

FIRST REGULAR SESSION

HOUSE BILL NO. 729

101ST GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE O'DONNELL.

1659H.011

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal sections 160.400, 160.405, 160.425, and 161.670, RSMo, and to enact in lieu thereof sixteen new sections relating to alternative educational options for students in elementary and secondary education programs, with penalty provisions.

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

Section A. Sections 160.400, 160.405, 160.425, and 161.670, RSMo, are repealed and
2 sixteen new sections enacted in lieu thereof, to be known as sections 135.712, 135.713, 135.714,
3 135.716, 135.719, 160.400, 160.405, 160.422, 160.425, 161.670, 166.700, 166.705, 166.710,
4 166.715, 166.720, and 166.725, to read as follows:

135.712. 1. Sections 135.712 to 135.719 and sections 166.700 to 166.725 establish
2 **the "Missouri Empowerment Scholarship Accounts Program" to provide options toward**
3 **ensuring the education of students in this state.**

4 **2. As used in sections 135.712 to 135.719, the following terms mean:**

5 **(1) "District" or "school district", the same meaning as used in section 160.011;**
6 **(2) "Educational assistance organization", a charitable organization registered in**
7 **this state that:**

8 **(a) Is exempt from federal taxation under the Internal Revenue Code of 1986, as**
9 **amended;**

10 **(b) Is certified by the state treasurer;**

11 **(c) Allocates all of its annual revenue for educational assistance, except as provided**
12 **in paragraph (c) of subdivision (4) of subsection 1 of section 135.714 and as provided in**
13 **sections 135.712 to 135.719, derived from contributions for which a credit is claimed under**
14 **sections 135.712 to 135.719; and**

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.

- 15 (d) Does not discriminate on the basis of race, color, or national origin;
- 16 (3) "Parent", a parent, guardian, custodian, or other person with authority to act
17 on behalf of the qualified student;
- 18 (4) "Program", the Missouri empowerment scholarship accounts program
19 established under sections 135.712 to 135.719 and sections 166.700 to 166.725;
- 20 (5) "Qualified student", the same meaning as used in section 166.700;
- 21 (6) "Qualifying contribution", a donation of cash, stocks, bonds, or other
22 marketable securities for purposes of claiming a tax credit under sections 135.712 to
23 135.719;
- 24 (7) "Scholarship account", a savings account created by the Missouri
25 empowerment scholarship accounts program;
- 26 (8) "Taxpayer", any of the following that files a Missouri income tax return and
27 is not a dependent of any other taxpayer:
- 28 (a) An individual subject to the state income tax imposed in chapter 143;
- 29 (b) An individual, firm, partner in a firm, corporation, or shareholder in an S
30 corporation doing business in this state and subject to the state income tax imposed by
31 chapter 143; or
- 32 (c) An express company that pays an annual tax on its gross receipts in this state
33 under chapter 153.

135.713. 1. For all fiscal years beginning on or after July 1, 2022, any taxpayer who
2 makes a qualifying contribution to an educational assistance organization may claim a
3 credit against the tax otherwise due under chapter 143, other than taxes withheld under
4 sections 143.191 to 143.265, and chapter 153 in an amount equal to one hundred percent
5 of the amount the taxpayer contributed during the tax year for which the credit is claimed.
6 No taxpayer shall claim a credit under sections 135.712 to 135.719 for any contribution
7 made by the taxpayer, or an agent of the taxpayer, on behalf of the taxpayer's dependent
8 or, in the case of a business taxpayer, on behalf of the business's agent's dependent.

9 2. The amount of the tax credit claimed shall not exceed fifty percent of the
10 taxpayer's state tax liability for the tax year for which the credit is claimed. The state
11 treasurer shall certify the tax credit amount to the taxpayer. A taxpayer may carry the
12 credit forward to any of such taxpayer's four subsequent tax years. All tax credits
13 authorized under the program shall not be transferred, sold, or assigned, and are not
14 refundable.

15 3. The cumulative amount of tax credits that may be allocated to all taxpayers
16 contributing to educational assistance organizations in any one calendar year shall not
17 exceed fifty million dollars. The state treasurer shall establish a procedure by which the

18 tax credits shall be allocated on a first-come, first-served basis. The state treasurer shall
19 establish the procedure described in this subsection in such a manner as to ensure that
20 taxpayers can claim all the tax credits possible up to the cumulative amount of tax credits
21 available for the calendar year.

135.714. 1. Each educational assistance organization shall:

2 (1) Notify the state treasurer of its intent to provide scholarship accounts to
3 qualified students;

4 (2) Demonstrate to the state treasurer that it is exempt from federal income tax
5 under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended;

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

8 (4) Ensure that:

9 (a) One hundred percent of its revenues from interest or investments is spent on
10 scholarship accounts;

11 (b) At least ninety percent of its revenues from qualifying contributions is spent on
12 scholarship accounts; and

13 (c) Marketing and administrative expenses shall not exceed the following limits of
14 its remaining revenue from contributions:

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

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

17 c. Three percent thereafter;

18 (5) Distribute scholarship account payments either four times per year or in a single
19 lump sum at the beginning of the year as requested by the parent of a qualified student,
20 not to exceed a total grant amount equal to the state adequacy target as defined in section
21 163.011 and calculated by the department of elementary and secondary education, in the
22 form of a deposit into the scholarship account of the qualified student;

23 (6) Carry forward no more than twenty-five percent of revenue from contributions
24 from the state fiscal year in which they were received to the following state fiscal year;

25 (7) Provide the state treasurer, upon request, with criminal background checks on
26 all its employees and board members and exclude from employment or governance any
27 individual who might reasonably pose a risk to the appropriate use of contributed funds;

28 (8) Annually administer either the state achievement tests or nationally
29 norm-referenced tests that measure learning gains in math and English language arts, and
30 provide for value-added assessment, to all participating students in grades that require
31 testing under the statewide assessment system set forth in section 160.518;

32 **(9) Allow costs of the testing requirements to be covered by the scholarships**
33 **distributed by the educational assistance organization;**

34 **(10) Provide the parents of each student who was tested with a copy of the results**
35 **of the tests on an annual basis, beginning with the first year of testing;**

36 **(11) Provide the test results to the state treasurer on an annual basis, beginning**
37 **with the first year of testing;**

38 **(12) Report student information that would allow the state treasurer to aggregate**
39 **data by grade level, gender, family income level, and race;**

40 **(13) Provide rates of high school graduation, college attendance, and college**
41 **graduation for participating students to the state treasurer in a manner consistent with**
42 **nationally recognized standards;**

43 **(14) Provide to the state treasurer the results from an annual parental satisfaction**
44 **survey, including information about the number of years that the parent's child has**
45 **participated in the scholarship program. The annual satisfaction survey shall ask parents**
46 **of scholarship students to express:**

47 **(a) Their level of satisfaction with the child's academic achievement, including**
48 **academic achievement at the schools the child attends through the scholarship program**
49 **versus academic achievement at the school previously attended;**

50 **(b) Their level of satisfaction with school safety at the schools the child attends**
51 **through the scholarship program versus safety at the schools previously attended;**

52 **(c) Whether the child would have been able to attend the school of choice without**
53 **the scholarship; and**

54 **(d) Their opinions on other topics, items, or issues that the state treasurer finds**
55 **would elicit information about the effectiveness of the scholarship program;**

56 **(15) Demonstrate its financial accountability by:**

57 **(a) Submitting to the state treasurer annual audit financial statements by a certified**
58 **public accountant within six months of the end of the educational assistance organization's**
59 **fiscal year. Such statements shall contain at least:**

60 **a. The name and address of the educational assistance organization;**

61 **b. The total number and total dollar amount of contributions received during the**
62 **previous calendar year; and**

63 **c. The total number and total dollar amount of scholarship accounts opened during**
64 **the previous calendar year; and**

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

66 **(16) Demonstrate its financial viability, if it is to receive donations of fifty thousand**
67 **dollars or more during the school year, by filing with the state treasurer before the start**

68 of the school year a surety bond or insurance policy payable to the state in an amount
69 equal to the aggregate amount of contributions expected to be received during the school
70 year or other financial information that demonstrates the financial viability of the
71 educational assistance organization.

