

SECOND REGULAR SESSION

SENATE COMMITTEE SUBSTITUTE FOR

SENATE BILL NO. 1391

102ND GENERAL ASSEMBLY

5543S.02C

KRISTINA MARTIN, Secretary

AN ACT

To repeal sections 135.713, 135.714, 135.715, 160.400, and 166.700, RSMo, and to enact in lieu thereof five new sections relating to educational opportunities for elementary and secondary school students.

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

Section A. Sections 135.713, 135.714, 135.715, 160.400, and 166.700, RSMo, are repealed and five new sections enacted in lieu thereof, to be known as sections 135.713, 135.714, 135.715, 160.400, and 166.700, to read as follows:

135.713. 1. Any taxpayer who makes a qualifying contribution to an educational assistance organization after August 28, 2021, may claim a credit against the tax otherwise due under chapter 143, other than taxes withheld under sections 143.191 to 143.265, and chapter 153 in an amount equal to one hundred percent of the amount the taxpayer contributed during the tax year for which the credit is claimed. No taxpayer shall claim a credit under sections 135.712 to 135.719 for any contribution made by the taxpayer, or an agent of the taxpayer, on behalf of the taxpayer's dependent or, in the case of a business taxpayer, on behalf of the business's agent's dependent.

2. The amount of the tax credit claimed shall not exceed fifty percent of the taxpayer's state tax liability for the tax year for which the credit is claimed. The state

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

16 treasurer shall certify the tax credit amount to the
17 taxpayer. A taxpayer may carry the credit forward to any of
18 such taxpayer's four subsequent tax years. All tax credits
19 authorized under the program shall not be transferred, sold,
20 or assigned, and are [not] refundable.

21 3. The cumulative amount of tax credits that may be
22 allocated to all taxpayers contributing to educational
23 assistance organizations in any one calendar year shall not
24 exceed a maximum of [fifty] **seventy-five** million dollars[,
25 which]. **Such maximum** amount shall be annually adjusted **from**
26 **the 2021 maximum amount** by the state treasurer for inflation
27 based on the Consumer Price Index for All Urban Consumers
28 for the Midwest region, as defined and officially recorded
29 by the United States Department of Labor or its successor,
30 [such annual increase will cease when the amount of tax
31 credits reach seventy-five million dollars] **and shall**
32 **additionally be annually adjusted by any percentage increase**
33 **in the amount appropriated for pupil transportation under**
34 **section 163.161 above the threshold of ninety percent of the**
35 **projected amount necessary to fully fund transportation aid**
36 **funding for the current fiscal year.** The state treasurer
37 shall establish a procedure by which, from the beginning of
38 the calendar year until August first, the cumulative amount
39 of tax credits shall be allocated on a first-come, first-
40 served basis among all educational assistance
41 organizations. If an educational assistance organization
42 fails to use all, or some percentage to be determined by the
43 state treasurer, of its allocated tax credits during this
44 period, the state treasurer may reallocate these unused tax
45 credits to those educational assistance organizations that
46 have used all, or some percentage to be determined by the
47 state treasurer, of their allocated tax credits during this

48 period. The state treasurer may establish more than one
49 period and reallocate more than once during each calendar
50 year. The state treasurer shall establish the procedure
51 described in this subsection in such a manner as to ensure
52 that taxpayers can claim all the tax credits possible up to
53 the cumulative amount of tax credits available for the
54 calendar year.

55 4. A taxpayer who makes a contribution to an education
56 assistance organization shall not designate the student who
57 will receive a scholarship grant.

58 [5. The provisions of sections 135.712 to 135.719 and
59 sections 166.700 to 166.720 shall be effective in any fiscal
60 year immediately subsequent to any fiscal year in which the
61 amount appropriated for pupil transportation under section
62 163.161 equals or exceeds forty percent of the projected
63 amount necessary to fully fund transportation aid funding
64 for fiscal year 2021. If the amount appropriated for
65 transportation under section 163.161 in any succeeding year
66 falls below such amount, no additional scholarships for
67 newly qualified students shall be awarded.]

