

SECOND REGULAR SESSION

[PERFECTED]

HOUSE COMMITTEE SUBSTITUTE FOR

HOUSE BILL NO. 1451

98TH GENERAL ASSEMBLY

4351H.02P

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal sections 160.400, 160.403, 160.405, 160.410, 160.415, 160.417, 163.018, 167.131, and 167.241, RSMo, and to enact in lieu thereof ten new sections relating to charter schools, with an emergency clause for a certain section.

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

Section A. Sections 160.400, 160.403, 160.405, 160.410, 160.415, 160.417, 163.018, 2 167.131, and 167.241, RSMo, are repealed and ten new sections enacted in lieu thereof, to be 3 known as sections 160.400, 160.403, 160.405, 160.408, 160.410, 160.415, 160.417, 163.018, 4 167.131, and 167.241, to read as follows:

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 [declared] **classified as unaccredited by the state** 8 **board of 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

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.

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

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

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

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

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

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

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

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

51 4. Changes in a school district's accreditation status that affect charter schools shall be
52 addressed as follows, except for the districts described in subdivisions (1) and (2) of subsection
53 2 of this section:

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

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

60 (3) In any school district classified as unaccredited or provisionally accredited where a
61 charter school is operating and is sponsored by an entity other than the local school board, when
62 the school district becomes classified as accredited without provisions, a charter school may
63 continue to be sponsored by the entity sponsoring it prior to the classification of accredited
64 without provisions and shall not be limited to the local school board as a sponsor.

65

66 A charter school operating in a school district identified in subdivision (1) or (2) of subsection
67 2 of this section may be sponsored by any of the entities identified in subsection 3 of this section,
68 irrespective of the accreditation classification of the district in which it is located. A charter
69 school in a district described in this subsection whose charter provides for the addition of grade
70 levels in subsequent years may continue to add levels until the planned expansion is complete
71 to the extent of grade levels in comparable schools of the district in which the charter school is
72 operated.

73 5. The mayor of a city not within a county may request a sponsor under subdivision (2),
74 (3), (4), (5), or (6) of subsection 3 of this section to consider sponsoring a "workplace charter
75 school", which is defined for purposes of sections 160.400 to 160.425 as a charter school with
76 the ability to target prospective students whose parent or parents are employed in a business
77 district, as defined in the charter, which is located in the city.

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

81 7. The charter school shall be organized as a Missouri nonprofit corporation incorporated
82 pursuant to chapter 355. The charter provided for herein shall constitute a contract between the
83 sponsor and the charter school.

84 8. As a nonprofit corporation incorporated pursuant to chapter 355, the charter school
85 shall select the method for election of officers pursuant to section 355.326 based on the class of

86 corporation selected. Meetings of the governing board of the charter school shall be subject to
87 the provisions of sections 610.010 to 610.030.

88 9. A sponsor of a charter school, its agents and employees are not liable for any acts or
89 omissions of a charter school that it sponsors, including acts or omissions relating to the charter
90 submitted by the charter school, the operation of the charter school and the performance of the
91 charter school.

92 10. A charter school may affiliate with a four-year college or university, including a
93 private college or university, or a community college as otherwise specified in subsection 3 of
94 this section when its charter is granted by a sponsor other than such college, university or
95 community college. Affiliation status recognizes a relationship between the charter school and
96 the college or university for purposes of teacher training and staff development, curriculum and
97 assessment development, use of physical facilities owned by or rented on behalf of the college
98 or university, and other similar purposes. A university, college or community college may not
99 charge or accept a fee for affiliation status.

100 11. The expenses associated with sponsorship of charter schools shall be defrayed by the
101 department of elementary and secondary education retaining one and five-tenths percent of the
102 amount of state and local funding allocated to the charter school under section 160.415, not to
103 exceed one hundred twenty-five thousand dollars, adjusted for inflation. The department of
104 elementary and secondary education shall remit the retained funds for each charter school to the
105 school's sponsor, provided the sponsor remains in good standing by fulfilling its sponsorship
106 obligations under sections 160.400 to 160.425 and 167.349 with regard to each charter school
107 it sponsors, including appropriate demonstration of the following:

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

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

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

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

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

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

125 13. No university, college or community college shall grant a charter to a nonprofit
126 corporation if an employee of the university, college or community college is a member of the
127 corporation's board of directors.

