

FIRST REGULAR SESSION

[PERFECTED]

HOUSE COMMITTEE SUBSTITUTE FOR

# HOUSE BILL NO. 634

99TH GENERAL ASSEMBLY

0986H.04P

D. ADAM CRUMBLISS, Chief Clerk

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## AN ACT

To repeal sections 160.400, 160.405, 160.410, 160.415, and 160.425, RSMo, and to enact in lieu thereof five new sections relating to charter schools, with a contingent effective date.

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

Section A. Sections 160.400, 160.405, 160.410, 160.415, and 160.425, RSMo, are repealed and five new sections enacted in lieu thereof, to be known as sections 160.400, 160.405, 160.410, 160.415, and 160.425, to read as follows:

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

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

(1) In a metropolitan school district;

(2) In an urban school district containing most or all of a city with a population greater than three hundred fifty thousand inhabitants;

(3) **In any school district in which at least one school building has received a score of sixty percent or less on its annual performance report for two of the three most recent annual performance reports available as of the date on which a charter school applies to open a charter school in the district under this subdivision. New charter schools may continue to open in such a district until such time as the district has not had any of its school buildings receive an annual performance report score of sixty percent or less for two of the three preceding years. Once a charter school is opened as allowed under this subdivision, the charter school may continue to operate in the district under this subdivision regardless of any improvement in the annual performance report scores of the school buildings in the district;**

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 (4) In a school district that has been classified as unaccredited by the state board of  
18 education;

19 ~~[(4)]~~ (5) In a school district that has been classified as provisionally accredited by the  
20 state board of education and has received scores on its annual performance report consistent with  
21 a classification of provisionally accredited or unaccredited for three consecutive school years  
22 beginning with the 2012-13 accreditation year under the following conditions:

23 (a) The eligibility for charter schools of any school district whose provisional  
24 accreditation is based in whole or in part on financial stress as defined in sections 161.520 to  
25 161.529, or on financial hardship as defined by rule of the state board of education, shall be  
26 decided by a vote of the state board of education during the third consecutive school year after  
27 the designation of provisional accreditation; and

28 (b) The sponsor is limited to the local school board or a sponsor who has met the  
29 standards of accountability and performance as determined by the department based on sections  
30 160.400 to 160.425 and section 167.349 and properly promulgated rules of the department; ~~[or]~~

31 ~~[(5)]~~ (6) In a school district that has been accredited without provisions, sponsored only  
32 by the local school board; provided that no board with a current year enrollment of one thousand  
33 five hundred fifty students or greater shall permit more than thirty-five percent of its student  
34 enrollment to enroll in charter schools sponsored by the local board under the authority of this  
35 subdivision, except that this restriction shall not apply to any school district that subsequently  
36 becomes eligible under subdivision ~~[(3)-or]~~ (4) or (5) of this subsection or to any district  
37 accredited without provisions that sponsors charter schools prior to having a current year student  
38 enrollment of one thousand five hundred fifty students or greater; or

39 (7) **In a school district not served by a high-quality career technical center,  
40 sponsored only by the local school board for the purpose of establishing a career and  
41 technical center whose mission will focus on helping students earn career and technical  
42 education certificates described under section 170.029 in addition to their high school  
43 graduation diplomas. For purposes of this subdivision, the term "high-quality career  
44 technical center" means a center that has met the performance targets for the Perkins Core  
45 Indicators of Performance for the secondary level for the most recent school year for which  
46 results related to the targets are available. If a charter school is established under this  
47 subdivision in a district not served by a high-quality career technical center and the district  
48 is later served by such a center, the charter school may continue to operate in the district,  
49 but no new charter schools shall be established under this subdivision in the district while  
50 such a center serves the district.**

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

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

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

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

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

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

71 (6) The Missouri charter public school commission created in section 160.425;

