



ST. LOUIS PUBLIC CHARTER SCHOOLS

AN **IN-DEPTH** LOOK



FOCUS
St. Louis 2011



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PREFACE

Urban public education across the country has long been in crisis, and it is no different here in the City of St. Louis. The St. Louis Public Schools (SLPS) has been either provisionally accredited or unaccredited since 1998. In March 2007, the State of Missouri appointed a three-member Special Administrative Board until the District regains accreditation.

Some parents have responded to this situation by placing their children in one of many new charter public schools that have opened in the city in the past decade. Currently, about one quarter of public school students attend a charter public school.

Although there are a few outstanding schools in St. Louis, both district and charter public schools, the challenge both for SLPS and for charter schools is to create mechanisms that will improve and strengthen quality educational opportunities for all children. Unfortunately, the majority of charter schools are not living up to their promise. It is essential that we either improve or get rid of poorly-performing schools.

This report describes the current state of charter schools in St. Louis and examines key findings regarding governance and financing. It also makes recommendations to improve charter schools and, by extension, the overall quality of public school options available for students in St. Louis.

The report is the result of nine months of work by a volunteer Task Force consisting of civic, business, education, and government leaders. The Task Force met with 11 leaders representing charter schools, their sponsors, the State of Missouri, the City of St. Louis, and the St. Louis Public Schools.

The **critical conclusion** of the Task Force work is that:

Charter schools can provide a powerful model for improving educational options in low-performing school districts. However, according to the latest data (2010-2011), while many charter schools are performing better than the traditional St. Louis Public Schools, none of the 17 charter schools meet statewide academic standards.

We can – and we must – do better.

EXECUTIVE SUMMARY

Legislation enabling public charter schools in Missouri was passed in May 1998 at a time when court-mandated desegregation was ending in Kansas City and St. Louis City. Charter schools were considered a promising strategy that would give parents quality alternatives to the St. Louis Public School system. Parents have taken advantage of this choice: St. Louis ranks among the top ten cities in the country in per-capita charter school enrollment, with about a quarter of public school students in charter schools. However, while a few charter schools in St. Louis are performing well academically, test scores from the 2010-2011 school year show that most perform at or below the district average.

The Task Force benefited from two recent reports that provide a wealth of data about school performance in Missouri. The National Association of Charter School Authorizers (NASCA) commissioned IFF to issue the report *Public School in St. Louis: Place, Performance, and Promise*, which describes the dearth of high-quality public schools in St. Louis. *Delivering on the Promise*, commissioned by the Kauffman Foundation and written by the National Alliance for Public Charter Schools, details the academic performance of all Missouri charter schools relative to their respective districts and state averages. Both reports show that few public schools, whether charter or traditional public schools, live up to state academic standards.

Taken together, these two reports describe a state of emergency for education in St. Louis City. In a world where quality education determines a person's economic potential, this consigns a generation of children to an uphill struggle. This is not to say that there are no quality public schools in the City of St. Louis. Some SLPS schools regularly test among the best in all of Missouri. Likewise, some charter schools have demonstrated remarkable success, targeting traditionally disadvantaged students and showing impressive gains in academic performance. Unfortunately, these success stories are not the norm.

Charter schools aim to improve public education through a variety of mechanisms: 1) choice – new high-quality schools can create needed options for families, especially those in low income neighborhoods; 2) flexibility – charter schools are not tied to conventional school practices, so they can offer different curricula or longer school days and school years to improve academic performance; 3) decreased bureaucracy – lower administrative overhead should allow more resources to be dedicated to instruction; and 4) accountability – when a charter does not perform better academically than state standards or its local district, it can be shut down.

In St. Louis, these structural advantages have not necessarily resulted in improved academic performance. Performance varies widely among the charter schools, and many charter schools had test results significantly better than the SLPS schools. But data presented in this report also shows that more than half of the charter schools in St. Louis perform worse than their traditional SLPS counterparts.

Charter schools are viable public school options and they have an important role to play in improving the educational landscape for the children in St. Louis. But charter schools are not yet playing the transformative role envisioned for them. Our children deserve better. Our region deserves better. Success and growth require that all children have equal access to excellent educational opportunities. We are not yet there.

Recommendations:

1. Close charter schools that do not meet academic performance standards – either statewide standards or, when applicable, the academic standards spelled out in their charter documents.
2. Overhaul the sponsorship of charter schools.
3. Provide charter schools with access to revenue streams comparable to those of the school districts in which they are located.
4. Allow charter public schools access to unused SLPS school buildings.
5. Improve the process for closing failed charter schools.

BACKGROUND

Scope of Study

In the spring of 2010, the Board of Directors of FOCUS St. Louis® charged staff with forming a citizen Task Force to examine charter schools in the St. Louis region. In particular, the charge of the Task Force was to examine the formation, organizational capability, structure, and financing practices of charter schools.

The Task Force, which included educators and academics as well as civic, political, and business leaders, first met in October 2010. Subsequently, the Task Force held nine regular meetings as well as a half-day retreat. Subcommittees were formed and met regularly outside of the regular meeting structure. Guest speakers were invited to provide perspectives and details about various aspects of charter schools.

Early on, the Task Force made the decision to concentrate on charter schools in St. Louis City, and not those operating in Illinois. This was due to several reasons. First, there are only two charter schools currently operating in East St. Louis. Second, the policy environments in which charter schools operate are very different in Missouri and Illinois. Finally, because the authorizing legislative language in the two states is significantly different, specific recommendations were unlikely to apply to charter schools in both states.

