

FIRST REGULAR SESSION

HOUSE BILL NO. 581

100TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE ROEBER.

0736H.011

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal sections 160.400, 160.405, 160.408, 160.410, 160.415, and 160.425, RSMo, and to enact in lieu thereof eight new sections relating to charter schools.

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

Section A. Sections 160.400, 160.405, 160.408, 160.410, 160.415, and 160.425, RSMo, are repealed and eight new sections enacted in lieu thereof, to be known as sections 67.139, 160.400, 160.404, 160.405, 160.408, 160.410, 160.415, and 160.425, to read as follows:

67.139. 1. A political subdivision shall not adopt, enforce, impose, or administer an ordinance, local policy, or local resolution that prohibits property sold, leased, or transferred by the political subdivision from being used for any lawful educational purpose by a charter school.

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

3. If a political subdivision offers property of the political subdivision for sale, lease, or rent, the political subdivision shall not refuse to sell, lease, or rent the property to a charter school solely because the charter school intends to use the property for an

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

17 **educational purpose, if the intent of the charter school is to use the property for a lawful**
18 **educational purpose. If a political subdivision offers property of the political subdivision**
19 **for sale, lease, or rent, the political subdivision is not required to sell, lease, or rent the**
20 **property to a charter school solely because the charter school intends to use the property**
21 **for an educational purpose.**

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

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;

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;

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

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

13 (a) 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 to
15 161.529, or on financial hardship as defined by rule of the state board of education, shall be
16 decided by a vote of the state board of education during the third consecutive school year after
17 the designation of provisional accreditation; and

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

21 **(5) In any county with a charter form of government;**

22 **(6) In any city with a population greater than thirty thousand inhabitants; or**

23 **(7) In a school district that has been accredited without provisions, ~~[sponsored only by~~**
24 **~~the local school board, provided that no board with a current year enrollment of one thousand~~**
25 **~~five hundred fifty students or greater shall permit more than thirty-five percent of its student~~**
26 **~~enrollment to enroll in charter schools sponsored by the local board under the authority of this~~**
27 **~~subdivision, except that this restriction shall not apply to any school district that subsequently~~**
28 **~~becomes eligible under subdivision (3) or (4) of this subsection or to any district accredited~~**
29 **~~without provisions that sponsors charter schools prior to having a current year student enrollment~~**

30 ~~of one thousand five hundred fifty students or greater]~~ **provided that the charter school**
31 **applicant submits a proposed charter with a plan to the school district and evidence of**
32 **community support for the operation of the charter school in the district, and the school**
33 **board of the district approves the charter and agrees to act as the sponsor of the charter**
34 **school. If the school board of the district denies the proposed charter, the charter school**
35 **applicant shall have the right to appeal the school board's decision to the Missouri charter**
36 **public school commission created in section 160.425. The charter public school commission**
37 **shall approve the charter and act as the sponsor of the charter school if it finds it more**
38 **likely than not that there is community support for the charter school, as long as the**
39 **proposed charter meets the requirements of section 160.405. The provisions of section**
40 **160.405 allowing a charter school applicant to appeal to the state board of education shall**
41 **not apply to a charter school applicant who applies under the provisions of this**
42 **subdivision.**

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

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

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

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

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

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

63 (6) The Missouri charter public school commission created in section 160.425; **and**

64 (7) **The school board of the district in any district that is sponsoring a charter**
65 **school as permitted under subdivision (7) of subsection 2 of this section.**

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

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

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

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

80

81 ~~A charter school operating in a school district identified in subdivision (1) or (2) of subsection~~
82 ~~2 of this section may be sponsored by any of the entities identified in subsection 3 of this section,~~
83 ~~irrespective of the accreditation classification of the district in which it is located. A charter~~
84 ~~school in a district described in this subsection whose charter provides for the addition of grade~~
85 ~~levels in subsequent years may continue to add levels until the planned expansion is complete~~
86 ~~to the extent of grade levels in comparable schools of the district in which the charter school is~~
87 ~~operated.~~

88 ~~—— 5. The mayor of a city not within a county may request a sponsor under subdivision (2),~~
89 ~~(3), (4), (5), or (6) of subsection 3 of this section to consider sponsoring a “workplace charter~~
90 ~~school”, which is defined for purposes of sections 160.400 to 160.425 as a charter school with~~
91 ~~the ability to target prospective students whose parent or parents are employed in a business~~
92 ~~district, as defined in the charter, which is located in the city.~~

93 ~~—— 6.] No sponsor shall receive from an applicant for a charter school any fee of any type~~
94 ~~for the consideration of a charter, nor may a sponsor condition its consideration of a charter on~~
95 ~~the promise of future payment of any kind.~~

96 ~~[7.] 5. The charter school shall be organized as a Missouri nonprofit corporation~~
97 ~~incorporated pursuant to chapter 355. The charter provided for herein shall constitute a contract~~
98 ~~between the sponsor and the charter school.~~

99 ~~[8.] 6. As a nonprofit corporation incorporated pursuant to chapter 355, the charter~~
100 ~~school shall select the method for election of officers pursuant to section 355.326 based on the~~

101 class of corporation selected. Meetings of the governing board of the charter school shall be
102 subject to the provisions of sections 610.010 to 610.030.

