

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) Ensuring successful conditions for high-performing charter schools and other innovative schools**

In 2007, the National Association of Charter School Authorizers (NACSA) received a two-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. Providing technical assistance and support to existing and new sponsors
2. Developing state-specific model sponsoring resources
3. Facilitating the sharing of information and best practices with all sponsoring institutions.

In order to promote quality charter school oversight, support, and intervention, standards of professional practice for sponsorship and a mechanism to evaluate the state’s charter school sponsors are being developed.

The development of statewide model documents for charter school proposals, contracts, monitoring, and renewal will provide sponsors of Missouri charter schools with the ability to conduct their core responsibilities consistently and effectively. The development of an effective evaluation instrument to be utilized in reviewing the work of charter school sponsors will provide Department staff the tools necessary 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.

The Department is authorized to develop standards for professional practice and criteria for sponsorship of charter schools by Missouri revised statute 160.400, RSMo. 14.: “The state board of education shall ensure each sponsor is in compliance with all requirements under sections 160.400 to 160.420 and 167.349, RSMo, 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, after a public hearing, may require remedial action for a sponsor that it finds has not fulfilled its obligations of sponsorship, such remedial actions including withholding the sponsor's funding and suspending for a period of up to one year the sponsor's authority to sponsor a school that it currently sponsors or to sponsor any additional school. If the state board removes the authority to sponsor a currently operating charter school, the state board shall become the interim sponsor of the school for a period of up to three years until the school finds a new sponsor or until the charter contract period lapses.”

The Missouri Charter Public School Association offers a program called CharterStart for groups in the process of developing a charter. CharterStart workshops provide training sessions on a variety of topics related to planning and operating a successful charter school. Sessions cover experiences of current charter schools, best practices in education and business, research-based programs, and the work of charter support organizations nationwide. CharterStart Workshops are specifically designed to provide expertise in alignment with the stages of the application process.

Another initiative is the development by the St. Louis Mayor's office of an RFP process that assists potential high-quality charter schools in obtaining sponsorship through the Office. The application format articulates the consistent criteria and evaluation process used to determine support. The St. Louis Charter School Advisory Board and its review process created a mechanism for analysis and public input.

Community interest has expanded in charter schools due to the St. Louis City School District's loss of accreditation and the Kansas City 33 District's provisional accreditation status. In July of 2009, The Illinois Facilities Fund (IFF) issued the report “Public Schools in St. Louis: Place, Performance and Promise” funded by NACSA. This report generated interest in establishing high-performing charter schools in the geographic locations that did not have a Tier

1 School. Tier 1 for purposes of this report is defined as:

A public school that met at least half of the Annual Proficiency Target in both Communication Arts and Math, meaning that in 2008 at least 25.5 percent of students were proficient or above in Communication Arts and at least 22.5 percent of students were proficient or above in Math.

**(F)(2)(i) Increasing Charter Schools**

Missouri's current charter school law limits the establishment of charter schools geographically to the Kansas City 33 School District and St. Louis City School Districts. However, there is no limit to the number of charter schools that may be established within the school districts' boundaries or to the number of traditional schools/buildings which can be converted to charter school status.

A bill introduced in the Missouri in the spring 2010 legislative session that would have expanded charter schools into districts that have been classified as unaccredited by the State Board of Education or in a district that has a Title I school in level 3, 4, or 5 of school improvement, regardless of population. This proposed expansion of the charter school law would have expanded the number of districts in which charter schools could be located to a total of 33, representing urban, rural, and suburban school districts.

For the 2008-2009 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 percent of the total public school buildings in operation during the 2008-2009 school year.

For the 2009-2010 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 operation is 2,334. Charter schools represent approximately 2 percent of the total public school buildings in operation during the 2009-2010 school year.

**(F)(2)(ii) Missouri Charter School Laws**

Section 160.405, RSMo. 6. requires "The sponsor and the governing board and the staff

of the charter school jointly review the school's performance, management and operations at least once every two years or at any point where the operation or management of the charter is changed or transferred to another entity, either public or private.”

Additionally, Section 160.410, RSMo. 4. requires “The Department of Elementary and Secondary Education shall commission a study of the performance of students at each charter school in comparison with an equivalent group of district students representing an equivalent demographic and geographic population and a study of the impact of charter schools upon the constituents they serve in the districts in which they are located, to be conducted by the joint committee on education. The charter school study shall include analysis of the administrative and instructional practices of each charter school and shall include findings on innovative programs that illustrate best practices and lend themselves to replication or incorporation in other schools. The joint committee on education shall coordinate with individuals representing charter public schools and the districts in which charter schools are located in conducting the study. The study of a charter school's student performance in relation to a comparable group shall be designed to provide information that would allow parents and educators to make valid comparisons of academic performance between the charter school's students and an equivalent group of district students representing an equivalent demographic and geographic population. The student performance assessment and comparison shall include, but may not be limited to:

- (1) Missouri Assessment Program test performance and aggregate growth over several years;
- (2) Student reenrollment rates;
- (3) Educator, parent, and student satisfaction data;
- (4) Graduation rates in secondary programs; and
- (5) Performance of students enrolled in the same public school for three or more consecutive years.

