

harmless provisions.

In the legislative session that ended May 15, 2009 the legislature appropriated money for FY10 based on the estimate of the amount to be paid each district in FY10. DESE has submitted a supplemental budget request for FY10 to the Governor to increase the FY10 appropriation to reflect the updated cost based on new data submissions by school districts.

Small Schools

Another component of the foundation formula is the specific allocation to small schools. For this funding a small school is defined as a district with an average daily attendance, including summer school, no greater than 350. The legislation specifies that \$15 million is to be appropriated with the money distributed in two parts. One part of \$10 million is distributed equally per average daily attendance for the eligible districts. The second part of \$5 million is distributed on a tax-rate weighted average daily attendance basis to the eligible small districts who also have a tax rate for general school purposes equal to or greater than the state performance levy of \$3.43.

The applicable statute is found in:

Section 163.044, Revised Statutes of Missouri, Appendix 28

(F)(2) Ensuring successful conditions for high-performing charter schools and other innovative schools *(40 points)*

The extent to which—

(i) The State has a charter school law that does not prohibit or effectively inhibit increasing the number of high-performing charter schools (as defined in this notice) in the State, measured (as set forth in Appendix B) by the percentage of total schools in the State

that are allowed to be charter schools or otherwise restrict student enrollment in charter schools;

(ii) The State has laws, statutes, regulations, or guidelines regarding how charter school authorizers approve, monitor, hold accountable, reauthorize, and close charter schools; in particular, whether authorizers require that student achievement (as defined in this notice) be one significant factor, among others, in authorization or renewal; encourage charter schools that serve student populations that are similar to local district student populations, especially relative to high-need students (as defined in this notice); and have closed or not renewed ineffective charter schools;

(iii) The State's charter schools receive (as set forth in Appendix B) equitable funding compared to traditional public schools, and a commensurate share of local, State, and Federal revenues;

(iv) The State provides charter schools with funding for facilities (for leasing facilities, purchasing facilities, or making tenant improvements), assistance with facilities acquisition, access to public facilities, the ability to share in bonds and mill levies, or other supports; and the extent to which the State does not impose any facility-related requirements on charter schools that are stricter than those applied to traditional public schools; and

(v) The State enables LEAs to operate innovative, autonomous public schools (as defined in this notice) other than charter schools.

In the text box below, the State shall describe its current status in meeting the criterion. The narrative or attachments shall also include, at a minimum, the evidence listed below, and how each piece of evidence demonstrates the State's success in meeting the criterion. The narrative and attachments may also include any additional information the State believes will be helpful to peer reviewers. For attachments included in the Appendix, note in the narrative the location where the attachments can be found.

Evidence for (F)(2)(i):

- A description of the State's applicable laws, statutes, regulations, or other relevant legal documents.
- The number of charter schools allowed under State law and the percentage this represents of the total number of schools in the State.
- The number and types of charter schools currently operating in the State.

Evidence for (F)(2)(ii):

- A description of the State's approach to charter school accountability and authorization, and a description of the State's applicable laws, statutes, regulations, or other relevant legal documents.

- For each of the last five years:
 - The number of charter school applications made in the State.
 - The number of charter school applications approved.
 - The number of charter school applications denied and reasons for the denials (academic, financial, low enrollment, other).
 - The number of charter schools closed (including charter schools that were not reauthorized to operate).

Evidence for (F)(2)(iii):

- A description of the State’s applicable statutes, regulations, or other relevant legal documents.
- A description of the State’s approach to charter school funding, the amount of funding passed through to charter schools per student, and how those amounts compare with traditional public school per-student funding allocations.

Evidence for (F)(2)(iv):

- A description of the State’s applicable statutes, regulations, or other relevant legal documents.
- A description of the statewide facilities supports provided to charter schools, if any.

Evidence for (F)(2)(v):

- A description of how the State enables LEAs to operate innovative, autonomous public schools (as defined in this notice) other than charter schools.