103 ~~[9-]~~ 7. A sponsor of a charter school, its agents and employees are not liable for any acts
104 or omissions of a charter school that it sponsors, including acts or omissions relating to the
105 charter submitted by the charter school, the operation of the charter school and the performance
106 of the charter school.

107 ~~[10-]~~ 8. A charter school may affiliate with a four-year college or university, including
108 a private college or university, or a community college as otherwise specified in subsection 3 of
109 this section when its charter is granted by a sponsor other than such college, university or
110 community college. Affiliation status recognizes a relationship between the charter school and
111 the college or university for purposes of teacher training and staff development, curriculum and
112 assessment development, use of physical facilities owned by or rented on behalf of the college
113 or university, and other similar purposes. A university, college or community college may not
114 charge or accept a fee for affiliation status.

115 ~~[11-]~~ 9. The expenses associated with sponsorship of charter schools shall be defrayed
116 by the department of elementary and secondary education retaining one and five-tenths percent
117 of the amount of state and local funding allocated to the charter school under section 160.415,
118 not to exceed one hundred twenty-five thousand dollars, adjusted for inflation. The department
119 of elementary and secondary education shall remit the retained funds for each charter school to
120 the school's sponsor, provided the sponsor remains in good standing by fulfilling its sponsorship
121 obligations under sections 160.400 to 160.425 and 167.349 with regard to each charter school
122 it sponsors, including appropriate demonstration of the following:

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

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

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

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

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

137 ~~[12.]~~ **10.** Sponsors receiving funds under subsection ~~[11]~~ **9** of this section shall be
138 required to submit annual reports to the joint committee on education demonstrating they are in
139 compliance with subsection ~~[17]~~ **15** of this section.

140 ~~[13.]~~ **11.** No university, college or community college shall grant a charter to a nonprofit
141 corporation if an employee of the university, college or community college is a member of the
142 corporation's board of directors.

143 ~~[14.]~~ **12.** No sponsor shall grant a charter under sections 160.400 to 160.425 and
144 167.349 without ensuring that a criminal background check and family care safety registry check
145 are conducted for all members of the governing board of the charter schools or the incorporators
146 of the charter school if initial directors are not named in the articles of incorporation, nor shall
147 a sponsor renew a charter without ensuring a criminal background check and family care safety
148 registry check are conducted for each member of the governing board of the charter school.

149 ~~[15.]~~ **13.** No member of the governing board of a charter school shall hold any office
150 or employment from the board or the charter school while serving as a member, nor shall the
151 member have any substantial interest, as defined in section 105.450, in any entity employed by
152 or contracting with the board. No board member shall be an employee of a company that
153 provides substantial services to the charter school. All members of the governing board of the
154 charter school shall be considered decision-making public servants as defined in section 105.450
155 for the purposes of the financial disclosure requirements contained in sections 105.483, 105.485,
156 105.487, and 105.489.

157 ~~[16.]~~ **14.** A sponsor shall develop the policies and procedures for:

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

163 (2) The granting of a charter;

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

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

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

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

174

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

176 ~~[17-]~~ **15.** (1) A sponsor shall provide timely submission to the state board of education
177 of all data necessary to demonstrate that the sponsor is in material compliance with all
178 requirements of sections 160.400 to 160.425 and section 167.349. The state board of education
179 shall ensure each sponsor is in compliance with all requirements under sections 160.400 to
180 160.425 and 167.349 for each charter school sponsored by any sponsor. The state board shall
181 notify each sponsor of the standards for sponsorship of charter schools, delineating both what
182 is mandated by statute and what best practices dictate. The state board shall evaluate sponsors
183 to determine compliance with these standards every three years. The evaluation shall include a
184 sponsor's policies and procedures in the areas of charter application approval; required charter
185 agreement terms and content; sponsor performance evaluation and compliance monitoring; and
186 charter renewal, intervention, and revocation decisions. Nothing shall preclude the department
187 from undertaking an evaluation at any time for cause.

