

HCS HB 1228 -- CHARTER SCHOOLS

SPONSOR: Dieckhaus (Jones, 63)

COMMITTEE ACTION: Voted "do pass" by the Committee on Elementary and Secondary Education by a vote of 17 to 6.

This substitute changes the laws regarding charter schools. In its main provisions, the substitute:

- (1) Authorizes the State Auditor to audit a charter school;
- (2) Allows a charter school to operate in:
  - (a) An unaccredited district;
  - (b) A provisionally accredited district that has been provisionally accredited for three consecutive years, with school year 2009-2010 as the base year. Eligibility for charter schools in a provisional district where financial stress or hardship is a factor must be determined by the State Board of Education within the Department of Elementary and Secondary Education in the third year of qualifying. Only the local school board or a sponsor who has met accountability standards may sponsor a school in a provisionally accredited district; and
  - (c) A school district that is accredited without provisions, but only the local school board may sponsor a charter school in the district;
- (3) Expands the entities that are eligible to sponsor a charter school to include all public four-year colleges and universities and any private four-year college or university with its primary campus in the state and with an approved teacher education program; any community college whose service area encompasses some portion of the district; certain two-year private nonprofit vocational or technical schools; and the Missouri Charter Public School Commission established in the substitute;
- (4) Requires three consecutive years in a higher accreditation status before the requirements of the higher accreditation status apply;
- (5) Requires a sponsor receiving sponsorship funds to report annually to the Joint Committee on Education that it is in compliance with the requirement on the timely submission of specified data;
- (6) Requires a sponsor to develop policies and procedures for the review and approval of a charter school proposal; granting of

a charter; performance framework to evaluate the performance of charter schools; and the sponsor's intervention, renewal, and revocation policies and closure procedures;

(7) Requires the state board to evaluate sponsors for compliance with standards every three years and removes the one-year limitation on the state board's ability to withhold funds and suspend the sponsor's authority until the sponsor is reauthorized by the state board;

(8) Requires the department to establish an annual application and approval process for all eligible sponsors who are not sponsoring a charter school as of August 28, 2012;

(9) Requires each interested eligible sponsor to submit an application by April 1 which includes specified information;

(10) Revises the requirements of a charter proposal and allows charter schools operating on August 27, 2012, to have until August 28, 2015, to meet the additional requirements which:

(a) Require a description of the obligations and responsibilities of the charter school;

(b) Replace the educational goals and objectives to be achieved with a legally binding performance contract that includes specified information;

(c) Add an annual review of statutory compliance, financial accountability measures, and preopening requirements;

(d) Add a procedure to ensure admission of students with disabilities in a nondiscriminatory manner and a description of the parental grievance procedure; and

(e) Add a description of when a charter may be revoked or fail to be renewed and closure procedures;

(11) Requires a charter to be approved by the state board by December 1 of the year prior to the proposed opening date;

(12) Revises the description of "high-risk student" by replacing risk factors that focus on pregnancy and poverty status with factors that address aspects of behavior and interaction with the legal system;

(13) Specifies what alternative arrangements are allowed for students to obtain academic credit and requires a study of the effects of the alternative arrangements after three years to assess student performance, graduation rates, educational

outcomes, and entry into the workforce or higher education;

(14) Limits a sponsor's ability to place a charter school on probation to no more than 12 months for the duration of the charter contract;

(15) Changes the appeal body for a sponsor's revocation decision from judicial review to the state board;

(16) Revises the charter renewal process by setting August 1 as the date for demonstrating to the state board that the school is in compliance with state and federal law and its performance contract and submitting a revised charter application so that its charter may be renewed by the state board at its next regularly scheduled meeting;

(17) Clarifies:

(a) The terms under which a charter school may purchase or rent a school district facility, offering a charter school the right of first refusal;

(b) The residence status of nonresident pupils from certain facilities as it applies to charter school enrollment;

(c) Admission preference for high-risk students when the school targets these students through its proposed mission, curriculum, teaching methods, and services;

(d) Limitation of admission based on gender; and

(e) The status of students who are to be counted in the charter school's performance on statewide assessments in that year;

