

SECOND REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 1228
96TH GENERAL ASSEMBLY

4158L.02C

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal sections 29.205, 160.400, 160.405, 160.410, 160.415, and 160.420, RSMo, and to enact in lieu thereof nine new sections relating to charter schools.

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

Section A. Sections 29.205, 160.400, 160.405, 160.410, 160.415, and 160.420, RSMo,
2 are repealed and nine new sections enacted in lieu thereof, to be known as sections 29.205,
3 160.400, 160.403, 160.405, 160.410, 160.415, 160.417, 160.420, and 160.425, to read as
4 follows:

29.205. Notwithstanding any provision of law to the contrary, the state auditor shall have
2 the power to audit any school district **or charter school** within the state in the same manner as
3 the auditor may audit any agency of the state.

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
3 operated only:

4 (1) In a metropolitan school district [or] ;

5 (2) In an urban school district containing most or all of a city with a population greater
6 than three hundred fifty thousand inhabitants [and may be sponsored by any of the following]
7 ;

8 (3) **In a school district that has been declared unaccredited;**

9 (4) **In a provisionally accredited school district under the following conditions:**

10 (a) **A school district is first eligible for charter schools after three consecutive full**
11 **school years in provisionally accredited status beginning with the 2009-2010 accreditation**
12 **year;**

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.

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

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

22 **(5) In a school district that has been accredited without provisions, sponsored only**
23 **by the local school board.**

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

26 (1) The school board of the district in any district which is sponsoring a charter
27 school as of August 27, 2012, as permitted under subdivision (1) or (2) of subsection 2 of
28 this section, or the special administrative board of a metropolitan school district during
29 any time in which powers granted to the district's board of education are vested in a special
30 administrative board;

31 (2) A public four-year college or university [with its primary campus in the school
32 district or in a county adjacent to the county in which the district is located,] with an approved
33 teacher education program that meets regional or national standards of accreditation;

34 (3) A community college [located in] , the service area of which encompasses some
35 portion of the district; [or]

36 (4) Any private four-year college or university [located in a city not within a county] with
37 an enrollment of at least one thousand students, with its primary campus in Missouri, and with
38 an approved teacher preparation program;

39 **(5) Any two-year private vocational or technical school designated as a 501(c)(3)**
40 **nonprofit organization under the Internal Revenue Code of 1986, as amended, which is a**
41 **member of the North Central Association and accredited by the Higher Learning**
42 **Commission, with its primary campus in Missouri; or**

43 **(6) The Missouri Charter Public School Commission created in section 160.425.**

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

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

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

53 **(3) A charter school operating in a school district identified in subdivision (1) or (2)**
54 **of subsection 2 of this section may be sponsored by any of the entities identified in**
55 **subsection 3 of this section, irrespective of the accreditation classification of the district in**
56 **which it is located.**

57 [3.] **5.** The mayor of a city not within a county may request a sponsor under subdivision
58 (2), (3), [or] (4), **(5), or (6)** of subsection [2] **3** of this section to consider sponsoring a
59 "workplace charter school", which is defined for purposes of sections 160.400 to [160.420]
60 **160.425** as a charter school with the ability to target prospective students whose parent or parents
61 are employed in a business district, as defined in the charter, which is located in the city.

62 [4.] **6.** No sponsor shall receive from an applicant for a charter school any fee of any type
63 for the consideration of a charter, nor may a sponsor condition its consideration of a charter on
64 the promise of future payment of any kind.

65 [5.] **7.** The charter school shall be **organized as** a Missouri nonprofit corporation
66 incorporated pursuant to chapter 355. The charter provided for herein shall constitute a contract
67 between the sponsor and the charter school.

68 [6.] **8.** As a nonprofit corporation incorporated pursuant to chapter 355, the charter
69 school shall select the method for election of officers pursuant to section 355.326 based on the
70 class of corporation selected. Meetings of the governing board of the charter school shall be
71 subject to the provisions of sections 610.010 to 610.030[, the open meetings law].

72 [7.] **9.** A sponsor of a charter school, its agents and employees are not liable for any acts
73 or omissions of a charter school that it sponsors, including acts or omissions relating to the
74 charter submitted by the charter school, the operation of the charter school and the performance
75 of the charter school.

76 [8.] **10.** A charter school may affiliate with a four-year college or university, including
77 a private college or university, or a community college as otherwise specified in subsection [2]
78 **3** of this section when its charter is granted by a sponsor other than such college, university or
79 community college. Affiliation status recognizes a relationship between the charter school and
80 the college or university for purposes of teacher training and staff development, curriculum and
81 assessment development, use of physical facilities owned by or rented on behalf of the college
82 or university, and other similar purposes. [The primary campus of the college or university must

83 be located within the county in which the school district lies wherein the charter school is located
84 or in a county adjacent to the county in which the district is located.] A university, college or
85 community college may not charge or accept a fee for affiliation status.

86 [9.] **11.** The expenses associated with sponsorship of charter schools shall be defrayed
87 by the department of elementary and secondary education retaining one and five-tenths percent
88 of the amount of state and local funding allocated to the charter school under section 160.415,
89 not to exceed one hundred twenty-five thousand dollars, adjusted for inflation. [Such amount
90 shall not be withheld when the sponsor is a school district or the state board of education.] The
91 department of elementary and secondary education shall remit the retained funds for each charter
92 school to the school's sponsor, provided the sponsor remains in good standing by fulfilling its
93 sponsorship obligations under sections 160.400 to [160.420] **160.425** and 167.349 with regard
94 to each charter school it sponsors, including appropriate demonstration of the following:

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

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

100 (3) Negotiates contracts with charter schools that clearly articulate the rights and
101 responsibilities of each party regarding school autonomy, expected outcomes, measures for
102 evaluating success or failure, performance consequences, and other material terms;

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

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

108 **12. Sponsors receiving funds under subsection 11 of this section shall be required**
109 **to submit annual reports to the joint committee on education demonstrating they are in**
110 **compliance with subsection 16 of this section.**

111 [10.] **13.** No university, college or community college shall grant a charter to a nonprofit
112 corporation if an employee of the university, college or community college is a member of the
113 corporation's board of directors.

114 [11.] **14.** No sponsor shall grant a charter under sections 160.400 to [160.420] **160.425**
115 and 167.349 without ensuring that a criminal background check and [child abuse] **family care**
116 **safety** registry check are conducted for all members of the governing board of the charter schools
117 or the incorporators of the charter school if initial directors are not named in the articles of
118 incorporation, nor shall a sponsor renew a charter without ensuring a criminal background check

119 and [child abuse] **family care** registry check are conducted for each member of the governing
120 board of the charter school.