72 2. The state treasurer shall:

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

75 (2) Collect all test results;

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

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

82 3. An educational assistance organization may contract with a private financial
83 management firm to manage scholarship accounts with the supervision of the state.

135.716. 1. The state treasurer shall provide a standardized format for a receipt
2 to be issued by an educational assistance organization to a taxpayer to indicate the value
3 of a contribution received. The state treasurer shall require a taxpayer to provide a copy
4 of this receipt if claiming the tax credit authorized by the program.

5 2. The state treasurer shall provide a standardized format for educational
6 assistance organizations to report the information required in subsection 1 of this section.

7 3. The state treasurer or state auditor may conduct an investigation if the state
8 treasurer possesses evidence of fraud committed by the educational assistance
9 organization.

10 4. The state treasurer may bar an educational assistance organization from
11 participating in the program if the state treasurer establishes that the educational
12 assistance organization has intentionally and substantially failed to comply with the
13 requirements in section 135.714. If the state treasurer bars an educational assistance
14 organization from the program under this subsection, the organization shall notify affected
15 qualified students and their parents of the decision as soon as possible after the decision
16 is made.

17 5. The state treasurer shall issue a report on the state of the program five years
18 after it goes into effect. The report shall include, but is not limited to:

19 (1) Information regarding the finances of the educational assistance organizations;
20 and

21 **(2) Educational outcomes of qualified students.**

2 **135.719. 1. The state treasurer may promulgate rules to implement the provisions**
3 **of sections 135.712 to 135.719. Any rule or portion of a rule, as that term is defined in**
4 **section 536.010, that is created under the authority delegated in this section shall become**
5 **effective only if it complies with and is subject to all of the provisions of chapter 536 and,**
6 **if applicable, section 536.028. This section and chapter 536 are nonseverable, and if any**
7 **of the powers vested with the general assembly pursuant to chapter 536 to review, to delay**
8 **the effective date, or to disapprove and annul a rule are subsequently held**
9 **unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted**

10 **2. The provisions of section 23.253 of the Missouri sunset act shall not apply to**
11 **sections 135.712 to 135.719.**

160.400. 1. A charter school is an independent public school.

2 2. ~~[Except as further provided in subsection 4 of this section,]~~ Charter schools ~~[may]~~ **are**
3 **hereby authorized to be operated only:**

4 (1) In a metropolitan school district;

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;

7 (3) In a school district that has been classified as unaccredited by the state board of
8 education;

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

13 (a) 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 to
15 161.529, or on financial hardship as defined by rule of the state board of education, shall be
16 decided by a vote of the state board of education during the third consecutive school year after
17 the designation of provisional accreditation; and

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

21 **(5) In a school district located within a county with a charter form of government;**

22 **(6) In any municipality with more than thirty thousand inhabitants; or**

23 (7) In a school district that has been accredited without provisions, sponsored only by
24 the local school board; provided that no board with a current year enrollment of one thousand

25 five hundred fifty students or greater shall permit more than thirty-five percent of its student
26 enrollment to enroll in charter schools sponsored by the local board under the authority of this
27 subdivision, except that this restriction shall not apply to any school district that subsequently
28 becomes eligible under subdivision (3) or (4) of this subsection or to any district accredited
29 without provisions that sponsors charter schools prior to having a current year student enrollment
30 of one thousand five hundred fifty students or greater.

31 3. ~~[Except as further provided in subsection 4 of this section,]~~ The following entities are
32 eligible to sponsor charter schools:

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

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

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

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

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

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

52 4. ~~[Changes in a school district's accreditation status that affect charter schools shall be
53 addressed as follows, except for the districts described in subdivisions (1) and (2) of subsection
54 2 of this section:~~

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

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

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

66

67 ~~A charter school operating in a school district identified in subdivision (1) or (2) of subsection~~
68 ~~2 of this section may be sponsored by any of the entities identified in subsection 3 of this section,~~
69 ~~irrespective of the accreditation classification of the district in which it is located. A charter~~
70 ~~school in a district described in this subsection whose charter provides for the addition of grade~~
71 ~~levels in subsequent years may continue to add levels until the planned expansion is complete~~
72 ~~to the extent of grade levels in comparable schools of the district in which the charter school is~~
73 ~~operated.~~

74 ~~————5. The mayor of a city not within a county may request a sponsor under subdivision (2),~~
75 ~~(3), (4), (5), or (6) of subsection 3 of this section to consider sponsoring a "workplace charter~~
76 ~~school", which is defined for purposes of sections 160.400 to 160.425 as a charter school with~~
77 ~~the ability to target prospective students whose parent or parents are employed in a business~~
78 ~~district, as defined in the charter, which is located in the city.~~

79 ~~————6.] No sponsor shall receive from an applicant for a charter school any fee of any type~~
80 ~~for the consideration of a charter, nor may a sponsor condition its consideration of a charter on~~
81 ~~the promise of future payment of any kind.~~

82 ~~[7-] 5. The charter school shall be organized as a Missouri nonprofit corporation~~
83 ~~incorporated pursuant to chapter 355. The charter provided for herein shall constitute a contract~~
84 ~~between the sponsor and the charter school.~~

85 ~~[8-] 6. As a nonprofit corporation incorporated pursuant to chapter 355, the charter~~
86 ~~school shall select the method for election of officers pursuant to section 355.326 based on the~~
87 ~~class of corporation selected. Meetings of the governing board of the charter school shall be~~
88 ~~subject to the provisions of sections 610.010 to 610.030.~~

89 ~~[9-] 7. A sponsor of a charter school, its agents and employees are not liable for any acts~~
90 ~~or omissions of a charter school that it sponsors, including acts or omissions relating to the~~
91 ~~charter submitted by the charter school, the operation of the charter school and the performance~~
92 ~~of the charter school.~~

93 ~~[10-] 8. A charter school may affiliate with a four-year college or university, including~~
94 ~~a private college or university, or a community college as otherwise specified in subsection 3 of~~
95 ~~this section when its charter is granted by a sponsor other than such college, university or~~
96 ~~community college. Affiliation status recognizes a relationship between the charter school and~~

97 the college or university for purposes of teacher training and staff development, curriculum and
98 assessment development, use of physical facilities owned by or rented on behalf of the college
99 or university, and other similar purposes. A university, college or community college ~~may~~
100 **shall** not charge or accept a fee for affiliation status.

101 ~~[11-]~~ **9.** The expenses associated with sponsorship of charter schools shall be defrayed
102 by the department of elementary and secondary education retaining one and five-tenths percent
103 of the amount of state and local funding allocated to the charter school under section 160.415,
104 not to exceed one hundred twenty-five thousand dollars, adjusted for inflation. The department
105 of elementary and secondary education shall remit the retained funds for each charter school to
106 the school's sponsor, provided the sponsor remains in good standing by fulfilling its sponsorship
107 obligations under sections 160.400 to 160.425 and 167.349 with regard to each charter school
108 it sponsors, including appropriate demonstration of the following:

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

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

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

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

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

123 ~~[12-]~~ **10.** Sponsors receiving funds under subsection ~~[11]~~ **9** of this section shall be
124 required to submit annual reports to the joint committee on education demonstrating they are in
125 compliance with subsection ~~[17]~~ **15** of this section.