“Charter schools are not yet playing the transformative role envisioned for them.”

Background on Charter Schools

A charter school is a public school. Funding is allocated based on enrollment, using the same public tax dollars as traditional public schools. To receive funding, charter schools must adhere to the same state and federal laws regarding public education as traditional public schools. Charter schools may not charge tuition and cannot set admission standards. All students who enroll must be accepted regardless of race, academic standing, income level, learning disability, etc. If applications exceed openings, a lottery is used to determine which students may attend the school. Charter schools can establish geographic boundaries to accept students as long as the boundaries do not create racially and economically isolated schools.

Charter schools are administratively independent from the school districts in which they are located. This gives charter schools significant freedom to innovate and to tailor a school to specific community needs. In particular, charter schools have the freedom to experiment with faculty development, curriculum development, pedagogy, administration, governance, and performance assessment. In Missouri, up to 20% of charter school teachers may be uncertified and charter schools do not engage in collective bargaining with teacher unions.

Charter schools have the flexibility to develop curriculum that targets a specific segment of the population or has a defined curricular theme. For example, in St. Louis the Construction Careers Center focuses on providing tangible skills for students to enter the workforce successfully, and the St. Louis Language Immersion School concentrates on foreign language instruction.

Charter School Legislation in Missouri

Charter schools were authorized by the Missouri General Assembly in 1998. Contained as a part of Senate Bill 781, the legislation sought to demonstrate that the State of Missouri would act responsibly if the federal court ended its oversight of the St. Louis Public School District, and returned control to the locally elected Board of Education.

Several key civic and business leaders actively supported the drafting of legislation that would help the St. Louis district, in particular, get beyond the court's supervision, and do a better job educating its children. State Representative Steve Stoll and State Senators Ted House and Harold Caskey were influential in getting a bill filed and shaped for passage. They were supported by legislators who saw the bill as a way to promote urban school reform, and by those who saw charter schools as a step towards a voucher system that would allow more students to attend parochial and private schools.

At the time, there was never serious legislative consideration given to allowing charter schools statewide. The focus of the bill was to give parents in the cities of St. Louis and Kansas City an additional school choice beyond moving out of the city (thereby reducing out-migration) or participating in a voluntary transfer program.

In 2009, the charter school law was amended by SB 291, with at least two potentially significant consequences. The bill aimed to strengthen accountability for both charter schools and school sponsors, and make it clear how sponsors can "revoke a charter or take other appropriate remedial action."

Charter School Reform Legislation 2011

Several pieces of legislation were introduced in the 2011 session of the Missouri General Assembly to reform charter schools. The one that made it further than any other through the legislative process (although not all the way to passage) was House Bill 473, sponsored by Representative Tishaura Jones (D-63, St. Louis).

Some of the key provisions of HB 473 were:

1. Creates the MO Charter Public Schools Commission, which would be given authority to sponsor charter schools.
2. Allows for the establishment of Charter Schools in all unaccredited districts throughout the state, in districts that have been provisionally accredited for three or more years, and in all districts in which the local district agrees to serve as sponsor of the charter school.
3. Expands who can sponsor charter schools to:
 - Any college or university in the state with a teacher education program.
 - Some private two-year vocational and technical schools.
 - The newly created Charter Public Schools Commission.
 - Certain non-profits (must be at least 10 years old, and organized under chapter 355).
4. Mandates that sponsors must have written policies and procedures for granting charters, for oversight of charter schools, and for closing charter schools.
5. Grants power to the State Board of Education to revoke charters if the schools fail to meet academic or other performance goals.
6. Requires the Missouri Department of Elementary and Secondary Education (DESE) to establish application guidelines for organizations wanting to be sponsors, demonstrating budget and personnel capacity.
7. The charter for a charter school must include an accountability plan, which includes metrics, targets, etc.
8. The law allows for different standards for "alternative" charter schools that serve high-risk populations.
9. Creates some explicit performance measures, and mandates the closure of charter schools (that do not serve special "high-risk populations") that fail to meet these performance standards.

Note: the proposed legislation includes a clause outlining how charter schools can appeal automatic closure under this section.
10. Mandates that a properly authorized charter school shall have the right to purchase or lease an unused facility at fair market price from a school district. Members of the Task Force expect that legislation reforming charter schools will be reintroduced in the 2012 session of the Missouri General Assembly.

Legal Requirements for Opening a Charter School

By law, charter schools must have a governing board, a sponsor, and a charter. The role of the board in a charter school is similar to the role of a board in any other non-profit organization: to provide strategic oversight and to set policy for the organization.

The more unique feature of governance of a charter school is the requirement that the school create a founding legal document – a charter – which defines the mission of the school. The charter document lays out performance standards and metrics to determine if the school is achieving its goals. By law, a school’s charter must be renewed at a minimum every ten years; in practice, charters are reviewed every five years. If a school’s charter is revoked, the school loses access to public funding and is closed.

A charter must contain:

- The educational goals and objectives to be achieved by the charter school
- A description of the charter school’s educational program and curriculum
- The term of the charter, which shall be not less than five years nor greater than ten years, and shall be renewable
- Description of the charter school’s pupil performance standards
- Description of the governance and operation of the charter school
- Description of the charter school’s policies on student discipline and student admission

The third major legal requirement for opening a new charter school is a sponsor. This is either a university (public or private) that has a department of education, or the local school district (in St. Louis, the St. Louis Public School system).