121 [12.] **15.** No member of the governing board of a charter school shall hold any office or
122 employment from the board or the charter school while serving as a member, nor shall the
123 member have any substantial interest, as defined in section 105.450, in any entity employed by
124 or contracting with the board. No board member shall be an employee of a company that
125 provides substantial services to the charter school. All members of the governing board of the
126 charter school shall be considered decision-making public servants as defined in section 105.450
127 for the purposes of the financial disclosure requirements contained in sections 105.483, 105.485,
128 105.487, and 105.489.

129 [13.] **16.** A sponsor shall provide timely submission to the state board of education of
130 all data necessary to demonstrate that the sponsor is in material compliance with all requirements
131 of sections 160.400 to [160.420] **160.425** and 167.349.

132 **17. A sponsor shall develop the policies and procedures for:**

133 **(1) The review and approval of a charter school proposal including an application**
134 **that provides sufficient information for rigorous evaluation of the proposed charter and**
135 **provides clear documentation of a quality education program, effective governance and**
136 **management structures, and a sustainable operational plan;**

137 **(2) The granting of a charter;**

138 **(3) The performance framework that the sponsor will use to evaluate the**
139 **performance of charter schools;**

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

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

146 **(6) Procedures to be implemented if a charter school should close, consistent with**
147 **the provisions of subdivision (12) of subsection 1 of section 160.405.**

148

149 **The department shall provide guidance to sponsors in developing such policies and**
150 **procedures.**

151 [14.] **18. (1)** The state board of education shall ensure each sponsor is in compliance
152 with all requirements under sections 160.400 to [160.420] **160.425** and 167.349 for each charter
153 school sponsored by any sponsor. The state board shall notify each sponsor of the standards for
154 sponsorship of charter schools, delineating both what is mandated by statute and what best

155 practices dictate. [The state board, after a public hearing, may require remedial action for a
156 sponsor that it finds has not fulfilled its obligations of sponsorship, such remedial actions
157 including withholding the sponsor's funding and suspending for a period of up to one year the
158 sponsor's authority to sponsor a school that it currently sponsors or to sponsor any additional
159 school.] **The state board shall evaluate sponsors to determine compliance with these**
160 **standards every three years. The evaluation shall include a sponsor's policies and**
161 **procedures in the areas of charter application approval; required charter agreement terms**
162 **and content; sponsor performance evaluation and compliance monitoring; and charter**
163 **renewal, intervention, and revocation decisions. Nothing shall preclude the department**
164 **from undertaking an evaluation at any time for cause.**

165 (2) **If the department determines that a sponsor is in material noncompliance with**
166 **its sponsorship duties, the sponsor shall be notified and given reasonable time for**
167 **remediation. If remediation does not address the compliance issues identified by the**
168 **department, the commissioner of education shall conduct a public hearing and thereafter**
169 **provide notice to the charter sponsor of corrective action that will be recommended to the**
170 **state board of education. Corrective action by the department may include withholding**
171 **the sponsor's funding and suspending the sponsor's authority to sponsor a school that it**
172 **currently sponsors or to sponsor any additional school until the sponsor is reauthorized by**
173 **the state board of education under section 160.403.**

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

179 (4) **If the state board removes the authority to sponsor a currently operating charter**
180 **school under any provision of law, the [state board] Missouri Charter Public School**
181 **Commission shall become the [interim] sponsor of the school [for a period of up to three years**
182 **until the school finds a new sponsor or until the charter contract period lapses].**

160.403. 1. The department of elementary and secondary education shall establish
2 **an annual application and approval process for all entities eligible to sponsor charters as**
3 **set forth in section 160.400 which are not sponsoring a charter school as of August 28,**
4 **2012. No later than January 1, 2013, the department shall make available information and**
5 **guidelines for all eligible sponsors concerning the opportunity to apply for sponsoring**
6 **authority under this section.**

7 **2. The application process for sponsorship shall require each interested eligible**
8 **sponsor to submit an application by April first that includes the following:**

9 **(1) Written notification of intent to serve as a charter school sponsor in accordance**
10 **with sections 160.400 to 160.425 and section 167.349;**

11 **(2) Evidence of the applicant sponsor's budget and personnel capacity;**

12 **(3) An outline of the request for proposal that the applicant sponsor would, if**
13 **approved as a charter sponsor, issue to solicit charter school applicants consistent with**
14 **sections 160.400 to 160.425;**

15 **(4) The performance framework that the applicant sponsor would, if approved as**
16 **a charter sponsor, use to guide the establishment of a charter contract and for ongoing**
17 **oversight and a description of how it would evaluate the charter schools it sponsors; and**

18 **(5) The applicant sponsor's renewal, revocation, and nonrenewal processes**
19 **consistent with section 160.405.**

20 **3. By July first of each year, the department shall decide whether to grant or deny**
21 **a sponsoring authority to a sponsor applicant. This decision shall be made based on the**
22 **applicant charter's compliance with sections 160.400 to 160.425 and properly promulgate**
23 **rules of the department.**

24 **4. Within thirty days of the department's decision, the department shall execute a**
25 **renewable sponsoring contract with each entity it has approved as a sponsor. The term of**
26 **each authorizing contract shall be ten years and renewable. No eligible sponsor which is**
27 **not currently sponsoring a charter school as of August 28, 2012, shall commence charter**
28 **sponsorship without approval from the state board of education and a sponsor contract**
29 **with the state board of education in effect.**

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 mission statement
8 for the charter school, a description of the charter school's organizational structure and bylaws
9 of the governing body, which will be responsible for the policy and operational decisions of the
10 charter school, a financial plan for the first three years of operation of the charter school
11 including provisions for annual audits, a description of the charter school's policy for securing
12 personnel services, its personnel policies, personnel qualifications, and professional development
13 plan, a description of the grades or ages of students being served, the school's calendar of
14 operation, which shall include at least the equivalent of a full school term as defined in section
15 160.011, and an outline of criteria specified in this section designed to measure the effectiveness

16 of the school. The charter, **which shall include a description of the obligations and**
17 **responsibilities of the charter school as outlined in sections 160.400 to 160.425 and section**
18 **167.349**, shall also state:

19 (1) [The educational goals and objectives to be achieved by the charter school] **A legally**
20 **binding performance contract that describes the obligations and responsibilities of the**
21 **school and the sponsor, which shall contain a complete set of indicators, measures, metrics,**
22 **and targets in the following areas: academic program performance, including specific**
23 **goals on graduation rates and standardized test performance and student academic**
24 **growth; operational program performance, including governance and financial**
25 **management; and, if applicable, elements related specifically to the charter school's**
26 **mission and vision;**