Recommended maximum response length: Six pages

(F)(2)

In 2007, the National Association of Charter School Authorizers (NACSA) received a 2 year, \$300,000 grant from the Ewing Marion Kauffman Foundation, the Hall Family Foundation and the Greater St. Louis Community Foundation for an initiative to improve the quality of charter school sponsors in the State of Missouri. Through this grant, NACSA has been working in three critically important areas:

1. Provision of technical assistance and support to existing and new sponsors;
2. Development of state-specific, model sponsoring resources; and

3. Facilitating the sharing of information and best practices with all sponsoring institutions.

In addition to this work, two critical keys to quality charter school oversight, support and intervention are the development of standards of professional practice for sponsorship and the development and utilization of a mechanism to evaluate the State's charter school sponsors.

The development of statewide model documents for charter school proposals, contracts, monitoring and renewal provides sponsors of Missouri charter schools with the ability to conduct their core responsibilities in a more consistent and effective way. The development of an effective evaluation instrument to be utilized in reviewing the work of charter school sponsors would provide staff of DESE the necessary tools to draw conclusions regarding a sponsor's performance and to make informed decisions regarding the institution's ability to continue to serve as a charter school sponsor in the State of Missouri. The ultimate goal of these projects is to improve the quality of charter school sponsorship and the quality of charter schools providing services to Missouri students.

(F)(2)

Missouri is working to strengthen the charter school authorizing/sponsorship process towards increased accountability to ensure performance and fiscal integrity. The State will:

- Develop and implement standards for charter sponsorship based on the National Association of Charter School Authorizer's (NACSA) Principles and Standards for Quality Charter School Authorizing.
- Develop and implement a process for evaluating charter school sponsors to improve performance and ensure accountability for the oversight of charter schools in their portfolio (based on work being completed by NACSA and being implemented in WI, CO and NM)
- Develop and implement guidelines for sponsors that hold them accountable for closing poor performing charter schools;
- Work toward legislative changes that will:

- Require sponsoring institutions to enter into a performance contract with the charter school’s governing board prior to the school beginning operation;
- More clearly define the terms/conditions under which a charter school may be placed on probation or closed;
- Permit the State Board to close a charter school, in lieu of the sponsor, for specific cause (academic performance, management/governance issues, financial, failure to provide required services (special education), etc.).

(F)(2)(i)

There is no limit to the number of charter schools that may be established within the boundaries of Kansas City and St. Louis City School Districts. There are no limits to the number of traditional schools/buildings in the school district which can be converted to charter school status.

Missouri’s charter school law limits the establishment of charter schools geographically to the Kansas City 33 School District and St. Louis City School District. See 160.400, RSMo. 2: “Charter schools may be operated only in a metropolitan school district or in an urban school district containing most or all of a city with a population greater than three hundred fifty thousand inhabitants...”

For the 2008-09 school year, there were 28 approved charters with 41 campuses in operation. One charter was sponsored by the local school district, one charter is sponsored by a community college and the remaining 26 are sponsored by universities and colleges. The total number of traditional buildings in operation was 2,277. Charter schools represented approximately 2% of the total public school buildings in operation during the 2008-09 school year. In the Kansas City School District, students enrolled in charter schools represent 30.95% of the public school student population and in St. Louis City School District, students enrolled in charter schools represent 26.08% of the public school student population during the 2009-2010 school year.

For the 2009-10 school year, there are 33 approved charters with 47 campuses in operation. One charter is sponsored by the local school district, one charter is sponsored by a community college and the remaining 31 are sponsored by universities or colleges. The total number of traditional buildings in operations is 2,334. Charter schools represent approximately 2% of the total public school

buildings in operation during the 2009-10 school year.

(F)(2)(ii)

Missouri charter school law (Sections 160.400, RSMo – Section 160.420) outlines the criteria that sponsors should utilize in determining whether or not a charter proposal is compliant with the law. This law provides general direction for sponsors to use in their oversight, monitoring, accountability plans, and the reauthorization or closing of charter schools. Funding from the Ewing Marion Kauffman Foundation, the Hall Family Foundation and the Greater St. Louis Community Foundation was utilized for work done in collaboration with charter schools sponsors, DESE and the National Association of Charter School Authorizers in the development of the Missouri Model Documents (www.dese.mo.gov/divimprove/charterschools/sponsorresources.htm). This work, presented to the State Board of Education during their August 2009 meeting includes the following documents to guide sponsors in the work that they do in approving, monitoring, reauthorizing and closing of charter schools. A majority of the sponsoring institutions in Missouri participated in the development of these documents, and the Board and DESE strongly encourage sponsors to utilize the processes and procedures they contain. The Missouri Model documents include an application evaluation rubric, charter agreement or draft contract, a document to guide sponsors in the creation and implementation of pre-opening requirements, performance and monitoring plans and guidelines to assist the sponsoring institution in making an informed decision about renewal.

