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Tara Kay Little

University of Missouri-St. Louis, tara.little@swbell.net

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Running head: ST. LOUIS CHARTER SCHOOL HISTORY

St. Louis Charter School History, 1996-2005: A Case Study

Tara K. Little

University of Missouri, St. Louis

### Abstract

This particularistic case study of St. Louis, Missouri charter schools examines the history of the charter school movement in St. Louis from the perspectives of those most closely involved in policy-making and school development, covering the period from the local movement's inception in 1996 through the first sponsor review year in 2005.

Transcribed interviews of ten key participants in the policy development and start-up process, as well as archival data, were thematically coded, deconstructed, triangulated, and reconstructed to form the basis of the history as it is presented in this study. This qualitative study reveals the rich narrative of charter school development specific to St. Louis at the time of the study. It does not study the qualitative efficacy of the charter schools themselves.

This history includes conflict between charter proponents and local districts, legislators and sponsors, school operators and sponsors, and most other conceivable combinations of key actors in the process. Conflicts have resulted from disagreement about the legislation itself, the role of the sponsor, the legal and ethical conduct of operators, the effectiveness of the schools, and the philosophical concept of using public money for these independent (but "public) schools. Of the eight schools included in the study, six are still operating as charter schools.

Further research should include expanded study of these schools and other charter schools for those elements of success that may be transferable to traditional schools. If two of charter schools' purposes are creating market forces that compel positive change in the local school district, and providing the opportunity for experimental methods that might be applied more broadly, then these elements warrant additional scrutiny. Though

the success of charter schools in the narrow context of this study was not marked, closer study of these schools as they mature may yield results that provide generalizable teaching and learning strategies.

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## Chapter One: Introduction to Charter Schools in St. Louis, Missouri

“School choice” has become a catchphrase in the field of education reform over the past decade. Intra-district choice plans, magnet schools, pilot schools, charter schools, and voucher schemes represent only a few of the many forms that school choice initiatives can take. Although each school choice method offers specific advantages and disadvantages and raises particular questions, they all attempt to address a common set of concerns that have driven the school choice movement (Smith & Lang, 2001, p. 17).

### *School Choice –The Purpose*

In the United States, school reform has commanded the attention of politicians, parents, educators, teachers’ associations, and community organizations for many years. Controversy has raged regarding the fundamental concept of free public education itself, as well as the various issues surrounding it: standards, desegregation, inclusion, centralization and decentralization, accountability, alternative programming, and, most recently, school choice. Though the school-reform debate is more than a century old (Tyack & Cuban, 1995) and has included many different personalities, it has always involved fundamental questions regarding the basic purpose and structure of the public education system.

Are public schools intended to produce scholars or workers? Is free public education intended primarily to benefit the individual student, or society as a whole? Should all students be taught together following a standardized curriculum, or should schools provide separate curricula and facilities tailored for each category of student? How should schools measure their achievements—by standardized test scores, by tracking students’ completion of secondary and post-secondary programs, or perhaps by

students' success in the employment market? Who should be empowered to make decisions on education policy? What type of institutional structure serves best to shape and implement educational policy? And how are the expenses and benefits of public education to be distributed among a population with varying needs and resources? Do student dollars belong, in essence, to students and their families, or do they belong to the public school assigned to serve them?

School choice has arisen as one answer to the questions raised by this ongoing debate. Ironically, school choice has become something of a Rorschach inkblot: Differing sides in the controversy present conflicting theories about school choice, and present conflicting evidence in support of their theories. Some see school choice advocates as noble and community-minded; others see them as businesslike and practical; some see them as misinformed and deluded; and still others view school choice advocates as motivated by pure self-interest. Any conceivable belief about school choice seems to have its enthusiastic champions. Although the school choice debate is highly polarized between those in favor and those opposed, it has cultivated some strange bedfellows among both liberals and conservatives, across cultures, and up and down the socio-economic scale.

*Who gets to choose a school?* School choice in the United States has traditionally been effectively limited by families' financial status. Middle- and upper-middle class families who can afford housing in good school districts can select their children's schools by buying or renting property accordingly. Those who prefer private- or parochial-school education – and have the money to pay for it – can choose that option. Home schooling is sometimes available as an option, but it may be impracticable for



many single-parent families, low-income families, and parents who are themselves under-educated. The less privileged seldom have much choice about where and how their children are educated (Godwin & Kemerer, 2002).

The issue of choosing one public school over another begs the question of equitable distribution of resources. After all, if public schools were created equal, why would anyone want to choose a particular one? Of course, in real life the inequalities among public schools are so obvious and extreme that no one would ever claim that choice was irrelevant. Leaving aside, for the moment, a broader discussion of the racial and political motives of a society that self-segregates, educators and policy makers know that the schools serving our poorest families are generally the least able to serve them well (Miron & St. John, 2003).

*A range of school choice programs*. The school choice programs being piloted and implemented in most states include public school choice and transfer programs (both inter- and intra-district), vouchers, public funding for private school programs, and charter schools. Many public school choice and transfer programs give parents limited options regarding the public schools their children will attend. The range of choices depends on state law, district participation, and specific program guidelines; all these factors vary tremendously from state to state and district to district. Vouchers, which allow parents to “transfer” a designated portion of their children’s educational “allotments” to private schools of their choice, raise many philosophical questions – including some pertaining to church-state separation and the meaning of “public school” itself. While the United States Supreme Court has ruled that vouchers are not in violation of the Federal Constitution (Zelman v. Simmons-Harris, 2002) and has thus left the issue

to state courts, the school-voucher issue is still largely undecided at the state level. For example, a Florida appeals court ruled in August 2004 that the use of voucher funds for religious schools was a violation of a “no-aid” provision of Florida’s constitution prohibiting the expenditure of state funds on any religious group or sect (Holmes v. Bush, 2004).

*Charter schools: public funding for private schools.* The concept of public funding for private schools is based on some of the same principles as school vouchers; but instead of giving parents vouchers *per se*, these programs offer tax credits to families attending private schools or, in some cases, allow private schools to apply for government educational grants. Private charter schools operate as public schools in cooperation with local (mostly urban) districts, using the same “money per student” allotment concept as vouchers – although voucher amounts are often less than the Average Daily Attendance (ADA) payment allocated to charter schools in many states’ legislation. Charter schools operate under a contract (the “charter”) between the school and its “sponsor” – usually the local school district or state education agency, but sometimes another entity such as a college or university. The school’s charter details the school’s goals and how success is to be measured, along with how it will be held accountable for failure to meet these goals.

According to The Center for Education Reform (CER 2005), there are currently almost 3,400 charter schools operating in 40 states plus Washington, D.C., serving nearly a million students. To put these numbers in context, there are more than 91,000 public schools and more than 27,000 private schools in the United States, serving more than

50,000,000 students (CER, 2005). (See Cookson and Berger, 2002, for a more detailed list and description of school choice options.)

### *School Choice in Missouri*

In St. Louis, Missouri (see area map, Appendix A), past school reform efforts have centered largely on desegregation. However, school, government, and business leaders have failed to cooperate effectively in a sustained effort to solve the socio-economic problems that contribute greatly to the district's educational difficulties (Portz, Stein, and Jones, 1999). School choice is one of several initiatives over the past few decades aimed – according to proponents – at attracting people back into the city and improving existing schools. Efforts in Missouri toward increasing public school choice include inter-district transfer options, magnet school programs, and charter schools, all limited to St. Louis and/or Kansas City.

This study focuses on one aspect of the local school choice debate: charter schools. It will examine the history of the charter school movement in St. Louis, Missouri, from the perspectives of those most closely involved in policy-making and school development, covering the period from the local movement's inception in 1996 through the first review year in 2005. (See timeline, Appendix B.)

*Missouri's charter school legislation.* Missouri's charter school legislation was passed in 1998, following a grass-roots advocacy effort that included educators, activists, and other community members. The Center for Education Reform (CER, 2004) ranked Missouri's charter school legislation as the 14<sup>th</sup> “best” in the nation; it earned favorable marks on their pro-charter scale for charter school autonomy and funding. According to CER, the best laws are those that support the development of a significant number of

autonomous charter schools. Each state is rated on a scale of 0-5 in ten categories, such as the number of schools allowed and the extent of these schools' legal autonomy. Total scores are used for state-to-state ranking. Missouri's law did not, at the time of this CER report, include provisions for financial support for sponsors, an issue not considered in the CER rankings but which is contentious in the national charter schools debate (Smith, 2005).

The first charter schools in St. Louis opened in 2000; six charter schools are currently (2007) in operation, and two charter schools in St. Louis have closed. Some of those still in operation have faced challenges that their management feared might force them out of business. The year 2005 marked the first five-year review for four of the St. Louis charter schools; this review was mandated by provisions of Missouri's charter school law and by the schools' agreements with their sponsors.

### *Research Questions*

The purpose of the current study is to collect both quantitative and qualitative data regarding the development of charter schools in St. Louis, and to provide an overview of that development in the context of the successes and failures of the schools themselves. It is hoped that this overview will provide insight into charter schools' potential to offer adequate or superior educational opportunities to local students and families, as well as to students and families in other cities.

Study participants were chosen based upon their knowledge of the local charter school movement, and were interviewed in order to answer a number of questions involving the history of the local charter school movement:

- What is the timeline of the local charter school movement and the events related to it?
- What role have local activists played in the movement? Legislators? Educators? Sponsors? The Department of Elementary and Secondary Education (DESE)?
- What events mark the milestones of charter school evolution in St. Louis?
- What struggles and challenges have implementers faced? Sponsors? The local district? DESE?
- What qualities of the legislation have been useful? Detrimental?
- Which individuals and organizations have been involved in the charter school movement in this region, and in what ways?

The results of this study include a general timeline of important policy decisions and other relevant events, as well as an up-to-date report on the operational status of local charter schools.

To situate this study in the broader national context, the following discussion of the history and literature of the charter school movement in the United States is offered; it includes an overview of the arguments that have been offered for and against charter schools. The selected literature represents a cross-section of the diverse perspectives on the charter school movement.

Table 1 Table of Terms and Abbreviations

ADA	Average Daily Attendance
AFT	American Federation of Teachers
AGC	Associated General Contractors
AKA	Alpha Kappa Alpha Sorority
AYP	Adequate Yearly Progress
CCC	Construction Careers Center
CER	Center for Education Reform
DESE/MO DESE	Missouri Department of Elementary and Secondary Education
EHLA	Ethel Hedgeman Lyle Academy
FPCC	Forest Park Community College
HB	House Bill
MOCSIC	Missouri Charter Schools Information Center
NAEP	National Assessment of Educational Progress
NAGB	National Assessment Governing Board
NCES	National Center for Education Statistics
NCLB	No Child Left Behind
St. Louis City	City of St. Louis, located in County of St. Louis City
St. Louis County	County of St. Louis which does not include St. Louis City
SB	Senate Bill
SEMO	Southeast Missouri State University
SLCS	St. Louis Charter School

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SLPS	St. Louis Public Schools
TAARP	The African-American Rites of Passage Charter School
TMA	Thurgood Marshall Academy
UM-R	University of Missouri—Rolla
UMSL	University of Missouri--St. Louis
USDE	United States Department of Education

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## Chapter Two: Review of Charter School History and Literature

### *Charter School History*

The focus of reform efforts has shifted in the past decade from improving schools themselves to offering choices to students and families. It seems natural enough that in a democratic country with a competitive market economy, choice-based school reforms have been enacted in 40 states and the District of Columbia (Center for Education Reform, 2005). The choice movement has been driven in part by frustrated parents and educators who see no other solution for children in failing and under-funded urban schools. “The fundamental injustice of urban education is that it consigns poor children to schools that most middle-class parents would not consider for their own children.” (Viteritti, 2001, p. 46)

In 1983 the U.S. Department of Education issued its report *A Nation at Risk*, which warned that “the educational foundations of our society are presently being eroded by a rising tide of mediocrity that threatens our very future as a nation and a people.” (U.S. Department of Education, 1983) The school choice and charter school movements seem to have been born out of a feeling of urgency encouraged by this report; the need for school reform had been elevated to a national emergency. Although the idea that American schools were ever in the kind of crisis indicated by this report is subject to debate (Berliner, 1993), *A Nation at Risk* provided tremendous support for the urgent adoption of new models, such as expanded school choice, as possible means of coping with this “emergency”.

School reform and policy analysts Larry Cuban, Professor Emeritus of Education at Stanford University, and Michael Usdan, President of the Institute for Educational



Leadership, address school choice only briefly as one of many reforms with “shallow roots” – meaning that while they may be powerful, they are also likely to be ephemeral (Cuban & Usdan, 2003). Like Portz et al. (1999), they view systemic, institutional change in the structure and governance of the educational system as necessary to the real and lasting success of school reform efforts.

School choice made its debut as a major element of the national education discourse at the 1986 National Governor’s Conference (Paulu, 1989, p. 3). In their report, “Time for Results,” the governors said:

If we first implement choice, true choice among public schools, we unlock the values of competition in the marketplace. Schools that compete for students, teachers, and dollars will, by virtue of the environment, make those changes that will allow them to succeed.

(Paulu, 1989, p. 3)

This “invisible hand of the market” approach to educational reform soon attracted support from groups with other agendas: “Fiscal conservatives were then joined in this struggle by a wide variety of Protestant evangelicals who characterize public schools as repositories of secular humanism” (Cookson & Shroff, 1997, p. 5).

This view of the charter school movement as a product of the mid-1980’s is not universally shared; other researchers would trace the roots of school choice advocacy decades earlier, to the work of economist Milton Friedman or even further (Finn, Manno, & Vanourek, 2000). In his 1955 essay “The Role of Government in Education,” Friedman proposed that individual and societal interests might best be served if government provided resources to families who would then choose, according to their

preferences, from competing educational providers. Chubb and Moe (1990) share Friedman's free-market approach, blaming the very existence of traditional school institutions for America's educational problems. They assert that only fundamental institutional reform based upon choice and an educational free market will reap any substantive benefits. Likewise, Andrew Coulson, now Director of the Cato Institute's Center for Educational Freedom, traces the history of education across times and cultures to conclude that market-based systems yield the best results (Coulson, 1999).

Thomas Nechyba and Michael Heise, in *City Schools* (Ravitch and Viteritti, 2000), a collection of essays exploring aspects of New York City schools as bases for reform efforts, go so far as to recommend that courts allocate any increased educational funding resulting from their judicial decisions to voucher programs rather than to the local public school system's general budget. They acknowledge that the basis for their recommendation is the presumption that voucher programs will improve the efficiency and equity of educational programs; they support this presumption only loosely, with a limited collection of evidence.

Even free-market-driven school choice advocates like Joseph Viteritti realize the challenge involved in implementing school choice as a solution to America's educational woes:

The resolution to the problem defies political logic because it requires governmental bodies to do what they are rarely inclined to do; the historical record is not encouraging. In the case, the action is an especially tall order, demanding nothing less than a redefinition of

public education in America so that it is customer driven rather than producer driven. (1999, p. 223)

Unsurprisingly, proponents of the school choice movement often frame school reform discussions in terms of democratic values (Godwin & Kemerer, 2002). In a society that values choice and protects individual freedoms even at the expense of the greater social good, why should all families not be allowed to choose their children's educational path? This question is the basis of some of the important political, social, ethical, and moral questions for stakeholders in the public school education system.

*The Federal role in education.* On January 8, 2002, President George W. Bush signed the No Child Left Behind Act of 2001 (NCLB), a reauthorization and major expansion of the Elementary and Secondary Education Act of 1965. NCLB enlarged the federal role in education to its greatest extent in the history of the United States, requiring states and school districts to increase school assessment and accountability, and to enforce severe penalties when schools fail to meet standards. It focuses primarily on individual school achievement as measured by standardized testing. NCLB mandates that if a school fails for two consecutive years to show "Adequate Yearly Progress" (AYP) – as determined by the state and approved by the United States Department of Education (USDE) – in math and/or reading in grades 3-8, students attending that school will be allowed to choose other public schools (including charter schools) within or near the students' current school district, provided that there are nearby schools making AYP. Federally legislated intra- and inter-district school choice is unprecedented, and clearly supports an expansion of school choice in general. In fact, NCLB provides grant funds to support charter school start-ups. In its original form, the passage of which was prevented

by Democrats in Congress, the NCLB bill included a voucher provision (Sunderman and Kim, 2004). Five years later, George W. Bush's 2007 federal budget proposal includes cuts in the education budget and a new \$100 million voucher program (Washington Post, February 7, 2006) and has lost support of many Republicans who oppose federal involvement in public school legislation (Washington Post, March 15, 2007).

*The advent of charter schools.* Among the various school choice schemes, charter schools offer an opportunity for educators, parents, community groups, non-profit organizations, and even for-profit corporations to establish schools that they believe will serve students better than existing local public schools. Although the nature of charter schools varies from state to state according to the legislation that authorizes them, charter schools share at least one basic characteristic: They are treated as public schools, meaning that – at least in theory – they must be non-discriminatory and non-sectarian. Many charter schools are funded at the per-pupil rate of the local school district, and are entitled to federal funds on the same basis as ordinary public schools. Unlike ordinary public schools, though, they are governed by their own boards and enjoy freedom from many state mandates regarding curriculum and staffing. In some cases, the local school district is allowed to include the achievement, attendance, and graduation rates of charter schools in its statistics; this benefits the district to the extent that charter schools accept and eventually graduate students who had already dropped out or were in danger of dropping out.

Their proponents argue that charter schools enable and stimulate innovation, provide choices for students, increase accountability, and give school districts opportunities to provide needed services (Nathan, 1996). Opponents' arguments include

opposition to removing education funds from school district control, concerns about the deliberate misuse of chartering to create exclusive or exclusionary programs, and questions about quality in schools that are held to different, and sometimes unenforced, or even unenforceable, standards of accountability (Cookson & Berger, 2002).

Miron and Nelson point out that charter school advocates are as political as the rest of the school choice movement: “For liberals, charter schools provide a way to embrace notions of choice and competition – popular in the abstract – without moving to a full voucher system. For conservatives, charter schools serve as a stalking horse for vouchers...” (2002, p. 4). In other words, charter schools serve as a middle ground, providing choice without full privatization; but at the same time, they may be seen as the thin end of the wedge, leading ultimately to more aggressive forms of school privatization.

### *Histories of the Charter School Movement*

As stated earlier, the charter school movement is complicated to the extent that researchers and activists do not agree even about the origin and developmental history of the charter school concept itself – which is significant, in that the perceived origin and history of the movement dictate people’s positions and attitudes towards it. For example, if charter schools arose out of the conservative deregulation movement, one’s position on deregulation may dictate support for or opposition to charter schools. A reversed relationship is equally possible: one’s position on the charter school issue may influence one’s beliefs about the movement’s “true” origin and history. Whether the “chicken” or the “egg” came first, it is clear that attitudes towards charter schools and beliefs about their history are closely linked. For those who see history as a collection of facts rather

than as a multitude of perspectives on events, the varying and contradictory accounts of charter school history are sure to cause confusion if not despair.

In “The Marketplace for Education” (2003), Levin and Belfield characterize some of the market forces at play in this debate and recognize the social impact of education. The discussion includes an objective means of evaluating cost/benefit ratios and points out that there is far too little research available to draw final conclusions about the value of school competition:

The evidential base is far from complete. About the only conclusions that we can draw at this time are: (1) market approaches increase choice considerably; (2) competition and choice are associated with small improvements in academic achievement, but nothing approximating the revolutionary changes argued by advocates; (3) there is some evidence that universal market approaches will lead to greater inequalities, but restricted ones limited to the poor may have the opposite impacts; and (4) the effects of educational markets on social cohesion are unknown and depend heavily on how social cohesion is defined and measured and what types of schools will emerge in a market expansion. (p.30)

Joe Nathan, Minnesota educator and activist at the time of the first charter school legislation in 1991, has become synonymous with the charter school movement. In fact, Cookson and Berger consider him the “hero” of the charter school movement (2002, p. 36). In *Charter Schools: Creating Hope and Opportunity for American Education*, Nathan (1996), now director of the Center for School Change at the Hubert H. Humphrey Institute of Public Affairs at the University of Minnesota, defines the charter movement

as part of a long-term effort to expand opportunity in the United States, from voting rights to civil rights to ongoing educational reform efforts. Regarding the specific history of the charter school movement, Nathan connects charter schools conceptually to the “innovative schools” of the 1960’s and 1970’s – a movement wherein teachers within districts were asked to invent programs they thought would better serve the populations for which they were responsible. He follows the movement’s history through a number of transformations, and then provides a solid and detailed account of the most widely accepted version of the birth of the actual charter school movement.

Nathan starts the saga in Minnesota in the mid-1980’s, when Governor Rudy Perpich introduced proposals for several public school choice programs. Perpich, a Democrat, wanted to expand educational opportunities for families who could not afford private education or relocation to better school districts. He also felt that competition could stimulate improvement in public schools. Perpich’s 1985 proposals, initially unsuccessful, eventually found support from a coalition of grassroots school choice advocates; and by 1988 the legislature had adopted key parts of Perpich’s plan.

Later, according to Nathan, State Senator Ember Reichgott (now Reichgott-Junge), who had authored Minnesota’s cross-district public school choice program legislation in 1988, attended a conference on improving public schools; there she heard speakers Sy Fliegel, an educator from East Harlem who had piloted some innovative schools and programs, and American Federation of Teachers President Albert Shanker, who spoke about Ray Budde’s ideas in *Education by Charter: Restructuring School Districts*. Budde, a New England educator, roughly identified and defined the charter

school movement in this book (see Budde, 1988). Shanker shared Budde's concepts with conference attendees, including then-Senator Reichgott (Nathan, 1996).

After this conference, a committee including Nathan and Ted Kolderie, an author and policy analyst for the Center for Policy Studies (identified by Cookson and Berger as the charter school movement's "elder statesman", 2002, p. 36), worked with Reichgott to draft a charter schools bill for Minnesota's 1990 legislative session. This bill was passed by the State Senate but failed in the House (Nathan, 1996); finally, in 1991, a "watered-down" version passed, with the support of suburban Democratic Representative Becky Kelso (Cookson and Berger, 2002, pp. 58-66).

Nathan's version of the history of the movement supports his contention that charter schools are essentially public schools with the potential to effect change through competition and innovation. Unlike other charter school supporters who connect the movement's history to market-based reform, or opponents who attribute the movement's inception to fallout from *A Nation at Risk* or the growing political conservatism of the 1980's, Nathan presents charter schools in the context of "hope and opportunity" for poor and under-served American students.

Amy Stuart Wells' view of charter schools' origin is decidedly opposed to Nathan's. Her book, *Where Charter School Policy Fails: The Problems of Accountability and Equity*, was published in 2002 when she was Principal Investigator of UCLA's Charter School Study; she has since become Professor of the Sociology of Education at Columbia University. Wells argues that charter school reform was not a child of the 1960's, but instead was born out of the political rhetoric of the late 1980's – when individualism, deregulation, the standards movement, and general conservatism pervaded



discussions about education reform. This distinction is central to her belief that today's charter school policy is simply a step away from traditional, free public education, and toward a more general privatization of education.

Similarly, in their 2002 book *Expect Miracles: Charter Schools and the Politics of Hope and Despair*, Peter Cookson and Kristina Berger see the charter school movement as a product of the 1980's and 1990's, and particularly as a reaction to *A Nation at Risk*, which had so much impact on today's educational standards. Cookson is an associate professor at Columbia University and Berger is an educational consultant with a background in history and political science. They attribute the movement's conceptual roots to 1970's sociologist Christopher Jencks, who "wrote a [1971] report for the federal Office of Economic Opportunity that proposed a voucher program that would enable parents of public school children to choose the school – public or private – that their child would attend" (p. 26). The program was piloted in California, but voucher supporters considered it a failure: they did not believe it solved the problems of the existing educational bureaucracy. But despite this inauspicious beginning, Jencks' concept of autonomy for schools and choice for students helped to create the charter school movement (p. 27). After describing the Jencks experiment, Cookson and Berger continue the story with the Shanker-Budde-Perpich-Nathan-Kolderie narrative – much as described by Nathan and other historians of the charter school movement (p. 36). Cookson and Berger share Wells' disdain for a market-based education system; in fact, they go beyond Wells by dismissing charter schools' potential, even with appropriate legislative reforms, based on their philosophical opposition to a movement that they feel is nothing more than an attempt to sustain inequalities of wealth and privilege.

If there is such a thing as a neutral analysis of the charter school movement and its history, Murphy and Shiffman's 2002 *Understanding and Assessing the Charter School Movement* may be it. Murphy is a professor of education at Ohio State University, and Shiffman was, at the time of the book's publication, a Ph.D. candidate in the Department of Leadership and Organizations at Vanderbilt University. They cite the Budde-Shanker account of the movement's history, which they call "site-based management schemes" after a quote from Loveless and Jasin (p. 26); and also the alternate Kolderie version, which they apply to the British grant-maintained schools (p. 26). While these are the same "founding fathers" that can be found in most accounts of the charter school movement, this version's differentiation between them may be an indication of Murphy and Shiffman's careful study and analysis, as well as their broader, international perspective.

Murphy and Shiffman note that the history of charter schools has not been linear (p. 26), and they do not attempt to define the charter school movement as an outgrowth of any particular political movement. This can be taken as an indication of their neutrality; others (on both sides of the charter school debate) would likely argue they have ignored some facts.

While it is unsettling that even the "objective" history of the charter school movement is defined in terms of its politics, it is equally true that education itself is a politicized subject. The school choice debate merely brings divisions into focus – mirroring the ever-widening political gaps in the United States, as evidenced by recent presidential campaigns. The authors cited here, and most others who have written on this topic, seem to base their accounts of the movement's history on the contexts of their own

political affiliations and the perspectives afforded by their backgrounds and professional alliances. To the extent that objectivity is ever possible, it is difficult to find it in a discussion of charter schools.

*Policy and Advocacy Literature*

Charter school experts, researchers, and activists, like those at the Center for Education Reform, churn out voluminous studies and data to promote charter schools' potential and early successes. On the other side of the debate, opponents cite philosophical and practical reasons why charter schools are doomed to fail (Cookson & Berger, 2002). Writers' views of the history of charter schools are linked closely with their opinions of the phenomenon itself: Liberals who view school choice as rising out of a conservative deregulation movement oppose it, while other liberals who view "choiceless" public education as a liability for poor, urban, and minority families support it; conservatives in favor of privatization include charter schools as part of their list of cures for the problems of public education; and many grass-roots activists and parents simply want children to go to good schools, and hope that charter schools will solve the problem of under-funded and failing schools whose students cannot compete with their peers in better school districts.

The debate is further complicated by the varying views of charter schools' potential among their supporters: Are charter schools simply a way to offer a choice to students and parents? Or will charter schools unleash market forces that will reshape all public education? Will the innovations developed in these new schools provide opportunities for the entire education system to learn new methods?

Opponents' positions vary as widely. Some oppose charter schools philosophically, charging that public education should benefit society, not just the individual, and that charter schools (and other school choice options) represent the demise of traditional American public education. Others oppose them in purely practical terms, arguing that they funnel money away from struggling districts and schools. Some opponents see charter schools as an opportunity for elite groups to form exclusive schools at public expense, or for homogenous groups to separate their children from the mainstream. The flexibility of some state laws may enable charter schools to increase the level of school segregation, even though this would seem to be a violation of the spirit of the charter school movement and may represent a violation of other laws. Some opponents argue that current charter school legislation is flawed, and does not provide reasonable support or accountability to ensure that these schools do a good job of educating children. Others simply cite findings that they believe demonstrate the failure of charter schools to produce results.

Regardless of one's political affiliation or position regarding public education, the charter schools debate is difficult and even bewildering. As soon as one finishes reading a pro-charter-schools book or article and finds himself supporting a movement that (according to what has just been read) offers a solution to the problems of educational inequity, he begins the next book or article – which undermines the theories and contentions of the previous publication. For example, see two essays, one written in 2000 by Cobb et al. and the other written in 2003 by Frankenberg & Chungmei. Each reports on the evidence that charter schools exacerbate racial stratification. While Cobb et al. assert that no such evidence exists, Frankenberg & Chungmei claim the exact opposite.

Of course, different data sets were used in each study, as is often the case in conflicting publications on the subject. The fact that different researchers gather such contradictory data invites serious scrutiny of all such data sets and the conclusions drawn from them. Not only does much of the debate rely on political propaganda and subjective appeals to political values; it also lacks clearly defined boundaries and irrefutable evidence with which to argue points on either side. Perhaps the lack of clarity results from the fact that evidence is unlikely to change the philosophical values that define the extremes on both pro- and anti-charter sides of the debate. This is not a debate to be won or lost on charter schools' successes, even if "success" in this context could be clearly and objectively defined. Rather, the debate is about choosing among different interpretations of what it means to be American, and how public education fits into American ideals.

*Charter school models.* Understanding the charter school debate and the seemingly countless positions associated with it requires a framework to demonstrate how different views of charter schools may attract or repel different factions. Hill and Lake, authors of the 2002 publication *Charter Schools and Accountability in Public Education*, define charter school advocacy around four axes, and suggest that each state's legislation, along with the rhetoric that led to its enactment, is based on one or more of these models:

Table 2 Charter School Models

Innovation/ Experimentation	In this model, charter schools are created to serve as laboratories for successful teaching strategies. These schools are tied to the existing local school district, but free teachers from the curriculum restraints imposed by the state and local school boards, allowing them to experiment with methodology in the hope that they will create innovations that can be shared with other educators and implemented in other classrooms.
Standards-based reform	In this model, charter schools are created by local districts to free educators from bureaucratic rules so that they can meet higher expectations. These schools are intended to increase options within the district, in order to meet students' needs that are not being met in the "regular" schools and to help students meet standards of achievement.
New supply of public schools	In this model, charter schools are viewed as an alternative framework for providing public education. Agencies outside the local district can obtain charters and operate schools, and are accountable for performance to their independent chartering agencies.
Competition/ market forces	In this model, competition due to school choice is expected to drive the entire educational system to improve. The state's role is to encourage competition by making schooling options available. According to this model, the primary method of holding charter schools accountable is the operation of the market itself (pp. 17-19).

Based on Hill and Lake (2002, pp. 17-19)

While other authors may combine, separate, or add categories to this list, it seems to provide a reasonable and adequate framework for a discussion of the charter school movement. Hill, a Senior Fellow at The Brookings Institute, and Lake, Associate

Director of the Center on Reinventing Public Education at the University of Washington, extol the multiple layers of charter school accountability – to consumers, to sponsors, to political and community factions, and to the state – and propose that public schools in general might benefit from increased accountability created by competition. They present several advocacy models, of which at least three support this form of charter school accountability.

Nathan (1996) provides a pro-charter school perspective in *Charter Schools: Creating Hope and Opportunity in American Education*. The book's cover – a photo of a multi-ethnic group of happy, healthy children – exemplifies the promise he envisions for charter schools. The book functions as a sort of “how-to” guide for those interested in creating charter schools, including a formula for state charter school legislation.

Nathan is a public school advocate who separates charter schools from vouchers and other forms of school choice. According to Nathan, charter school detractors argue, *inter alia*, that socio-economic forces outside school must be addressed in order for public schools to improve. Nathan argues that despite the reality of these socio-economic problems, schools can do a better job – and charter schools are part of the solution. While he seems to admit that social and political forces may prevent school reform from completely solving the problems facing students and schools, he argues that schools can and should accomplish more than they do. Although he opposes a full free-market approach to school reform, he approves of the competition rationale for charter schools, as the challenge of competition will help force public schools to “shape up.” He opposes corporate-owned charter schools, and believes (as of 1996) that charters have enjoyed relative success. He lists a number of accomplishments of the charter school movement:

the rapid growth of the movement; the attraction of important civil rights activists (including Rosa Parks) to the movement; talented educators' liberation from the constraints imposed by local districts and state policies; bipartisan charter school support; encouragement for families with struggling students; improvement of student achievement; and stimulation of district-wide school improvements.

This list is accurate in many ways. It is true that the movement has been tremendously popular among a broad spectrum of advocates, and that it has grown almost unimaginably – a testament, perhaps, to the genuine (or at least generally perceived) need for education reform. However, opponents would argue that there was too little evidence in 1996 – and that there is too little even today – to hang a claim for charter school success on student achievement results. A point of contention among both proponents and opponents of charter schools is how to define “success”, and how to hold charter schools truly accountable for succeeding without compromising their autonomy.

Chester Finn, Bruno Manno, and Gregg Vanourek (2000) claim in *Charter Schools in Action* that they do not necessarily promote the charter school movement *per se*; but they do believe that the movement's core assumptions can support a new educational model. Chester Finn, former Undersecretary of the U.S. Department of Education, is a Senior Fellow at the Hoover Institution and chairman of the Koret Task Force on K-12 Education. He is also President and Trustee of the Thomas B. Fordham Foundation and author of many articles and books about the charter school movement. Bruno Manno is Senior Program Associate in Education at the Annie E. Casey Foundations, and former U.S. Assistant Secretary of Education for Policy and Planning.



Greg Vanourek is Vice President of the Charter School Division for K12, Inc., an Internet education company.

More restrained in its discussion of the promise of charter schools, this book portrays them as less the revolutionary reform that others would claim them to be, and more an extension of existing, time-tested features of American education – including conventional private schools. The authors assert that private schools are also independent schools of choice; and that there are conceptual precedents for charter schools within the public schools system as well: the autonomy and community-centered approach of the old neighborhood school, and the special focus of lab schools, magnet schools, and home-schooling programs. All these educational options embody institutional change as the classic American response to challenge and opportunity.

The authors assert that education is meant to serve both the individual and society. They point out that more aggressive privatization of education cannot work without ample consumer information and the kind of transparency that charter schools can provide; and that full privatization of education violates important social and educational tenets. Their book examines charter school laws as represented by the Center for Education Reform, and attributes the failure of the charter school movement in many states to weak legislation. Even as they discuss this and other early obstacles to charter school success – including finances, political opposition, lack of business acumen, governance and management problems, hurried starts, enrollment problems, and other unforeseen difficulties – they hold out hope for the movement. They conclude by saying:

Today, nobody can confidently assert that this new model is a ‘success.’

But it is off to a fine start. And if it succeeds, far from being the death

knell of American public education, we judge that charter schools will provide a splendid example of how this vital enterprise can be reborn.

(p. 268)

A contrary perspective on the first decade of charter schools and their potential to reshape public education is presented in *The Charter Schools Decade* (Lockwood, 2004). This book examines the history of the charter school movement, isolates a specific argument of its proponents – that charter schools will promote positive change in public schools – and finds little evidence to support this claim. Nonetheless, the book suggests that districts might be well served, in an age of growing market forces in education, to use charter schools as a response to the demand for educational choices.

Another examination of the first decade of charter schools by Bulkey and Fisler of the University of Pennsylvania's Graduate School of Education (2002) yielded equally tentative results: while charter schools were found to be different from other schools, it was not clear whether that meant higher achievement. The market appeared to be working well on the "choice" side, but not as well in terms of accountability; it became apparent that equity must be closely monitored; and achievement data were inconclusive.

Among those who view full choice and accountability as panaceas for the continued "risks" facing our nation's schools are the members of the Hoover Institution's Koret Task Force, collective contributors to *Our Schools and Our Futures...Are We Still at Risk?* (2003). In this twenty-year report on educational progress since publication of *A Nation at Risk*, the authors reaffirm the original report's premises, extend its view across two decades to contend that our schools are still failing, and urge that school-reform efforts be shifted toward a free-market model.

On the other side of the debate, Bruce Fuller exemplifies the diametrically opposed philosophy. Fuller, an Associate Professor of Public Policy and Education at UC-Berkeley, presents a collection of case studies accompanied by his editorial commentary in *Inside Charter Schools: The Paradox of Radical Decentralization* (2000). He posits that charter schools were born of the school choice movement, fueled by “tribal” (p. 236) interests and by the general desire to decentralize institutions and reduce government control.

Fuller argues that charter schools may be less about choice than about creating new, specialized communities for learning. He frames the discussion within the context of a rhetorical question about the essence of democracy: is democracy primarily about individual freedom, or is it an attempt to bring about greater social good? Unambiguous in his assessment of the movement, Fuller defines two paradoxes created by “radical decentralization”: the erosion of the very public agencies upon which charter schools’ livelihood depends, and the possibility of accomplishing greater freedom without improving quality, thereby increasing educational inequality instead of reducing it:

Charter schools, as the latest political impulse for radically decentering government, manifest two intriguing paradoxes. The first speaks to how choice advocates attempt to mobilize organs of the state that may in the long run destroy its central heart. The other is the charter movement – now sanctified as the centrists’ rendition of school choice – may contribute to the dismantling of the modern state’s political foundations (p. 25).

The second paradox of the charter school movement is a corollary of the first. In their progressive push to empower families who have access only to mediocre neighborhood schools, moderates who advocate choice may undermine the state's capacity to address underlying inequalities (p. 27).

Ultimately, Fuller asks whether or not tax dollars should fund private interests in education, and whether choice in general and charters specifically ignore the broader social problems that actually cause poor student achievement.

Cookson and Berger's (2002) *Expect Miracles: Charter Schools and the Politics of Hope and Despair* sets out to debunk the idea that charter schools will provide a basis for overall school reform. The book presents concerns about how charter schools are used, and by whom:

We do not question that markets are efficient at producing goods; we do question whether markets are efficient in the equitable distribution of goods. ...we [also] believe that social markets are quite different than commodities markets. (p. 4)

Viewing the charter movement as rising out of 1980's deregulation and standards-based education reform, Cookson and Berger contend that the forces driving the raising of educational standards in fact make excellence harder to attain for all children (p. 13).

Cookson and Berger agree with reformers that the education system needs an overhaul. But they also assert that the need is not as urgent as is perceived – or perhaps that change is already happening more quickly than is generally thought – and that charter schools and privatization are simply not the answers:

We despair of our public institutions because they are perceived to be inefficient, slow moving, and sometimes corrupt. Perhaps part of the despair is that we expect miracles from the public institutions and are extremely quick to find fault with them, even as we are quite forgiving of the private sector. (p. 20)

The book portrays charter schools as having failed to deliver on most of their promises; the authors believe that better, more equitable school reform is possible.

To our minds, American civilization is torn between two grand narratives. One narrative is based on manifest destiny, accumulation, and greatness. This is the America of the American eagle – proud, imperious, and even merciless. This grand narrative contrasts with the narrative of goodness. This American story is based on community, simple but sound values, and a fierce loyalty to justice. This is the America of the log cabin and of Thanksgiving... (pp. 143-144)

Cookson and Berger go on to suggest that public education should promote the latter narrative, so that future generations may enjoy the peace and bounty that Americans today do not.

Sentimentality aside, it is hard to take exception to the values expressed in the above passage. However, it seems representative of the kind of naïveté that results in the endless, static rhetoric that has landed American schools where they are today. How is it possible to ignore one narrative that is as real and valid as the other? Should schools prepare children to live in a “log cabin” world, when it is clear that they will eventually have to survive in the “world of the eagle”?

On the other hand, Cookson and Berger's arguments are powerful. They link charter schools to an almost conspiratorial conservative effort to maintain differences in wealth.

The revolt of the affluent is a striking historical phenomenon and has set the tone of public debate up to the present day. The school deregulation movement is part of this rightward turn. The core premise of school deregulation is that competition produces excellence, but government engineering produces mediocrity. It is unclear to us if this argument is a true belief or a cover story. Has competition empirically been shown to produce the economic cornucopia its advocates suggest? Most of the world lives in abject poverty. Is this because of insufficient capitalism or is it the result of the unequal distribution of resources? (p. 125)

#### *Charter Schools Confronting Critics*

Charter schools policy critic Amy Stuart Wells' position on the issue of charter schools arguably aligns her with charter school opponents, although it does not assert philosophical, political, or educational opposition to the concept. *Where Charter School Policy Fails: The Problems of Accountability and Equity* (2002) is a collection of California charter school case studies edited by Wells. The book claims to present a neutral analysis of policies that have led to what Wells considers the failure of charter schools to meet their promise of equitability and accountability. Wells argues that charter schools are modeled after free-market reformers' ideas, and that they look more like private schools than public schools in their private fund-raising, their exclusionary practices, and their staff management (p.178). Wells also criticizes the categorization of

“strong” and “weak” charter laws as defined by the Center for Education Reform; she cites the Center’s emphasis on conservative values like deregulation to rank laws as “strong” while it ignores such attributes as attention to equity and accountability that are fundamental not only to the success of charter schools, but to their philosophical underpinnings in many advocates’ eyes:

In other words, despite the broad-based bipartisan support for charter schools, the public policies under which these schools operate tend to serve a more narrow set of interests. Clearly, it is time for more liberal and progressive forces to help redefine the distinction between so-called “strong” and “weak” laws as defined by the conservative, free-market, and pro-voucher advocates of this reform. (p. 178)

Wells asserts that these case studies “...help move [the charter school debate] beyond global generalizations of whether it is “working” into a more thoughtful discussion of when ...and for whom” (p. 19).