27 (2) A description of the charter school's educational program and curriculum;

28 (3) The term of the charter, which shall be [not less than] five years[, nor greater than
29 ten years] and shall be renewable;

30 (4) A description of the charter school's pupil performance standards, which [must] **shall**
31 **meet the requirements of subdivision (6) of subsection 5 of this section. The charter school**
32 **program [must] shall be designed to enable each pupil to achieve such standards;**

33 **(5) An annual review of the charter school's compliance with statutory standards**
34 **including:**

35 **(a) Participation in the statewide system of assessments, as designated by the state**
36 **board of education under section 160.518;**

37 **(b) Assurances for the completion and distribution of an annual report card as**
38 **prescribed in section 160.522;**

39 **(c) The collection of baseline data during the first three years of operation to**
40 **determine the longitudinal success of the charter school;**

41 **(d) A method to measure pupil progress toward the pupil academic standards**
42 **adopted by the state board of education under section 160.514; and**

43 **(e) Publication of each charter school's annual performance report;**

44 **(6) Procedures, consistent with the Missouri Financial Accounting Manual, for**
45 **monitoring the financial accountability of the charter, which shall include:**

46 **(a) An annual audit by a certified public accountant, published audit reports, and**
47 **annual financial report as provided in chapter 165;**

48 **(b) Compliance with all federal audit requirements established for charter schools**
49 **with local education agency status; and**

50 **(c) Compliance with the requirements of any audit petition under section 29.230**
51 **for a political subdivision of the state;**

52 [(5)] (7) A description of the governance and operation of the charter school, including
53 the nature and extent of parental, professional educator, and community involvement in the
54 governance and operation of the charter school; [and]

55 **(8) Preopening requirements for applications that require that charter schools meet**
56 **all health, safety, and other legal requirements prior to opening;**

57 [(6)] (9) A description of the charter school's policies on student discipline and student
58 admission, which shall include a statement, where applicable, of the validity of attendance of
59 students who do not reside in the district but who may be eligible to attend under the terms of
60 judicial settlements **and procedures that ensure admission of students with disabilities in a**
61 **nondiscriminatory manner;**

62 (10) A description of the charter school's grievance procedure for parents or
63 guardians;

64 (11) A description of the agreement between the charter school and the sponsor as
65 to when a charter shall be revoked for failure to comply with subsection 8 of this section
66 and when it shall fail to be renewed under subsection 9 of this section;

67 (12) Procedures to be implemented if the charter school should close, as provided
68 in subdivision (6) of subsection 17 of section 160.400 including:

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

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

72 (c) Submission of final financial reports;

73 (d) Resolution of any remaining financial obligations; and

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

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

78 (13) A description of the special education and related services that shall be
79 available to meet the needs of students with disabilities; and

80 (14) For all new or revised charters, procedures to be used upon closure of the
81 charter school requiring that unobligated assets of the charter school be returned to the
82 department of elementary and secondary education for their disposition.

83

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

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

87 (1) **A charter shall be submitted to the sponsor, and follow the sponsor's policies**
88 **and procedures for review and granting of a charter approval, and be approved by the**
89 **state board of education by December first of the year prior to the proposed opening date**
90 **of the charter school;**

91 (2) A charter may be approved when the sponsor determines that the requirements of this
92 section are met and determines that the applicant is sufficiently qualified to operate a charter
93 school. The sponsor's decision of approval or denial shall be made within ninety days of the
94 filing of the proposed charter;

95 [(2)] (3) If the charter is denied, the proposed sponsor shall notify the applicant in writing
96 as to the reasons for its denial and forward a copy to the state board of education within five
97 business days following the denial;

98 [(3)] (4) If a proposed charter is denied by a sponsor, the proposed charter may be
99 submitted to the state board of education, along with the sponsor's written reasons for its denial.
100 If the state board determines that the applicant meets the requirements of this section, that the
101 applicant is sufficiently qualified to operate the charter school, and that granting a charter to the
102 applicant would be likely to provide educational benefit to the children of the district, the state
103 board may grant a charter and act as sponsor of the charter school. The state board shall review
104 the proposed charter and make a determination of whether to deny or grant the proposed charter
105 within sixty days of receipt of the proposed charter, provided that any charter to be considered
106 by the state board of education under this subdivision shall be submitted no later than March first
107 prior to the school year in which the charter school intends to begin operations. The state board
108 of education shall notify the applicant in writing as the reasons for its denial, if applicable; and

109 [(4)] (5) The sponsor of a charter school shall give priority to charter school applicants
110 that propose a school oriented to high-risk students and to the reentry of dropouts into the school
111 system. If a sponsor grants three or more charters, at least one-third of the charters granted by
112 the sponsor shall be to schools that actively recruit dropouts or high-risk students as their student
113 body and address the needs of dropouts or high-risk students through their proposed mission,
114 curriculum, teaching methods, and services. For purposes of this subsection, a "high-risk"
115 student is one who is at least one year behind in satisfactory completion of course work or
116 obtaining [credits for graduation, pregnant or a parent, homeless or has been homeless sometime
117 within the preceding six months, has limited English proficiency, has been suspended from
118 school three or more times, is eligible for free or reduced-price school lunch, or has been referred
119 by the school district for enrollment in an alternative program] **high school credits for**
120 **graduation, has dropped out of school, is at risk of dropping out of school, needs drug and**
121 **alcohol treatment, has severe behavioral problems, has been suspended from school three**
122 **or more times, has a history of severe truancy, is a pregnant or parenting teen, has been**

123 referred for enrollment by the judicial system, is exiting incarceration, is a refugee, is
124 homeless or has been homeless sometime within the preceding six months, has been
125 referred by an area school district for enrollment in an alternative program, or qualifies
126 as high risk under department of elementary and secondary education guidelines.
127 "Dropout" shall be defined through the guidelines of the school core data report. The provisions
128 of this subsection do not apply to charters sponsored by the state board of education.

129 3. If a charter is approved by a sponsor, the charter application shall be submitted to the
130 state board of education, along with a statement of finding that the application meets the
131 requirements of sections 160.400 to [160.420] **160.425** and section [167.439] **167.349** and a
132 monitoring plan under which the charter sponsor [will] **shall** evaluate the academic performance
133 of students enrolled in the charter school. The state board of education may, within sixty days,
134 disapprove the granting of the charter. The state board of education may disapprove a charter
135 on grounds that the application fails to meet the requirements of sections 160.400 to [160.420]
136 **160.425** and section 167.349 or that a charter sponsor previously failed to meet the statutory
137 responsibilities of a charter sponsor.