(18) Requires that a copy of any contract between the governing board of a charter school and a management company for services to be available for public inspection;

(19) Establishes a charter student's right to complete the current semester if the student moves out of the district and to complete the year if a district boundary change affects the student's residence status;

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

(21) Requires a proposed charter school that intends to contract with an education service provider for substantial services to require the applicant in the request for proposal to:

(a) Provide evidence of the service provider's success in serving student populations similar to the charter school's targeted population;

(b) Provide a term sheet covering the duration of services, roles and responsibilities, scope of resources, evaluation measures, compensation structure, oversight methods, investment disclosure, and contract renewal and termination processes;

(c) Disclose any known conflicts of interest;

(d) Disclose and explain any termination or nonrenewal for charter school services in the past five years;

(e) Ensure that the legal counsel for the charter school directly reports to the school's governing board; and

(f) Provide a process to ensure prior approval by the governing board for the payment of service provider expenditures billable to the charter school;

(22) Authorizes the department to withhold adequate funding during a charter school's last year of operating until the department determines that all records, liabilities, and reporting requirements, including a full audit, of the school are satisfied;

(23) Establishes procedures to determine if a charter school is financially stressed and to guide its recovery from financial stress; and

(24) Establishes the Missouri Charter Public School Commission with authority to sponsor high quality charter schools. The commission is to consist of nine members appointed by the Governor with the advice and consent of the Senate. Four of the members are to be appointed directly by the Governor and one member is to be selected by the Governor from a slate of three nominees recommended by each of following:

(a) The Commissioner of Education;

(b) The Commissioner of Higher Education within the Department of Higher Education;

(c) The President Pro Tem of the Senate;

(d) The Speaker of the House of Representatives; and

(e) The Missouri School Boards Association.

FISCAL NOTE: Estimated Net Cost on General Revenue Fund of Unknown - Could Exceed \$439,362 in FY 2013, Unknown - Could Exceed \$322,372 in FY 2014, and Unknown - Could Exceed \$324,684 in FY 2015. No impact on Other State Funds in FY 2013, FY 2014, and FY 2015.

PROPONENTS: Supporters say that charter schools have learned how important active sponsorship is to the success of a school. The bill contains major revisions to ensure sponsors fulfill their requirements and to add accountability. Parents feel that charter schools are more responsive to their children's needs and their teachers have higher expectations for the students.

Testifying for the bill were Representative Jones (63); Douglas Thaman, Missouri Charter Public School Association; Stephanie Krauss, Shearwater Education Foundation; Lea Crusey, StudentsFirst; Danette Johnson; F. Michael Horskins, Black Alliance for Education Options; Deborah Carr, University of Missouri; Christie Huck and Darcell Williams Butler, City Garden Montessori Charter School; Audrey Pribnow; Ann Willey; Jessica Johnson; Missouri Chamber of Commerce and Industry; Betty Randall, Perfecting the Faith and Black Alliance for Education Options; Bertha Robinson, Christ Holiness Temple Church; Leon Bell; Donald Thompson, Maxine Johnson, and Bertha Gilkey-Bonds, Black Alliance for Education Options; Mary Wilson; Perry Owens; and Phyllis Evans.

OPPONENTS: Those who oppose the bill say that it is a mistake to expand charter schools until additional accountability measures have proven to be successful. The school districts where charters are currently allowed would be better off if they devoted extra time and money to early childhood education rather than charter schools.

Testifying against the bill were Missouri Association of School Administrators; Carl Peterson; Byron Clemens, American Federation of Teachers; Missouri State Teachers Association; Mary Armstrong, American Federation of Teachers, St. Louis; Missouri National Education Association; and Paul Morris.

OTHERS: Others testifying on the bill say that the schools sponsored by the University of Missouri-Kansas City undergo rigorous oversight. Choice doesn't necessarily equate to quality, but competition should drive district schools to give better customer service with fewer dead-ends and more proximity.

Others testifying on the bill were Cooperating School Districts of Greater St. Louis; Missouri School Boards Association; Steve McClure, University of Missouri-Kansas City Charter School Center; Paul Schroeder; Art McCoy, Ferguson-Florissant School

District; and Department of Elementary and Secondary Education.