall be public.
37 During any time in which powers granted to the district's board of education are vested in a
38 special administrative board, the special administrative board may appoint a hearing officer to
39 conduct the hearing. The hearing officer shall conduct the hearing as a contested case under
40 chapter 536 and shall issue a written recommendation to the board rendering the charges against
41 the teacher. The board shall render a decision on the charges upon the review of the hearing
42 officer's recommendations and the record from the hearing. The action and decision of the board
43 upon the charges shall be final. Pending the hearing of the charges, the person charged may be
44 suspended if the rules of the board so prescribe, but in the event the board does not by a majority
45 vote of all the members remove the teacher upon charges presented by the superintendent, the
46 person shall not suffer any loss of salary by reason of the suspension. Inefficiency in line of duty
47 is cause for dismissal only after the teacher has been notified in writing at least one semester
48 prior to the presentment of charges against him by the superintendent. The notification shall
49 specify the nature of the inefficiency with such particularity as to enable the teacher to be
50 informed of the nature of his **or her** inefficiency.

51 4. No teacher whose appointment has become permanent shall be demoted nor shall his
52 **or her** salary be reduced unless the same procedure is followed as herein stated for the removal
53 of the teacher because of inefficiency in line of duty, and any teacher whose salary is reduced or
54 who is demoted may waive the presentment of charges against him **or her** by the superintendent
55 and a hearing thereon by the board. The foregoing provision shall apply only to permanent
56 teachers prior to the compulsory retirement age under the retirement system. Nothing herein
57 contained shall in any way restrict or limit the power of the board of education to make
58 reductions in the number of teachers or principals, or both, because of insufficient funds,
59 decrease in pupil enrollment, or abolition of particular subjects or courses of instruction, except
60 that the abolition of particular subjects or courses of instruction shall not cause those teachers
61 who have been teaching the subjects or giving the courses of instruction to be placed on leave
62 of absence as herein provided who are qualified to teach other subjects or courses of instruction,
63 if positions are available for the teachers in the other subjects or courses of instruction.

64 5. Whenever it is necessary to decrease the number of teachers because of insufficient
65 funds or a substantial decrease of pupil population within the school district, the board of
66 education upon recommendation of the superintendent of schools may cause the necessary
67 number of teachers [beginning with those serving probationary periods] to be placed on leave
68 of absence without pay[, but only in the inverse order of their appointment]. Nothing herein

69 stated shall prevent a readjustment by the board of education of existing salary schedules. No
70 teacher placed on a leave of absence shall be precluded from securing other employment during
71 the period of the leave of absence. [Each teacher placed on leave of absence shall be reinstated
72 in inverse order of his placement on leave of absence. Such] Reemployment shall not result in
73 a loss of status or credit for previous years of service. [No new appointments shall be made while
74 there are available teachers on leave of absence who are seventy years of age or less and who are
75 adequately qualified to fill the vacancy unless the teachers fail to advise the superintendent of
76 schools within thirty days from the date of notification by the superintendent of schools that
77 positions are available to them that they will return to employment and will assume the duties
78 of the position to which appointed not later than the beginning of the school year next following
79 the date of the notice by the superintendent of schools.]

80 6. If any regulation which deals with the promotion of teachers is amended by increasing
81 the qualifications necessary to be met before a teacher is eligible for promotion, the amendment
82 shall fix an effective date which shall allow a reasonable length of time within which teachers
83 may become qualified for promotion under the regulations.

84 7. A teacher whose appointment has become permanent may give up the right to a
85 permanent appointment to participate in the teacher choice compensation package under sections
86 168.745 to 168.750.

87 **8. Section 168.221 shall not apply to teachers hired to begin employment after June**
88 **30, 2013.**

168.251. 1. All employees of a metropolitan school district shall be appointed and
2 promoted under rules and regulations prescribed by the board of education of the school district.
3 The rules shall be complementary to the provisions of sections 168.251 to 168.291 as to the
4 removal, discharge, suspension without pay or demotion of permanent employees and not in
5 derogation thereof. The word "employee" or "employees" as used in this section means all
6 employees, male or female, except certificated employees.

7 2. All appointments and promotions of noncertificated employees shall be made in the
8 case of appointment by examination, and in case of promotion by [length and] character of
9 service. Examinations for appointments shall be conducted by the director of personnel under
10 regulations to be made by the board.

11 3. Sections 168.251 to 168.291 shall not apply to employees hired after August 28, 2009.

[168.291. Whenever it is necessary to decrease the number of employees
2 because of insufficient funds or decrease in pupil enrollment or lack of work the
3 board of education may cause the necessary number of employees, beginning
4 with those serving probationary periods, to be placed on leave of absence without
5 pay, but only in the inverse order of their appointment. Each employee placed
6 on leave of absence shall be reinstated in inverse order of his placement on leave

7 of absence. Such reemployment shall not result in a loss of status or credit for
8 previous periods of service. No new appointments shall be made while there are
9 available employees on leave of absence who have not attained the age of seventy
10 years and who are adequately qualified to fill the vacancy in the particular
11 department unless the employees fail to advise the board within thirty days from
12 date of notification by the board that positions are available to them, that they
13 will return to employment, and will assume the duties of the position to which
14 they are appointed not later than the beginning of the month following the date
15 of the notice by the board.]
16

Section B. Because of the need to provide immediate guidance on the allocation of
2 appropriated funds and on the operations of unaccredited districts, the enactment of sections
3 135.712, 135.713, 135.714, 135.715, 135.716, 135.717, 135.719, 167.133, and 167.425 and the
4 repeal and reenactment of sections 162.081, 162.1250, 163.011, 163.031, and 167.131, of this
5 act are deemed necessary for the immediate preservation of the public health, welfare, peace and
6 safety, and is hereby declared to be an emergency act within the meaning of the constitution, and
7 the enactment of sections 135.712, 135.713, 135.714, 135.715, 135.716, 135.717, 135.719,
8 167.133, and 167.425 and the repeal and reenactment of sections 162.081, 162.1250, 163.011,
9 163.031, and 167.131, of this act shall be in full force and effect upon its passage and approval.

Section C. The repeal and reenactment of sections 168.102, 168.110, 168.124, 168.211,
2 168.221, and 168.251, and the repeal of section 168.291, shall become effective on July 1, 2013.

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