138 4. Any disapproval of a charter pursuant to subsection 3 of this section shall be subject
139 to judicial review pursuant to chapter 536.

140 5. A charter school shall, as provided in its charter:

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

143 (2) Comply with laws and regulations of the state, county, or city relating to health,
144 safety, and state minimum educational standards, as specified by the state board of education,
145 including the requirements relating to student discipline under sections 160.261, 167.161,
146 167.164, and 167.171, notification of criminal conduct to law enforcement authorities under
147 sections 167.115 to 167.117, academic assessment under section 160.518, transmittal of school
148 records under section 167.020, [and] the minimum number of school days and hours required
149 under section 160.041, **and the employee criminal history background check and the family**
150 **care safety registry check under section 168.133;**

151 (3) Except as provided in sections 160.400 to [160.420] **160.425**, be exempt from all
152 laws and rules relating to schools, governing boards and school districts;

153 (4) Be financially accountable, use practices consistent with the Missouri financial
154 accounting manual, provide for an annual audit by a certified public accountant, publish audit
155 reports and annual financial reports [as provided in chapter 165, provided that the annual
156 financial report may be published] **on the charter school's internet website or on the**
157 **department of elementary and secondary education's internet website [in addition to other**
158 **publishing requirements], and provide liability insurance to indemnify the school, its board, staff**

159 and teachers against tort claims. A charter school that receives local educational agency status
160 under subsection [6] 7 of this section shall meet the requirements imposed by the Elementary and
161 Secondary Education Act for audits of such agencies. For purposes of an audit by petition under
162 section 29.230, a charter school shall be treated as a political subdivision on the same terms and
163 conditions as the school district in which it is located. For the purposes of securing such
164 insurance, a charter school shall be eligible for the Missouri public entity risk management fund
165 pursuant to section 537.700. A charter school that incurs debt [must] **shall** include a repayment
166 plan in its financial plan;

167 (5) Provide a comprehensive program of instruction for at least one grade or age group
168 from kindergarten through grade twelve, which may include early childhood education if funding
169 for such programs is established by statute, as specified in its charter;

170 (6) (a) Design a method to measure pupil progress toward the pupil academic standards
171 adopted by the state board of education pursuant to section 160.514, [collect baseline data during
172 at least the first three years for determining how the charter school is performing] **establish**
173 **baseline student performance in accordance with the performance contract during the first**
174 **year of operation, collect student performance data as defined by the annual performance**
175 **report throughout the duration of the charter to annually monitor student academic**
176 **performance**, and to the extent applicable **based upon grade levels offered by the charter**
177 **school**, participate in the statewide system of assessments, comprised of the essential skills tests
178 and the nationally standardized norm-referenced achievement tests, as designated by the state
179 board pursuant to section 160.518, complete and distribute an annual report card as prescribed
180 in section 160.522, which shall also include a statement that background checks have been
181 completed on the charter school's board members, report to its sponsor, the local school district,
182 and the state board of education as to its teaching methods and any educational innovations and
183 the results thereof, and provide data required for the study of charter schools pursuant to
184 subsection 4 of section 160.410. No charter school [will] **shall** be considered in the Missouri
185 school improvement program review of the district in which it is located for the resource or
186 process standards of the program.

187 (b) For proposed high risk or alternative charter schools, sponsors shall approve
188 performance measures based on mission, curriculum, teaching methods, and services. Sponsors
189 shall also approve comprehensive academic and behavioral measures to determine whether
190 students are meeting performance standards on a different time frame as specified in that school's
191 charter. Student performance shall be assessed comprehensively to determine whether a high
192 risk or alternative charter school has documented adequate student progress. Student
193 performance shall be based on sponsor-approved comprehensive measures as well as
194 standardized public school measures. Annual presentation of charter school report card data to

195 the department of elementary and secondary education, the state board, and the public shall
196 include comprehensive measures of student progress.

197 (c) Nothing in this [paragraph] **subdivision** shall be construed as permitting a charter
198 school to be held to lower performance standards than other public schools within a district;
199 however, the charter of a charter school may permit students to meet performance standards on
200 a different time frame as specified in its charter;

201 (7) [Assure that the needs of special education children are met in compliance] **Comply**
202 with all applicable federal and state laws and regulations **regarding students with disabilities**
203 **including sections 162.670 to 162.710, the Individuals with Disabilities Education Act (20**
204 **U.S.C. Section 1400) and Section 504 of the Rehabilitation Act of 1973 (20 U.S.C. Section**
205 **794) or successor legislation;**

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

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

211 (b) A statement outlining the reasons for approval or disapproval by the sponsor,
212 specifically addressing the requirements of sections 160.400 to [160.420] **160.425** and 167.349.

213 **6. (1) Proposed or existing high risk or alternative charter schools may include**
214 **alternative arrangements for students to obtain credit for satisfying graduation**
215 **requirements in the school's charter application and charter. Alternative arrangements**
216 **may include, but not be limited to, credit for off-campus instruction, embedded credit,**
217 **work experience through an internship arranged through the school, and independent**
218 **studies. When the state board of education approves the charter, any such alternative**
219 **arrangements shall be approved at such time.**

220 **(2) The department of elementary and secondary education shall conduct a study**
221 **of any charter school granted alternative arrangements for students to obtain credit under**
222 **this subsection after three years of operation to assess student performance, graduation**
223 **rates, educational outcomes, and entry into the workforce or higher education.**

224 7. The charter of a charter school may be amended at the request of the governing body
225 of the charter school and on the approval of the sponsor. The sponsor and the governing board
226 and staff of the charter school shall jointly review the school's performance, management and
227 operations [at least once every two years] **during the first year of operation and then every**
228 **other year after the most recent review** or at any point where the operation or management of
229 the charter school is changed or transferred to another entity, either public or private. The
230 governing board of a charter school may amend the charter, if the sponsor approves such

231 amendment, or the sponsor and the governing board may reach an agreement in writing to reflect
232 the charter school's decision to become a local educational agency [for the sole purpose of
233 seeking direct access to federal grants]. In such case the sponsor shall give the department of
234 elementary and secondary education written notice no later than March first of any year, with the
235 agreement to become effective July first. The department may waive the March first notice date
236 in its discretion. The department shall identify and furnish a list of its regulations that pertain
237 to local educational agencies to such schools within thirty days of receiving such notice.