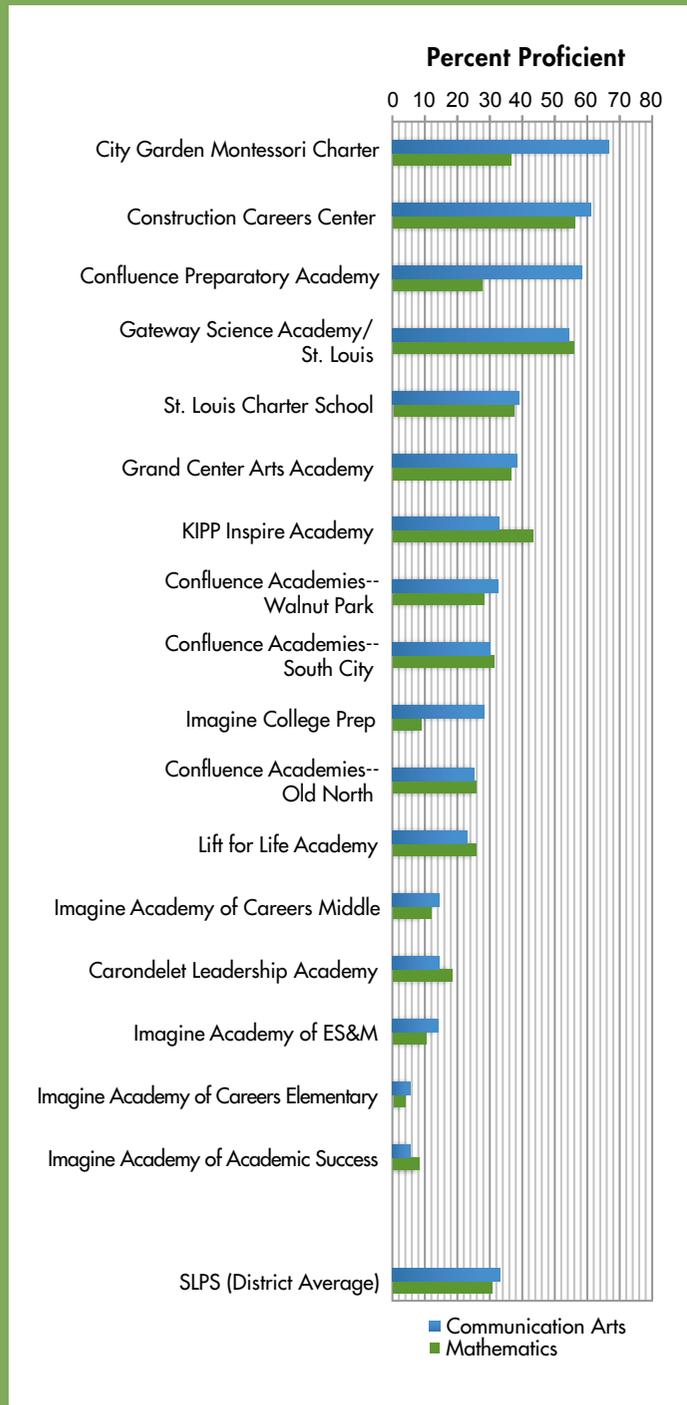
Mayoral process

The legal requirements for opening a new charter school are relatively simple: a board, a charter, and a sponsor. However, in St. Louis City the Mayor’s office has created a voluntary review process that establishes a standard for new schools. New charter schools that participate in this process and are approved by the St. Louis Charter Advisory Board receive help from the Mayor’s office in finding a sponsor, facilities, and assistance with other technical issues. Moreover, sponsors are informed of applications that are not approved by the Advisory Board. The dual goal is to help good schools get off the ground, and to encourage those that might not be fully ready to open to more carefully consider factors that might contribute to their success.

It is too soon to measure the effectiveness of the Mayor’s process. Only five schools have gone through the process and are currently operational; they all opened in 2010, and meaningful test results are not yet available.

“The focus (of legislation) was to give parents an additional school choice beyond moving out of the city.”

% Proficient 2011 (MAP scores) sorted by proficiency in Communications Arts



Academic Performance

Charter schools have a mixed record in terms of academic performance. Six of the 17 charter schools for which test scores are available outperformed the SLPS on the Communications Arts test; seven of the 17 charter schools scored better on the Math test. Perhaps more daunting: neither SLPS nor any of the charter schools met the 2011 AYP standards for either math or communications arts.

It is important to note that test scores for both charter schools and for the SLPS improved from 2009-2010 to 2010-2011 school years. For SLPS, Communications Arts scores improved from 30.7% to 33.1%, and Math scores improved from 26.9% to 30.9%. Even so, the number of charter schools that tested better than SLPS improved: six charter schools outperformed the SLPS in Communications Arts in 2010-2011 (up from four in 2009-2010), and seven charter schools outperformed the SLPS in Math scores (the same as in 2009-2010).

The Task Force spent considerable time discussing how to define the appropriate yardstick by which to measure the success of charter schools. There are numerous examples of charter schools that are better than the average SLPS performance, but that do not live up to the state standards. These are certainly better options for parents that are trying to find a good school for their children. And yet, the hope for charter schools is that they offer an excellent educational option, not simply a "slightly better" educational option. If there are no consequences to charter schools for underperformance, then it will be difficult to attain high levels of achievement.