126 ~~[13-]~~ **11.** No university, college or community college shall grant a charter to a nonprofit
127 corporation if an employee of the university, college or community college is a member of the
128 corporation's board of directors.

129 ~~[14-]~~ **12.** No sponsor shall grant a charter under sections 160.400 to 160.425 and 167.349
130 without ensuring that a criminal background check and family care safety registry check are
131 conducted for all members of the governing board of the charter schools or the incorporators of
132 the charter school if initial directors are not named in the articles of incorporation, nor shall a

133 sponsor renew a charter without ensuring a criminal background check and family care safety
134 registry check are conducted for each member of the governing board of the charter school.

135 ~~[15-]~~ **13.** No member of the governing board of a charter school shall hold any office or
136 employment from the board or the charter school while serving as a member, nor shall the
137 member have any substantial interest, as defined in section 105.450, in any entity employed by
138 or contracting with the board. No board member shall be an employee of a company that
139 provides substantial services to the charter school. All members of the governing board of the
140 charter school shall be considered decision-making public servants as defined in section 105.450
141 for the purposes of the financial disclosure requirements contained in sections 105.483, 105.485,
142 105.487, and 105.489.

143 ~~[16-]~~ **14. (1)** A sponsor shall develop the policies and procedures for:

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

149 ~~[(2)]~~ **(b)** The granting of a charter;

150 ~~[(3)]~~ **(c)** The performance contract that the sponsor will use to evaluate the performance
151 of charter schools. Charter schools shall meet current state academic performance standards as
152 well as other standards agreed upon by the sponsor and the charter school in the performance
153 contract;

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

158 ~~[(5)]~~ **(e)** Additional criteria that the sponsor will use for ongoing oversight of the charter;
159 and

160 ~~[(6)]~~ **(f)** Procedures to be implemented if a charter school should close, consistent with
161 the provisions of subdivision (15) of subsection 1 of section 160.405.

162 **(2)** The department shall provide guidance to sponsors in developing such policies and
163 procedures.

164 ~~[17-]~~ **15. (1)** A sponsor shall provide timely submission to the state board of education
165 of all data necessary to demonstrate that the sponsor is in material compliance with all
166 requirements of sections 160.400 to 160.425 and section 167.349. The state board of education
167 shall ensure each sponsor is in compliance with all requirements under sections 160.400 to
168 160.425 and 167.349 for each charter school sponsored by any sponsor. The state board shall

169 notify each sponsor of the standards for sponsorship of charter schools, delineating both what
170 is mandated by statute and what best practices dictate. The state board shall evaluate sponsors
171 to determine compliance with these standards every three years. The evaluation shall include a
172 sponsor's policies and procedures in the areas of charter application approval; required charter
173 agreement terms and content; sponsor performance evaluation and compliance monitoring; and
174 charter renewal, intervention, and revocation decisions. Nothing shall preclude the department
175 from undertaking an evaluation at any time for cause.

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

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

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

193 ~~[18-]~~ **16.** If a sponsor notifies a charter school of closure under subsection 8 of section
194 160.405, the department of elementary and secondary education shall exercise its financial
195 withholding authority under subsection 12 of section 160.415 to assure all obligations of the
196 charter school shall be met. The state, charter sponsor, or resident district shall not be liable for
197 any outstanding liability or obligations of the charter school.

160.405. 1. A person, group or organization seeking to establish a charter school shall
2 submit the proposed charter, as provided in this section, to a sponsor. If the sponsor is not a
3 school board, the applicant shall give a copy of its application to the school board of the district
4 in which the charter school is to be located and to the state board of education, within five
5 business days of the date the application is filed with the proposed sponsor. The school board
6 may file objections with the proposed sponsor, and, if a charter is granted, the school board may
7 file objections with the state board of education. The charter shall include a legally binding

8 performance contract that describes the obligations and responsibilities of the school and the
9 sponsor as outlined in sections 160.400 to 160.425 and section 167.349 and shall address the
10 following:

11 (1) A mission and vision statement for the charter school;

12 (2) A description of the charter school's organizational structure and bylaws of the
13 governing body, which will be responsible for the policy, financial management, and operational
14 decisions of the charter school, including the nature and extent of parental, professional educator,
15 and community involvement in the governance and operation of the charter school;

16 (3) A financial plan for the first three years of operation of the charter school including
17 provisions for annual audits;

18 (4) A description of the charter school's policy for securing personnel services, its
19 personnel policies, personnel qualifications, and professional development plan;

20 (5) A description of the grades or ages of students being served;

21 (6) The school's calendar of operation, which shall include at least the equivalent of a
22 full school term as defined in section 160.011;

23 (7) A description of the charter school's pupil performance standards and academic
24 program performance standards, which shall meet the requirements of subdivision (6) of
25 subsection 4 of this section. The charter school program shall be designed to enable each pupil
26 to achieve such standards and shall contain a complete set of indicators, measures, metrics, and
27 targets for academic program performance, including specific goals on graduation rates and
28 standardized test performance and academic growth;

29 (8) A description of the charter school's educational program and curriculum;

30 (9) The term of the charter, which shall be five years and may be renewed;

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

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

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

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

42 (14) A description of the agreement and time frame for implementation between the
43 charter school and the sponsor as to when a sponsor shall intervene in a charter school, when a

44 sponsor shall revoke a charter for failure to comply with subsection 8 of this section, and when
45 a sponsor will not renew a charter under subsection 9 of this section;

46 (15) Procedures to be implemented if the charter school should close, as provided in
47 **paragraph (f) of subdivision [(6)] (1) of subsection [46] 14** of section 160.400 including:

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

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

50 (c) Submission of final financial reports;

51 (d) Resolution of any remaining financial obligations;

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

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

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

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

63

64 ~~[Charter schools operating on August 27, 2012, shall have until August 28, 2015, to meet the
65 requirements of this subsection.]~~

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

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

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

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

79 (4) If a proposed charter is denied by a sponsor, the proposed charter may be submitted
80 to the state board of education, along with the sponsor's written reasons for its denial. If the state
81 board determines that the applicant meets the requirements of this section, that the applicant is
82 sufficiently qualified to operate the charter school, and that granting a charter to the applicant
83 would be likely to provide educational benefit to the children of the district, the state board may
84 grant a charter and act as sponsor of the charter school. The state board shall review the
85 proposed charter and make a determination of whether to deny or grant the proposed charter
86 within sixty days of receipt of the proposed charter, provided that any charter to be considered
87 by the state board of education under this subdivision shall be submitted no later than March first
88 prior to the school year in which the charter school intends to begin operations. The state board
89 of education shall notify the applicant in writing as the reasons for its denial, if applicable; and

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

106 3. If a charter is approved by a sponsor, the charter application shall be submitted to the
107 state board of education, along with a statement of finding by the sponsor that the application
108 meets the requirements of sections 160.400 to 160.425 and section 167.349 and a monitoring
109 plan under which the charter sponsor shall evaluate the academic performance, including annual
110 performance reports, of students enrolled in the charter school. The state board of education
111 shall approve or deny a charter application within sixty days of receipt of the application. The
112 state board of education may deny a charter on grounds that the application fails to meet the
113 requirements of sections 160.400 to 160.425 and section 167.349 or that a charter sponsor
114 previously failed to meet the statutory responsibilities of a charter sponsor. Any denial of a

115 charter application made by the state board of education shall be in writing and shall identify the
116 specific failures of the application to meet the requirements of sections 160.400 to 160.425 and
117 section 167.349, and the written denial shall be provided within ten business days to the sponsor.