238 [7.] **8. (1) (a) A sponsor's intervention policies shall give schools clear, adequate,**
239 **evidence-based, and timely notice of contract violations or performance deficiencies and**
240 **mandate intervention based upon findings of the state board of education of the following:**

241 **a. The charter school provides a high school program which fails to maintain a**
242 **graduation rate of at least seventy percent in three of the last four school years unless the**
243 **school has dropout recovery as its mission; or**

244 **b. The charter school is identified as a persistently lowest achieving school by the**
245 **department of elementary and secondary education.**

246 **(b) A sponsor shall have a policy to revoke a charter during the charter term if**
247 **there is:**

248 **a. Clear evidence of underperformance in three of the last four school years; or**

249 **b. A violation of the law or the public trust that imperils students or public funds.**

250 **(c) A sponsor shall revoke a charter or take other appropriate remedial action, which may**
251 **include placing the charter school on probationary status for no more than twelve months,**
252 **provided that no more than one designation of probationary status shall be allowed for the**
253 **duration of the charter contract, at any time if the charter school commits a serious breach of**
254 **one or more provisions of its charter or on any of the following grounds: failure to meet**
255 **[academic performance standards] the performance contract as set forth in its charter, failure**
256 **to meet generally accepted standards of fiscal management, failure to provide information**
257 **necessary to confirm compliance with all provisions of the charter and sections 160.400 to**
258 **[160.420] 160.425 and 167.349 within forty-five days following receipt of written notice**
259 **requesting such information, or violation of law.**

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

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

267 (4) The sponsor of a charter school shall establish procedures to conduct administrative
268 hearings upon determination by the sponsor that grounds exist to revoke a charter. Final
269 decisions of a sponsor from hearings conducted pursuant to this subsection are subject to
270 [judicial review pursuant to chapter 536] **an appeal to the state board of education, which**
271 **shall determine whether the charter shall be revoked.**

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

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

278 [8.] **9. (1)** A sponsor shall take all reasonable steps necessary to confirm that each
279 charter school sponsored by such sponsor is in material compliance and remains in material
280 compliance with all material provisions of the charter and sections 160.400 to [160.420] **160.425**
281 and 167.349. Every charter school shall provide all information necessary to confirm ongoing
282 compliance with all provisions of its charter and sections 160.400 to [160.420] **160.425** and
283 167.349 in a timely manner to its sponsor.

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

286 **(a) The charter school is organizationally and fiscally viable determining at a**
287 **minimum that the school does not have:**

288 **a. A negative balance in its operating funds;**

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

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

292 **(b) The charter is in compliance with its legally binding performance contract and**
293 **sections 160.400 to 160.425 and section 167.349;**

294 **(3) (a) Beginning August first during the year in which a charter is considered for**
295 **renewal, a charter school sponsor shall demonstrate to the state board of education that**
296 **the charter school is in compliance with federal and state law as provided in sections**
297 **160.400 to 160.425 and section 167.349 and the school's performance contract including but**
298 **not limited to those requirements specific to academic performance.**

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

302 **(c) Using the data requested and the revised charter application under paragraphs**
303 **(a) and (b) of this subdivision, the state board of education shall determine if compliance**
304 **with all standards enumerated in this subdivision has been achieved. The state board of**
305 **education at its next regularly scheduled meeting shall vote on the revised charter**
306 **application.**

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

309 [9.] **10.** A school district may enter into a lease with a charter school for physical
310 facilities. **A properly authorized charter school shall have the right to purchase or lease an**
311 **unused facility or unused portion of a facility from a school district. Such purchase or**
312 **lease shall be made available to a charter school at a fair market value prior to any unused**
313 **facility or unused portion of a facility being offered to any noncharter school entity. No**
314 **school district shall sell or lease a facility to another entity unless it has first complied with**
315 **this subsection.**

316 [10.] **11.** A governing board or a school district employee who has control over
317 personnel actions shall not take unlawful reprisal against another employee at the school district
318 because the employee is directly or indirectly involved in an application to establish a charter
319 school. A governing board or a school district employee shall not take unlawful reprisal against
320 an educational program of the school or the school district because an application to establish
321 a charter school proposes the conversion of all or a portion of the educational program to a
322 charter school. As used in this subsection, "unlawful reprisal" means an action that is taken by
323 a governing board or a school district employee as a direct result of a lawful application to
324 establish a charter school and that is adverse to another employee or an educational program.

325 [11.] **12.** Charter school board members shall be subject to the same liability for acts
326 while in office as if they were regularly and duly elected members of school boards in any other
327 public school district in this state. The governing board of a charter school may participate, to
328 the same extent as a school board, in the Missouri public entity risk management fund in the
329 manner provided under sections 537.700 to 537.756.

330 [12.] **13.** Any entity, either public or private, operating, administering, or otherwise
331 managing a charter school shall be considered a quasi-public governmental body and subject to
332 the provisions of sections 610.010 to 610.035.

333 [13.] **14.** The chief financial officer of a charter school shall maintain:

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

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

160.410. 1. A charter school shall enroll:

2 (1) All pupils resident in the district in which it operates;

3 (2) Nonresident pupils eligible to attend a district's school under an urban voluntary
4 transfer program; [and]

5 (3) **In the case of a charter school whose mission includes student drop-out**
6 **prevention or recovery, any nonresident pupil from the same or an adjacent county who**
7 **resides in a residential care facility, a transitional living group home, or an independent**
8 **living program whose last school of enrollment is in the school district where the charter**
9 **school is established, who submits a timely application; and**

10 (4) In the case of a workplace charter school, any student eligible to attend under
11 subdivision (1) or (2) of this subsection whose parent is employed in the business district, who
12 submits a timely application, unless the number of applications exceeds the capacity of a
13 program, class, grade level or building. The configuration of a business district shall be set forth
14 in the charter and shall not be construed to create an undue advantage for a single employer or
15 small number of employers.