Role of Sponsors

Every charter school must have a sponsor. Charter schools are currently sponsored either by the local school district or by eligible area universities. The legal role of the sponsor is to serve as the "accreditation agency" that certifies that a charter school is fulfilling its educational obligations, both in terms of academic performance requirements mandated by state law, as well as the goals and objectives included in the charter document itself. Sponsors receive 1.5% of state and local funding allocated to the charter school to defray the cost of these oversight functions.

Sponsors are required to conduct a formal review at least once every two years for each of the charter schools they sponsor. This process includes classroom observations, as well as interviews and discussions with students, teachers, administrators, and parents. The sponsor has the authority to revoke a school's charter, or not to renew the charter.

Another potential function of sponsors is to provide charter schools with expert assistance with finances, facilities, human resources, legal requirements, or a variety of issues that in traditional public schools are handled by central administrative offices. Many charter schools lack the breadth of expertise in these functions that is typically required to operate successfully. One of the original intentions of the authorizing legislation was that sponsoring universities might provide in-kind services to improve the educational quality of their charter schools.

In practice, sponsors often feel constrained in their role as accreditation agencies, primarily due to limited staff and/or financial resources. Most sponsors do not provide significant resources to their charter schools to address administrative, financial, or other needs. Some charter school leaders told us that they communicated with their sponsors infrequently, and often only in response to paperwork requirements. Some sponsors shared that relatively few resources are dedicated to charter school oversight and assistance. All felt that the resources going to sponsors (1.5% of total charter school operational dollars) was insufficient to pay for the services that sponsors are supposed to provide their charter schools.

The Task Force found that, in general, sponsors of charter schools in St. Louis are not providing adequate oversight or assistance to their charter schools.

A note on student testing

People who are not steeped in the finer points of academic testing might be confused about how student achievement is measured and how these tests are used. There are three critical concepts that address much of the confusion:

- 1. Missouri Assessment of Proficiency (MAP tests):** These are administered every year and provide a snapshot of how many students in a school are meeting state standards. Critics note that judging a school or a district by its MAP scores does not take into account key inputs to student achievement, including poverty or other indicators of a disadvantaged background.
- 2. Adequate Yearly Progress (AYP):** AYP is the aggregation of MAP scores within a school, and is used to judge whether or not a school is meeting goals for academic performance. AYP measures the percentage of students who pass the MAP test, and the progress of a school toward meeting the goals of the federal “No Child Left Behind” policy. When a school is said not to measure up to state standards, it is these AYP measures that we are referencing. Note that the standards increase every year:

SCHOOL SUBJECT	2010	2011
Math	63.3%	72.5%
Communications Arts	67.4%	75.5%

- 3. Student-based value-added testing:** One critique of evaluating schools based only on AYP tests is that these do not necessarily take into account the starting point of a student. Take, for instance, the hypothetical case of a charter high school that opens with a class of 9th graders who, on average, are reading at a 6th grade level. Assume that after a year of instruction, the 10th grade class now tests at an 8th grade reading level. We might say that the students have gained, on average, two grade levels in reading proficiency in only one year of instruction. By measuring yearly improvements in MAP scores, schools can be judged on a “value-added” basis.

Many schools, charter, private or traditional public schools, use regular testing to track the performance of individual students. Schools use the results to identify areas of weakness and to tailor educational programs to students’ specific needs. Some people have proposed changing school performance criteria to this type of measure.

There has also been discussion recently that performance goals for testing might change, either at the federal or at the state levels. If the goals and expectations for traditional public schools change, then the performance goals for charter schools should reflect those changes.

Charter School Finances

Charter schools in Missouri receive roughly 99% of the funding available to their host public schools: \$9,515 per pupil, compared to \$9,585 for the SLPS. This is operational funding, and consists both of state funding for local schools as well as local tax levies passed by City voters.

However, charter schools do not receive any public support for facilities. (see box below) As a result, charter schools have to use operational funds to rent, buy or renovate school facilities. Traditional public school districts have bonding authority, which means that they can pay for buildings and other capital needs using a different revenue stream. For example, if SLPS has \$10,000 per-pupil in operating revenues, it could spend all \$10,000 on instruction and current expenses. A charter public school receives roughly the same amount of per-pupil operating dollars, but has to pay for rent and other facility needs out of that \$10,000.

Currently, there are as many as 45 SLPS school buildings that are not being used. SLPS Superintendent Dr. Kelvin Adams has offered to make some of those facilities available to charter schools at market rates, although as of this writing, there have been no charter schools that have accepted this offer. Empty or unused buildings and facilities still require maintenance, and providing facilities to charter schools can reduce expenses for SLPS.

Dr. Adams' offer to sell SLPS facilities to charter schools is a step in the right direction – in the past, SLPS did not even consider offering facilities to charter schools. However, in the face of a glut of facilities in traditional SLPS schools, and a dearth of adequate facilities for students in charter public schools, we believe the SLPS buildings or classrooms should be made readily available to charter public schools. In particular, charter schools should not be required to pay full "market value" (however determined) for these school buildings. Arguably, from the taxpayer's perspective, the public is being asked to pay for a building twice: once to build it for the SLPS, and a second time to pay for its purchase by a charter public school.

In sum, charter public schools receive operational dollars comparable to those provided to the traditional public schools. However, the lack of dedicated funding for facilities places charter schools at a severe funding disadvantage, leaving them with fewer resources to pay for yearly operational needs.