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

74 **4. In the case of a charter school allowed to operate only under subdivision (3) of**  
75 **subsection 2 of this section, the person, group, or organization seeking to establish such a**  
76 **charter school shall submit the proposed charter to the local school board in which the**  
77 **charter school is to be located before or at the same time that the charter school submits**  
78 **its proposed charter to any other sponsor. Upon receipt of a proposed charter for a**  
79 **location within the district, the local school board shall have sixty days to consider the**  
80 **proposed charter and either enter into a sponsorship agreement or notify the charter**  
81 **school that it declines the opportunity to sponsor the charter school. Such notification shall**  
82 **be made in writing. If the local school board declines to sponsor the charter school or does**  
83 **not respond within the specified time, any other authorized sponsor may enter into a**  
84 **sponsorship agreement. No person, group, or organization seeking to establish a charter**  
85 **school shall be required to submit its proposed charter to the local school board if the**  
86 **school district in which it is to be located is provisionally accredited or unaccredited by the**  
87 **state board of education.**

88           **5.** Changes in a school district's accreditation status that affect charter schools shall be  
89 addressed as follows, except for the districts described in subdivisions (1) [~~and~~] , (2), **(3)**, **and**  
90 **(7)** of subsection 2 of this section:

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

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

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

102

103 A charter school operating in a school district identified in subdivision (1) or (2) of subsection  
104 2 of this section may be sponsored by any of the entities identified in subsection 3 of this section,  
105 irrespective of the accreditation classification of the district in which it is located. A charter  
106 school in a district described in this subsection whose charter provides for the addition of grade  
107 levels in subsequent years may continue to add levels until the planned expansion is complete  
108 to the extent of grade levels in comparable schools of the district in which the charter school is  
109 operated.

110           ~~[5-]~~ **6.** The mayor of a city not within a county may request a sponsor under subdivision  
111 (2), (3), (4), (5), or (6) of subsection 3 of this section to consider sponsoring a "workplace charter  
112 school", which is defined for purposes of sections 160.400 to 160.425 as a charter school with  
113 the ability to target prospective students whose parent or parents are employed in a business  
114 district, as defined in the charter, which is located in the city.

115           ~~[6-]~~ **7.** No sponsor shall receive from an applicant for a charter school any fee of any  
116 type for the consideration of a charter, nor may a sponsor condition its consideration of a charter  
117 on the promise of future payment of any kind.

118           ~~[7-]~~ **8.** The charter school shall be organized as a Missouri nonprofit corporation  
119 incorporated pursuant to chapter 355. The charter provided for herein shall constitute a contract  
120 between the sponsor and the charter school.

121           ~~[8-]~~ **9.** As a nonprofit corporation incorporated pursuant to chapter 355, the charter  
122 school shall select the method for election of officers pursuant to section 355.326 based on the

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

125 ~~[9.]~~ **10.** A sponsor of a charter school, its agents and employees are not liable for any  
126 acts or omissions of a charter school that it sponsors, including acts or omissions relating to the  
127 charter submitted by the charter school, the operation of the charter school and the performance  
128 of the charter school.

129 ~~[10.]~~ **11.** A charter school may affiliate with a four-year college or university, including  
130 a private college or university, or a community college as otherwise specified in subsection 3 of  
131 this section when its charter is granted by a sponsor other than such college, university or  
132 community college. Affiliation status recognizes a relationship between the charter school and  
133 the college or university for purposes of teacher training and staff development, curriculum and  
134 assessment development, use of physical facilities owned by or rented on behalf of the college  
135 or university, and other similar purposes. A university, college or community college may not  
136 charge or accept a fee for affiliation status.

137 ~~[11.]~~ **12.** The expenses associated with sponsorship of charter schools shall be defrayed  
138 by the department of elementary and secondary education retaining one and five-tenths percent  
139 of the amount of state and local funding allocated to the charter school under section 160.415,  
140 not to exceed one hundred twenty-five thousand dollars, adjusted for inflation. The department  
141 of elementary and secondary education shall remit the retained funds for each charter school to  
142 the school's sponsor, provided the sponsor remains in good standing by fulfilling its sponsorship  
143 obligations under sections 160.400 to 160.425 and 167.349 with regard to each charter school  
144 it sponsors, including appropriate demonstration of the following:

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

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

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

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

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

159           ~~[12.]~~ **13.** Sponsors receiving funds under subsection ~~[11]~~ **12** of this section shall be  
160 required to submit annual reports to the joint committee on education demonstrating they are in  
161 compliance with subsection ~~[17]~~ **18** of this section.

162           ~~[13.]~~ **14.** No university, college ~~[or]~~ , community college, **or school board** shall grant  
163 a charter to a nonprofit corporation if an employee of the university, college ~~[or]~~ , community  
164 college, **or school board** is a member of the corporation's board of directors.

