



# EXPANDING ACCESS TO CHARTER SCHOOLS IN MISSOURI

## The Policy



Education entrepreneurs throughout the state should be able to go to the Missouri Public Charter School Commission for sponsorship if their application to establish a charter school is turned down by their local school board.

## The Facts



Across the U.S. there are nearly 1,000 rural charter schools and over 2,000 suburban charter schools. Of the 43 states with charter schools, Missouri is the only one with no rural or suburban charters.



A 2023 Stanford University study found that "the typical charter school student had reading (16 days of learning) and math (6 days of learning) gains that outpaced their peers in the traditional public schools that they would have attended."



According to a recent survey, 65 percent of all Missouri adults and 71 percent of Missouri parents support charter schools.



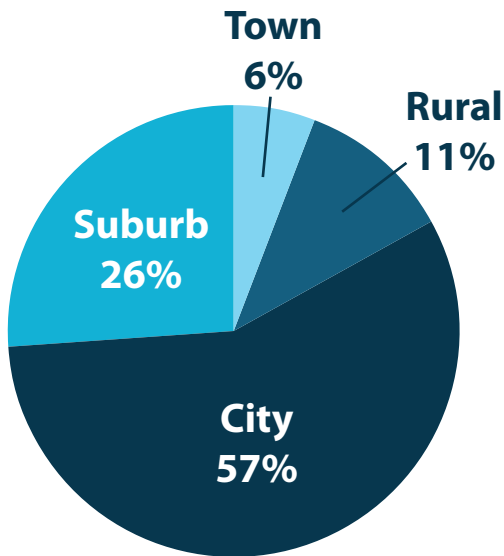
Three of the top 20 high schools in the United States, according to the *U.S. News* 2023 High School Rankings report, are charter schools.

# Good Charter School Policy

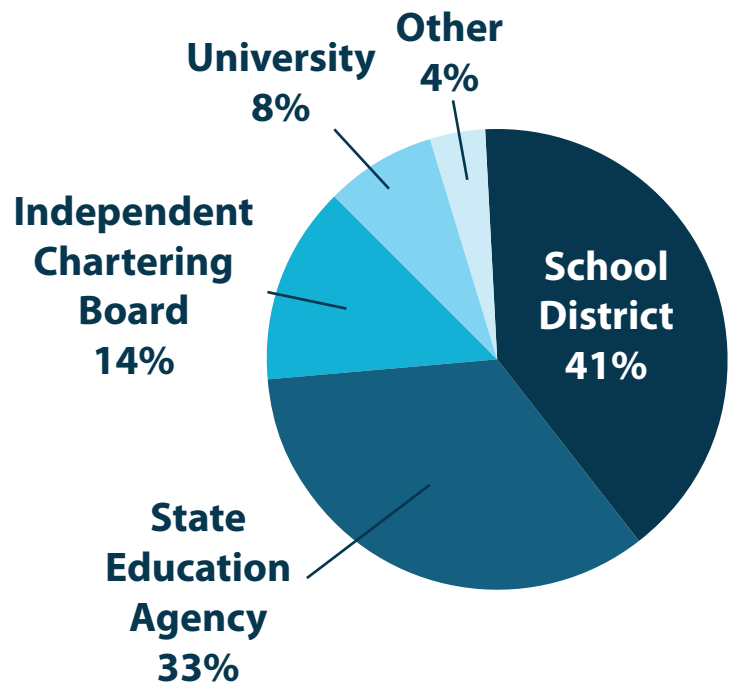


- No limits on the number of charter schools or charter school students
- No restrictions on where charter schools can be located
- Fully funding charter school students just like their peers in traditional public schools
- An appeals process for charter school applicants denied sponsorship by their local school board in fully accredited districts

## Nearly Half of All Charter Schools Are Outside of Urban Areas



## Almost Half of All Charter Schools Are Authorized by Local School Boards



Talk to a Policy Expert

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## Charter School Model Policy

***Missouri has several options for expanding charter schools if it has the will to do so. One simple option is to modify existing law to allow the Missouri Public Charter School Commission to review charter school applications that have been rejected by local school boards.***

**160.400. Charter schools, defined, St. Louis City and Kansas City school districts — sponsors — use of public school buildings — organization of charter schools — affiliations with college or university — criminal background check required. — 1. A charter school is an independent public school.**

2. Except as further provided in subsection 4 of this section, **charter schools** may be operated only:

(1) In a metropolitan school district;

(2) In an urban school district containing most or all of a city with a population greater than three hundred fifty thousand inhabitants;

(3) In a school district that has been classified as unaccredited by the state board of education;

(4) In a school district that has been classified as provisionally accredited by the state board of education and has received scores on its annual performance report consistent with a classification of provisionally accredited or unaccredited for three consecutive school years beginning with the 2012-13 accreditation year under the following conditions:

(5) In a school district that has been classified as fully accredited.