Characteristics of Students in Charter Schools

Detractors of charter schools often complain that charter schools "pick" the best students in the district, and as a result, the test scores at charter schools reflect the preselected student population rather than the educational quality of the schools themselves. The data do not support this assertion.

First, charter schools must accept all students, subject to availability of space. If a charter school receives more applicants than it has spaces for students, then acceptance is based on a lottery. Charter public schools can give preference according to geographical considerations (for instance, students who live in a certain ZIP code), but charter schools cannot set admission criteria based on high academic achievement.

Second, the demographic composition of charter schools is very similar to that of traditional public school students. According to *Place, Performance, and Promise*, 81.2% of SLPS students are African American, compared to 88.9% of charter public school students in St. Louis. Another study notes that 76% of charter school students in Missouri (St. Louis and Kansas City combined) are eligible for free/reduced price lunch – a common measure of economic disadvantage. For the SLPS schools, the percentage of students eligible for free/reduced price lunches is 69%.

Third, some charter schools deliberately target "at risk" students who might otherwise drop out altogether. For instance, Shearwater Education Foundation (founded in 2010) deliberately targets students who have dropped out. Rather than selecting the best students, some charter schools are deliberately targeting students who are most at risk.

Students who attend charter schools are racially and demographically comparable to students who attend traditional public schools. If charter school students perform better than their peers in traditional public schools, then the charter school should be commended, and its educational practices examined and if possible replicated. By the same token, if students at a specific charter school perform worse than those at traditional schools, then the charter school should be held accountable.

Operational vs. Facility Funding

Public schools are funded via two separate mechanisms for two different types of expenses. General operating revenue comes from the state (allocated by the state according to a complex "foundation formula") as well as from local taxes. Local taxes are approved by voters, who pass a ballot that reads in part "shall XXX school district be authorized to increase the districts operating tax levy by ..." Such operating tax dollars can be used for regular expenses: salaries for teachers and other personnel, regular building maintenance, operation of school buses, etc.

School bonds are also passed by a vote of the general public, but the ballot language typically reads "shall XXX school district borrow money in the amount of X dollars." The school district is authorized to borrow money via a bond, and to raise taxes to pay off the bond. Money must be spent on capital expenses – specifically, buying land, building or significantly renovating a school facility, or buying school buses.

Recommendations:

1. Close charter schools that do not meet academic performance standards – either statewide standards or, when applicable, the academic standards spelled out in their charter documents.
2. Overhaul the sponsorship of charter schools.
3. Provide charter schools with access to revenue streams comparable to those of the school districts in which they are located.
4. Allow charter public schools access to unused SLPS school buildings.
5. Improve the process for closing failed charter schools.

DISCUSSION OF RECOMMENDATIONS

1. Close charter schools that do not meet academic performance standards – either statewide standards or, when applicable, the academic standards spelled out in their charter documents.

The Task Force believes that charter public schools ought to be held to statewide academic standards. In the event that Missouri changes the evaluation criteria for schools and districts, then academic standards for charter schools should change as well to reflect the standards for all public schools.

The Task Force recognizes that this is a high bar to set – only two charter schools in St. Louis currently meet the statewide academic performance standard in Mathematics, and none meet the statewide standard in Communication Arts. Moreover, it is easy to envision a scenario where a charter school outperforms the St. Louis Public School system (SLPS) and yet does not meet state academic standards.

And yet, the hope for charter schools is that they offer an excellent educational option, not simply a “slightly better” educational option. Without meaningful consequences for charter schools that underperform, we do our children a disservice.

From the very first year in which they are opened, charter schools should be well aware of how their students are performing academically and whether or not the school is on track to meet the school’s academic goals. A strong and effective sponsorship structure will give the charter public school an independent evaluation of its progress in providing high-quality academic programs (see Recommendation 2).

The Task Force has heard arguments for an additional probationary period if a charter school does not perform at state-level standards by the end of its initial five-year charter. However, given continual feedback from yearly testing, the Task Force feels that such a probationary period does a disservice to the students who have not received the high quality education they deserve. Not allowing an additional probationary period is consistent with best practices in Michigan, New York, and Indiana.

A major rationale for the existence of charter public schools is that, because of their freedom from many state regulations, the absence of teacher unions, the decreased overhead, and lower levels of bureaucracy, they can provide higher-quality education with the same level of public resources.

If charter schools are free from many of the regulatory features of traditional public schools, then it is all the more important that they be strictly held to a performance standard. Increased autonomy and flexibility in terms of inputs requires higher accountability in terms of outcomes. The Task Force recommends that charter public schools be required to perform at the same standard to which we are holding traditional public schools. If they fail to meet this expectation, charter schools should lose their charter and close.

One possible caveat: some charter schools serve alternative populations where it might not be reasonable to expect students to perform at a high academic level. In those cases, charter schools should have alternative academic standards written into their charters, and should be held accountable to achieving those standards.

2. Overhaul the sponsorship of charter schools.

The primary legal role sponsors are called upon to perform is accreditation: regularly reviewing the programmatic and administrative progress of a charter public school. If a charter school appears to have problems meeting academic or other performance goals, the sponsor should be the first outside organization to notice, and ought to be in a position to help the charter school address its problems.

As one Task Force presenter pointed out, there is no particular reason to believe that colleges and universities are qualified to perform this legal and regulatory oversight. On the surface, in fact, there may be potential downsides for a college or university to assume this role. For instance, the closure of a charter school can reflect badly upon a university, leaving that sponsor with an incentive to keep a failing school open. Additionally, the Task Force heard about an instance where a charter school threatened its university sponsor with lawsuits if the university cancelled its charter.