Sponsors of charter schools must give priority to charter school applicants that propose a school that is oriented to high-risk students or to the reentry of dropouts. If a sponsor grants more than three charters, at least one-third of them shall be schools that actively seek to serve students defined as high risk under Missouri law. This includes students who are at least one year or more behind in satisfactory completion of course work or obtaining credits for graduation, pregnant or parenting, homeless or have been homeless in the last six months, have limited English proficiency, have been suspended from school three or more times, are eligible for free or reduced price lunch or have been referred by their home district for enrollment in an alternative school program.

RSMo Chapter 160.400 addresses authorization:

1. A charter school is an independent public school.

2. Charter schools may be operated only in a metropolitan school district or in an urban school district containing most or all of a city with a population greater than three hundred fifty thousand inhabitants and may be sponsored by any of the following:

(1) The school board of the district;

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

(3) A community college located in the district; or

(4) Any private four-year college or university located in a city not within a county with an enrollment of at least one thousand students, and with an approved teacher preparation program.

3. The mayor of a city not within a county may request a sponsor under subdivision (2), (3), or (4) of subsection 2 of this section to consider sponsoring a "workplace charter school", which is defined for purposes of sections 160.400 to 160.420 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.

Chapter 160.405 section 2(4) also addresses authorization:

The sponsor of a charter school shall give priority to charter school applicants that propose a school oriented to high-risk students and to the reentry of dropouts into the school system. If a sponsor grants three or more charters, at least one-third of the charters granted by the sponsor shall be to schools that actively recruit dropouts or high-risk students as their student body and address the needs of dropouts or high-risk students through their proposed mission, curriculum, teaching methods, and services. For purposes of this subsection, a "high-risk" student is one who is at least one year behind in satisfactory completion of course work or obtaining credits for graduation, pregnant or a parent, homeless or has been homeless sometime within the preceding six months, has limited English proficiency, has been suspended from school three or more times, is eligible for free or reduced-price school lunch, or has

been referred by the school district for enrollment in an alternative program. "Dropout" shall be defined through the guidelines of the school core data report. The provisions of this subsection do not apply to charters sponsored by the State board of education.

Chapter 160.405 section 3 addresses academic performance:

If a charter is approved by a sponsor, the charter application shall be submitted to the State board of education, along with a statement of finding that the application meets the requirements of sections 160.400 to 160.420 and section 167.439, RSMo, and a monitoring plan under which the charter sponsor will evaluate the academic performance of students enrolled in the charter school. The State board of education may, within sixty days, disapprove the granting of the charter. The State board of education may disapprove a charter on grounds that the application fails to meet the requirements of sections 160.400 to 160.420 and section 167.349, RSMo, or that a charter sponsor previously failed to meet the statutory responsibilities of a charter sponsor.

Chapter 160.405 section 5 addresses accountability:

A charter school shall, as provided in its charter:

- (1) Be nonsectarian in its programs, admission policies, employment practices, and all other operations;
- (2) Comply with laws and regulations of the State, county, or city relating to health, safety, and state minimum educational standards, as specified by the State board of education, including the requirements relating to student discipline under sections 160.261, 167.161, 167.164, and 167.171, RSMo, notification of criminal conduct to law enforcement authorities under sections 167.115 to 167.117, RSMo, academic assessment under section 160.518, transmittal of school records under section 167.020, RSMo, and the minimum number of school days and hours required under section 160.041;
- (3) Except as provided in sections 160.400 to 160.420, be exempt from all laws and rules relating to schools, governing boards and school districts;
- (4) Be financially accountable, use practices consistent with the Missouri financial accounting manual, provide for an annual audit

by a certified public accountant, publish audit reports and annual financial reports as provided in chapter 165, RSMo, provided that the annual financial report may be published on DESE's Internet website in addition to other publishing requirements, and provide liability insurance to indemnify the school, its board, staff and teachers against tort claims. A charter school that receives local educational agency status under subsection 6 of this section shall meet the requirements imposed by the Elementary and Secondary Education Act for audits of such agencies. For purposes of an audit by petition under section 29.230, RSMo, a charter school shall be treated as a political subdivision on the same terms and conditions as the school district in which it is located. For the purposes of securing such insurance, a charter school shall be eligible for the Missouri public entity risk management fund pursuant to section 537.700, RSMo. A charter school that incurs debt must include a repayment plan in its financial plan;