135.714. 1. Each educational assistance organization
2 shall:

3 (1) Notify the state treasurer of **[its] such**
4 **organization's** intent to provide scholarship accounts to
5 qualified students;

6 (2) Demonstrate to the state treasurer that **[it] such**
7 **organization** is exempt from federal income tax under Section
8 501(c)(3) of the Internal Revenue Code of 1986, as amended;

9 (3) Provide a state treasurer-approved receipt to
10 taxpayers for contributions made to the organization;

11 (4) Ensure that grants are distributed to scholarship
12 accounts of qualified students in the following order:

13 (a) Qualified students that have an approved
14 "individualized education plan" (IEP) developed under the
15 federal Individuals with Disabilities Education Act (IDEA),
16 20 U.S.C. Section 1400[,] et seq., as amended, or qualified
17 students living in a household whose total annual income
18 does not exceed an amount equal to one hundred percent of
19 the income standard used to qualify for free and reduced
20 price lunches;

21 (b) Qualified students living in a household whose
22 total annual income does not exceed an amount equal to two
23 hundred percent of the income standard used to qualify for
24 free and reduced price lunches; and

25 (c) All other qualified students;

26 (5) Ensure that:

27 (a) One hundred percent of [its] **such organization's**
28 revenues from interest or investments is spent on
29 scholarship accounts;

30 (b) At least ninety percent of [its] **such**
31 **organization's** revenues from qualifying contributions is
32 spent on scholarship accounts; and

33 (c) Marketing and administrative expenses do not
34 exceed the following limits of [its] **such organization's**
35 remaining revenue from contributions:

36 a. Ten percent for the first two hundred fifty
37 thousand dollars;

38 b. Eight percent for the next five hundred thousand
39 dollars; and

40 c. Three percent thereafter;

41 (6) **(a)** Distribute scholarship account payments
42 either four times per year or in a single lump sum at the
43 beginning of the year as requested by the parent of a
44 qualified student, [not to exceed a total grant amount equal

45 **to] based on** the state adequacy target as defined in section
46 163.011 and calculated by the department of elementary and
47 secondary education, **subject to the following total grant**
48 **amount limits:**

49 **a. For a qualified student who meets the criteria to**
50 **be included in a school district's limited English**
51 **proficiency pupil count as set forth in subdivision (8) of**
52 **section 163.011, not more than one hundred sixty percent of**
53 **the state adequacy target;**

54 **b. For a qualified student who is eligible for free or**
55 **reduced price lunch as approved by the department of**
56 **elementary and secondary education in accordance with**
57 **federal regulations, not more than one hundred twenty-five**
58 **percent of the state adequacy target;**

59 **c. For a qualified student who has an approved**
60 **individualized education plan developed under the federal**
61 **Individuals with Disabilities Education Act (IDEA), 20**
62 **U.S.C. Section 1400 et seq., as amended, not more than one**
63 **hundred seventy-five percent of the state adequacy target;**
64 **and**

65 **d. For all other qualified students, not more than the**
66 **state adequacy target;**

67 **(b) Scholarship account payments distributed under**
68 **this subdivision shall be** in the form of a deposit into the
69 scholarship account of the qualified student;

70 (7) Provide the state treasurer, upon request, with
71 criminal background checks on all **[its] such organization's**
72 employees and board members and exclude from employment or
73 governance any individual who might reasonably pose a risk
74 to the appropriate use of contributed funds, **provided that**
75 **no background check shall be required by the educational**
76 **assistance organization or the state treasurer for a parent**

77 **who educates their child at a home school as defined in**
78 **section 167.031;**

79 (8) Demonstrate [its] **such organization's** financial
80 accountability by:

81 (a) Submitting to the state treasurer annual audit
82 financial statements by a certified public accountant within
83 six months of the end of the educational assistance
84 organization's fiscal year; and

85 (b) Having an auditor certify that the report is free
86 of material misstatements; and

87 (9) Ensure that participating students take the state
88 achievement tests or nationally norm-referenced tests that
89 measure learning gains in math and English language arts,
90 and provide for value-added assessment, in grades that
91 require testing under the statewide assessment system set
92 forth in section 160.518;

