

SENATE COMMITTEE SUBSTITUTE

FOR

SENATE BILL NOS. 55, 23 & 25

AN ACT

To repeal sections 160.400, 160.425, 161.022, and 161.670, RSMo, and to enact in lieu thereof nineteen new sections relating to elementary and secondary education, with penalty provisions.

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

Section A. Sections 160.400, 160.425, 161.022, and 161.670, RSMo, are repealed and nineteen new sections enacted in lieu thereof, to be known as sections 135.712, 135.713, 135.714, 135.716, 135.719, 160.400, 160.422, 160.425, 161.022, 161.229, 161.670, 162.089, 166.700, 166.705, 166.710, 166.715, 166.720, 166.725, and 167.790, to read as follows:

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

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

(1) "District" or "school district", the same meaning as used in section 160.011;

(2) "Educational assistance organization", a charitable organization registered in this state that is exempt from federal taxation under the Internal Revenue Code of 1986, as amended, is certified by the state treasurer, and that allocates all of its annual revenue for educational assistance, except as provided in paragraph (c) of subdivision (4) of subsection 1 of section 135.714 and as provided for in sections 135.712 to 135.719, derived from contributions for which a credit is claimed under section

135.713 and that does not discriminate on the basis of race, color, or national origin;

(3) "Parent", a parent, guardian, custodian, or other person with authority to act on behalf of the qualified student;

(4) "Program", the Missouri empowerment scholarship accounts program established under sections 135.712 to 135.719 and sections 166.700 to 166.725;

(5) "Qualified student", the same meaning as used in section 166.700;

(6) "Qualifying contribution", a donation of cash, stocks, bonds, or other marketable securities for purposes of claiming a tax credit under sections 135.712 to 135.719;

(7) "Scholarship account", a savings account created by the Missouri empowerment scholarship accounts program authorized by sections 166.700 to 166.725;

(8) "Taxpayer", an individual subject to the state income tax imposed in chapter 143; an individual, a firm, a partner in a firm, corporation, or a shareholder in an S corporation doing business in this state and subject to the state income tax imposed by chapter 143; or an express company that pays an annual tax on its gross receipts in this state under chapter 153, which files a Missouri income tax return and is not a dependent of any other taxpayer.

135.713. 1. For all fiscal years beginning on or after July 1, 2022, any taxpayer who makes a qualifying contribution to an educational assistance organization may claim a credit against the tax otherwise due under chapter 143, other than taxes withheld under sections 143.191 to 143.265, and chapter 153, in an amount equal to the amount the taxpayer contributed during the tax year for which the credit is claimed. No taxpayer shall claim a credit under sections 135.712 to 135.719 for any contribution made by the

taxpayer, or an agent of the taxpayer, on behalf of the taxpayer's dependent, or in the case of a business taxpayer, on behalf of the business's agent's dependent.

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

3. The cumulative amount of tax credits that may be allocated to all taxpayers contributing to the scholarship fund in the first year of the program shall not exceed one hundred million dollars. If the amount of tax credits claimed in the first tax year exceeds ninety percent of the tax credits available, the amount of tax credits available shall increase by ten percent in the subsequent years. The state treasurer shall establish a procedure by which the cumulative amount of tax credits shall be allocated to taxpayers on a first come, first served basis.

135.714. 1. Each educational assistance organization shall:

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

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

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

(4) Ensure that:

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

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

(c) Marketing and administrative expenses shall not exceed the following limits of its remaining revenue from contributions: ten percent for the first two hundred fifty thousand dollars, eight percent for the next five hundred thousand dollars, and three percent thereafter;

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

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

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

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

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

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

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

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

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

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

(a) Their satisfaction with their child's academic achievement, including academic achievement at the school their child attended through the scholarship program versus academic achievement at the school previously attended;

(b) Their satisfaction with school safety at the schools their child attends through the scholarship program versus safety at the schools previously attended;

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

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

(15) Demonstrate its financial accountability by:

(a) Submitting to the state treasurer annual audit financial statements by a certified public accountant within

six months of the end of the educational assistance organization's fiscal year which shall include:

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

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

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

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

(16) Demonstrate its financial viability, if it is to receive donations of fifty thousand dollars or more during the school year, by filing with the state treasurer before the start of the school year a surety bond or insurance policy payable to the state in an amount equal to the aggregate amount of contributions expected to be received during the school year or other financial information that demonstrates the financial viability of the educational assistance organization.