Another issue facing sponsors is the relatively low level of resources they receive, especially sponsors who are providing oversight for one or only a few schools. Sponsors receive 1.5% of the per-pupil allocation received by the charter schools. This is not likely to be enough to provide high-quality oversight of the charter schools sponsored by university.

In short, universities may have insufficient resources, mixed incentives, and little expertise in providing oversight to other institutions. Taken together, these combine to make universities potentially poor candidates to serve the formal accreditation role of sponsorship. This is not to say that universities cannot do an excellent job as sponsors – indeed, our review of best practices identified three universities that are performing outstanding jobs.

University sponsors often perform another role, providing classroom help, legal and administrative expertise, and other supportive services for their charter schools. Across the country, universities have played this support role with various degrees of effort and success. Both nationally and in Missouri, it appears that universities that are successful in sponsoring charter schools have significant resources dedicated to both oversight and to providing assistance.

An interesting observation came to light in the course of working on this Task Force. In Missouri, a sponsoring university must have a department or school of education. To our knowledge, none of the university sponsors of charter schools in St. Louis have systematically used the expertise and resources available to them through their education departments.

Based on a review of best practices in Central Michigan University, the SUNY system, and Ball State University in Indiana, the Task Force found some common threads: 1) in each state, there are relatively few institutions (mostly universities) that are allowed to be sponsors; 2) sponsoring universities have significant staff resources (25-50 people) dedicated to monitoring and helping charter schools; 3) there are significant economies of scale that allow offices to develop expertise; and 4) all of these sponsors have clear written policies outlining expectations for charter schools, the criteria used to evaluate them, and the implications if charter schools fail to meet expectations.

We recommend two sets of policy changes that will improve sponsorship in Missouri. First, limit the number of universities that are allowed to be sponsors. Sponsors should themselves be “certified,” and demonstrate capacity and commitment to the role. By limiting the number of total sponsors, economies of scale will allow sponsors to develop expertise and better use the limited resources dedicated to oversight. Second, the state should establish an office that itself has sponsorship capacity and can serve as sponsor for charter schools. This office can either be established within DESE or, as was included in the 2011 House Bill 473, the office can be established as a separate independent agency. This office must receive sufficient funding to do its job well, which might entail added funding from the Missouri General Assembly. (Currently, DESE has the staff equivalent of 0.5FTE to provide oversight and monitoring of forty six (46) charter schools across the state. This is not sufficient.)

3. Provide charter schools with access to revenue streams comparable to those of the school districts in which they are located.

On a per-pupil basis, charter public schools receive 99% of the operating revenues that go to the SLPS. However, charter public schools do not have access to bonds that would allow them to address their capital needs. As a result, they end up having substantially less funding available for instructional and operational expenses.

It is important that operating revenues for charter schools stay on par with operating revenues for the SLPS. Moreover, we recommend that the facilities side of the equation be fixed so that charter schools do not have to spend operating dollars on facility needs.

In order to address their facility needs, charter schools either need to have access to increased flows of funds, or to have their facility needs addressed in a different manner that costs them less. In accounting terms, we need either to increase the revenues available for charter schools to address capital needs, or to decrease the costs of their facilities.

We can improve the revenue side for charter school facilities through a variety of mechanisms: the creation of a revolving loan fund, perhaps backed by new market tax credits, one-time facility loans, one-time grant funding for charter school facilities, or per-pupil funding dedicated for facility use. All these solutions share one characteristic: they require increasing funding for charter schools.

Alternatively, the next recommendation discusses a way to decrease the costs of charter schools' facilities.

4. Allow charter public schools access to unused SLPS school buildings.

One of the major obstacles to opening a new charter school is securing a viable facility. This is complicated by how charter schools often open their doors. For instance, for a new K-5 charter school, the administration might admit only kindergarten students the first year, kindergarten and 1st graders the second year, and so on until it has a full complement of students. That means that, for each of the first six years of its existence, as the charter public school ramps-up its enrollment, it will have changing facility needs. It is important, especially in the early years of operation, for charter schools to have the flexibility to accommodate changing enrollment.

At the same time, the St. Louis Public School system finds itself with several buildings that have been closed and currently are not being used for any other purpose. SLPS Superintendent Dr. Kelvin Adams announced in October 2010 that SLPS is making some empty buildings available to charter public schools at market costs. However, most start-up charter schools do not have the resources to purchase a school building or, if need be, to repair and renovate a building to current standards.

It is also important to note that the school facilities owned by SLPS have been paid for using public tax dollars. In order for charter public schools to pay SLPS for use of these shuttered buildings, we would need to appropriate additional public dollars, either from scarce state revenues or through a local tax. Taxpayers would essentially be paying twice for the same building.

Over the past ten years the enrollment of charter schools has grown to account for 24% of the children attending public schools in St. Louis. Changing enrollment patterns are likely to continue. We need to create a mechanism by which public assets like school facilities can be allocated efficiently among public educational programs (SLPS schools or charter schools).

One mechanism would be for the SLPS simply to make empty facilities available to charter public schools for basic operating costs only. The charter school would be responsible for day-to-day maintenance, but the district would continue to be responsible for major facility needs, such as repairing leaking roofs or installing HVAC. In other words, the charter school would pay for the operational expenses of the building, but not for the capital expenses. This approach would lower the charter schools' costs while also benefitting SLPS, which currently is responsible for both maintenance and repair costs on these facilities.