165           ~~[14.]~~ **15.** No sponsor shall grant a charter under sections 160.400 to 160.425 and  
166 167.349 without ensuring that a criminal background check and family care safety registry check  
167 are conducted for all members of the governing board of the charter schools or the incorporators  
168 of the charter school if initial directors are not named in the articles of incorporation, nor shall  
169 a sponsor renew a charter without ensuring a criminal background check and family care safety  
170 registry check are conducted for each member of the governing board of the charter school.

171           ~~[15.]~~ **16.** No member of the governing board of a charter school shall hold any office  
172 or employment from the board or the charter school while serving as a member, nor shall the  
173 member have any substantial interest, as defined in section 105.450, in any entity employed by  
174 or contracting with the board. No board member shall be an employee of a company that  
175 provides substantial services to the charter school. All members of the governing board of the  
176 charter school shall be considered decision-making public servants as defined in section 105.450  
177 for the purposes of the financial disclosure requirements contained in sections 105.483, 105.485,  
178 105.487, and 105.489. **All members of the governing board shall be resident taxpayers of**  
179 **the state of Missouri; except that, any member serving a term as of August 28, 2017, may**  
180 **serve the remainder of his or her term even if such member is not a resident taxpayer of**  
181 **the state of Missouri.**

182           ~~[16.]~~ **17.** A sponsor shall develop the policies and procedures for:

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

188           (2) The granting of a charter;

189           (3) The performance contract that the sponsor will use to evaluate the performance of  
190 charter schools. Charter schools shall meet ~~[current]~~ **all state and federal requirements and**  
191 **shall meet the same** academic performance standards **required of seven-director school**  
192 **districts** as well as other standards agreed upon by the sponsor and the charter school in the  
193 performance contract;

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

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

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

201

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

203 ~~[17.]~~ **18.** (1) A sponsor shall provide timely submission to the state board of education  
204 of all data necessary to demonstrate that the sponsor is in material compliance with all  
205 requirements of sections 160.400 to 160.425 and section 167.349. The state board of education  
206 shall ensure each sponsor is in compliance with all requirements under sections 160.400 to  
207 160.425 and 167.349 for each charter school sponsored by any sponsor. The state board shall  
208 notify each sponsor of the standards for sponsorship of charter schools, delineating both what  
209 is mandated by statute and what best practices dictate. The state board shall evaluate sponsors  
210 to determine compliance with these standards every three years. The evaluation shall include a  
211 sponsor's policies and procedures in the areas of charter application approval; required charter  
212 agreement terms and content; sponsor performance evaluation and compliance monitoring; and  
213 charter renewal, intervention, and revocation decisions. Nothing shall preclude the department  
214 from undertaking an evaluation at any time for cause.

215 (2) If the department determines that a sponsor is in material noncompliance with its  
216 sponsorship duties, the sponsor shall be notified and given reasonable time for remediation. If  
217 remediation does not address the compliance issues identified by the department, the  
218 commissioner of education shall conduct a public hearing and thereafter provide notice to the  
219 charter sponsor of corrective action that will be recommended to the state board of education.  
220 Corrective action by the department may include withholding the sponsor's funding and  
221 suspending the sponsor's authority to sponsor a school that it currently sponsors or to sponsor any  
222 additional school until the sponsor is reauthorized by the state board of education under section  
223 160.403.

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

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

232 [~~18.~~] **19.** If a sponsor notifies a charter school of closure under subsection 8 of section  
233 160.405, the department of elementary and secondary education shall exercise its financial  
234 withholding authority under subsection [~~12~~] **13** of section 160.415 to assure all obligations of  
235 the charter school shall be met. The state, charter sponsor, or resident district shall not be liable  
236 for any outstanding liability or obligations of the charter school.