93 (10) Allow costs of the testing requirements to be
94 covered by the scholarships distributed by the educational
95 assistance organization;

96 (11) Provide the parents of each student who was
97 tested with a copy of the results of the tests on an annual
98 basis, beginning with the first year of testing;

99 (12) Provide the test results to the state treasurer
100 on an annual basis, beginning with the first year of testing;

101 (13) Report student information that would allow the
102 state treasurer to aggregate data by grade level, gender,
103 family income level, and race;

104 (14) Provide rates of high school graduation, college
105 attendance, and college graduation for participating
106 students to the state treasurer in a manner consistent with
107 nationally recognized standards;

108 (15) Provide to the state treasurer the results from
109 an annual parental satisfaction survey, including
110 information about the number of years that the parent's
111 child has participated in the scholarship program. The
112 annual satisfaction survey shall ask parents of scholarship
113 students to express:

114 (a) Their level of satisfaction with the child's
115 academic achievement, including academic achievement at the
116 schools the child attends through the scholarship program
117 versus academic achievement at the school previously
118 attended;

119 (b) Their level of satisfaction with school safety at
120 the schools the child attends through the scholarship
121 program versus safety at the schools previously attended;

122 (16) Demonstrate **[its] such organization's** financial
123 viability, if **[it] such organization** is to receive donations
124 of fifty thousand dollars or more during the school year, by
125 filing with the state treasurer before the start of the
126 school year a surety bond payable to the state in an amount
127 equal to the aggregate amount of contributions expected to
128 be received during the school year or other financial
129 information that demonstrates the financial viability of the
130 educational assistance organization.

131 2. The annual audit required under this section shall
132 include:

133 (1) The name and address of the educational assistance
134 organization;

135 (2) The name and address of each qualified student for
136 whom a parent opened a scholarship account with the
137 organization;

138 (3) The total number and total dollar amount of
139 contributions received during the previous calendar year; and

140 (4) The total number and total dollar amount of
141 scholarship accounts opened during the previous calendar
142 year.

143 3. The state treasurer shall:

144 (1) Ensure compliance with all student privacy laws
145 for data in the state treasurer's possession;

146 (2) Collect all test results;

147 (3) Provide the test results and associated learning
148 gains to the public via a state website after the third year
149 of test and test-related data collection. The findings
150 shall be aggregated by the students' grade level, gender,
151 family income level, number of years of participation in the
152 scholarship program, and race; and

153 (4) Provide graduation rates to the public via a state
154 website after the third year of test and test-related data
155 collection.

156 4. An educational assistance organization may contract
157 with private financial management firms to manage
158 scholarship accounts with the supervision of the state
159 treasurer.

135.715. 1. [Notwithstanding any provision in section
2 135.713 to the contrary, the annual increase to the
3 cumulative amount of tax credits under subsection 3 of
4 section 135.713 shall cease when the amount of tax credits
5 reaches fifty million dollars.] The cumulative amount of
6 tax credits that may be allocated to all taxpayers
7 contributing to educational assistance organizations in the
8 first year of the program shall not exceed twenty-five
9 million dollars.

10 2. The state treasurer shall limit the number of
11 educational assistance organizations that are certified to
12 administer scholarship accounts to no more than ten such

13 organizations in any single school year[, with]. **If the**
14 **total contributions to educational assistance organizations**
15 **exceed twenty-five million dollars in any school year, the**
16 **state treasurer may certify one additional educational**
17 **assistance organization to administer scholarship accounts.**

18 No more than [six] **seven** of such organizations [having]
19 **shall have** their principal place of business in:

20 (1) A county of the first classification with more
21 than two hundred sixty thousand but fewer than three hundred
22 thousand inhabitants;

23 (2) A county with a charter form of government and
24 with more than six hundred thousand but fewer than seven
25 hundred thousand inhabitants;

26 (3) A county with a charter form of government and
27 with more than three hundred thousand but fewer than four
28 hundred fifty thousand inhabitants;

29 (4) A county with a charter form of government and
30 with more than nine hundred fifty thousand inhabitants; or

31 (5) A city not within a county.