2. The state treasurer shall:

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

(2) Collect all test results;

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

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

3. An educational assistance organization may contract with a private financial 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 to be issued by an educational assistance organization to a taxpayer to indicate the value of a contribution received. The state treasurer shall require a taxpayer to provide a copy of this receipt if claiming the tax credit authorized by the program.

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

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

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

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

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

(2) Educational outcomes of qualified students.

135.719. 1. The state treasurer may promulgate rules to implement the provisions of sections 135.712 to 135.719. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2021, shall be invalid and void.

2. The provisions of section 23.253 of the Missouri sunset act shall not apply to sections 135.712 to 135.719 and sections 166.700 to 166.725.

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

2. [Except as further provided in subsection 4 of this section,] Charter schools may be 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:

(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 161.520 to 161.529, 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 160.400 to 160.425 and section 167.349 and properly promulgated rules of the department; [or]

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

(6) In any municipality with a population greater than thirty thousand; or

(7) In a school district that has been accredited without provisions, sponsored only by the local school board; provided that no board 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 schools:

(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 160.425.

4. [Changes in a school district's accreditation status that affect charter schools 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 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 160.400 to 160.425 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.] 5. The charter school shall be organized as a Missouri nonprofit corporation incorporated pursuant to chapter 355. The charter provided for herein shall constitute a contract between the sponsor and the charter school.

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

[9.] 7. 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.

[10.] 8. 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.] 9. The expenses associated with sponsorship of charter schools 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 160.415, 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 160.400 to 160.425 and 167.349 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.] 10. Sponsors receiving funds under subsection **[11]** 9 of this section shall be required to submit annual reports to the joint committee on education demonstrating they are in compliance with subsection **[17]** 15 of this section.

[13.] 11. 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.] 12. No sponsor shall grant a charter under sections 160.400 to 160.425 and 167.349 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 schools 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.] 13. 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 105.450, 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 105.450 for the purposes of the financial disclosure requirements contained in sections 105.483, 105.485, 105.487, and 105.489.

[16.] 14. 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 160.405;

(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 160.405.

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

[17.] 15. (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 160.400 to 160.425 and section 167.349. The state board of education shall ensure each sponsor is in compliance with all requirements under sections 160.400 to 160.425 and 167.349 for each charter school sponsored by any sponsor. The state board shall notify each sponsor of the standards for sponsorship of charter schools, 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 160.403.

(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.] 16. If a sponsor notifies a charter school of closure under subsection 8 of section 160.405, the department of elementary and secondary education shall exercise its financial withholding authority under subsection 12 of section 160.415 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.

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

2. Any city not within a county shall not impose, enforce, or apply any deed restriction that expressly, or by its operation, prohibits property sold, leased, or transferred by the city not within a county from being used for any lawful educational purpose by a charter school. Any

deed restriction or affirmative use deed restriction that affirmatively allows for only one or more specified uses or purposes that do not include any educational use or purpose is prohibited under this section. Any deed restriction or affirmative use deed restriction in effect on the effective date of this section that prohibits or does not permit property previously used for any educational purpose from being used for any future educational purpose is void.

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

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

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

2. The commission shall consist of nine members appointed by the governor, by and with the advice and consent of the senate. No more than five of the members shall be of the same political party. No more than two members shall be from the same congressional district. The

term of office of each member shall be four years, except those of the members first appointed, of which three shall be appointed for a term of one year, two for a term of two years, two for a term of three years, and two for a term of four years. At the expiration of the term of each member, the governor, by and with the advice and consent of the senate, shall appoint a successor.

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

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

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

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

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

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

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

5. The commission shall annually elect a chairperson and vice chairperson, who shall act as chairperson in his or her absence. The commission shall meet at the call of the chairperson. The chairperson may call meetings at such

times as he or she deems advisable and shall call a meeting when requested to do so by three or more members of the commission. Members of the commission are not eligible to receive compensation.

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

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

(2) Exercise sponsorship over charters approved by the commission under sections 160.400 to 160.425, including receipt of sponsorship funding under subsection [11] 9 of section 160.400.

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

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

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

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

161.022. 1. The state board of education consists of eight lay members appointed by the governor, by and with the advice and consent of the senate, after an open committee hearing. The term of office of each member is eight years, and no member shall serve more than one full term. At the

expiration of the term of each member, the governor, by and with the advice and consent of the senate, shall appoint a successor. If the general assembly is not in session at the time for making an appointment, the governor shall make a temporary appointment as in the case of a vacancy.