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

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

121 (2) Comply with laws and regulations of the state, county, or city relating to health,
122 safety, and state minimum educational standards, as specified by the state board of education,
123 including the requirements relating to student discipline under sections 160.261, 167.161,
124 167.164, and 167.171, notification of criminal conduct to law enforcement authorities under
125 sections 167.115 ~~[to]~~ **and** 167.117, academic assessment under section 160.518, transmittal of
126 school records under section 167.020, the minimum amount of school time required under
127 section 171.031, and the employee criminal history background check and the family care safety
128 registry check under section 168.133;

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

132 (4) Be financially accountable, use practices consistent with the Missouri financial
133 accounting manual, provide for an annual audit by a certified public accountant, publish audit
134 reports and annual financial reports as provided in chapter 165, provided that the annual financial
135 report may be published on the department of elementary and secondary education's internet
136 website in addition to other publishing requirements, and provide liability insurance to indemnify
137 the school, its board, staff and teachers against tort claims. A charter school that receives local
138 educational agency status under subsection 6 of this section shall meet the requirements imposed
139 by the Elementary and Secondary Education Act for audits of such agencies and comply with all
140 federal audit requirements for charters with local educational agency status. For purposes of an
141 audit by petition under section 29.230, a charter school shall be treated as a political subdivision
142 on the same terms and conditions as the school district in which it is located. For the purposes
143 of securing such insurance, a charter school shall be eligible for the Missouri public entity risk
144 management fund pursuant to section 537.700. A charter school that incurs debt shall include
145 a repayment plan in its financial plan;

146 (5) Provide a comprehensive program of instruction for at least one grade or age group
147 from early childhood through grade twelve, as specified in its charter;

148 (6) (a) Design a method to measure pupil progress toward the pupil academic standards
149 adopted by the state board of education pursuant to section 160.514, establish baseline student
150 performance in accordance with the performance contract during the first year of operation,

151 collect student performance data as defined by the annual performance report throughout the
152 duration of the charter to annually monitor student academic performance, and to the extent
153 applicable based upon grade levels offered by the charter school, participate in the statewide
154 system of assessments, comprised of the essential skills tests and the nationally standardized
155 norm-referenced achievement tests, as designated by the state board pursuant to section 160.518,
156 complete and distribute an annual report card as prescribed in section 160.522, which shall also
157 include a statement that background checks have been completed on the charter school's board
158 members, and report to its sponsor, the local school district, and the state board of education as
159 to its teaching methods and any educational innovations and the results thereof. No charter
160 school shall be considered in the Missouri school improvement program review of the district
161 in which it is located for the resource or process standards of the program.

162 (b) For proposed high-risk or alternative charter schools, sponsors shall approve
163 performance measures based on mission, curriculum, teaching methods, and services. Sponsors
164 shall also approve comprehensive academic and behavioral measures to determine whether
165 students are meeting performance standards on a different time frame as specified in that school's
166 charter. Student performance shall be assessed comprehensively to determine whether a
167 high-risk or alternative charter school has documented adequate student progress. Student
168 performance shall be based on sponsor-approved comprehensive measures as well as
169 standardized public school measures. Annual presentation of charter school report card data to
170 the department of elementary and secondary education, the state board, and the public shall
171 include comprehensive measures of student progress.

172 (c) Nothing in this subdivision shall be construed as permitting a charter school to be
173 held to lower performance standards than other public schools within a district; however, the
174 charter of a charter school may permit students to meet performance standards on a different time
175 frame as specified in its charter. The performance standards for alternative and special purpose
176 charter schools that target high-risk students as defined in subdivision (5) of subsection 2 of this
177 section shall be based on measures defined in the school's performance contract with its
178 sponsors;

179 (7) Comply with all applicable federal and state laws and regulations regarding students
180 with disabilities, including sections 162.670 to 162.710, the Individuals with Disabilities
181 Education Act (20 U.S.C. Section 1400 **et seq.**) and Section 504 of the Rehabilitation Act of
182 1973 (29 U.S.C. Section 794) or successor legislation;

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

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

188 (b) A statement outlining the reasons for approval or denial by the sponsor, specifically
189 addressing the requirements of sections 160.400 to 160.425 and 167.349.

190 5. (1) Proposed or existing high-risk or alternative charter schools may include
191 alternative arrangements for students to obtain credit for satisfying graduation requirements in
192 the school's charter application and charter. Alternative arrangements may include, but not be
193 limited to, credit for off-campus instruction, embedded credit, work experience through an
194 internship arranged through the school, and independent studies. When the state board of
195 education approves the charter, any such alternative arrangements shall be approved at such time.

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

200 6. The charter of a charter school may be amended at the request of the governing body
201 of the charter school and on the approval of the sponsor. The sponsor and the governing board
202 and staff of the charter school shall jointly review the school's performance, management and
203 operations during the first year of operation and then every other year after the most recent
204 review or at any point where the operation or management of the charter school is changed or
205 transferred to another entity, either public or private. The governing board of a charter school
206 may amend the charter, if the sponsor approves such amendment, or the sponsor and the
207 governing board may reach an agreement in writing to reflect the charter school's decision to
208 become a local educational agency. In such case the sponsor shall give the department of
209 elementary and secondary education written notice no later than March first of any year, with the
210 agreement to become effective July first. The department may waive the March first notice date
211 in its discretion. The department shall identify and furnish a list of its regulations that pertain
212 to local educational agencies to such schools within thirty days of receiving such notice.

213 7. Sponsors shall annually review the charter school's compliance with statutory
214 standards including:

215 (1) Participation in the statewide system of assessments, as designated by the state board
216 of education under section 160.518;

217 (2) Assurances for the completion and distribution of an annual report card as prescribed
218 in section 160.522;

219 (3) The collection of baseline data during the first three years of operation to determine
220 the longitudinal success of the charter school;

221 (4) A method to measure pupil progress toward the pupil academic standards adopted
222 by the state board of education under section 160.514; and

223 (5) Publication of each charter school's annual performance report.

224 8. (1) (a) A sponsor's policies shall give schools clear, adequate, evidence-based, and
225 timely notice of contract violations or performance deficiencies and mandate intervention based
226 upon findings of the state board of education of the following:

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

230 b. The charter school's annual performance report results are below the district's annual
231 performance report results based on the performance standards that are applicable to the grade
232 level configuration of both the charter school and the district in which the charter school is
233 located in three of the last four school years; and

234 c. The charter school is identified as a persistently lowest achieving school by the
235 department of elementary and secondary education.

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

237 a. Clear evidence of underperformance as demonstrated in the charter school's annual
238 performance report in three of the last four school years; or

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

240 (c) A sponsor shall revoke a charter or take other appropriate remedial action, which may
241 include placing the charter school on probationary status for no more than twenty-four months,
242 provided that no more than one designation of probationary status shall be allowed for the
243 duration of the charter contract, at any time if the charter school commits a serious breach of one
244 or more provisions of its charter or on any of the following grounds: failure to meet the
245 performance contract as set forth in its charter, failure to meet generally accepted standards of
246 fiscal management, failure to provide information necessary to confirm compliance with all
247 provisions of the charter and sections 160.400 to 160.425 and 167.349 within forty-five days
248 following receipt of written notice requesting such information, or violation of law.

