

FIRST REGULAR SESSION

# HOUSE BILL NO. 254

99TH GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE SWAN.

0889H.011

D. ADAM CRUMBLISS, Chief Clerk

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## AN ACT

To repeal section 160.415, RSMo, and to enact in lieu thereof one new section relating to distribution of state school aid for charter schools, with an emergency clause.

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

Section A. Section 160.415, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 160.415, to read as follows:

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

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

(1) A school district having one or more resident pupils attending a charter school shall pay to the charter school an annual amount equal to the product of the charter school's weighted average daily attendance and the state adequacy target, multiplied by the dollar value modifier for the district, plus local tax revenues per weighted average daily attendance from the incidental

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.

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 **except those funds designated by taxpayers in an urban**  
41 **district as early childhood education funds**, plus all other state aid attributable to such pupils.  
42 If a charter school declares itself as a local educational agency, the department of elementary and  
43 secondary education shall, upon notice of the declaration, reduce the payment made to the school  
44 district by the amount specified in this subsection and pay directly to the charter school the  
45 annual amount reduced from the school district's payment.

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

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

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

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

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

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

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

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

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

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

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

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

92           10. (1) The proportionate share of state and federal resources generated by students with  
93 disabilities or staff serving them shall be paid in full to charter schools enrolling those students  
94 by their school district where such enrollment is through a contract for services described in this  
95 section. The proportionate share of money generated under other federal or state categorical aid  
96 programs shall be directed to charter schools serving such students eligible for that aid.

97           (2) A charter school shall provide the special services provided pursuant to section  
98 162.705 and may provide the special services pursuant to a contract with a school district or any  
99 provider of such services.

100           11. A charter school may not charge tuition or impose fees that a school district is  
101 prohibited from charging or imposing, except that a charter school may receive tuition payments  
102 from districts in the same or an adjoining county for nonresident students who transfer to an  
103 approved charter school, as defined in section 167.131, from an unaccredited district.

104           12. A charter school is authorized to incur debt in anticipation of receipt of funds. A  
105 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. Except as otherwise  
108 specifically provided in sections 160.400 to 160.425, upon the dissolution of a charter school,  
109 any liabilities of the corporation will be satisfied through the procedures of chapter 355. A  
110 charter school shall satisfy all its financial obligations within twelve months of notice from the  
111 sponsor of the charter school's closure under subsection 8 of section 160.405. After satisfaction  
112 of all its financial obligations, a charter school shall return any remaining state and federal funds  
113 to the department of elementary and secondary education for disposition as stated in subdivision  
114 (17) of subsection 1 of section 160.405. The department of elementary and secondary education  
115 may withhold funding at a level the department determines to be adequate during a school's last  
116 year of operation until the department determines that school records, liabilities, and reporting  
117 requirements, including a full audit, are satisfied.

118           13. Charter schools shall not have the power to acquire property by eminent domain.

119           14. The governing body of a charter school is authorized to accept grants, gifts or  
120 donations of any kind and to expend or use such grants, gifts or donations. A grant, gift or  
121 donation may not be accepted by the governing body if it is subject to any condition contrary to  
122 law applicable to the charter school or other public schools, or contrary to the terms of the  
123 charter.

Section B. Because of the importance of funding early childhood education programs,  
2 this act is deemed necessary for the immediate preservation of the public health, welfare, peace,  
3 and safety, and is hereby declared to be an emergency act within the meaning of the constitution,  
4 and this act shall be in full force and effect on July 1, 2017, or upon its passage and approval,  
5 whichever occurs later.

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