188 (2) If the department determines that a sponsor is in material noncompliance with its
189 sponsorship duties, the sponsor shall be notified and given reasonable time for remediation. If
190 remediation does not address the compliance issues identified by the department, the
191 commissioner of education shall conduct a public hearing and thereafter provide notice to the
192 charter sponsor of corrective action that will be recommended to the state board of education.
193 Corrective action by the department may include withholding the sponsor's funding and
194 suspending the sponsor's authority to sponsor a school that it currently sponsors or to sponsor any
195 additional school until the sponsor is reauthorized by the state board of education under section
196 160.403.

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

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

205 ~~[18-]~~ **16.** If a sponsor notifies a charter school of closure under subsection 8 of section
206 160.405, the department of elementary and secondary education shall exercise its financial
207 withholding authority under subsection ~~[12]~~ **11** of section 160.415 to assure all obligations of

208 the charter school shall be met. The state, charter sponsor, or resident district shall not be liable
209 for any outstanding liability or obligations of the charter school.

210 **17. If a charter school fails to receive a renewal of its charter after a three-year**
211 **term as described in paragraph (e) of subdivision (3) of subsection 9 of section 160.405, the**
212 **sponsor of the charter school at the time of the failure of renewal shall not sponsor any new**
213 **charter schools until the state board of education has completed an evaluation and the**
214 **charter school has received notice that it is compliant with all requirements and meeting**
215 **state standards. The evaluation by the state board of education shall determine whether**
216 **the sponsor meets the state standards of sponsorship and was in compliance with all**
217 **requirements under sections 160.400 to 160.425 and section 167.349 for all charter schools**
218 **sponsored by the sponsor.**

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

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

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

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

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 legally binding

8 performance contract that describes the obligations and responsibilities of the school and the
9 sponsor as outlined in sections 160.400 to 160.425 and section 167.349 and shall address the
10 following:

11 (1) A mission and vision statement for the charter school;

12 (2) A description of the charter school's organizational structure and bylaws of the
13 governing body, which will be responsible for the policy, financial management, and operational
14 decisions of the charter school, including the nature and extent of parental, professional educator,
15 and community involvement in the governance and operation of the charter school;

16 (3) A financial plan for the first three years of operation of the charter school including
17 provisions for annual audits;

18 (4) A description of the charter school's policy for securing personnel services, its
19 personnel policies, personnel qualifications, and professional development plan;

20 (5) A description of the grades or ages of students being served;

21 (6) The school's calendar of operation, which shall include at least the equivalent of a
22 full school term as defined in section 160.011;

23 (7) A description of the charter school's pupil performance standards and academic
24 program performance standards, which shall meet the requirements of subdivision (6) of
25 subsection 4 of this section. The charter school program shall be designed to enable each pupil
26 to achieve such standards and shall contain a complete set of indicators, measures, metrics, and
27 targets for academic program performance, including specific goals on graduation rates and
28 standardized test performance and academic growth;

29 (8) A description of the charter school's educational program and curriculum;

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

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

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

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

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

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

48 (15) Procedures to be implemented if the charter school should close, as provided in
49 subdivision (6) of subsection ~~[+6]~~ 14 of section 160.400 including:

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

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

52 (c) Submission of final financial reports;

53 (d) Resolution of any remaining financial obligations;

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

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

58 (16) A description of the special education and related services that shall be available
59 to meet the needs of students with disabilities; ~~and]~~

60 (17) For all new or revised charters, procedures to be used upon closure of the charter
61 school requiring that unobligated assets of the charter school be returned to the department of
62 elementary and secondary education for their disposition, which upon receipt of such assets shall
63 return them to the local school district in which the school was located, the state, or any other
64 entity to which they would belong; **and**

65 **(18) For all charter schools to be located in school districts accredited without**
66 **provisions and eligible to apply to operate only under subdivision (7) of subsection 2 of**
67 **section 160.400, evidence of community support for the charter school.**

68

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

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

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

76 (2) A charter may be approved when the sponsor determines that the requirements of this
77 section are met, determines that the applicant is sufficiently qualified to operate a charter school,
78 and that the proposed charter is consistent with the sponsor's charter sponsorship goals and

79 capacity. The sponsor's decision of approval or denial shall be made within ninety days of the
80 filing of the proposed charter;