This means that [the devolution aspect of charter school reform] is more likely to serve those who seek local control from the standpoint of social, economic, and political privilege, and not those who seek to empower the most unempowered [sic] communities via charter school reform. (p. 11)

She concludes with the following passage:

Thus, the only remaining hope for charter school reform to have any lasting positive impact on the public educational system would be for more progressive members of this diverse and complex movement to

recapture the language and symbols of what constitutes a good charter school law. Until [then], the hopes and dreams of the thousands of social justice educators and families engaged in this reform will be marginalized and reliant on powerful and private market agents who have never served the most disadvantaged students well. It is time to leave the market metaphor to the market and to focus the educational policy lens on equal opportunities and the very hard work of teaching all students well. (p. 180)

### *Criticizing Policies*

Bryan Hassel, like Wells, criticizes certain policies while he lauds the general market-competition aspect of the charter school movement. Hassel is director of Public Impact, an education and policy-consulting firm based in Charlotte, North Carolina. In his 1999 book *The Charter School Challenge: Avoiding the Pitfalls, Fulfilling the Promise*, Hassel asserts that charter school legislation must include a number of provisions if charter schools are to succeed, and he provides these as examples:

- the authority for a non-local body to approve charter schools, because local Boards and administrators have too much power to restrict;
- legal independence, because charter schools should not be seen as divisions of the [Local Education Agency] if they are to have full autonomy;
- full per-pupil funding, because not providing funds often means certain death to charter schools; further, the financial impact is the basis for larger school reform; and



- minimal constraints on the source and number of charter schools, because experimentation is stifled when competition is restricted (pp. 148-153).

Hassel describes three things that have to be created in order for charter schools to succeed: stronger laws (including the listed provisions); new infrastructure of support (to ensure autonomy and creativity); and new paradigms of oversight (to ensure accountability) (pp. 162-63). Hassel observes that charter school legislation favorable to the success of charter schools (according to standards he outlines) has historically been enacted in states with Republican control of the legislature and Republican governors (27).

#### *Reports on Charter School Performance.*

Throughout the short history of charter schools, studies have reported both the laudable successes and the disappointing failures of charter schools (Hill, 2005). Other studies refute the outcomes of their predecessors, and there is no consensus on what standards should be applied in determining whether or not charter schools have indeed succeeded (Hill, 2005). Many points on both sides of the argument have merit: charter schools have not existed long enough to compare them to traditional public schools; test scores alone are not informative enough to determine charter school success; funding inequity and policy problems prevent charter schools and their students from achieving their full potential; there is no clear, irrefutable evidence that students in charter schools actually benefit educationally in significant or demonstrable ways; parent, student, and charter staff surveys are not valid measures of student success. It is challenging to wade through the conflicting evidence.

A 2003 study points out that it is unfair to assess charter school achievement outcomes against those of public schools. Calling for a comparison of “apples to apples,”

it suggests that factoring in demographic data, charter schools outperform their public school counterparts, generally with fewer resources (Greene *et al.*).

In 2004, the United States Department of Education weighed in with two reports: *The Evaluation of the Public Charter Schools Program: Final Report*, released November 18, and *The Nation's Report Card: America's Charter Schools*, released December 15. The former, a 3-year study of the Public Charter Schools Program (1999-2002), found that charter schools are more likely to attract poor and minority students than their traditional public school counterparts; that case studies in five states (Texas, Colorado, Illinois, Massachusetts, and North Carolina) showed that more than half of the charter schools in these states met state performance standards in 2001-02; and that charter schools are generally less likely than traditional public schools to meet these standards. The report qualifies its finding on student achievement:

This finding, which does not imply a lack of charter school impact on student achievement, may be linked to the prior achievement of students or some other factor. The design of this study did not allow us to determine whether charter schools are more or less effective than traditional public schools. (p.5)

The second study, a controversial report based on data supplied by the National Assessment of Educational Progress (NAEP) and authored by the National Center for Education Statistics (NCES) and the National Assessment Governing Board (NAGB), was revealed by the American Federation of Teachers (AFT) months before its official public release. In response to the as-yet-unpublished report, the AFT in August published its own study of the issue titled *Charter School Achievement on the 2003 National*

*Assessment of Educational Progress*, based on data they retrieved from the Web-based NAEP Data Tool. The AFT interpreted the NAEP data in an unfavorable light; and certainly the statistics alone support such a view. For example, the NAEP reports lower achievement for all charter school student groups in math and reading for grade four, compared to children in public schools. According to the AFT (American Federation of Teachers), the NAGB deliberately concealed some of its analytical results, publishing only those analyses that seemed to provide acceptable explanations for the poor results of charter schools. The AFT study asserted that since the No Child Left Behind Act mandates accurate reporting and accountability for public schools, with the creation of charter schools held over public school administrators as a sanction for failure to make adequate yearly progress in student achievement, NAGB violated its own stated “pro-accountability” policies by allowing political considerations to skew its research results.

The AFT report presents a gloomy picture of 4<sup>th</sup>-grade charter school student achievement: Compared to traditional public school students, charter school students had statistically-significantly lower average scores in both math and reading, representing about a half-year deficit, along with lower percentages of students scoring at or above the *Basic* and *Proficient* levels. According to the report, even normalizing the data to take into account the number of students receiving free or reduced-price lunches, schools’ proximity to urban areas, and students’ minority status (all of which are available in the NAEP database) left charter school students scoring lower in all categories than students in traditional public schools; these results were statistically significant in most cases.

Following release of the AFT report, Harvard University professor and National Bureau of Economic Research Affiliate Caroline M. Hoxby published *A Straightforward*

*Comparison of the Charter Schools and Regular Public Schools in the United States* (2004) in rebuttal. Her report challenges the comparisons made by the AFT study, charging that the AFT sample group was too small to yield meaningful results, and that the students in the AFT study were not compared to those sharing the most similar circumstances, but rather to those from the nearest public school or from the closest school with similar characteristics. Her analysis of charter schools' performance is more favorable: Charter school students were 4-5 percent more likely than their peers in public schools to be proficient in reading, and 2-3 percent more likely to be proficient in math; the results were significant at a confidence level of 90% in some states and 95% in others. She reports that the charter school advantage was greater in states where charter schools were well established, a fact supporting the idea that relatively new charter schools should not be expected to compete on equal terms with long-established public schools. Hoxby claims that "although it is too early to draw sweeping conclusions, the initial indications are that the average student attending a charter school has higher achievement than he or she otherwise would" (p. 3).

Underlying this debate is the NAEP's initial, basic analysis of their own data, whose results are presented in a 20-page, reader-friendly report. This simple analysis quantitatively supports many of the contentions of the AFT study, but qualitatively shares the spirit of Hoxby's report: that it is too early to make broad generalizations. The NAEP analysis concludes, in part, that it is "important to look beyond simple comparisons of the two school types" (p. 10).

### Chapter Three: Research Methods

#### *Background and Research Design*

This qualitative research project was conducted as a particularistic case study into the history of charter schools in St. Louis, Missouri. Interview transcripts, newspaper reports, and other archival documents composed the data for this project.

In preparation for the current study, I began this project as an expert case study for a qualitative research course in spring, 2003. At that time, my focus was on one participant and his expertise in the field of charter school legislation and implementation, particularly in Missouri. My purpose was to establish him as an expert, to gain general knowledge of the charter school movement in Missouri, and to determine who else might have access to relevant information.

As a follow-up to that study, I conducted a second case study with the same participant to begin constructing a history of the local charter school movement. I constructed a baseline history from his account, and have used that as part of a triangulation process for the current study. I have included information about various perspectives on the charter school movement, which will serve as the basis for future studies of the success of charter school policy in the larger context; I have also included information on the reasons for the success or failure of individual charter schools, or, ultimately, the charter school movement in general. The history of the local charter school movement in Missouri is much more than a collection of facts and dates. As in other states and the nation as a whole, the adoption of charter schooling here has been a tumultuous political, educational, and legislative process riddled with controversy – a sense of which, it is hoped, will be reflected in this study.

### *Participants*

The participants interviewed for this study were selected on the basis of their active involvement in the local charter school movement, with the intention of obtaining representative information and opinions from all charter school stakeholder groups. The list of candidates included those identified in the pilot studies as potential participants, as well as at least one person from each of the following agencies or institutions: each charter school in St. Louis, each charter school sponsoring agency, the St. Louis school district, the Missouri state legislature, and Missouri's Department of Elementary and Secondary Education (DESE). Further, each participant was asked in his/her interview to name others with extensive knowledge of local charter school development. Ten people were interviewed at least once for thirty minutes to two hours per interview; several others explicitly declined to participate, or did not respond to two or more attempts to contact them by phone, mail, and/or electronic mail. One candidate responded positively, but a mutually agreeable date and time for the interview could not be found. The ten who were interviewed included grass-roots activists, legislators, charter school administrators, charter school principals and teachers, sponsoring agencies, public school administrators, DESE officials, and parents of charter school students.

### *Procedures*

The participants in this study were contacted by phone, mail, and/or electronic mail in order to schedule interviews at their places of work or at convenient public places of their choosing. The interviews themselves lasted between one and three hours, depending on both the amount of information the participant wanted to share and how much time they had available to talk. Each participant was interviewed at least once, and

follow-up interviews were conducted whenever necessary and possible; the interviews were digitally recorded and professionally transcribed for content analysis.

### *Interview Questions*

Interview questions were formulated to elicit information about the facts of the local charter school movement, as well as interviewees' perspectives on the politics, policies, and problems that had a significant impact on the development and implementation of charter schools in St. Louis. Because the interviews were intended to elicit broad responses and allow participants to talk freely about their own experiences and opinions regarding the history of local charter schools, the questions themselves were broadly framed:

- From your perspective and in detail, what is the history of charter school legislation and subsequent charter school developments from inception to the present?
- Do you consider yourself a charter school advocate? An opponent?
- What was your role?
- What key agencies, organizations, and persons were involved?
- In what capacity were they involved?
- Other questions and probes emerged throughout the interviews and the course of the study, and were followed as they arose.

### *Treatment of Data*

For thematic analysis, the transcripts were color-coded (using Microsoft Word text highlighting) according to chronologically-derived themes: grass-roots initiatives (green), legislation (blue), charter start-up (red), and active schools (orange).

Sponsorship-related material was coded according to its appropriate place on the

timeline, as sponsors have been involved in many aspects of local charter school development. Issues of controversy and politics that fell outside these categories were highlighted in grey after the other themes had been coded. Then, using Microsoft Word cut-and-paste, the information from each interview was reassembled chronologically according to theme. Finally, each reassembled transcript was interwoven into the final narrative (the basis of which was the history constructed from the original expert participant's transcript), with discussion of conflicts where they existed. While constructing a linear history of the national or even the local charter school movement was not the primary purpose of this study, it does attempt to present a composite of multiple perspectives on the local movement in a chronological format.

#### *Delimitations*

This study is limited to the charter school movement in St. Louis from 1996 through 2005, and does not attempt to offer a complete study of charter schools outside this context or time-span. Further, it is not concerned directly with evaluating the legislation or policies governing charter schools in Missouri or St. Louis; the performance of the Boards, staff, or students of the charter schools themselves; the sponsors; or the local school district. Rather, it is a particularistic case study of the history of a local movement, which in turn is part of a larger national movement. The goal of the study was to determine, from as many perspectives as possible, what events have characterized the movement and shaped policy development and implementation. Information related to performance or evaluation of charter schools was included only where it was reported as part of this history.



*Limitations*

This study was limited by the fact that the researcher has a great deal of personal knowledge in this realm, as well as a familiar acquaintance with some of the participants as a result of a long-standing non-academic interest in the movement, including some private consulting. As a result, some participants may have omitted some information they assumed was already known to the interviewer. Further, due to the sensitive and political nature of the topic and the close professional and/or political relationships some potential participants may have had to the researcher or to the University or Department under whose auspices this research was conducted, some actual and potential participants may have felt unable or unwilling to reveal all they knew and felt. This appears to have limited the number of candidates who were willing to be interviewed.

## Chapter Four: Results

### *The Grassroots Movement*

The charter school movement in St. Louis was initiated by a longtime urban real estate developer and grass-roots activist who was interested in revitalizing the city, improving its schools, and drawing people back to the city center, along with a group of his close friends; in 1996 they joined together to found and fund the Missouri Charter Schools Information Center (MOCSIC), a non-profit research and support organization for the local charter school movement. This group worked closely with key state legislators including Senator Ted House (D-St. Charles County), Representative Steve Stoll (D-Jefferson County), Senator Franc Flotron (R-St. Louis County), and Senator Peter Kinder (R-Cape Girardeau County) to draft Missouri's original charter school legislation.

MOCSIC founders contacted key activists, educators, and legislators in Minnesota and elsewhere around the United States to learn more about the relatively new charter school phenomenon, which had already been implemented in several states. Their hope was to garner advice and evidence of best practice from the successes and failures of existing charter schools and their creators.

With the 1997 legislative session underway, MOCSIC reportedly contacted all three teachers' associations in Missouri – the American Federation of Teachers, the Missouri State Teachers Association, and the Missouri National Education Association – hoping to gain their support before a bill was drafted and submitted. In many states, charter school legislation has been viewed as anti-association; but the legislation in Missouri was drafted to allow for association participation. A major association concern

involved the percentage of charter school teachers that would have to hold teaching certificates. A teacher certification level of eighty percent was agreed upon; this permitted some of the freedom from regulation advocated by charter school proponents, while ensuring high standards as demanded by the teachers' associations. The draft legislation also included language providing for charter school teachers' participation in the St. Louis Public Schools' retirement system. Those inclusions satisfied association concerns, and all three local associations were at least tentatively supportive of the charter schools initiative in the beginning. The local AFT eventually withdrew its support due to pressure from the association's national office, according to interviewees.

### *The Initial Legislation*

The bill, SB 360 (Appendix C), introduced by Democrat Harold Caskey of Butler, Missouri, was to be voted on in the 1997 legislative session. The charter school provision was a small part of a larger school-desegregation bill aimed at resolving the 25-year-old desegregation lawsuit filed in 1972 against the St. Louis Public School Board of Education, later expanded to include the state government and some St. Louis County school districts as co-defendants. SB 360 was part of an attempt to reach a settlement to the case outside the court's jurisdiction. The bill was defeated in the 1997 legislative session, putting Missouri's charter school movement on hold for a year.

When the bill was re-introduced by Senator Ted House in the 1998 legislative session as SB 781 (Appendix D), the focus was on implementing charter schools as an experiment in Kansas City and St. Louis, both struggling urban districts, as a partial replacement for the soon-to-end voluntary transfer program. Rural areas did not yet support charter schools, so House limited the bill's scope to cities in order to forestall

rural opposition. However, this limitation led to substantial opposition to the bill by those who wanted to see school choice enacted on a larger scale; ultimately, the Senate Education Committee defeated the bill in February. Finally, the Senate approved the bill in a 26-8 vote on April 8, and sent it to the House. The opposing votes were cast by rural-district senators who complained of the bill's "unfair" funding bias toward inefficiently-run urban school districts; the bill included extra aid to both St. Louis and the "inner-ring" districts adjacent to it, whose demographics resemble those of St. Louis proper, indeed whose students and families often move back and forth to and from the City, and whose declining property values have created negative effects on the some of the schools via problems associated with urban poverty. Several of these districts have faced threats from the State under NCLB similar to those faced by SLPS. Still, some senators pointed out that poverty within their own rural districts that was not addressed in the bill's new funding formula. The Missouri House of Representatives amended the bill and sent it back to the Senate, where it was finally approved on the second-to-last day of the 1998 session. The vote followed a six-hour filibuster by Senator Sam Graves (R-Tarkio), who argued that the money saved on desegregation should be funneled through Missouri's regular school-funding formula. Following the end of the filibuster and the Senate vote to approve the measure, the House debated the bill for an hour and a half, and passed it the following morning by a 97-50 vote.

Important provisions of the legislation included the following:

- County districts would continue to receive state funds for transfer students and would vote on the voluntary transfer program, following which it could be phased out if a majority voted against it;

- Charter schools could be established only in St. Louis and Kansas City;
- City voters would have to raise at least \$.50 per \$100 of assessed value in property tax or an equivalent amount in sales tax, which would then mean more state funds;
- The St. Louis Public Schools Board of Education would have seven, rather than twelve members; each member would be elected by one sub-district, and would have greater power to intervene if the sub-district lost its accreditation; and
- “Inner-ring” school districts in St. Louis County would get extra state funding.

Governor Mel Carnahan signed off on the bill, and the law took effect on August 28, 1998 – which did not allow enough time to establish any charter schools that would open for the 1998-99 school year.

### *Sponsorship*

Local charter school proponents hoped that education departments at local universities would be eager to open charter schools. Charter school advocates believed that charter schools presented opportunities for universities to experiment with new educational methods, enhance teacher-training opportunities, and intervene more proactively in helping the failing St. Louis Public Schools (SLPS). However, several potential university charter school sponsors felt excluded from the legislative process, bullied into participation, and unable to meet the requirements of sponsorship without additional state funding – which was not provided until updated legislation was passed in 2005.

1998’s SB 781 clearly stipulated that there would be no extra compensation for universities that sponsored charter schools. Based on their conversations with charter

school proponents from other states, Missouri legislators and charter school proponents had agreed that they did not want charter school organizers to be able to “buy” their schools’ sponsors, even though there was a precedent in some states for providing money to sponsors in return for their school oversight services. Missouri was the thirty-third state (plus the District of Columbia) to enact charter school legislation, but one of the first few to include the possibility of university sponsorship of charter schools. Early drafts of the legislation included private universities as potential sponsors; but in order to reach a compromise with those legislators who felt charter schools should remain entirely within the public domain, the bill’s backers agreed to allow only public universities to sponsor charter schools. The original Missouri law stated that eligible charter school sponsors included only the school districts of St. Louis and Kansas City, as well as public colleges meeting a list of criteria. To be eligible, a college had to be in the relevant city or in an adjacent country, and also had to offer a teacher-education program and programming in the city or county adjacent to the city. This was included so that the University of Missouri at St. Louis (UMSL) could be a sponsor. These criteria were interpreted by DESE attorneys to include Southeast Missouri State University (SEMO), which offered some programming in counties adjacent to St. Louis; and the University of Missouri at Rolla, which offered a Master’s degree program at UMSL and was included after opening an Education Department.

### *Recent Changes*

Recent changes based on 2005’s SB 287, effective from July 2006, have had a significant impact on charter school sponsorship. Specifically, SB 287 includes the following provisions not included in previous Missouri charter school legislation:

- Private colleges and universities are eligible to sponsor charter schools.
- The mayor may ask a sponsor to consider the proposal for a “workplace charter” as defined within the legislation.
- Charter school sponsors are to be reimbursed for their services at the rate of 1.5% of the school’s total state and local funding, not to exceed \$125,000 per year.
- Sponsors must perform background checks on all charter school board members prior to approving or re-approving a charter.
- Charter School board members may not hold paid positions.
- Sponsors must submit information regarding their legislative compliance to the Missouri State Board of Education.
- The Missouri State Board of Education is responsible for ensuring sponsorship compliance.

SB 287 was enacted as a response to the demands of charter school sponsors, as well as to the 2004 report on charter schools issued by the Office of the State Auditor and the closing of two of St. Louis’s charter schools. Charter school proponents hope the new law will cure local charter schools’ ills, such as the high incidence of scandal, staff turnover, and uncertain student progress reports.

*Progress and Disappointment for the Movement: a Slow Start*

While fifteen charter schools had been approved in Kansas City by the start of the 1999-2000 school year, not one charter school had attained a sponsor in St. Louis. UMSL representatives initially refused to sponsor a school, based on their concerns about the staff and resources required to undertake such a project; they also worried about alienating local school districts that opposed charter schools. However, UMSL eventually

agreed to consider sponsorship after a great deal of political pressure was reportedly applied by pro-charter legislators and members of grass-roots organizations supporting school choice. UMSL appointed a member of its Public Relations Department to oversee the project.

### *The First Charter School Proposals*

The first charter school proposal submitted for sponsorship in St. Louis, for the St. Louis Charter School, was rejected in April, 1999 by Forest Park Community College (FPCC), citing the proposal's failure to include a pre-K curriculum and inadequate planning for special education. St. Louis Charter School appealed to the Missouri State Board of Education, which agreed to study their complaint. St. Louis Community College, of which FPCC is a part, stated in August that it was unwilling to sponsor any charter school due to the lack of available funds to pay for sponsorship.

The first charter school to be approved in St. Louis, sponsored by UMSL, was The African American Rite of Passage (TAARP), a school intended to serve about 700 students in K-8 in its first year, with one grade to be added each year after that, and with a curricular focus on vocational skills. The charter group hired Beacon Management Company, one of several national for-profit groups that help new charter schools to open, to manage the project. In July 1999, the St. Louis Post-Dispatch printed a story about the school's founder, including information about his criminal past: he had served time in prison for stealing federal postal money orders. On August 17, Beacon Management announced plans to withdraw its support for the charter school, effective September 1. UMSL did not withdraw its sponsorship, but the school failed to open.



Amid these setbacks, apparently unanticipated by charter school advocates and legislators, St. Louis Superintendent Cleveland Hammonds, Jr. voiced his opposition to charter schools on constitutional grounds – based on their authorization in only the St. Louis and Kansas City urban areas. Charter school proponents claimed Hammonds' constitutional complaint was a diversionary tactic; the real reason for his opposition to charter schools, in their view, was financial: State funds would follow students to the new charter schools.

In July 1999, the St. Louis Public Schools Board of Education filed a lawsuit to prevent the opening of TAARP. The lawsuit raised specific issues regarding that particular charter, as well as broader issues regarding the constitutionality of the Missouri charter school law. The Missouri State Board of Education signed on as a co-plaintiff. UMSL, having approved TAARP, defended the case in court – at substantial cost to the University. The largest national school choice advocacy group, the Center for Education Reform, filed documents with the Court opposing the suit. Ironically, by December, St. Louis Public Schools announced tentative plans to open its own charter school. St. Louis Public Schools representatives argued that this did not contradict their complaints in the lawsuit. The suit was summarily dismissed that same month as moot, because TAARP was no longer expected to open. In dismissing the suit, the court avoided addressing any of the constitutional issues that had been raised.

Thurgood Marshall Academy (TMA) submitted an application for sponsorship to UMSL in November 1999. Beacon Management Company had agreed to manage the school. In December, UMSL announced that it did not have the resources to review any more charter applications, refusing Thurgood Marshall Academy's proposal and drawing

considerable protest from charter school proponents. Under political pressure from state legislators, according to participants in this study, UMSL reversed itself and agreed to review three proposals already submitted: Thurgood Marshall Academy (supported by Beacon Management), St. Louis Charter School (SLCS, also supported by Beacon), and the St. Louis Charter Academies (SLCA). UMSL approved both TMA and SLCS in March, 2000; SLCA's application was rejected because of conflicts of interest. It was discovered that an SLCA board member was an employee of UMSL. The Missouri State Board of Education signed off on TMA and SLCS later in March.

Later, UMSL informed TAARP representatives that the previous year's contract between the two organizations was no longer in effect, and UMSL would not sponsor TAARP. In January, 2001, TAARP sued UMSL in Circuit Court to enforce the contract, and won the case in November. However, the judge's ruling stipulated that the charter organizers would have to hire Beacon Management again in order to be in compliance with the original contract. Beacon was unwilling to be involved again with TAARP – an unsurprising decision considering the circumstances of their previous withdrawal.

After all these proposals, rejections, scandals, and lawsuits, two charter schools – the Thurgood Marshall Academy and the St. Louis Charter School – opened under UMSL's sponsorship and Beacon's management in Fall 2000.

Alpha Kappa Alpha Sorority approached Harris-Stowe State College to review their charter school proposal in January, 2000. The proposed school, the Ethel Hedgeman Lyle Academy (EHLA), would focus on math and science, and would initially serve sixth-graders. Harris-Stowe approved the proposal in February. The school's leaders later

signed a contract with Beacon Management, making EHLA the third St. Louis charter school to operate under its management.

Lift-for-Life, an after-school weightlifting and fitness program for city youth, submitted its charter proposal for a middle school to Southeast Missouri State University (SEMO) and received approval in April 2000. This was the first charter school to be approved without the backing of a management company. SEMO had concerns about its sponsorship, chief among them the University's distance from St. Louis, but the University's Board of Regents viewed the sponsorship as an opportunity for its student-teachers and education professors.

Four charter schools opened in August and September of 2000: Thurgood Marshall Academy, St. Louis Charter School, Ethel Hedgeman Lyle, and Lift for Life.

### *Up and Running*

With several charter schools in operation, the concept may have seemed less radical by the time the Associated General Contractors of St. Louis (AGC) submitted a charter school proposal to St. Louis Public Schools in October, 2000. The proposed school, Construction Careers Center (CCC), would target students in ninth grade (with one grade to be added for three subsequent years) who were at risk of dropping out of school without occupational skills. The school would emphasize general academics and offer internships in the construction industry as a way to earn credits toward graduation while learning a trade. In a complete turnaround from the position it held in its previous (and still ongoing) lawsuit, the school board unanimously approved the school, which opened for the 2001-02 year.

With five charter schools now in operation, SLPS agreed to sponsor two more charter schools: KIPP, a national for-profit charter school group that ultimately failed to open in St. Louis because they couldn't find a qualified applicant to serve as principal for the school; and YouthBuild, an existing GED program affiliated with Americorps, serving students aged 16-18 who had already dropped out of school and were interested in learning a trade. Becoming a charter school would mean that YouthBuild would award standard diplomas instead of GED's, but the organization would otherwise continue to operate largely as it had before. This program was especially attractive to SLPS, as it did not detract from their ability to draw Average Daily Attendance (ADA) funds. In fact, since YouthBuild re-engaged students who had already dropped out of school, SLPS could include its graduates to improve its overall high-school graduation rates. The school opened as a charter school in August, 2002.

St. Louis Charter Academies' (SLCA) organizers, having been turned down for sponsorship by UMSL, gained approval from the University of Missouri at Rolla (UM-R) in January, 2002. Their plan included conversion of two existing tuition-free private schools into charter schools that would serve 800-900 students, with backing from ABS School Services, L.L.C., a for-profit school management company now doing business as The GEO Group. UM-R simultaneously agreed to sponsor Confluence Academies, an organization hoping to open one K-8 school in time for the 2002-03 school year, two more schools in 2003-04, and then a high school the following year.

In August, 2002, SLPS filed another lawsuit, this time to block the SLCA's opening on the basis that their sponsor, UM-R, was not in St. Louis City or County. UM-R countered that they had several partner programs with UMSL, and thus should be

considered a St. Louis college under Missouri's charter school law. The suit was ultimately resolved in favor of allowing Rolla to sponsor charter schools in St. Louis. Both UM-R-sponsored charter schools opened in Fall 2002, bringing the total number of operating charter schools in St. Louis to eight. No additional charter proposals were approved through the end of this study.

*A Brief History of the Charter Schools in St. Louis, per Sponsor*

In Missouri, the relationship between charter schools and their sponsors has been contentious from the beginning. Sponsors have resisted taking responsibility for charter school monitoring and support, because of the lack of funds to compensate them for their efforts. When sponsors have attempted to force charter schools to accept accountability for inadequate results, the schools have often resisted their sponsors' authority – at least in part because sponsors, according to some of this study's interviewees, have often been uninvolved and invisible until things went badly wrong. Each school's design, along with the level of its accountability, is tied to sponsorship. The relationship between schools and their sponsors may prove, in the final analysis, to be a crucial element in charter school success or failure. For this reason, it is important to understand each charter school's history in relation to its sponsor.

*Sponsor: UMSL / Thurgood Marshall Academy (K-8): 2000-2005.* Thurgood Marshall Academy, managed by Beacon, has not enjoyed notable success. Before the 2000 school year started, its principal resigned, citing personal reasons, and its assistant principal was promoted to principal. Within two months of opening, the school had lost seven teachers – six who quit, and one who was fired. Many of the nearly 25% of the teaching staff who left reported to Missouri Charter Schools Information Center

(MOCSIC) that they had lacked materials and books, as well as computers, projectors, and other essential items that would enable them to teach successfully. In response to MOCSIC inquiries, Beacon officials asserted that the TMA curriculum was not based on textbooks, and that the teachers had been trained in its implementation. At that time, UMSL representatives had not yet visited the school. Still more teachers left before the end of the school year.

Among the many problems the school faced, there were conflicts between its administration and Beacon Management about decision-making, and IRS concerns about management companies wielding too much authority over “independent” boards. Later in the school’s first operating year, it was reported that Thurgood Marshall Academy was illegally enrolling non-city residents; indeed, several TMA students were found to be residents of St. Louis County rather than the city. TMA’s principal denied having known about these students. UMSL, which could have closed the school due to these violations, chose to allow the school to continue to operate.

Later, in April 2001, police twice had to be called to restore order at TMA board meetings. Paperwork errors and delays that could have resulted in the school’s closing, non-compliance with teacher certification requirements, and the resignation of yet another principal all contributed to the contentious atmosphere. At another board meeting a month later, news of a board member’s dismissal led to more shouting, and the police were called in yet again.

By June 2001, UMSL had issued a warning that TMA must reorganize or be closed. The University called for the resignation of the board president, the naming of three new board members, hiring of a liaison to ensure compliance with the law, and a

financial audit. In restructuring its board, TMA ignored UMSL's recommendations for new members, but UMSL agreed to give the school another chance under its new leadership anyway, continuing the school's probationary status. The school re-opened in August 2001 with more than 700 students on its roster.

By the second semester, TMA was in conflict with its sponsor again, as allegations were made about account mismanagement involving two board members; both resigned, and one was later charged with felony theft. (He was convicted in March 2006, after the formal end of this study.) Again, the school continued to operate, and re-opened for the 2002-3 academic year. UMSL had previously turned down the school's request to be taken off probation but did not close the school.

At the beginning of the 2004-05 school year, with 1,004 students enrolled and only months before the end of TMA's five-year sponsorship period, UMSL announced that it would not renew its sponsorship of the school. (UMSL also announced that it would cease its sponsorship of St. Louis Charter School, based on inadequate academic results.) In the spring of 2005, just before the end of the sponsorship period, TMA again made headlines when it was reported that a police officer had handcuffed a 5-year-old boy at the school earlier in the school year. Both the officer and the school's principal faced disciplinary action for their handling of the situation.

With its charter expired and without a sponsor willing to grant a renewed charter, TMA did not open for the 2005-06 school year. By the time it closed, the school had employed at least seven principals in its five years, and had experienced equally astronomical board and staff turnover rates, in addition to its various legal problems (MO DESE, 2005).

*Sponsor: UMSL / St. Louis Charter School (K-8): 2000-2005.* This school has enjoyed relative success since opening its doors in 2000. It has increased its enrollment annually and has avoided legal scandal and conflict with sponsors and the community. Total enrollment in 2005 was 942 students, with three administrators and forty-one teachers. Unburdened with financial scandal and with consistent leadership, the school has continued to grow. UMSL, despite its warning that it would not renew the charter's sponsorship agreement at the end of the 2004-5 school year because of unsatisfactory test scores, continues to sponsor the school.

Serving the same demographic and sharing both its sponsor and its management company with the failed TMA, SLCS provides support for the idea that well-chosen boards and administrators are an important factor in the success of any charter school. Study participants consistently pointed out this key difference between the two schools. However, like many St. Louis schools, SLCS failed to achieve adequate yearly progress (AYP as required by NCLB) for three consecutive years (MO DESE, 2005).

*St. Louis Public Schools / The Construction Careers Center (9-12): 2001-2005.* CCC opened in partnership with Associated General Contractors in 2001-2. The school provides trade-based coursework to students at risk of dropping out of conventional high schools. CCC has struggled with staffing and student-management issues, but the program is growing nonetheless: From 122 students in 2001 to 336 in 2005. The school has had no major problems.

In 2000, the Missouri Department of Elementary and Secondary Education (DESE) announced that if the school district (instead of a university) sponsors a charter school, the charter school's results are incorporated into the district's outcome statistics.



There were concerns at the time that this would detract from charter schools' autonomy; but this was a way to encourage a reluctant SLPS to sponsor charter schools. In the end, charter school proponents felt that DESE's decision had been prudent, because the district gets credit for vocational programs, for graduation rates, and for placing students after graduation, which would prompt district cooperation.

AGC came to the Board of Education of SLPS with a proposal that promised to help the district with its drop-out problems. In turn, the Board leased the CCC the Clinton Peabody School for \$1.00 per year. The building was empty and in need of total interior renovation, but the structure itself was sound. AGC recruited construction-company owners and workers to donate time and money to help refurbish the school. To date, hundreds of thousands of dollars have been invested in the building, so that even if the charter school were to close, the school district would have a like-new building without having paid for the renovations. In the mean time, CCC gets its premises rent-free.

CCC started with ninth-graders and has added one grade-level each year as students advanced. The first group of seniors, 28 of a 2001 intake of 117, graduated in June, 2005 (MO DESE, 2005).

*St. Louis Public Schools / YouthBuild St. Louis Charter (12): 2002-2005.* In 2002, Youth Build, a local non-profit group in the Soulard neighborhood that had been operating a GED-to-work program in the area for several years, received sponsorship approval from SLPS and began operating as a charter school. YouthBuild was affiliated with a national group bearing the same name, and its local charter school effort was part of a national program to open charter schools. The school's leaders had a relationship with the district already, through their existing GED program. As a charter school,

YouthBuild would operate as a drop-out recovery program for students who were no longer enrolled in school but were interested in learning a construction trade. This plan appealed to SLPS, as it would not draw students away from the district's other schools.

In 2003, YouthBuild's managers thought that they might have to give up the charter school part of their program; it was not working out well for the younger students in the program, who were perhaps not mature enough to focus on job-attainment skills. Attendance rates were low, and discipline problems were high. In addition, they had not anticipated the high number of students with special education needs, and funding for another teacher to meet those needs was not available in the school's budget. They ultimately decided to keep the charter and restrict admissions to 18-21-year-olds.

YouthBuild continued to face obstacles, ultimately forcing it to give up its charter at the end of the 2004-05 school year, with only seventeen students enrolled. YouthBuild St. Louis now operates as it did before becoming a charter school, serving students seeking a GED (MO DESE, 2005).

*Harris-Stowe State College / Ethel Hedgeman Lyle Academy (PK-): 2000-2005.*

Beacon Management formed another of its partnerships with Ethel Hedgeman Lyle Academy, which was sponsored by Harris Stowe State College and opened in 2000. The school experienced a number of problems, including a controversial move in 2003 from their original location at 4300 Goodfellow Boulevard (space shared with Thurgood Marshall Academy) to the 7<sup>th</sup> & 8<sup>th</sup> floors of the "Windows on Washington" building in downtown St. Louis. This move raised concerns about safety, and Harris-Stowe threatened to revoke its sponsorship of the school. The relocation plan was finally approved through negotiation between the school's management and Harris-Stowe.

An assistant office manager of EHLA was charged in May, 2005 with felony theft of more than \$100,000 from school accounts. His criminal past had eluded the background checks conducted by school officials and representatives of Imagine Schools (formerly known as Beacon Management, then as Chancellor Beacon Academies). He had been charged in both 1999 and 2001 with similar crimes.

Student performance at EHLA has improved, parents have showered praises on the school, and enrollment has steadily increased. However, the school's accumulated deficit was \$1.5 million by the end of 2004. Given its financial woes, renewed sponsorship in 2005 was not guaranteed. Further exacerbating the problems between the school and Harris-Stowe was the addition of grades 7-9 without prior sponsor approval. As of the school's opening day in August 2005, Harris-Stowe had not renewed its charter; but the college eventually agreed to extend sponsorship through the school year. (Note that in January, 2006, shortly after the formal end of this study, Missouri Baptist University agreed to sponsor EHLA for the 2006-07 school year and three years beyond. In March 2006, the former assistant office manager charged with theft received a 5-year prison sentence on those charges after pleading guilty.) EHLA had not achieved AYP in three consecutive years; but its enrollment had increased from 194 to 353 in the four years between its opening and the end of this study (MO DESE, 2005).

*Southeast Missouri State University / Lift for Life Academy (6-8): 2000-2005.*

Marshall Cohen, a local merchant who ran a recreational program for middle-school students in the back of his store, St. Louis Candy, called MOCSIC to inquire about turning his after-school program into a charter school. The idea had come to him after he read about the scandal of the TAARP founder's felonies and the resulting disappointment

of not opening the school. He believed he could do a better job. Lift for Life opened in 2000 as a sixth-grade-only school, the same year as the openings of Ethel Hedgeman Lyle Academy, St. Louis Charter School, and Thurgood Marshall Academy. Lift for Life was the first St. Louis charter school to open without a management company; it was exactly the kind of grass-roots initiative that charter school proponents had envisioned. The school has managed to hold its own, maintaining its relationship with sponsor SEMO and suffering no negative newsworthy incidents.

Lift for Life did not achieve AYP for three consecutive years. (MO DESE, 2005). Nonetheless, its enrollment grew from 63 in 2001 to 251 at the end of this study in 2005 (MO DESE, 2005).

*UM-Rolla / St. Louis Charter Academies (now Paideia Academy)(K-8): 2002-2005.* The St. Louis Charter Academies opened as charter schools in 2002. They had started as tuition-free private schools in 2001, using closed Catholic-school buildings and attempting to survive on Title I funds, which turned out to be inadequate. They developed a relationship with ABS Management Company, a for-profit company investing in charter schools and owned by Matrix Bank. Study participants expressed concerns that the schools intended to use state public education funds resulting from the change to charter school status to pay off the debts they had accumulated as private schools. Further, they expressed concern about the religious character of the schools – a characteristic that was not mentioned in the schools' charter, but could be observed in their daily operations. For example, the schools had initially planned to have eight ministers from the same church on their board. Another concern was that the schools would be operating two campuses under one charter; if one campus performed well while

the other did not, it might be difficult for the sponsor to revoke the schools' charter, undermining the legislatively-mandated accountability of charter schools. UM-R agreed to sponsor the schools despite these issues; and they opened their doors as charter schools in partnership with ABS in 2002. The lawsuit against the schools filed in 2002 by SLPS on the basis that UM-R was not an eligible St. Louis-based sponsor was subsequently dropped.

The schools have since faced problems including allegations of financial mismanagement and academic fraud, as well as poor student performance, parent complaints, and several miscellaneous mishaps. In spring 2004, it was discovered that a board member had moved \$120,000 a year for nearly two years from the school's account into his own separate non-profit company, the Nehemiah Community Economic Development Corporation. The latter's business addresses matched that of the board member's church and/or the school itself. He claimed that the church had been hired for "marketing." After all these mishaps, UM-R placed the school on probation; no criminal charges were filed against the board member. ABS did file a lawsuit to recover almost \$300,000 the school allegedly owed them. Then, in spring 2005, the principal at one of the school's campuses was accused of asking teachers to help students complete their standardized state tests; the schools' board fired her. It was also alleged that a teacher's aide (the son of a board member) had assaulted a student at the other Academy campus. A warrant was issued for his arrest, and he resigned his position.

Although their sponsor had placed the schools on probation in 2004, revoking the charter proved to be difficult. In May 2005, UM-R's chancellor and university lawyers said they did not have the resources to pursue the process. The sponsorship agreement is

due to expire after the 2006-07 school year; as of December 2005, the school was still operating, and UM-R had not revoked its sponsorship. It changed its name to “Paideia Academy” and hired new leadership for the 2006-07 school year.

The school did not achieve AYP for three consecutive years. Student enrollment declined from its peak of 617 to 484 in 2005 (MO DESE, 2005).

*UM-Rolla / Confluence Academies (K-3): 2003-2004.* Sponsored by UM-R and managed by Edison Schools, Inc., another national for-profit education management company, Confluence Academies opened for its first year of operation in 2003. Initial hopes to open more than one program the first year were scaled back to plans to open one K-3 school and expand in the following years. For the 2005-6 school year, Confluence was open to students in grades K-5.

Confluence Academies did not achieve AYP for two consecutive years. Student enrollment increased from 247 to 967 in two years (MO DESE, 2005).

### *Organizational Performance*

Until State Auditor Claire McCaskill published her audit of Missouri’s charter schools in August 2004, there had been no study of general operational compliance of the schools as a group. Echoing national research recommending that accountability in charter schools be the responsibility of their sponsors (Hassel & Batdorff, 2004), the Auditor’s report held the General Assembly, DESE, the Missouri Board of Education, and the charter schools’ sponsors responsible for the failure of charter schools to comply with the law and operate responsibly. Specifically, charter schools failed to conform to requirements for:

- legally mandated teacher certification levels;
- adequate and accurate financial reporting; and
- depositing funds only at insured banks.

The Auditor's recommendations included:

- enactment of legislation to grant the State Board of Education authority over the charter school program;
- establishment of a framework for DESE oversight of charter schools;
- greater DESE leadership in encouraging best practice among charter schools;
- greater charter school accountability to sponsors;
- requirement that school funds be held in insured bank accounts; and
- (specific to Harris-Stowe) compliance with the two-year review requirement.

DESE responded, in summary, that legislative changes were needed to clarify all charter school roles and responsibilities. Most sponsors responded similarly, adding that funding for sponsors was needed to ensure the kind of oversight called for by the Auditor's recommendations.

### *Student Performance*

Student performance on standardized tests provides another important way of evaluating charter schools. Study participants described student achievement in the St. Louis charter schools as “abysmal”, “promising”, “disappointing”, and everything in between. School-by-school performance varies greatly among St. Louis charter schools, but none of them has met the target achievement levels set for schools in the city of St.

Louis or the State of Missouri in their first several years of operation (see Appendix E). Of those charter schools still in operation, only Construction Career Center, operated by SLPS, has achieved AYP and thus stayed off the DESE “School Improvement” list. The charter schools’ performance data itself is questionable, as they have been cited repeatedly for poor reporting practices; and there have been some obvious errors, such as CCC’s failure to report any graduates in 2005 when the school is known to have graduated students in that year. Charter school proponents and administrators attribute indications of poor performance to a number of factors, among them the inability to compare scores achieved by charter school students to the scores they would have achieved had they remained in conventional public schools. Additionally, they say, more time is needed to take struggling students to a higher academic level. However, data has not been collected or reported to demonstrate that charter school students were generally lower- (or higher-) achieving than their conventional-school peers at the time of their enrollment in charter schools.