128 14. No sponsor shall grant a charter under sections 160.400 to 160.425 and 167.349
129 without ensuring that a criminal background check and family care safety registry check are
130 conducted for all members of the governing board of the charter schools or the incorporators of
131 the charter school if initial directors are not named in the articles of incorporation, nor shall a
132 sponsor renew a charter without ensuring a criminal background check and family care **safety**
133 registry check are conducted for each member of the governing board of the charter school.

134 15. No member of the governing board of a charter school shall hold any office or
135 employment from the board or the charter school while serving as a member, nor shall the
136 member have any substantial interest, as defined in section 105.450, in any entity employed by
137 or contracting with the board. No board member shall be an employee of a company that
138 provides substantial services to the charter school. All members of the governing board of the
139 charter school shall be considered decision-making public servants as defined in section 105.450
140 for the purposes of the financial disclosure requirements contained in sections 105.483, 105.485,
141 105.487, and 105.489.

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

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

148 (2) The granting of a charter;

149 (3) The performance [framework] **contract** that the sponsor will use to evaluate the
150 performance of charter schools. **Charter schools shall meet current state academic**
151 **performance standards as well as other standards agreed upon by the sponsor and the**
152 **charter school in the performance contract;**

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

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

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

160

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

162 17. (1) A sponsor shall provide timely submission to the state board of education of all
163 data necessary to demonstrate that the sponsor is in material compliance with all requirements
164 of sections 160.400 to 160.425 and section 167.349. The state board of education shall ensure
165 each sponsor is in compliance with all requirements under sections 160.400 to 160.425 and
166 167.349 for each charter school sponsored by any sponsor. The state board shall notify each
167 sponsor of the standards for sponsorship of charter schools, delineating both what is mandated
168 by statute and what best practices dictate. The state board shall evaluate sponsors to determine
169 compliance with these standards every three years. The evaluation shall include a sponsor's
170 policies and procedures in the areas of charter application approval; required charter agreement
171 terms and content; sponsor performance evaluation and compliance monitoring; and charter
172 renewal, intervention, and revocation decisions. Nothing shall preclude the department from
173 undertaking an evaluation at any time for cause.

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

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

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

191 **18. If a sponsor notifies a charter school of closure under subsection 8 of section**
192 **160.405, the department of elementary and secondary education shall exercise its financial**
193 **withholding authority under subsection 12 of section 160.415 to assure all obligations of**

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

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

8 2. The application process for sponsorship shall require each interested eligible sponsor,
9 **except for the Missouri charter public school commission,** to submit an application by
10 February first that includes the following:

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

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

14 (3) An outline of the request for proposal that the applicant sponsor would, if approved
15 as a charter sponsor, issue to solicit charter school applicants consistent with sections 160.400
16 to 160.425 **and section 167.349;**

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

20 (5) The applicant sponsor's renewal, revocation, and nonrenewal processes consistent
21 with section 160.405.

22 3. By April first of each year, the department shall decide whether to grant or deny a
23 sponsoring authority to a sponsor applicant. This decision shall be made based on the applicant
24 [charter's] **sponsor's** compliance with sections 160.400 to 160.425 **and section 167.349** and
25 properly promulgated rules of the department.

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

160.405. 1. A person, group or organization seeking to establish a charter school shall
2 submit the proposed charter, as provided in this section, to a sponsor. If the sponsor is not a
3 school board, the applicant shall give a copy of its application to the school board of the district

4 in which the charter school is to be located and to the state board of education, within five
5 business days of the date the application is filed with the proposed sponsor. The school board
6 may file objections with the proposed sponsor, and, if a charter is granted, the school board may
7 file objections with the state board of education. The charter shall [be] **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 [also include]

10 **address the 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 [shall] **may** be [renewable]
31 **renewed;**

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

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

37 (12) A description of the charter school's policies on student discipline and student
38 admission, which shall include a statement, where applicable, of the validity of attendance of
39 students who do not reside in the district but who may be eligible to attend under the terms of

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

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

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

47 (15) Procedures to be implemented if the charter school should close, as provided in
48 subdivision (6) of subsection 16 of section 160.400 including:

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

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

51 (c) Submission of final financial reports;

52 (d) Resolution of any remaining financial obligations; [and]

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

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

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

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

64

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

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

68 (1) A charter shall be submitted to the sponsor, and follow the sponsor's policies and
69 procedures for review and granting of a charter approval, and be approved by the state board of
70 education by [December first of the year] **January thirty-first** prior to **the school year of the**
71 proposed opening date of the charter school;