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

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

95 (5) The sponsor of a charter school shall give priority to charter school applicants that
96 propose a school oriented to high-risk students and to the reentry of dropouts into the school
97 system. If a sponsor grants three or more charters, at least one-third of the charters granted by
98 the sponsor shall be to schools that actively recruit dropouts or high-risk students as their student
99 body and address the needs of dropouts or high-risk students through their proposed mission,
100 curriculum, teaching methods, and services. For purposes of this subsection, a "high-risk"
101 student is one who is at least one year behind in satisfactory completion of course work or
102 obtaining high school credits for graduation, has dropped out of school, is at risk of dropping out
103 of school, needs drug and alcohol treatment, has severe behavioral problems, has been suspended
104 from school three or more times, has a history of severe truancy, is a pregnant or parenting teen,
105 has been referred for enrollment by the judicial system, is exiting incarceration, is a refugee, is
106 homeless or has been homeless sometime within the preceding six months, has been referred by
107 an area school district for enrollment in an alternative program, or qualifies as high risk under
108 department of elementary and secondary education guidelines. Dropout shall be defined through
109 the guidelines of the school core data report. The provisions of this subsection do not apply to
110 charters sponsored by the state board of education.

111 3. If a charter is approved by a sponsor, the charter application shall be submitted to the
112 state board of education, along with a statement of finding by the sponsor that the application
113 meets the requirements of sections 160.400 to 160.425 and section 167.349 and a monitoring
114 plan under which the charter sponsor shall evaluate the academic performance, including annual

115 performance reports, of students enrolled in the charter school. The state board of education
116 shall approve or deny a charter application within sixty days of receipt of the application. The
117 state board of education may deny a charter on grounds that the application fails to meet the
118 requirements of sections 160.400 to 160.425 and section 167.349 or that a charter sponsor
119 previously failed to meet the statutory responsibilities of a charter sponsor. Any denial of a
120 charter application made by the state board of education shall be in writing and shall identify the
121 specific failures of the application to meet the requirements of sections 160.400 to 160.425 and
122 section 167.349, and the written denial shall be provided within ten business days to the sponsor.

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

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

126 (2) Comply with laws and regulations of the state, county, or city relating to health,
127 safety, and state minimum educational standards, as specified by the state board of education,
128 including the requirements relating to student discipline under sections 160.261, 167.161,
129 167.164, and 167.171, notification of criminal conduct to law enforcement authorities under
130 sections 167.115 ~~[to]~~ and 167.117, academic assessment under section 160.518, transmittal of
131 school records under section 167.020, the minimum amount of school time required under
132 section 171.031, and the employee criminal history background check and the family care safety
133 registry check under section 168.133;

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

137 (4) Be financially accountable, use practices consistent with the Missouri financial
138 accounting manual, provide for an annual audit by a certified public accountant, publish audit
139 reports and annual financial reports as provided in chapter 165, provided that the annual financial
140 report may be published on the department of elementary and secondary education's internet
141 website in addition to other publishing requirements, and provide liability insurance to indemnify
142 the school, its board, staff and teachers against tort claims. A charter school that receives local
143 educational agency status under subsection 6 of this section shall meet the requirements imposed
144 by the Elementary and Secondary Education Act for audits of such agencies and comply with all
145 federal audit requirements for charters with local educational agency status. **The charter school**
146 **shall make the results of such audits available on its website.** For purposes of an audit by
147 petition under section 29.230, a charter school shall be treated as a political subdivision on the
148 same terms and conditions as the school district in which it is located. For the purposes of
149 securing such insurance, a charter school shall be eligible for the Missouri public entity risk

150 management fund pursuant to section 537.700. A charter school that incurs debt shall include
151 a repayment plan in its financial plan;

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

154 (6) (a) Design a method to measure pupil progress toward the pupil academic standards
155 adopted by the state board of education pursuant to section 160.514, establish baseline student
156 performance in accordance with the performance contract during the first year of operation,
157 collect student performance data as defined by the annual performance report throughout the
158 duration of the charter to annually monitor student academic performance, and to the extent
159 applicable based upon grade levels offered by the charter school, participate in the statewide
160 system of assessments, comprised of the essential skills tests and the nationally standardized
161 norm-referenced achievement tests, as designated by the state board pursuant to section 160.518,
162 complete and distribute an annual report card as prescribed in section 160.522, which shall also
163 include a statement that background checks have been completed on the charter school's board
164 members, and report to its sponsor, the local school district, and the state board of education as
165 to its teaching methods and any educational innovations and the results thereof. No charter
166 school shall be considered in the Missouri school improvement program review of the district
167 in which it is located for the resource or process standards of the program.

168 (b) For proposed high-risk or alternative charter schools, sponsors shall approve
169 performance measures based on mission, curriculum, teaching methods, and services. Sponsors
170 shall also approve comprehensive academic and behavioral measures to determine whether
171 students are meeting performance standards on a different time frame as specified in that school's
172 charter. Student performance shall be assessed comprehensively to determine whether a
173 high-risk or alternative charter school has documented adequate student progress. Student
174 performance shall be based on sponsor-approved comprehensive measures as well as
175 standardized public school measures. Annual presentation of charter school report card data to
176 the department of elementary and secondary education, the state board, and the public shall
177 include comprehensive measures of student progress.