### *Impact*

Preliminary enrollment figures in 2000 indicated that up to forty-five percent of the city’s charter school children were coming from religious and independent private schools. Nationwide, up to eleven percent of charter school enrollees left private schools. Although this number represented only a fraction of the total private school enrollment and an even smaller percentage of public school enrollment, the financial consequences to both public and private schools have increased as charter school enrollments have increased. (Franck, 2000)



*Summary*

By the end of this study in December 2005, only six of the original eight charter schools were still operating, and one of the six – St. Louis Charter Academies – has been riddled with conflict and controversy since before its opening. SLPS had filed two lawsuits to block charter schools, one charter school applicant (TAARP) had filed suit against a sponsor (UMSL), three of the eight original schools had been involved in controversy involving financial mismanagement and/or theft of school funds, and no new charter schools had been approved since Confluence Academies was opened in 2003. Five of the six surviving St. Louis charter schools had not achieved AYP targets in two or more years of operation (MO DESE, 2005). The MOCSIC office had closed in 2004, and St. Louis Public Schools were in as much turmoil as ever under yet another administration.

Several reasons have been cited to account for the sometimes lower performance of charter schools. The schools themselves might argue that they are receiving “damaged goods”—students who were poorly educated by SLPS for their first few years and who need a great deal of support to catch up. Or proponents might argue that the same tools used to measure success in traditional schools should not apply to charter schools: what is their purpose if not to be innovative, and can the success of innovative efforts be measured by the same yardstick? Other arguments include lack of support for or opposition to charter schools, lack of time to gain momentum and show true progress this early in their existence, or inability to compete for the best staff in the uncertainty about their futures. While the evidence is not sufficient to brand charter schools in St. Louis as

a failure, it is clear that – at least so far – they have not proven to be a miraculous cure for the problems of public education in the city.

## Chapter Five: Discussion and Conclusions

The charter school movement in St. Louis is rife with the same conflicts and political struggles that characterize the national movement (Hill, 2005). Nationwide, politicians and stakeholders have taken extreme and polarized positions on the issue of school choice; some see charter schools as sort of middle ground – an alternative to full privatization with many of the same benefits. It is not yet clear, however, that charter schools have brought real benefits to public education.

State legislation enabling, regulating, and funding charter school development obviously can create conditions in which these schools can survive and even thrive. But even when charter schools “succeed” – however “success” is defined – their creation and growth may mean reduced funding for traditional public schools. The students left in those struggling public schools are typically those most in need of reduced class sizes and other academic interventions to increase achievement and raise test scores – all of which require the very funds that charter schools siphon away. In order to justify their existence, charter schools must not only “succeed” in the narrow sense; they also need to “succeed” by raising the overall state of public education in their districts. If they do not do so, it will be difficult for their supporters to justify charter schools’ continued existence.

In St. Louis, charter schools have so far been neither a resounding success nor a definite failure. The lawsuits and financial scandals that have erupted in the few years since charter schools began to operate may indicate that the oversight and accountability problems of which charter school critics warned are genuine and severe. It is also possible that political opposition made charter school success unlikely before the first one

opened. Legislation whose language and intent allowed for a great deal of interpretation may also be part of the problem.

The charter school movement in St. Louis appears to be an attempt to solve problems that the city's schools have faced for decades – problems that may have been caused more by social and institutional problems outside the schools than by the schools themselves (Portz et al., 1999). Whatever the cause of St. Louis' educational problems, charter schools have not, at least so far, seemed to accomplish very much in solving them.

With student demographics comparable to those of the SLPS schools, St. Louis charter schools have attendance rates only marginally better in some schools, and worse in others. State assessment scores are unanimously lower for charter school students. And while thirty-two of approximately 90 traditional SLPS schools were placed on the DESE School Improvement List for failing to achieve AYP in 2005, the percentage of St. Louis charter schools not achieving AYP is substantially higher. It is challenging for charter school supporters to refute hard data showing that the new schools are failing to produce the desired student outcomes. Even though there is no precise and generally agreed standard for measuring educational success, it is hard to imagine any possible standard for success – other than mere survival – that the St. Louis charter schools have met.

The charter schools' failure to achieve any notable success is good news for those who oppose school choice, or the local charter school movement, or sweeping school reform in general. It will provide a basis for sponsors' rejection of new charter school proposals, and their refusal to renew existing charter agreements. It may provide a justification for a future, less conservative state legislature to weaken the relevant

legislation to the extent that charter schools stand no realistic chance of succeeding; or the legislature may decide to revoke the charter school law altogether.

In short, based on what has been seen so far, charter schools seem unlikely to succeed in St. Louis. This forecast may be a gloomy outlook for idealistic proponents who wanted more for our city's children, or a cause for celebration for those who see charter schools as an attack on the ideals of public education. It may be a menace to those who find themselves unable to get a good education from the traditional school system, or a realization that reorganizing the education system cannot solve problems resulting from much deeper social ills. It may be a defeat for those who set their hopes, altruistic or otherwise, for the future of education on privatization. But the result seems inevitable.

Based on what has happened in St. Louis, it would appear that as long as charter schools are limited to the state's two major urban areas, they are unlikely to achieve much progress. It seems, in this case, that there is little support for them among the white suburban and rural middle class. Perhaps if legislation permitted the formation of charter schools in the rest of Missouri, this group might value them as a way of obtaining an essentially private education for their children without the extra expense; but even such a "success" for charter schools would not meet the expectations of grass-roots activists who had believed that charter schools would improve the entire educational system, benefiting their own students and traditional public-school students alike, especially in urban districts where students may have fewer choices.

The other school-choice option available to St. Louis City students at the time of this study is the voluntary transfer program, the funding for which was terminated by the same legislation that settled the 1972 desegregation case. Voluntary transfer took

African-American students out to the county; charter schools may keep some of them in the City while ostensibly providing them with “choice.” (Additionally, it included a provision for white students to attend City schools.) Keeping these students in their neighborhoods may have been an unspoken consideration for some legislators in drafting, supporting, or voting for the charter-schools law. Both the voluntary transfer program and the new charter schools were cited as causes for declining enrollments in St. Louis Public Schools. However, urban parochial schools reported similar enrollment declines, blaming movement of families out of the City (St. Louis Post-Dispatch, Sept. 20, 2004). But charter school enrollment has increased each year since inception, although this may be simply because charter schools are new and offer some hope of a better education simply because they are different from what existed previously.

Participants interviewed for this study did make one promising observation: students in the most stable charter schools seem happier, families seem more involved, and everyone feels safer, compared to traditional public schools. This may point to a need for further research into the satisfaction levels for charter school participants versus those in traditional schools.

Successes of these charter schools are difficult to quantify. The data alone do not support a rosy view of charter-school success. Some of the charter schools have provided programming that is unavailable to students in the local public school system, such as the career preparation programs offered by Construction Career Academy and YouthBuild. Some of the charter schools have partnered with the community in ways that are new to SLPS. Construction Career Center partnered with AGC, YouthBuild with Americorps and the national YB organization, and Ethel Hedgeman Lyle with the AKA sorority.

These alliances have provided resources to schools and students to which they might not otherwise have had access. The idea of an independent school board governing each school may provide a workable model for reform of City schools: with the fourth administration in as many years in SLPS at the start of 2006-07, it may be that some of the problems that plague the district could better be handled on a smaller scale through site-based management; this is an area for possible future research. Published research in this area includes Rodriguez and Slate's 2005 study "Site-Based Management: A Review of the Literature." They conclude, "With sufficient autonomy, flexibility, and ownership of school functions, site-based management can provide the needed conditions for achieving multiple goals and maximizing school effectiveness over an extended period of time." (p. 15)

#### *Future Research*

This study has shown that in one city over the first few years of their existence, charter schools appear to have failed to realize their initial promise. Future research should extend farther in space and time, to establish whether the results seen in St. Louis between 2000 and 2005 are typical or not; and in either case, to draw appropriate conclusions:

- If over a reasonably long span of time, and over all parts of the United States that have implemented them, charter schools have failed to achieve notable success, it can be reasonably concluded that the charter school concept in general has failed and should be abandoned.

- If it is determined that some charter schools have succeeded, the reasons for their success need to be isolated and examined, in an attempt to learn lessons that can be applied to make charter schools a general success.

*Extending research over time.* This study has covered only a limited span of time; and it could very well be that in future years, St. Louis charter schools will achieve greater successes – or, for that matter, more spectacular failures – than they have achieved so far:

- It is possible that more time will permit charter schools to achieve better results simply because they will have had the opportunity to learn from their mistakes, to stabilize their staffing and administration, and to develop beneficial school-parent relationships.
- It is possible that SB 287 (which took effect in from July, 2006), by enabling charter school sponsors to receive compensation for their supervisory efforts, will improve the level of oversight and accountability among St. Louis charter schools, and will lead to greater success.
- It is also possible that other changes mandated by SB 287, such as sponsorship by private colleges and universities or enhanced supervision of charter schools, will have measurable beneficial (or, indeed, detrimental) effects on charter school performance.



*Extending research over space.* This study was limited to a single city in a single state. Other researchers have claimed that charter schools elsewhere have achieved good results. It is entirely possible that charter schools in some localities have indeed succeeded, although, as noted in Chapter Two, virtually every researcher on the subject appears to have a pro- or anti-charter school bias – and so little, if any, of their research can be confidently accepted at face value. Further research should seek to verify claims of charter school success (and, for that matter, of charter school failure), and to identify and explain the patterns of success and failure discovered.

If none of the reports of charter school success stands up to scrutiny, then one could safely conclude that the charter school concept has failed and should be abandoned. But if some charter schools have succeeded, further research should investigate the differences between successful and unsuccessful charter schools, in order to determine what lessons can be learned.

One possibility is that charter schools tend to work well in suburbs or rural areas, but not in inner cities. If this is the case, one might say that this “success” is insufficient to justify charter schools’ existence. After all, charter schools were supposed to help public education in general, and not just increase the advantages of those who are already advantaged or to remedy disadvantages.

Another possibility is that charter schools have enjoyed greater success under particular legislative and regulatory regimes. If charter schools in cities otherwise comparable to St. Louis – but in states with different laws and regulations governing charter schools – are more successful than those examined in this study, one would

tentatively conclude that the main problem in St. Louis is that Missouri has mishandled the charter school issue.

A third possibility is that certain charter schools have succeeded for reasons unrelated to their socio-economic or regulatory circumstances. It may be that charter schools that survive more than a few years tend to be those that have discovered ways of improving the general “quality” of the services they offer; or it may be that successful charter schools have adopted or invented new instructional methods that yield improved results. In the former case, the best approach may be simply to sit back and wait while the free market works its magic; in the latter case, one would obviously want to identify the new educational methods that get good results and encourage their wider adoption.

*Defining and understanding “success” – evaluating the results of future research.*

In order to justify their existence, charter schools must demonstrate that they succeed – that is, that they genuinely accomplish something that is not (or is not yet) accomplished by conventional public schools. Like so much else in the charter school debate, “success” is controversial. There is no universally accepted definition of what success means in an educational context, when standardized testing practices and results are themselves the basis for debate; and of course it is impossible confidently to evaluate the success of charter schools if “success” itself is undefined in this emerging context.

Standardized test results have become the default measure of educational success, but there is no question that they are a flawed tool. At best, standardized testing measures only a relatively narrow range of skills, and encourages teachers to “teach to the test.” On the other hand, standardized tests have the advantage that they produce unambiguous results that can be easily compared; and, as long as the tests are administered honestly,

they do measure useful and important things, such as literacy and numeracy. It would seem legitimate, then, to continue to use standardized-test results, perhaps combined with other measurable statistics like graduation rates, to measure the success or failure of charter schools.

Defenders of charter schools sometimes excuse poor testing results by claiming that the charter schools are catering to students who were doing worse than average at conventional public schools, and thus that the charter schools' real results are better than they seem. In other circumstances, critics of charter schools might dismiss apparently successful charter schools' achievements on the basis that these schools were simply drawing off the best students from local public schools. Basically (and simplistically), there are three possible scenarios in which charter schools might be considered "successful":

1. Charter schools are drawing off weaker students from public schools and accomplishing more with them than the public schools would. This would likely manifest as mediocre charter school test results, improved (and otherwise unexplained) public school test results, and a higher average result for the district.
2. Charter schools are drawing off better students from public schools. In this case, public schools should show declining results due to the loss of some of their strongest students. If the overall average school achievement increases, then one could say that charter schools are "succeeding" even if they are not succeeding with the students who need the most help; but if the district's

overall achievement is static or even declines, then charter schools are failing even if their students are scoring well. Even in the best-case version of this scenario, it is doubtful that the general public will be excited about charter school “success” if the term means only improving the education of the students who are least in need of educational improvement.

3. Charter schools have a student population essentially identical to that of their neighboring public schools. In this case, it is legitimate to compare the schools’ results side by side, as well as to look for increased or decreased aggregate achievement.

Advocates have touted two general (and not mutually exclusive) reasons that charter schools should improve the state of public education: First, competition will force all schools to perform better because of the “invisible hand” of the market. Schools that need to compete for students and budgets will have a strong incentive to strive for “quality” (as measured, presumably, by test results); and thus there should be improvements irrespective of specific charter-school educational innovations. Second, charter schools will act as “laboratories” for the creation and testing of new, innovative educational methods – as opposed to traditional public schools, which are portrayed as hidebound and unwilling to experiment.

The idea that free markets automatically cause improvements in quality, efficiency, and so on relies on some assumptions – notably that consumers have the opportunity to make real and meaningful choices, and also that consumers have enough accurate information available to them so that their choices actually reflect the merits of

the products and services offered to them. (For example, consumers can effectively choose between two similar-tasting brands of breakfast cereal only if they know what the two cereals' ingredients are and understand their nutritional significance and possible dangers.) In the case of charter schools, it is possible that students and their parents in poor urban areas are not being given meaningful choices to make; or, alternatively, that parents themselves simply do not have the background to create the kind of differential demand for quality that would drive the "magic of the market" effect to create better education.

If future research reveals that charter schools are more successful in suburban than inner-city areas, one avenue for further investigation might be do attempt to determine why the "free market" has worked in one situation and not in another. If it is shown that inner-city education budgets are insufficient to allow charter schools to create genuinely useful alternatives (and thus that students and parents in these areas are not being offered meaningful choices), then the solution is to improve funding rather than give up on charter schools. But if the problem is that students and parents in inner-city areas are not creating the kind of differential demand that would lead to improved education under a free-market system, the value of a free market in education becomes dubious. Either a means must be found to create the right kind of differential demand in these districts, or else the charter school concept must be abandoned as a solution for inner-city education.

Levin and Belfield (2004) summarize the need for research in this area:

Resolving these problems may be difficult. Although we have shown a consistent and relatively simple set of policy instruments for designing

voucher programs and a general framework for evaluating them, the details of any particular program still need to be worked through case by case. Difficult decisions must be made about the appropriate trade-offs, and we predict that it is extremely hard to reach a consensus where philosophical differences are so strongly embedded in the libertarian and the social contract views. However, researchers face a clear imperative for research which meets high methodological standards and which can be replicated by others. Most importantly, this research should aim to be comprehensive, in addressing all four criteria of freedom of choice, efficiency, equity, and social cohesion, presuming that there is still some audience whom evidence will sway, even given a strong set of prior values. (p. 22)

If charter schools are in fact acting as “laboratories” for the entire educational system, it is legitimate, at some point, to ask what knowledge these “laboratories” have produced. If some charter schools really have produced useful innovations, this should be detectable in test scores or through observation and research. If it can be shown that useful innovation is indeed happening, further research should focus on how to identify such innovations and promote their spread to other schools.

One possibility for documenting potentially generalizable, positive outcomes of charter schools is a qualitative observation study of best teaching practices. Innovations that should arise, according to proponents and originators of the charter school concept, would include new or newly applied practices in instruction, collaboration, student engagement, inclusion, class structure, alternative scheduling, class size and demographic

distribution, or other practice that, if successful in the charter school context, would apply in traditional schools, as well.

### *Researcher's Perspective*

Most arguments on both sides of the charter school debate derive from genuine ethical views and devotion to the principles of public education. Proponents of charter schools are concerned, among other things, about the status of public education and the equality of opportunity; opponents fear the effects of decentralization on public schools. I began this research several years ago as an enthusiastic supporter of charter schools, even co-authoring and submitting a charter school proposal to a sponsor in St. Louis (it was rejected). A few short years and a lot of research later, I confess that the studies I have read have given me pause – less because of the merits of their charges against existing policy or the results the charter schools have produced than because they have raised my awareness of the risk charter schools pose to the philosophical precepts of public schools, particularly if they fall into the wrong hands. I still believe that charter schools can provide new opportunities for learning how to do a better job of teaching American youth. I still agonize over the terrible circumstances to which many of our children are consigned, and I appreciate the opportunities that charter schools provide to improve these children's circumstances. But I cannot answer the questions in my own mind about what happens to the children who are left behind, and what happens to public schools if charter schools do not create the kind of broad, systemic improvement promised by their proponents. Whether or not the educational crisis in this country is to some extent “manufactured,” (Berliner, 1995) there are genuine and severe problems that are obvious

to any visitor to many of our public schools. How long will they have to wait for real reform?



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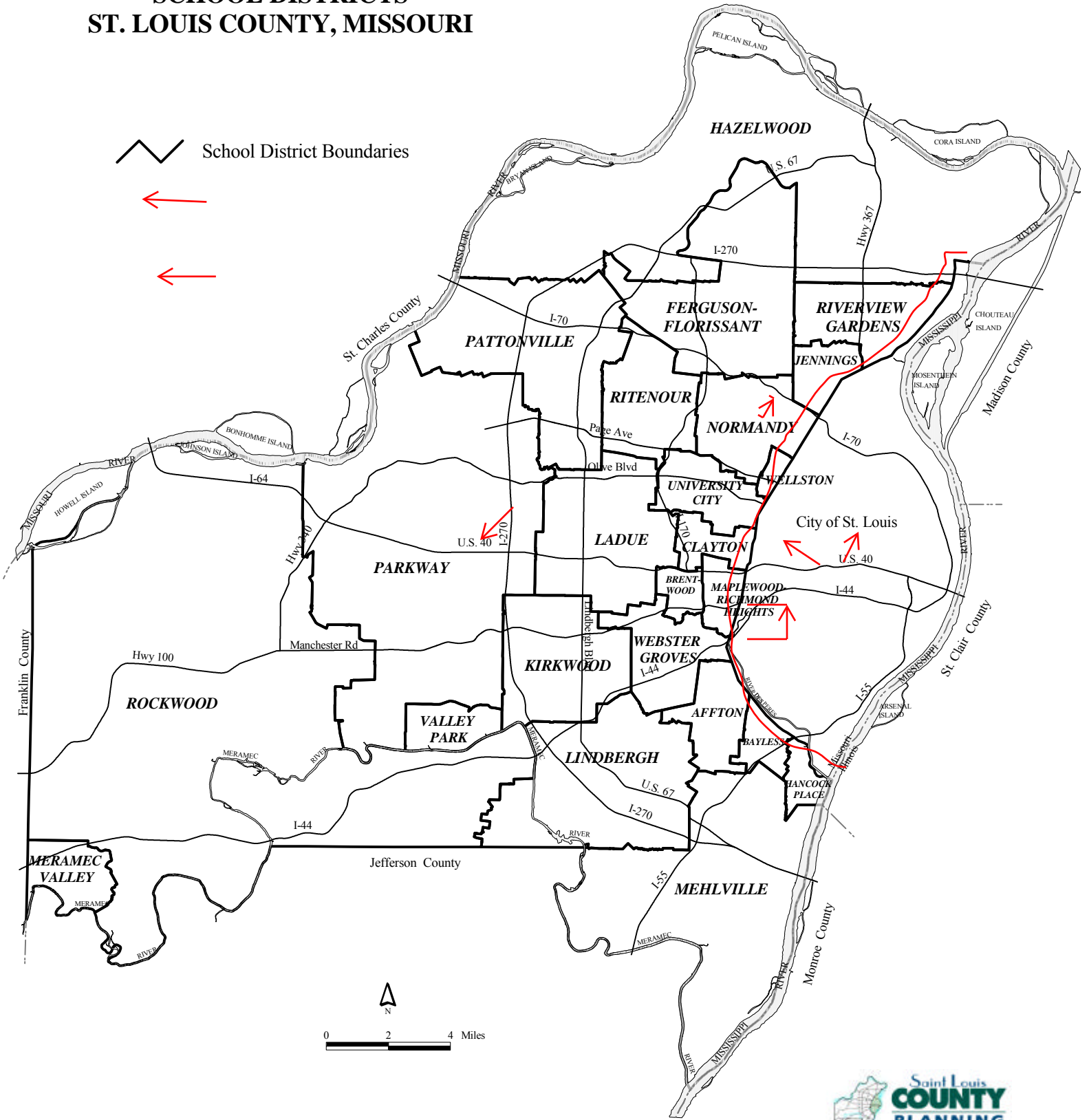
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# SCHOOL DISTRICTS ST. LOUIS COUNTY, MISSOURI

 School District Boundaries



Prepared by St. Louis County  
Department of Planning  
December 2000



1997

Senate Bill 360 is introduced and defeated.

1998

Senate Bill 781 passes, allowing for charter schools in St. Louis and Kansas City.

2000

Four charter schools open in St. Louis: Thurgood Marshall, Lift for Life, EHL, & St. Louis Charter School.

2001

Construction Career Center opens.

2002

Two more charter schools open: YouthBuild and St. Louis Charter Academies.

2003

Confluence Academy Opens.

2004

State Auditor's report criticizing charter school sponsors is published.

2005

May marks the first sponsorship review: two schools are not renewed: YouthBuild and Thurgood Marshall. Legislation is passed that will allow sponsors to receive compensation, effective July, 2006.

FIRST REGULAR SESSION

[INTRODUCED]

# SENATE BILL NO. 360

89th GENERAL ASSEMBLY

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S0820.02I

## AN ACT

To repeal sections 160.538, 162.081, 163.036, 165.121, 166.260, 167.131 and 168.221, RSMo 1994, and sections 160.534, 163.011, 163.031, 165.011, 165.111 and 166.300, RSMo Supp. 1996, relating to education, and to enact in lieu thereof twenty-one new sections relating to the same subject.

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*BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF MISSOURI, AS FOLLOWS:*

Section A. Sections 160.538, 162.081, 163.036, 165.121, 166.260, 167.131 and 168.221, RSMo 1994, and sections 160.534, 163.011, 163.031, 165.011, 165.111 and 166.300, RSMo Supp. 1996, are repealed and twenty-one new sections enacted in lieu thereof, to be known as sections 160.534, 160.538, 162.081, 162.1060, 163.011, 163.031, 163.036, 165.011, 165.111, 165.121, 166.260, 166.300, 167.131, 168.221, 1, 2, 3, 4, 5, 6 and 7, to read as follows:

160.534. For fiscal year 1996 and each subsequent fiscal year, any amount of the excursion gambling boat proceeds deposited in the gaming proceeds for education fund in excess of the amount transferred to the school district bond fund as provided in section 164.303, RSMo, shall be transferred **according to the following priority:**

**(1) The first fifty million shall be transferred to the state school moneys fund to the extent necessary to fully fund the district entitlements less deductions as established in lines 1 to 10 of the state school aid formula established pursuant to subsection 6 of section 163.031, RSMo;**

**(2) The next ten million shall be transferred to the school building revolving fund; and**

**(3) Any remainder shall be transferred to the state school moneys fund for distribution pursuant to section 163.031, RSMo.** Such moneys shall be transferred on a monthly basis and shall be distributed in the manner provided in [section] **sections 163.031 and 166.300**, RSMo.

160.538. 1. By July 1, 1996, the state board of education shall develop a procedure and criteria for determining that a school in a school district is "academically deficient". In making such a determination for any school, the state board of education shall consider the results for the school from the assessment system developed pursuant to the provisions of section 160.518 together with the results from the education audit performed under subsection 2 of this section.

2. (1) Prior to a decision that a school is academically deficient, the state board of education shall appoint an audit team of at least ten persons to conduct an education audit of the school to determine the factors that have contributed to the lack of student achievement at the school as measured by the district assessment system and make a finding as to whether the school is academically deficient. The specific standards and implementation of the education audit shall be pursuant to rules adopted by the state board of education.

(2) The audit team shall report its findings to the state board. If the audit team finds that the school is academically deficient, then the state board shall declare the school to be academically deficient.

(3) Following a decision that a school is academically deficient, the state board of education shall, within sixty days, appoint a management team of at least ten persons to conduct any necessary investigations and make any recommendations the team believes are appropriate for the administration and management of the school necessary to promote student achievement and any additional resources which are required. Funds shall be provided, upon appropriation, under subsection 2 of section 160.530 for the operation of the audit and management teams and resources needed in the district.

(4) In the appointment of the audit and management teams, the state board of education shall appoint such persons so that at least fifty percent of the team is composed of active classroom teachers at the elementary, middle or secondary level grades. Further, no more than two persons of said team may be employees of the department of elementary and secondary education. At least one member of the team shall be a public school superintendent from another district.

(5) The management team shall report its findings and recommendations to the state board within sixty school days. The commissioner of education shall, subject to availability of resources, provide resources to the district as recommended by the management team. The management team report may also include recommendations for one or more of the following: conducting a recall election for each member of the district school board, suspension of indefinite contracts for certificated staff in the school and a one-year maximum length for new or renewal of contracts for the superintendent or the

principal of the school. The education audit team shall reevaluate the school two years after the filing of the management team report. No recall election, suspension of indefinite contract or maximum contract length limit may be imposed unless the audit team determines that the school is still academically deficient.

(6) The commissioner of education shall, upon such recommendation by the management team and upon approval by the state board of education, but only in the case where the education audit team finds the school academically deficient in its reevaluation audit under subdivision (5) of this subsection, order an election in the district to be held for the purpose of conducting a recall election of all members of the district school board. The recall election shall be held on the next available election day thereafter as provided under section 115.123, RSMo, and shall be conducted pursuant to chapter 115, RSMo, except as otherwise provided herein.

3. (1) A district school board member of a district which contains a school declared academically deficient may be removed by the voters in a recall election. Such election shall be held upon the submission of a petition signed by voters of the district equal in number to at least twenty-five percent of the number of persons voting at the last preceding election to elect a district board member. The petition shall be filed with the election authority and the secretary of the district board of education, which petition shall contain a general statement of the grounds for which the removal is sought. The signatures to the petition need not all be appended to one paper, but each signer shall add to his signature his place of residence, giving the street and number. One of the signers of each such paper shall make oath before an officer competent to administer oaths that the statements therein made are true as he believes and that each signature to the paper appended is the genuine signature of the person whose name it purports to be.

(2) Within ten days from the date of filing such petition the election authority shall examine and ascertain whether said petition is signed by the requisite number of voters; and he shall attach to the petition his certificate, showing the result of the examination. If the petition is shown to be insufficient, it may be amended within ten days from the date of said certificate. The election authority shall, within ten days after such amendment, make like examination of the amended petition and, if his certificate shall show the same to be insufficient, it shall be returned to the person filing the same, without prejudice, however, to the filing of a new petition to the same effect. If the petition shall be deemed to be sufficient, the election authority shall submit the same to the district board without delay. If the petition shall be found to be sufficient, the district board shall order the question to be submitted to the voters of the district.

(3) If a majority of the voters vote in favor of retaining the member, he shall remain in office and shall not be subject to another recall election during his term of office except as provided in subsection 2 of this section. If a majority of voters vote to remove the member, his successor shall be chosen as provided in section 162.261, RSMo.

4. Under subdivision (5) of subsection 2 of this section, a district board of education may suspend indefinite contracts and issue probationary contracts to all certificated staff

in a school declared academically deficient. However, no such indefinite contract for any person may be suspended without providing the person an opportunity for a due process hearing, conducted according to the provisions of chapter 536, RSMo, and only after the school board demonstrates that the performance of the person's duties contributed to the school meeting the criteria for being declared academically deficient. The district board of any school which is declared academically deficient shall not issue new contracts or renew contracts to either the superintendent or the principal of the academically deficient school for a period of longer than one year. The provisions of other law to the contrary notwithstanding, a probationary teacher in a school declared academically deficient shall not be granted an indefinite contract until one year after such school is no longer determined to be academically deficient, and the probationary teacher meets all other requirements for permanent status required by law.

**5. In any school district whose graduation rate, as defined in section 163.011, RSMo, is below sixty-five percent, the district school board shall determine which schools in the district meet the criteria set forth under subsection 1 of this section as being academically deficient, based on the results of the assessment system developed pursuant to section 160.518, whether or not the state board of education has made a finding that the schools are academically deficient. With respect to any such school, notwithstanding any provision of state law or regulation, district rule or regulation, or contract, the school district board shall have the authority to suspend or terminate contracts of certificated staff, the principal and any administrators having responsibility for the school and to reconstitute the school with new teachers and administrative staff or to sponsor a charter school. The authority granted herein shall not preclude the district board from offering contracts to individual teachers or administrators as the board may deem appropriate. Any termination of a contract of an individual permanent teacher pursuant to this section shall be subject to the procedures of sections 168.114 to 168.120, RSMo.**

162.081. 1. Whenever any school district in this state fails or refuses in any school year to provide for the minimum school term required by section 163.021, RSMo, or is classified unaccredited for two successive school years by the state board of education, its corporate organization shall lapse. The corporate organization of any school district that is classified as unaccredited shall lapse on June thirtieth following the second such unaccredited classification. The territory theretofore embraced within any district that lapses pursuant to this section or any portion thereof, shall be attached to any district for school purposes by the state board of education; but no school district, except a district classified as unaccredited pursuant to section 163.023, RSMo, and section 160.538, RSMo, shall lapse where provision is lawfully made for the attendance of the pupils of the district at another school district that is classified as provisionally accredited or accredited by the state board of education.

2. **(1)** When any school district in this state shall lapse, prior to a determination by the state board of education to attach the territory of the district to any district for school purposes, the department of elementary and secondary education shall **appoint a special**

**administrative board to conduct a public hearing at a location in the school district that has lapsed for the purpose of recommending the reassignment of the territory within the district and to supervise the financial operations, maintain and preserve the financial assets and, if needed, continue operation of the educational programs within the former district. The special administrative board shall consist of two persons who are residents of the school district, who shall serve without compensation, and one experienced school administrator, who shall be compensated with funds from the district.** The purpose of the public hearing shall be to receive information from the voters of the school district that has lapsed pertaining to the school district or districts that should be considered to receive territory of said lapsed district or what provisions might otherwise be made in the best interest of the education of the children of the district.

**(2) The special administrative board may retain the authority granted to a board of education for the operation of the former school district under the laws of the state of Missouri in effect at the time of the notice of lapse. The authority of the special administrative board shall expire at the end of the third full school year following its appointment, unless extended by the state board.**

**(3) If the district has lapsed because it has been classified unaccredited for two successive school years, the special administrative board may take control of those schools within the district that, in its sole discretion, such board determines are causing or contributing to cause the failure to achieve accreditation and return the remaining schools to the control of the local board of education.**

**(4) In assuming authority over part or all of the lapsed school district, the special administrative board may on behalf of the state board of education act as a sponsor of one or more charter schools pursuant to sections 1 to 4 of this act. Any such charter schools and any charter schools sponsored by the district at the time of the board's appointment shall continue under the sponsorship of a successor school district or the state board of education following expiration of the special administrative board.**

**(5) The special administrative board shall, at the direction of the state board of education, make such study and recommendations as the state board may direct as to the reassignment of territory within the lapsed district. The state board of education may issue a decision establishing a new school district or districts, including governance structures which may provide for appointment of school boards of newly created districts or lapsed districts whose schools have been operated by the special administrative board, which shall take effect sixty days after the adjournment of the regular session of the general assembly next following the state board's decision unless a statute is enacted to nullify the state board's decision prior to such date.**



**(6) The special administrative board shall provide an accounting of all funds, assets and liabilities of the former district and transfer such funds, assets, and liabilities of the former district as determined by the state board of education.**

**(7) Upon recommendation of the special administrative board, the state board of education shall be authorized to assign the funds, assets and liabilities of the former district to another district or districts within the state. Upon assignment, all authority of the special administrative board shall transfer to the assigned districts.**

**(8) Neither the special administrative board nor any district or other entity assigned territory, assets or funds from a lapsed district shall be considered a successor entity for the purpose of employment contracts or unemployment compensation payment pursuant to section 288.110, RSMo.**

3. If additional teachers are needed by a district as a result of increased enrollment due to the annexation of territory of a lapsed or dissolved district, such district shall grant an employment interview to any permanent teacher of the lapsed or dissolved district upon the request of such permanent teacher.

**162.1060. 1. Any school district located in whole or in part in a county containing all or part of a city with a population in excess of three hundred thousand persons or in a county with a population in excess of nine hundred thousand persons or in a city not within a county, may accept and enroll non-resident students. A district that opts to accept and enroll such students shall be governed by the provisions of sections 162.1045 and 162.1049, RSMo, and guidelines developed by the state board of education. In no event shall a school district be required to enroll students beyond the physical capacity of the district as determined by its board of education. Notwithstanding the provisions of chapter 163, RSMo, to the contrary, for the purposes of determining state aid under this section, the district enrolling the student shall be entitled to receive the higher of the state aid that would be paid to the district if the student is counted as a resident pupil of the district, or the state aid that would otherwise be paid to the student's district of residence.**

163.011. As used in this chapter unless the context requires otherwise:

(1) "Adjusted gross income":

(a) "District adjusted gross income per return" shall be the total Missouri individual adjusted gross income in a school district divided by the total number of Missouri income tax returns filed from the school district as reported by the state department of revenue for the [second] **third** preceding year;

(b) "State adjusted gross income per return" shall be the total Missouri individual adjusted gross income divided by the total number of Missouri individual income tax returns, of those returns designating school districts, as reported by the state department of revenue for the [second] **third** preceding year;

(c) "District income factor" shall be one plus thirty percent of the difference of the district income ratio minus one, except that the district income factor applied to the portion of the assessed valuation corresponding to any increase in assessed valuation above the assessed valuation of a district as of December 31, 1994, shall not exceed a value of one;

(d) "District income ratio" shall be the ratio of the district adjusted gross income per return divided by the state adjusted gross income per return;

(2) "Average daily attendance" means the quotient or the sum of the quotients obtained by dividing the total number of hours attended in a term by resident pupils between the ages of five and twenty-one by the actual number of hours school was in session in that term. To the average daily attendance of the school term shall be added the full-time equivalent average daily attendance of summer school students. "Full-time equivalent average daily attendance of summer school students" shall be computed by dividing the total number of hours attended by all summer school pupils by the number of hours required in section 160.011, RSMo, in the school term. For purposes of determining average daily attendance under this subdivision, the term "resident pupil" shall include all children between the ages of five and twenty-one who are residents of the school district and who are attending kindergarten through grade twelve in such district. If a child is attending school in a district other than the district of residence and the child's parent is teaching in the school district which the child is attending, then such child shall be considered a resident pupil of the school district which the child is attending for such period of time when the district of residence is not otherwise liable for tuition. Average daily attendance for students below the age of five years for which a school district may receive state aid based on such attendance shall be computed as regular school term attendance unless otherwise provided by law;

**(3) "Current operating costs", all expenditures for instruction for grades kindergarten through 12 and support services excluding capital outlay and debt service expenditures less the revenue from food services, student activities and payments from other districts;**

[(3)] (4) "District's tax rate ceiling", the highest tax rate ceiling in effect subsequent to the 1980 tax year or any subsequent year. Such tax rate ceiling shall not contain any tax levy for debt service;

[(4)] (5) "Eligible pupils" shall be the sum of the average daily attendance of the school term plus the product of two times the average daily attendance for summer school;

[(5)] (6) "Equalized assessed valuation of the property of a school district" shall be determined by multiplying the assessed valuation of the real property subclasses specified in section 137.115, RSMo, times the percent of true value as adjusted by the department of elementary and secondary education to an equivalent sales ratio of thirty-three and one-third percent and dividing by either the percent of true value as determined by the

state tax commission on or before March fifteenth preceding the fiscal year in which the valuation will be effective as adjusted by the department of elementary and secondary education to an equivalent sales ratio of thirty-three and one-third percent or the average percent of true value for the highest three of the last four years as determined and certified by the state tax commission, whichever is greater. To the equalized locally assessed valuation of each district shall be added the assessed valuation of tangible personal property. The assessed valuation of property which has previously been excluded from the tax rolls, which is being contested as not being taxable and which increases the total assessed valuation of the school district by fifty percent or more, shall not be included in the calculation of equalized assessed valuation under this subdivision;

**(7) "Fiscal instructional ratio of efficiency" shall be the quotient of the sum of the district's current operating costs for all pre-kindergarten through grade twelve direct instructional and direct pupil support service functions, plus the cost of supplies for operation of the facilities housing those programs divided by the sum of the districts current operating cost for pre-kindergarten through grade twelve, plus all tuition revenue received from other districts and placed in the teachers' or incidental funds;**

[(6)] **(8) "Free and reduced lunch eligible pupil count", the average number of pupils eligible for free and reduced lunch on the last Wednesday in January for the second and third preceding school [year] years who were enrolled as students of the district, as approved by the department in accordance with applicable federal regulations;**

**(9) "Graduation rate", the quotient of the number of graduates in the current year as of June thirtieth divided by the sum of the number of graduates in the current year as of June thirtieth plus the number of twelfth-graders who dropped out in the current year plus the number of eleventh-graders who dropped out in the preceding year plus the number of tenth-graders who dropped out in the second preceding year plus the number of ninth-graders who dropped out in the third preceding year;**

[(7)] **(10) "Guaranteed tax base" means the amount of equalized assessed valuation per eligible pupil guaranteed each school district by the state in the computation of state aid. To compute the guaranteed tax base, school districts shall be ranked annually from lowest to highest according to the amount of equalized assessed valuation per pupil. The guaranteed tax base shall be based upon the amount of equalized assessed valuation per pupil of the school district in which the ninety-fifth percentile of the state aggregate number of pupils falls during the third preceding year and shall be equal to the average of the state average equalized assessed valuation per eligible pupil for the second and third preceding [year] years times two and one hundred and [sixty-seven] twelve thousandths. The average equalized assessed valuation per pupil shall be the quotient of the total equalized assessed valuation of the state divided by the number of eligible pupils;**

[(8)] (11) "Membership" shall be the average of (1) the number of resident full-time students and the full-time equivalent number of part-time students who were enrolled in the public schools of the district on the last Wednesday in September of the previous year and who were in attendance one day or more during the preceding ten school days and (2) the number of resident full-time students and the full-time equivalent number of part-time students who were enrolled in the public schools of the district on the last Wednesday in January of the previous year and who were in attendance one day or more during the preceding ten school days, plus the full-time equivalent number of summer school pupils. "Full-time equivalent number of part-time students" is determined by dividing the total number of hours for which all part-time students are enrolled by the number of hours in the school term. "Full-time equivalent number of summer school pupils" is determined by dividing the total number of hours for which all summer school pupils were enrolled by the number of hours required pursuant to section 160.011, RSMo, in the school term. Only students eligible to be counted for average daily attendance shall be counted for membership;

[(9)] (12) "Operating levy for school purposes" means the sum of tax rates levied for teachers and incidental funds in the payment year and shall be, after all adjustments and equalization of the operating levy, no less than the minimum value required in section 163.021 for eligibility for increases in state aid as calculated pursuant to section 163.031 and no greater than a maximum value of four dollars and sixty cents per one hundred dollars assessed valuation. To equalize the operating levy, multiply the aggregate tax rates for teachers, incidental, and building funds by either the percent of true value, as determined by the state tax commission on or before March fifteenth **of the second year** preceding the fiscal year in which the evaluation will be effective as adjusted by the department of elementary and secondary education to an equivalent sales ratio of thirty-three and one-third percent, or the average percent of true value for the highest three of the last four years as determined and certified by the state tax commission, whichever is greater, and divide by the percent of true value as adjusted by the department of elementary and secondary education to an equivalent sales ratio of thirty-three and one-third percent, provided that for any district for which the equivalent sales ratio is equal to or greater than thirty-three and one-third percent, the equalized operating levy shall be the adjusted operating levy. For any county in which the equivalent sales ratio is less than thirty-one and two-thirds percent, the state tax commission shall conduct a second study in that county and shall use a sample at least twice as large as the one originally used. If the new ratio is higher than the original ratio provided by this subdivision, the new ratio shall be used for the purposes of this subdivision and for determining equalized assessed valuation pursuant to subdivision (5) of this section. For the purposes of calculating state aid pursuant to section 163.031, for any district which has not enacted a voluntary tax rate rollback nor increased the amount of a voluntary tax rate rollback from the previous year's amount, the tax rate used to determine a district's entitlement shall be adjusted so that any decrease in the entitlement due to a decrease in the tax rate resulting from the reassessment shall equal the decrease in the deduction for the assessed valuation of the district as a result of the change in the tax rate due to reassessment. The tax rate adjustments required under this subdivision due to reassessment shall be cumulative and shall be applied each year to determine the tax rate used to calculate the entitlement;

except that whenever the actual current operating levy exceeds the tax rate calculated pursuant to this subdivision for the purpose of determining the district's entitlement, then the prior tax rate adjustments required under this subdivision due to reassessment shall be eliminated and shall not be applied in determining the tax rate used to calculate the district entitlement;

**(13) "Poverty concentration ratio" means the free and reduced lunch eligible pupil count for the third preceding year divided by the number of resident full-time students and the full-time equivalent number of part-time students who were enrolled in the public schools of the district on the last Wednesday in January of the third preceding year and who were in attendance on one day or more during the preceding ten school days, except that for any school district where the instructional fiscal efficiency ratio falls in excess of five percentage points below the state-wide average as determined by the department of elementary and secondary education, the poverty concentration ratio for that district shall be reduced by the number of percentage points that the district's instructional fiscal efficiency ratio is below the state-wide average;**

[(10)] **(14)** "School purposes" pertains to teachers and incidental funds;

[(11)] **(15)** "Teacher" means any teacher, teacher-secretary, substitute teacher, supervisor, principal, supervising principal, superintendent or assistant superintendent, school nurse, social worker, counselor or librarian who shall, regularly, teach or be employed for no higher than grade twelve more than one-half time in the public schools and who is certified under the laws governing the certification of teachers in Missouri;

[(12)] **(16)** "Adjusted operating levy", the sum of tax rates for the current year for teachers and incidental funds for a school district as reported to the proper officer of each county pursuant to section 164.011, RSMo[;

(13) "Current operating costs", all expenditures for instruction and support services excluding capital outlay and debt service expenditures less the revenue from federal categorical sources, food service, student activities and payments from other districts].