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

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

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

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

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

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

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

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

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

124 (2) Comply with laws and regulations of the state, county, or city relating to health,
125 safety, and state minimum educational standards, as specified by the state board of education,
126 including the requirements relating to student discipline under sections 160.261, 167.161,
127 167.164, and 167.171, notification of criminal conduct to law enforcement authorities under
128 sections 167.115 to 167.117, academic assessment under section 160.518, transmittal of school
129 records under section 167.020, the minimum [number of school days and hours] **amount of**
130 **school time** required under section [160.041] **171.031**, and the employee criminal history
131 background check and the family care safety registry check under section 168.133;

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

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

147 Missouri public entity risk management fund pursuant to section 537.700. A charter school that
148 incurs debt shall include a repayment plan in its financial plan;

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

152 (6) (a) Design a method to measure pupil progress toward the pupil academic standards
153 adopted by the state board of education pursuant to section 160.514, establish baseline student
154 performance in accordance with the performance contract during the first year of operation,
155 collect student performance data as defined by the annual performance report throughout the
156 duration of the charter to annually monitor student academic performance, and to the extent
157 applicable based upon grade levels offered by the charter school, participate in the statewide
158 system of assessments, comprised of the essential skills tests and the nationally standardized
159 norm-referenced achievement tests, as designated by the state board pursuant to section 160.518,
160 complete and distribute an annual report card as prescribed in section 160.522, which shall also
161 include a statement that background checks have been completed on the charter school's board
162 members, report to its sponsor, the local school district, and the state board of education as to
163 its teaching methods and any educational innovations and the results thereof, and provide data
164 required for the study of charter schools pursuant to subsection 4 of section 160.410. No charter
165 school shall be considered in the Missouri school improvement program review of the district
166 in which it is located for the resource or process standards of the program.

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

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

182 section shall be based on measures defined in the school's performance contract with its
183 sponsors;

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

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

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

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

195 5. (1) Proposed or existing high-risk or alternative charter schools may include
196 alternative arrangements for students to obtain credit for satisfying graduation requirements in
197 the school's charter application and charter. Alternative arrangements may include, but not be
198 limited to, credit for off-campus instruction, embedded credit, work experience through an
199 internship arranged through the school, and independent studies. When the state board of
200 education approves the charter, any such alternative arrangements shall be approved at such time.

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

205 6. The charter of a charter school may be amended at the request of the governing body
206 of the charter school and on the approval of the sponsor. The sponsor and the governing board
207 and staff of the charter school shall jointly review the school's performance, management and
208 operations during the first year of operation and then every other year after the most recent
209 review or at any point where the operation or management of the charter school is changed or
210 transferred to another entity, either public or private. The governing board of a charter school
211 may amend the charter, if the sponsor approves such amendment, or the sponsor and the
212 governing board may reach an agreement in writing to reflect the charter school's decision to
213 become a local educational agency. In such case the sponsor shall give the department of
214 elementary and secondary education written notice no later than March first of any year, with the
215 agreement to become effective July first. The department may waive the March first notice date
216 in its discretion. The department shall identify and furnish a list of its regulations that pertain
217 to local educational agencies to such schools within thirty days of receiving such notice.

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

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

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

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

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

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

229 8. (1) (a) A sponsor's [intervention] policies shall give schools clear, adequate,
230 evidence-based, and timely notice of contract violations or performance deficiencies and
231 mandate intervention based upon findings of the state board of education of the following:

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

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

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

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

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

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

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

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

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

261 (4) The sponsor of a charter school shall establish procedures to conduct administrative
262 hearings upon determination by the sponsor that grounds exist to revoke a charter. Final
263 decisions of a sponsor from hearings conducted pursuant to this subsection are subject to an
264 appeal to the state board of education, which shall determine whether the charter shall be
265 revoked.

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

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

272 9. (1) A sponsor shall take all reasonable steps necessary to confirm that each charter
273 school sponsored by such sponsor is in material compliance and remains in material compliance
274 with all material provisions of the charter and sections 160.400 to 160.425 and 167.349. Every
275 charter school shall provide all information necessary to confirm ongoing compliance with all
276 provisions of its charter and sections 160.400 to 160.425 and 167.349 in a timely manner to its
277 sponsor.