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 the annual performance report score of a charter school, other**  
32 **than a charter school in which fifty percent or more of the school's students were**  
33 **previously considered dropouts under subdivision (5) of subsection 2 of this section, is**  
34 **below the average of the annual performance report scores of all nonselective grade-level-**  
35 **equivalent school buildings in the school district in which the charter school is located for**  
36 **two of the three consecutive years immediately before a decision whether to renew is made,**  
37 **such renewal shall be for only a three-year term, and if, during such three-year term, the**  
38 **charter school's annual performance report score is below such average for two of the**  
39 **three years, the charter school term shall not be renewed;**
- 40 (10) Procedures, consistent with the Missouri financial accounting manual, for  
41 monitoring the financial accountability of the charter, which shall meet the requirements of  
42 subdivision (4) of subsection 4 of this section;
- 43 (11) Preopening requirements for applications that require that charter schools meet all  
44 health, safety, and other legal requirements prior to opening;
- 45 (12) A description of the charter school's policies on student discipline and student  
46 admission, which shall include a statement, where applicable, of the validity of attendance of  
47 students who do not reside in the district but who may be eligible to attend under the terms of  
48 judicial settlements and procedures that ensure admission of students with disabilities in a  
49 nondiscriminatory manner;
- 50 (13) A description of the charter school's grievance procedure for parents or guardians;
- 51 (14) A description of the agreement and time frame for implementation between the  
52 charter school and the sponsor as to when a sponsor shall intervene in a charter school, when a  
53 sponsor shall revoke a charter for failure to comply with subsection 8 of this section, and when  
54 a sponsor will not renew a charter under subsection 9 of this section;
- 55 (15) Procedures to be implemented if the charter school should close, as provided in  
56 subdivision (6) of subsection ~~16~~ 17 of section 160.400 including:
- 57 (a) Orderly transition of student records to new schools and archival of student records;
- 58 (b) Archival of business operation and transfer or repository of personnel records;
- 59 (c) Submission of final financial reports;
- 60 (d) Resolution of any remaining financial obligations;
- 61 (e) Disposition of the charter school's assets upon closure; and
- 62 (f) A notification plan to inform parents or guardians of students, the local school  
63 district, the retirement system in which the charter school's employees participate, and the state  
64 board of education within thirty days of the decision to close;

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

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

72

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

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

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

80 (2) A charter may be approved when the sponsor determines that the requirements of this  
81 section are met, determines that the applicant is sufficiently qualified to operate a charter school,  
82 and that the proposed charter is consistent with the sponsor's charter sponsorship goals and  
83 capacity. The sponsor's decision of approval or denial shall be made within ninety days of the  
84 filing of the proposed charter; **except that, if a proposed charter is submitted to the local**  
85 **school board under subsection 4 of section 160.400, the local school board has sixty days**  
86 **to accept or decline sponsorship;**

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

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

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

117 3. If a charter is approved by a sponsor, the charter application shall be submitted to the  
118 state board of education, along with a statement of finding by the sponsor that the application  
119 meets the requirements of sections 160.400 to 160.425 and section 167.349 and a monitoring  
120 plan under which the charter sponsor shall evaluate the academic performance, including annual  
121 performance reports, of students enrolled in the charter school. The state board of education  
122 shall approve or deny a charter application within sixty days of receipt of the application. The  
123 state board of education may deny a charter on grounds that the application fails to meet the  
124 requirements of sections 160.400 to 160.425 and section 167.349 or that a charter sponsor  
125 previously failed to meet the statutory responsibilities of a charter sponsor. Any denial of a  
126 charter application made by the state board of education shall be in writing and shall identify the  
127 specific failures of the application to meet the requirements of sections 160.400 to 160.425 and  
128 section 167.349, and the written denial shall be provided within ten business days to the sponsor.

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

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

132 (2) Comply with laws and regulations of the state, county, or city relating to health,  
133 safety, and state minimum educational standards, as specified by the state board of education,  
134 including the requirements relating to student discipline under sections 160.261, 167.161,  
135 167.164, and 167.171, notification of criminal conduct to law enforcement authorities under  
136 sections 167.115 [tø] and 167.117, academic assessment under section 160.518, transmittal of

137 school records under section 167.020, the minimum amount of school time required under  
138 section 171.031, and the employee criminal history background check and the family care safety  
139 registry check under section 168.133;