163.031. 1. School districts which meet the requirements of section 163.021 shall be entitled to an amount computed as follows: an amount determined by multiplying the number of eligible pupils by the district's equalized operating levy for school purposes as defined in section 163.011 multiplied by the guaranteed tax base per eligible pupil times the proration factor. For the purposes of this section, the proration factor shall be equal to the sum of the total appropriation for distribution under subsections 1 and 2 of this section; and the state total of the deductions as calculated in subsection 2 of this section which do not exceed the district entitlements as adjusted by the same proration factor; divided by the amount of the state total of district entitlements before proration as calculated pursuant to this subsection.

2. From the district entitlement for each district there shall be deducted the following amounts: an amount determined by multiplying the district equalized assessed valuation by the district's equalized operating levy for school purposes times the district income factor; one hundred percent of the **average** amount received the [previous year] **second and third preceding years** for school purposes from intangible taxes, fines, forfeitures and escheats, payments in lieu of taxes and receipts from state assessed railroad and utility tax, [except that any penalty paid after July 1, 1995, by a concentrated animal feeding operation as defined by the department of natural resources rule shall not be included;] one hundred percent of the **average** amounts received the [previous year] **second and third preceding years** for school purposes from federal properties pursuant to sections 12.070 and 12.080, RSMo; **the average amount of** federal impact aid received the [previous year] **second and third preceding years** for school purposes pursuant to P.L. 81-874 less fifty thousand dollars multiplied by ninety percent or the maximum percentage allowed by federal regulation if that percentage is less than ninety; fifty percent, or the percentage otherwise provided in section 163.087, of Proposition C revenues received [the previous year] **based on an average of the second and third preceding years** for school purposes from the school district trust fund pursuant to section 163.087; one hundred percent of the **average** amount received the [previous year] **second and third preceding years** for school purposes from the fair share fund pursuant to section 149.015, RSMo; and one hundred percent of the **average** amount received the [previous year] **second and third preceding years** for school purposes from the free textbook fund, pursuant to section 148.360, RSMo.

3. School districts which meet the requirements of section 163.021 shall receive categorical add-on revenue as provided in this subsection. There shall be individual proration factors for each categorical entitlement provided for in this subsection, and each proration factor shall be determined by annual appropriations, but no categorical proration factor shall exceed the entitlement proration factor established pursuant to subsection 1 of this section, except that the vocational education entitlement proration factor established pursuant to line 16 of subsection 6 of this section and the educational and screening program entitlements proration factor established pursuant to line 17 of subsection 6 of this section may exceed the entitlement proration factor established pursuant to subsection 1 of this section **and provided that the proration factor for line 14(b) shall be set as needed to ensure that the total annual payments pursuant to line 14(b) are no greater than the amount of savings in desegregation payments under section 166.275 for the current year as compared to fiscal year 1997.** The categorical add-on for the district shall be the sum of: seventy-five percent of the district allowable transportation costs pursuant to section 163.161 multiplied by the proration factor; the special education approved or allowed cost entitlement for the district, provided for by section 162.975, RSMo, multiplied by the proration factor; seventy-five percent of the district gifted education approved or allowable cost entitlement as determined pursuant to section 162.975, RSMo, multiplied by the proration factor; the free and reduced lunch eligible pupil count for the district, as defined in section 163.011, multiplied by twenty percent **plus the greater of zero or the following quantity: (the district graduation rate minus five percent minus the statewide average graduation rate)** times the guaranteed tax base per eligible pupil times the minimum value for an

operating levy for school purposes as provided in section 163.011 times the proration factor; **for districts with poverty concentration ratios greater than seventy percent, the free and reduced lunch eligible pupil count for the district, as defined in section 163.031 times the following quantity: (the poverty concentration ratio minus twenty percent minus (the statewide average fiscal instructional ratio of efficiency minus the district's fiscal instructional ratio of efficiency, if the district's fiscal instructional ratio of efficiency is at least five percent below the statewide average, or zero, otherwise)) times the guaranteed tax base per eligible pupil times the minimum value for an operating levy for school purposes as provided in section 163.011 x proration, minus court-ordered state desegregation aid received by the district for operating purposes, and for districts with poverty concentration ratios greater than twenty percent and less than seventy percent, the free and reduced lunch eligible pupil count for the district, as defined in section 163.031 times the following quantity: (the poverty concentration ratio minus twenty percent) times the poverty concentration ratio times the guaranteed tax base per eligible pupil times the minimum value for an operating levy for school purposes as provided in section 163.011 x proration, minus court-ordered state desegregation aid received by the district for operating purposes;** the career ladder entitlement for the district, as provided for in sections 168.500 to 168.515, RSMo, multiplied by the proration factor; the vocational education entitlement for the district, as provided for in section 167.332, RSMo, multiplied by the proration factor and the district educational and screening program entitlements as provided for in sections 178.691 to 178.699, RSMo, times the proration factor.

4. Each district's apportionment shall be the prorated categorical add-ons plus the greater of the district's prorated entitlement minus the total deductions for the district or zero.

5. (1) In the 1993-94 school year and all subsequent school years, pursuant to section 10(c) of article X of the state constitution, a school district shall adjust upward its operating levy for school purposes to the extent necessary for the district to at least maintain the current operating expenditures per pupil received by the district from all sources in the 1992-93 school year, except that its operating levy for school purposes shall not exceed the highest tax rate in effect subsequent to the 1980 tax year, or the minimum rate required by subsection 2 of section 163.021, whichever is less.

(2) Beginning with the 1993-94 school year, the revenue per eligible pupil received by a district from the following sources: line 1 minus line 10, or zero if line 1 minus line 10 is less than zero, plus line 14 of subsection 6 of this section; plus the product of the current assessed valuation of the district multiplied by the following tax rate - the greater of zero or the minimum rate required by subsection 2 of section 163.021 minus the district's equalized operating levy for school purposes for 1993, shall not be less than the revenue per eligible pupil received by a district in the 1992-93 school year from the foundation formula entitlement payment amount. The department of elementary and secondary education shall make an addition in the payment amount of line 19 of

subsection 6 of this section to assure compliance with the provisions contained in this section.

(3) For any school district which meets the eligibility criteria for state aid as established in section 163.021, but which under subsections 1 to 4 of this section, receives no state aid for two successive school years, other than categorical add-ons, by August first following the second such school year, the commissioner of education shall present a plan to the superintendent of the school district for the waiver of rules and the duration of said waivers, in order to promote flexibility in the operations of the district and to enhance and encourage efficiency in the delivery of instructional services. The provisions of other law to the contrary notwithstanding, the plan presented to the superintendent shall provide a summary waiver, with no conditions, for the pupil testing requirements pursuant to section 160.257, RSMo. Further, the provisions of other law to the contrary notwithstanding, the plan shall detail a means for the waiver of requirements otherwise imposed on the school district related to the authority of the state board of education to classify school districts pursuant to section 161.092, RSMo, and such other rules as determined by the commissioner of education, except that such waivers shall not include the provisions established pursuant to sections 160.514 and 160.518, RSMo.

(4) In the 1993-94 school year and each school year thereafter for two years, those districts which are entitled to receive state aid under subsections 1 to 4 of this section, shall receive state aid in an amount per eligible pupil as provided in this subsection. For the 1993-94 school year, the amount per eligible pupil shall be twenty-five percent of the amount of state aid per eligible pupil calculated for the district for the 1993-94 school year pursuant to subsections 1 to 4 of this section plus seventy-five percent of the total amount of state aid received by the district from all sources for the 1992-93 school year for which the district is entitled and which are distributed in the 1993-94 school year pursuant to subsections 1 to 4 of this section. For the 1994-95 school year, the amount per eligible pupil shall be fifty percent of the amount of state aid per eligible pupil calculated for the district for the 1994-95 school year pursuant to subsections 1 to 4 of this section plus fifty percent of the total amount of state aid received by the district from all sources for the 1992-93 school year for which the district is entitled and which are distributed in the 1994-95 school year pursuant to subsections 1 to 4 of this section. For the 1995-96 school year, the amount of state aid per eligible pupil shall be seventy-five percent of the amount of state aid per eligible pupil calculated for the district for the 1995-96 school year pursuant to subsections 1 to 4 of this section plus twenty-five percent of the total amount of state aid received by the district from all sources for the 1992-93 school year for which the district is entitled and which are distributed in the 1995-96 school year pursuant to subsections 1 to 4 of this section. Nothing in this subdivision shall be construed to limit the authority of a school district to raise its district operating levy pursuant to subdivision (1) of this subsection.

(5) If the total of state aid apportionments to all districts pursuant to subdivision (3) of this subsection is less than the total of state aid apportionments calculated pursuant to subsections 1 to 4 of this section, then the difference shall be deposited in the outstanding schools trust fund. If the total of state aid apportionments to all districts pursuant to



subdivision (1) of this subsection is greater than the total of state aid apportionments calculated pursuant to subsections 1 to 4 of this section, then funds shall be transferred from the outstanding schools trust fund to the state school moneys fund to the extent necessary to fund the district entitlements as modified by subdivision (4) of this subsection for that school year with a district entitlement proration factor no less than one and such transfer shall be given priority over all other uses for the outstanding schools trust fund as otherwise provided by law.

6. State aid shall be determined as follows:

District Entitlement

1. Number of eligible pupils x (district's equalized operating levy for school purposes) x (proration x GTB per EP)..... \$.....

Deductions

2. District equalized assessed valuation

x district income factor x district's

equalized operating levy for school purposes .... \$..... 3. Intangible taxes, fines, forfeitures, escheats,

payments in lieu of taxes, etc. (100% of the

**average** amount received the [previous year]

**second and third preceding years** for

school purposes) ..... \$..... 4. Receipts from state assessed

railroad and utility tax (100% of

the **average** amount received the [previous

year] **second and third preceding years** for

school purposes) ..... \$..... 5. Receipts from federal properties

pursuant to sections 12.070 and

12.080, RSMo (100% of the **average** amount

received the [previous year] **second and third**

**preceding years** for school purposes) ..... \$. ..... 6. (**The average amount of federal impact aid received**

the [previous year] **second and third preceding**

**years** for school purposes pursuant to P.L. 81-874

less \$50,000) x 90% or the maximum percentage allowed

by federal regulations if less than 90% ..... \$. ..... 7. Fifty percent or the percentage otherwise

provided in section 163.087 of Proposition C

receipts from the school district trust fund

received [the previous year] **based on an average of**

**the second and third preceding years** for school

purposes pursuant to section 163.087, RSMo ..... \$. ..... 8. One hundred percent of the **average** amount received

the [previous year] **second and third preceding years**

for school purposes from the fair share fund

pursuant to section 149.015, RSMo ..... \$. ..... 9. One hundred percent of the **average** amount received

the [previous year] **second and third preceding years**

for school purposes from the free textbook fund

pursuant to section 148.360, RSMo ..... \$. ..... 10. Total deductions (sum of lines 2-9) ..... \$. .....

Categorical Add-ons

11. The amount distributed pursuant to section

163.161 x proration ..... \$. .....

12. Special education approved or allowed cost

entitlement for the district pursuant to section  
162.975, RSMo, x proration ..... \$.....

13. Seventy-five percent of the gifted education  
approved or allowable cost entitlement as  
determined pursuant to section  
162.975, RSMo, x proration ..... \$.....

[14.] **14(a).** Free and reduced lunch eligible pupil  
count for the district, as defined in section  
163.011, RSMo, x (.20 **plus the greater of 0 or**  
**(the district graduation rate minus .05 minus the**  
**statewide average graduation rate) x GTB per EP x**  
the minimum value for an operating levy for school  
purposes as provided in section 163.011 x  
proration ..... \$.....

**14(b). For districts with poverty concentration ratios**  
**greater than twenty percent, free and reduced lunch**  
**eligible pupil count for the district, as defined in**  
**section 163.031 x (poverty concentration ratio minus**  
**20% minus (the statewide average fiscal instructional**  
**ratio of efficiency minus the district's fiscal**  
**instructional ratio of efficiency, if the district's**  
**fiscal instructional ratio of efficiency is at least**  
**five percent below the statewide average, or zero,**

otherwise)) x GTB per EP x the minimum value for an operating levy for school purposes as provided in section 163.011 x proration, minus court-ordered state desegregation aid for operating purposes, and for districts with poverty concentration ratios greater than twenty percent and less than seventy percent, the free and reduced lunch eligible pupil count for the district, as defined in section 163.031 x (the poverty concentration ratio minus 20%) x (poverty concentration ratio) x GTB per EP x the minimum value for an operating levy for school purposes as provided in section 163.011 x proration, minus court-ordered state desegregation aid received

by the district for operating purposes ..... \$...... 15. Career ladder entitlement for the district

as provided for in sections 168.500 to

168.515, RSMo, x proration ..... \$...... 16. Vocational education entitlements for

the district as provided in section 167.332,

RSMo, x proration ..... \$...... 17. Educational and screening program entitlements

for the district as provided in sections 178.691

to 178.699, RSMo, x proration ..... \$...... 18. Sum of categorical add-ons for the district

(sum of lines 11-17)..... \$...... 19. District apportionment (line 18 plus the greater of

line 1 minus line 10 or zero) ..... \$.....

7. Revenue received for school purposes by each school district pursuant to this section shall be placed in each of the incidental and teachers' funds based on the ratio of the property tax rate in the district for that fund to the total tax rate in the district for the two funds.

163.036. 1. In computing the amount of state aid a school district is entitled to receive under section 163.031, a school district may use **the average number of eligible pupils for the third and second preceding years**, an estimate of the number of eligible pupils for the ensuing year or the number of eligible pupils for the immediately preceding year whichever is greater. Any error made in the apportionment of state aid because of a difference between the actual number of eligible pupils and the estimated number of eligible pupils shall be corrected as provided in section 163.091, except that if the amount paid to a district estimating eligible pupils exceeds the amount to which the district was actually entitled by more than five percent, interest at the rate of six percent shall be charged on the excess and shall be added to the amount to be deducted from the district's apportionment the next succeeding year.

2. Notwithstanding the provisions of subsection 1 of this section or any other provision of law, the state board of education shall make an adjustment for the immediately preceding year for any increase in the actual number of eligible pupils above the number on which the state aid in section 163.031 was calculated. Said adjustment shall be made in the manner providing for correction of errors under subsection 1 of this section.

165.011. 1. The following funds are created for the accounting of all school moneys: teachers' fund, incidental fund, free textbook fund, capital projects fund and debt service fund. The treasurer of the school district shall open an account for each fund specified in this section, and all moneys received from the county school fund and all moneys derived from taxation for teachers' wages shall be placed to the credit of the teachers' fund. All tuition fees, state moneys received under sections 162.975, RSMo, and 163.031, RSMo, and all other moneys received from the state except as herein provided shall be placed to the credit of the teachers' and incidental funds at the discretion of the district board of education. Money received from other districts for transportation, and money derived from taxation for incidental expenses shall be credited to the incidental fund. Money apportioned for free textbooks shall be credited to the free textbook fund. All money derived from taxation or received from any other source for the erection of buildings or additions thereto and the remodeling or reconstruction of buildings and the furnishing thereof, for the payment of lease purchase obligations, for the purchase of real estate, or from sale of real estate, schoolhouses or other buildings of any kind, or school furniture, from insurance, from sale of bonds other than refunding bonds shall be placed to the credit of the capital projects fund. All moneys derived from the sale or lease of sites, buildings, facilities, furnishings and equipment by a school district as authorized under section 177.088, RSMo, shall be credited to the capital projects fund. Money derived from taxation for the retirement of bonds and the payment of interest thereon shall be

credited to the debt service fund which shall be maintained as a separate bank account. Receipts from delinquent taxes shall be allocated to the several funds on the same basis as receipts from current taxes, except that where the previous years' obligations of the district would be affected by such distribution, the delinquent taxes shall be distributed according to the tax levies made for the years in which the obligations were incurred. All refunds received shall be placed to the credit of the fund from which the original expenditures were made. Money donated to the school districts shall be placed to the credit of the fund where it can be expended to meet the purpose for which it was donated and accepted. Money received from any other source whatsoever shall be placed to the credit of the fund or funds designated by the board.

2. The school board may expend from the incidental fund the sum that is necessary for the ordinary repairs of school property and an amount not to exceed the sum of expenditures for classroom instructional capital outlay, as defined by the department of elementary and secondary education by rule, in state-approved area vocational-technical schools and .06 dollars per one hundred dollars equalized assessed valuation multiplied by the guaranteed tax base for the second preceding year multiplied by the number of resident and nonresident eligible pupils educated in the district for the second preceding year for classroom instructional capital outlay, including but not limited to payments authorized pursuant to section 177.088, RSMo. Any and all payments authorized under section 177.088, RSMo, except as otherwise provided in this subsection, for the purchase or lease of sites, buildings, facilities, furnishings and equipment and all other expenditures for capital outlay shall be made from the capital projects fund. If a balance remains in the free textbook fund after books are furnished to pupils as provided in section 170.051, RSMo, it shall be transferred to the teachers' fund. The board may transfer the portion of the balance remaining in the incidental fund to the teachers' fund that is necessary for the total payment of all contracted obligations to teachers. If a balance remains in the debt service fund, after the total outstanding indebtedness for which the fund was levied is paid, the board may transfer the unexpended balance to the capital projects fund. If a balance remains in the bond proceeds after completion of the project for which the bonds were issued, the balance shall be transferred from the incidental or capital projects fund to the debt service fund. After making all placements of interest otherwise provided by law, a school district may transfer from the capital projects fund to the incidental fund the interest earned from undesignated balances in the capital projects fund. **A school district may borrow from one of the following funds: teachers' fund, incidental fund or capital projects fund, as necessary to meet obligations in another of those funds; provided that the full amount is repaid to the lending fund within the same fiscal year.**

3. Tuition shall be paid from either the teachers' or incidental funds.

4. Other provisions of law to the contrary notwithstanding, the school board of a school district that satisfies the criteria specified in subsection 5 of this section may transfer from the incidental fund to the capital projects fund an amount not to exceed the greater of zero or the sum of .18 dollars per one hundred dollars equalized assessed valuation multiplied by the guaranteed tax base for the second preceding year multiplied

by the number of resident and nonresident eligible pupils educated in the district for the second preceding year and the amount to be expended for transportation equipment that is considered an allowable cost under state board of education rules for transportation reimbursements during the current year and any amount necessary to satisfy obligations of the capital projects fund for state-approved area vocational-technical schools and an amount not to exceed .06 dollars per one hundred dollars equalized assessed valuation multiplied by the guaranteed tax base for the second preceding year multiplied by the number of resident and nonresident eligible pupils educated in the district for the second preceding year less any amount transferred pursuant to subsection 7 of this section, provided that any amount transferred pursuant to this subsection shall only be transferred as necessary to satisfy obligations of the capital projects fund less any amount expended from the incidental fund for classroom instructional capital outlay pursuant to subsection 2 of this section. For the purposes of this subsection, the guaranteed tax base and a district's count of resident and nonresident eligible pupils educated in the district shall not be less than their respective values calculated from data for the 1992-93 school year.

5. In order to transfer funds pursuant to subsection 4 of this section, a school district shall:

(1) Meet the minimum criteria for state aid and for increases in state aid for the current year established pursuant to section 163.021, RSMo;

(2) Not incur a total debt, including short-term debt and bonded indebtedness in excess of ten percent of the guaranteed tax base for the preceding payment year multiplied by the number of resident and nonresident eligible pupils educated in the district in the preceding year;

(3) Set tax rates pursuant to section 164.011, RSMo;

(4) First apply any voluntary rollbacks or reductions to the total tax rate levied to the teachers' and incidental funds;

(5) In order to be eligible to transfer funds for paying lease purchase obligations:

(a) Incur such obligations prior to January 1, 1997;

(b) Limit the term of such obligations to no more than twenty years;

(c) Limit annual installment payments on such obligations to an amount no greater than the amount of the payment for the first full year of the obligation, including all payments of principal and interest, except that the amount of the final payment shall be limited to an amount no greater than two times the amount of such first-year payment;

(d) Limit such payments to leasing nonathletic, classroom, instructional facilities as defined by the state board of education through rule; and

(e) Not offer instruction at a higher grade level than was offered by the district on July 12, 1994.

6. A school district shall be eligible to transfer funds pursuant to subsection 7 of this section if:

(1) Prior to August 28, 1993:

(a) The school district incurred an obligation for the purpose of funding payments under a lease purchase contract authorized under section 177.088, RSMo;

(b) The school district notified the appropriate local election official to place an issue before the voters of the district for the purpose of funding payments under a lease purchase contract authorized under section 177.088, RSMo; or

(c) An issue for funding payments under a lease purchase contract authorized under section 177.088, RSMo, was approved by the voters of the district; or

(2) Prior to November 1, 1993, a school board adopted a resolution authorizing an action necessary to comply with subsection 9 of section 177.088, RSMo. Any increase in the operating levy of a district above the 1993 tax rate resulting from passage of an issue described in paragraph (b) of subdivision (1) of this subsection shall be considered as part of the 1993 tax rate for the purposes of subsection 1 of section 164.011, RSMo.

7. Prior to transferring funds pursuant to subsection 4 of this section, a school district may transfer, pursuant to this subsection, from the incidental fund to the capital projects funds an amount as necessary to satisfy an obligation of the capital projects fund that satisfies at least one of the conditions specified in subsection 6 of this section, but not to exceed its payments authorized under section 177.088, RSMo, for the purchase or lease of sites, buildings, facilities, furnishings, equipment, and all other expenditures for capital outlay, plus the amount to be expended for transportation equipment that is considered an allowable cost under state board of education rules for transportation reimbursements during the current year plus any amount necessary to satisfy obligations of the capital projects fund for state-approved area vocational- technical schools. A school district with a levy for school purposes no greater than the minimum levy specified in section 163.021, RSMo, and an obligation in the capital projects fund that satisfies at least one of the conditions specified in subsection 6 of this section, may transfer from the incidental fund to the capital projects fund the amount necessary to meet the obligation plus the transfers pursuant to subsection 4 of this section.

8. Beginning in the 1995-96 school year, the department of elementary and secondary education shall deduct from a school district's state aid calculated pursuant to section 163.031, RSMo, an amount equal to the amount of any transfer of funds from the incidental fund to the capital projects fund performed during the previous year in violation of this section.



9. On or before June 30, 1995, a school district may transfer to the capital projects fund from the balances of the teachers' and incidental funds any amount, but only to the extent that the teachers' and incidental fund unrestricted balances on June 30, 1995, are equal to or greater than eight percent of expenditures from the teachers' and incidental funds for the year ending June 30, 1995.

165.111. 1. The school board of each district, for any year for which it does not cause an audit to be performed by October thirty-first after the close of the school year, shall make and publish, not later than September first, in some newspaper as described in section 493.050, RSMo, published in the school district, and if there is none then in some newspaper of general circulation within the district, a statement of all receipts of school moneys, when and from what source derived, and all expenditures, and on what account; also, the present indebtedness of the district and its nature, and the rate of taxation for all purposes for the year. The statement shall be duly attested by the president and secretary of the board, and the secretary shall forward a copy to the state board of education on forms prescribed by the board.

2. The state board of education shall not release the state aid apportioned to the district for the next ensuing school year until a copy of the [required] statement **required under subsection 1 of this section** has been received at its office in Jefferson City and has been approved by it. Any school board which fails, refuses or neglects to order the statement to be made, and any officer of the board who fails, refuses, or neglects to prepare, publish and forward the statement, as required by **subsection 1 of this section**, when ordered by the board, is guilty of a misdemeanor and punishable by a fine not to exceed one hundred dollars. Annual or biennial audit summaries shall be published according to section 165.121.

**3. Annually the school board of each school district shall approve and publish a budget for the district. Any approved budget shall be an open and public record and shall be prepared and approved during open and public meetings of the school board. In addition to the budget requirements of sections 67.010 to 67.110, RSMo, the budget approved by a school board shall:**

**(1) Itemize budgeted current operating cost in total and per pupil for each school site operated, specify the percent of total current operating cost expended directly at school sites and specify the district's fiscal instructional ratio of efficiency;**

**(2) Summarize budgeted receipts, expenditures, restricted and unrestricted fund balances, fund transfers and indebtedness in a form identical to the annual report required in section 162.821, RSMo;**

**(3) Include calculation of budgeted current operating cost and the budgeted percentage of current operating cost expended for tuition, teacher retirement and compensation of certificated staff;**

**(4) Include a capital acquisitions schedule detailing all budgeted expenditures of this type;**

**(5) Include calculation of the amount of fund balance required to avoid tax anticipation borrowing for the incidental and teachers funds based on an analysis of revenues received, transferred and expended during each month of the second preceding fiscal year.**

**4. If the district budget is amended during the fiscal year, revised summaries of the district budget required in subsection 3 of this section shall be published at least quarterly.**

**5. Failure of a school district board to comply with subsections 3 and 4 of this section shall constitute a violation of section 162.091, RSMo, by the board members and school officials involved.**

165.121. 1. The school board of each six-director district shall cause an audit examination to be made at least biennially of all financial, transportation and attendance records of the districts. Such examination shall be made in accordance with generally accepted auditing standards applicable in the circumstances, including such reviews and tests of the system of internal check and control and of the books, records and other underlying data as are necessary to enable the independent accountant performing the audit to come to an informed opinion as to the financial affairs (including attendance and transportation transactions) of the district. An independent auditor who is not regularly engaged as an employee of the school board shall perform the audit and make a written report of his findings.

2. The board shall supply each member thereof with a copy of the report and in addition shall furnish one copy each to the state department of elementary and secondary education and to the superintendent of schools of the county in which the district is located. The cost of the audit and report shall be paid for out of the incidental fund of the district.

3. The report shall contain the following information:

(1) A statement of the scope of examination;

(2) The auditor's opinion as to whether the audit was made in accordance with generally accepted auditing standards applicable in the circumstances;

(3) The auditor's opinion as to whether the financial statements included in the audit report present fairly the results of the operations during the period audited;

(4) The auditor's opinion as to whether the financial statements accompanying the audit report were prepared in accordance with generally accepted accounting principles applicable to school districts;

(5) The reason or reasons an opinion is not rendered with respect to items (3) and (4) in the event the auditor is unable to express an opinion with respect thereto;

(6) The auditor's opinion as to whether the district's budgetary and disbursement procedures conform to the requirements of chapter 67, RSMo, and **section 165.111**;

(7) The auditor's opinion as to whether attendance and transportation records are so maintained by the district as to disclose accurately average daily attendance and average daily transportation of pupils during the period of the audit;

(8) Financial statements presented in such form as to disclose the operations of each fund of the school district and a statement of the operations of all funds;

**(9) The auditor's opinion as to whether salary and compensation amounts reported to teacher and school employee retirement systems established pursuant to chapter 169, RSMo, were accurately reported. This opinion shall be based on a comparison of district payroll records with retirement system records;**

**(10) The auditor's opinion as to whether the record of school district receipts indicates compliance with section 168.151, RSMo.**

4. The school board shall furnish the state department of elementary and secondary education with its copy of the audit report not later than October thirty-first following the close of the fiscal period covered by the audit unless, for good cause shown prior to such date, the commissioner of education or some officer of the department of elementary and secondary education designated by him for this purpose grants an extension of time, not to exceed sixty additional days, for the filing of the report. In the event the report in the approved form is not filed within the period or extension thereof, further state aid to the district shall thereafter be withheld until the audit report has been received by the department of elementary and secondary education.

5. Within thirty days of the receipt of the audit report the school board shall cause a summary of the report to be prepared which shall include, together with any other matter the board deems appropriate, the following:

(1) A summary statement of fund balances and receipts and disbursements by major classifications of each fund and all funds;

(2) A summary statement of the scope of the audit examination;

(3) The auditor's opinion on the financial statements included in the audit report. Immediately upon the completion of the summary, the school board shall cause it to be published once in a newspaper within the county in which all or a part of the district is located which has general circulation within the district or, if there is none, then the board shall cause the summary to be posted in at least five public places within the district. The publication shall contain information as to where the audit report is available for

inspection and examination. The report shall be kept available for such purposes thereafter.

166.260. **1.** There is hereby created the "Children At-Risk in Education Program" which shall be administered by the commissioner of education. The program shall be funded by moneys provided to school districts pursuant to line 14(a) of subsection 6 of section 163.031, RSMo, and used solely as determined by local boards of education for: reductions of class size **below the desired sizes recommended for grades kindergarten through eight pursuant to subsection 9 of section 161.092, RSMo**, in schools containing high concentrations of children who are least advantaged or who have specially identified educational needs according to rule and regulation of the state board of education; or the following:

(1) The program of half-day instruction for developmentally delayed and at-risk children established pursuant to section 167.260, RSMo;

(2) The program to provide teacher assistants in grades kindergarten through three established pursuant to section 167.263, RSMo;

(3) The program to provide guidance counselors in grades kindergarten through nine established pursuant to section 167.265, RSMo;

(4) The programs for pupils at risk of becoming high school dropouts established pursuant to section 167.270, RSMo, including specialized courses of instruction, alternative education programs for pregnant teens and teen mothers and supplemental services for teen mothers;

(5) The program of **direct** support services to pupils identified as having a high risk of dropping out of school established pursuant to section 167.280, RSMo;

(6) The program of professional development committees for in-service training on teaching children identified as at risk of failing in school pursuant to section 168.400, RSMo;

(7) A program to contract for mental health services to meet the needs of children who are identified as being at risk of failing school as a result of emotional or environmental factors. Eligible contractors shall be approved by the department of mental health;

(8) The program of special education and other special services for at-risk and handicapped children in grades kindergarten through third grade emphasizing prevention and early intervention, rather than remediation, known as the "Success for All Program"; and

(9) Other programs as approved by the commissioner of education that are exclusively targeted to provide educational services for students who are least advantaged or who have specially identified educational needs.

**2. The "Children At-Risk in Education Program" shall be funded in part by monies provided to school districts pursuant to line 14(b) of subsection 6 of section 163.031, RSMo. The requirements of this subsection shall apply only to those districts receiving an amount in excess of one hundred thousand dollars for a budget year pursuant to line 14(b). School districts otherwise eligible to receive monies pursuant to line 14(b) must submit, biannually, a personnel assignment plan detailing how each student will have contact with tutors and teachers in small group settings in elementary and middle schools, and with counselors for multiple years in secondary schools. A personnel assignment plan must be approved by the department of elementary and secondary education before a district can receive line 14(b) revenue.**

166.300. 1. As used in this section, the following words and phrases shall mean:

(1) "Capital improvement projects", expenditures for lands or existing buildings, improvements of grounds, construction of buildings, additions to buildings, remodeling of buildings and initial equipment purchases;

(2) "School facility", a structure dedicated primarily to housing teachers and students in the instructional process, but shall not include buildings dedicated primarily to administrative and support functions within the school.

2. There is hereby created a revolving fund to be known as the "School Building Revolving Fund". **All riverboat gaming revenues in excess of those appropriated to fund lines 1 through 10 of the state school aid formula established in subsection 6 of section 163.031, RSMo and** such moneys as may be appropriated to the fund shall be deposited into the school building revolving fund. After a fund balance has been established by prior years' deposits and interest, school districts may submit requests for loans [and grants] from the revolving fund for specific projects consistent with rules and regulations of the state board of education and subsection 3 of this section, except that no school district may be permitted to receive a loan from the school building revolving fund without first submitting a long-range capital improvements plan.

3. To be eligible for loans [or grants] authorized by this section:

(1) A school district shall meet the minimum criteria for state aid and for increases in state aid established pursuant to section 163.021, RSMo;

(2) A school district shall provide a program which is accredited by the state board of education for grades kindergarten through twelve; [and]

(3) **The sum of the school district's current bonded indebtedness plus the school district's loan request shall be greater than ten percent of the assessed valuation of the district; and**

(4) A school district shall not incur a total debt, including short-term debt, **lease purchases authorized by section 177.088, RSMo, obligations to the school building revolving fund** and bonded indebtedness in excess of ten percent of the guaranteed tax base for the current payment year multiplied by the number of eligible pupils in the district in the preceding year.

4. If the balance in the school building revolving fund is insufficient to fund project plans for capital improvements, applications shall be funded based upon a priority ranking. Ranking of [the] **allowable projects for offering of credit** shall be [based upon the following variables] **done in the following order with the highest ranking district served first:**

(1) [A rating of provisionally accredited or unaccredited as determined by the state board of education pursuant to section 161.092, RSMo, based upon the condition and adequacy of facilities pursuant to section 163.023, RSMo, and section 160.538, RSMo] **Districts with capital replacement costs in excess of insurance proceeds due to facility destruction caused by fire or natural disaster shall be ranked on the basis of percentage of bonding capacity;**

(2) [Equalized assessed valuation per eligible pupil] **Districts shall be rank ordered based on their percentage growth in fall membership for the fifth through the third preceding years beginning with the highest percentage district and ending with the lowest percentage district in excess of twelve percent;**

(3) [Increasing enrollment] **Districts shall be rank ordered based on their percentage growth in fall membership during the thirteenth through the third preceding years beginning with the largest percentage district and ending with the lowest percentage district in excess of twenty percent; and**

(4) [Age or condition of facility; and] **For all other districts not qualifying under subdivisions (1), (2) or (3), school buildings in active student use shall be rank ordered based on date of construction or last renovation beginning with the earliest date.**

**Any ties in ranked orders based on subdivision (2), (3) or (4) shall be broken with higher ranks given to districts with higher percentages of bonding capacity obligated.**

[(5) Building destruction due to fire or natural disaster.]

5. The state board of education shall promulgate, by rule, the methodology for prioritizing projects based upon [these variables] **subsection 4 of this section. When building replacement is caused by fire or natural disaster the requirement for a school district to have a long-range capital improvements plan may be waived by the state board of education.**

**6. Each school district receiving a loan from the school building revolving fund shall repay such loan, with interest, if required, in no more than ten annual payments made on or before June 30 of the first full fiscal year after receipt of loan proceeds. School districts shall make loan payments from revenues raised in the debt service fund to the department of elementary and secondary education after the board of education has placed sufficient tax rate in that fund. Loan payments shall be immediately deposited to the school building revolving fund by the department.**

**7. Any school district which fails to obligate the full amount of a loan from the school building revolving fund for the allowable project must return the unobligated amount plus interest earned to the department no later than June 30 of the second full fiscal year after receipt of loan proceeds.**

**8. If a school district fails to make an annual payment to the school building revolving fund after notice of non-payment by the department, members of the board of education and the school district's superintendent shall have violated section 162.091, RSMo, and the attorney general of the state of Missouri shall be notified by the state board of education to begin prosecution procedures.**

**9. All property purchased with loans from the school building revolving fund shall remain the property of the state until such time as the loan has been fully repaid pursuant to this section. If a school district fails to make an annual payment to the school building revolving fund after notice of non-payment by the department, the state board of education may, if the delinquency exceeds one hundred and eighty days, take possession of the property and use the property to establish a charter school pursuant to sections 1 to 4 of this act.**

**10. Notwithstanding the provisions of section 33.080, RSMo, to the contrary, moneys in the school building revolving fund shall not be transferred to the credit of the general revenue fund at the end of the biennium. All yield, interest, income, increment or gain received from time deposit of moneys in the state treasury to the credit of the fund shall be credited by the state treasurer to the fund.**

167.131. 1. The board of education of each district in this state that does not maintain an accredited school pursuant to the authority of the state board of education to classify schools as established in section 161.092, RSMo, shall pay the tuition of and provide transportation consistent with the provisions of section 167.241, RSMo, for each pupil resident therein who attends an accredited school in another district of the same or an adjoining county.

2. The rate of tuition to be charged by the district attended and paid by the sending district [is] **shall be the lesser of:**

**(1) The product of the equalized, adjusted operating levy for school purposes of the sending district times the guaranteed tax base per eligible pupil for the current payment year; or**

(2) The per pupil cost of maintaining the district's grade level grouping which includes the school attended. The cost of maintaining a grade level grouping shall be determined by the board of education of the district but in no case shall it exceed all amounts spent for teachers' wages, incidental purposes, debt service, maintenance and replacements. The term "debt service", as used in this section, means expenditures for the retirement of bonded indebtedness and expenditures for interest on bonded indebtedness. Per pupil cost of the grade level grouping shall be determined by dividing the cost of maintaining the grade level grouping by the average daily pupil attendance. If there is disagreement as to the amount of tuition to be paid, the facts shall be submitted to the state board of education, and its decision in the matter shall be final. Subject to the limitations of this section, each pupil shall be free to attend the public school of his or her choice.

168.221. 1. The first three years of employment of all teachers [and principals] entering the employment of the metropolitan school district shall be deemed a period of probation during which period all appointments of teachers [and principals] shall expire at the end of each school year. During the probationary period any probationary teacher [or principal] whose work is unsatisfactory shall be furnished by the superintendent of schools with a written statement setting forth the nature of his incompetency. If improvement satisfactory to the superintendent is not made within one semester after the receipt of the statement, the probationary teacher [or principal] shall be dismissed. The semester granted the probationary teacher [or principal] in which to improve shall not in any case be a means of prolonging the probationary period beyond three years and six months from the date on which the teacher [or principal] entered the employ of the board of education. The superintendent of schools on or before the fifteenth day of April in each year shall notify probationary teachers [or principals] who will not be retained by the school district of the termination of their services. Any probationary teacher [or principal] who is not so notified shall be deemed to have been appointed for the next school year.

2. After completion of satisfactory probationary services, appointments of teachers [and principals] shall become permanent, subject to removal for any one or more causes herein described and to the right of the board to terminate the services of all who attain the age of compulsory retirement fixed by the retirement system. In determining the duration of the probationary period of employment in this section specified, the time of service rendered as a substitute teacher or substitute principal shall not be included.

3. No teacher [or principal] whose appointment has become permanent may be removed except for one or more of the following causes: Immorality, inefficiency in line of duty, violation of the published regulations of the school district, violation of the laws of Missouri governing the public schools of the state, or physical or mental condition which incapacitates him for instructing or associating with children, and then only by a vote of not less than a majority of all the members of the board, upon written charges presented by the superintendent of schools, to be heard by the board after thirty days'



notice, with copy of the charges served upon the person against whom they are preferred, who shall have the privilege of being present, together with counsel, offering evidence and making defense thereto. Notifications received by an employee during a vacation period shall be considered as received on the first day of the school term following. At the request of any person so charged the hearing shall be public. The action and decision of the board upon the charges shall be final. Pending the hearing of the charges, the person charged may be suspended if the rules of the board so prescribe, but in the event the board does not by a majority vote of all the members remove the teacher [or principal] upon charges presented by the superintendent, the person shall not suffer any loss of salary by reason of the suspension. Inefficiency in line of duty is cause for dismissal only after the teacher or principal has been notified in writing at least one semester prior to the presentment of charges against him by the superintendent. The notification shall specify the nature of the inefficiency with such particularity as to enable the teacher or principal to be informed of the nature of his inefficiency.

4. No teacher [or principal] whose appointment has become permanent shall be demoted nor shall his salary be reduced unless the same procedure is followed as herein stated for the removal of the teacher [or principal] because of inefficiency in line of duty, and any teacher [or principal] whose salary is reduced or who is demoted may waive the presentment of charges against him by the superintendent and a hearing thereon by the board. The foregoing provision shall apply only to permanent teachers [and principals] prior to the compulsory retirement age under the retirement system. Nothing herein contained shall in any way restrict or limit the power of the board of education to make reductions in the number of teachers or principals, or both, because of insufficient funds, decrease in pupil enrollment, or abolition of particular subjects or courses of instruction, except that the abolition of particular subjects or courses of instruction shall not cause those teachers who have been teaching the subjects or giving the courses of instruction to be placed on leave of absence as herein provided who are qualified to teach other subjects or courses of instruction, if positions are available for the teachers in the other subjects or courses of instruction.