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

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

256 (4) The sponsor of a charter school shall establish procedures to conduct administrative
257 hearings upon determination by the sponsor that grounds exist to revoke a charter. Final
258 decisions of a sponsor from hearings conducted pursuant to this subsection are subject to an
259 appeal to the state board of education, which shall determine whether the charter shall be
260 revoked.

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

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

267 9. (1) A sponsor shall take all reasonable steps necessary to confirm that each charter
268 school sponsored by such sponsor is in material compliance and remains in material compliance
269 with all material provisions of the charter and sections 160.400 to 160.425 and 167.349. Every
270 charter school shall provide all information necessary to confirm ongoing compliance with all
271 provisions of its charter and sections 160.400 to 160.425 and 167.349 in a timely manner to its
272 sponsor.

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

275 (a) The charter school has maintained results on its annual performance report that meet
276 or exceed the district in which the charter school is located based on the performance standards
277 that are applicable to the grade-level configuration of both the charter school and the district in
278 which the charter school is located in three of the last four school years;

279 (b) The charter school is organizationally and fiscally viable determining at a minimum
280 that the school does not have:

281 a. A negative balance in its operating funds;

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

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

285 (c) The charter is in compliance with its legally binding performance contract and
286 sections 160.400 to 160.425 and section 167.349; and

287 (d) The charter school has an annual performance report consistent with a classification
288 of accredited for three of the last four years and is fiscally viable as described in paragraph (b)
289 of this subdivision. If such is the case, the charter school may have an expedited renewal process
290 as defined by rule of the department of elementary and secondary education.

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

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

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

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

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

306 11. A governing board or a school district employee who has control over personnel
307 actions shall not take unlawful reprisal against another employee at the school district because
308 the employee is directly or indirectly involved in an application to establish a charter school. A
309 governing board or a school district employee shall not take unlawful reprisal against an
310 educational program of the school or the school district because an application to establish a
311 charter school proposes the conversion of all or a portion of the educational program to a charter
312 school. As used in this subsection, "unlawful reprisal" means an action that is taken by a
313 governing board or a school district employee as a direct result of a lawful application to
314 establish a charter school and that is adverse to another employee or an educational program.

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

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

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

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

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

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

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

**160.422. 1. Any city not within a county shall not adopt, enforce, impose, or
2 administer an ordinance, local policy, or local resolution that prohibits property sold,
3 leased, or transferred by the city not within a county from being used for any lawful
4 educational purpose by a charter school.**

**5 2. Any city not within a county shall not impose, enforce, or apply any deed
6 restriction that expressly, or by its operation, prohibits property sold, leased, or
7 transferred by the city not within a county from being used for any lawful educational
8 purpose by a charter school. Any deed restriction or affirmative use deed restriction that
9 affirmatively allows for only one or more specified uses or purposes that do not include any
10 educational use or purpose is prohibited under this section. Any deed restriction or
11 affirmative use deed restriction in effect on the effective date of this section that prohibits
12 or does not permit property previously used for any educational purpose from being used
13 for any future educational purpose is void.**

**14 3. If any city not within a county offers property of the city not within a county for
15 sale, lease, or rent, the city not within a county shall not refuse to sell, lease, or rent the
16 property to a charter school solely because the charter school intends to use the property
17 for an educational purpose, if the intent of the charter school is to use the property for a
18 lawful educational purpose. If the city not within a county offers property of the city not
19 within a county for sale, lease, or rent, the city not within a county is not required to sell,
20 lease, or rent the property to a charter school solely because the charter school intends to
21 use the property for an educational purpose.**

**22 4. Any ordinance, policy, regulation, deed, or contract made in violation of this
23 section shall be void from its inception.**

160.425. 1. The "Missouri Charter Public School Commission" is hereby created with
2 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 with
4 the advice and consent of the senate. No more than five of the members shall be of the same
5 political party. No more than two members shall be from the same congressional district. The
6 term of office of each member shall be four years, except those of the members first appointed,
7 of which three shall be appointed for a term of one year, two for a term of two years, two for a
8 term of three years, and two for a term of four years. At the expiration of the term of each
9 member, the governor, by and with the advice and consent of the senate, shall appoint a
10 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 selected
21 from a slate of three nominees recommended by the Missouri School Boards Association.

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

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

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

35 (1) Comply with all of the requirements applicable to sponsors under sections 160.400
36 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] 9 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 funding
44 for the commission to operate. The commission shall reimburse the department's costs from any
45 funds it receives as sponsor under section 160.400.

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

161.670. 1. Notwithstanding any other law, prior to July 1, 2007, the state board of
2 education shall establish the "Missouri Course Access and Virtual School Program" to serve
3 school-age students residing in the state. The Missouri course access and virtual school program
4 shall offer instruction in a virtual setting using technology, intranet, and/or internet methods of
5 communication. Any student under the age of twenty-one in grades kindergarten through twelve
6 who resides in this state shall be eligible to enroll in the Missouri course access and virtual
7 school program pursuant to subsection 3 of this section.

8 2. For purposes of calculation and distribution of state school aid, students enrolled in
9 the Missouri course access and virtual school program **who are not full-time equivalent**
10 **students** shall be included in the student enrollment of the school district in which the student
11 physically is enrolled under subsection 3 of this section. The Missouri course access and virtual
12 school program shall report to the district of residence the following information about each
13 student served by the Missouri course access and virtual school program: name, address,
14 eligibility for free or reduced-price lunch, limited English proficiency status, special education
15 needs, and the number of courses in which the student is enrolled. The Missouri course access
16 and virtual school program shall promptly notify the resident district when a student discontinues
17 enrollment. A "full-time equivalent student" is a student who successfully has completed the
18 instructional equivalent of six credits per regular term. Each Missouri course access and virtual
19 school program course shall count as one class and shall generate that portion of a full-time
20 equivalent that a comparable course offered by the school district would generate. **Full-time**
21 **equivalent students shall not be included in the student enrollment of the school district in**
22 **which such student resides.** In no case shall more than the full-time equivalency of a regular
23 term of attendance for a single student be used to claim state aid. Full-time equivalent student

24 credit completed shall be reported to the department of elementary and secondary education in
25 the manner prescribed by the department. **The department shall pay any Missouri course**
26 **access and virtual school program provider an amount equal to the average daily**
27 **attendance for the student's district of residence for each full-time equivalent student.**
28 Nothing in this section shall prohibit students from enrolling in additional courses under a
29 separate agreement that includes terms for paying tuition or course fees. **A virtual school**
30 **program provider serving full-time equivalent students shall be considered an attendance**
31 **center as defined in section 167.895.**

32 3. (1) A school district or charter school shall allow any eligible student who resides in
33 such district to enroll in Missouri course access and virtual school program courses of ~~[his or~~
34 ~~her]~~ **the student's** choice as a part of the student's annual course load each school year or a full-
35 time virtual school option, with any costs associated with such course or courses to be paid by
36 the school district or charter school if:

37 ~~——(a)] the student is enrolled full-time in and has attended, for at least one semester~~
38 ~~immediately prior to enrolling in the Missouri course access and virtual school program, a public~~
39 ~~school, including any charter school; except that, no student seeking to enroll in Missouri course~~
40 ~~access and virtual school program courses under this subdivision shall be required to have~~
41 ~~attended a public school during the previous semester if the student has a documented medical~~
42 ~~or psychological diagnosis or condition that prevented the student from attending a school in the~~
43 ~~community during the previous semester]; and~~