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

143 (4) Be financially accountable, use practices consistent with the Missouri financial  
144 accounting manual, provide for an annual audit by a certified public accountant, publish audit  
145 reports and annual financial reports as provided in chapter 165, provided that the annual financial  
146 report may be published on the department of elementary and secondary education's internet  
147 website in addition to other publishing requirements, and provide liability insurance to indemnify  
148 the school, its board, staff and teachers against tort claims. A charter school that receives local  
149 educational agency status under subsection 6 of this section shall meet the requirements imposed  
150 by the Elementary and Secondary Education Act for audits of such agencies and comply with all  
151 federal audit requirements for charters with local educational agency status. **The charter school**  
152 **shall make the results of such audits available on its website.** For purposes of an audit by  
153 petition under section 29.230, a charter school shall be treated as a political subdivision on the  
154 same terms and conditions as the school district in which it is located. For the purposes of  
155 securing such insurance, a charter school shall be eligible for the Missouri public entity risk  
156 management fund pursuant to section 537.700. A charter school that incurs debt shall include  
157 a repayment plan in its financial plan;

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

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

172 school shall be considered in the Missouri school improvement program review of the district  
173 in which it is located for the resource or process standards of the program.

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

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

191 (7) Comply with all applicable federal and state laws and regulations regarding students  
192 with disabilities, including sections 162.670 to 162.710, the Individuals with Disabilities  
193 Education Act (20 U.S.C. Section 1400, **et seq.**) and Section 504 of the Rehabilitation Act of  
194 1973 (29 U.S.C. Section 794) or successor legislation;

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

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

200 (b) A statement outlining the reasons for approval or denial by the sponsor, specifically  
201 addressing the requirements of sections 160.400 to 160.425 and 167.349.

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 as demonstrated in the charter school's annual  
250 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: failure to meet the  
257 performance contract as set forth in its charter, failure to meet generally accepted standards of  
258 fiscal management, failure to provide information necessary to confirm compliance with all  
259 provisions of the charter and sections 160.400 to 160.425 and 167.349 within forty-five days  
260 following receipt of written notice requesting such information, or violation of law.

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

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

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

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

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

279 9. (1) A sponsor shall take all reasonable steps necessary to confirm that each charter  
280 school sponsored by such sponsor is in material compliance and remains in material compliance  
281 with all material provisions of the charter and sections 160.400 to 160.425 and 167.349. Every  
282 charter school shall provide all information necessary to confirm ongoing compliance with all  
283 provisions of its charter and sections 160.400 to 160.425 and 167.349 in a timely manner to its  
284 sponsor.

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

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

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

293 a. A negative balance in its operating funds;

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

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

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

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

303 (3) (a) Beginning August first during the year in which a charter is considered for  
304 renewal, a charter school sponsor shall demonstrate to the state board of education that the  
305 charter school is in compliance with federal and state law as provided in sections 160.400 to  
306 160.425 and section 167.349 and the school's performance contract including but not limited to  
307 those requirements specific to academic performance.

308 (b) Along with data reflecting the academic performance standards indicated in  
309 paragraph (a) of this subdivision, the sponsor shall submit a revised charter application to the  
310 state board of education for review. **Such application shall include a financial audit**  
311 **performed by the state auditor in accordance with the procedures outlined in chapter 29,**  
312 **which shall be paid for by the charter school.**

313 (c) Using the data requested and the revised charter application under paragraphs (a) and  
314 (b) of this subdivision, the state board of education shall determine if compliance with all

315 standards enumerated in this subdivision has been achieved. The state board of education at its  
316 next regularly scheduled meeting shall vote on the revised charter application.

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

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

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

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

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

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

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

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

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

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

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;**

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)~~ **(6)** 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; **and**

21 **(7) In the case of a charter school established under subdivision (7) of subsection**  
22 **2 of section 160.400, nonresident pupils who are residents of a district that is located in the**  
23 **same county in which such charter school is located, and nonresident pupils who are**  
24 **residents of a district that is located, in whole or in part, in a county adjacent to the county**  
25 **in which such charter school is located.**

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

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

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

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

42 **(4) A charter school that opened only as a result of the operation of subdivision (3)**  
43 **of subsection 2 of section 160.400 shall give a preference for admission of resident students**  
44 **who reside in the attendance area of any school building that has received a score of sixty**  
45 **percent or less on its annual performance report. If such a school building receives a score**  
46 **on its annual performance report greater than sixty percent after the student who qualified**  
47 **for the preference enrolled in the charter school required to give him or her preference due**  
48 **to the building's previous score, any charter school described in this subdivision shall**  
49 **continue to give a preference for admission of the student each school year so long as the**  
50 **student continues to reside in the attendance area of the school building that initially**  
51 **allowed him or her to receive the preference in admissions.**