Another mechanism would be to create a new governmental authority which would assume ownership and responsibility of all publicly owned school facilities in the City of St. Louis – both SLPS and charters. The ownership of all of the SLPS buildings would be transferred to the authority, as would responsibility for all bonded indebtedness relating to the buildings. The authority would then allocate the buildings among all public schools.

There are implementation challenges with either model. If the process stays under the jurisdiction of SLPS, then policies are needed that describe how facilities would be allocated and ensure that charter schools receive due consideration. If a separate authority were to be created, then questions of governance and accountability of this new authority need to be addressed.

5. Improve the process for closing failed charter schools.

There have been at least two instances in the past 10 years where charter schools have been closed but their funds were left in a form of “financial limbo.” The schools had funds in their bank accounts after their charters were revoked, but the state argued that it did not have the legal authority to recoup or seize any public funds remaining in the name of the school.

A charter school that loses its charter retains its corporate identity, even though it ceases to be a public school. The charter school might have management or operational ties to a separate national organization. DESE argues that, once the organization is no longer a school, it no longer falls under DESE’s jurisdiction.

Missouri state statutes need to be modified to clarify the process around charter school closures. One proposal, included in the 2011 HB 473 legislation, would have made sponsors legally responsible for leftover public funds or liabilities if a school closes. Another mechanism to clarify the process would be to hold the boards of the charter schools responsible for excess funds or liabilities. (If boards are to be held responsible, they should carry indemnification insurance that protects the private assets of board members.)

Other details that need to be addressed, either in statute or in regulatory settings, include: closing and changing access to all bank accounts, dissolving assets, terminating leases, stopping allocation of state or federal funding, and detailing provisions on how to disperse funding remaining in various bank or investment accounts.

LOOKING TO THE FUTURE

Our region and our residents cannot afford to wait to improve the educational opportunities and outcomes of students in St. Louis City. As a region, we need well-educated, well-trained young people to keep the St. Louis metropolitan area moving forward. Perhaps more important, by failing to give children in the City the opportunity to acquire a quality education, we make it more difficult for them to achieve their potential.

Charter schools are and should be part of our solution to the educational crisis facing students in St. Louis City. However, not all charter schools are living up to their promise.

In examining the state of charter schools in St. Louis, the Task Force came to three broad conclusions. First, many charter public schools are not achieving the academic performance standards that we expect from them. Second, the sponsorship process is not working very well: universities have relatively few resources and little expertise in serving as accreditation agency for charter public schools. Finally, the Task Force found a mismatch in facilities: the Saint Louis Public School District owns more than 40 empty school buildings, and there is a strong need among charter public schools for suitable facilities. The major recommendations of the Task Force reflect these key findings.

This document is not a “final” report but rather a call for further action. The Task Force recommends that FOCUS St. Louis and/or other appropriate organizations take the lead in continuing this dialogue and developing a more specific plan of action. The broad St. Louis community needs to be engaged in the discussion about the role charter schools currently play in educating our children, and have a deeper involvement in implementing solutions to the under-performance of some charter schools.

Appendix I: Roster of Task Force Members

Co-chairs:

William Carson, Vice President and Director of Sustainability, McCormack Baron Salazar
Kelly Garrett, Executive Director, Rainwater Charitable Foundation

Members:

Norma Jean Downey, former teacher, League of Women Voters
Bridget Flood, Executive Director, Incarnate Word Foundation
Erica Henderson, Business Development Specialist, St. Louis Development Corporation
Ronald Jackson, former SLPS Board member
Karen Kalish, Founder, Cultural Leadership Program, and Founder, Home Works! The Teacher Home Visit Program
Rachel Lockhart-Korris, Manager of Community Affairs, Wells Fargo Advisors
David Kuschel, Assistant Executive Director for Communications and Legislative Services, Cooperating School Districts
Robert Mai, Stakeholder Insights
Michael Moll, Senior Vice President, Meramec Valley Bank
John Munich, Partner, Stinson Morrison Hecker LLP
Tony Neal, President, Educational Equity Consultants
Mikia Pollard, Founder and Head of School, Blossom Wood Day School
David Rosenberg, Business Development Manager, Insituform Technologies
Daniel Schesch, retired, former SLPS board member
David Schmid, Vice President, Regions Morgan Keegan Trust Company
Velma Stewart, V A S Consulting
Stephen Stoll, Director of Administration, Jefferson County

Staff:

Mark Fogal, Community Policy and Engagement Director, FOCUS St. Louis
Christine Chadwick, Executive Director, FOCUS St. Louis
Denise Kruse, Marketing and Communications Director, FOCUS St. Louis

Appendix II: Outside Experts

Over the course of its nine months of work in preparing this report, the Task Force benefitted from the expertise of many public education and charter school experts and practitioners, including:

Chris Nicastro, Commissioner of Education for the State of Missouri
Robbyn Wahby, Deputy Chief of Staff and Executive Assistant for Education,
Office of Mayor Francis Slay
Margo Quiriconi, Director, Education, Kauffman Foundation
Cheri Shannon, Executive Director, Missouri Charter Public School Association (left in May 2011)
Douglas Thaman, Executive Director, Missouri Charter Public School Association (appointed in June 2011)
Dr. Kelvin Adams, Superintendent of Schools, St. Louis Public Schools
Jeremy Esposito, Principal, KIPP Inspire Academy
Ross Woolsey, Director of Business and Development, Northside Community School
Craig Glover, Chair, Board of Directors, Confluence Academy
Hank Webber, Executive Vice Chancellor, Washington University in St. Louis
Steve Sanchez, Assistant Vice President, St. Louis University
Dawn Finley, Coordinator of Charter School Sponsorship, University of Missouri in St. Louis
The Honorable Tishaura Jones, State Representative, Missouri General Assembly

Appendix III: Percentage of students who met MAP standards at each of the charter schools in St. Louis City.

