

SECOND REGULAR SESSION

HOUSE BILL NO. 1580

99TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE FRANKS JR.

5218H.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal sections 160.400, 160.405, and 160.408, 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Section A. Sections 160.400, 160.405, and 160.408, RSMo, are repealed and three new sections enacted in lieu thereof, to be known as sections 160.400, 160.405, and 160.408, to read as follows: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 a school district that has been classified as unaccredited by the state board of education;

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

(a) The eligibility for charter schools of any school district whose provisional accreditation is based in whole or in part on financial stress as defined in sections 161.520 to 161.529, or on financial hardship as defined by rule of the state board of education, shall be

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.

16 decided by a vote of the state board of education during the third consecutive school year after
17 the designation of provisional accreditation; and

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

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

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

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

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

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

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

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

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

50

51 **No college, university, school, or other entity under this subsection shall be eligible to**
52 **sponsor a charter school if the entity is currently sponsoring a charter school whose most**
53 **recent three-year average score on its annual performance report is consistent with a**
54 **classification of unaccredited.**

55 4. Changes in a school district's accreditation status that affect charter schools shall be
56 addressed as follows, except for the districts described in subdivisions (1) and (2) of subsection
57 2 of this section:

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

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

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

69

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

77 5. The mayor of a city not within a county may request a sponsor under subdivision (2),
78 (3), (4), (5), or (6) of subsection 3 of this section to consider sponsoring a “workplace charter
79 school”, which is defined for purposes of sections 160.400 to 160.425 as a charter school with
80 the ability to target prospective students whose parent or parents are employed in a business
81 district, as defined in the charter, which is located in the city.

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

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

88 8. As a nonprofit corporation incorporated pursuant to chapter 355, the charter school
89 shall select the method for election of officers pursuant to section 355.326 based on the class of
90 corporation selected. Meetings of the governing board of the charter school shall be subject to
91 the provisions of sections 610.010 to 610.030.

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

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

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

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

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

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

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

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

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

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

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

138 15. No member of the governing board of a charter school shall hold any office or
139 employment from the board or the charter school while serving as a member, nor shall the
140 member have any substantial interest, as defined in section 105.450, in any entity employed by
141 or contracting with the board. No board member shall be an employee of a company that
142 provides substantial services to the charter school. All members of the governing board of the
143 charter school shall be considered decision-making public servants as defined in section 105.450
144 for the purposes of the financial disclosure requirements contained in sections 105.483, 105.485,
145 105.487, and 105.489.

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

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

152 (2) The granting of a charter;

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

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

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

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

163

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

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

177 (2) If the department determines that a sponsor is in material noncompliance with its
178 sponsorship duties, the sponsor shall be notified and given reasonable time for remediation. If
179 remediation does not address the compliance issues identified by the department, the
180 commissioner of education shall conduct a public hearing and thereafter provide notice to the
181 charter sponsor of corrective action that will be recommended to the state board of education.
182 Corrective action by the department may include withholding the sponsor's funding and
183 suspending the sponsor's authority to sponsor a school that it currently sponsors or to sponsor any
184 additional school until the sponsor is reauthorized by the state board of education under section
185 160.403.

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

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

194 18. If a sponsor notifies a charter school of closure under subsection 8 of section
195 160.405, the department of elementary and secondary education shall exercise its financial
196 withholding authority under subsection 12 of section 160.415 to assure all obligations of the
197 charter school shall be met. The state, charter sponsor, or resident district shall not be liable for
198 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, subject to the approval of the voters of the district as described in subsection 9**
32 **of this section; except that, if the annual performance report score of a charter school,**
33 **other than a charter school in which fifty percent or more of the school's students were**
34 **previously considered dropouts under subdivision (5) of subsection 2 of this section, is**
35 **below the average of the annual performance report scores of all nonselective grade-level-**
36 **equivalent school buildings in the school district in which the charter school is located for**
37 **two of the three consecutive years immediately before a decision whether to renew is made,**
38 **such renewal, if approved by the voters of the school district as described in subsection 9**
39 **of this section, shall be for only a three-year term. If, during such three-year term, the**
40 **charter school's annual performance report score is below such average for two of the**
41 **three years, the charter school term shall not be renewed, and the question of renewal shall**
42 **not be put before the voters of the school district in which the charter school is located;**