2. No member may be removed by the governor except after written notice and hearing on charges of malfeasance, misfeasance, or nonfeasance in office.

3. Each member of the board shall receive as compensation for his services twenty-five dollars for each day actually spent in attendance at board meetings, and in addition shall be reimbursed for all necessary expenses incurred in the performance of his duties as a member of the board.

161.229. 1. The department of elementary and secondary education shall maintain and publish on its website any data or report sent to the department from any federal agency within thirty days of receipt of such data or report.

2. The department shall maintain and publish on its website the full text of all state administrative rules and regulations related to elementary and secondary education and shall update such information within thirty days of the publication in the Missouri Register of any final order of rulemaking related to such rules and regulations.

3. The information published pursuant to subsections 1 and 2 of this section shall be made available to the public and shall be accessible and searchable from various devices including, but not limited to, computers, tablets, and other electronic communication devices.

4. By December thirty-first in every even-numbered year, the state auditor shall review the department's website for compliance with this section.

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

2. For purposes of calculation and distribution of state school aid, students enrolled in the Missouri course access and virtual school program who are not full-time equivalent students shall be included in the student enrollment of the school district in which the student physically is enrolled under subsection 3 of this section. The Missouri course access and virtual school program shall report to the district of residence the following information about each student served by the Missouri course access and virtual school program: name, address, eligibility for free or reduced-price lunch, limited English proficiency status, special education needs, and the number of courses in which the student is enrolled. The Missouri course access and virtual school program shall promptly notify the resident district when a student discontinues enrollment. A "full-time equivalent student" is a student who successfully has completed the instructional equivalent of six credits per regular term. Each Missouri course access and virtual school program course shall count as one class and shall generate that portion of a full-time equivalent that a comparable course offered by the school district would generate. Full-time equivalent students

shall not be included in the student enrollment of the school district in which such student resides. In no case shall more than the full-time equivalency of a regular term of attendance for a single student be used to claim state aid. Full-time equivalent student credit completed shall be reported to the department of elementary and secondary education in the manner prescribed by the department. The department shall pay any Missouri course access and virtual school program provider an amount equal to the average daily attendance for the student's district of residence for each full-time equivalent student. Nothing in this section shall prohibit students from enrolling in additional courses under a separate agreement that includes terms for paying tuition or course fees. A virtual school program provider serving full-time equivalent students shall be considered an attendance center as defined in section 167.895.

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

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

that prevented the student from attending a school in the community during the previous semester[; and

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

(2) [Each school district or charter school] The department shall adopt a policy that delineates the process by which a student may enroll in courses provided by the Missouri course access and virtual school program that is substantially similar to the typical process by which a district student would enroll in courses offered by the school district and a charter school student would enroll in courses offered by the charter school. The policy may include consultation with the school's counselor and may include parental notification or authorization. [School counselors shall not be required to approve or disapprove a student's enrollment in the Missouri course access and virtual school program.] If the school district or charter school [disapproves] believes a student's request to enroll in a course or courses provided by the Missouri course access and virtual school program, including full-time enrollment in courses provided by the Missouri course access and virtual school program, is not in the best educational interest of the student, the reason shall be provided in writing [and it shall be for good cause. Good cause justification to disapprove a student's request for enrollment in a course shall be a determination that doing so is not in the best educational interest of the student. In cases of denial by the school district or charter school, local education agencies shall inform the student and the student's family of their right to appeal any enrollment

denial in the Missouri course access and virtual school program to the local school district board or charter school governing body where the family shall be given an opportunity to present their reasons for their child or children to enroll in the Missouri course access and virtual school program in an official school board meeting. In addition, the school district or charter school administration shall provide its good cause justification for denial at a school board meeting or governing body meeting. Both the family and school administration shall also provide their reasons in writing to the members of the school board or governing body and the documents shall be entered into the official board minutes. The members of the board or governing body shall issue their decision in writing within thirty calendar days, and then an appeal may be made to the department of elementary and secondary education, which shall provide a final enrollment decision within seven calendar days] to the student's parent or guardian who shall have final decision-making authority.