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

280 (a) The charter school has maintained results on its annual performance report that meet
281 or exceed the district in which the charter school is located based on the performance standards
282 that are applicable to the grade-level configuration of both the charter school and the district in
283 which the charter school is located in three of the last four school years;

284 (b) The charter school is organizationally and fiscally viable determining at a minimum
285 that the school does not have:

286 a. A negative balance in its operating funds;

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

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

290 (c) The charter is in compliance with its legally binding performance contract and
291 sections 160.400 to 160.425 and section 167.349; and

292 (d) **The charter school has an annual performance report consistent with a**
293 **classification of accredited for three of the last four years and is fiscally viable as described**
294 **in paragraph (b) of this subdivision. If such is the case, the charter school may have an**
295 **expedited renewal process as defined by rule of the department of elementary and**
296 **secondary education.**

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

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

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

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

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

312 11. A governing board or a school district employee who has control over personnel
313 actions shall not take unlawful reprisal against another employee at the school district because
314 the employee is directly or indirectly involved in an application to establish a charter school. A
315 governing board or a school district employee shall not take unlawful reprisal against an
316 educational program of the school or the school district because an application to establish a
317 charter school proposes the conversion of all or a portion of the educational program to a charter
318 school. As used in this subsection, "unlawful reprisal" means an action that is taken by a
319 governing board or a school district employee as a direct result of a lawful application to
320 establish a charter school and that is adverse to another employee or an educational program.

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

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

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

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

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

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

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

160.408. 1. For purposes of this section, “high-quality charter school” means a
2 **charter 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**
4 **performance report for three out of the last four school years by comparing points earned**
5 **to the points possible on the annual performance report for three of the last four school**
6 **years;**

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

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

11 (4) **Is organizationally and fiscally viable as described in paragraph (b) of**
12 **subdivision (2) of subsection 9 of section 160.405.**

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

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

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

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

29 **3. The term of the charter for schools operating under this section shall be five**
30 **years, and the charter may be renewed for terms of up to ten years. Renewal shall be**
31 **subject to the provisions of paragraphs (a) to (d) of subdivision (3) of subsection 9 of**
32 **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**
6 **167.131, provided that the charter school is an approved charter school, as defined in**
7 **section 167.131, and subject to all other provisions of section 167.131;**

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

13 **[(4)] (5)** In the case of a workplace charter school, any student eligible to attend under
14 subdivision (1) or (2) of this subsection whose parent is employed in the business district, who
15 submits a timely application, unless the number of applications exceeds the capacity of a
16 program, class, grade level or building. The configuration of a business district shall be set forth
17 in the charter and shall not be construed to create an undue advantage for a single employer or
18 small number of employers.

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

21 gaining admission **and does not discriminate based on parents' ability to pay fees or tuition**
22 except that:

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

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

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

35 3. A charter school shall not limit admission based on race, ethnicity, national origin,
36 disability, income level, proficiency in the English language or athletic ability, but may limit
37 admission to pupils within a given age group or grade level. Charter schools may limit
38 admission based on gender only when the school is a single-gender school. Students of a charter
39 school [that are present for the January membership count as defined in section 163.011] **who**
40 **have been enrolled for a full academic year** shall be counted in the performance of the charter
41 school on the statewide assessments in that calendar year, unless otherwise exempted as English
42 language learners. **For purposes of this subsection, "full academic year" means the last**
43 **Wednesday in September through the administration of the Missouri assessment program**
44 **test without transferring out of the school and re-enrolling.**

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

57 students and an equivalent group of district students representing an equivalent demographic and
58 geographic population. The student performance assessment and comparison shall include, but
59 may not be limited to:

60 (1) Missouri assessment program test performance and aggregate growth over several
61 years;

62 (2) Student reenrollment rates;

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

64 (4) Graduation rates in secondary programs; and

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

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

78 (1) The school's charter;

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

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

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

86 6. When a student attending a charter school who is a resident of the school district in
87 which the charter school is located moves out of the boundaries of such school district, the
88 student may complete the current semester and shall be considered a resident student. The
89 student's parent or legal guardian shall be responsible for the student's transportation to and from
90 the charter school.

91 7. If a change in school district boundary lines occurs under section 162.223, 162.431,
92 162.441, or 162.451, or by action of the state board of education under section 162.081,

93 including attachment of a school district's territory to another district or dissolution, such that a
94 student attending a charter school prior to such change no longer resides in a school district in
95 which the charter school is located, then the student may complete the current academic year at
96 the charter school. The student shall be considered a resident student. The student's parent or
97 legal guardian shall be responsible for the student's transportation to and from the charter school.