~~(a) The eligibility for **charter schools** of any school district whose provisional accreditation is based in whole or in part on financial stress as defined in sections 161.520 to 161.529, or on financial hardship as defined by rule of the state board of education, shall be decided by a vote of the state board of education during the third consecutive school year after the designation of provisional accreditation; and~~

(b) The sponsor is limited to the local school board or a sponsor who has met the standards of accountability and performance as determined by the department based on sections 160.400 to 160.425 and section 167.349 and properly promulgated rules of the department; or

(5) In a school district that has been accredited without provisions, sponsored ~~only~~ by the local school board except for charter school applicants denied by the local school board which appeal to the Missouri Charter Public School Commission for sponsorship and are approved; provided that no ~~board~~ district with a current year enrollment of one thousand five hundred

## Charter School Model Policy

fifty students or greater shall permit more than thirty-five percent of its student enrollment to enroll in **charter schools** ~~sponsored by the local board under the authority of this subdivision~~, except that this restriction shall not apply to any school district that subsequently becomes eligible under subdivision (3) or (4) of this subsection or to any district accredited without provisions that sponsors **charter schools** prior to having a current year student enrollment of one thousand five hundred fifty students or greater.

3. Except as further provided in subsection 4 of this section, the following entities are eligible to sponsor **charter schools**:

(1) The school board of the district in any district which is sponsoring a **charter school** as of August 27, 2012, as permitted under subdivision (1) or (2) of subsection 2 of this section, the special administrative board of a metropolitan school district during any time in which powers granted to the district's board of education are vested in a special administrative board, or if the state board of education appoints a special administrative board to retain the authority granted to the board of education of an urban school district containing most or all of a city with a population greater than three hundred fifty thousand inhabitants, the special administrative board of such school district;

(2) A public four-year college or university with an approved teacher education program that meets regional or national standards of accreditation;

(3) A community college, the service area of which encompasses some portion of the district;

(4) Any private four-year college or university with an enrollment of at least one thousand students, with its primary campus in Missouri, and with an approved teacher preparation program;

(5) Any two-year private vocational or technical school designated as a 501(c)(3) nonprofit organization under the Internal Revenue Code of 1986, as amended, and accredited by the Higher Learning Commission, with its primary campus in Missouri;

(6) The Missouri charter public school commission created in section 160.425.

4. Changes in a school district's accreditation status that affect **charter schools** shall be addressed as follows, except for the districts described in subdivisions (1) and (2) of subsection 2 of this section:

(1) As a district transitions from unaccredited to provisionally accredited, the district shall continue to fall under the requirements for an unaccredited district until it achieves three consecutive full school years of provisional accreditation;

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(2) As a district transitions from provisionally accredited to full accreditation, the district shall continue to fall under the requirements for a provisionally accredited district until it achieves three consecutive full school years of full accreditation;

(3) In any school district classified as unaccredited or provisionally accredited where a **charter school** is operating and is sponsored by an entity other than the local school board, when the school district becomes classified as accredited without provisions, a **charter school** may continue to be sponsored by the entity sponsoring it prior to the classification of accredited without provisions and shall not be limited to the local school board as a sponsor.

A **charter school** operating in a school district identified in subdivision (1) or (2) of subsection 2 of this section may be sponsored by any of the entities identified in subsection 3 of this section, irrespective of the accreditation classification of the district in which it is located. A **charter school** in a district described in this subsection whose charter provides for the addition of grade levels in subsequent years may continue to add levels until the planned expansion is complete to the extent of grade levels in comparable schools of the district in which the **charter school** is operated.

5. The mayor of ~~any a city not within a county~~ may request a sponsor under subdivision (2), (3), (4), (5), or (6) of subsection 3 of this section to consider sponsoring a "**workplace charter school**", which is defined for purposes of sections 160.400 to 160.425 as a **charter school** with the ability to target prospective students whose parent or parents are employed in a business district, as defined in the charter, which is located in the city.

6. 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.

7. The **charter school** shall be organized as a Missouri nonprofit corporation incorporated pursuant to chapter 355. The charter provided for herein shall constitute a contract between the sponsor and the **charter school**.

8. As a nonprofit corporation incorporated pursuant to chapter 355, the **charter school** shall select the method for election of officers pursuant to section 355.326 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.

9. 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**.

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10. 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 3 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. A university, college or community college may not charge or accept a fee for affiliation status.