(3) For students enrolled in any Missouri course access and virtual school program course in which costs associated with such course are to be paid [by the school district or charter school] as described under subdivision (1) of this subsection, the school district [or], charter school, or the department shall pay the content provider directly on a pro rata [monthly] basis once per semester based on a student's completion of assignments and assessments. If a student discontinues enrollment, the district [or], charter school, or the department may stop making [monthly] payments to the content provider. No school district or charter school shall pay, for any one course for a student, more than the market necessary costs but in no case shall pay more than fourteen percent of the

state adequacy target, as defined under section 163.011, as calculated at the end of the most recent school year for any single, year-long course and no more than seven percent of the state adequacy target as described above for any single semester equivalent course. [Payment for a full-time virtual school student shall not exceed the state adequacy target, unless the student receives additional federal or state aid.] Nothing in this subdivision shall prohibit a school district [or], charter school, or the department from negotiating lower costs directly with course or full-time virtual school providers, particularly in cases where several students enroll in a single course or full-time virtual school.

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

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

(6) The department shall monitor student success and engagement of students enrolled in their program and report the information to the [school district or charter school] parent or guardian of the student. Providers and the department may make recommendations to the [school district or charter school] parent or guardian regarding the student's continued enrollment in the program. The [school district or charter school shall] parent or guardian may consider the recommendations and evaluate the progress and success of enrolled students that are enrolled in any course

[or full-time virtual school] offered under this section and may [terminate or alter the course offering] withdraw the student if it is found the course [or full-time virtual school] is not meeting the educational needs of the [students] student enrolled in the course.

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

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

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

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

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

(12) The authorization process shall provide for continuous monitoring of approved providers and courses. The department shall revoke or suspend or take other corrective action regarding the authorization of any course or provider no longer meeting the requirements of the program. Unless immediate action is necessary, prior to revocation or suspension, the department shall notify the provider and give the provider a reasonable time period to take corrective action to avoid revocation or suspension. The process shall provide for periodic renewal of authorization no less frequently than once every three years.

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

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

4. (1) For purposes of this subsection, the term "instructional activities" shall mean the following classroom-based or non-classroom-based activities that a

student shall be expected to complete, participate in, or attend during any given school day:

(a) Online logins to curriculum or programs;

(b) Offline activities;

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

(d) Testing;

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

(f) Telephone or video conferences with school staff;

(g) School-sanctioned field trips; or

(h) Orientation.

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

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

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

school shall be prohibited from re-enrolling in the same virtual school for the remainder of the school year.

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

[5.] 6. The department shall:

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

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

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

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

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

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

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

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

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

[9.] 10. Except as specified in this section and as may be specified by rule of the state board of education, the Missouri course access and virtual school program shall comply with all state laws and regulations applicable to school districts, including but not limited to the Missouri school improvement program (MSIP), annual performance report (APR), teacher certification, and curriculum standards.

[10.] 11. The department shall submit and publicly publish an annual report on the Missouri course access and virtual school program and the participation of entities to the governor, the chair and ranking member of the senate education committee, and the chair and ranking member of the house of representatives elementary and secondary education

committee. The report shall at a minimum include the following information:

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

(2) The number of authorized providers;

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

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

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

(6) Student outcome data, including completion rates, student learning gains, student performance on state or nationally accepted assessments, by subject and grade level per provider. This outcome data shall be published in a manner that protects student privacy;

(7) The costs per course;

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

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

[12.] 13. The state board of education through the rulemaking process and the department of elementary and secondary education in its policies and procedures shall ensure that multiple content providers and learning management systems are allowed, ensure digital content

conforms to accessibility requirements, provide an easily accessible link for providers to submit courses or full-time virtual schools on the Missouri course access and virtual school program website, and allow any person, organization, or entity to submit courses or full-time virtual schools for approval. No content provider shall be allowed that is unwilling to accept payments in the amount and manner as described under subdivision (3) of subsection 3 of this section or does not meet performance or quality standards adopted by the state board of education.

[13.] 14. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2006, shall be invalid and void.

162.089. 1. (1) Each member of any school board of any public school district shall be subject to recall from office by the registered voters of the school district such member was elected to represent. Such recall election shall be held upon the submission of a petition signed by registered voters of the district equal in number to at least twenty-five percent of the number of voters who voted in the most recent election held to elect a district board member in such district.

(2) No proceedings shall be commenced against any member under this section if, at the time of commencement, such member:

(a) Has not held office during the member's term for more than thirty days;

(b) Has fewer than one hundred eighty days remaining in the member's term; or

(c) Has had a recall election determined in the member's favor during the member's current term of office.