98 8. The provisions of sections 167.018 and 167.019 concerning foster children's
99 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 3 and 4 of this section, the aid payments for charter
13 schools shall be as described in this subsection.

14 (1) A school district having one or more resident pupils attending a charter school shall
15 pay to the charter school an annual amount equal to the product of the charter school's weighted
16 average daily attendance and the state adequacy target, multiplied by the dollar value modifier
17 for the district, plus local tax revenues per weighted average daily attendance from the incidental
18 and teachers' funds in excess of the performance levy as defined in section 163.011 plus all other
19 state aid attributable to such pupils.

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

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

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

27 (5) A school district shall pay the amounts due pursuant to this subsection as the
28 disbursal agent and no later than twenty days following the receipt of any such funds. The

29 department of elementary and secondary education shall pay the amounts due when it acts as the
30 disbursal agent within five days of the required due date.

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

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

45 5. If a school district fails to make timely payments of any amount for which it is the
46 disbursal agent, the state department of elementary and secondary education shall authorize
47 payment to the charter school of the amount due pursuant to subsection 2 of this section and shall
48 deduct the same amount from the next state school aid apportionment to the owing school
49 district. If a charter school is paid more or less than the amounts due pursuant to this section,
50 the amount of overpayment or underpayment shall be adjusted equally in the next twelve
51 payments by the school district or the department of elementary and secondary education, as
52 appropriate. Any dispute between the school district and a charter school as to the amount owing
53 to the charter school shall be resolved by the department of elementary and secondary education,
54 and the department's decision shall be the final administrative action for the purposes of review
55 pursuant to chapter 536. During the period of dispute, the department of elementary and
56 secondary education shall make every administrative and statutory effort to allow the continued
57 education of children in their current public charter school setting.

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

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

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

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

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

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

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

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

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

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

91 10. (1) The proportionate share of state and federal resources generated by students with
92 disabilities or staff serving them shall be paid in full to charter schools enrolling those students
93 by their school district where such enrollment is through a contract for services described in this
94 section. The proportionate share of money generated under other federal or state categorical aid
95 programs shall be directed to charter schools serving such students eligible for that aid.

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

99 11. A charter school may not charge tuition[, nor may it] **or** impose fees that a school
100 district is prohibited from **charging or** imposing **except that a charter school may receive**
101 **tuition payments from districts in the same or an adjoining county for nonresident students**
102 **who transfer to an approved charter school, as defined in section 167.131, from an**
103 **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**
111 **the sponsor of the charter school's closure under subsection 8 of section 160.405. After**
112 **satisfaction of all its financial obligations, a charter school shall return any remaining state**
113 **and federal funds to the department of elementary and secondary education for disposition**
114 **as stated in subdivision (17) of subsection 1 of section 160.405.** The department of elementary
115 and secondary education may withhold funding at a level the department determines to be
116 adequate during a school's last year of operation until the department determines that school
117 records, liabilities, and reporting 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.

 160.417. 1. By October 1, 2012, and by each October first thereafter, the sponsor of each
2 charter school shall review the information submitted on the report required by section 162.821
3 to identify charter schools experiencing financial stress. The department of elementary and
4 secondary education shall be authorized to obtain such additional information from a charter
5 school as may be necessary to determine the financial condition of the charter school. Annually,
6 a listing of charter schools identified as experiencing financial stress according to the provisions
7 of this section shall be provided to the governor, speaker of the house of representatives, and
8 president pro tempore of the senate by the department of elementary and secondary education.