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

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

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

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

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

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

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

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

62 (c) Submission of final financial reports;

63 (d) Resolution of any remaining financial obligations;

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

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

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

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

75

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

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

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

83 (2) A charter may be approved when the sponsor determines that the requirements of this
84 section are met, determines that the applicant is sufficiently qualified to operate a charter school,
85 and that the proposed charter is consistent with the sponsor's charter sponsorship goals and
86 capacity. The sponsor's decision of approval or denial shall be made within ninety days of the
87 filing of the proposed charter;

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

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

100 prior to the school year in which the charter school intends to begin operations. The state board
101 of education shall notify the applicant in writing as to the reasons for its denial, if applicable; and

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

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

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

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

133 (2) Comply with laws and regulations of the state, county, or city relating to health,
134 safety, and state minimum educational standards, as specified by the state board of education,
135 including the requirements relating to student discipline under sections 160.261, 167.161,

136 167.164, and 167.171, notification of criminal conduct to law enforcement authorities under
137 sections 167.115 [tø] **and** 167.117, academic assessment under section 160.518, transmittal of
138 school records under section 167.020, the minimum amount of school time required under
139 section 171.031, and the employee criminal history background check and the family care safety
140 registry check under section 168.133;

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

144 (4) Be financially accountable, use practices consistent with the Missouri financial
145 accounting manual, provide for an annual audit by a certified public accountant, publish audit
146 reports and annual financial reports as provided in chapter 165, provided that the annual financial
147 report may be published on the department of elementary and secondary education's internet
148 website in addition to other publishing requirements, and provide liability insurance to indemnify
149 the school, its board, staff and teachers against tort claims. A charter school that receives local
150 educational agency status under subsection 6 of this section shall meet the requirements imposed
151 by the Elementary and Secondary Education Act for audits of such agencies and comply with all
152 federal audit requirements for charters with local educational agency status. For purposes of an
153 audit by petition under section 29.230, a charter school shall be treated as a political subdivision
154 on the same terms and conditions as the school district in which it is located. For the purposes
155 of 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; **except that, such**
303 **expedited renewal process shall not eliminate the vote described in paragraph (d) of**
304 **subdivision (3) of this subsection.**

305 (3) (a) Beginning August first during the year in which a charter is considered for
306 renewal, a charter school sponsor shall demonstrate to the state board of education that the
307 charter school is in compliance with federal and state law as provided in sections 160.400 to
308 160.425 and section 167.349 and the school's performance contract including but not limited to
309 those requirements specific to academic performance.

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

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 **whether** the revised charter application
317 **demonstrates compliance with all standards enumerated in this subdivision.**

318 (d) If a charter school sponsor demonstrates the objectives identified in this subdivision,
319 the state board of education shall [~~renew the school's charter~~] **direct the board of directors of**
320 **the school district in which the charter school is located to cause the question of renewal**
321 **to be submitted to the voters of the district at the next municipal election or, if the next**
322 **annual school election is more than sixty days away, cause the question to be submitted to**
323 **the voters in the district at a special election called in accordance with law on a date set by**
324 **the state board of education. The election shall be conducted in the manner provided by**
325 **law for the conducting of school district elections generally. A majority affirmative vote**
326 **for renewal is required for renewal of the school's charter.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

28 3. The term of the charter for schools operating under this section shall be five years, and
29 the charter may be renewed for terms of up to ten years. Renewal shall be subject to the

30 provisions of paragraphs (a) to (d) of subdivision (3) of subsection 9 of section 160.405,
31 **including the requirement that the question of renewal be put before the voters of the**
32 **district in which the charter school is located if the state board of education finds that the**
33 **revised charter application demonstrates compliance with all standards enumerated in**
34 **subdivision (3) of subsection 9 of section 160.405.**

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