2. (1) Proceedings may be commenced for the recall of any school board member by the filing of a notice of intention to circulate a recall petition under this section. The notice shall be filed with the election authority having jurisdiction over the school district under this chapter and chapter 115. Each notice shall contain the following:

(a) The name and office of the board member sought to be recalled;

(b) A statement of grounds, not exceeding two hundred words in length, listing the particular reasons for the proposed recall;

(c) A sworn statement of at least three proponents of the recall that they are registered voters in the school district and that the information in the statement of grounds is true, correct, and complete to the best of the knowledge and belief of the proponent;

(d) The printed names and the business or residential addresses of the proponents of the recall making the sworn statement under paragraph (c) of this subdivision; and

(e) The notarized signature of each of the proponents of the recall making the sworn statement under paragraph (c) of this subdivision.

(2) (a) The grounds for recall required to be stated in paragraph (b) of subdivision (1) of this subsection may include but shall not be limited to the following:

a. Conduct that relates to and adversely affects the rights and interests of the public;

b. Commission of an act or acts of malfeasance;

c. Moral turpitude;

d. Violation of the member's oath of office;

e. Abuse of power or authority;

f. Misuse or misappropriation of public property or public moneys;

g. Conviction of a felony;

h. Willful violation of any code of ethics applicable to such member as provided in the revised statutes of Missouri;

i. Violation of any school board policy of the school district in which the member serves;

j. Breach of public trust;

k. Lack of responsiveness to concerns raised by the public or staff;

l. Promotion and implementation of measures that are counterproductive to the best interests of the students and staff of the school district; or

m. Violation of any applicable provision of chapter 610; except that, discretionary performance of a lawful act or a prescribed duty shall not constitute a ground for recall.

(b) The election authority shall neither have nor assume the authority to determine the validity of the grounds for recall.

(3) No notice of intention shall name more than one board member sought to be recalled.

(4) (a) If the election authority finds that the notice of intention contains the required information under this section, the election authority shall attach to the affidavit a certification showing that the notice has been properly filed.

(b) Within three business days after the certification, the election authority shall send notification of the filing of the notice by registered mail to the school district administration, the school board, and the board member sought to be recalled.

(c) Within fourteen days after the receipt of the notice, the board member who is the subject of the notice may file with the election authority a statement, not exceeding two hundred words in length, in answer to the statement of the proponents. If an answer is filed, the election authority shall make the answer available for public viewing upon request at the election authority's office.

3. (1) After the election authority certifies the notice, the proponents of the recall may begin circulating a petition for recall and collecting signatures on such petition.

(a) Any person circulating a petition for recall shall be a registered voter in the district of the board member sought to be recalled.

(b) Collection of signatures may begin after seven days have passed following the election authority's certification with the date of the certification counted as the first day. The election authority shall indicate the date on which collection of signatures may begin in the certification of the notice. The number of signatures required to equal the twenty-five percent of voters

necessary under subsection 1 of this section shall be determined by the election authority.

(2) Each page of the petition for recall shall include:

(a) The name and office of the member for whom recall is sought;

(b) The grounds for recall described in particular, in no more than two hundred words;

(c) A statement that the petition signatories are registered voters of the district in which the member sought to be recalled serves; and

(d) Space for the date of the signing, the signer's printed name, the house number and street name of each signer's residence, and each signer's signature.

(3) Each signer shall be a registered voter in the school district.

(4) Each signer shall provide the date of the signing, the signer's printed name, the house number and street name of the signer's residence, and the signer's signature.

(5) Every person signing a petition shall do so in the presence of the person who is circulating the petition and who will execute the affidavit of verification for each page of the petition.

4. (1) Within sixty days after the beginning date for the collection of signatures, the completed petition with the required number of signatures shall be filed with the election authority. The signatures to the petition need not all be attached to one paper, but the person who files the petition with the election authority shall sign each page attesting that the signatures attached are true and correct to the best of such person's knowledge and belief. Such signature on each page of the petition shall be notarized.

(2) Within fifteen business days after the date of filing the signed petition, the election authority shall

examine the petition and determine whether the petition is signed by the required number of registered voters. Signatures that cannot be verified shall not be counted.

(3) (a) If the election authority finds the signed petition to be insufficient, the election authority shall, within three business days after such determination, send notification of the insufficiency by registered mail to the person who filed the signed petition. The election authority shall specify the errors, omissions, or other problems that cause the insufficiency.

