

SENATE BILL NO. 1123

102ND GENERAL ASSEMBLY

INTRODUCED BY SENATOR BROWN (26).

4221S.01H

KRISTINA MARTIN, Secretary

AN ACT

To repeal sections 160.400 and 160.425, RSMo, and to enact in lieu thereof three new sections relating to charter schools.

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

Section A. Sections 160.400 and 160.425, RSMo, are
2 repealed and three new sections enacted in lieu thereof, to be
3 known as sections 160.400, 160.422, and 160.425, to read as
4 follows:

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

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

5 (1) In a metropolitan school district;

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

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

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

EXPLANATION-Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

18 (a) The eligibility for charter schools of any school
19 district whose provisional accreditation is based in whole
20 or in part on financial stress as defined in sections
21 161.520 to 161.529, or on financial hardship as defined by
22 rule of the state board of education, shall be decided by a
23 vote of the state board of education during the third
24 consecutive school year after the designation of provisional
25 accreditation; and

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

31 (5) **In a school district located within a county with**
32 **a charter form of government;**

33 (6) **In any municipality with a population greater than**
34 **thirty thousand; or**

35 (7) In a school district that has been accredited
36 without provisions, sponsored only by the local school
37 board; provided that no board with a current year enrollment
38 of one thousand five hundred fifty students or greater shall
39 permit more than thirty-five percent of its student
40 enrollment to enroll in charter schools sponsored by the
41 local board under the authority of this subdivision, except
42 that this restriction shall not apply to any school district
43 that subsequently becomes eligible under subdivision (3) or
44 (4) of this subsection or to any district accredited without
45 provisions that sponsors charter schools prior to having a
46 current year student enrollment of one thousand five hundred
47 fifty students or greater.

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

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

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

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

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

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

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

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

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

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

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

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

111 levels in comparable schools of the district in which the
112 charter school is operated.

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

121 [6.] No sponsor shall receive from an applicant for a
122 charter school any fee of any type for the consideration of
123 a charter, nor may a sponsor condition its consideration of
124 a charter on the promise of future payment of any kind.

125 [7.] 5. The charter school shall be organized as a
126 Missouri nonprofit corporation incorporated pursuant to
127 chapter 355. The charter provided for herein shall
128 constitute a contract between the sponsor and the charter
129 school.

130 [8.] 6. As a nonprofit corporation incorporated
131 pursuant to chapter 355, the charter school shall select the
132 method for election of officers pursuant to section 355.326
133 based on the class of corporation selected. Meetings of the
134 governing board of the charter school shall be subject to
135 the provisions of sections 610.010 to 610.030.

136 [9.] 7. A sponsor of a charter school, its agents and
137 employees are not liable for any acts or omissions of a
138 charter school that it sponsors, including acts or omissions
139 relating to the charter submitted by the charter school, the
140 operation of the charter school and the performance of the
141 charter school.

142 [10.] 8. A charter school may affiliate with a four-
143 year college or university, including a private college or
144 university, or a community college as otherwise specified in
145 subsection 3 of this section when its charter is granted by
146 a sponsor other than such college, university or community
147 college. Affiliation status recognizes a relationship
148 between the charter school and the college or university for
149 purposes of teacher training and staff development,
150 curriculum and assessment development, use of physical
151 facilities owned by or rented on behalf of the college or
152 university, and other similar purposes. A university,
153 college or community college may not charge or accept a fee
154 for affiliation status.

155 [11.] 9. The expenses associated with sponsorship of
156 charter schools shall be defrayed by the department of
157 elementary and secondary education retaining one and five-
158 tenths percent of the amount of state and local funding
159 allocated to the charter school under section 160.415, not
160 to exceed one hundred twenty-five thousand dollars, adjusted
161 for inflation. The department of elementary and secondary
162 education shall remit the retained funds for each charter
163 school to the school's sponsor, provided the sponsor remains
164 in good standing by fulfilling its sponsorship obligations
165 under sections 160.400 to 160.425 and 167.349 with regard to
166 each charter school it sponsors, including appropriate
167 demonstration of the following:

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

172 (2) Maintains a comprehensive application process that
173 follows fair procedures and rigorous criteria and grants

174 charters only to those developers who demonstrate strong
175 capacity for establishing and operating a quality charter
176 school;

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

183 (4) Conducts contract oversight that evaluates
184 performance, monitors compliance, informs intervention and
185 renewal decisions, and ensures autonomy provided under
186 applicable law; and

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

190 [12.] 10. Sponsors receiving funds under subsection
191 [11] 9 of this section shall be required to submit annual
192 reports to the joint committee on education demonstrating
193 they are in compliance with subsection [17] 15 of this
194 section.