52 3. A charter school shall not limit admission based on race, ethnicity, national origin,  
53 disability, income level, proficiency in the English language or athletic ability, but may limit  
54 admission to pupils within a given age group or grade level. Charter schools may limit  
55 admission based on gender only when the school is a single-gender school. Students of a charter  
56 school who have been enrolled for a full academic year shall be counted in the performance of  
57 the charter school on the statewide assessments in that calendar year, unless otherwise exempted  
58 as English language learners. For purposes of this subsection, "full academic year" means the  
59 last Wednesday in September through the administration of the Missouri assessment program  
60 test without transferring out of the school and re-enrolling.

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

64 (1) The school's charter;

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

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

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

72 5. When a student attending a charter school who is a resident of the school district in  
73 which the charter school is located moves out of the boundaries of such school district, the

74 student may complete the current semester and shall be considered a resident student. The  
75 student's parent or legal guardian shall be responsible for the student's transportation to and from  
76 the charter school.

77 6. If a change in school district boundary lines occurs under section 162.223, 162.431,  
78 162.441, or 162.451, or by action of the state board of education under section 162.081,  
79 including attachment of a school district's territory to another district or dissolution, such that a  
80 student attending a charter school prior to such change no longer resides in a school district in  
81 which the charter school is located, then the student may complete the current academic year at  
82 the charter school. The student shall be considered a resident student. The student's parent or  
83 legal guardian shall be responsible for the student's transportation to and from the charter school.

84 7. The provisions of sections 167.018 and 167.019 concerning foster children's  
85 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, **and 5** of this section, the aid payments  
13 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 and**  
32 **that did not open as a result of the operation of subdivision (3) or (7) of subsection 2 of**  
33 **section 160.400 has one or more nonresident pupils, the nonresident pupils shall not be**  
34 **counted for purposes of determining the amount of aid described in subdivisions (1) and**  
35 **(2) of this subsection. Each school district that has one or more of its resident pupils**  
36 **attending such a charter school as nonresident pupils shall pay to the charter school, for**  
37 **each such pupil, ninety percent of its average per-pupil expenditure.**

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

42 4. **(1)** A charter school that has declared itself as a local educational agency shall receive  
43 from the department of elementary and secondary education an annual amount equal to the  
44 product of the charter school's weighted average daily attendance and the state adequacy target,  
45 multiplied by the dollar value modifier for the district, plus local tax revenues per weighted  
46 average daily attendance from the incidental and teachers funds in excess of the performance  
47 levy as defined in section 163.011 plus all other state aid attributable to such pupils. If a charter  
48 school declares itself as a local educational agency, the department of elementary and secondary  
49 education shall, upon notice of the declaration, reduce the payment made to the school district  
50 **from any source** by the amount specified in this ~~subsection~~ **subdivision** and pay directly to  
51 the charter school the annual amount reduced from the school district's payment.

52 **(2) (a) If a charter school that has declared itself as a local educational agency and**  
53 **that did not open as a result of the operation of subdivision (3) or (7) of subsection 2 of**  
54 **section 160.400 has one or more nonresident pupils, the charter school shall receive from**  
55 **the department of elementary and secondary education an annual amount equal to the**  
56 **amount described in subdivision (1) of this subsection; except that, the nonresident pupils**  
57 **shall not be counted for purposes of determining the amount of aid described in**  
58 **subdivision (1) of this subsection. Each school district that has one or more of its resident**  
59 **pupils attending such a charter school as nonresident pupils shall pay to the charter school,**  
60 **for each such pupil, ninety percent of its average per-pupil expenditure.**

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

67           **5. (1) Notwithstanding subsections 2, 3, and 4 of this section, aid payments for any**  
68 **charter school that opened only as a result of the operation of subdivision (3) or (7) of**  
69 **subsection 2 of section 160.400 shall be as described in this subsection, regardless of**  
70 **whether the charter school has declared itself as a local educational agency.**

71           **(2) Each school district that has one or more of its resident pupils attending a**  
72 **charter school described in subdivision (1) of this subsection as resident pupils of the school**  
73 **district in which the charter school is located or as nonresident pupils shall pay to the**  
74 **charter school, for each such pupil, ninety percent of its average per-pupil expenditure.**

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

88           **[6-] 7.** The charter school and a local school board may agree by contract for services to  
89 be provided by the school district to the charter school. The charter school may contract with  
90 any other entity for services. Such services may include but are not limited to food service,  
91 custodial service, maintenance, management assistance, curriculum assistance, media services  
92 and libraries and shall be subject to negotiation between the charter school and the local school  
93 board or other entity. Documented actual costs of such services shall be paid for by the charter  
94 school.