5. Whenever it is necessary to decrease the number of teachers [or principals, or both,] because of insufficient funds or a substantial decrease of pupil population within the school district, the board of education upon recommendation of the superintendent of schools may cause the necessary number of teachers [or principals, or both,] beginning with those serving probationary periods, to be placed on leave of absence without pay, but only in the inverse order of their appointment. Nothing herein stated shall prevent a readjustment by the board of education of existing salary schedules. No teacher [or principal] placed on a leave of absence shall be precluded from securing other employment during the period of the leave of absence. Each teacher [or principal] placed on leave of absence shall be reinstated in inverse order of his placement on leave of absence. Such reemployment shall not result in a loss of status or credit for previous years of service. No new appointments shall be made while there are available teachers [or principals] on leave of absence who are seventy years of age or less and who are adequately qualified to fill the vacancy unless the teachers [or principals] fail to advise the superintendent of schools within thirty days from the date of notification by the

superintendent of schools that positions are available to them that they will return to employment and will assume the duties of the position to which appointed not later than the beginning of the school year next following the date of the notice by the superintendent of schools.

6. If any regulation which deals with the promotion of either teachers [or principals, or both,] is amended by increasing the qualifications necessary to be met before a teacher [or principal] is eligible for promotion, the amendment shall fix an effective date which shall allow a reasonable length of time within which teachers [or principals] may become qualified for promotion under the regulations.

**7. A principal shall serve in that role at the pleasure of the superintendent of schools. If a principal is removed from that position, he shall retain the tenure rights of a teacher as provided by this section.**

**Section 1. A charter school is an independent, publicly-supported school sponsored by a school district or the state board of education in cooperation with a school district as provided in section 1 to 4 of this act.**

**Section 2. 1. (1) A school district or the state board of education may sponsor charter schools pursuant to sections 1 to 4 of this act in school districts which have a four-year persistence to graduation rate of less than sixty percent as calculated for the most recent graduating cohort and school districts in any county which contains a school district subject to a federal school desegregation court order and school districts in any first class county adjoining such county.**

**(2) In school districts other than those specified in subdivision (1) of this subsection, a local school board may sponsor a charter school pursuant to sections 1 to 4 of this act. Two or more school districts may cooperate in sponsoring a charter school, pursuant to a written agreement among such school districts.**

**(3) An applicant seeking to establish a charter school shall submit a written application to a proposed sponsor as established in subsection 3 of this section. The application shall include a mission statement for the charter school, a description of the charter school's organizational structure and the governing body, a financial plan for the first three years of operation of the charter school including provisions for annual audits, a description of the charter school's policy for securing personnel services, a description of the charter school's personnel policies which shall provide for dismissal for just cause after a probationary period of no more than eighteen months with the right to an impartial hearing officer, a description of the grades or ages of students being served, the school's calendar of operation, which shall include at least the equivalent of a full school term as defined in section 160.011, RSMo, and an outline of criteria specified in this section designed to measure the effectiveness of the school. The application shall also state:**

**(a) The goals, objectives and pupil performance standards to be achieved by the charter school;**

**(b) A statement of the need for a charter school in the geographic area in which the charter school is to be located;**

**(c) A description of the charter school's education program, pupil performance standards, and curriculum, which must meet or exceed the academic standards adopted by the state board of education pursuant to section 160.514, RSMo, and must be designed to enable each pupil to achieve such standards; and**

**(d) A description of the governance and operation of the charter school, including the nature and extent of parental, professional educator, and community involvement in the governance and operation of the charter school.**

**2. The charter school shall be a Missouri nonprofit corporation incorporated under chapter 355, RSMo. The charter provided for herein shall constitute a contract between the sponsor and the charter school. A charter school may be affiliated with a college, university, community college or community-based nonprofit entity, provided that the school's programs, admissions policies, employment practices and all other operations are nonsectarian.**

**3. An application for a charter school, in districts described in subdivision (1) of subsection 1 of this section, may be made to a school district or the state board of education. If the district board of education denies an application, the applicant may present the application to the state board of education in accordance with subsection 5 of this section. In other districts, the application shall be made to the local school district. If two or more school districts are to sponsor a charter school pursuant to a written agreement, an application may be made to such districts. An application may be made to an appropriate sponsor subject to the following requirements:**

**(1) An applicant shall submit its application to a proposed sponsor on or before the first day of October of the school year preceding the proposed charter school's opening day, unless the sponsor and the applicant otherwise agree;**

**(2) A charter school application may be approved when the sponsor determines that the requirements of this section are met and determines that the applicant is sufficiently qualified to operate a charter school. The sponsor's decision shall be made within sixty days of the filing of the application; and**

**(3) If the application is denied, the proposed sponsor shall notify the applicant in writing as to the reasons for its denial. The sponsor may provide technical assistance to an applicant if the sponsor determines that the applicant is sufficiently qualified to operate a charter school.**

**4. A district board of education has no legal authority over or responsibility for a charter school sponsored by the state board of education.**

**5. (1) If an application is approved by a school district, it shall be submitted to the state board of education which shall, within forty-five days, approve or disapprove the granting of the charter. The state board of education may disapprove a charter only on grounds that the application fails to meet the requirements of sections 1 to 4 of this act, and any such disapproval shall be subject to judicial review under chapter 536, RSMo.**

**(2) If an application submitted pursuant to subdivision (1) of subsection 1 of this section is denied by a school district, the application may be submitted to the state board of education, and, if the state board determines that granting a charter to the applicant would be likely to provide educational benefit to the children of the district, the state board may grant a charter and act as sponsor of the charter school.**

**(3) Any decision of the state board shall constitute final administrative action.**

**6. A charter school shall, as provided in its charter:**

**(1) Comply with laws and regulations of the state relating to health, safety, and minimum educational standards;**

**(2) Be nonsectarian in its programs, admission policies, employment practices and all other operations;**

**(3) Provide comprehensive program of instruction for at least one grade or age group from kindergarten to grade twelve. A school may offer a curriculum with an emphasis on a specific learning philosophy or style or certain subject areas such as mathematics, science, social sciences, fine arts, performance arts, language arts, or foreign language, or may emphasize education for pupils at risk of educational failure;**

**(4) Design a method to measure pupil progress toward the pupil academic standards adopted by the state board of education pursuant to section 160.514, RSMo, collect baseline data during at least the first three years for determining how the charter school is performing, participate in the essential skills tests and the nationally standardized norm-referenced achievement tests, as designated by the state board pursuant to section 160.518, RSMo, complete and distribute an annual report card as prescribed in section 160.522, RSMo, and report to its sponsor, local school districts, and the state board of education as to its teaching methods and any educational innovations and the results thereof;**

**(5) Except as provided in sections 1 to 4 of this act, be exempt from all laws and rules relating to schools, governing boards and school districts;**

**(6) Work cooperatively with local districts to ensure that the needs of special education children are met;**

**(7) Provide for a governing body for the charter school that is responsible for the policy and operational decisions of the charter school; and**

**(8) Be financially accountable, provide for an annual audit by a certified public accountant, and provide liability insurance to indemnify the school, its board, staff and teachers against tort claims. For the purposes of securing such insurance, a charter school shall be eligible for the Missouri public entity risk management fund under section 573.700, RSMo.**

**7. The charter of a charter school shall include a description of the school's personnel policies, personnel qualifications and method of school governance and the specific role and duties of the sponsor of the charter school.**

**8. The charter of a charter school may be amended at the request of the governing body of the charter school and on the approval of the sponsor. The sponsor and the governing board and staff of the charter school shall jointly review the school's performance, management, and operations at least once every three years.**

**9. (1) A sponsor may revoke a charter at any time if the charter school commits a serious breach of one or more provisions of its charter or on any of the following grounds: failure to meet the academic performance standards required of public schools, failure to meet generally accepted standards of fiscal management or violation of law.**

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

**(3) The sponsor of a charter school shall establish procedures to conduct administrative hearings upon determination by the sponsor that grounds exist to revoke a charter. Procedures for administrative hearings shall be similar to procedures prescribed for adjudication proceedings. Final decisions of a sponsor from hearings conducted pursuant to this subsection are subject to judicial review pursuant to chapter 536, RSMo.**

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

**10. A charter school sponsored by the state board of education may not be located on the property of a school district unless the district governing board grants this authority. A school district may enter into a lease with a charter school for physical facilities.**

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

**(1) With respect to a school district employee, results in one or more of the following:**

**(a) Disciplinary or corrective action;**

**(b) Transfer or reassignment;**

**(c) Suspension, demotion or dismissal;**

**(d) An unfavorable performance evaluation;**

**(e) A reduction in pay, benefits or awards;**

**(f) Elimination of the employee's position without a reduction in force by reason of lack of money or work;**

**(g) Other significant changes in duties or responsibilities that are inconsistent with the employee's salary or employment classification;**

**(2) With respect to an educational program, results in one or more of the following:**

**(a) Suspension or termination of the program;**

**(b) Transfer or reassignment of the program to a less favorable department;**

**(c) Relocation of the program to a less favorable site within the school or school district;**

**(d) Significant reduction or termination of funding for the program.**

**12. Charter schools shall not have the power to acquire property by eminent domain.**

**13. A school district governing board and its agents and employees are not liable for any acts or omissions of a charter school that is sponsored by the school district, including acts or omissions relating to the application submitted by the charter school, the operation of the charter school and the performance of the charter school.**

**Section 3. 1. A charter school shall enroll all pupils who submit a timely application, unless the number of applications exceeds the capacity of a program, class, grade level or building. If capacity is insufficient to enroll all pupils who submit a timely application, the charter school shall have an admissions process that assures all applicants of an equal chance of gaining admission except that:**

**(1) A charter school may establish a geographical area around the school whose residents will receive a preference for enrolling in the school, provided such preferences conform to policies and guidelines established by the state board of education; and**

**(2) A charter school may also give a preference for admission of children whose siblings attend the school, or whose parents are employed at the school.**

**2. A charter school shall not limit admission based on ethnicity, national origin, gender, income level, proficiency in the English language or athletic ability, but may limit admission to pupils within a given age group or grade level; provided, however, that a charter school may be established to serve persons of the same gender.**

**Section 4. 1. For the purposes of 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 determine the school district in which each pupil who is enrolled in the charter school resides and shall report the names, addresses, and eligibility for free or reduced price lunch or other categorical aid, of pupils resident of a school district who are enrolled in the charter school to the school district or districts in which those pupils reside and 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 his enrollment at a charter school.**

**2. Each school district in which one or more resident pupils attend a charter school shall provide, according to a timetable established in the charter of the charter school, an annual amount equal to the product of the school district's**

**equalized, adjusted operating levy for school purposes for the current year times the guaranteed tax base per eligible pupil, as defined in section 163.011, RSMo, times the number of resident pupils attending the charter school. The amount shall be pro rated for partial year enrollment for a pupil.**

**3. If a school district fails to make timely payments under subsection 2 of this section, the state department of elementary and secondary education shall authorize payment to the charter school of the amount due under subsection 2 and shall deduct the same amount from the next state school aid apportionment to the owing school district.**

**4. The charter school and a local school board may agree by contract for services to be provided by the school district to the charter school. Such services may include but are not limited to food service, custodial service, maintenance, curriculum assistance, media services, libraries, and transportation and shall be subject to negotiation between the charter school and the local school board. Actual costs of such services shall be paid for by the charter school out of revenues that are provided pursuant to this section, except transportation and any other services that are provided by a school district and for which aid is paid to the district. No sponsor may charge the charter school for the sponsor's overhead or indirect costs.**

**5. With the permission of a student's school district of residence, a student in a charter school may opt to participate in athletic or other extracurricular activities of the school he would otherwise attend in his district of residence.**

**6. A charter school shall not be eligible for transportation state aid pursuant to section 163.161, RSMo. A school district may, however, provide transportation to pupils attending a charter school and shall obtain transportation state aid on the same basis that it receives such aid for pupils attending schools in the district.**

**7. The proportionate share of state and federal resources generated by students with disabilities or staff serving them shall be directed in full to charter schools enrolling those students by their school districts unless the district is required by law to provide services to individual students. 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.**

**8. The governing body of a charter school is authorized to accept grants, gifts, or donations of any kind and to expend or use such grants, gifts, or donations in accordance with the conditions prescribed by the donor. A grant, gift, or donation may not be accepted by the governing body if it is subject to any condition contrary to law applicable to the school or contrary to the terms of the contract between the charter school and its sponsor.**



**9. A charter school may enter into contracts with community partnerships and state agencies acting in collaboration with such partnerships that provide services to children and their families linked to the school.**

**10. A charter school may not charge tuition, nor may it impose fees that a school district is prohibited from imposing.**

**11. If a charter school offers to retain the services of an employee of a school district, and the employee accepts a position at the charter school, the contract between the charter school and the school district may provide that an employee at his option may remain an employee of the district and the charter school shall pay to the district the district's full costs of salary and benefits provided to the employee. A teacher who accepts a position at a charter school and opts to remain an employee of the district retains his permanent teacher status and seniority rights in the district.**

**12. A charter school may employ noncertificated instructional personnel; provided that no more than twenty percent, up to a maximum of ten persons, of the full-time equivalent instructional staff positions at the school are filled by noncertificated personnel. The charter school shall ensure that all instructional employees of the charter school have experience, training and skills appropriate to the instructional duties of the employee, and the charter school shall ensure that a criminal background check and child abuse registry check are conducted for each employee of the charter school prior to the hiring of the employee. Appropriate experience, training and skills of noncertificated instructional personnel shall be determined considering:**

- (1) Teaching certificates issued by another state or states;**
- (2) Certification by the National Standards Board;**
- (3) College degrees in the appropriate field;**
- (4) Evidence of technical training and competence when such is appropriate; and**
- (5) Level of supervision and coordination with certificated instructional staff.**

**13. Non-instructional personnel employed by the charter school shall participate in the nonteachers retirement system established under sections 169.600 to 169.715, RSMo, subject to the same terms, conditions, requirements and other provisions applicable to noninstructional personnel employed by school districts.**

**14. Noncertificated instructional staff shall not participate in any retirement system established under chapter 169, RSMo, on the basis of employment by a charter school.**

**15. A charter school is authorized to incur debt of duration one year or less to pay operating and other expenses in anticipation of receipt of funds. A charter school may also borrow to finance facilities and other capital items. A school district may incur bonded indebtedness or take other measures to provide for physical facilities for charter schools that it sponsors or contracts with.**

**Section 5. 1. There is hereby established with the state treasury a "Fund for Charter Schools and Alternative Educational Opportunities," from which the state board of education may make grants or loans for public charter schools or to school districts for providing alternative educational opportunities. The fund shall include any federal, state or other public or private monies received by the fund for such purposes.**

**2. To the extent that funds are available under section 163.031, RSMo, for districts that have poverty concentration ratios greater than twenty percent, any funds not paid to a district because its fiscal instructional ratio of efficiency, as defined in section 163.011, RSMo, deviates more than five percent from the state average shall be credited to this fund for charter schools and alternative educational opportunities. Notwithstanding the provisions of section 33.080, RSMO, to the contrary, moneys in the fund shall not be transferred to the credit of the general revenue fund at the end of the biennium. All interest or other gain received from investment of moneys in the fund shall be credited to the fund.**

**Section 6. 1. The governing body of any city not within a county or any city with a population of more than three hundred thousand inhabitants or any first class county containing any part of such city may place before the voters of such political subdivision an issue to approve an education earnings tax of no more than one-half percent to be imposed on all earnings in the political subdivision, and such earnings tax shall become effective in such political subdivision upon receiving a majority of the votes of qualified voters voting on the issue upon the effective date specified in the issue.**

**2. The governing body of any city not within a county or any city with a population of more than three hundred thousand inhabitants or any first class county containing any part of such city may place before the voters of such city or county an issue to approve a tax of no more than one percent to be imposed on all sellers for the privilege of engaging in the business of selling of personal property or rendering taxable service, and such sales tax shall become effective in such city or county upon receiving a majority of the votes of qualified voters voting on the issue upon the effective date specified in the issue.**

**3. Revenues derived under this section shall be distributed to each school district in such city or county in the same ratio that the number of pupils residing in such city or county and enrolled in a district as defined by law is to the total number of pupils residing in such city or county and enrolled in all school districts on the last Wednesday in September of the preceding year. Each district receiving such funds**

on behalf of a resident pupil shall remit the net per pupil amount of such earnings or sales tax revenue to any other school district or charter school where the pupil actually attends school. As used in this section, "net per pupil amount of such earnings or sales tax revenue" shall mean the total amount of such earnings or sales tax revenue received minus the amount of property tax reduction imposed pursuant to this section and shall be calculated on a per pupil basis for all pupils resident in the city or county.

4. The state board of education shall credit the amount of the tax revenue received by a school district under this section to an equivalent property tax rate for the district and, for districts with enrollments in excess of thirty thousand pupils, shall include such equivalent tax rate in the determination of the district's operating levy for school purposes, as defined in section 163.011, RSMo, for the purpose of computing state aid to school districts under section 163.031, RSMo; provided that no such inclusion of equivalent tax rate shall cause a school district to receive payment of state school aid on an operating levy for school purposes in excess of four dollars and sixty cents per one hundred dollars assessed valuation.

5. At the option of the governing body of the city or county placing a sales tax for education proposition to the voters of the city or county, the proposition may include a provision that, for the second full calendar year after approval of such tax pursuant to this section, and for each calendar year thereafter, a district receiving revenues under this section shall reduce its property tax levy rate by at least twenty-five percent but not more than fifty percent of the amount of tax rate credited to the district by the state board of education under subsection 4 of this section.

Section 7. 1. There is hereby established a "Missouri Tuition Assistance Program", to be administered by local school districts to provide scholarships for Missouri citizens to attend a Missouri college, university or vocational or technical school of their choice. The general assembly may appropriate funds pursuant to this section to school districts with graduation rates, as defined in section 163.011, RSMo, which are lower than sixty percent. Funding shall be provided to each school which applies pursuant to subsection 2 and meets the qualifications of this subsection in proportion to the district's average annual number of dropouts for the two preceding years as a fraction of the total average number of dropouts for the two preceding years of all districts which apply pursuant to subsection 2 and meet the qualifications of this subsection. The definitions of terms set forth in section 173.205, RSMo, shall be applicable to such terms as used in this section.

2. To receive funding under this section, a school district shall apply to the state board of education and include complete documentation of the determination of the district's graduation rate.

3. Each school district receiving funds under this section shall:

**(1) Select qualified students to receive grants, make awards of grants to qualified students based, at least in part, on financial need and determine the manner and method of payment to such students;**

**(2) Identify the allowable costs of resident students enrolled in the various approved public or private institutions of higher education in this state. Such allowable costs shall be limited to tuition or fees charged to resident students by the institution for enrollment and other mandatory fees;**

**(3) Provide for the funds received to be held in escrow in cooperation with the Missouri access to higher education trust, pursuant to sections 166.200 to 166.242, RSMo, until such time as the receiving student is attending a Missouri approved public or private institution and is eligible to receive such funds.**

**4. A student may apply for a scholarship at any age and shall be eligible to receive a grant if at the time of his application:**

**(1) The student is a citizen or permanent resident of the United States;**

**(2) The student has been a legal resident, or whose custodial parent or legal guardian has been a legal resident, of the state of Missouri for a minimum of twenty-four months preceding enrollment;**

**(3) The student signs a commitment to graduate from high school;**

**(4) The student's parent, guardian or a person having legal custody of the student signs a written commitment to participate fully in a district program involving parents, teachers and students which program is designed to have all parents and guardians of pupils of the district be more actively involved in the education of such parent's or guardian's child.**

**(5) Graduates from a high school in Missouri accredited by the state board of education; or the North Central Association of Colleges and Schools, the Independent Schools Association of the 40 Central States, or the University of Missouri School Accreditation Program, or any such respective successor organization; and**

**(6) Enrolls in and is accepted at a Missouri approved public or private institution within twenty-four months graduation from high school provided that any student who is temporarily unable to avail himself of the award due to illness, military service or other cause identified by the board prior to receipt of the first payment of a grant, may be granted a leave of absence by the school district.**

**5. Except as otherwise provided in this section, the administration and payment of scholarships under this section shall be conducted in the manner provided for college tuition payment contracts pursuant to sections 166.200 to 166.242, RSMo.**

SECOND REGULAR SESSION

[CORRECTED]

[TRULY AGREED TO AND FINALLY PASSED]

CONFERENCE COMMITTEE SUBSTITUTE FOR

HOUSE SUBSTITUTE FOR

HOUSE COMMITTEE SUBSTITUTE FOR

SENATE SUBSTITUTE FOR

SENATE COMMITTEE SUBSTITUTE FOR

# **SENATE BILL NO. 781**

**89TH GENERAL ASSEMBLY**

1998

S2966.23T

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## **AN ACT**

To repeal sections 160.526, 160.538, 161.527, 162.081, 162.571, 162.581, 162.601, 162.621, 162.935, 163.161, 166.260 and 168.221, RSMo 1994, and sections 160.011, 163.011, 163.021, 163.031, 165.011, 165.016, 166.275, 170.250 and 178.930, RSMo Supp. 1997, relating to education, and to enact in lieu thereof thirty-nine new sections relating to the same subject, with a contingent effective date for certain sections.

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

Section A. Sections 160.526, 160.538, 161.527, 162.081, 162.571, 162.581, 162.601, 162.621, 162.935, 163.161, 166.260 and 168.221, RSMo 1994, and sections 160.011, 163.011, 163.021, 163.031, 165.011, 165.016, 166.275, 170.250 and 178.930, RSMo Supp. 1997, are repealed and thirty-nine new sections enacted in lieu thereof, to be known as sections 135.348, 160.011, 160.526, 160.538, 160.540, 160.542, 161.220,

161.527, 162.081, 162.571, 162.581, 162.601, 162.621, 162.626, 162.935, 162.1060, 162.1100, 163.011, 163.021, 163.031, 163.161, 165.011, 165.016, 165.122, 166.260, 166.275, 168.221, 168.231, 170.250, 178.930, 1, 2, 3, 4, 5, 6, 7, 8 and 9, to read as follows:

**135.348. 1. As used in this section, the following terms mean:**

**(1) "Approved program", a sponsorship and mentoring program established pursuant to this section and approved by the department of elementary and secondary education;**

**(2) "Eligible student", a resident pupil of a school district who is determined by the local school board to be eligible to participate in a sponsorship and mentoring program pursuant to this section and who participates in such program for no less than eight calendar months in the tax year for which a return is filed claiming a credit authorized in this section;**

**(3) "Net expenditures", only those amounts paid or incurred for the participation of an eligible student participating in an approved sponsorship and mentoring program less any amounts received by the qualified taxpayer from any source for the provision of a sponsorship and mentoring program for an eligible student;**

**(4) "Qualified taxpayer", an employer who makes expenditures pursuant to this section.**

**2. For taxable years commencing on or after January 1, 1998, a qualified taxpayer shall be allowed a credit against the tax imposed by chapter 143, RSMo, exclusive of the provisions relating to the withholding of tax as provided in sections 143.191 to 143.265, RSMo, to the extent of the lesser of two thousand dollars times the number of eligible students for which the qualified taxpayer is allowed a credit pursuant to this section or the net expenditures made directly or through a fund during a taxable year by the qualified taxpayer for the participation of an eligible student in an approved sponsorship and mentoring program established pursuant to this section. No credit shall be allowed for any amounts for which any other credit is claimed or allowed under any other provision of state law for the same net expenditures.**

**3. The tax credit allowed by this section shall be claimed by the qualified taxpayer at the time such taxpayer files a return and shall be applied against the income tax liability imposed by chapter 143, RSMo, after all other credits provided by law have been applied. Where the amount of the credit exceeds the tax liability, the difference between the credit and the tax liability shall not be refundable but may be carried forward to any of the taxpayer's four subsequent taxable years.**

**4. The department of elementary and secondary education shall establish, by rule, guidelines and criteria for approval of sponsorship and mentoring programs**

**established by school districts and for determining the eligibility of students for participation in sponsorship and mentoring programs established pursuant to this section. Such determinations for eligibility of students shall be based upon a definition of an at-risk student as established by the department by rule.**

**5. A local school board may establish a sponsorship and mentoring program and apply to the department of elementary and secondary education for approval of such program. A tax credit may only be received pursuant to this section for expenditures for sponsorship and mentoring programs approved by the department. The school board of each district which has an approved program shall annually certify to the department of elementary and secondary education the number of eligible students participating in the program. The principal of any school in a district which has an approved program may recommend, to the local school board, those students who do not meet the definition of "at-risk" students established pursuant to this section, and the school board may submit the names of such students and the circumstances which justify the student's participation in an approved program to the department of elementary and secondary education for approval of such student's participation. If approved by the department, such students shall be considered eligible students for participation in an approved program.**

**6. The department of elementary and secondary education shall provide written notification to the department of revenue of each eligible student participating in an approved program pursuant to this section, the student's school district, the name of the qualified taxpayer approved to receive a tax credit on the basis of such eligible student's participation in an approved program pursuant to this section and the amount of such credit as determined in subsection 2 of this section. This section is subject to appropriations.**

160.011. As used in chapters 160, 161, 162, 163, 164, 165, 167, 168, 170, 171, 177 and 178, RSMo, the following terms mean:

(1) "District" or "school district", when used alone, may include seven-director, urban, and metropolitan school districts;

(2) "Elementary school", a public school giving instruction in a grade or grades not higher than the eighth grade;

(3) "**Graduation rate**", the quotient of the number of graduates in the current year as of June thirtieth divided by the sum of the number of graduates in the current year as of June thirtieth plus the number of twelfth graders who dropped out in the current year plus the number of eleventh graders who dropped out in the preceding year plus the number of tenth graders who dropped out in the second preceding year plus the number of ninth graders who dropped out in the third preceding year;

**(4)** "High school", a public school giving instruction in a grade or grades not lower than the ninth nor higher than the twelfth grade;

[(4)] **(5)** "Metropolitan school district", any school district the boundaries of which are coterminous with the limits of any city which is not within a county;

[(5)] **(6)** "Public school" includes all elementary and high schools operated at public expense;

[(6)] **(7)** "School board", the board of education having general control of the property and affairs of any school district;

[(7)] **(8)** "School term", a minimum of one hundred seventy-four school days, as that term is defined in section 160.041, and one thousand forty-four hours of actual pupil attendance as scheduled by the board pursuant to section 171.031, RSMo, during a twelve-month period in which the academic instruction of pupils is actually and regularly carried on for a group of students in the public schools of any school district. A "school term" may be within a school year or may consist of parts of two consecutive school years, but does not include summer school. A district may choose to operate two or more terms for different groups of children;

[(8)] **(9)** "Secretary", the secretary of the board of a school district;

[(9)] **(10)** "Seven-director district", any school district which has seven directors and includes urban districts regardless of the number of directors an urban district may have unless otherwise provided by law;

[(10)] **(11)** "Taxpayer", any individual who has paid taxes to the state or any subdivision thereof within the immediately preceding twelve-month period or the spouse of such individual;

[(11)] **(12)** "Town", any town or village, whether or not incorporated, the plat of which has been filed in the office of the recorder of deeds of the county in which it is situated;

[(12)] **(13)** "Urban school district", any district which includes more than half of the population or land area of any city which has not less than seventy thousand inhabitants, other than a city which is not within a county.

160.526. 1. In establishing the academic standards authorized by subsection 1 of section 160.514 and the statewide assessment system authorized by subsection 1 of section 160.518, the state board of education shall consider the work that has been done by other states, recognized regional and national experts, professional education discipline-based associations and other professional education associations. Further, in establishing the academic standards and statewide assessment system, the state board of education shall adopt the work that has been done by consortia of other states and, subject to



appropriations, may contract with such consortia to implement the provisions of sections 160.514 and 160.518.

2. The state board of education shall, by contract enlist the assistance of such national experts, as approved by the commission established pursuant to section 160.510, to receive reports, advice and counsel on a regular basis pertaining to the validity and reliability of the statewide assessment system. The reports from such experts shall be received by the commission, which shall make a final determination concerning the reliability and validity of the statewide assessment system. Within six months prior to implementation of the statewide assessment system, the commissioner of education shall inform the president pro tempore of the senate and the speaker of the house about the procedures to implement the assessment system, including a report related to the reliability and validity of the assessment instruments, and the general assembly may, within the next [thirty] **sixty** legislative days, veto such implementation by concurrent resolution adopted by majority vote of both the senate and the house of representatives.

3. The commissioner of education shall establish a procedure for the state board of education to regularly receive advice and counsel from professional educators at all levels in the state, district boards of education, parents, representatives from business and industry, and labor and community leaders pertaining to the implementation of sections 160.514 and 160.518. The procedure shall include, at a minimum, the appointment of ad hoc committees and shall be in addition to the advice and counsel obtained from the commission pursuant to section 160.510.

160.538. 1. By July 1, 1996, the state board of education shall develop a procedure and criteria for determining that a school in a school district is "academically deficient". In making such a determination for any school, the state board of education shall consider the results for the school from the assessment system developed pursuant to the provisions of section 160.518 together with the results from the education audit performed under subsection 2 of this section.

2. (1) Prior to a decision that a school is academically deficient, the state board of education shall appoint an audit team of at least ten persons to conduct an education audit of the school to determine the factors that have contributed to the lack of student achievement at the school as measured by the district assessment system and make a finding as to whether the school is academically deficient. The specific standards and implementation of the education audit shall be pursuant to rules adopted by the state board of education.

(2) The audit team shall report its findings to the state board. If the audit team finds that the school is academically deficient, then the state board shall declare the school to be academically deficient.

(3) Following a decision that a school is academically deficient, the state board of education shall, within sixty days, appoint a management team of at least ten persons to conduct any necessary investigations and make any recommendations the team believes

are appropriate for the administration and management of the school necessary to promote student achievement and any additional resources which are required. Funds shall be provided, upon appropriation, under subsection 2 of section 160.530 for the operation of the audit and management teams and resources needed in the district.

(4) In the appointment of the audit and management teams, the state board of education shall appoint such persons so that at least fifty percent of the team is composed of active classroom teachers at the elementary, middle or secondary level grades. **Teachers who have retired within five years of the appointment may be included in the classroom teacher component of the team.** Further, no more than two persons of said team may be employees of the department of elementary and secondary education. At least one member of the team shall be a public school superintendent from another district.

(5) The management team shall report its findings and recommendations to the state board within sixty school days. The commissioner of education shall, subject to availability of resources, provide resources to the district as recommended by the management team. The management team report may also include recommendations for one or more of the following: [conducting]

**(a) Conduct** a recall election for each member of the district school board[, suspension of];

**(b) Suspend** indefinite contracts for certificated staff in the school and a one-year maximum length for new or renewal of contracts for the superintendent or the principal of the school;

**(c) Require that the district develop a plan for the recruitment and retention of high quality teachers and administrators within the district; or**

**(d) Appoint a school accountability council to monitor one or more school buildings in the district.**

**(6)** The education audit team shall reevaluate the school two years after the filing of the management team report. No recall election, suspension of indefinite contract or maximum contract length limit may be imposed unless the audit team determines that the school is still academically deficient.

[(6)] **(7)** The commissioner of education shall, upon such recommendation by the management team and upon approval by the state board of education, but only in the case where the education audit team finds the school academically deficient in its reevaluation audit under subdivision [(5)] **(6)** of this subsection, order an election in the district to be held for the purpose of conducting a recall election of all members of the district school board. The recall election shall be held on the next available election day thereafter as provided under section 115.123, RSMo, and shall be conducted pursuant to chapter 115, RSMo, except as otherwise provided herein.

3. (1) A district school board member of a district which contains a school declared academically deficient may be removed by the voters in a recall election. Such election shall be held upon the submission of a petition signed by voters of the district equal in number to at least twenty-five percent of the number of persons voting at the last preceding election to elect a district board member. The petition shall be filed with the election authority and the secretary of the district board of education, which petition shall contain a general statement of the grounds for which the removal is sought. The signatures to the petition need not all be appended to one paper, but each signer shall add to his signature his place of residence, giving the street and number. One of the signers of each such paper shall make oath before an officer competent to administer oaths that the statements therein made are true as he believes and that each signature to the paper appended is the genuine signature of the person whose name it purports to be.

(2) Within ten days from the date of filing such petition the election authority shall examine and ascertain whether said petition is signed by the requisite number of voters; and he shall attach to the petition his certificate, showing the result of the examination. If the petition is shown to be insufficient, it may be amended within ten days from the date of said certificate. The election authority shall, within ten days after such amendment, make like examination of the amended petition and, if his certificate shall show the same to be insufficient, it shall be returned to the person filing the same, without prejudice, however, to the filing of a new petition to the same effect. If the petition shall be deemed to be sufficient, the election authority shall submit the same to the district board without delay. If the petition shall be found to be sufficient, the district board shall order the question to be submitted to the voters of the district.

(3) If a majority of the voters vote in favor of retaining the member, he shall remain in office and shall not be subject to another recall election during his term of office except as provided in subsection 2 of this section. If a majority of voters vote to remove the member, his successor shall be chosen as provided in section 162.261, RSMo.

4. Under subdivision (5) of subsection 2 of this section, a district board of education may suspend indefinite contracts and issue probationary contracts to all certificated staff in a school declared academically deficient. However, no such indefinite contract for any person may be suspended without providing the person an opportunity for a due process hearing, conducted according to the provisions of chapter 536, RSMo, and only after the school board demonstrates that the performance of the person's duties contributed to the school meeting the criteria for being declared academically deficient. The district board of any school which is declared academically deficient shall not issue new contracts or renew contracts to either the superintendent or the principal of the academically deficient school for a period of longer than one year. The provisions of other law to the contrary notwithstanding, a probationary teacher in a school declared academically deficient shall not be granted an indefinite contract until one year after such school is no longer determined to be academically deficient, and the probationary teacher meets all other requirements for permanent status required by law.

**5. (1) If the management team so recommends pursuant to subdivision (5) of subsection 2 of this section, a district board of education may appoint a school accountability council for one or more buildings within the district.**

**(2) The school accountability council may monitor implementation of an instructional resource reallocation plan within the areas of deficiency identified by the state board of education.**

**(3) The school accountability council shall consist of seven members, with no fewer than four members being the parent or guardian of a student currently enrolled in the school building.**

**(4) If the district board of education fails to appoint a school accountability council pursuant to this subsection, then the state board of education may appoint the council.**

**6. An instructional resource reallocation plan for any school building shall provide for the focusing of any discretionary local, state or federal funds available to the school on the areas of academic deficiency. The instructional resource reallocation plan shall address:**

**(1) Instruction in math and reading/communication arts if performance by students in those areas under the assessment system developed pursuant to section 160.518 is such that the percentage of the subject school's students scoring at step 1 of the assessment scale is at least twice the percentage of students statewide scoring at step 1 of the assessment scale;**

**(2) Professional development to improve instruction in the areas of academic deficiency or in areas where the number of certificated staff teaching one or more classes outside of their area of certification results in ten percent or more of the students within the school building being taught by teachers outside their areas of certification;**

**(3) Special education and related services and the level of integration of children with disabilities within the regular education curriculum where the percentage of students eligible to receive services under the Individuals With Disabilities Education Act and scoring at step 1 of the assessment scale of the assessment system developed pursuant to section 160.518 is at least twice the percentage of students statewide who are eligible to receive services under the Individuals With Disabilities Education Act and who score at step 1 of the assessment scale;**

**(4) Any waivers required for implementation of the plan to be requested on behalf of the district from the state board of education.**

**7. The school accountability council shall report annually to the state board of education with regard to the implementation of the instructional resources reallocation plan until such time as the academic deficiencies are addressed.**

**8. Notwithstanding any other provision of law to the contrary, any district which has one or more buildings declared academically deficient shall provide summer school programming to any student making application in those areas identified as an area of concern by the school audit team pursuant to subsection 2 of this section.**

**9. (1) Subject to appropriation, the state board of education may establish a program of financial aid for prospective teachers to assist schools identified as academically deficient.**

**(2) This program may include tuition reimbursement for current teachers and student loan forgiveness for new teachers employed within the district based upon their term of service in the district.**

**(3) Financial aid shall be provided in those areas of instruction where certificated staff are teaching one or more classes outside of their area of certification.**

**160.540. 1. In any school district whose graduation rate, as defined in section 160.011, is below sixty-five percent, the district school board shall determine which schools in the district meet the criteria set forth pursuant to section 160.538 as being academically deficient, based on the results of the assessment system developed pursuant to section 160.518, whether or not the state board of education has made a finding that the schools are academically deficient. With respect to any such school, notwithstanding any provision of state law or regulation, district rule or regulation, or contract, the school district board shall have the authority to suspend or terminate contracts of certificated staff, the principal and any administrators having responsibility for the school and to reconstitute the school with new teachers and administrative staff. The authority granted herein shall not preclude the district board from offering contracts to individual teachers or administrators as the board may deem appropriate. Any termination of a contract of an individual permanent teacher pursuant to this section shall be subject to the procedures of sections 168.114 to 168.120, RSMo, or section 168.221, RSMo, whichever is applicable to such contract.**

**2. In any school district subject to the provisions of subsection 1 of this section, the district shall develop a program of incentives and rewards for teachers who contribute to a successful effort to prevent schools from becoming academically deficient as defined in this section or to remove schools that have been so identified from that category. The district's plan shall be subject to approval by the commissioner of education and may include, but shall not be limited to, bonuses, opportunities for staff development and the granting of status as master teachers.**

**160.542. 1. There is hereby established within the department of elementary and secondary education, the "Research-based Reform Program", to be administered by the commissioner of education. The program shall consist of grant awards made to public schools from funds appropriated by the general assembly, demonstrating a commitment to undertake whole-school reforms that research has shown to be effective in improving student performance and sustaining measurable improvement after implementation. Grants shall require a matching contribution from the school district in which the school is located and shall run for up to three years. Funding for the second year shall be contingent upon each school's performance in setting up the chosen program, and funding for the third year shall be contingent upon second-year performance.**

**2. The state board of education shall promulgate rules for the initial approval, second and third-year funding of grants made under the program. The rules shall contain a method for determining the amount of the matching funds required from the district in which the grantee school is located. Such rules shall include a list of research-based reform programs that the state board of education determines can be reliably replicated under urban, suburban and rural conditions. The list shall be coordinated with the federal Comprehensive School Reform Initiative to enable Missouri schools to be eligible for the moneys made available by the federal program. The department shall develop a method to evaluate the effectiveness of each school's implementation of the chosen research-based program for purposes of granting or denying second-year funding.**

**3. The grant program shall provide sufficient technical assistance to ensure that small schools that lack personnel with expertise in applying for grants are not prevented from applying. Added priority shall be given to schools which have been designated as academically deficient pursuant to section 160.538, RSMo. Added priority shall be given to groups of schools that form consortia for the purpose of applying for the grant funds as a means of encouraging schools in isolated areas to participate. However, nothing in this subsection shall be construed as prohibiting consortia in more densely populated areas of the state from seeking such priority on grants under this program.**

**4. The commissioner of education shall develop a procedure for evaluating the effectiveness of the program described in this section. Such evaluation shall be conducted annually with the results of the evaluation provided to the governor, the speaker of the house of representatives and the president pro tempore of the senate.**

**5. No rule or portion of a rule promulgated pursuant to the authority of this section shall become effective unless it has been promulgated pursuant to the provisions of chapter 536, RSMo.**

**161.220. Beginning December 15, 1999, and annually by that date in each following year, the state board of education shall report to the general assembly on the retention and recruitment of teachers in the state's schools. The report shall**

**include, but not be limited to, information on the numbers of teachers entering and leaving employment in the public schools of the state, analysis of the issues affecting teacher recruitment, including the need for identifying African-American and other minority students, including males, who show potential or interest in becoming a teacher, recruiting such students as prospective teachers, and methods for providing financial aid to such students, and suggestions for meeting predicted needs of numbers of teachers and in areas of certification.**

161.527. 1. If a school district, **which has an assessed valuation per eligible pupil equal to or less than the state average assessed valuation per eligible pupil**, has transmitted by July fifteenth to the department of elementary and secondary education the report required by section 162.821, RSMo, and such school district has received a notice pursuant to section 161.525, such school district is not required to reduce its operating levy pursuant to section 164.013, RSMo, when the district next determines its tax rate in accordance with the provisions of section 164.011, RSMo. **The state average assessed valuation per eligible pupil used in this section shall be the state average used to calculate the guaranteed tax base for the state aid formula for the year the district's tax is not lowered. The district assessed valuation shall be the assessed valuation used in the calculation of the state aid formula for the year the district's tax is not lowered.** However, if a school district does not reduce its operating levy as permitted in this subsection, the school district shall not in the current and next school year increase:

(1) Its administrative costs; or

(2) The aggregate amount of funds paid for salaries of employees of the district.

2. The restrictions on increasing administrative costs and funds paid for salaries as provided for in subsection 1 of this section shall continue in the district for each subsequent school year until combined balances in the teachers' and incidental funds at the end of a fiscal year are equal to or exceed three percent of the amount expended from the funds during the previous fiscal year as determined by the department of elementary and secondary education. Such restrictions provided for in subsection 1 of this section shall not apply to increased expenditures of the district necessary to maintain health insurance coverage for district employees at the same level that may have been provided by the district prior to implementation of the restrictions. Further, the restrictions shall not apply to increased expenditures of the district necessary to meet the district's share of contributions for employees who are members of the public school retirement system of Missouri, the public school retirement system of the school district of Kansas City, or the public school retirement system of the city of St. Louis.

3. The exemption from reduction authorized by subsection 1 of this section shall be limited to two tax years, at which time the district may submit to the voters of the district the question of whether to continue such exemption.

162.081. 1. Whenever any school district in this state fails or refuses in any school year to provide for the minimum school term required by section 163.021, RSMo, or is

classified unaccredited for two successive school years by the state board of education, its corporate organization shall lapse. The corporate organization of any school district that is classified as unaccredited shall lapse on June thirtieth [following] **of the second full school year of such unaccredited classification after the school year during which the unaccredited classification is initially assigned.** The territory theretofore embraced within any district that lapses pursuant to this section or any portion thereof[, shall] **may** be attached to any district for school purposes by the state board of education; but no school district, except a district classified as unaccredited pursuant to section 163.023, RSMo, and section 160.538, RSMo, shall lapse where provision is lawfully made for the attendance of the pupils of the district at another school district that is classified as provisionally accredited or accredited by the state board of education.