195 [13.] 11. No university, college or community college
196 shall grant a charter to a nonprofit corporation if an
197 employee of the university, college or community college is
198 a member of the corporation's board of directors.

199 [14.] 12. No sponsor shall grant a charter under
200 sections 160.400 to 160.425 and 167.349 without ensuring
201 that a criminal background check and family care safety
202 registry check are conducted for all members of the
203 governing board of the charter schools or the incorporators
204 of the charter school if initial directors are not named in
205 the articles of incorporation, nor shall a sponsor renew a

206 charter without ensuring a criminal background check and
207 family care safety registry check are conducted for each
208 member of the governing board of the charter school.

209 [15.] 13. No member of the governing board of a
210 charter school shall hold any office or employment from the
211 board or the charter school while serving as a member, nor
212 shall the member have any substantial interest, as defined
213 in section 105.450, in any entity employed by or contracting
214 with the board. No board member shall be an employee of a
215 company that provides substantial services to the charter
216 school. All members of the governing board of the charter
217 school shall be considered decision-making public servants
218 as defined in section 105.450 for the purposes of the
219 financial disclosure requirements contained in sections
220 105.483, 105.485, 105.487, and 105.489.

221 [16.] 14. A sponsor shall develop the policies and
222 procedures for:

223 (1) The review of a charter school proposal including
224 an application that provides sufficient information for
225 rigorous evaluation of the proposed charter and provides
226 clear documentation that the education program and academic
227 program are aligned with the state standards and grade-level
228 expectations, and provides clear documentation of effective
229 governance and management structures, and a sustainable
230 operational plan;

231 (2) The granting of a charter;

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

237 (4) The sponsor's intervention, renewal, and
238 revocation policies, including the conditions under which
239 the charter sponsor may intervene in the operation of the
240 charter school, along with actions and consequences that may
241 ensue, and the conditions for renewal of the charter at the
242 end of the term, consistent with subsections 8 and 9 of
243 section 160.405;

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

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

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

251 [17.] 15. (1) A sponsor shall provide timely
252 submission to the state board of education of all data
253 necessary to demonstrate that the sponsor is in material
254 compliance with all requirements of sections 160.400 to
255 160.425 and section 167.349. The state board of education
256 shall ensure each sponsor is in compliance with all
257 requirements under sections 160.400 to 160.425 and 167.349
258 for each charter school sponsored by any sponsor. The state
259 board shall notify each sponsor of the standards for
260 sponsorship of charter schools, delineating both what is
261 mandated by statute and what best practices dictate. The
262 state board shall evaluate sponsors to determine compliance
263 with these standards every three years. The evaluation
264 shall include a sponsor's policies and procedures in the
265 areas of charter application approval; required charter
266 agreement terms and content; sponsor performance evaluation
267 and compliance monitoring; and charter renewal,

268 intervention, and revocation decisions. Nothing shall
269 preclude the department from undertaking an evaluation at
270 any time for cause.

271 (2) If the department determines that a sponsor is in
272 material noncompliance with its sponsorship duties, the
273 sponsor shall be notified and given reasonable time for
274 remediation. If remediation does not address the compliance
275 issues identified by the department, the commissioner of
276 education shall conduct a public hearing and thereafter
277 provide notice to the charter sponsor of corrective action
278 that will be recommended to the state board of education.
279 Corrective action by the department may include withholding
280 the sponsor's funding and suspending the sponsor's authority
281 to sponsor a school that it currently sponsors or to sponsor
282 any additional school until the sponsor is reauthorized by
283 the state board of education under section 160.403.