(b) The signed petition shall be returned to the person who filed the signed petition, without prejudice to the refiling of the petition or the filing of a new petition.

(c) The person who filed the signed petition shall have thirty days after the date of notification of insufficiency to correct the insufficiencies and refile the petition. If the petition is not corrected and refiled, the petition and all its signatures shall be void.

(4) If the election authority finds the signed petition to be sufficient, the election authority shall attach to the petition a certificate showing the result of the examination. The election authority shall, within three business days after the certification, send notification of the sufficiency and certification by registered mail to the person who filed the signed petition, the school district administration, the school board, and the board member sought to be recalled.

5. (1) Upon receipt of the notification of the sufficiency of the petition and the election authority's certification, the election authority shall order the question to be submitted to the voters of the district on one of the following days:

(a) The next general election day;

(b) At a special election to be called on the first Tuesday after the first Monday in November of odd-numbered years if that date is no fewer than ninety calendar days after the date of notification; or

(c) At the next election in which the voters of the school district vote for any school board member on the general municipal election day, if that date is no fewer than ninety calendar days after the date of notification.

(2) If no election will occur or can be called at the times described in this subsection before the term of the member who is the subject of the recall petition expires, no recall election shall be held and such member may serve the remainder of the member's term.

6. (1) The name of the member who is the subject of the recall shall appear on the ballot under the separate heading "(name of school district) Recall Election".

(2) The question on the ballot shall be in substantially the following form: "Shall school board member (name of member) be removed from the school board?".

(3) (a) If a majority of the votes cast on the question by the qualified voters voting thereon are opposed to removing the member, the member shall remain in office and shall not be subject to another recall election during the remainder of the member's term.

(b) If a majority of the votes cast on the question by the qualified voters voting thereon in a November election are in favor of removing the member, the vacancy shall be filled in the manner provided in this chapter.

(c) If a majority of the votes cast on the question by the qualified voters voting thereon in an April election are in favor of removing the member and the number of candidates on the ballot is greater than the number of seats for expired board member terms, the vacancy shall be filled by

the candidate receiving the next highest number of votes after the seats for expired board member terms are filled. If the number of candidates is not greater than the number of seats of expired board member terms, the vacancy shall be filled in the manner provided in this chapter.

7. A school board member who has been recalled shall not fill the vacancy created by the recall, but such member may seek election to the school board at any election not held to fill the vacancy created by the member's recall.

8. Except as otherwise provided in this section, the provisions of this chapter and chapter 115 governing the conduct of school board elections shall apply, if appropriate, to recall elections held under this section. The costs of the election shall be paid as provided in chapter 115.

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

(1) "Curriculum", a complete course of study for a particular content area or grade level, including any supplemental materials;

(2) "Educational assistance organization", the same meaning as used in section 135.712;

(3) "Parent", the same meaning as used in section 135.712;

(4) "Private school", a school that is not a part of the public school system of the state of Missouri and that charges tuition for the rendering of elementary or secondary educational services;

(5) "Program", the Missouri empowerment scholarship accounts program;

(6) "Qualified school", a charter school as defined in section 160.400, a home school as defined in section 167.031, a private school as defined in this subsection, a

public school as defined in section 160.011, or a public or private virtual school that is incorporated in Missouri. Charter schools, public schools, and public virtual schools are "qualified schools" only to the extent that moneys deposited in a qualified student's scholarship account shall be used for specific services or individual classes consistent with the provisions of subdivision (4) of subsection 1 of section 166.705;

(7) "Qualified student", a resident of this state who:

(a) Attended a public school as a full-time student for at least one semester from the previous twelve months;

(b) Previously participated in the Missouri empowerment scholarship accounts program;

(c) Is a child who is eligible to begin kindergarten under sections 160.051 to 160.055;

(d) Is attending school for the first time; or

(e) 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) The qualified student shall not be enrolled in a school operated by the qualified student's district of residence or a charter school, except for a qualified student that is in the custody of the state, and shall release the district of residence from all obligations to educate the qualified student while the qualified student is enrolled in the program; except that, this subdivision shall

not 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 money deposited pursuant to section 135.714, in the qualified student's Missouri empowerment scholarship account;

(4) The money 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 for the qualified student from a licensed or accredited practitioner or provider, including licensed or accredited paraprofessionals or educational aides;

(d) Tutoring services;

(e) Curriculum;

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

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

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

(i) Services provided by a public school, including individual classes and extracurricular programs;

(j) Computer hardware or other technological devices that are used to help meet a 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

(1) Other expenses related to home school instruction;
(5) Moneys deposited in the qualified student's
account shall not be used for the following:

(a) Consumable educational supplies including, but not
limited to, paper, pens, pencils, or markers; and

(b) Tuition at a private school located outside of the
state of Missouri.