16 2. If capacity is insufficient to enroll all pupils who submit a timely application, the
17 charter school shall have an admissions process that assures all applicants of an equal chance of
18 gaining admission except that:

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

23 (2) A charter school may also give a preference for admission of children whose siblings
24 attend the school or whose parents are employed at the school or in the case of a workplace
25 charter school, a child whose parent is employed in the business district or at the business site
26 of such school; **and**

27 (3) **Charter alternative and special purpose schools may also give a preference for**
28 **admission to high-risk students, as defined in subdivision (5) of subsection 2 of section**
29 **160.405, when the school targets these students through its proposed mission, curriculum,**
30 **teaching methods, and services.**

31 3. A charter school shall not limit admission based on race, ethnicity, national origin,
32 disability, [gender,] income level, proficiency in the English language or athletic ability, but may
33 limit admission to pupils within a given age group or grade level. **Charter schools may limit**

34 **admission based on gender only when the school is a single-gender school. Students of a**
35 **charter school that are present for the January membership count as defined in section**
36 **163.011 shall be counted in the performance of the charter school on the statewide**
37 **assessments in that calendar year, unless otherwise exempted as English language learners.**

38 4. The department of elementary and secondary education shall commission a study of
39 the performance of students at each charter school in comparison with an equivalent group of
40 district students representing an equivalent demographic and geographic population and a study
41 of the impact of charter schools upon the constituents they serve in the districts in which they are
42 located, to be conducted by the joint committee on education. The charter school study shall
43 include analysis of the administrative and instructional practices of each charter school and shall
44 include findings on innovative programs that illustrate best practices and lend themselves to
45 replication or incorporation in other schools. The joint committee on education shall coordinate
46 with individuals representing charter [public] schools and the districts in which charter schools
47 are located in conducting the study. The study of a charter school's student performance in
48 relation to a comparable group shall be designed to provide information that would allow parents
49 and educators to make valid comparisons of academic performance between the charter school's
50 students and an equivalent group of district students representing an equivalent demographic and
51 geographic population. The student performance assessment and comparison shall include, but
52 may not be limited to:

53 (1) Missouri assessment program test performance and aggregate growth over several
54 years;

55 (2) Student reenrollment rates;

56 (3) Educator, parent, and student satisfaction data;

57 (4) Graduation rates in secondary programs; and

58 (5) Performance of students enrolled in the same public school for three or more
59 consecutive years. The impact study shall be undertaken every two years to determine the impact
60 of charter schools on the constituents they serve in the districts where charter schools are
61 operated. The impact study shall include, but is not limited to, determining if changes have been
62 made in district policy or procedures attributable to the charter school and to perceived changes
63 in attitudes and expectations on the part of district personnel, school board members, parents,
64 students, the business community and other education stakeholders. The department of
65 elementary and secondary education shall make the results of the studies public and shall deliver
66 copies to the governing boards of the charter schools, the sponsors of the charter schools, the
67 school board and superintendent of the districts in which the charter schools are operated.

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

71 (1) The school's charter;

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

73 [and]

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

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

80 **6. When a student attending a charter school who is a resident of the school district**
81 **in which the charter school is located moves out of the boundaries of such school district,**
82 **the student may complete the current semester and shall be considered a resident student.**
83 **The student's parent or legal guardian shall be responsible for the student's transportation**
84 **to and from the charter school.**

85 **7. If a change in school district boundary lines occurs under section 162.223,**
86 **162.431, 162.441, or 162.451, or by action of the state board of education under section**
87 **162.081, including attachment of a school district's territory to another district or**
88 **dissolution, such that a student attending a charter school prior to such change no longer**
89 **resides in a school district in which the charter school is located, then the student may**
90 **complete the current academic year at the charter school. The student shall be considered**
91 **a resident student. The student's parent or legal guardian shall be responsible for the**
92 **student's transportation to and from the charter school.**

93 **8. The provisions of sections 167.018 and 167.019 concerning foster children's**
94 **educational rights are applicable to charter schools.**

160.415. 1. For the purposes of calculation and distribution of state school aid under
2 section 163.031, pupils enrolled in a charter school shall be included in the pupil enrollment of
3 the school district within which each pupil resides. Each charter school shall report the names,
4 addresses, and eligibility for free and reduced lunch, special education, or limited English
5 proficiency status, as well as eligibility for categorical aid, of pupils resident in a school district
6 who are enrolled in the charter school to the school district in which those pupils reside. The
7 charter school shall report the average daily attendance data, free and reduced lunch count,
8 special education pupil count, and limited English proficiency pupil count to the state department
9 of elementary and secondary education. Each charter school shall promptly notify the state

10 department of elementary and secondary education and the pupil's school district when a student
11 discontinues enrollment at a charter school.

12 2. Except as provided in subsections 3 and 4 of this section, the aid payments for charter
13 schools shall be as described in this subsection.

14 (1) A school district having one or more resident pupils attending a charter school shall
15 pay to the charter school an annual amount equal to the product of the charter school's weighted
16 average daily attendance and the state adequacy target, multiplied by the dollar value modifier
17 for the district, plus local tax revenues per weighted average daily attendance from the incidental
18 and teachers' funds in excess of the performance levy as defined in section 163.011 plus all other
19 state aid attributable to such pupils.

20 (2) The district of residence of a pupil attending a charter school shall also pay to the
21 charter school any other federal or state aid that the district receives on account of such child.

22 (3) If the department overpays or underpays the amount due to the charter school, such
23 overpayment or underpayment shall be repaid by the public charter school or credited to the
24 public charter school in twelve equal payments in the next fiscal year.

25 (4) The amounts provided pursuant to this subsection shall be prorated for partial year
26 enrollment for a pupil.

27 (5) A school district shall pay the amounts due pursuant to this subsection as the
28 disbursal agent and no later than twenty days following the receipt of any such funds. The
29 department of elementary and secondary education shall pay the amounts due when it acts as the
30 disbursal agent within five days of the required due date.

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

35 4. A charter school that has declared itself as a local educational agency shall receive
36 from the department of elementary and secondary education an annual amount equal to the
37 product of the charter school's weighted average daily attendance and the state adequacy target,
38 multiplied by the dollar value modifier for the district, plus local tax revenues per weighted
39 average daily attendance from the incidental and teachers funds in excess of the performance
40 levy as defined in section 163.011 plus all other state aid attributable to such pupils. If a charter
41 school declares itself as a local education agency, the department of elementary and secondary
42 education shall, upon notice of the declaration, reduce the payment made to the school district
43 by the amount specified in this subsection and pay directly to the charter school the annual
44 amount reduced from the school district's payment.

45 5. If a school district fails to make timely payments of any amount for which it is the
46 disbursal agent, the state department of elementary and secondary education shall authorize
47 payment to the charter school of the amount due pursuant to subsection 2 of this section and shall
48 deduct the same amount from the next state school aid apportionment to the owing school
49 district. If a charter school is paid more or less than the amounts due pursuant to this section,
50 the amount of overpayment or underpayment shall be adjusted equally in the next twelve
51 payments by the school district or the department of elementary and secondary education, as
52 appropriate. Any dispute between the school district and a charter school as to the amount owing
53 to the charter school shall be resolved by the department of elementary and secondary education,
54 and the department's decision shall be the final administrative action for the purposes of review
55 pursuant to chapter 536. During the period of dispute, the department of elementary and
56 secondary education shall make every administrative and statutory effort to allow the continued
57 education of children in their current public charter school setting.