44 ~~——(b) Prior to enrolling in any Missouri course access and virtual school program course,~~
45 ~~a student has received approval from his or her school district or charter school through the~~
46 ~~procedure described under subdivision (2) of this subsection].~~

47 (2) ~~[Each school district or charter school]~~ **The department** shall adopt a policy that
48 delineates the process by which a student may enroll in courses provided by the Missouri course
49 access and virtual school program that is substantially similar to the typical process by which a
50 district student would enroll in courses offered by the school district and a charter school student
51 would enroll in courses offered by the charter school. The policy may include consultation with
52 the school's counselor and may include parental notification or authorization. ~~[School counselors~~
53 ~~shall not be required to approve or disapprove a student's enrollment in the Missouri course~~
54 ~~access and virtual school program.]~~ If the school district or charter school ~~[disapproves]~~ **believes**
55 a student's request to enroll in a course or courses provided by the Missouri course access and
56 virtual school program, including full-time enrollment in courses provided by the Missouri
57 course access and virtual school program, **is not in the best educational interest of the student,**
58 the reason shall be provided in writing ~~[and it shall be for good cause. Good cause justification~~
59 ~~to disapprove a student's request for enrollment in a course shall be a determination that doing~~

60 so is not in the best educational interest of the student. In cases of denial by the school district
61 or charter school, local education agencies shall inform the student and the student's family of
62 their right to appeal any enrollment denial in the Missouri course access and virtual school
63 program to the local school district board or charter school governing body where the family
64 shall be given an opportunity to present their reasons for their child or children to enroll in the
65 Missouri course access and virtual school program in an official school board meeting. In
66 addition, the school district or charter school administration shall provide its good cause
67 justification for denial at a school board meeting or governing body meeting. Both the family
68 and school administration shall also provide their reasons in writing to the members of the school
69 board or governing body and the documents shall be entered into the official board minutes. The
70 members of the board or governing body shall issue their decision in writing within thirty
71 calendar days, and then an appeal may be made to the department of elementary and secondary
72 education, which shall provide a final enrollment decision within seven calendar days] **to the**
73 **student's parent or guardian who shall have final decision-making authority.**

74 (3) For students enrolled in any Missouri course access and virtual school program
75 course in which costs associated with such course are to be paid [~~by the school district or charter~~
76 ~~school~~] as described under subdivision (1) of this subsection, the school district [~~or~~], charter
77 school, **or the department** shall pay the content provider directly on a pro rata [~~monthly~~] basis
78 **once per semester** based on a student's completion of assignments and assessments. If a student
79 discontinues enrollment, the district [~~or~~], charter school, **or the department** may stop making
80 [~~monthly~~] payments to the content provider. No school district or charter school shall pay, for
81 any one course for a student, more than the market necessary costs but in no case shall pay more
82 than fourteen percent of the state adequacy target, as defined under section 163.011, as calculated
83 at the end of the most recent school year for any single, year-long course and no more than seven
84 percent of the state adequacy target as described above for any single semester equivalent course.
85 [~~Payment for a full-time virtual school student shall not exceed the state adequacy target, unless~~
86 ~~the student receives additional federal or state aid.~~] Nothing in this subdivision shall prohibit
87 a school district [~~or~~], charter school, **or the department** from negotiating lower costs directly
88 with course or full-time virtual school providers, particularly in cases where several students
89 enroll in a single course or full-time virtual school.

90 (4) In the case of a student who is a candidate for A+ tuition reimbursement and taking
91 a virtual course under this section, the school shall attribute no less than ninety-five percent
92 attendance to any such student who has completed such virtual course.

93 (5) The Missouri course access and virtual school program shall ensure that individual
94 learning plans designed by certified teachers and professional staff are developed for all students
95 enrolled in more than two full-time course access program courses or a full-time virtual school.

96 (6) The department shall monitor student success and engagement of students enrolled
97 in their program and report the information to the ~~[school district or charter school]~~ **parent or**
98 **guardian of the student**. Providers and the department may make recommendations to the
99 ~~[school district or charter school]~~ **parent or guardian** regarding the student's continued
100 enrollment in the program. The ~~[school district or charter school shall]~~ **parent or guardian may**
101 consider the recommendations and evaluate the progress and success of enrolled students that
102 are enrolled in any course ~~[or full-time virtual school]~~ offered under this section and may
103 ~~[terminate or alter the course offering]~~ **withdraw the student** if it is found the course ~~[or full-~~
104 ~~time virtual school]~~ is not meeting the educational needs of the ~~[students]~~ **student** enrolled in
105 the course.

106 (7) ~~[School districts and charter schools]~~ **Virtual school providers** shall monitor student
107 progress and success, and ~~[course or full-time virtual school quality, and annually provide~~
108 ~~feedback to the department of elementary and secondary education regarding course quality]~~ **may**
109 **remove a student if the provider believes it to be in the best educational interest of the**
110 **student**.

111 (8) Pursuant to rules to be promulgated by the department of elementary and secondary
112 education, when a student transfers into a school district or charter school, credits previously
113 gained through successful passage of approved courses under the Missouri course access and
114 virtual school program shall be accepted by the school district or charter school.

115 (9) Pursuant to rules to be promulgated by the department of elementary and secondary
116 education, if a student transfers into a school district or charter school while enrolled in a
117 Missouri course access and virtual school program course ~~[or full-time virtual school]~~, the
118 student shall continue to be enrolled in such course or school.

119 (10) Nothing in this section shall prohibit home school students, private school students,
120 or students wishing to take additional courses beyond their regular course load from enrolling
121 in Missouri course access and virtual school program courses under an agreement that includes
122 terms for paying tuition or course fees.

123 (11) Nothing in this subsection shall require any school district, charter school, or the
124 state to provide computers, equipment, or internet access to any student unless required by an
125 eligible student with a disability to comply with federal law.

126 (12) The authorization process shall provide for continuous monitoring of approved
127 providers and courses. The department shall revoke or suspend or take other corrective action
128 regarding the authorization of any course or provider no longer meeting the requirements of the
129 program. Unless immediate action is necessary, prior to revocation or suspension, the
130 department shall notify the provider and give the provider a reasonable time period to take

131 corrective action to avoid revocation or suspension. The process shall provide for periodic
132 renewal of authorization no less frequently than once every three years.

133 (13) Courses approved as of August 28, 2018, by the department to participate in the
134 Missouri virtual instruction program shall be automatically approved to participate in the
135 Missouri course access and virtual school program, but shall be subject to periodic renewal.

136 (14) Any online course or virtual program offered by a school district or charter school,
137 including those offered prior to August 28, 2018, which meets the requirements of section
138 162.1250 shall be automatically approved to participate in the Missouri course access and virtual
139 school program. Such course or program shall be subject to periodic renewal. A school district
140 or charter school offering such a course or virtual school program shall be deemed an approved
141 provider.

