Missouri has several options for expanding charter schools if it has the will to do so. One simple option is to modify existing law to allow the Missouri Public Charter School Commission to review charter school applications that have been rejected by local school boards.

160.400. Charter schools, defined, St. Louis City and Kansas City school districts — sponsors — use of public school buildings — organization of charter schools — affiliations with college or university — criminal background check required. — 1. A charter school is an independent public school.

2. Except as further provided in subsection 4 of this section, **charter school**s may be operated only:

(1) In a metropolitan school district;

(2) In an urban school district containing most or all of a city with a population greater than three hundred fifty thousand inhabitants;

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

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

(5) In a school district that has been classified as fully accredited.

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

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

(5) In a school district that has been accredited without provisions, sponsored only by the local school board except for charter school applicants denied by the local school board which appeal to the Missouri Charter Public School Commission for sponsorship and are approved; provided that no board district with a current year enrollment of one thousand five hundred

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

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

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

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

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

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

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

(6) The Missouri charter public school commission created in section <u>160.425</u>.

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

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

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

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

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

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

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

7. The **charter school** shall be organized as a Missouri nonprofit corporation incorporated pursuant to <u>chapter 355</u>. The charter provided for herein shall constitute a contract between the sponsor and the **charter school**.

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

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

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

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

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

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

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

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

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

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

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

14. No sponsor shall grant a charter under sections <u>160.400 to 160.425</u> and <u>167.349</u> without ensuring that a criminal background check and family care safety registry check are conducted for all members of the governing board of the **charter school**s or the incorporators of the **charter school** if initial directors are not named in the articles of incorporation, nor shall a sponsor renew a charter without ensuring a criminal background check and family care safety registry check are conducted for each member of the governing board of the **charter school**.

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

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

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

(2) The granting of a charter;

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

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

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

(6) Procedures to be implemented if a **charter school** should close, consistent with the provisions of subdivision (15) of subsection 1 of section <u>160.405</u>.

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

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

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

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

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

18. If a sponsor notifies a **charter school** of closure under subsection 8 of section <u>160.405</u>, the department of elementary and secondary education shall exercise its financial withholding authority under subsection 12 of section <u>160.415</u> to assure all obligations of the **charter school** shall be met. The state, charter sponsor, or resident district shall not be liable for any outstanding liability or obligations of the **charter school**.

(L. 1998 S.B. 781 § 4, A.L. 2005 S.B. 287, A.L. 2009 S.B. 291, A.L. 2012 S.B. 576, A.L. 2016 S.B. 638)