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

185 (7) Comply with all applicable federal and state laws and regulations regarding students
186 with disabilities, including sections 162.670 to 162.710, the Individuals with Disabilities
187 Education Act (20 U.S.C. Section 1400, *et seq.*) and Section 504 of the Rehabilitation Act of
188 1973 (29 U.S.C. Section 794) or successor legislation;

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

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

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

196 **(9) Seek to ensure that the percentage of its students who perform proficient and**
197 **advanced on the annual statewide system of assessments under section 160.518 in English**
198 **language arts and mathematics is equal to or higher than the average percentage of grade-**
199 **level-equivalent students attending nonselective attendance centers in the school district**
200 **in which it is located who perform proficient and advanced in English language arts and**
201 **mathematics.**

202 5. (1) Proposed or existing high-risk or alternative charter schools may include
203 alternative arrangements for students to obtain credit for satisfying graduation requirements in
204 the school's charter application and charter. Alternative arrangements may include, but not be
205 limited to, credit for off-campus instruction, embedded credit, work experience through an
206 internship arranged through the school, and independent studies. When the state board of
207 education approves the charter, any such alternative arrangements shall be approved at such time.

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

212 6. The charter of a charter school may be amended at the request of the governing body
213 of the charter school and on the approval of the sponsor. The sponsor and the governing board
214 and staff of the charter school shall jointly review the school's performance, management and
215 operations during the first year of operation and then every other year after the most recent
216 review or at any point where the operation or management of the charter school is changed or
217 transferred to another entity, either public or private. The governing board of a charter school
218 may amend the charter, if the sponsor approves such amendment, or the sponsor and the
219 governing board may reach an agreement in writing to reflect the charter school's decision to
220 become a local educational agency. In such case the sponsor shall give the department of

221 elementary and secondary education written notice no later than March first of any year, with the
222 agreement to become effective July first. The department may waive the March first notice date
223 in its discretion. The department shall identify and furnish a list of its regulations that pertain
224 to local educational agencies to such schools within thirty days of receiving such notice.

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

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

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

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

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

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

236 8. (1) (a) A sponsor's policies shall give schools clear, adequate, evidence-based, and
237 timely notice of contract violations or performance deficiencies and mandate intervention based
238 upon findings of the state board of education of the following:

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

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

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

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

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

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

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

- 257 a. Failure to meet the performance contract as set forth in its charter[;] ;
258 **b. Underperformance for at least two years;**
259 c. Failure to meet generally accepted standards of fiscal management[;] ;
260 d. Failure to provide information necessary to confirm compliance with all provisions
261 of the charter and sections 160.400 to 160.425 and 167.349 within forty-five days following
262 receipt of written notice requesting such information[;] ; or
263 e. Violation of law.
- 264 (2) The sponsor may place the charter school on probationary status to allow the
265 implementation of a remedial plan, which may require a change of methodology, a change in
266 leadership, or both, after which, if such plan is unsuccessful, the charter may be revoked.
- 267 (3) At least sixty days before acting to revoke a charter, the sponsor shall notify the
268 governing board of the charter school of the proposed action in writing. The notice shall state
269 the grounds for the proposed action. The school's governing board may request in writing a
270 hearing before the sponsor within two weeks of receiving the notice.
- 271 (4) The sponsor of a charter school shall establish procedures to conduct administrative
272 hearings upon determination by the sponsor that grounds exist to revoke a charter. Final
273 decisions of a sponsor from hearings conducted pursuant to this subsection are subject to an
274 appeal to the state board of education, which shall determine whether the charter shall be
275 revoked.
- 276 (5) A termination shall be effective only at the conclusion of the school year, unless the
277 sponsor determines that continued operation of the school presents a clear and immediate threat
278 to the health and safety of the children.
- 279 (6) A charter sponsor shall make available the school accountability report card
280 information as provided under section 160.522 and the results of the academic monitoring
281 required under subsection 3 of this section.
- 282 9. (1) A sponsor shall take all reasonable steps necessary to confirm that each charter
283 school sponsored by such sponsor is in material compliance and remains in material compliance
284 with all material provisions of the charter and sections 160.400 to 160.425 and 167.349. Every
285 charter school shall provide all information necessary to confirm ongoing compliance with all
286 provisions of its charter and sections 160.400 to 160.425 and 167.349 in a timely manner to its
287 sponsor.
- 288 (2) The sponsor's renewal process of the charter school shall be based on the thorough
289 analysis of a comprehensive body of objective evidence and consider if:
- 290 (a) The charter school has maintained results on its annual performance report that meet
291 or exceed the district in which the charter school is located based on the performance standards