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

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

296 **[18.] 16.** If a sponsor notifies a charter school of
297 closure under subsection 8 of section 160.405, the
298 department of elementary and secondary education shall
299 exercise its financial withholding authority under

300 subsection 12 of section 160.415 to assure all obligations
301 of the charter school shall be met. The state, charter
302 sponsor, or resident district shall not be liable for any
303 outstanding liability or obligations of the charter school.

160.422. 1. Any city not within a county shall not
2 adopt, enforce, impose, or administer an ordinance, local
3 policy, or local resolution that prohibits property sold,
4 leased, or transferred by the city not within a county from
5 being used for any lawful educational purpose by a charter
6 school.

7 2. Any city not within a county shall not impose,
8 enforce, or apply any deed restriction that expressly, or by
9 its operation, prohibits property sold, leased, or
10 transferred by the city not within a county from being used
11 for any lawful educational purpose by a charter school. Any
12 deed restriction or affirmative use deed restriction that
13 affirmatively allows for only one or more specified uses or
14 purposes that do not include any educational use or purpose
15 is prohibited under this section. Any deed restriction or
16 affirmative use deed restriction in effect on the effective
17 date of this section that prohibits or does not permit
18 property previously used for any educational purpose from
19 being used for any future educational purpose is void.

20 3. If any city not within a county offers property of
21 the city not within a county for sale, lease, or rent, the
22 city not within a county shall not refuse to sell, lease, or
23 rent the property to a charter school solely because the
24 charter school intends to use the property for an
25 educational purpose, if the intent of the charter school is
26 to use the property for a lawful educational purpose. If
27 the city not within a county offers property of the city not
28 within a county for sale, lease, or rent, the city not

29 **within a county is not required to sell, lease, or rent the**
30 **property to a charter school solely because the charter**
31 **school intends to use the property for an educational**
32 **purpose.**

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

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

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

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

19 (1) One member selected by the governor from a slate
20 of three recommended by the commissioner of education;

21 (2) One member selected by the governor from a slate
22 of three recommended by the commissioner of higher education;

23 (3) One member selected by the governor from a slate
24 of three recommended by the president pro tempore of the
25 senate;

26 (4) One member selected by the governor from a slate
27 of three recommended by the speaker of the house of
28 representatives; and

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

32 4. Members appointed to the commission shall
33 collectively possess strong experience and expertise in
34 governance, management and finance, school leadership,
35 assessment, curriculum and instruction, and education law.
36 All members of the commission shall have demonstrated
37 understanding of and commitment to charter schooling as a
38 strategy for strengthening public education.

39 5. The commission shall annually elect a chairperson
40 and vice chairperson, who shall act as chairperson in his or
41 her absence. The commission shall meet at the call of the
42 chairperson. The chairperson may call meetings at such
43 times as he or she deems advisable and shall call a meeting
44 when requested to do so by three or more members of the
45 commission. Members of the commission are not eligible to
46 receive compensation.

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

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

51 (2) Exercise sponsorship over charters approved by the
52 commission under sections 160.400 to 160.425, including
53 receipt of sponsorship funding under subsection [11] 9 of
54 section 160.400. Sponsorship funding due to the commission
55 shall be deposited to the credit of the charter public
56 school commission revolving fund created pursuant to this
57 section.

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

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

63 9. The department of elementary and secondary
64 education shall provide start-up funding for the commission
65 to operate. The commission shall reimburse the department's
66 costs from any funds it receives as sponsor under section
67 160.400.

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

74 11. There is hereby created in the state treasury the
75 "Charter Public School Commission Revolving Fund", which
76 shall consist of moneys collected under this section. The
77 state treasurer shall be custodian of the fund. In
78 accordance with sections 30.170 and 30.180, the state
79 treasurer may approve disbursements. Notwithstanding the
80 provisions of section 33.080 to the contrary, any moneys
81 remaining in the fund at the end of the biennium shall not
82 revert to the credit of the general revenue fund. The state
83 treasurer shall invest moneys in the fund in the same manner
84 as other funds are invested. Subject to appropriation,
85 moneys in the fund shall be used solely for the
86 administration of this section.

✓