142 **4. (1) For purposes of this subsection, the term "instructional activities" shall mean**
143 **the following classroom-based or nonclassroom-based activities that a student shall be**
144 **expected to complete, participate in, or attend during any given school day:**

145 (a) **Online logins to curriculum or programs;**

146 (b) **Offline activities;**

147 (c) **Completed assignments within a particular program, curriculum, or class;**

148 (d) **Testing;**

149 (e) **Face-to-face communications or meetings with school staff;**

150 (f) **Telephone or video conferences with school staff;**

151 (g) **School-sanctioned field trips; or**

152 (h) **Orientation.**

153 (2) **A full-time virtual school shall submit a notification to the parent or guardian**
154 **of any student who is not consistently engaged in instructional activities.**

155 (3) **Each full-time virtual school shall develop, adopt, and post on the school's**
156 **website a policy setting forth the consequences for a student who fails to attend school and**
157 **complete the required instructional activities. Such policy shall state, at a minimum, that**
158 **if a student fails to complete the instructional activities after receiving a notification under**
159 **subdivision (2) of this subsection, and after reasonable intervention strategies have been**
160 **implemented, that the student shall be subject to certain consequences, which may include**
161 **disenrollment from the school.**

162 (4) **If a full-time virtual school disenrolls a student under subdivision (3) of this**
163 **subsection, the school shall immediately provide written notification to such student's**
164 **district of residence. The student's district of residence shall then provide to the parents**
165 **or guardian of the student a written list of available educational options. Any student**

166 **disenrolled from a full-time virtual school shall be prohibited from reenrolling in the same**
167 **virtual school for the remainder of the school year.**

168 **5.** School districts or charter schools shall inform parents of their child's right to
169 participate in the program. Availability of the program shall be made clear in the parent
170 handbook, registration documents, and featured on the home page of the school district or charter
171 school's website. **Any school district or charter school that fails to notify parents of the**
172 **child's right to participate in the program shall be subject to civil penalties in an amount**
173 **equal to one hundred dollars for each day the school district or charter school is not in**
174 **compliance with this subsection, including reasonable attorney's fees.**

175 ~~[5-]~~ **6.** The department shall:

176 (1) Establish an authorization process for course or full-time virtual school providers that
177 includes multiple opportunities for submission each year;

178 (2) Pursuant to the time line established by the department, authorize course or full-time
179 virtual school providers that:

180 (a) Submit all necessary information pursuant to the requirements of the process; and

181 (b) Meet the criteria described in subdivision (3) of this subsection;

182 (3) Review, pursuant to the authorization process, proposals from providers to provide
183 a comprehensive, full-time equivalent course of study for students through the Missouri course
184 access and virtual school program. The department shall ensure that these comprehensive
185 courses of study align to state academic standards and that there is consistency and compatibility
186 in the curriculum used by all providers from one grade level to the next grade level;

187 (4) Within thirty days of any denial, provide a written explanation to any course or full-
188 time virtual school providers that are denied authorization.

189 ~~[6-]~~ **7.** If a course or full-time virtual school provider is denied authorization, the course
190 provider may reapply at any point in the future.

191 ~~[7-]~~ **8.** The department shall publish the process established under this section, including
192 any deadlines and any guidelines applicable to the submission and authorization process for
193 course or full-time virtual school providers on its website.

194 ~~[8-]~~ **9.** If the department determines that there are insufficient funds available for
195 evaluating and authorizing course or full-time virtual school providers, the department may
196 charge applicant course or full-time virtual school providers a fee up to, but no greater than, the
197 amount of the costs in order to ensure that evaluation occurs. The department shall establish and
198 publish a fee schedule for purposes of this subsection.

199 ~~[9-]~~ **10.** Except as specified in this section and as may be specified by rule of the state
200 board of education, the Missouri course access and virtual school program shall comply with all
201 state laws and regulations applicable to school districts, including but not limited to the Missouri

202 school improvement program (MSIP), annual performance report (APR), teacher certification,
203 and curriculum standards.

204 ~~[10-]~~ **11.** The department shall submit and publicly publish an annual report on the
205 Missouri course access and virtual school program and the participation of entities to the
206 governor, the chair and ranking member of the senate education committee, and the chair and
207 ranking member of the house of representatives elementary and secondary education committee.
208 The report shall at a minimum include the following information:

209 (1) The annual number of unique students participating in courses authorized under this
210 section and the total number of courses in which students are enrolled in;

211 (2) The number of authorized providers;

212 (3) The number of authorized courses and the number of students enrolled in each
213 course;

214 (4) The number of courses available by subject and grade level;

215 (5) The number of students enrolled in courses broken down by subject and grade level;

216 (6) Student outcome data, including completion rates, student learning gains, student
217 performance on state or nationally accepted assessments, by subject and grade level per provider.

218 This outcome data shall be published in a manner that protects student privacy;

219 (7) The costs per course;

220 (8) Evaluation of in-school course availability compared to course access availability to
221 ensure gaps in course access are being addressed statewide.

222 ~~[11-]~~ **12.** The department shall be responsible for creating the Missouri course access and
223 virtual school program catalog providing a listing of all courses authorized and available to
224 students in the state, detailed information, including costs per course, about the courses to inform
225 student enrollment decisions, and the ability for students to submit their course enrollments.

226 ~~[12-]~~ **13.** The state board of education through the rulemaking process and the
227 department of elementary and secondary education in its policies and procedures shall ensure that
228 multiple content providers and learning management systems are allowed, ensure digital content
229 conforms to accessibility requirements, provide an easily accessible link for providers to submit
230 courses or full-time virtual schools on the Missouri course access and virtual school program
231 website, and allow any person, organization, or entity to submit courses or full-time virtual
232 schools for approval. No content provider shall be allowed that is unwilling to accept payments
233 in the amount and manner as described under subdivision (3) of subsection 3 of this section or
234 does not meet performance or quality standards adopted by the state board of education.

235 ~~[13-]~~ **14.** Any rule or portion of a rule, as that term is defined in section 536.010, that is
236 created under the authority delegated in this section shall become effective only if it complies
237 with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028.

238 This section and chapter 536 are nonseverable, and if any of the powers vested with the general
239 assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and
240 annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and
241 any rule proposed or adopted after August 28, 2006, shall be invalid and void.

166.700. As used in sections 166.700 to 166.725, the following terms mean:

- 2 **(1) "Curriculum", a complete course of study for a particular content area or grade**
3 **level, including any supplemental materials;**
- 4 **(2) "Educational assistance organization", the same meaning as used in section**
5 **135.712;**
- 6 **(3) "Parent", the same meaning as used in section 135.712;**
- 7 **(4) "Private school", a school that is not a part of the public school system of the**
8 **state of Missouri and that charges tuition for the rendering of elementary or secondary**
9 **educational services;**
- 10 **(5) "Program", the same meaning as used in section 135.712;**
- 11 **(6) "Qualified school":**
 - 12 **(a) Any of the following entities that is incorporated in Missouri:**
 - 13 **a. A charter school as defined in section 160.400;**
 - 14 **b. A home school as defined in section 167.031;**
 - 15 **c. A private school;**
 - 16 **d. A public school as defined in section 160.011; or**
 - 17 **e. A public or private virtual school.**
 - 18 **(b) A charter school, public school, or public virtual school shall be deemed a**
19 **"qualified school" only to the extent that such school ensures that moneys deposited in a**
20 **qualified student's scholarship account shall be used for specific services or individual**
21 **classes consistent with the provisions of subdivision (4) of subsection 1 of section 166.705;**
- 22 **(7) "Qualified student", a resident of this state who:**
 - 23 **(a) Attended a public school as a full-time student for at least one semester from**
24 **the previous twelve months;**
 - 25 **(b) Previously participated in the Missouri empowerment scholarship accounts**
26 **program;**
 - 27 **(c) Is a child who is eligible to begin kindergarten under sections 160.051 to**
28 **160.055;**
 - 29 **(d) Is attending school for the first time; or**
 - 30 **(e) Is a child of a parent in active military service.**

166.705. 1. A parent of a qualified student may establish a Missouri empowerment scholarship account for the student by entering into a written agreement with an educational assistance organization. The agreement shall provide that:

(1) The qualified student shall enroll in a qualified school and receive an education in at least the subjects of English language arts, mathematics, social studies, and science;

(2) Except for a qualified student who is in the custody of the state, the qualified student shall not be enrolled in a public school operated by, or a charter school located within, the qualified student's district of residence and shall release the district of residence from all obligations to educate the qualified student while the qualified student is enrolled in the program. This subdivision shall not be construed to relieve the student's district of residence from the obligation to conduct an evaluation for disabilities;

(3) The qualified student shall receive a grant, in the form of moneys deposited in accordance with section 135.714, in the qualified student's Missouri empowerment scholarship account;

(4) The moneys deposited in the qualified student's Missouri empowerment scholarship account shall be used only for the following expenses of the qualified student:

(a) Tuition or fees at a qualified school;

(b) Textbooks required by a qualified school;

(c) Educational therapies or services from a licensed or accredited practitioner or provider including, but not limited to, licensed or accredited paraprofessionals or educational aides;

(d) Tutoring services;

(e) Curriculum;

(f) Tuition or fees for a private virtual school;

(g) Fees for nationally standardized norm-referenced achievement tests, advanced placement examinations, international baccalaureate examinations, or any examinations related to college or university admission;

(h) Fees for management of the Missouri empowerment scholarship account by firms selected by the educational assistance organization;

(i) Services provided by a public school including, but not limited to, individual classes and extracurricular programs;

(j) Computer hardware or other technological devices that are used to help meet the qualified student's educational needs and that are approved by an educational assistance organization;

(k) Fees for summer education programs and specialized after-school education programs; and

- 37 **(l) Other expenses related to home school instruction; and**
38 **(5) Moneys deposited in the qualified student's Missouri empowerment scholarship**
39 **account shall not be used for the following:**
40 **(a) Consumable educational supplies including, but not limited to, paper, pens,**
41 **pencils, or markers; and**
42 **(b) Tuition at a private school located outside of the state of Missouri.**
43 **2. Missouri empowerment scholarship accounts are renewable on an annual basis**
44 **upon request of the parent of a qualified student. Notwithstanding any changes to the**
45 **qualified student's multidisciplinary evaluation team plan, a student who has previously**
46 **qualified for a Missouri empowerment scholarship account shall remain eligible to apply**
47 **for renewal until the student completes high school and submits scores to the state**
48 **treasurer from a nationally standardized norm-referenced achievement test, advanced**
49 **placement examination, international baccalaureate examination, or any examination**
50 **related to college or university admission purchased with Missouri empowerment**
51 **scholarship account funds.**
52 **3. A signed agreement under this section shall satisfy the compulsory school**
53 **attendance requirements of section 167.031.**
54 **4. A qualified school or a provider of services purchased under this section shall**
55 **not share, refund, or rebate any Missouri empowerment scholarship account moneys with**
56 **the parent or qualified student in any manner.**
57 **5. If a qualified student withdraws from the program by enrolling in a school other**
58 **than a qualified school or is disqualified from the program under the provisions of section**
59 **166.710, the qualified student's Missouri empowerment scholarship account shall be closed**
60 **and any remaining funds shall be returned to the educational assistance organization for**
61 **redistribution to other qualified students. Under such circumstances, the obligation to**
62 **provide an education for such student shall transfer back to the student's district of**
63 **residence.**
64 **6. Any funds remaining in a qualified student's scholarship account at the end of**
65 **a school year shall remain in the account and shall not be returned to the educational**
66 **assistance organization. Any funds remaining in a qualified student's scholarship account**
67 **upon graduation from a qualified school shall be returned to the educational assistance**
68 **organization for redistribution to other qualified students.**
69 **7. Moneys received under sections 166.700 to 166.725 shall not constitute Missouri**
70 **taxable income to the parent of the qualified student.**

2 **166.710. 1. Beginning in the 2023-24 school year and continuing thereafter, the**
educational assistance organization shall conduct or contract for annual audits of Missouri

3 empowerment scholarship accounts to ensure compliance with the requirements of
4 subsection 1 of section 166.705. The educational assistance organization shall also conduct
5 or contract for random, quarterly, and annual audits of Missouri empowerment
6 scholarship accounts as needed to ensure compliance with the requirements of subsection
7 1 of section 166.705.

8 2. A parent, qualified student, or vendor may be disqualified from program
9 participation if the state treasurer, or the state treasurer's designee, finds the party has
10 committed an intentional program violation consisting of any misrepresentation or other
11 act that materially violates any law or rule governing the program. The state treasurer
12 may remove any parent or qualified student from eligibility for a Missouri empowerment
13 scholarship account. A parent may appeal the state treasurer's decision to the
14 administrative hearing commission. A parent may appeal the administrative hearing
15 commission's decision to the circuit court of the county in which the student resides.

16 3. The state treasurer may refer cases of substantial misuse of moneys to the
17 attorney general for investigation if the state treasurer obtains evidence of fraudulent use
18 of an account.

19 4. The state treasurer shall promulgate rules containing the following to implement
20 and administer the program:

- 21 (1) Procedures for conducting examinations of use of account funds;
- 22 (2) Procedures for conducting random, quarterly, and annual audits of accounts;
- 23 (3) Creation of an online anonymous fraud reporting service; and
- 24 (4) Creation of an anonymous telephone hotline for fraud reporting.

25 5. Any rule or portion of a rule, as that term is defined in section 536.010, that is
26 created under the authority delegated in this section shall become effective only if it
27 complies with and is subject to all of the provisions of chapter 536 and, if applicable,
28 section 536.028. This section and chapter 536 are nonseverable, and if any of the powers
29 vested with the general assembly pursuant to chapter 536 to review, to delay the effective
30 date, or to disapprove and annul a rule are subsequently held unconstitutional, then the
31 grant of rulemaking authority and any rule proposed or adopted after August 28, 2021,
32 shall be invalid and void.

166.715. 1. A person commits a class A misdemeanor if the person is found to have
2 knowingly used moneys granted under section 135.714 for purposes other than those
3 provided for in sections 166.700 to 166.725.

4 2. No financial institution shall be liable in any civil action for providing a
5 scholarship account's financial information to the state treasurer unless the information

6 provided is false and the financial institution providing the false information does so
7 knowingly and with malice.

166.720. 1. Sections 166.700 to 166.725 shall not be construed to permit any
2 governmental agency to exercise control or supervision over any qualified school in which
3 a qualified student enrolls other than a qualified school that is a public school.

4 2. A qualified school, other than a qualified school that is a public school, that
5 accepts a payment from a parent under sections 166.700 to 166.725 shall not be considered
6 an agent of the state or federal government.

7 3. A qualified school shall not be required to alter its creed, practices, admissions
8 policy, or curriculum in order to accept students whose parents pay tuition or fees from
9 a Missouri empowerment scholarship account to participate as a qualified school.

10 4. In any legal proceeding challenging the application of sections 166.700 to 166.725
11 to a qualified school, the state shall bear the burden of establishing that the law is
12 necessary and does not impose any undue burden on qualified schools.

13 5. The provisions of section 23.253 of the Missouri sunset act shall not apply to
14 sections 166.700 to 166.725.

166.725. All personally identifiable information concerning eligible students and
2 the parents of eligible students within the Missouri empowerment scholarship accounts
3 program under sections 135.712 to 135.719 and sections 166.700 to 166.725 shall be
4 confidential, and any disclosure of such information shall be restricted to purposes directly
5 connected with administration of the program.

✓