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

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

- 12 (a) Has a negative balance in its operating funds; or
13 (b) Has a combined balance of less than three percent of the amount expended from such
14 funds during the previous fiscal year; [or]
15 (2) For the most recently completed fiscal year expenditures, exceeded receipts for any
16 of its funds because of recurring costs; **or**
17 **(3) Due to insufficient fund balances or reserves, incurred debt after January**
18 **thirty-first and before July first during the most recently completed fiscal year in order to**
19 **meet expenditures of the charter school.**
- 20 3. The sponsor shall notify by November first the governing board of the charter school
21 identified as experiencing financial stress. Upon receiving the notification, the governing board
22 shall develop, or cause to have developed, and shall approve a budget and education plan on
23 forms provided by the sponsor. The budget and education plan shall be submitted to the sponsor,
24 signed by the officers of the charter school, within forty-five calendar days of notification that
25 the charter school has been identified as experiencing financial stress. Minimally, the budget and
26 education plan shall:
- 27 (1) Give assurances that adequate educational services to students of the charter school
28 shall continue uninterrupted for the remainder of the current school year and that the charter
29 school can provide the minimum [number of school days and hours] **amount of school time**
30 **required by section [160.041] 171.031;**
- 31 (2) Outline a procedure to be followed by the charter school to report to charter school
32 patrons about the financial condition of the charter school; and
- 33 (3) Detail the expenditure reduction measures, revenue increases, or other actions to be
34 taken by the charter school to address its condition of financial stress.
- 35 4. Upon receipt and following review of any budget and education plan, the sponsor may
36 make suggestions to improve the plan. Nothing in sections 160.400 to 160.425 or section
37 167.349 shall exempt a charter school from submitting a budget and education plan to the
38 sponsor according to the provisions of this section following each such notification that a charter
39 school has been identified as experiencing financial stress, except that the sponsor may permit
40 a charter school's governing board to make amendments to or update a budget and education plan
41 previously submitted to the sponsor.
- 42 5. The department may withhold any payment of financial aid otherwise due to the
43 charter school until such time as the sponsor and the charter school have fully complied with this
44 section.

163.018. 1. Notwithstanding the definition of "average daily attendance" in subdivision
2 (2) of section 163.011 to the contrary, pupils between the ages of three and five who are eligible
3 for free and reduced lunch and attend an early childhood education program that is operated by

4 and in a district or by a charter school that has declared itself as a local educational agency
5 providing full-day kindergarten and that meets standards established by the state board of
6 education shall be included in the district's or charter school's calculation of average daily
7 attendance. The total number of such pupils included in the district's or charter school's
8 calculation of average daily attendance shall not exceed four percent of the total number of pupils
9 who are eligible for free and reduced lunch between the ages of three and eighteen who are
10 included in the district's or charter school's calculation of average daily attendance.

11 2. (1) For any district that has been declared unaccredited by the state board of education
12 and remains unaccredited as of July 1, 2015, the provisions of subsection 1 of this section shall
13 become applicable during the 2015-16 school year.

14 (2) For any district that is declared unaccredited by the state board of education after July
15 1, 2015, **and for any charter school located in said district**, the provisions of subsection 1 of
16 this section shall become applicable immediately upon such declaration.

17 (3) For any district that has been declared provisionally accredited by the state board of
18 education and remains provisionally accredited as of July 1, 2016, **and for any charter school**
19 **located in said district**, the provisions of subsection 1 of this section shall become applicable
20 beginning in the 2016-17 school year.

21 (4) For any district that is declared provisionally accredited by the state board of
22 education after July 1, 2016, **and for any charter school located in said district**, the provisions
23 of this section shall become applicable beginning in the 2016-17 school year or immediately
24 upon such declaration, whichever is later.

25 (5) For all other districts **and for all other charter schools**, the provisions of subsection
26 1 of this section shall become effective in any school year subsequent to a school year in which
27 the amount appropriated for subsections 1 and 2 of section 163.031 is equal to or exceeds the
28 amount necessary to fund the entire entitlement calculation determined by subsections 1 and 2
29 of section 163.031, and shall remain effective in all school years thereafter, irrespective of the
30 amount appropriated for subsections 1 and 2 of section 163.031 in any succeeding year.

31 3. This section shall not require school attendance beyond that mandated under section
32 167.031 and shall not change or amend the provisions of sections 160.051, 160.053, 160.054,
33 and 160.055 relating to kindergarten attendance.

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

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

25 **3. For purposes of this section, "approved charter school" means a charter school**
26 **that has existed for less than three years or a charter school with a three-year average score**
27 **of seventy percent or higher on its annual performance report.**

167.241. Transportation for pupils whose tuition the district of residence is required to
2 pay by section 167.131 or who are assigned as provided in section 167.121 shall be provided by
3 the district of residence; however, in the case of pupils covered by section 167.131, the district
4 of residence shall be required to provide transportation only to **approved charter schools,**
5 school districts accredited by the state board of education pursuant to the authority of the state
6 board of education to classify schools as established in section 161.092, and those school
7 districts designated by the board of education of the district of residence.

Section B. Because of the importance of funding early childhood education programs,
2 section 163.018 of this act is deemed necessary for the immediate preservation of the public
3 health, welfare, peace, and safety, and is hereby declared to be an emergency act within the
4 meaning of the constitution, and section 163.018 of this act shall be in full force and effect upon
5 its passage and approval.

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