95           ~~[7-]~~ **8.** In the case of a proposed charter school that intends to contract with an education  
96 service provider for substantial educational services or management services, the request for  
97 proposals shall additionally require the charter school applicant to:

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

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

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

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

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

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

116           ~~[8-]~~ **9.** A charter school may enter into contracts with community partnerships and state  
117 agencies acting in collaboration with such partnerships that provide services to children and their  
118 families linked to the school.

119           ~~[9-]~~ **10.** A charter school shall be eligible for transportation state aid pursuant to section  
120 163.161 and shall be free to contract with the local district, or any other entity, for the provision  
121 of transportation to the students of the charter school.

122           ~~[10-]~~ **11.** (1) The proportionate share of state and federal resources generated by students  
123 with disabilities or staff serving them shall be paid in full to charter schools enrolling those  
124 students by their school district where such enrollment is through a contract for services  
125 described in this section. The proportionate share of money generated under other federal or  
126 state categorical aid programs shall be directed to charter schools serving such students eligible  
127 for that aid.

128           (2) A charter school shall provide the special services provided pursuant to section  
129 162.705 and may provide the special services pursuant to a contract with a school district or any  
130 provider of such services.

131           ~~[11.]~~ **12.** A charter school may not charge tuition or impose fees that a school district is  
132 prohibited from charging or imposing, except that a charter school may receive:

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

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

137           ~~[12.]~~ **13.** A charter school is authorized to incur debt in anticipation of receipt of funds.  
138 A charter school may also borrow to finance facilities and other capital items. A school district  
139 may incur bonded indebtedness or take other measures to provide for physical facilities and other  
140 capital items for charter schools that it sponsors or contracts with. Except as otherwise  
141 specifically provided in sections 160.400 to 160.425, upon the dissolution of a charter school,  
142 any liabilities of the corporation will be satisfied through the procedures of chapter 355. A  
143 charter school shall satisfy all its financial obligations within twelve months of notice from the  
144 sponsor of the charter school's closure under subsection 8 of section 160.405. After satisfaction  
145 of all its financial obligations, a charter school shall return any remaining state and federal funds  
146 to the department of elementary and secondary education for disposition as stated in subdivision  
147 (17) of subsection 1 of section 160.405. The department of elementary and secondary education  
148 may withhold funding at a level the department determines to be adequate during a school's last  
149 year of operation until the department determines that school records, liabilities, and reporting  
150 requirements, including a full audit, are satisfied.

151           ~~[13.]~~ **14.** Charter schools shall not have the power to acquire property by eminent domain.

152           ~~[14.]~~ **15.** The governing body of a charter school is authorized to accept grants, gifts or  
153 donations of any kind and to expend or use such grants, gifts or donations. A grant, gift or  
154 donation may not be accepted by the governing body if it is subject to any condition contrary to  
155 law applicable to the charter school or other public schools, or contrary to the terms of the  
156 charter.

157           **16. Notwithstanding any other provision of this section, if it is permissible for a**  
158 **pupil to attend a charter school located outside his or her district of residence under the**  
159 **provisions of section 160.410 and under the provisions of any other section that specifies**  
160 **the tuition amount to be paid by the resident district, the provisions of the other section**  
161 **specifying the tuition amount shall govern, and the provisions of this section shall not apply**  
162 **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]~~ **12** 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.

Section B. This act shall become effective on July first following the school year in  
2 which the amount appropriated for subsections 1 and 2 of section 163.031 is equal to or exceeds  
3 the amount necessary to fund the entire entitlement calculation determined by subsections 1 and  
4 2 of section 163.031. The department of elementary and secondary education shall inform the  
5 revisor of statutes when the amount appropriated for subsections 1 and 2 of section 163.031 is  
6 equal to or exceeds the amount necessary to fund the entire entitlement calculation determined  
7 by subsections 1 and 2 of section 163.031.

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