The impact study shall be undertaken every two years to determine the impact of charter schools on the constituents they serve in the districts where charter schools are operated. The impact study shall include, but is not limited to, determining if changes have been made in

district policy or procedures attributable to the charter school and to perceived changes in attitudes and expectations on the part of district personnel, school board members, parents, students, the business community and other education stakeholders. The Department of Elementary and Secondary Education shall make the results of the studies public and shall deliver copies to the governing boards of the charter schools, the sponsors of the charter schools, the school board and superintendent of the districts in which the charter schools are operated.” The study conducted by the joint committee may be found in Appendix 27.

In addition to these two formal evaluations, charter schools and traditional public schools submit data through the Missouri Student Information System (MOSIS) and Core Data collection processes, which the Department utilizes to generate annual report cards for the schools. Data included in the annual report include, but are not limited to enrollment, attendance, graduation and drop-out rates, average years of experience of professional staff, free/reduced lunch percentages, racial composition, certification of instructional staff, and performance on the statewide assessment. The Department also generates an Annual Performance Report (APR) which provides information to traditional public school districts and charter schools on their achievement of the performance standards approved by the State Board of Education.

As previously stated, various stakeholders were involved in developing the charter schools model application, model evaluation rubric and model charter agreements. Additionally, resources, including guides, were developed to assist charter school sponsors in creating and implementing pre-opening requirements, performance plans, and monitoring plans, and in making renewal determinations. These documents are included in Appendix 28.

**RSMo Chapter 160.400 addresses charter school 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 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 the Department of Elementary and Secondary Education's Internet web site 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 the Department of Elementary and Secondary Education, the State Board of Education, 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
• Number of charter school applications made in the State	5	8	8	6	11
• Number of charter school applications approved	2	7	7	4	9
• Number of charter school applications denied for academic, financial, low enrollment, and other reasons	2	1	0	2	1
• 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 of their charters. Of the three, one school was closed due to poor governance and low student performance. The remaining two schools were closed due to poor governance, fiscal management, and failure to comply with the charter school law.

2005-06

One school was denied renewal of their charter due to poor governance and low student performance.

2007-08

Two schools were denied renewal of their charter because their proposals were not compliant with charter law.

2008-09

One school was denied a charter because their proposal was not compliant with charter law.

The key activity in this section addresses Missouri's reform plan Goal 1 as described in section A(1)(i).

***Goal 1: An integrated, seamless P-20 system will ensure that every child in Missouri is fully prepared for postsecondary study and entry into the workforce.***

**Key Activity 1:** Strengthen the charter school authorization process and increase accountability for charter school performance.

As part of Missouri's reform plan, the Department intends to strengthen the charter school authorizing/sponsorship process and increase accountability of charter school sponsors for school performance and fiscal integrity by:

- Implementing the standards for sponsorship developed by NACSA for Missouri.
- Implementing the sponsor evaluation process developed by NACSA for Missouri for sponsors to ensure sponsors are held accountable for oversight and monitoring.
- Implementing guidelines for sponsors that hold them accountable for closing poor performing charter schools.

- Proposing a change in statute
  - Requiring an actual performance contract between the charter school’s governing board and the sponsor prior to the school opening;
  - Defining the terms/conditions under which a charter school may be placed on probation as opposed to being closed;
  - Permitting the State Board of Education to close a charter school, in lieu of the sponsor, for specific cause (academic, financial, etc.).

**Implementation Plan**

Timeline	Activities	Responsible Parties
August 2010	Implement the charter school sponsorship standards.	The Department
August 2010	Implement the charter school sponsor evaluation process.	The Department
October 2010 – September 2011	Convene a group of charter school stakeholders and charter school sponsors to develop guidelines on school closure for charter school sponsors.	The Department, charter schools, charter school organizations, charter school sponsors
August 2011	Implement the charter school sponsor evaluation process.	The Department
October 2010 – May 2011	Propose change in charter school statute to legislature and governor.	The Department, charter school sponsors

