



# TESTIMONY

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## HOUSE BILL 1552: CHANGES TO PROVISIONS RELATED TO FUNDING FOR CHARTER SCHOOLS

*By Susan Pendergrass*

Testimony before the House Budget Committee

### **TO THE HONORABLE MEMBERS OF THIS COMMITTEE**

Thank you for the opportunity to testify. My name is Susan Pendergrass, Ph.D, and I am Director of Research and Education Policy for the Show-Me Institute, a nonprofit, nonpartisan, Missouri-based think tank that advances sensible, well-researched, free-market solutions to state and local policy issues. The ideas presented here are my own and are offered in consideration of proposals that will affect charter schools in Missouri.

Charter schools have been part of the Missouri public education system for nearly 25 years. Currently, over 25,000 Missouri children attend public charter schools. Nearly 80 percent of these students are categorized as low income based

on their qualification for free or reduced-price lunch in the USDA's National School Lunch Program, and 80 percent of them are students of color. However, public charter school students in Missouri are funded differently and less equitably than their neighbors who attend their assigned public schools.

In Missouri, students are restricted to choosing a public charter school within the district boundaries of either St. Louis Public Schools (SLPS) or Kansas City Public Schools (KCPS), and soon within the Normandy Schools Collaborative. This restriction is due to the uniquely low performance of these public school districts, which makes their students eligible to choose an alternative. Charter schools within KCPS and SLPS are more than just additional schools—they're a lifeline out of failing systems.

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Although public education has been massively disrupted in the last two years, MAP assessments were administered last year and the results have been released. In the 2020–21 school year, just 13 percent of the SLPS students who came to school to take the assessment scored proficient or higher in English/Language Arts and less than 8 percent scored proficient or better in mathematics. One can imagine the likely performance of those who were not assessed. Results in KCPS are similar, although the mathematics percentage was one point higher. While public charter schools in these districts faced the same circumstances, their results, while not stellar, exceeded those of the two districts. In ELA, 24 percent of public charter school students scored proficient or higher and in mathematics it was just over 11 percent. Some charter schools, such as University Academy in Kansas City, had rates of proficiency of 40 percent or higher

## WHAT IS WRONG WITH CHARTER SCHOOL FUNDING?

Current Missouri law requires districts to share their state aid with the public charter schools within their borders based on the number of public school students who choose to attend a charter school. However, the law didn't anticipate what would happen if the public school students in charter schools are guaranteed funding that exceeds the total state aid for a district, as is currently the case in KCPS. Over half of the public school students in Kansas City have chosen charter schools, the funding for whom equals the entirety of KCPS's state aid. If more public school students choose charter schools, the pie will not get bigger. Rather, each public charter school student will receive a smaller slice. HB 1552 would amend this

situation by requiring that the state provide the guaranteed amount of state aid per pupil directly to any charter schools that have declared themselves a local education agency, as most have.

Secondly, under current law, public charter school students do not have access to the same sources of local funding as their counterparts attending a district public school. HB 1552 would amend this by having the definition of local aid due to public charter school students include property taxes, merchants' and manufacturers' taxes, financial institution tax revenues, all city sales tax revenue, payments in lieu of taxes, and revenues from state-assessed railroad and utilities taxes.

## CONCLUSION

There are more than 25,000 public school students in Missouri who receive less public funding than their peers simply because they have chosen an alternative public option rightfully available to them. These are mostly students from disadvantaged backgrounds who live within the boundaries of school districts that fail to get more than one in ten students to grade level in reading or math. These families are making a very understandable choice, and their children should not be treated differently. HB 1552 provides an opportunity to fix some of the shortcomings in the current charter school law.

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