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

(6) (a) Design a method to measure pupil progress toward the pupil academic standards adopted by the state board of education pursuant to section 160.514, collect baseline data during at least the first three years for determining how the charter school is performing and to the extent applicable, participate in the statewide system of assessments, comprised of the essential skills tests and the nationally standardized norm-referenced achievement tests, as designated by the state board pursuant to section 160.518, complete and distribute an annual report card as prescribed in section 160.522, which shall also include a statement that background checks have been completed on the charter school's board members, report to its sponsor, the local school district, and the state board of education as to its teaching methods and any educational innovations and the results thereof, and provide data required for the study of charter schools pursuant to subsection 4 of section 160.410. No charter school will be considered in the Missouri school improvement program review of the district in which it is located for the resource or process standards of the program.

(b) For proposed high risk or alternative charter schools, sponsors shall approve performance measures based on mission, curriculum, teaching methods, and services. Sponsors shall also approve comprehensive academic and behavioral measures to determine whether students are meeting performance standards on a different time frame as specified in that school's charter.

Student performance shall be assessed comprehensively to determine whether a high risk or alternative charter school has documented adequate student progress. Student performance shall be based on sponsor-approved comprehensive measures as well as standardized public school measures. Annual presentation of charter school report card data to DESE the state board, and the public shall include comprehensive measures of student progress.

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

(7) Assure that the needs of special education children are met in compliance with all applicable federal and state laws and regulations.

The following table illustrates charter school applications over a five-year period:

	2004-05	2005-06	2006-07	2007-08	2008-09
The number of charter school applications made in the State.	5	8	8	6	11
The number of charter school applications approved.	2	7	7	4	9
The number of charter school applications denied and reasons for the denials (academic, financial, low enrollment, other).	2	1	0	2	1
The number of charter schools closed (including charter schools that were not reauthorized to operate).	3	1	0	0	1

Reasons for denial:

2004-05: Three schools were denied renewal:

(1) Governance, student performance

(2) Governance, fiscal management, failure to comply with charter law

2005-06 One school was denied renewal:

(1) Governance, student performance

2007-08: Two schools were denied charters

(1) Proposal was not compliant with charter law

(2) Proposal was not compliant with charter law

2008-09: One school was denied a charter

(1) Proposal was not compliant with charter law

(F)(2)(iii)

The State's charter schools receive (as set forth in Appendix B) equitable funding compared to traditional public schools, and a commensurate share of local, State, and Federal revenues;

Chapter 160.415 Section 2 (1-2) address distribution of state school aid for charter schools:

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

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

(F)(2)(iv)

Missouri does not provide facilities assistance for any public schools, including charter schools. At the present time, charter schools in Missouri must provide for their facilities needs by utilizing funds from their operating budget. According to statute, local school districts “may enter into a lease with a charter school for physical facilities.

The State does not impose facility-related requirements on charter schools that are stricter than traditional public schools. Per statute (Section 160.405., RSMo 5(2). charter schools shall “comply with the laws rules and regulations of the State, county or city relating to the health, safety and state minimal educations standards...”

(F)(2)(v)

There are no state laws or rules that would prohibit an LEA from creating an innovative, autonomous school. Missouri will work in collaboration with LEA’s and professional organizations to create necessary conditions for the establishment of effective, innovative autonomous schools. The State will collaborate with these same entities to develop autonomous school models and provide assistance in the development of innovative autonomous schools through regional systems of support to meet the needs of local school districts.

Missouri will offer funding incentives, such as start-up grants, to LEAs to develop and implement independent innovative schools including alternative schools, STEM-related schools or others to meet identified needs. Missouri will develop a process to offer competitive grants, to be phased out over a period of three years, to assist districts in the development of innovative and autonomous schools. DESE will develop guidelines and criteria for the award of the incentive grants to those districts and individual schools who demonstrate the capacity to operate a successful autonomous school independent from the operation of the home district. DESE will conduct an evaluation of the LEA’s implementation of these models to determine those schools who innovations and autonomy have improved the performance of students.