58 6. The charter school and a local school board may agree by contract for services to be
59 provided by the school district to the charter school. The charter school may contract with any
60 other entity for services. Such services may include but are not limited to food service, custodial
61 service, maintenance, management assistance, curriculum assistance, media services and libraries
62 and shall be subject to negotiation between the charter school and the local school board or other
63 entity. Documented actual costs of such services shall be paid for by the charter school.

64 7. **In the case of a proposed charter school that intends to contract with an**
65 **education service provider for substantial educational services, management services, the**
66 **request for proposals shall additionally require the charter school applicant to:**

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

71 **(2) Provide a term sheet setting forth the proposed duration of the service contract;**
72 **roles and responsibilities of the governing board, the school staff, and the service provider;**
73 **scope of services and resources to be provided by the service provider; performance**
74 **evaluation measures and time lines; compensation structure, including clear identification**
75 **of all fees to be paid to the service provider; methods of contract oversight and**
76 **enforcement; investment disclosure; and conditions for renewal and termination of the**
77 **contract;**

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

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

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

84 **(6) Provide a process to ensure that the expenditures that the educational service**
85 **provider intends to bill to the charter school shall receive prior approval of the governing**
86 **board or its designee.**

87 **8.** A charter school may enter into contracts with community partnerships and state
88 agencies acting in collaboration with such partnerships that provide services to children and their
89 families linked to the school.

90 **[8.] 9.** A charter school shall be eligible for transportation state aid pursuant to section
91 163.161 and shall be free to contract with the local district, or any other entity, for the provision
92 of transportation to the students of the charter school.

93 **[9.] 10.** (1) The proportionate share of state and federal resources generated by students
94 with disabilities or staff serving them shall be paid in full to charter schools enrolling those
95 students by their school district where such enrollment is through a contract for services
96 described in this section. The proportionate share of money generated under other federal or
97 state categorical aid programs shall be directed to charter schools serving such students eligible
98 for that aid.

99 (2) A charter school [district] shall provide the special services provided pursuant to
100 section 162.705 and may provide the special services pursuant to a contract with a school district
101 or any provider of such services.

102 **[10.] 11.** A charter school may not charge tuition, nor may it impose fees that a school
103 district is prohibited from imposing.

104 **[11.] 12.** A charter school is authorized to incur debt in anticipation of receipt of funds.
105 A charter school may also borrow to finance facilities and other capital items. A school district
106 may incur bonded indebtedness or take other measures to provide for physical facilities and other
107 capital items for charter schools that it sponsors or contracts with. Upon the dissolution of a
108 charter school, any liabilities of the corporation will be satisfied through the procedures of
109 chapter 355. **The department of elementary and secondary education may withhold**
110 **funding at a level the department determines to be adequate during a school's last year of**
111 **operation until the department determines that school records, liabilities, and reporting**
112 **requirements, including a full audit, are satisfied.**

113 **[12.] 13.** Charter schools shall not have the power to acquire property by eminent
114 domain.

115 [13.] 14. The governing body of a charter school is authorized to accept grants, gifts or
116 donations of any kind and to expend or use such grants, gifts or donations. A grant, gift or
117 donation may not be accepted by the governing body if it is subject to any condition contrary to
118 law applicable to the charter school or other public schools, or contrary to the terms of the
119 charter.

**160.417. 1. By October 1, 2012, and by each October first thereafter, the sponsor
2 of each charter school shall review the information submitted on the report required by
3 section 162.821 to identify charter schools experiencing financial stress. The department
4 of elementary and secondary education shall be authorized to obtain such additional
5 information from a charter school as may be necessary to determine the financial condition
6 of the charter school. Annually, a listing of charter schools identified as experiencing
7 financial stress according to the provisions of this section shall be provided to the governor,
8 speaker of the house of representatives, and president pro tem of the senate by the
9 department of elementary and secondary education.**

**10 2. For the purposes of this section, a charter school shall be identified as
11 experiencing financial stress if it:**

12 (1) At the end of its most recently completed fiscal year:

13 (a) Has a negative balance in its operating funds; or

**14 (b) Has a combined balance of less than three percent of the amount expended from
15 such funds during the previous fiscal year; or**

**16 (2) For the most recently completed fiscal year expenditures, exceeded receipts for
17 any of its funds because of recurring costs.**

**18 3. The sponsor shall notify by November first the governing board of the charter
19 school identified as experiencing financial stress. Upon receiving the notification, the
20 governing board shall develop, or cause to have developed, and shall approve a budget and
21 education plan on forms provided by the sponsor. The budget and education plan shall
22 be submitted to the sponsor, signed by the officers of the charter school, within forty-five
23 calendar days of notification that the charter school has been identified as experiencing
24 financial stress. Minimally, the budget and education plan shall:**

**25 (1) Give assurances that adequate educational services to students of the charter
26 school shall continue uninterrupted for the remainder of the current school year and that
27 the charter school can provide the minimum number of school days and hours required
28 by section 160.041;**

**29 (2) Outline a procedure to be followed by the charter school to report to charter
30 school patrons about the financial condition of the charter school; and**

31 **(3) Detail the expenditure reduction measures, revenue increases, or other actions**
32 **to be taken by the charter school to address its condition of financial stress.**

33 **4. Upon receipt and following review of any budget and education plan, the sponsor**
34 **may make suggestions to improve the plan. Nothing in sections 160.400 to 160.425 or**
35 **section 167.349 shall exempt a charter school from submitting a budget and education plan**
36 **to the sponsor according to the provisions of this section following each such notification**
37 **that a charter school has been identified as experiencing financial stress, except that the**
38 **sponsor may permit a charter school's governing board to make amendments to or update**
39 **a budget and education plan previously submitted to the sponsor.**

40 **5. The department may withhold any payment of financial aid otherwise due to the**
41 **charter school until such time as the sponsor and the charter school have fully complied**
42 **with this section.**

160.420. 1. Any school district in which charter schools may be established under
2 sections 160.400 to [160.420] **160.425** shall establish a uniform policy which provides that if a
3 charter school offers to retain the services of an employee of a school district, and the employee
4 accepts a position at the charter school, an employee at the employee's option may remain an
5 employee of the district and the charter school shall pay to the district the district's full costs of
6 salary and benefits provided to the employee. The district's policy shall provide that any teacher
7 who accepts a position at a charter school and opts to remain an employee of the district retains
8 such teacher's permanent teacher status and retains such teacher's seniority rights in the district
9 for three years. The school district shall not be liable for any such employee's acts while an
10 employee of the charter school.

