

COMMITTEE OF ORIGIN: Committee on Elementary and Secondary Education

This substitute changes the laws regarding charter schools and establishes the Missouri Charter Public School Commission. In its main provisions, the substitute:

(1) Allows a charter school to be operated in any school district that has been declared unaccredited; in a provisionally accredited district that has had this status for three full consecutive school years with sponsorship limited to the local school board and those meeting accountability and performance standards established by the State Board of Education within the Department of Elementary and Secondary Education and, in the case of a district in which financial stress or hardship played a part in the provisional accreditation status, a vote by the state board; and in any district that has been accredited without provisions with sponsorship limited to the local school board. A local school board may not sponsor a charter school in an unaccredited district, but charter schools sponsored by the school board in St. Louis are permitted to continue their sponsorship. Currently, charter schools are permitted only in the St. Louis and Kansas City school districts;

(2) Expands those authorized to sponsor a charter school to include any public four-year college or university with an approved teacher education program instead of certain colleges or universities; a community college with a service area that encompasses some portion of an eligible school district instead of a college located in the district; any private college or university with its primary campus in Missouri that meets specified enrollment and program requirements instead of a college or university located in St. Louis City; a two-year private nonprofit vocational or technical school meeting specified requirements; the Missouri Charter Public School Commission established by the substitute; and a nonprofit or charitable organization meeting specified requirements;

(3) Establishes guidelines for the operation of a charter school in a district that undergoes changes in accreditation status;

(4) Requires a sponsor to submit an annual report to the Joint Committee on Education when it receives sponsorship funds to demonstrate its compliance with the sponsorship requirements and requires a sponsor to develop policies and procedures for the review of a charter school proposal; the granting of a charter; the performance framework for the evaluation of a school's performance; ongoing oversight; renewal, nonrenewal, or

revocation processes; and procedures to be implemented if a charter school closes, including stakeholder notification, student record transfer, and asset disposition. The department must provide guidance to sponsors in developing the policies and procedures;

(5) Allows the state board to suspend a sponsor and require the sponsor to reapply, and when the state board is acting as an interim sponsor, to revoke the charter of the school that it is sponsoring if the school fails to meet academic performance or other goals as specified in the school's charter;

(6) Allows the Special Administrative Board in St. Louis City to operate a charter school in conjunction with the cooperating school districts of St. Louis County for a period of three years with an option for renewal or incorporation back into the city school system;

(7) Requires the department to establish an annual application and approval process for potential sponsors and requires each current sponsor to apply for approval to continue as a sponsor by April 1, 2012;

(8) Revises the required contents of a charter to include a performance contract that contains targets and measures for academic performance; operational program performance, including governance; and the school's mission and vision when applicable. A description of the special education services that will be available to meet the needs of students with disabilities; a grievance procedure for parents or guardians; and procedures upon the revocation or nonrenewal of the school's charter or its closure must also be included in a charter;

(9) Requires a proposed charter to be submitted to the sponsor, follow the sponsor's policies and procedures for the review and granting of a charter approval, and be approved by the state board by December 1 prior to the proposed opening date of the charter school;

(10) Removes the requirement that if a sponsor has three or more charter schools, at least one-third of the schools must be for high-risk students;

(11) Requires a charter school to conduct an employee criminal history background check and family care safety registry check on each of its employees;

(12) Requires a charter school to establish baseline student performance in accordance with the performance contract during the first year of operation; collect student performance data

throughout the duration of the charter and annually monitor student academic performance; and participate in the statewide assessment system to the extent applicable based on the grade levels offered by the charter school. Performance standards for alternative and special purpose charter schools that target high-risk students must be based on academic growth measures;

(13) Allows a high-risk or alternative charter school to establish alternative ways for students to obtain credit for graduation, such as credit for off-campus instruction, work experience, or embedded instruction. The department, after three years of operation, must conduct a study of a school which was granted alternative arrangements to assess student performance, graduation rates, educational outcomes, and entry into the workforce or higher education rates;