32 3. The state treasurer may delegate any duties
33 assigned to the state treasurer under sections 135.712 to
34 135.719 and sections 166.700 to 166.720 to the "Missouri
35 Empowerment Scholarship Accounts Board", which is hereby
36 established. The Missouri empowerment scholarship accounts
37 board shall consist of the state treasurer, who shall serve
38 as chair, the commissioner of the department of higher
39 education and workforce development, the commissioner of
40 education, the commissioner of the office of administration,
41 one member appointed by the president pro tempore of the
42 senate, one member appointed by the speaker of the house of
43 representatives, and one member appointed by the governor
44 with the advice and consent of the senate. The appointed

45 members shall serve terms of four years or until their
46 successors have been appointed and qualified. The board
47 shall have all powers and duties assigned to the state
48 treasurer under sections 135.712 to 135.719 and sections
49 166.700 to 166.720 that are delegated to the board by the
50 state treasurer. Members of the board shall not receive
51 compensation for their service, but may receive
52 reimbursement for necessary expenses.

53 4. Notwithstanding the provisions of subsection 7 of
54 section 135.716 to the contrary, four percent of the total
55 qualifying contributions received by each educational
56 assistance organization per calendar year shall be deposited
57 in the Missouri empowerment scholarship accounts fund to be
58 used by the state treasurer for marketing and administrative
59 expenses or the costs incurred in administering the program,
60 whichever is less.

61 5. Notwithstanding the provisions of subdivision (5)
62 of subsection 2 of section 135.712 to the contrary, the term
63 "qualifying contribution" shall mean a donation of cash,
64 including, but not limited to, checks drawn on a banking
65 institution located in the continental United States in U.S.
66 dollars (other than cashier checks, or third-party checks
67 exceeding ten thousand dollars), money orders, payroll
68 deductions, and electronic fund transfers. This term shall
69 not include stocks, bonds, other marketable securities, or
70 property.

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:

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 **more than one million inhabitants;**

33 **(6) In a school district located within a county with**
34 **more than one hundred fifty thousand but fewer than two**
35 **hundred thousand inhabitants;**

36 **(7) In a school district located within a county with**
37 **more than four hundred thousand but fewer than five hundred**
38 **thousand inhabitants; or**

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

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

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

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

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

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

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

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

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

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

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

98 (3) In any school district classified as unaccredited
99 or provisionally accredited where a charter school is

100 operating and is sponsored by an entity other than the local
101 school board, when the school district becomes classified as
102 accredited without provisions, a charter school may continue
103 to be sponsored by the entity sponsoring it prior to the
104 classification of accredited without provisions and shall
105 not be limited to the local school board as a sponsor.

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

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

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

129 7. The charter school shall be organized as a Missouri
130 nonprofit corporation incorporated pursuant to chapter 355.

131 The charter provided for herein shall constitute a contract
132 between the sponsor and the charter school.

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

139 9. A sponsor of a charter school, its agents and
140 employees are not liable for any acts or omissions of a
141 charter school that it sponsors, including acts or omissions
142 relating to the charter submitted by the charter school, the
143 operation of the charter school and the performance of the
144 charter school.

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

158 11. The expenses associated with sponsorship of
159 charter schools shall be defrayed by the department of
160 elementary and secondary education retaining one and five-
161 tenths percent of the amount of state and local funding
162 allocated to the charter school under section 160.415, not

163 to exceed one hundred twenty-five thousand dollars, adjusted
164 for inflation. The department of elementary and secondary
165 education shall remit the retained funds for each charter
166 school to the school's sponsor, provided the sponsor remains
167 in good standing by fulfilling its sponsorship obligations
168 under sections 160.400 to 160.425 and 167.349 with regard to
169 each charter school it sponsors, including appropriate
170 demonstration of the following:

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

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

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

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

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

193 12. Sponsors receiving funds under subsection 11 of
194 this section shall be required to submit annual reports to

195 the joint committee on education demonstrating they are in
196 compliance with subsection 17 of this section.