292 that are applicable to the grade-level configuration of both the charter school and the district in
293 which the charter school is located in three of the last four school years;

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

296 (c) The charter school is organizationally and fiscally viable determining at a minimum
297 that the school does not have:

298 a. A negative balance in its operating funds;

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

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

302 [~~(e)~~] (d) The charter is in compliance with its legally binding performance contract and
303 sections 160.400 to 160.425 and section 167.349; and

304 [~~(d)~~] (e) The charter school has an annual performance report consistent with a
305 classification of accredited for three of the last four years and is fiscally viable as described in
306 paragraph [~~(b)~~] (c) of this subdivision. If such is the case, the charter school may have an
307 expedited renewal process as defined by rule of the department of elementary and secondary
308 education.

309 (3) (a) Beginning August first during the year in which a charter is considered for
310 renewal, a charter school sponsor shall demonstrate to the state board of education that the
311 charter school is in compliance with federal and state law as provided in sections 160.400 to
312 160.425 and section 167.349 and the school's performance contract including but not limited to
313 those requirements specific to academic performance.

314 (b) Along with data reflecting the academic performance standards indicated in
315 paragraph (a) of this subdivision, the sponsor shall submit a revised charter application to the
316 state board of education for review. **Such application shall include a financial audit**
317 **performed by an independent third party in accordance with the procedures outlined in**
318 **chapter 29, which shall be paid for by the charter school.**

319 (c) Using the data requested and the revised charter application under paragraphs (a) and
320 (b) of this subdivision, the state board of education shall determine if compliance with all
321 standards enumerated in this subdivision has been achieved. The state board of education at its
322 next regularly scheduled meeting shall vote on the revised charter application.

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

325 (e) **If a charter school underperforms for two of the three consecutive years**
326 **immediately before a decision whether to renew the school's charter is made, any renewal**

327 **granted shall be for only a three-year term. If the charter school again underperforms for**
328 **two years of the three-year term, the school's charter shall not be renewed.**

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

330 11. A governing board or a school district employee who has control over personnel
331 actions shall not take unlawful reprisal against another employee at the school district because
332 the employee is directly or indirectly involved in an application to establish a charter school. A
333 governing board or a school district employee shall not take unlawful reprisal against an
334 educational program of the school or the school district because an application to establish a
335 charter school proposes the conversion of all or a portion of the educational program to a charter
336 school. As used in this subsection, "unlawful reprisal" means an action that is taken by a
337 governing board or a school district employee as a direct result of a lawful application to
338 establish a charter school and that is adverse to another employee or an educational program.

339 12. Charter school board members shall be subject to the same liability for acts while
340 in office as if they were regularly and duly elected members of school boards in any other public
341 school district in this state. The governing board of a charter school may participate, to the same
342 extent as a school board, in the Missouri public entity risk management fund in the manner
343 provided under sections 537.700 to 537.756.

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

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

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

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

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

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

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

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

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

8 (3) Is in material compliance with its legally binding performance contract and sections
9 160.400 to 160.425 and section 167.349; and

10 (4) Is organizationally and fiscally viable as described in paragraph ~~[(b)]~~ (c) of
11 subdivision (2) of subsection 9 of section 160.405.

12 2. Notwithstanding any other provision of law, high-quality charter schools shall be
13 provided expedited opportunities to replicate and expand into unaccredited districts, a
14 metropolitan district, or an urban school district containing most or all of a home rule city with
15 more than four hundred thousand inhabitants and located in more than one county. Such
16 replication and expansion shall be subject to the following:

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

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

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

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

160.410. 1. A charter school shall enroll:

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

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

5 (3) Nonresident pupils who transfer from an unaccredited district under section 167.131,
6 provided that the charter school is an approved charter school, as defined in section 167.131, and
7 subject to all other provisions of section 167.131;

8 (4) **Nonresident pupils who are residents of the state of Missouri, unless the pupil's**
9 **enrollment will cause a resident pupil to be denied enrollment; and**

10 (5) In the case of a charter school whose mission includes student drop-out prevention
11 or recovery, any nonresident pupil from the same or an adjacent county who resides in a
12 residential care facility, a transitional living group home, or an independent living program
13 whose last school of enrollment is in the school district where the charter school is established,
14 who submits a timely application~~]; and~~

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

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

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

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

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

36 3. A charter school shall not limit admission based on race, ethnicity, national origin,
37 disability, income level, proficiency in the English language or athletic ability, but may limit
38 admission to pupils within a given age group or grade level. Charter schools may limit
39 admission based on gender only when the school is a single-gender school. Students of a charter
40 school who have been enrolled for a full academic year shall be counted in the performance of
41 the charter school on the statewide assessments in that calendar year, unless otherwise exempted
42 as English language learners. For purposes of this subsection, "full academic year" means the

43 last Wednesday in September through the administration of the Missouri assessment program
44 test without transferring out of the school and re-enrolling.