2. [When] **Prior to or at the time** any school district in this state shall lapse, [prior to a determination by the state board of education to attach the territory of the district to any district for school purposes,] **but after the school district has been classified as unaccredited,** the department of elementary and secondary education shall conduct a public hearing at a location in the **unaccredited** school district [that has lapsed. The purpose of the public hearing shall be to receive information from the voters of the school district that has lapsed pertaining to the school district or districts that should be considered to receive territory of said lapsed district.

3.]. **The purpose of the hearing shall be to:**

(1) **Review any plan by the district to return to accredited status; or**

(2) **Offer any technical assistance that can be provided to the district.**

3. **Except as otherwise provided in section 162.1100, in a metropolitan school district or an urban school district containing most or all of a city with a population greater than three hundred fifty thousand inhabitants and in any other school district if the local board of education does not anticipate a return to accredited status, the state board of education may appoint a special administrative board to supervise the financial operations, maintain and preserve the financial assets or, if warranted, continue operation of the educational programs within the district or what provisions might otherwise be made in the best interest of the education of the children of the district. The special administrative board shall consist of two persons who are residents of the school district, who shall serve without compensation, and a professional administrator, who shall chair the board and shall be compensated, as determined by the state board of education, in whole or in part with funds from the district.**

4. **Upon lapse of the district, the state board of education may:**

(1) **Appoint a special administrative board, if such a board has not already been appointed, and authorize the special administrative board to retain the authority granted to a board of education for the operation of all or part of the district;**



**(2) Attach the territory of the lapsed district to another district or districts for school purposes; or**

**(3) Establish one or more school districts within the territory of the lapsed district, with a governance structure consistent with the laws applicable to districts of a similar size, with the option of permitting a district to remain intact for the purposes of assessing, collecting, and distributing property taxes, to be distributed equitably on a per eligible pupil basis, but to be divided for operational purposes, which shall take effect sixty days after the adjournment of the regular session of the general assembly next following the state board's decision unless a statute or concurrent resolution is enacted to nullify the state board's decision prior to such effective date.**

**The special administrative board may retain the authority granted to a board of education for the operation of the lapsed school district under the laws of the state in effect at the time of the lapse.**

**5. The authority of the special administrative board shall expire at the end of the third full school year following its appointment, unless extended by the state board of education. If the lapsed district is reassigned, the special administrative board shall provide an accounting of all funds, assets and liabilities of the lapsed district and transfer such funds, assets, and liabilities of the lapsed district as determined by the state board of education.**

**6. Upon recommendation of the special administrative board, the state board of education may assign the funds, assets and liabilities of the lapsed district to another district or districts. Upon assignment, all authority of the special administrative board shall transfer to the assigned districts.**

**7. Neither the special administrative board nor any district or other entity assigned territory, assets or funds from a lapsed district shall be considered a successor entity for the purpose of employment contracts, unemployment compensation payment pursuant to section 288.110, RSMo, or any other purpose.**

**8. If additional teachers are needed by a district as a result of increased enrollment due to the annexation of territory of a lapsed or dissolved district, such district shall grant an employment interview to any permanent teacher of the lapsed or dissolved district upon the request of such permanent teacher.**

**9. (1) The governing body of a school district, upon an initial declaration by the state board of education that such district is provisionally accredited, may, and, upon an initial declaration by the state board of education that such district is unaccredited, shall develop a plan to be submitted to the voters of the school district to divide the school district if the district cannot attain accreditation within three years of the initial declaration that such district is unaccredited. In the case of such a district being declared unaccredited, such plan shall be presented to the voters of the district before the district lapses. In the case of such a district being declared**

**provisionally accredited, such plan may be presented before the close of the current accreditation cycle.**

**(2) The plan may provide that the school district shall remain intact for the purposes of assessing, collecting and distributing taxes for support of the schools, and the governing body of the district shall develop a plan for the distribution of such taxes equitably on a per pupil basis if the district selects this option.**

**(3) The make-up of the new districts shall be racially balanced as far as the proportions of students allow.**

**(4) If a majority of the district's voters approve the plan, the state board of education shall cooperate with the local board of education to implement the plan, which may include use of the provisions of this section to provide an orderly transition to new school districts and achievement of accredited status for such districts.**

**10. In the event that a school district with an enrollment in excess of five thousand pupils lapses, no school district shall have all or any part of such lapsed school district attached without the approval of the board of the receiving school district.**

162.571. Every city in this state, not within a county, together with the territory now within its limits, or which may in the future be included by any change thereof, constitutes a single metropolitan school district, and is a body corporate. **Except as otherwise provided in section 162.621**, the supervision and government of public schools and public school property therein is vested in a board [of twelve members], to be known as "The Board of Education of ...." (in which title the name of the city shall be inserted). The board of education, by and in that name, may sue and be sued, purchase, receive, hold and sell property, and, **except as otherwise provided in section 162.621**, do all things necessary to accomplish the purpose for which the school district is organized. All titles to property granted to the city by the United States or this state for school purposes, and the title to all school lands and other property of every kind, is vested in the board of education established by this law.

162.581. 1. The members of the board of education shall be elected from the city [at large], **as provided in section 162.601**, on a general ticket, and shall be at least twenty-four years of age, citizens and residents of the city, and shall have been residents and citizens for at least three years immediately preceding their election. They shall not hold any office, except that of notary public, in the city or state, nor be interested in any contract with or claim against the board, either directly or indirectly. If at any time after the election of any member of the board he becomes interested in any contract with or claim against the board, either directly or indirectly, or as agent or employee of any individual, firm or corporation, which is so interested, he shall thereupon be disqualified to continue as a member of the board, and shall continue to be so disqualified during the remainder of the term for which he was elected.

2. Every member of the board, before assuming the duties of his office, shall take oath before a circuit or associate circuit judge of the city, which oath shall be kept of record in the office of the board, that he possesses all the qualifications required by this section, and that he will not, while serving as a member of the board, become interested in any contract with or claim against the board, directly or indirectly, or as agent or employee of any individual, firm or corporation which is so interested, and that he will not be influenced, during his term of office, by any consideration except that of merit and fitness in the appointment of officers and the engagement of employees.

3. No compensation shall be paid to the members of the board, but they are exempt from service as election officers during the term of office.

**162.601. 1. Elected members of the board in office on the effective date of this section shall hold office for the length of term for which they were elected.**

**2. No board members shall be elected at the first municipal election in an odd-numbered year next following the effective date of this section.**

**3. Three board members shall be elected at the second municipal election in an odd-numbered year next following the effective date of this section to serve four-year terms.**

**4. Four board members shall be elected at the third municipal election in an odd-numbered year next following the effective date of this section, and two of such members shall be elected to four-year terms and two of such members shall be elected to three-year terms.**

**5. Beginning with the fourth municipal election in an odd-numbered year next following the effective date of this section, and at each succeeding municipal election in a year during which board member terms expire, there shall be elected [at each municipal election in odd-numbered years four] members of the board of education, who shall assume the duties of their office at the first regular meeting of the board of education after their election, and who shall hold office for [six] **four** years, and until their successors are elected and qualified.**

**6. Members of the board of directors shall be elected to represent seven subdistricts. The subdistricts shall be established by the state board of education to be compact, contiguous and as nearly equal in population as practicable. The subdistricts shall be revised by the state board of education after each decennial census and at any other time the state board determines that the district's demographics have changed sufficiently to warrant redistricting.**

**7. A member shall reside in and be elected in the subdistrict which the member is elected to represent. Subdistrict 1 shall be comprised of wards 1, 2, 22 and 27. Subdistrict 2 shall be comprised of wards 3, 4, 5 and 21. Subdistrict 3 shall be comprised of wards 18, 19, 20 and 26. Subdistrict 4 shall be comprised of wards 6,**

**7, 17 and 28. Subdistrict 5 shall be comprised of wards 9, 10, 11 and 12. Subdistrict 6 shall be comprised of wards 13, 14, 16 and 25. Subdistrict 7 shall be comprised of wards 8, 15, 23 and 24.**

**8. No one may run for school board who is employed by the school district or who is related to an employee of the school district within the second degree of affinity or consanguinity.**

162.621. **1.** The board of education shall have general and supervising control, government and management of the public schools and public school property of the district in the city and shall exercise generally all powers in the administration of the public school system therein. The board of education has all the powers of other school districts under the laws of this state except as herein provided and shall perform all duties required by general laws of school districts so far as they are applicable to the public school affairs of the city and are consistent with this law. It shall appoint the officers, agents and employees it deems necessary and proper and fix their compensation. The board of education may:

(1) Make, amend and repeal rules and bylaws for its meetings and proceedings, for the government, regulation and management of the public schools and school property in the city, for the transaction of its business, and the examination, qualification and employment of teachers, which rules and bylaws are binding on the board of education and all parties dealing with it until formally repealed;

(2) Fix the time of its meetings;

(3) Provide for special and standing committees;

(4) Levy taxes authorized by law for school purposes;

(5) Invest the funds of the district;

(6) Purchase and hold all property, real and personal, deemed by it necessary for the purposes of public education;

(7) Build and construct improvements for such purposes, and sell the same;

(8) Provide for the gratuitous transportation of pupils to and from schools in cases where by reason of special circumstances pupils are required to attend schools at unusual distances from their residences.

**2. Except as otherwise provided in this subsection, the powers granted in subsection 1 of this section shall be vested, in the manner provided in section 162.1100, in the special administrative board of the transitional school district containing the city not within a county if the school district loses its accreditation from the state board of education. Thereafter, such powers shall immediately revert to the board of**

**directors of the school district for any period of time for which no transitional school district containing the city not within a county is in existence. The board of directors of the school district shall, at all times, retain auditing and public reporting powers.**

**162.626. There is hereby established in the metropolitan school district a pilot program of multi-year teacher-student groupings. The program shall be implemented in no fewer than ten schools in the district and shall be implemented for no less than five consecutive years in each of such schools and in at least six classrooms in each of such schools. Pupil-teacher ratios in such classrooms shall not exceed twenty-five to one. The program shall seek to improve student learning by providing a long-term relationship between the student and a particular teacher. The board shall develop a plan for grade level groups throughout which participating classes shall maintain the same group of students with the same teacher for multiyear periods. The grade level groups shall include at least two grade levels and shall not exceed four grade levels in the same group. The plan shall provide for voluntary participation by students. The board shall establish a policy and a procedure to review and act upon requests by a student or the parent of a student that the student be transferred to a different class with a different teacher. All policies and plans established by the board pursuant to this subsection shall be subject to review and approval of the state board of education.**

162.935. 1. **Except as provided in subsection 3 of this section,** each special district formed under provisions of sections 162.670 to [162.995] **162.999** shall receive an amount for each eligible pupil equal to the sum of the amounts received by all districts comprising the special district for the current school year under provisions of section 163.031, RSMo, divided by the total number of eligible pupils in the schools of such districts. A student enrolled in classes or programs in both the special district and a component district or a pupil enrolled in a local district who needs itinerant or temporary services provided by the special district shall continue his enrollment in the local district for purposes of apportionment of state aid on average daily attendance. The special district may include the pupil in classes approved for special categorical aid. The district providing transportation may claim state transportation aid.

2. [The] **Any special school district which is in a county of the first classification which has a population greater than nine hundred thousand** is entitled to apportionment of state aid [in the same manner as six-director school districts] even though the tax rate levied by the special school district is less than that required by section 163.021, RSMo.

3. **For the purposes of determining state aid pursuant to section 163.031, RSMo, the operating levy for school purposes of a school district within any special school district which is not in a county of the first classification which has a population greater than nine hundred thousand shall include the operating levy for school purposes of the special school district in which such school district is located, and the district's number of eligible pupils shall reflect the average daily attendance of**

**all pupils resident in the district and educated by the district or by the special school district, or both. The department shall pay the funds so calculated to the school district and the special school district, respectively, in the same proportion as the school district's operating levy or special school district's operating levy, respectively, bears to the total of the operating levies of the school district and the special school district, except this distribution shall not decrease any district's allocation of formula money per eligible pupil below that which the district received for the 1992-93 school year. Such state aid shall constitute foundation formula state aid provided to such special school district pursuant to section 163.031, RSMo.**

**162.1060. 1. There is hereby established a metropolitan schools achieving value in transfer corporation, which shall be a public body corporate, for the purpose of implementing an urban voluntary school transfer program within a program area which shall include a city not within a county and any school district located in whole or in part in a county with a population in excess of nine hundred thousand persons which district chooses to participate. The corporation shall be governed by a board of directors consisting of one representative from each school district that participates in the urban voluntary school transfer program selected by the governing body of each such district. The vote of each member of the board shall be weighted proportionately to the percentage of the total of transfer students who attend school in the member's district.**

**2. (1) The corporation's board of directors shall design and operate an urban voluntary school transfer program for all participating districts. The board shall make provision for transportation of all the students and for payment to school districts for the education of such students. Acceptance of students into the program shall be determined by policies enacted by the corporation's board of directors, provided that first preference for acceptance of students shall be granted to students currently attending a district other than the district of residence pursuant to a voluntary transfer program established pursuant to federal desegregation order, decree or agreement. All provisions of this section shall be subject to a settlement incorporated into a final judgment, provided that the financial provisions of this section shall not be superseded by such settlement.**

**(2) Each district, other than a metropolitan school district, participating in an urban voluntary school transfer program shall place before voters in the district a proposal to continue participation in the urban voluntary school transfer program at the April election during the sixth year of operation of the program. Unless a majority of district voters voting thereon votes to continue participation in the program, each district, other than a metropolitan school district, shall file a plan, no later than the end of the seventh year of the operation of the program, for phase-out of the district's participation in the program, and such plan shall be provided to the state board of education, the transitional school district and the board of directors of the corporation. Each such plan shall provide for elimination of transfers to the district pursuant to this section no later than the following schedule:**

- (a) The ninth year of the program for grades one through three;**
- (b) The tenth year of the program for grades four through six;**
- (c) The eleventh year of the program for grades seven through nine; and**
- (d) The twelfth year of the program for grades ten through twelve.**

**3. (1) Other provisions of law to the contrary notwithstanding, each student participating in the program shall be considered an eligible pupil of the district of residence for the purpose of distributing state aid, except that students attending school in a metropolitan school district in a program established pursuant to this section shall be considered eligible pupils of the district attended, and provided that the department shall determine the increased state aid eligibility created by including pupils attending school in a program established pursuant to this section as eligible pupils of the district of residence and shall distribute the full amount of such state aid to the metropolitan schools achieving value in transfer corporation and shall not distribute state aid on the basis of such pupils to the district of residence.**

**(2) For each student participating in the program, the corporation shall receive the total of all state and federal aid that would otherwise be paid to the student's district of residence, including, but not limited to, state aid provided pursuant to sections 148.360, 149.015, 163.031 and 163.087, RSMo. The corporation shall pay a school district that receives a nonresident student from the funds of the corporation in accordance with the provisions of this section and agreements between the corporation and the participating school districts.**

**4. (1) In each of the first two fiscal years, the corporation shall also receive a payment of twenty-five million dollars.**

**(2) For the third year of operation and thereafter, the corporation shall receive transportation state aid, for each student that participates in the program, which shall be in the same amount and on the same basis as would be received by the student's district of residence if the student were attending a school in the attendance zone in the student's district of residence, provided that such reimbursement shall not exceed one hundred fifty-five percent of the statewide average per pupil cost for transportation for the second preceding school year.**

**(3) Funds received by the corporation pursuant to this subsection may be used for any purpose and need not be expended in the year received.**

**5. The corporation created herein shall have all powers of a public body corporate, except that it shall have no paid employees. The corporation, by contract with any public entity, school district, or private entity, may retain the services of a fiscal agent, make provisions for accounting, transportation management, or other**

assistance that the corporation may need to carry out its functions, except that no contractor or employee of any contractor acting in a policy-making function shall have ever been a contractor or employee of the Voluntary Interdistrict Coordinating Council or any other program established by the federal district court; except that this restriction shall not apply to transportation contractors or their employees. When a school district located in whole or in part in a county with a population in excess of nine hundred thousand persons ceases to participate in the urban public school transfer program, its representative shall be removed from the corporation's board of directors. When none of the students who reside in a school district in a city not within a county opt to participate in the program, the school district's representative shall be removed from the board of directors. When all of the school districts have ended their participation in the program, in accordance with this subsection, the corporation's operations shall cease, and any funds of the corporation remaining shall be paid to the state of Missouri to the credit of the general revenue fund, except such amounts as the commissioner of education shall determine should be paid to particular school districts under the regulations applicable to federal programs or returned to the federal government.

6. All funds received by the corporation shall become funds of the corporation and paid for the purposes set forth in this section and in accordance with agreements entered into between the corporation and participating school districts and other entities, provided that funds received for particular purposes, under federal or state categorical programs benefitting individual students, shall be paid to the district or entity providing services to the students entitled to such services. The proportionate share of federal and state resources generated by students with disabilities, or the staff serving them, shall be paid to the district where the child is attending school, unless the district of residence is required by law to provide such services to the individual students, except that a special school district containing the district where the child is attending school shall be paid for all unreimbursed expenses for special education services provided to students with disabilities. Funds held by the corporation at the close of a fiscal year may be carried over and utilized by the corporation in subsequent fiscal years for the purposes set forth in this section.

7. The board of directors may establish regional attendance zones which map the regions of a district in a city not within a county to corresponding recipient districts within the remainder of the program area. In establishing the regional attendance zones, the board of directors may solicit comments and suggestions from residents of the program area and may adopt one or more regional attendance zones previously established in the program area pursuant to a federal court desegregation order, decree or agreement.

8. No later than four years following the date an urban public school transfer program is begun pursuant to this section in a program area, the senate and the house of representatives shall establish a "Joint Committee on Urban Voluntary School Transfer Programs", composed of five members of the senate, appointed by the president pro tem of the senate, and five members of the house of



**representatives, appointed by the speaker of the house. Not more than three members appointed by the president pro tem and not more than three members appointed by the speaker of the house shall be from the same political party.**

**9. The joint committee may meet as necessary and hold hearings and conduct investigations as it deems advisable. No later than five years following the date an urban voluntary school transfer program is begun pursuant to this section in a program area, the committee shall review and monitor the status of any urban voluntary school transfer program established pursuant to this section and make any recommendations the committee deems necessary to the general assembly regarding such program or programs, which may include proposed changes to the program and recommendations regarding the continuation of the program. The members shall receive no additional compensation, other than reimbursement for their actual and necessary expenses incurred in the performance of their duties. The staff of the committee on legislative research, house research, and senate research shall provide necessary clerical, research, fiscal and legal services to the committee, as the committee may request.**

**10. No later than nine years following the date an urban public school transfer program is begun pursuant to this section in a program area, the "Joint Committee on Urban Voluntary School Transfer Programs" shall be re-established in the form specified in subsection 8 of this section and pursuant to the same provisions for reimbursement of expenses and staff support as specified in subsection 9 of this section. No later than ten years following the date an urban voluntary school transfer program is begun pursuant to this section in a program area, the committee shall review and monitor the status of any urban voluntary school transfer program established pursuant to this section and make any recommendations the committee deems necessary to the general assembly regarding such program or programs.**

**162.1100. 1. There is hereby established within each city not within a county a school district to be known as the "Transitional School District of (name of city)", which shall be a body corporate and politic and a subdivision of the state. The transitional school district shall be coterminous with the boundaries of the city in which the district is located. Except as otherwise provided in this section and section 162.621, the transitional school district shall be subject to all laws pertaining to "seven-director districts", as defined in section 160.011, RSMo. The transitional school district shall have the responsibility for educational programs and policies determined by a final judgment of a federal school desegregation case to be needed in providing for a transition of the educational system of the city from control and jurisdiction of a federal court school desegregation order, decree or agreement and such other programs and policies as designated by the governing body of the school district.**

**2. (1) The governing board of the transitional school district shall consist of three residents of the district: One shall be appointed by the governing body of the district, one shall be appointed by the mayor of the city not within a county and one**

**shall be appointed by the president of board of aldermen of the city not within a county. The members of the governing board shall serve without compensation for a term of three years, or until their successors have been appointed, or until the transitional district is dissolved or terminated. Any tax approved for the transitional district shall be assigned to the governing body of the school district in a city not within a county after dissolution or termination of the transitional district.**

**(2) In the event that the state board of education shall declare the school district of a city not within a county to be unaccredited, the member of the governing board of the transitional district appointed by the governing body of the district as provided in subdivision (1) of this subsection shall, within ninety days, be replaced by a chief executive officer nominated by the state board of education and appointed by the governor with the advice and consent of the senate. The chief executive officer need not be a resident of the district but shall be a person of recognized administrative ability, shall be paid in whole or in part with funds from the district, and shall have all other powers and duties of any other general superintendent of schools, including appointment of staff. The chief executive officer shall serve for a term of three years or until his successor is appointed or until the transitional district is dissolved or terminated. His salary shall be set by the state board of education.**

**3. In the event that the school district loses its accreditation, upon the appointment of a chief executive officer, any powers granted to any existing school board in a city not within a county on or before the effective date of this section shall be vested with the special administrative board of the transitional school district containing such school district so long as the transitional school district exists, except as otherwise provided in section 162.621.**

**4. The special administrative board's powers and duties shall include:**

**(1) Creating an academic accountability plan, taking corrective action in underperforming schools, and seeking relief from state-mandated programs;**

**(2) Exploration of alternative forms of governance for the district;**

**(3) Authority to contract with nonprofit corporations to provide for operation of schools;**

**(4) Oversight of facility planning, construction, improvement, repair, maintenance and rehabilitation;**

**(5) Authority to establish school site councils to facilitate site-based school management and to improve the responsiveness of the schools to the needs of the local geographic attendance region of the school;**

**(6) Authority to submit a proposal to district voters pursuant to section 1 of this act regarding establishment of neighborhood schools.**

**5. The provisions of a final judgment as to the state of Missouri and its officials in a school desegregation case which subjects a district in which a transitional district is located in this state to a federal court's jurisdiction may authorize or require the governing body of a transitional school district established under this section to establish the transitional district's operating levy for school purposes, as defined pursuant to section 163.011, RSMo, at a level not to exceed eighty-five cents per one hundred dollars assessed valuation in the district or a sales tax equivalent amount as determined by the department of elementary and secondary education which may be substituted for all or part of such property tax. The transitional school district, any other statute to the contrary notwithstanding, shall not be subject to any certificate of tax abatement issued pursuant to sections 99.700 to 99.715, RSMo. Any certificate of abatement issued after the effective date of this act shall not be applicable to the transitional school district. The transitional school district shall not be subject to the provisions of section 162.081, sections 163.021 and 163.023, RSMo, with respect to any requirements to maintain a minimum value of operating levy or any consequences provided by law for failure to levy at least such minimum rate. No operating levy or increase in the operating levy or sales tax established pursuant to this section shall be collected for a transitional school district unless prior approval is obtained from a simple majority of the district's voters. The board of the transitional district shall place the matter before the voters prior to March 15, 1999.**

**6. (1) The special administrative board established in this section shall develop, implement, monitor and evaluate a comprehensive school improvement plan, and such plan shall be subject to review and approval of the state board of education. The plan shall ensure that all students meet or exceed grade level standards established by the state board of education pursuant to section 160.514, RSMo;**

**(2) The special administrative board shall establish student performance standards consistent with the standards established by the state board of education pursuant to section 160.514, RSMo, for preschool through grade twelve in all skill and subject areas, subject to review and approval of the state board of education for the purpose of determining whether the standards are consistent with standards established by the state board of education pursuant to section 160.514, RSMo;**

**(3) All students in the district who do not achieve grade level standards shall be required to attend summer school; except that the provisions of this subsection shall not apply to students receiving special education services pursuant to sections 162.670 to 162.999;**

**(4) No student shall be promoted to a higher grade level unless that student has a reading ability at or above one grade level below the student's grade level; except that the provisions of this subsection shall not apply to students receiving special education services pursuant to sections 162.670 to 162.999;**

**(5) The special administrative board established in this section shall develop, implement and annually update a professional development plan for teachers and other support staff, subject to review and approval of the state board of education.**

**7. The school improvement plan established pursuant to this section shall ensure open enrollment and program access to all students in the district, and, consistent with the Missouri and United States Constitutions, shall give first priority to residents of the city for admission to magnet schools. The school board shall take all practicable and constitutionally permissible steps to ensure that all magnet schools operate at full capacity. Students who change residence within the district shall be allowed to continue to attend the school in which they were initially enrolled for the remainder of their education at grade levels served by that school, and transportation shall be provided by the district to allow such students to continue to attend such school of initial enrollment.**

**8. To the extent practicable, the special administrative board shall ensure that per pupil expenditures and pupil-teacher ratios shall be the same for all schools serving students at a given grade level.**

**9. The special administrative board shall ensure that early childhood education is available throughout the district.**

**10. The special administrative board shall ensure that vocational education instruction is provided within the district.**

**11. The special administrative board shall establish an accountability officer whose duty shall be to ensure that academically deficient schools within the district are raised to acceptable condition within two years.**

**12. The transitional school district in any city not within a county shall be dissolved on July 1, 2008, unless the state board determines, prior to that date, that it is necessary for the transitional district to continue to accomplish the purposes for which it was created. The state board of education may cause the termination of the transitional school district at any time upon a determination that the transitional district has accomplished the purposes for which it was established and is no longer needed. The state board of education may cause the re-establishment of the transitional school district at any time upon a determination that it is necessary for the transitional district to be re-established to accomplish the purposes established in this section. The state board of education shall provide notice to the governor and general assembly of the termination or re-establishment of the transitional school district and the termination or re-establishment shall become effective thirty days following such determination. Upon dissolution of a transitional school district pursuant to this section, nothing in this section shall be construed to reduce or eliminate any power or duty of any school district or districts containing the territory of the dissolved transitional school district unless such transitional school district is re-established by the state board of education pursuant to this section.**

163.011. As used in this chapter unless the context requires otherwise:

(1) "Adjusted gross income":

(a) "District adjusted gross income per return" shall be the total Missouri individual adjusted gross income in a school district divided by the total number of Missouri income tax returns filed from the school district as reported by the state department of revenue for the second preceding year;

(b) "State adjusted gross income per return" shall be the total Missouri individual adjusted gross income divided by the total number of Missouri individual income tax returns, of those returns designating school districts, as reported by the state department of revenue for the second preceding year;

(c) "District income factor" shall be one plus thirty percent of the difference of the district income ratio minus one, except that the district income factor applied to the portion of the assessed valuation corresponding to any increase in assessed valuation above the assessed valuation of a district as of December 31, 1994, shall not exceed a value of one;

(d) "District income ratio" shall be the ratio of the district adjusted gross income per return divided by the state adjusted gross income per return;

**(2) "Adjusted operating levy", the sum of tax rates for the current year for teachers and incidental funds for a school district as reported to the proper officer of each county pursuant to section 164.011, RSMo;**

[(2)] **(3)** "Average daily attendance" means the quotient or the sum of the quotients obtained by dividing the total number of hours attended in a term by resident pupils between the ages of five and twenty-one by the actual number of hours school was in session in that term. To the average daily attendance of the **following** school term shall be added the full-time equivalent average daily attendance of summer school students. "Full-time equivalent average daily attendance of summer school students" shall be computed by dividing the total number of hours attended by all summer school pupils by the number of hours required in section 160.011, RSMo, in the school term. For purposes of determining average daily attendance under this subdivision, the term "resident pupil" shall include all children between the ages of five and twenty-one who are residents of the school district and who are attending kindergarten through grade twelve in such district. If a child is attending school in a district other than the district of residence and the child's parent is teaching in the school district or is a regular employee of the school district which the child is attending, then such child shall be considered a resident pupil of the school district which the child is attending for such period of time when the district of residence is not otherwise liable for tuition. Average daily attendance for students below the age of five years for which a school district may receive state aid based on such attendance shall be computed as regular school term attendance unless otherwise provided by law;

**(4) "Current operating costs", all expenditures for instruction and support services excluding capital outlay and debt service expenditures less the revenue from federal categorical sources, food service, student activities and payments from other districts;**

**(5) "District's target rate", the district's average percentage of pupils from fiscal years 2000 to 2005 scoring at or above the proficiency level on the statewide assessment system on either mathematics or reading/communication arts plus one percentage point for each year after fiscal year 2005 except that the district's target rate shall not exceed the statewide average percentage from fiscal year 2000 to fiscal year 2005 scoring at or above the proficiency level on the statewide assessment system on either mathematics or reading/communication arts.**

[(3)] **(6) "District's tax rate ceiling", the highest tax rate ceiling in effect subsequent to the 1980 tax year or any subsequent year. Such tax rate ceiling shall not contain any tax levy for debt service;**

[(4)] **(7) "Eligible pupils" shall be the sum of the average daily attendance of the school term plus the product of two times the average daily attendance for summer school;**

[(5)] **(8) "Equalized assessed valuation of the property of a school district" shall be determined by multiplying the assessed valuation of the real property subclasses specified in section 137.115, RSMo, times the percent of true value as adjusted by the department of elementary and secondary education to an equivalent sales ratio of thirty-three and one-third percent and dividing by either the percent of true value as determined by the state tax commission on or before March fifteenth preceding the fiscal year in which the valuation will be effective as adjusted by the department of elementary and secondary education to an equivalent sales ratio of thirty-three and one-third percent or the average percent of true value for the highest three of the last four years as determined and certified by the state tax commission, whichever is greater. To the equalized locally assessed valuation of each district shall be added the assessed valuation of tangible personal property. The assessed valuation of property which has previously been excluded from the tax rolls, which is being contested as not being taxable and which increases the total assessed valuation of the school district by fifty percent or more, shall not be included in the calculation of equalized assessed valuation under this subdivision;**

**(9) "Fiscal instructional ratio of efficiency", the quotient of the sum of the district's current operating costs for all kindergarten through grade twelve direct instructional and direct pupil support service functions plus the costs of improvement of instruction and the cost of purchased services and supplies for operation of the facilities housing those programs, excluding student activities, divided by the sum of the district's current operating cost for kindergarten through grade twelve, plus all tuition revenue received from other districts minus all noncapital transportation costs;**

[(6)] **(10)** "Free and reduced lunch eligible pupil count", the number of pupils eligible for free and reduced lunch on the last Wednesday in January for the preceding school year who were enrolled as students of the district, as approved by the department in accordance with applicable federal regulations;

[(7)] **(11)** "Guaranteed tax base" means the amount of equalized assessed valuation per eligible pupil guaranteed each school district by the state in the computation of state aid. To compute the guaranteed tax base, school districts shall be ranked annually from lowest to highest according to the amount of equalized assessed valuation per pupil. The guaranteed tax base shall be based upon the amount of equalized assessed valuation per pupil of the school district in which the ninety-fifth percentile of the state aggregate number of pupils falls during the third preceding year and shall be equal to the state average equalized assessed valuation per eligible pupil for the third preceding year times two and one hundred and sixty-seven thousandths; **except that, for the purposes of line 14(b) the guaranteed tax base shall be no greater than the guaranteed tax base used for the 1998-99 payment year.** The average equalized assessed valuation per pupil shall be the quotient of the total equalized assessed valuation of the state divided by the number of eligible pupils;

[(8)] **(12)** "Membership" shall be the average of (1) the number of resident full-time students and the full-time equivalent number of part-time students who were enrolled in the public schools of the district on the last Wednesday in September of the previous year and who were in attendance one day or more during the preceding ten school days and (2) the number of resident full-time students and the full-time equivalent number of part-time students who were enrolled in the public schools of the district on the last Wednesday in January of the previous year and who were in attendance one day or more during the preceding ten school days, plus the full-time equivalent number of summer school pupils. "Full-time equivalent number of part-time students" is determined by dividing the total number of hours for which all part-time students are enrolled by the number of hours in the school term. "Full-time equivalent number of summer school pupils" is determined by dividing the total number of hours for which all summer school pupils were enrolled by the number of hours required pursuant to section 160.011, RSMo, in the school term. Only students eligible to be counted for average daily attendance shall be counted for membership;

[(9)] **(13)** "Operating levy for school purposes" **for districts making transfers pursuant to subsection 4 of section 165.011, RSMo, based upon amounts multiplied by the guaranteed tax base, or making payments or expenditures related to obligations made pursuant to section 177.088, RSMo, or any combination of such transfers, payments or expenditures,** means the sum of tax rates levied for teachers and incidental funds **plus the operating levy or sales tax equivalent pursuant to section 162.1100, RSMo, of any transitional school district containing the school district,** in the payment year [and], **and, for other districts, means the sum of tax rates levied for incidental, teachers, debt service and capital projects funds plus the operating levy or sales tax equivalent pursuant to section 162.1100, RSMo, of any transitional school district containing the school district, with no more than eighteen cents of the**

**sum levied in the debt service and capital projects funds. Any portion of the operating levy for school purposes levied in the debt service and capital projects funds in excess of a sum of ten cents must be authorized by a vote of the people, after August 28, 1998, approving an increase in the operating levy, or a full waiver of the rollback pursuant to section 164.013, RSMo, with a tax rate ceiling in excess of the minimum tax rate or an issuance of general obligation bond. The operating levy shall be, after all adjustments and equalization of the operating levy, [no less than the minimum value required in section 163.021 for eligibility for increases in state aid as calculated pursuant to section 163.031 and] no greater than a maximum value of four dollars and [sixty] **ninety-five** cents per one hundred dollars assessed valuation, **except that the operating levy shall be no greater than a maximum value of four dollars and seventy cents per one hundred dollars assessed valuation for the purposes of line 2 of subsection 6 of section 163.031.** To equalize the operating levy, multiply the aggregate tax rates for teachers[,] and incidental[, and building] funds by either the percent of true value, as determined by the state tax commission on or before March fifteenth preceding the fiscal year in which the evaluation will be effective as adjusted by the department of elementary and secondary education to an equivalent sales ratio of thirty-three and one-third percent, or the average percent of true value for the highest three of the last four years as determined and certified by the state tax commission, whichever is greater, and divide by the percent of true value as adjusted by the department of elementary and secondary education to an equivalent sales ratio of thirty-three and one-third percent, provided that for any district for which the equivalent sales ratio is equal to or greater than thirty-three and one-third percent, the equalized operating levy shall be the adjusted operating levy. For any county in which the equivalent sales ratio is less than thirty-one and two-thirds percent, the state tax commission shall conduct a second study in that county and shall use a sample at least twice as large as the one originally used. If the new ratio is higher than the original ratio provided by this subdivision, the new ratio shall be used for the purposes of this subdivision and for determining equalized assessed valuation pursuant to subdivision [(5)] **(8)** of this section. For the purposes of calculating state aid pursuant to section 163.031, for any district which has not enacted a voluntary tax rate rollback nor increased the amount of a voluntary tax rate rollback from the previous year's amount, the tax rate used to determine a district's entitlement shall be adjusted so that any decrease in the entitlement due to a decrease in the tax rate resulting from the reassessment shall equal the decrease in the deduction for the assessed valuation of the district as a result of the change in the tax rate due to reassessment. The tax rate adjustments required under this subdivision due to reassessment shall be cumulative and shall be applied each year to determine the tax rate used to calculate the entitlement; except that whenever the actual current operating levy exceeds the tax rate calculated pursuant to this subdivision for the purpose of determining the district's entitlement, then the prior tax rate adjustments required under this subdivision due to reassessment shall be eliminated and shall not be applied in determining the tax rate used to calculate the district entitlement;**

[(10)] **(14)** "School purposes" pertains to teachers and incidental funds;



[(11)] **(15)** "Teacher" means any teacher, teacher-secretary, substitute teacher, supervisor, principal, supervising principal, superintendent or assistant superintendent, school nurse, social worker, counselor or librarian who shall, regularly, teach or be employed for no higher than grade twelve more than one-half time in the public schools and who is certified under the laws governing the certification of teachers in Missouri[;

(12) "Adjusted operating levy", the sum of tax rates for the current year for teachers and incidental funds for a school district as reported to the proper officer of each county pursuant to section 164.011, RSMo;

(13) "Current operating costs", all expenditures for instruction and support services excluding capital outlay and debt service expenditures less the revenue from federal categorical sources, food service, student activities and payments from other districts].

163.021. 1. A school district shall receive state aid for its education program only if it:

(1) Provides for a minimum of one hundred seventy-four days and one thousand forty-four hours of actual pupil attendance in a term scheduled by the board pursuant to section 160.041, RSMo, for each pupil or group of pupils, except that the board shall provide a minimum of one hundred seventy-four days and five hundred twenty-two hours of actual pupil attendance in a term for kindergarten pupils. If any school is dismissed because of inclement weather after school has been in session for three hours, that day shall count as a school day including afternoon session kindergarten students. When the aggregate hours lost in a term due to inclement weather decreases the total hours of the school term below the required minimum number of hours by more than twelve hours for all day students or six hours for one-half day kindergarten students, all such hours below the minimum must be made up in one-half day or full day additions to the term, except as provided in section 171.033, RSMo;

(2) Maintains adequate and accurate records of attendance, personnel and finances, as required by the state board of education, which shall include the preparation of a financial statement which shall be submitted to the state board of education the same as required by the provisions of section 165.111, RSMo, for districts;

(3) Levies an operating levy for school purposes of not less than one dollar and twenty-five cents after all adjustments and reductions on each one hundred dollars assessed valuation of the district;

(4) Computes average daily attendance as defined in subdivision (2) of section 163.011 as modified by section 171.031, RSMo. Whenever there has existed within the district an infectious disease, contagion, epidemic, plague or similar condition whereby the school attendance is substantially reduced for an extended period in any school year, the apportionment of school funds and all other distribution of school moneys shall be made on the basis of the school year next preceding the year in which such condition existed.

2. [No school district shall receive more state aid, as calculated in section 163.031, for its education program than it received per eligible pupil for the school year 1990-91, unless it levies an operating levy for school purposes of not less than two dollars after all adjustments and reductions beginning with the tax year which commences January 1, 1993. For the 1994-95] **Beginning with the tax year which commences January 1, 1998, and for the 1998-99** school year and subsequent **tax and** school years, no school district shall receive more state aid, as calculated under section 163.031 for its education program, exclusive of categorical add-ons, than it received per eligible pupil for the school year 1993-94, unless it has an operating levy for [current] school purposes, **as determined pursuant to section 163.011**, of not less than two dollars and seventy-five cents after all adjustments and reductions [beginning with the tax year which commences January 1, 1994], **with no more than ten cents of this tax rate levied in the debt service and capital projects funds and eligible for entry on line 1 of the state school aid formula contained in subsection 6 of section 163.031**; except that, beginning in the 1997-98 school year, any district which is required, pursuant to article X, section 22 of the Missouri Constitution, to reduce its operating levy below the minimum tax rate otherwise required under this subsection shall not be construed to be in violation of this subsection for making such tax rate reduction. Pursuant to section 10(c) of article X of the state constitution, a school district may levy the operating levy for school purposes required by this subsection less all adjustments required pursuant to article X, section 22 of the Missouri Constitution if such rate does not exceed the highest tax rate in effect subsequent to the 1980 tax year. Nothing in this section shall be construed to mean that a school district is guaranteed to receive an amount not less than the amount the school district received per eligible pupil for the school year 1990-91. The provisions of this subsection shall not apply to any school district located in a county of the second classification which has a nuclear power plant located in such district or to any school district located in a county of the third classification which has an electric power generation unit with a rated generating capacity of more than one hundred fifty megawatts which is owned or operated or both by a rural electric cooperative except that such school districts may levy for current school purposes and capital projects an operating levy not to exceed two dollars and seventy-five cents less all adjustments required pursuant to article X, section 22 of the Missouri Constitution.

3. No school district shall receive more state aid, as calculated in section 163.031, for its education program, exclusive of categorical add-ons, than it received per eligible pupil for the school year 1993-1994, if the state board of education determines that the district was not in compliance in the preceding school year with the requirements of section 163.172, until such time as the board determines that the district is again in compliance with the requirements of section 163.172.

4. The department of elementary and secondary education shall evaluate the correlation between district tax rates and district assessed valuation per pupil following each biennial property tax reassessment and shall report its findings to the governor and the general assembly by December first of the year following each reassessment. The findings shall include a calculation of the minimum required property tax rate necessary to maintain a correlation of zero or less between district property tax rate and district assessed

valuation per pupil and a report of assessed valuation per pupil and district property tax rate for all districts.

5. No school district shall receive state aid, pursuant to section 163.031, if such district was not in compliance, during the preceding school year, with the requirement, established pursuant to section 160.530, RSMo, to allocate revenue to the professional development committee of the district.

6. No school district shall receive more state aid, as calculated in section 163.031, for its education program, exclusive of categorical add-ons, than it received per eligible pupil for the school year 1993-1994, if the district did not comply in the preceding school year with the requirements of subsection 7 of section 163.031.

7. No school district shall receive state aid, pursuant to section 163.031, if the district failed to make a required payment in the preceding year to the school building revolving fund pursuant to section 166.300, RSMo.