11 2. A charter school may employ noncertificated instructional personnel; provided that
12 no more than twenty percent of the full-time equivalent instructional staff positions at the school
13 are filled by noncertificated personnel. All noncertificated instructional personnel shall be
14 supervised by certificated instructional personnel. A charter school that has a foreign language
15 immersion experience as its chief educational mission, as stated in its charter, shall not be subject
16 to the twenty-percent requirement of this subsection but shall ensure that any teachers whose
17 duties include instruction given in a foreign language have current valid credentials in the
18 country in which such teacher received his or her training and shall remain subject to the
19 remaining requirements of this subsection. The charter school shall ensure that all instructional
20 employees of the charter school have experience, training and skills appropriate to the
21 instructional duties of the employee, and the charter school shall ensure that a criminal
22 background check and [child abuse] **family care safety** registry check are conducted for each
23 employee of the charter school prior to the hiring of the employee **under the requirements of**
24 **section 168.133.** The charter school may not employ instructional personnel whose certificate

25 of license to teach has been revoked or is currently suspended by the state board of education.
26 Appropriate experience, training and skills of noncertificated instructional personnel shall be
27 determined considering:

28 (1) Teaching certificates issued by another state or states;

29 (2) Certification by the National [Standards] Board **for Professional Teaching**
30 **Standards**;

31 (3) College degrees in the appropriate field;

32 (4) Evidence of technical training and competence when such is appropriate; and

33 (5) The level of supervision and coordination with certificated instructional staff.

34 3. Personnel employed by the charter school shall participate in the retirement system
35 of the school district in which the charter school is located, subject to the same terms, conditions,
36 requirements and other provisions applicable to personnel employed by the school district. For
37 purposes of participating in the retirement system, the charter school shall be considered to be
38 a public school within the school district, and personnel employed by the charter school shall be
39 public school employees. In the event of a lapse of the school district's corporate organization
40 as described in subsections 1 and 4 of section 162.081, personnel employed by the charter school
41 shall continue to participate in the retirement system and shall do so on the same terms,
42 conditions, requirements and other provisions as they participated prior to the lapse.

43 [4. The charter school and a local school board may agree by contract for services to be
44 provided by the school district to the charter school. The charter school may contract with any
45 other entity for services. Such services may include but are not limited to food service, custodial
46 service, maintenance, management assistance, curriculum assistance, media services and libraries
47 and shall be subject to negotiation between the charter school and the local school board or other
48 entity. Documented actual costs of such services shall be paid for by the charter school.

49 5. A charter school may enter into contracts with community partnerships and state
50 agencies acting in collaboration with such partnerships that provide services to children and their
51 families linked to the school.

52 6. A charter school shall be eligible for transportation state aid pursuant to section
53 163.161 and shall be free to contract with the local district, or any other entity, for the provision
54 of transportation to the students of the charter school.

55 7. (1) The proportionate share of state and federal resources generated by students with
56 disabilities or staff serving them shall be paid in full to charter schools enrolling those students
57 by their school district where such enrollment is through a contract for services described in this
58 section. The proportionate share of money generated under other federal or state categorical aid
59 programs shall be directed to charter schools serving such students eligible for that aid.

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

63 8. A charter school may not charge tuition, nor may it impose fees that a school district
64 is prohibited from imposing.

65 9. A charter school is authorized to incur debt in anticipation of receipt of funds. A
66 charter school may also borrow to finance facilities and other capital items. A school district
67 may incur bonded indebtedness or take other measures to provide for physical facilities and other
68 capital items for charter schools that it sponsors or contracts with. Upon the dissolution of a
69 charter school, any liabilities of the corporation will be satisfied through the procedures of
70 chapter 355.

71 10. Charter schools shall not have the power to acquire property by eminent domain.

72 11. The governing body of a charter school is authorized to accept grants, gifts or
73 donations of any kind and to expend or use such grants, gifts or donations. A grant, gift or
74 donation may not be accepted by the governing body if it is subject to any condition contrary to
75 law applicable to the charter school or other public schools, or contrary to the terms of the
76 charter.]

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

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

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

**12 (1) One member selected by the governor from a slate of three recommended by the
13 commissioner of education;**

**14 (2) One member selected by the governor from a slate of three recommended by the
15 commissioner of higher education;**

**16 (3) One member selected by the governor from a slate of three recommended by the
17 president pro tempore of the senate;**

**18 (4) One member selected by the governor from a slate of three recommended by the
19 speaker of the house of representatives; and**

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

23 **4. Members appointed to the commission shall collectively possess strong**
24 **experience and expertise in governance, management and finance, school leadership,**
25 **assessment, curriculum and instruction, and education law. All members of the**
26 **commission shall have demonstrated understanding of and commitment to charter**
27 **schooling as a strategy for strengthening public education.**

28 **5. The commission shall annually elect a chairperson and vice chairperson, who**
29 **shall act as chairperson in his or her absence. The commission shall meet at the call of the**
30 **chairperson. The chairperson may call meetings at such times as he or she deems advisable**
31 **and shall call a meeting when requested to do so by three or more members of the**
32 **commission. Members of the commission are not eligible to receive compensation.**

33 **6. The commission may approve proposed charters for its sponsorship under**
34 **sections 160.400 to 160.425 and shall:**

35 **(1) Comply with all of the requirements applicable to sponsors under sections**
36 **160.400 to 160.425;**

37 **(2) Exercise sponsorship over charters approved by the commission under sections**
38 **160.400 to 160.425, including receipt of sponsorship funding under subsection 11 of section**
39 **160.400.**

40 **7. Charter schools sponsored by the commission shall comply with all of the**
41 **requirements applicable to charter schools under sections 160.400 to 160.425.**

42 **8. The commission shall conduct its business in accordance with chapter 610.**

43 **9. The department of elementary and secondary education shall provide start-up**
44 **funding for the commission to operate. The commission shall reimburse the department's**
45 **costs from any funds it receives as sponsor under section 160.400.**

46 **10. The commission is authorized to receive and expend gifts, grants, and donations**
47 **of any kind from any public or private entity to carry out the purposes of sections 160.400**
48 **to 160.425, subject to the terms and conditions under which they are given, provided that**
49 **all such terms and conditions are permissible under law.**

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