45 4. A charter school shall **publish on its website and otherwise** make available for
46 public inspection, and provide upon request, to the parent, guardian, or other custodian of any
47 school-age pupil resident in the district in which the school is located the following information:

48 (1) The school's charter;

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

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

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

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

61 6. If a change in school district boundary lines occurs under section 162.223, 162.431,
62 162.441, or 162.451, or by action of the state board of education under section 162.081,
63 including attachment of a school district's territory to another district or dissolution, such that a
64 student attending a charter school prior to such change no longer resides in a school district in
65 which the charter school is located, then the student may complete the current academic year at
66 the charter school. The student shall be considered a resident student. The student's parent or
67 legal guardian shall be responsible for the student's transportation to and from the charter school.

68 7. The provisions of sections 167.018 and 167.019 concerning foster children's
69 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 price 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 price 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]~~ **subsection 3** ~~[and 4]~~ of this section, the aid
13 payments for charter 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 **(6) If a charter school that has not declared itself as a local educational agency has**
32 **one or more nonresident pupils, the nonresident pupils shall not be counted for purposes**
33 **of determining the amount of aid described in subdivisions (1) and (2) of this subsection.**
34 **Each school district that has one or more of its resident pupils attending such a charter**
35 **school shall pay to the charter school, for each such pupil, one hundred percent of its**
36 **average per-pupil expenditure, excluding interest payments and grants.**

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

41 ~~4.]~~ (1) A charter school that has declared itself as a local educational agency shall
42 receive from the department of elementary and secondary education an annual amount equal to
43 the product of the charter school's weighted average daily attendance and the state adequacy
44 target, multiplied by the dollar value modifier for the district, plus local tax revenues per
45 weighted average daily attendance from the incidental and teachers funds in excess of the

46 performance levy as defined in section 163.011 plus all other state aid attributable to such pupils.
47 If a charter school declares itself as a local educational agency, the department of elementary and
48 secondary education shall, upon notice of the declaration, reduce the payment made to the school
49 district by the amount specified in this ~~subsection~~ **subdivision** and pay directly to the charter
50 school the annual amount reduced from the school district's payment.

51 **[5-] (2) (a) If a charter school that has declared itself as a local educational agency**
52 **has one or more nonresident pupils, the charter school shall receive from the department**
53 **of elementary and secondary education an annual amount equal to the amount described**
54 **in subdivision (1) of this subsection; except that, the nonresident pupils shall not be**
55 **counted for purposes of determining the amount of aid as described in subdivision (1) of**
56 **this subsection. Each school district that has one or more of its resident pupils attending**
57 **such a charter school as nonresident pupils shall pay to the charter school, for each such**
58 **pupil, one hundred percent of its average per-pupil expenditure, excluding interest**
59 **payments and grants.**

60 **(b) Upon notice of the charter school's declaration of local educational agency**
61 **status, the department of elementary and secondary education shall reduce the payment**
62 **made to the school district in which the charter school is located from any source by the**
63 **amount specified in subdivision (1) of this subsection, calculated as described in paragraph**
64 **(a) of this subdivision, and pay directly to the charter school the annual amount reduced**
65 **from the school district's payment.**

66 **4.** If a school district fails to make timely payments of any amount for which it is the
67 disbursal agent, the state department of elementary and secondary education shall authorize
68 payment to the charter school of the amount due pursuant to subsection 2 of this section and shall
69 deduct the same amount from the next state school aid apportionment to the owing school
70 district. If a charter school is paid more or less than the amounts due pursuant to this section,
71 the amount of overpayment or underpayment shall be adjusted equally in the next twelve
72 payments by the school district or the department of elementary and secondary education, as
73 appropriate. Any dispute between the school district and a charter school as to the amount owing
74 to the charter school shall be resolved by the department of elementary and secondary education,
75 and the department's decision shall be the final administrative action for the purposes of review
76 pursuant to chapter 536. During the period of dispute, the department of elementary and
77 secondary education shall make every administrative and statutory effort to allow the continued
78 education of children in their current public charter school setting.