163.031. 1. School districts which meet the requirements of section 163.021 shall be entitled to an amount computed as follows: an amount determined by multiplying the number of eligible pupils by the **lesser of the** district's equalized operating levy for school purposes as defined in section 163.011 **or two dollars and seventy-five cents per one hundred dollars assessed valuation** multiplied by the guaranteed tax base per eligible pupil times the proration factor **plus an amount determined by multiplying the number of eligible pupils by the greater of zero or the district's equalized operating levy for school purposes as defined in section 163.011 minus two dollars and seventy-five cents per one hundred dollars assessed valuation multiplied by the guaranteed tax base per eligible pupil times the proration factor.** For the purposes of this section, the proration factor shall be equal to the sum of the total appropriation for distribution under subsections 1 and 2 of this section; and the state total of the deductions as calculated in subsection 2 of this section which do not exceed the district entitlements as adjusted by the same proration factor; divided by the amount of the state total of district entitlements before proration as calculated pursuant to this subsection; **provided that, if the proration factor so calculated is greater than one, the proration factor for line 1(b) shall be the greater of one or the proration factor for line 1(a) minus five hundredths, and provided that if the proration factor so calculated is less than one, the proration factor for line 1(a) shall be the lesser of one or the proration factor for line 1(b) plus five hundredths.**

2. From the district entitlement for each district there shall be deducted the following amounts: an amount determined by multiplying the district equalized assessed valuation by the district's equalized operating levy for school purposes times the district income factor plus ninety percent of any payment received the current year of protested taxes due in prior years no earlier than the 1997 tax year minus the amount of any protested taxes due in the current year and for which notice of protest was received during the current year; one hundred percent of the amount received the previous year for school purposes from intangible taxes, fines, forfeitures and escheats, payments in lieu of taxes and

receipts from state assessed railroad and utility tax, except that any penalty paid after July 1, 1995, by a concentrated animal feeding operation as defined by the department of natural resources rule shall not be included; one hundred percent of the amounts received the previous year for school purposes from federal properties pursuant to sections 12.070 and 12.080, RSMo; federal impact aid received the previous year for school purposes pursuant to P.L. 81-874 less fifty thousand dollars multiplied by ninety percent or the maximum percentage allowed by federal regulation if that percentage is less than ninety; fifty percent, or the percentage otherwise provided in section 163.087, of Proposition C revenues received the previous year for school purposes from the school district trust fund pursuant to section 163.087; one hundred percent of the amount received the previous year for school purposes from the fair share fund pursuant to section 149.015, RSMo; and one hundred percent of the amount received the previous year for school purposes from the free textbook fund, pursuant to section 148.360, RSMo.

3. School districts which meet the requirements of section 163.021 shall receive categorical add-on revenue as provided in this subsection. There shall be individual proration factors for each categorical entitlement provided for in this subsection, and each proration factor shall be determined by annual appropriations, but no categorical proration factor shall exceed the entitlement proration factor established pursuant to subsection 1 of this section, except that the vocational education entitlement proration factor established pursuant to line 16 of subsection 6 of this section and the educational and screening program entitlements proration factor established pursuant to line 17 of subsection 6 of this section may exceed the entitlement proration factor established pursuant to subsection 1 of this section. The categorical add-on for the district shall be the sum of: seventy-five percent of the district allowable transportation costs pursuant to section 163.161 multiplied by the proration factor; the special education approved or allowed cost entitlement for the district, provided for by section 162.975, RSMo, multiplied by the proration factor; seventy-five percent of the district gifted education approved or allowable cost entitlement as determined pursuant to section 162.975, RSMo, multiplied by the proration factor; the free and reduced lunch eligible pupil count for the district, as defined in section 163.011, multiplied by twenty percent, **for a district with an operating levy in excess of two dollars and seventy-five cents per one hundred dollars assessed valuation, or twenty-two percent, otherwise** times the guaranteed tax base per eligible pupil times **two dollars and seventy-five cents per one hundred dollars assessed valuation** [the minimum value for an operating levy for school purposes as provided in section 163.011] times the proration factor **plus the free and reduced lunch eligible pupil count for the district, as defined in section 163.011, times thirty percent times the guaranteed tax base per eligible pupil times the following quantity: ((the greater of zero or the district's operating levy for school purposes minus two dollars and seventy-five cents per one hundred dollars assessed valuation) times one or, beginning in the fifth year following the effective date of this section, the quotient of the district's fiscal instructional ratio of efficiency for the prior year divided by the fiscal year 1998 statewide average fiscal instructional ratio of efficiency, if the district's prior year fiscal instructional ratio of efficiency is at least five percent below the fiscal year 1998 statewide average) times the proration factor, minus court-ordered state desegregation aid received by the district for**

**operating purposes**; the career ladder entitlement for the district, as provided for in sections 168.500 to 168.515, RSMo, multiplied by the proration factor; the vocational education entitlement for the district, as provided for in section 167.332, RSMo, multiplied by the proration factor and the district educational and screening program entitlements as provided for in sections 178.691 to 178.699, RSMo, times the proration factor.

4. Each district's apportionment shall be the prorated categorical add-ons plus the greater of the district's prorated entitlement minus the total deductions for the district or zero.

5. (1) In the 1993-94 school year and all subsequent school years, pursuant to section 10(c) of article X of the state constitution, a school district shall adjust upward its operating levy for school purposes to the extent necessary for the district to at least maintain the current operating expenditures per pupil received by the district from all sources in the 1992-93 school year, except that its operating levy for school purposes shall not exceed the highest tax rate in effect subsequent to the 1980 tax year, or the minimum rate required by subsection 2 of section 163.021, whichever is less.

(2) [Beginning with the 1993-94 school year,] The revenue per eligible pupil received by a district from the following sources: line 1 minus line 10, or zero if line 1 minus line 10 is less than zero, plus line 14 of subsection 6 of this section[; plus the product of the current assessed valuation of the district multiplied by the following tax rate - the greater of zero or the minimum rate required by subsection 2 of section 163.021 minus the district's equalized operating levy for school purposes for 1993], shall not be less than the revenue per eligible pupil received by a district in the 1992-93 school year from the foundation formula entitlement payment amount **plus the amount of line 14 per eligible pupil that exceeds the line 14 per pupil amount from the 1997-98 school year, or the revenue per eligible pupil received by a district in the 1992-93 school year from the foundation formula entitlement payment amount plus the amount of line 14(a) per eligible pupil times the quotient of line 1 minus line 10, divided by the number of eligible pupils, or zero if line 1 minus line 10 is less than zero, divided by the revenue per eligible pupil received by the district in the 1992-93 school year from the foundation formula entitlement payment amount, whichever is greater.** The department of elementary and secondary education shall make an addition in the payment amount of line 19 of subsection 6 of this section to assure compliance with the provisions contained in this section.

(3) For any school district which meets the eligibility criteria for state aid as established in section 163.021, but which under subsections 1 to 4 of this section, receives no state aid for two successive school years, other than categorical add-ons, by August first following the second such school year, the commissioner of education shall present a plan to the superintendent of the school district for the waiver of rules and the duration of said waivers, in order to promote flexibility in the operations of the district and to enhance and encourage efficiency in the delivery of instructional services. The provisions of other law to the contrary notwithstanding, the plan presented to the superintendent shall provide a summary waiver, with no conditions, for the pupil testing

requirements pursuant to section 160.257, RSMo. Further, the provisions of other law to the contrary notwithstanding, the plan shall detail a means for the waiver of requirements otherwise imposed on the school district related to the authority of the state board of education to classify school districts pursuant to section 161.092, RSMo, and such other rules as determined by the commissioner of education, except that such waivers shall not include the provisions established pursuant to sections 160.514 and 160.518, RSMo.

(4) In the 1993-94 school year and each school year thereafter for two years, those districts which are entitled to receive state aid under subsections 1 to 4 of this section, shall receive state aid in an amount per eligible pupil as provided in this subsection. For the 1993-94 school year, the amount per eligible pupil shall be twenty-five percent of the amount of state aid per eligible pupil calculated for the district for the 1993-94 school year pursuant to subsections 1 to 4 of this section plus seventy-five percent of the total amount of state aid received by the district from all sources for the 1992-93 school year for which the district is entitled and which are distributed in the 1993-94 school year pursuant to subsections 1 to 4 of this section. For the 1994-95 school year, the amount per eligible pupil shall be fifty percent of the amount of state aid per eligible pupil calculated for the district for the 1994-95 school year pursuant to subsections 1 to 4 of this section plus fifty percent of the total amount of state aid received by the district from all sources for the 1992-93 school year for which the district is entitled and which are distributed in the 1994-95 school year pursuant to subsections 1 to 4 of this section. For the 1995-96 school year, the amount of state aid per eligible pupil shall be seventy-five percent of the amount of state aid per eligible pupil calculated for the district for the 1995-96 school year pursuant to subsections 1 to 4 of this section plus twenty-five percent of the total amount of state aid received by the district from all sources for the 1992-93 school year for which the district is entitled and which are distributed in the 1995-96 school year pursuant to subsections 1 to 4 of this section. Nothing in this subdivision shall be construed to limit the authority of a school district to raise its district operating levy pursuant to subdivision (1) of this subsection.

(5) If the total of state aid apportionments to all districts pursuant to subdivision (3) of this subsection is less than the total of state aid apportionments calculated pursuant to subsections 1 to 4 of this section, then the difference shall be deposited in the outstanding schools trust fund. If the total of state aid apportionments to all districts pursuant to subdivision (1) of this subsection is greater than the total of state aid apportionments calculated pursuant to subsections 1 to 4 of this section, then funds shall be transferred from the outstanding schools trust fund to the state school moneys fund to the extent necessary to fund the district entitlements as modified by subdivision (4) of this subsection for that school year with a district entitlement proration factor no less than one and such transfer shall be given priority over all other uses for the outstanding schools trust fund as otherwise provided by law.

6. State aid shall be determined as follows:

District Entitlement

[1.] **1(a).** Number of eligible pupils x (**lesser of** district's equalized operating levy for school purposes **or two dollars and seventy-five cents per one hundred dollars assessed valuation**) x (proration x GTB per EP)..... \$.....

**1(b).** Number of eligible pupils x (**greater of: 0, or district's equalized operating levy for school purposes minus two dollars and seventy-five cents per one hundred dollars assessed valuation**) x (proration x GTB per EP)..... \$.....

Deductions

2. District equalized assessed valuation x district income factor x district's equalized operating levy for school purposes plus ninety percent of any payment received the current year of protested taxes due in prior years no earlier than the 1997 tax year minus the amount of any protested taxes due in the current year and for which notice of protest was received during the current year..... \$.....

3. Intangible taxes, fines, forfeitures, escheats, payments in lieu of taxes, etc. (100% of the amount received the previous year for school purposes)..... \$.....

4. Receipts from state assessed railroad and utility tax (100% of the amount received the previous year for school purposes)..... \$.....

5. Receipts from federal properties pursuant to sections 12.070 and 12.080, RSMo (100% of the amount received the previous year for school purposes)..... \$.....

6. (Federal impact aid received the previous year for school purposes pursuant to P.L. 81-874 less \$50,000) x 90% or the maximum percentage allowed by federal regulations if less than 90% ..... \$.....

7. Fifty percent or the percentage otherwise provided in section 163.087 of Proposition C receipts from the school district trust fund received the previous year for school purposes pursuant to section 163.087 ..... \$.....

8. One hundred percent of the amount received the previous year for school purposes from the fair share fund pursuant to section 149.015, RSMo ..... \$.....

9. One hundred percent of the amount received the previous year for school purposes from the free textbook fund pursuant to section 148.360, RSMo ..... \$.....

10. Total deductions (sum of lines 2-9) ..... \$.....

Categorical Add-ons

11. The amount distributed pursuant to section 163.161 x proration ..... \$.....

12. Special education approved or allowed cost entitlement for the district pursuant to section 162.975,



RSMo, x proration ..... \$.....

13. Seventy-five percent of the gifted education

approved or allowable cost entitlement as determined

pursuant to section 162.975, RSMo, x proration ..... \$.....

[14.] **14(a).** Free and reduced lunch eligible pupil

count for the district, as defined in section

163.011, x .20, **if operating levy in excess of**

**\$2.75, or .22, otherwise** x GTB per EP x **\$2.75 per**

**\$100 AV** [the minimum value for an operating levy for

school purposes as provided in section

163.011] x proration ..... \$.....

**14(b).** Free and reduced lunch eligible pupil count for the

**district, as defined in section 163.011 x .30 x GTB x ((the**

**greater of zero or the district's adjusted operating levy**

**minus \$2.75 per \$100 AV) x (1.0 or, beginning in**

**the fifth year following the effective date of this section,**

**the district's FIRE for the prior year/statewide average**

**FIRE for FY 1998, if the district's prior year FIRE is at**

**least five percent below the FY 1998 statewide average FIRE)**

**x proration) - court-ordered state desegregation aid**

**received by the district for operating purposes ..... \$.....**

15. Career ladder entitlement for the district as provided

for in sections 168.500 to 168.515, RSMo,

x proration ..... \$.....

16. Vocational education entitlements for the district

as provided in section 167.332, RSMo, x proration..... \$.....

17. Educational and screening program entitlements for

the district as provided in sections 178.691 to

178.699, RSMo, x proration ..... \$.....

18. Sum of categorical add-ons for the district

(sum of lines 11-17) ..... \$.....

19. District apportionment (line 18 plus the greater of

line 1 minus line 10 or zero)..... \$.....

7. Revenue received for school purposes by each school district pursuant to this section shall be placed in each of the incidental and teachers' funds based on the ratio of the property tax rate in the district for that fund to the total tax rate in the district for the two funds.

**8. In addition to the penalty for line 14 described in subsection 6 of this section, beginning in school year 2004-05, any increase in a school district's funds received pursuant to line 14 of subsection 6 of this section over the 1997-98 school year shall be reduced by one percent for each full percentage point the percentage of the district's pupils scoring at or above five percent below the statewide average level on either mathematics or reading is less than sixty-five percent.**

**9. If a school district's annual audit discloses that students were inappropriately identified as eligible for free or reduced price lunch and the district does not resolve the audit finding, the department of elementary and secondary education shall require that the amount of line 14 aid paid on the inappropriately identified pupils be repaid by the district in the next school year and shall additionally impose a penalty of one hundred percent of the line 14 aid paid on such pupils, which penalty shall also be paid within the next school year. Such amounts may be repaid by the district through the withholding of the amount of state aid.**

163.161. 1. Any school district which makes provision for transporting pupils as provided in section 162.621, RSMo, and sections 167.231 and 167.241, RSMo, shall receive state aid for the ensuing year for such transportation on the basis of the cost of pupil transportation services provided the current year. A district shall receive, pursuant to section 163.031, an amount not greater than seventy-five percent of the allowable costs

of providing pupil transportation services to and from school and to and from public accredited vocational courses, and shall not receive an amount per pupil greater than one hundred twenty-five percent of the state average approved cost per pupil transported the second preceding school year, except when the state board of education determines that sufficient circumstances exist to authorize amounts in excess of the one hundred twenty-five percent of the state average approved cost per pupil transported the second previous year.

2. The state board of education shall **determine public school district route approval procedures to be used by each public school district board of education to** approve all bus routes or portions of routes and determine the total miles each **public school district** [should have for effective and economical] **needs for safe and cost-efficient** transportation of the pupils and **the state board of education** shall determine allowable costs[. Under circumstances where the state board approves only a portion of a route, the costs for the disapproved portion shall not be considered allowable costs. The local school board, in its discretion, may continue that portion of the route unless that portion of the route was discontinued by the state board of education for safety reasons. When the local school board decides to continue that portion of the route, costs incurred shall be paid from local money or by the parents of the students living on that portion of the route under consideration. State aid for any other portion of the route which shall otherwise be approved shall not be affected.] No state aid shall be paid for the costs of transporting pupils living less than one mile from the school. However, if the state board of education determines that circumstances exist where no appreciable additional expenses are incurred in transporting pupils living less than one mile from school, such pupils may be transported without increasing or diminishing the district's entitlement to state aid for transportation.

3. State aid for transporting handicapped and severely handicapped students attending classes within the school district or in a nearby district under a contractual arrangement shall be paid in accordance with the provisions of section 163.031 and an amount equal to seventy-five percent of the additional cost of transporting handicapped and severely handicapped students above the average per pupil cost of transporting all students of the district shall be apportioned pursuant to section 163.031 where such special transportation is approved in advance by the department of elementary and secondary education. State aid for transportation of handicapped and severely handicapped children in a special school district shall be seventy-five percent of allowable costs as determined by the state board of education which may for sufficient reason authorize amounts in excess of one hundred twenty-five percent of the state average approved cost per pupil transported the second previous year. In no event shall state transportation aid exceed seventy-five percent of the total allowable cost of transporting all pupils eligible to be transported; **provided that no district shall receive reduced reimbursement for costs of transportation of handicapped and severely handicapped children based upon inefficiency.**

4. No state transportation aid received pursuant to section 163.031 shall be used to purchase any school bus manufactured prior to April 1, 1977, that does not meet the federal motor vehicle safety standards.

165.011. 1. The following funds are created for the accounting of all school moneys: teachers' fund, incidental fund, free textbook fund, capital projects fund and debt service fund. The treasurer of the school district shall open an account for each fund specified in this section, and all moneys received from the county school fund and all moneys derived from taxation for teachers' wages shall be placed to the credit of the teachers' fund. All tuition fees, state moneys received under sections 162.975, RSMo, and 163.031, RSMo, and all other moneys received from the state except as herein provided shall be placed to the credit of the teachers' and incidental funds at the discretion of the district board of education. **The portion of state aid received by the district pursuant to section 163.031, RSMo, based upon the portion of the tax rate in the debt service or capital projects funds, respectively, which is included in the operating levy for school purposes pursuant to section 163.011, RSMo, shall be placed to the credit of the debt service fund or capital projects fund, respectively.** Money received from other districts for transportation, and money derived from taxation for incidental expenses shall be credited to the incidental fund. Money apportioned for free textbooks shall be credited to the free textbook fund. All money derived from taxation or received from any other source for the erection of buildings or additions thereto and the remodeling or reconstruction of buildings and the furnishing thereof, for the payment of lease purchase obligations, for the purchase of real estate, or from sale of real estate, schoolhouses or other buildings of any kind, or school furniture, from insurance, from sale of bonds other than refunding bonds shall be placed to the credit of the capital projects fund. All moneys derived from the sale or lease of sites, buildings, facilities, furnishings and equipment by a school district as authorized under section 177.088, RSMo, shall be credited to the capital projects fund. Money derived from taxation for the retirement of bonds and the payment of interest thereon shall be credited to the debt service fund which shall be maintained as a separate bank account. Receipts from delinquent taxes shall be allocated to the several funds on the same basis as receipts from current taxes, except that where the previous years' obligations of the district would be affected by such distribution, the delinquent taxes shall be distributed according to the tax levies made for the years in which the obligations were incurred. All refunds received shall be placed to the credit of the fund from which the original expenditures were made. Money donated to the school districts shall be placed to the credit of the fund where it can be expended to meet the purpose for which it was donated and accepted. Money received from any other source whatsoever shall be placed to the credit of the fund or funds designated by the board.

2. The school board may expend from the incidental fund the sum that is necessary for the ordinary repairs of school property and an amount not to exceed the sum of expenditures for classroom instructional capital outlay, as defined by the department of elementary and secondary education by rule, in state-approved area vocational-technical schools and .06 dollars per one hundred dollars equalized assessed valuation multiplied by the guaranteed tax base for the second preceding year multiplied by the number of

resident and nonresident eligible pupils educated in the district for the second preceding year for classroom instructional capital outlay, including but not limited to payments authorized pursuant to section 177.088, RSMo. Any and all payments authorized under section 177.088, RSMo, except as otherwise provided in this subsection, for the purchase or lease of sites, buildings, facilities, furnishings and equipment and all other expenditures for capital outlay shall be made from the capital projects fund. If a balance remains in the free textbook fund after books are furnished to pupils as provided in section 170.051, RSMo, it shall be transferred to the teachers' fund. The board may transfer the portion of the balance remaining in the incidental fund to the teachers' fund that is necessary for the total payment of all contracted obligations to teachers. If a balance remains in the debt service fund, after the total outstanding indebtedness for which the fund was levied is paid, the board may transfer the unexpended balance to the capital projects fund. If a balance remains in the bond proceeds after completion of the project for which the bonds were issued, the balance shall be transferred from the incidental or capital projects fund to the debt service fund. After making all placements of interest otherwise provided by law, a school district may transfer from the capital projects fund to the incidental fund the interest earned from undesignated balances in the capital projects fund.

3. Tuition shall be paid from either the teachers' or incidental funds.

4. Other provisions of law to the contrary notwithstanding, the school board of a school district that satisfies the criteria specified in subsection 5 of this section may transfer from the incidental fund to the capital projects fund an amount not to exceed the greater of zero or the sum of .18 dollars per one hundred dollars equalized assessed valuation multiplied by the guaranteed tax base for the second preceding year multiplied by the number of resident and nonresident eligible pupils educated in the district for the second preceding year and the amount to be expended for transportation equipment that is considered an allowable cost under state board of education rules for transportation reimbursements during the current year and any amount necessary to satisfy obligations of the capital projects fund for state-approved area vocational-technical schools and an amount not to exceed .06 dollars per one hundred dollars equalized assessed valuation multiplied by the guaranteed tax base for the second preceding year multiplied by the number of resident and nonresident eligible pupils educated in the district for the second preceding year less any amount transferred pursuant to subsection 7 of this section, provided that any amount transferred pursuant to this subsection shall only be transferred as necessary to satisfy obligations of the capital projects fund less any amount expended from the incidental fund for classroom instructional capital outlay pursuant to subsection 2 of this section. For the purposes of this subsection, the guaranteed tax base and a district's count of resident and nonresident eligible pupils educated in the district shall not be less than their respective values calculated from data for the 1992-93 school year.

5. In order to transfer funds pursuant to subsection 4 of this section, a school district shall:

- (1) Meet the minimum criteria for state aid and for increases in state aid for the current year established pursuant to section 163.021, RSMo;
- (2) Not incur a total debt, including short-term debt and bonded indebtedness in excess of ten percent of the guaranteed tax base for the preceding payment year multiplied by the number of resident and nonresident eligible pupils educated in the district in the preceding year;
- (3) Set tax rates pursuant to section 164.011, RSMo;
- (4) First apply any voluntary rollbacks or reductions to the total tax rate levied to the teachers' and incidental funds;
- (5) In order to be eligible to transfer funds for paying lease purchase obligations:
  - (a) Incur such obligations, except for obligations for lease purchase for school buses, prior to January 1, 1997;
  - (b) Limit the term of such obligations to no more than twenty years;
  - (c) Limit annual installment payments on such obligations to an amount no greater than the amount of the payment for the first full year of the obligation, including all payments of principal and interest, except that the amount of the final payment shall be limited to an amount no greater than two times the amount of such first-year payment;
  - (d) Limit such payments to leasing nonathletic, classroom, instructional facilities as defined by the state board of education through rule; and
  - (e) Not offer instruction at a higher grade level than was offered by the district on July 12, 1994.
6. A school district shall be eligible to transfer funds pursuant to subsection 7 of this section if:
  - (1) Prior to August 28, 1993:
    - (a) The school district incurred an obligation for the purpose of funding payments under a lease purchase contract authorized under section 177.088, RSMo;
    - (b) The school district notified the appropriate local election official to place an issue before the voters of the district for the purpose of funding payments under a lease purchase contract authorized under section 177.088, RSMo; or
    - (c) An issue for funding payments under a lease purchase contract authorized under section 177.088, RSMo, was approved by the voters of the district; or

(2) Prior to November 1, 1993, a school board adopted a resolution authorizing an action necessary to comply with subsection 9 of section 177.088, RSMo. Any increase in the operating levy of a district above the 1993 tax rate resulting from passage of an issue described in paragraph (b) of subdivision (1) of this subsection shall be considered as part of the 1993 tax rate for the purposes of subsection 1 of section 164.011, RSMo.

7. Prior to transferring funds pursuant to subsection 4 of this section, a school district may transfer, pursuant to this subsection, from the incidental fund to the capital projects fund an amount as necessary to satisfy an obligation of the capital projects fund that satisfies at least one of the conditions specified in subsection 6 of this section, but not to exceed its payments authorized under section 177.088, RSMo, for the purchase or lease of sites, buildings, facilities, furnishings, equipment, and all other expenditures for capital outlay, plus the amount to be expended for transportation equipment that is considered an allowable cost under state board of education rules for transportation reimbursements during the current year plus any amount necessary to satisfy obligations of the capital projects fund for state-approved area vocational-technical schools. A school district with a levy for school purposes no greater than the minimum levy specified in section 163.021, RSMo, and an obligation in the capital projects fund that satisfies at least one of the conditions specified in subsection 6 of this section, may transfer from the incidental fund to the capital projects fund the amount necessary to meet the obligation plus the transfers pursuant to subsection 4 of this section.

8. Beginning in the 1995-96 school year, the department of elementary and secondary education shall deduct from a school district's state aid calculated pursuant to section 163.031, RSMo, an amount equal to the amount of any transfer of funds from the incidental fund to the capital projects fund performed during the previous year in violation of this section.

9. On or before June 30, 1995, a school district may transfer to the capital projects fund from the balances of the teachers' and incidental funds any amount, but only to the extent that the teachers' and incidental fund unrestricted balances on June 30, 1995, are equal to or greater than eight percent of expenditures from the teachers' and incidental funds for the year ending June 30, 1995.

10. In addition to other transfers authorized under subsections 1 to 9 of this section, a district may transfer from the teachers' and incidental funds to the capital projects fund the amount necessary to repay costs of one or more guaranteed energy savings performance contracts to renovate buildings in the school district; provided that the contract is only for energy conservation measures, as defined in section 640.651, RSMo, and provided that the contract specifies that no payment or total of payments shall be required from the school district until at least an equal total amount of energy and energy-related operating savings and payments from the vendor pursuant to the contract have been realized by the school district.

165.016. 1. A school district shall expend as a percentage of current operating cost, for tuition, teacher retirement and compensation of certificated staff, a percentage that is for

the 1994-95 and 1995-96 school years, no less than three percentage points less than the base school year certificated salary percentage and for the 1996-97 school year, no less than two percentage points less than the base school year certificated salary percentage. **A school district may exclude transportation expenditures from the current operating cost calculation of the base year and the year or years for which the compliance percentage is calculated.** The base school year certificated salary percentage shall be the two-year average percentage of the 1991-92 and 1992-93 school years except as otherwise established by the state board under subsection [3] **4** of this section; except that, for any school district experiencing, over a period of three consecutive years, an average yearly increase in average daily attendance of at least three percent, the base school year certificated salary percentage may be the two-year average percentage of the last two years of such period of three consecutive years, at the discretion of the school district.

2. Beginning with the 1997-98 school year, a school district shall:

- (1) Expend, as a percentage of current operating cost, **as determined in subsection 1 of this section**, for tuition, teacher retirement and compensation of certificated staff, a percentage that is no less than two percentage points less than the base school year certificated salary percentage; or
- (2) For any year in which no payment of a penalty is required for the district under subsection [5] **6** of this section, have an unrestricted fund balance in the combined incidental and teachers funds on June thirtieth which is equal to or less than ten percent of the combined expenditures for the year from those funds.

3. **Beginning with the 1999-2000 school year:**

- (1) **As used in this subsection, "fiscal instructional ratio of efficiency" or "FIRE" means the quotient of the sum of the district's current operating costs, as defined in section 163.011, RSMo, for all kindergarten through grade twelve direct instructional and direct pupil support service functions plus the costs of improvement of instruction and the cost of purchased services and supplies for operation of the facilities housing those programs, and excluding student activities, divided by the sum of the district's current operating cost for kindergarten through grade twelve, plus all tuition revenue received from other districts minus all noncapital transportation costs;**
- (2) **A school district shall show compliance with this section in school year 1998-99 and thereafter by the method described in subsections 1 and 2 of this section, or by maintaining or increasing its fiscal instructional ratio of efficiency compared to its FIRE for the 1997-98 base year.**

4. (1) The state board of education may exempt a school district from the requirements of this section upon receiving a request for an exemption by a school district. The request shall show the reason or reasons for the noncompliance, and the exemption shall



apply for only one school year. Requests for exemptions under this subdivision may be resubmitted in succeeding years;

(2) A school district may request of the state board a one-time, permanent revision of the base school year certificated salary percentage. The request shall show the reason or reasons for the revision.

[4.] **5.** Any school district requesting an exemption or revision under subsection [3] **4** of this section must notify the certified staff of the district in writing of the district's intent. Prior to granting an exemption or revision, the state board shall consider comments from certified staff of the district. The state board decision shall be final.

[5.] **6.** Any school district which is determined by the department to be in violation of the requirements of subsection 1 or 2 of this section, or both, shall compensate the building level administrative staff and nonadministrative certificated staff during the year following the notice of violation by an additional amount which is equal to one hundred ten percent of the amount necessary to bring the district into compliance with this section for the year of violation. In any year in which a penalty is paid, the district shall pay the penalty specified in this subsection in addition to the amount required under this section for the current school year.

[6.] **7.** Any additional transfers from the teachers or incidental funds to the capital projects funds beyond the transfers authorized by state law and state board policy in effect on January 1, 1996, shall be considered expenditures from the teachers or incidental fund for the purpose of determining compliance with the provisions of subsections 1 [and], 2 **and 3** of this section.

[7.] **8.** The provisions of this section shall not apply to any district receiving state aid pursuant to subsection 6 of section 163.031, RSMo, based on its 1992-93 payment amount per eligible pupil, which is less than fifty percent of the statewide average payment amount per eligible pupil paid during the previous year.

**165.122. 1. The commissioner of education may cause an audit examination to be performed, pursuant to this section, of the enrollment and average daily attendance records of any school district. Such examination shall be made in accordance with generally accepted auditing standards applicable in the circumstances, including such reviews and tests of the system of internal check and control and of the books, records and other underlying data as are necessary to enable the independent accountant performing the audit to come to an informed opinion as to the enrollment and attendance and reporting of the district. A physical count of students shall be a part of the audit. Such physical count shall occur on a date randomly selected without notice to the district. An independent auditor who is not regularly engaged as an employee of the school board shall perform the audit and make a written report of his findings to the commissioner of education and the district school board.**

**2. The actual and necessary costs of the audit shall be paid by the department.**

166.260. There is hereby created the "Children At-Risk in Education Program" which shall be administered by the commissioner of education. The program shall be funded by moneys provided to school districts pursuant to line 14 of subsection 6 of section 163.031, RSMo, and used solely as determined by local boards of education for: reductions of class size in schools containing high concentrations of children who are least advantaged or who have specially identified educational needs according to rule and regulation of the state board of education; or the following:

- (1) The program of half-day instruction for developmentally delayed and at-risk children established pursuant to section 167.260, RSMo;
- (2) The program to provide teacher assistants in grades kindergarten through three established pursuant to section 167.263, RSMo;
- (3) The program to provide guidance counselors in grades kindergarten through nine established pursuant to section 167.265, RSMo;
- (4) The programs for pupils at risk of becoming high school dropouts established pursuant to section 167.270, RSMo, including specialized courses of instruction, alternative education programs for pregnant teens and teen mothers and supplemental services for teen mothers;
- (5) The program of support services to pupils identified as having a high risk of dropping out of school established pursuant to section 167.280, RSMo;
- (6) The program of professional development committees for in-service training on teaching children identified as at risk of failing in school pursuant to section 168.400, RSMo;
- (7) A program to contract for mental health services to meet the needs of children who are identified as being at risk of failing school as a result of emotional or environmental factors. Eligible contractors shall be approved by the department of mental health;
- (8) The program of special education and other special services for at-risk and handicapped children in grades kindergarten through third grade emphasizing prevention and early intervention, rather than remediation, known as the "Success for All Program"; [and]
- (9) **Paying for building site operating costs in the proportion that the free and reduced price meal eligible student count is to the total enrollment in that building; and**

(10) Other programs as approved by the commissioner of education that are exclusively targeted to provide educational services for students who are least advantaged or who have specially identified educational needs.

**166.275. 1. Any amount of the difference by which the total amount appropriated by the state to school districts, in accordance with a judgment or order based on the equal protection clause of the fourteenth amendment to the Constitution of the United States, for fiscal year 1999 is less than the amount appropriated for the same purpose in fiscal year 1994 in addition to any unexpended appropriation for the 1998 fiscal year that results in additional unobligated resources for the state in fiscal year 1999 shall be transferred to the state school moneys fund and distributed in the manner provided in section 163.031, RSMo.**

**2. If the total amount appropriated by the state to school districts, in accordance with a judgment or order based on the equal protection clause of the fourteenth amendment to the Constitution of the United States, for fiscal year [1996] 2000 or any subsequent fiscal year is less than the amount appropriated for the same purpose in fiscal year [1994] 1999, any amount of the difference, in addition to any unexpended appropriation for the prior fiscal year that results in additional unobligated resources for the state beginning in fiscal year [1997, necessary to fund the district entitlements under section 163.031, RSMo, with a district entitlement proration factor no less than one, shall be transferred to the state school moneys fund and distributed in the manner provided in section 163.031, RSMo.] 2000 shall be distributed as follows:**

**(1) Up to the first seventy-five million dollars, or such lesser amount determined by appropriation to be sufficient to fully fund district entitlements pursuant to section 163.031, RSMo, with a proration factor no less than one, of such funds shall be transferred to the state school moneys fund and distributed in the manner provided in section 163.031, RSMo; and**

**(2) Beginning in fiscal year 2000, after distributing funds pursuant to subdivision (1) of this subsection, the next twenty-five million dollars, or such lesser amount determined by appropriation to be sufficient, of the remaining funds shall be transferred to fully fund increases in appropriations for transportation categorical aid provided pursuant to line 11 of subsection 6 of section 163.031, RSMo, and any remainder of such twenty-five million dollars shall be transferred to fund other categorical state aid provided pursuant to section 163.031, RSMo; provided that, for school year 1999-2000 only, such increase in transportation funding may be placed by districts in their capital projects fund and shall be placed as otherwise provided by law in all other years; and**

**(3) After distributing funds pursuant to subdivisions (1) and (2) of this subsection, the next twenty-five million dollars, or such amount determined by appropriation to be sufficient to fully fund district entitlements pursuant to section 163.031, RSMo, with a proration factor no less than one, of such funds shall be transferred to the**

**state school moneys fund and distributed in the manner provided in section 163.031, RSMo; and**

**(4) After distributing funds pursuant to subdivisions (1), (2) and (3) of this subsection, any remaining funds shall be transferred to fully fund categorical state aid provided pursuant to section 163.031, RSMo, for transportation, vocational education, special education, gifted education, remedial reading and implementation costs of assessments established pursuant to section 160.526, RSMo.**

168.221. 1. The first [three] **five** years of employment of all teachers [and principals] entering the employment of the metropolitan school district shall be deemed a period of probation during which period all appointments of teachers [and principals] shall expire at the end of each school year. During the probationary period any probationary teacher [or principal] whose work is unsatisfactory shall be furnished by the superintendent of schools with a written statement setting forth the nature of his incompetency. If improvement satisfactory to the superintendent is not made within one semester after the receipt of the statement, the probationary teacher [or principal] shall be dismissed. The semester granted the probationary teacher [or principal] in which to improve shall not in any case be a means of prolonging the probationary period beyond [three] **five** years and six months from the date on which the teacher [or principal] entered the employ of the board of education. The superintendent of schools on or before the fifteenth day of April in each year shall notify probationary teachers [or principals] who will not be retained by the school district of the termination of their services. Any probationary teacher [or principal] who is not so notified shall be deemed to have been appointed for the next school year. **Any principal who prior to becoming a principal had attained permanent employee status as a teacher shall upon ceasing to be a principal have a right to resume his or her permanent teacher position with the time served as a principal being treated as if such time had been served as a teacher for the purpose of calculating seniority and pay scale. The rights and duties and remuneration of a teacher who was formerly a principal shall be the same as any other teacher with the same level of qualifications and time of service.**

2. After completion of satisfactory probationary services, appointments of teachers [and principals] shall become permanent, subject to removal for any one or more causes herein described and to the right of the board to terminate the services of all who attain the age of compulsory retirement fixed by the retirement system. In determining the duration of the probationary period of employment in this section specified, the time of service rendered as a substitute teacher [or substitute principal] shall not be included.

3. No teacher [or principal] whose appointment has become permanent may be removed except for one or more of the following causes: Immorality, inefficiency in line of duty, violation of the published regulations of the school district, violation of the laws of Missouri governing the public schools of the state, or physical or mental condition which incapacitates him for instructing or associating with children, and then only by a vote of not less than a majority of all the members of the board, upon written charges presented by the superintendent of schools, to be heard by the board after thirty days' notice, with

copy of the charges served upon the person against whom they are preferred, who shall have the privilege of being present, together with counsel, offering evidence and making defense thereto. Notifications received by an employee during a vacation period shall be considered as received on the first day of the school term following. At the request of any person so charged the hearing shall be public. The action and decision of the board upon the charges shall be final. Pending the hearing of the charges, the person charged may be suspended if the rules of the board so prescribe, but in the event the board does not by a majority vote of all the members remove the teacher [or principal] upon charges presented by the superintendent, the person shall not suffer any loss of salary by reason of the suspension. Inefficiency in line of duty is cause for dismissal only after the teacher [or principal] has been notified in writing at least one semester prior to the presentment of charges against him by the superintendent. The notification shall specify the nature of the inefficiency with such particularity as to enable the teacher [or principal] to be informed of the nature of his inefficiency.

4. No teacher [or principal] whose appointment has become permanent shall be demoted nor shall his salary be reduced unless the same procedure is followed as herein stated for the removal of the teacher [or principal] because of inefficiency in line of duty, and any teacher [or principal] whose salary is reduced or who is demoted may waive the presentment of charges against him by the superintendent and a hearing thereon by the board. The foregoing provision shall apply only to permanent teachers [and principals] prior to the compulsory retirement age under the retirement system. Nothing herein contained shall in any way restrict or limit the power of the board of education to make reductions in the number of teachers or principals, or both, because of insufficient funds, decrease in pupil enrollment, or abolition of particular subjects or courses of instruction, except that the abolition of particular subjects or courses of instruction shall not cause those teachers who have been teaching the subjects or giving the courses of instruction to be placed on leave of absence as herein provided who are qualified to teach other subjects or courses of instruction, if positions are available for the teachers in the other subjects or courses of instruction.

5. Whenever it is necessary to decrease the number of teachers or principals, or both, because of insufficient funds or a substantial decrease of pupil population within the school district, the board of education upon recommendation of the superintendent of schools may cause the necessary number of teachers or principals, or both, beginning with those serving probationary periods, to be placed on leave of absence without pay, but only in the inverse order of their appointment. Nothing herein stated shall prevent a readjustment by the board of education of existing salary schedules. No teacher or principal placed on a leave of absence shall be precluded from securing other employment during the period of the leave of absence. Each teacher or principal placed on leave of absence shall be reinstated in inverse order of his placement on leave of absence. Such reemployment shall not result in a loss of status or credit for previous years of service. No new appointments shall be made while there are available teachers or principals on leave of absence who are seventy years of age or less and who are adequately qualified to fill the vacancy unless the teachers or principals fail to advise the superintendent of schools within thirty days from the date of notification by the

superintendent of schools that positions are available to them that they will return to employment and will assume the duties of the position to which appointed not later than the beginning of the school year next following the date of the notice by the superintendent of schools.

6. If any regulation which deals with the promotion of either teachers or principals, or both, is amended by increasing the qualifications necessary to be met before a teacher or principal is eligible for promotion, the amendment shall fix an effective date which shall allow a reasonable length of time within which teachers or principals may become qualified for promotion under the regulations.

**168.231. 1. If the responsibility for teaching all or any group of students in a special school district located in a county of the first classification with a charter form of government and population of at least nine hundred thousand inhabitants is transferred or removed to one or more separate school districts by vote of the citizens, dissolution, annexation, court action, or any other authority under Missouri or federal laws, the latter school district or districts shall become the receiving or successor school district or districts.**

**2. The successor school district or districts shall honor the provisions of all teachers' contracts of teachers of the sending or prior school district who are employed by the successor school district pertaining to the tenure status or years of credit toward tenure or both of said teachers and their salary position on the salary schedule and fringe benefits.**

**3. This section shall only apply to the transfer of a academic, special education, vocational education or technical education program or athletic program from one school district identified in subsection 1 of this section to one or more separate school districts.**

**4. Nothing in this section shall be construed to require a successor district to employ any person.**

170.250. 1. The "Video Instructional Development and Educational Opportunity Program" is established to encourage all educational institutions in Missouri to supplement educational opportunities through telecommunications technology and satellite broadcast instruction. The program established by this section is to be administered by the state board of education. The program shall consist of:

(1) Grants to local school districts, state-supported institutions of higher education and public television stations as defined in section 37.205, RSMo, for equipment and instruction;

(2) Instructional programs developed pursuant to this section and transmitted through the airwaves, over telephones lines, or by cable television which are available for all residents of this state without charge as defined in this section; and

(3) Instructional programs developed pursuant to this section which are available to any subscriber according to this section.

2. The "Video Instructional Development and Educational Opportunity Fund" is established in the state treasury and shall be administered by the department of elementary and secondary education at the direction of the state board of education. Moneys deposited in the fund shall consist of revenues generated from state sales and use tax revenues as provided in chapter 144, RSMo, on the rental of films, records or any type of sound or picture transcriptions as provided in subsection 3 of this section. Moneys in the fund shall be used solely for purposes established by this section, except that the department of revenue shall retain no more than one percent of sales tax revenues collected for its administrative costs and all administrative costs of this program incurred by the department of elementary and secondary education shall be paid from this fund, which costs shall not exceed two percent. The administrative fees of the department of revenue and the department of elementary and secondary education shall be determined annually in the appropriation process. Any unexpended balance in the fund at the end of a fiscal year shall be exempt from the provisions of section 33.080, RSMo, relating to the transfer of unexpended balances to the general revenue fund.