Based on 2009-2010 academic school year. Source: DESE website – <http://dese.mo.gov/divimprove/charterschools/>
 * Shearwater Education Foundation and St. Louis Language Immersion School are new and test results are not available.

School Name	Communication Arts	Math
City Garden Montessori Charter	66.7%	36.7%
Construction Careers Center	61.1	56.1
Confluence Preparatory Academy	58.3	27.6
Gateway Science Academy/ St. Louis	54.4	56.1
St. Louis Charter School	39.1	37.5
Grand Center Arts Academy	38.5	35.2
KIPP Inspire Academy	32.9	43.6
Confluence Academies–Walnut Park	32.4	24.3
Confluence Academies–South City	30.1	31.3
Imagine College Prep	28.3	8.9
Confluence Academies–Old North	25.3	25.9
Lift for Life Academy	23.1	25.8
Imagine Academy of Careers Middle	14.5	9.4
Carondelet Leadership Academy	14.3	18.2
Imagine Academy of ES&M	14	10.4
Imagine Academy of Careers Elementary	5.6	3.9
Imagine Academy of Academic Success	5.4	8.5
SLPS (District Average)	33.1	30.9

Appendix IV: Charter Schools in St. Louis

School	Sponsor	Year Opened	Grades Served	External Management Organization
Better Learning Communities Academy	University of Missouri-Columbia	2011-2012	K-8th	None
Carondelet Leadership Academy	Missouri Baptist University	2010-2011	K-5th	American Quality Schools Corporation
City Garden Montessori	St. Louis University	2008-2009	K-4th	None
Confluence Academies – Old North	Missouri University of Science and Technology	2003-2004	K-8th	Edison
Confluence Academies – Walnut Park	Missouri University of Science and Technology	2003-2004	K-8th	Edison
Confluence Academies – South City	Missouri University of Science and Technology	2003-2004	K-8th	Edison
Confluence Preparatory Academy	Missouri University of Science and Technology	2003-2004	9th-10th	Edison
Construction Careers Center	St. Louis Public Schools	2001-2002	9th-12th	None
Gateway Science Academy/St. Louis	Lindenwood University	2010-2011	9th-12th	Concept Schools
Grand Center Arts Academy	St. Louis University	2010-2011	6th-7th	American Quality Schools Corporation

School	Sponsor	Year Opened	Grades Served	External Management Organization
Imagine Academy of Academic Success	Missouri Baptist University	2007-2008	K-8th	Imagine Schools
Imagine Academy of Careers Middle	Missouri Baptist University	2007-2008	6th-8th	Imagine Schools
Imagine College Prep High	Missouri Baptist University	2007-2008	9th-12th	Imagine Schools
Imagine Academy of Careers Elementary	Missouri Baptist University	2007-2008	K-5th	Imagine Schools
Imagine Academy of Environmental Science and Math	Missouri Baptist University	2007-2008	K-8th	Imagine Schools
Jamaa Learning Center	University of Missouri-Columbia	2011-2012	K-8th	None
KIPP: Inspire	Washington University	2009-2010	5th-6th	KIPP
Lift for Life Academy	Southeast Missouri State University	2000-2001	6th-11th	None
North Side Community School	University of Missouri-St. Louis	2009-2010	K-5th	None
Preclarus Mastery Academy	University of Missouri-St. Louis	2011-2012	5th-12th	None
Shearwater Education Foundation	St. Louis University	2010-2011	9th-12th	None
South City Preparatory Academy	University of Missouri-St. Louis	2011-2012	5th-12th	None
St. Louis Language Immersion School	University of Missouri – St. Louis	2009-2010	K-1st	None
St. Louis Charter School	University of Missouri – St. Louis	2000-2001	K-8th	None

Appendix V: Charter School Closures in St. Louis

School	Sponsor	Opened/ Closed	Management Organization	Cause of Charter Revoke	Revoker
Thurgood Marshall Academy	University of Missouri St. Louis	2000/2005	None	Student performance	Sponsor
Youth Build St. Louis	St. Louis Public Schools	2005	None	Low enrollment	The school relinquished its charter
CAN Academy	Missouri Department of Education	2007/2008	AMERICA CAN!	Charter relinquished by school itself	Missouri Board of Education
Ethel Hedgeman Lyle Middle/High School	Harris-Stowe University (2000-2005) Missouri Baptist University (2005-2010)	2000/2010	Imagine Schools (2000-2008); None (2008-2010)	Fiscal management, student performance	Sponsor
Ethel Hedgeman Lyle Elementary	Harris-Stowe University (2000-2005) Missouri Baptist University (2005-2010)	2000/2010	Imagine Schools (2000-2008); None (2008-2010)	Fiscal management, student performance	Sponsor
Paideia Academy: College Hill Campus	Missouri University of Science and Technology	2002/2010	Student performance	Missouri Board of Education	None
Paideia Academy: Carondelet Campus	Missouri University of Science and Technology	2002/2010	None	Student performance	Missouri Board of Education

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