79 **[6-] 5.** The charter school and a local school board may agree by contract for services
80 to be provided by the school district to the charter school. The charter school may contract with
81 any other entity for services. Such services may include but are not limited to food service,

82 custodial service, maintenance, management assistance, curriculum assistance, media services
83 and libraries and shall be subject to negotiation between the charter school and the local school
84 board or other entity. Documented actual costs of such services shall be paid for by the charter
85 school.

86 ~~[7-]~~ **6.** In the case of a proposed charter school that intends to contract with an education
87 service provider for substantial educational services or management services, the request for
88 proposals shall additionally require the charter school applicant to:

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

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

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

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

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

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

107 ~~[8-]~~ **7.** A charter school may enter into contracts with community partnerships and state
108 agencies acting in collaboration with such partnerships that provide services to children and their
109 families linked to the school.

110 ~~[9-]~~ **8.** A charter school shall be eligible for transportation state aid pursuant to section
111 163.161 and shall be free to contract with the local district, or any other entity, for the provision
112 of transportation to the students of the charter school.

113 ~~[10-]~~ **9.** (1) The proportionate share of state and federal resources generated by students
114 with disabilities or staff serving them shall be paid in full to charter schools enrolling those
115 students by their school district where such enrollment is through a contract for services
116 described in this section. The proportionate share of money generated under other federal or

117 state categorical aid programs shall be directed to charter schools serving such students eligible
118 for that aid.

119 (2) A charter school shall provide the special services provided pursuant to section
120 162.705 and may provide the special services pursuant to a contract with a school district or any
121 provider of such services.

122 ~~[11-]~~ **10.** A charter school may not charge tuition or impose fees that a school district
123 is prohibited from charging or imposing, except that a charter school may receive:

124 (1) Tuition payments from districts in the same or an adjoining county for nonresident
125 students who transfer to an approved charter school, as defined in section 167.131, from an
126 unaccredited district; **and**

127 (2) **Payments from school districts as described in this section.**

128 ~~[12-]~~ **11.** A charter school is authorized to incur debt in anticipation of receipt of funds.
129 A charter school may also borrow to finance facilities and other capital items. A school district
130 may incur bonded indebtedness or take other measures to provide for physical facilities and other
131 capital items for charter schools that it sponsors or contracts with. Except as otherwise
132 specifically provided in sections 160.400 to 160.425, upon the dissolution of a charter school,
133 any liabilities of the corporation will be satisfied through the procedures of chapter 355. A
134 charter school shall satisfy all its financial obligations within twelve months of notice from the
135 sponsor of the charter school's closure under subsection 8 of section 160.405. After satisfaction
136 of all its financial obligations, a charter school shall return any remaining state and federal funds
137 to the department of elementary and secondary education for disposition as stated in subdivision
138 (17) of subsection 1 of section 160.405. The department of elementary and secondary education
139 may withhold funding at a level the department determines to be adequate during a school's last
140 year of operation until the department determines that school records, liabilities, and reporting
141 requirements, including a full audit, are satisfied.

142 ~~[13-]~~ **12.** Charter schools shall not have the power to acquire property by eminent
143 domain.

144 ~~[14-]~~ **13.** The governing body of a charter school is authorized to accept grants, gifts or
145 donations of any kind and to expend or use such grants, gifts or donations. A grant, gift or
146 donation may not be accepted by the governing body if it is subject to any condition contrary to
147 law applicable to the charter school or other public schools, or contrary to the terms of the
148 charter.

149 **14. Notwithstanding any other provision of this section, if it is permissible for a**
150 **pupil to attend a charter school located outside his or her district of residence under the**
151 **provisions of section 160.410 and under the provisions of any other section that specifies**
152 **a tuition amount to be paid by the resident district, the provisions of the other section**

153 **specifying the tuition amount shall govern, and the provisions of this section shall not apply**
154 **to such pupil.**

160.425. 1. The "Missouri Charter Public School Commission" is hereby created with
2 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 with
4 the advice and consent of the senate. No more than five of the members shall be of the same
5 political party. No more than two members shall be from the same congressional district. The
6 term of office of each member shall be four years, except those of the members first appointed,
7 of which three shall be appointed for a term of one year, two for a term of two years, two for a
8 term of three years, and two for a term of four years. At the expiration of the term of each
9 member, the governor, by and with the advice and consent of the senate, shall appoint a
10 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 selected
21 from a slate of three nominees recommended by the Missouri School Boards Association.

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

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

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

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

36 (2) Exercise sponsorship over charters approved by the commission under sections
37 160.400 to 160.425, including receipt of sponsorship funding under subsection ~~[44]~~ 9 of section
38 160.400.

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

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

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

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

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