3. Until December 31, 1994, the commissioner of administration shall annually estimate and furnish to the director of the department of revenue the appropriate amount of state tax revenues collected pursuant to chapter 144, RSMo, which are directly attributable to the rental of films, records or any type of sound or picture transcriptions. However, the estimate shall only include state sales and use tax revenues collected pursuant to chapter 144, RSMo, which are normally deposited in the state general revenue fund. The director of revenue shall transfer from state sales tax revenues an amount equal to the estimate to the fund provided in subsection 2 of this section. After December 31, 1994, the seller shall separately report on the return to the department of revenue, the aggregate amount of the gross receipts and the amount of tax collected on the rental of films, records or any type of sound or picture transcriptions. The director of revenue shall annually transfer state sales tax revenues collected on the rental of films, records or other type of sound or picture transcriptions, except revenues allocated to the school district trust fund pursuant to section 144.701, RSMo, to the video instructional development and educational opportunity fund. [Beginning January 1, 1999, such revenues shall be deposited to the credit of the general revenue fund.]

4. Within the department of elementary and secondary education, there is established an advisory committee which shall make recommendations to the state board of education on the grant program. The committee shall be composed of twenty-nine members. The members of the committee shall consist of one representative of public television stations as defined in section 37.205, RSMo, and one representative of the cable television industry appointed by the state board of education, one representative of public television stations as defined in section 37.205, RSMo, and one representative of the cable television industry appointed by the coordinating board for higher education, three classroom teachers from the elementary and secondary level appointed by the state board of education, three school administrators of elementary or secondary schools appointed

by the state board of education, three members of school boards of local public school districts appointed by the state board of education, four representatives from public community college districts appointed by the coordinating board for higher education, four representatives of state-supported institutions of higher education other than community colleges appointed by the coordinating board for higher education, one representative of the regional consortium for education and technology appointed by the state board of education, one representative of the cooperating school districts of the St. Louis suburban area appointed by the state board of education, two representatives of the public appointed by the governor with the advice and consent of the senate, two members of the senate appointed by the senate president pro tem and two members of the house of representatives appointed by the speaker of the house of representatives. Of all members appointed by the state board of education, no more than four shall be from any one congressional district and of all the members appointed by the coordinating board for higher education, no more than four shall be from any one congressional district. The members of the committee shall serve three-year terms and shall not serve more than two terms consecutively. However, committee members having served two consecutive terms may be reappointed after leaving the committee for at least one three-year term. On August 28, 1992, the committee shall designate nine of its members to serve a term of one year, ten of its members to serve a term of two years, and ten of its members to serve a term of three years. All subsequent appointments shall be for three years. All members shall receive no compensation for their services, but shall be reimbursed for the actual and necessary expenses incurred while serving on the committee out of funds appropriated for that purpose. The committee shall meet at least quarterly and shall annually issue a report together with its recommendations to the state board of education and the general assembly.

5. The state board of education may cooperate with existing programs including the University of Missouri, other institutions of higher education, the cooperating school districts of the St. Louis suburban area, or its successor organization, the regional consortium for education and technology or its successor organization, and any statewide organization of public school governing boards and may delegate or contract for the performance or operation of the respective grant programs. The state board of education shall establish appropriate guidelines for participation by the aforementioned entities and by school districts, community college districts, and public television stations as defined in section 37.205, RSMo, in the grant program. Such guidelines shall include application procedures and shall establish policies for awarding grants in the event that more grant applications are received than are funds available to honor the applications in any fiscal year. In allocating funds to applicants, the state board of education may give due consideration to revenues available from all other sources. The state board of education shall accredit courses offered through this program at the elementary and secondary education level. The coordinating board for higher education shall approve courses taught at the postsecondary level.

6. In any fiscal year, moneys in the fund shall be used first to ensure that any and all school districts, community college districts and state institutions of higher education seeking aid under this program shall receive telecommunications equipment including



computers and modems necessary to participate in the satellite learning process or instructional television video; second to provide the school districts, community college districts and state institutions of higher education with access to subjects at the advanced level or the remedial level or which are not taught in the schools of the district or the service area or campus, which subjects shall include courses in continuing education necessary for maintenance or renewal of licenses for all such licensed health care providers; and third to provide enrichment classes for all pupils of the district. However, the state board of education may set aside a portion of the funds to be used to contract with state-supported institutions of higher education and public television stations as defined in section 37.205, RSMo, to develop instructional programs for grades kindergarten through twelve and for undergraduate and graduate course work suitable for broadcast to the school districts, community college districts and state institutions of higher education as appropriate and to develop the capability to transmit programs cited in this section.

7. Participation by a local school district, a community college district or a state institution of higher education in the program established by this section shall be voluntary. No school district, community college district or state institution of higher education receiving funds under this program shall use those funds for any purpose other than that for which they were intended. Any school district, community college district or state institution of higher education shall be eligible to receive funds under this program regardless of its curriculum, local wealth or previous contractual arrangements to receive satellite broadcast instruction.

8. The office of administration on behalf of the state of Missouri may contract with institutions of higher education for the development or operation or both of state employee training programs transmitted by telecommunications technology.

9. Instructional programs developed pursuant to this section which are transmitted one way through the airwaves or by cable television shall be available to all residents of this state without charge or fee to the extent permitted by the Missouri Constitution. "Without charge or fee" shall not require the providing of equipment to transmit or receive telecommunications instruction or the providing of commercial cable television service. If the instructional program involves two-way, interactive communication between the instructor and the participant, the district or institution operating the program may prescribe academic prerequisites and limit the number of persons who may enroll in the specific program and give preference to residents of the district or institutional attendance area who are age twenty-one or younger but shall not discriminate against any resident on any other basis. A fee may be charged which shall be paid directly by the individual participant, but the fee shall be equal for all participants. If a subscription fee is charged by the originator of the program, the district or institution may pay the subscription fee for all participants from the grant pursuant to this section or from any other public or private fund legally authorized to be used for this purpose. Printed materials designed to facilitate or complement telecommunications programs or electronic reproductions thereof may be made available for loan by the school district, community college or institution of higher education through the public

library system subject to the normal rules and regulations of the lending system and in such quantities as may be approved by the governing body of the district or institution. Instructional programs which involve two-way, interactive communication between the instructor and the participant shall also be available to any not for profit organization in this state which is exempt from taxation pursuant to subdivision (19) of subsection 2 of section 144.030, RSMo, upon payment of a reasonable subscription fee as determined by the state board of education. Such fees shall be set on a per-participant, per-course basis. The district or institution or the state board of education may make telecommunication equipment available for purchase at cost by or rental to any not for profit organization in this state which is exempt from taxation pursuant to subdivision (19) of subsection 2 of section 144.030, RSMo.

10. (1) In order to facilitate or complement telecommunications, local exchange telecommunications companies shall file with the public service commission tariffs for provision of local service to public school districts, and may file tariffs for provision of local service to accredited primary or secondary schools owned or operated by private entities and community college districts located within the local exchange telecommunications companies certified area. Such local exchange telecommunications companies shall seek commission authorization to provide local service at rates lower than those charged for business and residential service in effect when the tariff is filed, provided that the proposed rates may not be below the actual cost of providing the service. Upon approval of the public service commission, the rates shall not be classified as discriminatory for the purposes of chapter 392, RSMo.

(2) The public service commission may approve the tariff as submitted, or may, after hearing, modify the tariff in the public interest. The commission may promulgate rules to aid in the implementation of this section.

178.930. 1. Until June 30, 1998, the department of elementary and secondary education shall pay monthly, out of the funds appropriated to it for that purpose, to each sheltered workshop a sum equal to eleven dollars multiplied by the number of six-hour or longer days worked by handicapped workers during the preceding calendar month. For each handicapped worker employed by a sheltered workshop for less than a six-hour day, the workshop shall receive a percentage of the eleven dollars based on the percentage of the six-hour day worked by the handicapped employee.

2. Beginning July 1, 1998, until June 30, 1999, the department of elementary and secondary education shall pay monthly, out of the funds appropriated to it for that purpose, to each sheltered workshop a sum equal to twelve dollars multiplied by the number of six-hour or longer days worked by handicapped workers during the preceding calendar month. For each handicapped worker employed by a sheltered workshop for less than a six-hour day, the workshop shall receive a percentage of the twelve dollars based on the percentage of the six-hour day worked by the handicapped employee.

3. Beginning July 1, [2000] **1999**, and thereafter, the department of elementary and secondary education shall pay monthly, out of the funds appropriated to it for that

purpose, to each sheltered workshop a sum equal to thirteen dollars multiplied by the number of six-hour or longer days worked by handicapped workers during the preceding calendar month. For each handicapped worker employed by a sheltered workshop for less than a six-hour day, the workshop shall receive a percentage of the thirteen dollars based on the percentage of the six-hour day worked by the handicapped employee.

4. The department shall accept, as prima facie proof of payment due to a sheltered workshop, a statement signed by the president and secretary of the sheltered workshop, setting forth the dates worked and the number of hours worked each day by each handicapped person employed by that sheltered workshop during the preceding calendar month, together with any other information required by the rules or regulations of the department.

**Section 1. 1. The provisions of this section shall be known and may be cited as the "St. Louis Students' Bill of Rights".**

**2. For the purposes of this section, "district" means a metropolitan school district, as defined in section 160.011, RSMo.**

**3. Each district shall reinstitute the basic kindergarten through eighth system of grade schools within the district.**

**4. Every child within the district of the appropriate age and appropriate aptitude for discipline and openness to instruction shall have the right to attend a basic kindergarten through eighth grade school.**

**5. Every child within the district shall have the right to attend such school closest to such child's home.**

**6. Every child within the district shall have the right to transfer to any other such school within the district.**

**7. The district shall have the right to transport children to relieve overcrowding. Transportation to relieve overcrowding shall be performed in such a manner as to fill in school seats in buildings that have surplus seats, but shall not be permitted to displace any child who has elected to attend the school located closest to such child's home.**

**8. The per pupil expenditure of funds for the cost of education shall be equalized to the greatest extent possible, with appropriate variation allowable in order to accommodate the special remedial needs of children who test below grade level and the needs of gifted children.**

**9. Schools for gifted children with accelerated academic programs shall be established and evenly distributed across the district. The district shall have the right to transport children to and from schools for the gifted. Children who attend**

**schools for the gifted shall have the right to attend such school which is located closest to such child's home and shall have the right to transfer to or attend any other school for the gifted within the district.**

**10. The provisions of the "St. Louis Students' Bill of Rights" shall only become effective upon approval by a majority of the voters of the City of St. Louis voting thereon. The governing board of the transitional district established pursuant to section 162.1100 of this act may conduct a legal analysis of the program enumerated in this section, shall publish any such analysis and make the analysis available to the public and shall propose, to the extent that the program is consistent with the Missouri and United States Constitutions, place before the voters of the City of St. Louis no later than March 15, 1999, a proposal to implement the program. If approved by a majority of such voters, the program shall be implemented consistent with the Missouri and United States Constitutions.**

**11. The proposal shall be submitted substantially as follows:**

**Shall the St. Louis School District reinstitute the basic kindergarten through eighth grade neighborhood school system within the district and be required to permit students to attend the school closest to their home?**

**YES NO**

**Section 2. 1. The public school retirement system of the Kansas City school district, the public school retirement system of the St. Louis city school district, and the public school retirement system shall jointly undertake a feasibility study to include the following issues:**

- (1) Improving portability of benefits between systems;**
- (2) The technical issues involved in portability of benefits between social security and nonsocial security systems;**
- (3) Potential centralized administration of the systems.**

**The overall goal of the study is to suggest means by which portability of retirement benefits may promote teacher recruitment and retention in all school districts.**

**2. The joint committee on public employee retirement shall provide necessary assistance in the coordination of the study.**

**3. The study shall be presented by the joint committee on public employee retirement to the president pro tem of the senate and the speaker of the house of representatives no later than November 1, 1999.**

**Section 3. Notwithstanding the provisions of section 163.011, RSMo, to the contrary, beginning with the 1997-1998 payment year, the calculation of the magnitude of a tax rate decrease due to reassessment shall exclude any voted increase occurring in the year of reassessment dating from tax year 1995.**

**Section 4. 1. A charter school is an independent, publicly supported 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; or**

**(3) A community college located in the district.**

**3. A maximum of five percent of the school buildings currently in use for instructional purposes in a district may be converted to charter schools. This limitation does not apply to vacant buildings or buildings not used for instructional purposes.**

**4. 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.**

**5. The charter school shall be a Missouri nonprofit corporation incorporated pursuant to chapter 355, RSMo. The charter provided for herein shall constitute a contract between the sponsor and the charter school.**

**6. As a nonprofit corporation incorporated pursuant to chapter 355, RSMo, the charter school shall select the method for election of officers pursuant to section 355.326, RSMo, 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, RSMo, the open meetings law.**

**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.**

**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 2 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. The primary campus of the college or university must be located within the county in which the school district lies wherein the charter school is located or in a county adjacent to the county in which the district is located. A university, college or community college may not charge or accept a fee for affiliation status.**

**9. 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.**

**Section 5. 1. A person, group or organization seeking to establish a charter school shall submit the proposed charter, as provided in this section, to a sponsor. If the sponsor is not a school board, the applicant shall give a copy of its application to the school board of the district in which the charter school is to be located, when the application is filed with the proposed sponsor. The school board may file objections with the proposed sponsor, and, if a charter is granted, the school board may file objections with the state board of education. The charter shall include a mission statement for the charter school, a description of the charter school's organizational structure and bylaws of the governing body, which will be responsible for the policy and operational decisions of the charter school, a financial plan for the first three years of operation of the charter school including provisions for annual audits, a description of the charter school's policy for securing personnel services, its personnel policies, personnel qualifications, and professional development plan, a description of the grades or ages of students being served, the school's calendar of operation, which shall include at least the equivalent of a full school term as defined in section 160.011, RSMo, and an outline of criteria specified in this section designed to measure the effectiveness of the school. The charter shall also state:**

- (1) The educational goals and objectives to be achieved by the charter school;**
- (2) A description of the charter school's educational program and curriculum;**
- (3) The term of the charter, which shall be not less than five years, nor greater than ten years and shall be renewable;**
- (4) A description of the charter school's pupil performance standards, which must meet the requirements of subdivision (6) of subsection 5 of this section. The charter school program must be designed to enable each pupil to achieve such standards; and**

**(5) A description of the governance and operation of the charter school, including the nature and extent of parental, professional educator, and community involvement in the governance and operation of the charter school.**

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

**(1) A charter may be approved when the sponsor determines that the requirements of this section are met and determines that the applicant is sufficiently qualified to operate a charter school. The sponsor's decision shall be made within sixty days of the filing of the proposed charter;**

**(2) If the charter is denied, the proposed sponsor shall notify the applicant in writing as to the reasons for its denial;**

**(3) If a proposed charter is denied by a sponsor, the proposed charter may be submitted to the state board of education, along with the sponsor's written reasons for its denial. If the state board determines that the applicant meets the requirements of this section and that granting a charter to the applicant would be likely to provide educational benefit to the children of the district, the state board may grant a charter and act as sponsor of the charter school; and**

**(4) 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 re-entry 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, 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.**

**3. If a charter is approved by a sponsor, it shall be submitted to the state board of education which may, within forty-five days, disapprove the granting of the charter. The state board of education may disapprove a charter only on grounds that the application fails to meet the requirements of sections 4 to 8 of this act.**

**4. Any disapproval of a charter pursuant to subsection 3 of this section shall be subject to judicial review pursuant to chapter 536, RSMo.**

**5. 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 relating to health, safety, and minimum educational standards;**
  - (3) Except as provided in sections 4 to 8 of this act, 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, and provide liability insurance to indemnify the school, its board, staff and teachers against tort claims. 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) Design a method to measure pupil progress toward the pupil academic standards adopted by the state board of education pursuant to section 160.514, RSMo, 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, RSMo, complete and distribute an annual report card as prescribed in section 160.522, RSMo, 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 3 of section 6 of this act. 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. 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.**
- 6. The charter of a charter school may be amended at the request of the governing body of the charter school and on the approval of the sponsor. The sponsor and the**



**governing board and staff of the charter school shall jointly review the school's performance, management and operations at least once every two years.**

**7. (1) A sponsor may revoke a charter at any time if the charter school commits a serious breach of one or more provisions of its charter or on any of the following grounds: failure to meet academic performance standards as set forth in its charter, failure to meet generally accepted standards of fiscal management, or violation of law.**

**(2) The sponsor may place the charter school on probationary status to allow the implementation of a remedial plan, after which, if such plan is unsuccessful, the charter may be revoked.**

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

**(4) The sponsor of a charter school shall establish procedures to conduct administrative hearings upon determination by the sponsor that grounds exist to revoke a charter. Final decisions of a sponsor from hearings conducted pursuant to this subsection are subject to judicial review pursuant to chapter 536, RSMo.**

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

**8. A school district may enter into a lease with a charter school for physical facilities. A charter school may not be located on the property of a school district unless the district governing board agrees.**

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

**Section 6. 1. A charter school shall enroll all pupils resident in the district in which it operates or eligible to attend a district's school under an urban voluntary transfer program who submit a timely application, unless the number of applications**

**exceeds the capacity of a program, class, grade level or building. If capacity is insufficient to enroll all pupils who submit a timely application, the charter school shall have an admissions process that assures all applicants of an equal chance of gaining admission except that:**

**(1) A charter school may establish a geographical area around the school whose residents will receive a preference for enrolling in the school, provided that such preferences do not result in the establishment of racially or socioeconomically isolated schools and provided such preferences conform to policies and guidelines established by the state board of education; and**

**(2) A charter school may also give a preference for admission of children whose siblings attend the school or whose parents are employed at the school.**

**2. A charter school shall not limit admission based on race, ethnicity, national origin, disability, gender, income level, proficiency in the English language or athletic ability, but may limit admission to pupils within a given age group or grade level.**

**3. The department of elementary and secondary education shall commission a study of the performance of students at each charter school in comparison with a comparable group and a study of the impact of charter schools upon the districts in which they are located, to be conducted by a contractor selected through a request for proposal. The department of elementary and secondary education shall reimburse the contractor from funds appropriated by the general assembly for the purpose. 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 a group of students comparable to the students enrolled in the charter school. The impact study shall be undertaken every two years to determine the effect of charter schools on education stakeholders in the districts where charter schools are operated. The impact study may 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 school, the school board and superintendent of the districts in which the charter schools are operated.**

**Section 7. 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 or reduced price lunch or other categorical aid, of pupils resident in a school district who are**

**enrolled in the charter school to the school district in which those pupils reside and 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. (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 equalized, adjusted operating levy for school purposes for the pupils' district of residence for the current year times the guaranteed tax base per eligible pupil, as defined in section 163.011, RSMo, times the number of the district's resident pupils attending the charter school plus all other state aid attributable to such pupils, including summer school, if applicable, and all aid provided pursuant to section 163.031, RSMo.**

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

**(4) A school district shall pay the amounts due pursuant to this subsection as disbursal agent and no later than twenty days following receipt of any such funds.**

**3. If a school district fails to make timely payments of any amount for which it is the disbursal agent, the state department of elementary and secondary education shall authorize payment to the charter school of the amount due pursuant to subsection 2 of this section and shall deduct the same amount from the next state school aid apportionment to the owing school district. If a charter school is paid more or less than the amounts due pursuant to subsection 2 of this section, the amount of overpayment or underpayment shall be adjusted in its next payment by the school district or the department of elementary and secondary education, as appropriate. Any dispute between the school district and a charter school as to the amount owing to the charter school shall be resolved by the department of elementary and secondary education, and the department's decision shall be the final administrative action for the purposes of review pursuant to chapter 536, RSMo.**

**4. The charter school and a local school board may agree by contract for services to be provided by the school district to the charter school. The charter school may contract with any other entity for services. Such services may include but are not limited to food service, custodial service, maintenance, management assistance, curriculum assistance, media services and libraries and shall be subject to negotiation between the charter school and the local school board or other**

**entity. Documented actual costs of such services shall be paid for by the charter school.**

**5. A charter school may enter into contracts with community partnerships and state agencies acting in collaboration with such partnerships that provide services to children and their families linked to the school.**

**6. 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.**

**7. (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.**

**(2) A charter school district shall provide the special services provided pursuant to section 162.705, RSMo, and may provide the special services pursuant to a contract with a school district or any provider of such services.**

**8. A charter school may not charge tuition, nor may it impose fees that a school district is prohibited from imposing.**

**9. A charter school is authorized to incur debt in anticipation of receipt of funds. A charter school may also borrow to finance facilities and other capital items. A school district may incur bonded indebtedness or take other measures to provide for physical facilities and other capital items for charter schools that it sponsors or contracts with. Upon the dissolution of a charter school, any liabilities of the corporation will be satisfied through the procedures of chapter 355, RSMo.**

**10. Charter schools shall not have the power to acquire property by eminent domain.**

**11. The governing body of a charter school is authorized to accept grants, gifts or donations of any kind and to expend or use such grants, gifts or donations. A grant, gift or donation may not be accepted by the governing body if it is subject to any condition contrary to law applicable to the charter school or other public schools, or contrary to the terms of the charter.**

**Section 8. 1. If a charter school offers to retain the services of an employee of a school district, and the employee accepts a position at the charter school, the contract between the charter school and the school district may provide that an employee at the employee's option may remain an employee of the district and the charter school shall pay to the district the district's full costs of salary and benefits**

provided to the employee. A teacher who accepts a position at a charter school and opts to remain an employee of the district retains such teacher's permanent teacher status and seniority rights in the district. The school district shall not be liable for any such employee's acts while an employee of the charter school.

2. A charter school may employ noncertificated instructional personnel; provided that no more than twenty percent of the full-time equivalent instructional staff positions at the school are filled by noncertificated personnel. All noncertificated instructional personnel shall be supervised by certified instructional personnel. The charter school shall ensure that all instructional employees of the charter school have experience, training and skills appropriate to the instructional duties of the employee, and the charter school shall ensure that a criminal background check and child abuse registry check are conducted for each employee of the charter school prior to the hiring of the employee. Appropriate experience, training and skills of noncertificated instructional personnel shall be determined considering:

- (1) Teaching certificates issued by another state or states;
- (2) Certification by the National Standards Board;
- (3) College degrees in the appropriate field;
- (4) Evidence of technical training and competence when such is appropriate; and
- (5) Level of supervision and coordination with certificated instructional staff.

3. Personnel employed by the charter school shall participate in the retirement system of the school district in which the charter school is located, subject to the same terms, conditions, requirements and other provisions applicable to personnel employed by the school district.

**Section 9. 1. Notwithstanding any other provision of law, for districts not making transfers pursuant to subsection 4 of section 165.011, RSMo, nor making payments or expenditures related to obligations made pursuant to section 177.088, RSMo, nor any combination of such transfers, payments or expenditures, the district's operating levy for school purposes shall include the sum of tax rates levied for incidental, teachers, debt service and capital projects funds, with no more than eighteen cents of the sum levied in the debt service and capital projects funds. Any portion of the operating levy for school purposes levied in the debt service and capital projects funds in excess of a sum of ten cents must be authorized by a vote of the people, after August 28, 1998, approving an increase in the operating levy, or a full waiver of the rollback pursuant to section 164.013, RSMo, with a tax rate ceiling in excess of the minimum tax rate or an issuance of general obligation bond.**

2. Notwithstanding any other provision of law, beginning with the tax year which commences January 1, 1998, and for the 1998-99 school year and subsequent tax

**and school years, no school district shall receive more state aid, as calculated under section 163.031, RSMo, for its education program, exclusive of categorical add-ons, than it received per eligible pupil for the school year 1993-94, unless it has an operating levy for school purposes of not less than two dollars and seventy-five cents after all adjustments and reductions, with no more than ten cents of this tax rate levied in the debt service and capital projects funds and eligible for entry on line 1 of the state school aid formula contained in subsection 6 of section 163.031, RSMo; except that any district which is required, pursuant to article X, section 22 of the Missouri Constitution, to reduce its operating levy below the minimum tax rate otherwise required under subsection 2 of section 163.021, RSMo, shall not be construed to be in violation of subsection 2 of section 163.021, RSMo, for making such tax rate reduction.**

**3. Notwithstanding any other provision of law, the portion of state aid received by the district pursuant to section 163.031, RSMo, based upon the portion of the tax rate in the debt service or capital projects funds, respectively, which is included in the operating levy for school purposes shall be placed to the credit of the debt service fund or capital projects fund, respectively.**

Section B. 1. The repeal and reenactment of sections 163.011 and 163.031 of this act and the enactment of section 162.1060 shall become effective on July 1, 1999, if notification has been provided pursuant to subsection 2 of this section.

2. On or within thirty days prior to March 15, 1999, the attorney general shall provide notice to the revisor of statutes as to whether a final judgment as to the state of Missouri and its officials is entered or has been entered in each pending case as of May 15, 1998, which subjects one or more school districts in this state to a federal court's jurisdiction, and if the notice provides that a final judgment as to the state of Missouri and its officials has not been entered in each such case, the repeal and reenactment of sections 163.011 and 163.031 of this act and the enactment of section 162.1060 of this act shall not become effective. As used in this section, "final judgment" shall include only a judgment which disposes of all claims involving the state of Missouri and its officials and for which final disposition of appeals has been rendered and may include a consent judgment. Provided, however that a settlement among the parties may include provisions for payment for capital to be made after March 15, 1999, as long as the final judgment approving such settlement fixes with finality the financial obligations of the state.

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	MO	SLPS	Confluence	CCC	EHL	Lift for Life	TMA	STL C.A.	STL C.S.	YB	Charter Avg.
<b>Grades Served</b>	K-12	K-12	K-6	9, + 1 X 4	K-9	6-8	K-8	K-8	K-8	12	
<b>Sponsor</b>	n/a	n/a	UM-R	SLPS	H. Stowe*	SEMO	UMSL	UM-R	UMSL	SLPS	
<b>Management Co.</b>	n/a	n/a	Edison	n/a	Imagine	n/a	Imagine	ABS	Imagine	n/a	
<b>Year Opened</b>	n/a	n/a	2003-04	2001-02	2000-01	2000-01	2000-01	2002-03	2001-01	2002-03	
<b>Year Closed</b>	n/a	n/a	n/a	n/a	n/a	n/a	2005	n/a	n/a	2005	

**Staff Characteristics**

Students:Teachers

2001	19	20			24	13	22		18		19.25
2002	19	19		24	14	16	21		18		18.6
2003	18	17		28	17	15	22	19	18	15	19.14
2004	18	18	21	25	19	15	20	24	17	4	18.13
2005	19	19	21	24	25	14	20	17	19	6	18.25

Highly Qualified (% classes)

2001	unavail.	unavail.									
2002	95.9	87.5		79.7	71.4	60	75		72.2		71.66
2003	95.6	85.8		90	77.8	55.8	73.5	60.9	75	85.7	74.1
2004	95.6	85.9	91.7	63.6	88.2	33	75	71.7	74.2	65	70.3
2005	96.4	90.3	83.8	68.3	60	57.4	78.4	69.2	82.1	50	68.65

	MO	SLPS	Confluence	CCC	EHL	Lift for Life	TMA	STL C.A.	STL C.S.	YB	Charter Avg.
<b>Grades Served</b>	K-12	K-12	K-6	9, + 1 X 4	K-9	6-8	K-8	K-8	K-8	12	
<b>Student Characteristics</b>											
<b>Total Enrollment</b>											
2001							610		526		568
2002							658		767		712.5
2003							766	603	908	48	581.25
2004							1098	617	893	8	654
2005							1004	484	942	17	611.75
<b>Minority (% of enrollment)</b>											
2001	20.7	83.4			100	98.4	99.4		75.9		93.43
2002	21	83.4		83.6	100	98	100		68.8		90.08
2003	21.6	83.8		90.4	100	96.7	100	83.6	65.9	89.6	89.46
2004	22.2	84.1	100%	93.4	97.8	100	100	81.8	62.2	100	79.53
2005	22.5	85.1	100%	92.6	99.7	99.6	99.9	77.5	60.8	88.2	77.41
<b>F/R Lunch (% qual.)</b>											
2001	37.1	80.4			45	96.9	70.9		65.9		69.68
2002	37.9	81.3		72	89.9	94.5	79.8		75.4		82.32
2003	39.2	83.2		66.2	95.1	88	89.4	85.8	64.1	78.2	80.97
2004	40.5	84.7	93.10%	97.5	88.4	94.4	96.8	87	66.4	90.9	77.79
2005	41.8	87.1	143.90%	83.1		97.5	93.8	91.5	34.4	41.2	63.28



	MO	SLPS	Confluence	CCC	EHL	Lift for Life	TMA	STL C.A.	STL C.S.	YB	Charter Avg.
<b>Grades Served</b>	K-12	K-12	K-6	9, + 1 X 4	K-9	6-8	K-8	K-8	K-8	12	
<b>Attendance Rate</b>											
2001	93.7	87.9			90.6	90.8	87		89		89.35
2002	93.9	88.3		84.2	85.1	90.9	88.8		90.9		87.98
2003	93.7	89.1		85.3	89.7	89.1	86.9	81.5	84.6	74.1	84.46
2004	94	89.4	107.8	81.6	87.6	88.5	95.7	87.4	94	61.3	87.99
2005	94	91	103.2	89.6	92	89.3	90.2	86.8	88	50.2	86.16
<b>Graduation Rate</b>											
2001	81.4	52.4									
2002	82.4	53.3									
2003	84.4	60.2								0	0.00
2004	85.5	62								0	0.00
2005	85.7	58.6		0						0	0.00

	MO	SLPS	Confluence	CCC	EHL	Lift for Life	TMA	STL C.A.	STL C.S.	YB	Charter Avg.
<b>Grades Served</b>	K-12	K-12	K-6	9, + 1 X 4	K-9	6-8	K-8	K-8	K-8	12	
<b>MAP Scores</b>											
<b>Grade 3/4--Math</b>											
2001 Adv. & Prof.	37.7	19.3					6.9		6.3		6.60
Step 1/Progressing	20.4	42.2					60.3		67.5		63.90
2002 Adv. & Prof.	37.6	20.5					4.4		6.4		5.40
Step 1/Progressing	21.1	41.9					69.2		61.5		65.35
2003 Adv. & Prof.	37.2	24.1			2.6		0	18.2	7.6		7.10
Step 1/Progressing	20.3	33.2			63.2		69.4	48.5	52.4		58.38
2004 Adv. & Prof.	40.4	37.1			10.3		3.4	4.8	22.6		10.28
Step 1/Progressing	17.6	23.8			35.9		53	61.3	34.9		46.28
2005 Adv. & Prof.	43	36	12.7		29.8		6.2	0	14.4		12.62
Step 1/Progressing	16.1	21.9	39.7		34		61.9	34.5	39.6		41.94
<b>Grade 3/4--C.Arts</b>											
2001 Adv. & Prof.	31.6	17.4					1.5		16.7		9.10
Step 1/Progressing	28.6	51.5					75.4		50		62.70
2002 Adv. & Prof.	35.4	21.1			2.7		6.2		31		13.30
Step 1/Progressing	26.3	46.7			54.1		67.9		71.9		64.63

	MO	SLPS	Confluence	CCC	EHL	Lift for Life	TMA	STL C.A.	STL C.S.	YB	Charter Avg.
Grades Served	K-12	K-12	K-6	9, + 1 X 4	K-9	6-8	K-8	K-8	K-8	12	
2003 Adv. & Prof.	34.1	22.7			0		1.6	7.7	13.3		5.65
Step 1/Progressing	26.4	45			88.2		95.2	79.5	62.2		81.28
2004 Adv. & Prof.	34.6	30.7	1.9		8.8		0.9	2	12.9		5.30
Step 1/Progressing	25.6	33.2	79.2		76.5		79.4	87.8	44.6		73.50
2005 Adv. & Prof.	35.1	35.6	6.5		0		2.5	8.7	12.1		5.96
Step 1/Progressing	24.3	28.7	67.5		58.5		83.5	65.2	47.5		64.44
Grade 3/4--Science											
2001 Adv. & Prof.	45.6	25.4					1.5		26.5		14.00
Step 1/Progressing	17.7	39.8					76.1		54.4		65.25
2002 Adv. & Prof.	47.7	32.5			0		2.5		4.2		2.23
Step 1/Progressing	15.5	30.3			76.3		69.6		57.3		67.73
2003 Adv. & Prof.	47.8	39.6			5.3		1.7	0	6.1		3.28
Step 1/Progressing	14.5	24.7			84.2		80	77.5	55.1		74.20
2004 Adv. & Prof.	51.2	48						2			2.00
Step 1/Progressing	12.4	17.3						75.5			75.50
2005 Adv. & Prof.	53.4	53						0			0.00
Step 1/Progressing	11.8	13.4						67.4			67.40
	MO	SLPS	Confluence	CCC	EHL	Lift for Life	TMA	STL C.A.	STL C.S.	YB	Charter Avg.

<b>Grades Served</b>	K-12	K-12	K-6	9, + 1 X 4	K-9	6-8	K-8	K-8	K-8	12
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Grade 3/4--S. Studies										
2001 Adv. & Prof.	41.8	20.7					8.2		3.6	5.90
Step 1/Progressing	26.8	53.7					73.8		77.1	75.45
2002 Adv. & Prof.	40.1	21.3					0		6.5	3.25
Step 1/Progressing	28.8	54.8					84.6		71.3	77.95
2003 Adv. & Prof.	42.3	25.1			0		2	12.1	5.7	4.95
Step 1/Progressing	29.6	50.6			78.4		90.8	63.6	71.4	76.05
2004 Adv. & Prof.	48.8						100	8.2		54.10
Step 1/Progressing	23.6						0	68.9		34.45
2005 Adv. & Prof.	51.8							3.4	9.1	6.25
Step 1/Progressing	21.3							79.3	67.3	73.30

	MO	SLPS	Confluence	CCC	EHL	Lift for Life	TMA	STL C.A.	STL C.S.	YB	Charter Avg.
Grades Served	K-12	K-12	K-6	9, + 1 X 4	K-9	6-8	K-8	K-8	K-8	12	
<b>Grade 7/8--Math</b>											
2001 Adv. & Prof.	14.7	6.3					0				0.00
Step 1/Progressing	54.4	78.5					95.7				95.70
2002 Adv. & Prof.	13.7	5.3					0				0.00
Step 1/Progressing	54.6	77.9					100				100.00
2003 Adv. & Prof.	13.9	6.2				0	0	0	1.3		0.33
Step 1/Progressing	51.2	75.4				96.6	98.2	100	89.9		96.18
2004 Adv. & Prof.	13.9	5.7				1.5	0	2.1	5.5		2.28
Step 1/Progressing	50.9	77.4				88.1	93.1	91.5	73.6		86.58
2005 Adv. & Prof.	15.5	8.1				1.4	0	0	2		0.85
Step 1/Progressing	50.6	74				77	90.4	98	74.7		85.03
<b>Grade 7/8--C.Arts</b>											
2001 Adv. & Prof.	34.2	11.7					8.5				8.50
Step 1/Progressing	34.5	64.9					74.6				74.60
2002 Adv. & Prof.	32	15.5				3.3	3.6		2.6		3.17
Step 1/Progressing	35.5	60.6				66.7	74.5		68.4		69.87
2003 Adv. & Prof.	32.4	12.6				4.2	0	5.9	15.9		6.50
Step 1/Progressing	36.3	65.6				81.7	81.4	79.4	63.6		76.53
	MO	SLPS	Confluence	CCC	EHL	Lift for Life	TMA	STL C.A.	STL C.S.	YB	Charter Avg.

<b>Grades Served</b>	<b>K-12</b>	<b>K-12</b>	<b>K-6</b>	<b>9, + 1 X 4</b>	<b>K-9</b>	<b>6-8</b>	<b>K-8</b>	<b>K-8</b>	<b>K-8</b>	<b>12</b>	
2004 Adv. & Prof.	31.9	12.1				4.3	3.7	2.9	7.7		4.65
Step 1/Progressing	37.1	66.8				80	79.6	76.8	57.7		73.53
2005 Adv. & Prof.	32.5	11.1				3.8	2.6	15.1	14.2		8.93
Step 1/Progressing	35.8	67.6				77.2	72.2	64.2	62.8		69.10
<b>Grade 7/8--Science</b>											
2001 Adv. & Prof.	13.6	3.9					0				0.00
Step 1/Progressing	60.7	84.5					97.1				97.10
2002 Adv. & Prof.	14.2	7				0	0		0		0.00
Step 1/Progressing	59.2	78.8				100	100		93.5		97.83
2003 Adv. & Prof.	15	3.7				0	0	0	2.8		0.70
Step 1/Progressing	59.7	83.9				98.6	100	100	89.8		97.10
2004 Adv. & Prof.	16.3	5.4				0		0			0.00
Step 1/Progressing	59.9	83.3				89.9		98.5			94.20
2005 Adv. & Prof.	17.8	5.9				0		0			0.00
Step 1/Progressing	57.9	82				89.9		85.7			87.80
<b>Grade 7/8--S. Studies</b>											
2001 Adv. & Prof.	41.8	18.5					4.3				4.30
Step 1/Progressing	29.9	58.3					80.9				80.90
2002 Adv. & Prof.	42	17.5					3.5				3.50
	<b>MO</b>	<b>SLPS</b>	<b>Confluence</b>	<b>CCC</b>	<b>EHL</b>	<b>Lift for Life</b>	<b>TMA</b>	<b>STL C.A.</b>	<b>STL C.S.</b>	<b>YB</b>	<b>Charter Avg.</b>

<b>Grades Served</b>	K-12	K-12	K-6	9, + 1 X 4	K-9	6-8	K-8	K-8	K-8	12
Step 1/Progressing	29.9	59.7					75.4			75.40
2003 Adv. & Prof.	40.4	19.8				19	3.7	0	16.3	9.75
Step 1/Progressing	32	57.3				48.3	85.2	95.2	70	74.68
2004 Adv. & Prof.	41.8					20.9		10.4		15.65
Step 1/Progressing	30.4					62.7		77.1		69.90
2005 Adv. & Prof.	42.5					12.2		2	7.1	7.10
Step 1/Progressing	29.9					67.6		82	64.6	71.40

	MO	SLPS	Confluence	CCC	EHL	Lift for Life	TMA	STL C.A.	STL C.S.	YB	Charter Avg.
Grades Served	K-12	K-12	K-6	9, + 1 X 4	K-9	6-8	K-8	K-8	K-8	12	
Grade 10/11--Math											
2001 Adv. & Prof.	12.7	2.6									
Step 1/Progressing	56.8	86									
2002 Adv. & Prof.	10.7	2.5									
Step 1/Progressing	59	87.4									
2003 Adv. & Prof.	12.4	2.6		1.4				0			0.70
Step 1/Progressing	55.4	87.8		86.3				91.7			89.00
2004 Adv. & Prof.	15.2	2.3		0							0.00
Step 1/Progressing	52.9	87.3		91.6							91.60
2005 Adv. & Prof.	16.6	3.5		0							0.00
Step 1/Progressing	53.2	86.8		100							100.00
Grade 10/11--C.Arts											
2001 Adv. & Prof.	22.6	8.1									
Step 1/Progressing	33.8	69.5									
2002 Adv. & Prof.	23.7	6.9									
Step 1/Progressing	34.6	71.4									
2003 Adv. & Prof.	21.8	5.1						0			0.00



	MO	SLPS	Confluence	CCC	EHL	Lift for Life	TMA	STL C.A.	STL C.S.	YB	Charter Avg.
Grades Served	K-12	K-12	K-6	9, + 1 X 4	K-9	6-8	K-8	K-8	K-8	12	
Step 1/Progressing	35.4	71.7						100			100.00
2004 Adv. & Prof.	22.5	5.9		0							0.00
Step 1/Progressing	35.6	73		88.6							88.60
2005 Adv. & Prof.	22.9	6.2		0							0.00
Step 1/Progressing	35.3	69.5		77.8							77.80
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Grade 10/11--Science											
2001 Adv. & Prof.	8.7	1.7									
Step 1/Progressing	51.1	85.7									
2002 Adv. & Prof.	5.2	1.2									
Step 1/Progressing	55.8	89.6									
2003 Adv. & Prof.	6.3	1.1		0				0			0.00
Step 1/Progressing	55.1	89.8		91				88.9			89.95
2004 Adv. & Prof.	6.9	1.1		1.1							1.10
Step 1/Progressing	54.2	89.6		93.5							93.50
2005 Adv. & Prof.	7.6	1.4		0							0.00
Step 1/Progressing	52.6	88.1		97.9							97.90
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	MO	SLPS	Confluence	CCC	EHL	Lift for Life	TMA	STL C.A.	STL C.S.	YB	Charter Avg.

<b>Grades Served</b>	K-12	K-12	K-6	9, + 1 X 4	K-9	6-8	K-8	K-8	K-8	12
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Grade10/11--S. Studies										
2001 Adv. & Prof.	20.4	6.8								
Step 1/Progressing	40	73.4								
2002 Adv. & Prof.	15.9	4.3								
Step 1/Progressing	43.4	77.8								
2003 Adv. & Prof.	18	4						0		0.00
Step 1/Progressing	46.1	79.7						100		100.00
2004 Adv. & Prof.	18.9									
Step 1/Progressing	43.9									
2005 Adv. & Prof.	20.1									
Step 1/Progressing	43.9									
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