(14) Clarifies that the biennial operational review must be conducted during the first year of operation and every other year after the most current review;

(15) Removes the requirement that a charter school become a local educational agency for the sole purpose of direct access to federal grants and allows the school to become an agency if the sponsor and the governing board reach a written agreement to become an agency;

(16) Specifies that a sponsor may place a charter school on probation for no more than 12 months and only once during the term of the charter contract;

(17) Removes the right to judicial review of the sponsor's decision to revoke a charter and the state board's decision to revoke or not to renew a charter;

(18) Requires, beginning August 1 during the year in which a charter is considered for renewal, a charter school sponsor as part of the renewal process to demonstrate to the state board several specified areas of compliance if the school falls below the specified graduation rate, is in the persistently lowest achieving 5% of schools based on certain assessment data, or does not demonstrate growth as evidenced by the Missouri Assessment Program scores three out of the last four years. If compliance with all standards cannot be established according to the deadlines in the substitute, the state board must vote by February 28 to close the school at the end of the current academic year or to continue it under certain conditions;

(19) Requires a charter school to close at the end of the current academic year if the charter is revoked by the state board or its sponsor, if the charter is not renewed by the state

board, or if the charter is voluntarily relinquished;

(20) Allows a charter school the opportunity of first refusal to purchase or lease any unused school district facility at a fair market value;

(21) Requires the state board to immediately close any charter school that has failed to attain the state's annual performance standard as it relates to the state's implementation plan for the federal No Child Left Behind Act of 2001 that is not outperforming the lowest performing district school;

(22) Allows a charter school whose mission includes dropout prevention or recovery to admit a nonresident student when the student resides in a residential care facility, a transitional living group home, or an independent living program who submits a timely application. Charter alternative or special purpose schools may give admission preference to high-risk students. Charter school students who are present for the January membership count must be counted in the statewide assessment results in that year unless they are exempted as English language learners;

(23) Requires a charter school operated by a management company to make a copy of the written contract between the governing board of the charter school and the educational or charter management organization available for public inspection and upon the request of specified district residents;

(24) Allows a charter school student who has moved out of the school district to finish the current semester at the charter school. If school district boundaries change so that a student attending a charter school no longer resides in the district, the student may complete the current school year. In both instances, the student's parent or legal guardian will be responsible for the student's transportation to and from the school;

(25) Specifies that foster children's educational rights are applicable to charter schools;

(26) Allows an educational cooperative of school districts to become a managerial or academic contractor and establishes disclosure requirements for contractors;

(27) Requires a contract with a service provider to include evidence of student achievement in other schools with which the provider has contracted, compensation structure, and any existing or potential conflict of interest and to ensure that payments for services are approved by the charter school board and that the lead administrator and legal counsel of the charter school are

direct employees of the board;

(28) Allows the department to withhold funding during a charter school's last year of operation until it determines that school records, liabilities, and reporting requirements including a full audit are satisfied;

(29) Establishes a procedure for determining if a charter school is under financial stress and requires an annual review of charter school finances by the department by October 1 of each year. The department must annually provide a list of those charter schools to the Governor, Speaker of the House of Representatives, and the President Pro Tem of the Senate. The department may withhold any payment of financial aid due to a charter school until it has fully complied with all requirements regarding a school under financial stress;

(30) Establishes the nine-member Missouri Charter Public School Commission and specifies its duties and the requirements for its operation; and

(31) Requires the Joint Committee on Education to review the fifth cycle school improvement program standards for the potential effects on charter schools and their sponsors and to report by December 31, 2011, and again if substantive changes are made to the standards.

FISCAL NOTE: Estimated Net Cost on General Revenue Fund of Unknown - Could Exceed \$369,413 in FY 2012, Unknown - Could Exceed \$265,826 in FY 2013, and Unknown - Could Exceed \$267,552 in FY 2014. No impact on Other State Funds in FY 2012, FY 2013, and FY 2014.