2. Missouri empowerment scholarship accounts are
renewable on an annual basis upon request of the parent of a
qualified student. Notwithstanding any changes to the
qualified student's multidisciplinary evaluation team plan,
a student who has previously qualified for a Missouri
empowerment scholarship account shall remain eligible to
apply for renewal until the student completes high school
and submits scores from a nationally standardized norm-
referenced achievement test, advanced placement examination,
international baccalaureate examination, or any exam related
to college or university admission purchased with Missouri
empowerment scholarship account funds to the state treasurer.

3. A signed agreement under this section shall satisfy
the compulsory school attendance requirements of section
167.031.

4. A qualified school or a provider of services
purchased under this section shall not share, refund, or
rebate any Missouri empowerment scholarship account moneys
with the parent or qualified student in any manner.

5. If a qualified student withdraws from the program
by enrolling in a school other than a qualified school, or
is disqualified from the program under the provisions of
section 166.710, the qualified student's Missouri
empowerment scholarship account shall be closed and any
remaining funds shall be returned to the educational
assistance organization for redistribution to other

qualified students. Under such circumstances, the obligation to provide an education for such student shall transfer back to the student's district of residence.

6. Any funds remaining in a qualified student's scholarship account at the end of a school year shall remain in the account and shall not be returned to the educational assistance organization. Any funds remaining in a qualified student's scholarship account upon graduation from a qualified school shall be returned to the educational assistance organization for redistribution to other qualified students.

7. Moneys received under sections 166.700 to 166.725 shall not constitute Missouri taxable income to the parent of the qualified student.

166.710. 1. Beginning in the 2023-2024 school year, the educational assistance organization shall conduct or contract for annual audits of empowerment scholarship accounts to ensure compliance with the requirements of subsection 1 of section 166.705. The educational assistance organization shall also conduct or contract for random, quarterly, and annual audits of empowerment scholarship accounts as needed to ensure compliance with the requirements of subsection 1 of section 166.705.

2. A parent or qualified student or vendor may be disqualified from program participation if the state treasurer, or his or her designee, finds the party has committed an intentional program violation consisting of any misrepresentation or other act that materially violates any law or rule governing the program. The state treasurer may remove any parent or qualified student from eligibility for a Missouri empowerment scholarship program account. A parent may appeal the state treasurer's decision to the administrative hearing commission. A parent may appeal the

administrative hearing commission's decision to the circuit court of the county in which the student resides.

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

4. The state treasurer shall promulgate the following rules to implement and administer the Missouri empowerment scholarship accounts program:

(1) Rules for conducting examinations of use of account funds;

(2) Rules for conducting random, quarterly, and annual reviews of accounts;

(3) Creating an online anonymous fraud reporting service; and

(4) Creating an anonymous telephone hotline for fraud reporting.

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

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

2. No financial institution shall be liable in any civil action for providing a savings account's financial information to the state treasurer unless the information provided is false and the financial institution providing the false information does so knowingly and with malice.

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

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

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

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

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

167.790. 1. In order to receive funds under section 163.031, no school district shall be a member of, or remit any funds to, any statewide activities association that:

(1) Prohibits a student who is receiving instruction at a home school as defined in section 167.031, from the opportunity to participate in any event or activity offered by the school district or an attendance center of the school district in which the student resides and where the statewide activities association exercises authority, rules, or guidelines for participating in such events or activities for any reason relating to such student's home instruction;
or

(2) Requires a student who is receiving instruction at a home school as defined in section 167.031 to attend the public school of residence for any portion of a school day in order to participate in any event or activity offered by the school district or an attendance center of the school district in which the student resides where the statewide activities association exercises authority, rules, or guidelines for participating in such events or activities.

2. The department of elementary and secondary education shall withhold payments under section 163.031 for any district in violation of this section. The department shall release any withheld funds under this section upon the district providing satisfactory proof to the state board of education that the school district has ceased membership in the association and has ceased remission of any funds to said association.

3. A statewide activities association shall not prohibit or restrict any school district which is a member of such association from participating in any events sanctioned, authorized, or regulated by such association with any school that is not a member of the association.