**(F)(2)(iii) Equitable Funding in Missouri for Charter Schools**

The passage of Senate Bill 781 in 1998 authorized the establishment of charter schools in the Kansas City 33 and St. Louis City Public School Districts. At the time, each newly established charter school was considered to be a building within the school district. Each charter school reported their data to the school district, including attendance data which was utilized to generate state aid payments. State and federal aid payments were then made to the local school district. The local district, by law, had twenty (20) days from the receipt of the funds to make payment to the charter school. Senate Bill 287, which became effective July 1, 2006, allowed charter schools, already in existence, to amend their charters and become an

independent local education agency (LEA). During the first year following the passage of this legislation, all Kansas City charter schools became independent LEAs; St. Louis charter schools followed suit the next year. Once a charter school elects to become an independent LEA, it receives all state and federal payments directly from the Department. At the present time, all charter schools in operation and *all* charter schools which will begin operation in the fall of 2010 are independent LEAs. The Department calculates the state aid payment for charter schools utilizing current year information and the formula utilized for all public school districts. Detailed information regarding the funding calculation may be found in Appendix 29, as well as the appropriate section of state statute in the next paragraph. The charter school law also allows charter schools to receive payment at the same time as traditional public school districts.

**Section 160.415.4, RSMo, addresses the distribution of state school aid for LEA charter schools:**

“A charter school that has declared itself as a local educational agency shall receive from the Department of Elementary and Secondary Education 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. If a charter school declares itself as a local education agency, the Department of Elementary and Secondary Education shall, upon notice of the declaration, reduce the payment made to the school district by the amount specified in this subsection and pay directly to the charter school the annual amount reduced from the school district's payment.”

If a charter elects to remain a building within the district rather than become its own LEA, the following section of state law governs payments of state, federal, and other aid paid for services:

**Section 160.415.1 and 160.415.2 address distribution of state school aid for charter schools that are buildings within the local LEA:**

1. “For the purposes of calculation and distribution of state school aid under section 163.031, RSMo, pupils enrolled in a charter school shall be included in the pupil enrollment of the school district within which each pupil resides. Each charter school shall report the names, addresses,

and eligibility for free and reduced lunch, special education, or limited English proficiency status, as well as eligibility for categorical aid, of pupils residing in a school district who are enrolled in the charter school to the school district in which those pupils reside. The charter school shall report the average daily attendance data, free and reduced lunch count, special education pupil count, and limited English proficiency pupil count to the state department of elementary and secondary education. Each charter school shall promptly notify the State Department of Elementary and Secondary Education and the pupil's school district when a student discontinues enrollment at a charter school.”

2. “Except as provided in subsections 3 and 4 of this section, the aid payments for charter schools shall be as described in this subsection.

(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.

(3) If the department overpays or underpays the amount due to the charter school, such overpayment or underpayment shall be repaid by the public charter school or credited to the public charter school in twelve equal payments in the next fiscal year.

(4) The amounts provided pursuant to this subsection shall be prorated for partial year enrollment for a pupil.

(5) A school district shall pay the amounts due pursuant to this subsection as the disbursal agent and no later than twenty days following the receipt of any such funds. The Department of Elementary and Secondary Education shall pay the amounts due when it acts as the disbursal agent within five days of the required due date.”

Missouri charter schools also receive a commensurate share of other state aid and federal programs monies that a local school district might otherwise be entitled to receive for services being provided to students. For all federal programs, charter schools provide the Department of Elementary and Secondary Education with estimated data to utilize in the

calculation of their allocation or entitlement. Necessary corrections are made to the data and payments are adjusted when the charter conducts the official count as outlined by each individual program. If a charter experiences significant growth, notification is provided to the appropriate staff to make adjustment to the charter's allocation in the next fiscal year.

**Section 160.415.8 and 160.415.9 address distribution of other monies to charter schools:**

8. "A charter school shall be eligible for transportation state aid pursuant to section 163.161, RSMo, and shall be free to contract with the local district, or any other entity, for the provision of transportation to the students of the charter school."

9. (1) "The proportionate share of state and federal resources generated by students with disabilities or staff serving them shall be paid in full to charter schools enrolling those students by their school district where such enrollment is through a contract for services described in this section. The proportionate share of money generated under other federal or state categorical aid programs shall be directed to charter schools serving such students eligible for that aid."

The state funding provided to charter schools may be used for facilities, assistance with facilities acquisition, access to public facilities, the ability to share in bonds and mill levies, or other supports. The state does not impose any facility-related requirements on charter schools that are stricter than those applied to traditional public schools.

**(F)(2)(iv)**

**Facilities Funding**

Missouri does not provide direct facility assistance for any public schools, including charter schools. At the present time, charter schools in Missouri must provide for their facility 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."

**(F)(2)(v)**

**Funding Incentives**

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.