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

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

211 15. No member of the governing board of a charter
212 school shall hold any office or employment from the board or
213 the charter school while serving as a member, nor shall the
214 member have any substantial interest, as defined in section
215 105.450, in any entity employed by or contracting with the
216 board. No board member shall be an employee of a company
217 that provides substantial services to the charter school.
218 All members of the governing board of the charter school
219 shall be considered decision-making public servants as
220 defined in section 105.450 for the purposes of the financial
221 disclosure requirements contained in sections 105.483,
222 105.485, 105.487, and 105.489.

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

225 (1) The review of a charter school proposal including
226 an application that provides sufficient information for

227 rigorous evaluation of the proposed charter and provides
228 clear documentation that the education program and academic
229 program are aligned with the state standards and grade-level
230 expectations, and provides clear documentation of effective
231 governance and management structures, and a sustainable
232 operational plan;

233 (2) The granting of a charter;

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

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

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

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

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

253 17. (1) A sponsor shall provide timely submission to
254 the state board of education of all data necessary to
255 demonstrate that the sponsor is in material compliance with
256 all requirements of sections 160.400 to 160.425 and section
257 167.349. The state board of education shall ensure each

258 sponsor is in compliance with all requirements under
259 sections 160.400 to 160.425 and 167.349 for each charter
260 school sponsored by any sponsor. The state board shall
261 notify each sponsor of the standards for sponsorship of
262 charter schools, delineating both what is mandated by
263 statute and what best practices dictate. The state board
264 shall evaluate sponsors to determine compliance with these
265 standards every three years. The evaluation shall include a
266 sponsor's policies and procedures in the areas of charter
267 application approval; required charter agreement terms and
268 content; sponsor performance evaluation and compliance
269 monitoring; and charter renewal, intervention, and
270 revocation decisions. Nothing shall preclude the department
271 from undertaking an evaluation at any time for cause.

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

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

290 the state board of education based upon a review of the
291 documentation submitted to the department and the charter
292 sponsor.

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

297 18. If a sponsor notifies a charter school of closure
298 under subsection 8 of section 160.405, the department of
299 elementary and secondary education shall exercise its
300 financial withholding authority under subsection 12 of
301 section 160.415 to assure all obligations of the charter
302 school shall be met. The state, charter sponsor, or
303 resident district shall not be liable for any outstanding
304 liability or obligations of the charter school.

166.700. As used in sections 166.700 to 166.720, the
2 following terms mean:

3 (1) "Curriculum", a complete course of study for a
4 particular content area or grade level, including any
5 supplemental materials;

6 (2) "District", the same meaning as used in section
7 160.011;

8 (3) "Educational assistance organization", the same
9 meaning as used in section 135.712;

10 (4) "Parent", the same meaning as used in section
11 135.712;

12 (5) "Private school", a school that is not a part of
13 the public school system of the state of Missouri and that
14 charges tuition for the rendering of elementary or secondary
15 educational services;

16 (6) "Program", the same meaning as used in section
17 135.712;

18 (7) "Qualified school", a home school as defined in
19 section 167.031 or any of the following entities that is
20 incorporated in Missouri and that does not discriminate on
21 the basis of race, color, or national origin:

22 (a) A charter school as defined in section 160.400;

23 (b) A private school;

24 (c) A public school as defined in section 160.011; or

25 (d) A public or private virtual school;

26 (8) "Qualified student", any elementary or secondary
27 school student who is a resident of this state and [resides
28 in any county with a charter form of government or any city
29 with at least thirty thousand inhabitants] who:

30 (a) Has an approved "individualized education plan"
31 (IEP) developed under the federal Individuals with
32 Disabilities Education Act (IDEA), 20 U.S.C. Section 1400[,]
33 et seq., as amended; or

34 (b) Is a member of a household whose total annual
35 income does not exceed an amount equal to [two] **four** hundred
36 percent of the income standard used to qualify for free and
37 reduced price lunches, and **that** meets at least one of the
38 following qualifications:

39 a. Attended a public school as a full-time student for
40 at least one semester during the previous twelve months; or

41 b. Is a child who is eligible to begin kindergarten or
42 first grade under sections 160.051 to 160.055.

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