11. The expenses associated with sponsorship of **charter schools** shall be defrayed by the department of elementary and secondary education retaining one and five-tenths percent of the amount of state and local funding allocated to the **charter school** under section 160.415, not to exceed one hundred twenty-five thousand dollars, adjusted for inflation. The department of elementary and secondary education shall remit the retained funds for each **charter school** to the school's sponsor, provided the sponsor remains in good standing by fulfilling its sponsorship obligations under sections 160.400 to 160.425 and 167.349 with regard to each **charter school** it sponsors, including appropriate demonstration of the following:

(1) Expends no less than ninety percent of its **charter school** sponsorship funds in support of its **charter school** sponsorship program, or as a direct investment in the sponsored schools;

(2) Maintains a comprehensive application process that follows fair procedures and rigorous criteria and grants charters only to those developers who demonstrate strong capacity for establishing and operating a quality **charter school**;

(3) Negotiates contracts with **charter schools** that clearly articulate the rights and responsibilities of each party regarding school autonomy, expected outcomes, measures for evaluating success or failure, performance consequences based on the annual performance report, and other material terms;

(4) Conducts contract oversight that evaluates performance, monitors compliance, informs intervention and renewal decisions, and ensures autonomy provided under applicable law; and

(5) Designs and implements a transparent and rigorous process that uses comprehensive data to make merit-based renewal decisions.

12. Sponsors receiving funds under subsection 11 of this section shall be required to submit annual reports to the joint committee on education demonstrating they are in compliance with subsection 17 of this section.

13. 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.

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14. No sponsor shall grant a charter under sections 160.400 to 160.425 and 167.349 without ensuring that a criminal background check and family care safety registry check are conducted for all members of the governing board of the **charter schools** or the incorporators of the **charter school** if initial directors are not named in the articles of incorporation, nor shall a sponsor renew a charter without ensuring a criminal background check and family care safety registry check are conducted for each member of the governing board of the **charter school**.

15. No member of the governing board of a **charter school** shall hold any office or employment from the board or the **charter school** while serving as a member, nor shall the member have any substantial interest, as defined in section 105.450 , in any entity employed by or contracting with the board. No board member shall be an employee of a company that provides substantial services to the **charter school**. All members of the governing board of the **charter school** shall be considered decision-making public servants as defined in section 105.450 for the purposes of the financial disclosure requirements contained in sections 105.483, 105.485, 105.487, and 105.489.

16. A sponsor shall develop the policies and procedures for:

(1) The review of a **charter school** proposal including an application that provides sufficient information for rigorous evaluation of the proposed charter and provides clear documentation that the education program and academic program are aligned with the state standards and grade-level expectations, and provides clear documentation of effective governance and management structures, and a sustainable operational plan;

(2) The granting of a charter;

(3) The performance contract that the sponsor will use to evaluate the performance of **charter schools**. **Charter schools** shall meet current state academic performance standards as well as other standards agreed upon by the sponsor and the **charter school** in the performance contract;

(4) The sponsor's intervention, renewal, and revocation policies, including the conditions under which the charter sponsor may intervene in the operation of the **charter school**, along with actions and consequences that may ensue, and the conditions for renewal of the charter at the end of the term, consistent with subsections 8 and 9 of section 160.405;

(5) Additional criteria that the sponsor will use for ongoing oversight of the charter; and

(6) Procedures to be implemented if a **charter school** should close, consistent with the provisions of subdivision (15) of subsection 1 of section 160.405.

The department shall provide guidance to sponsors in developing such policies and procedures.

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17. (1) A sponsor shall provide timely submission to the state board of education of all data necessary to demonstrate that the sponsor is in material compliance with all requirements of sections 160.400 to 160.425 and section 167.349. The state board of education shall ensure each sponsor is in compliance with all requirements under sections 160.400 to 160.425 and 167.349 for each **charter school** sponsored by any sponsor. The state board shall notify each sponsor of the standards for sponsorship of **charter schools**, delineating both what is mandated by statute and what best practices dictate. The state board shall evaluate sponsors to determine compliance with these standards every three years. The evaluation shall include a sponsor's policies and procedures in the areas of charter application approval; required charter agreement terms and content; sponsor performance evaluation and compliance monitoring; and charter renewal, intervention, and revocation decisions. Nothing shall preclude the department from undertaking an evaluation at any time for cause.

(2) If the department determines that a sponsor is in material noncompliance with its sponsorship duties, the sponsor shall be notified and given reasonable time for remediation. If remediation does not address the compliance issues identified by the department, the commissioner of education shall conduct a public hearing and thereafter provide notice to the charter sponsor of corrective action that will be recommended to the state board of education. Corrective action by the department may include withholding the sponsor's funding and suspending the sponsor's authority to sponsor a school that it currently sponsors or to sponsor any additional school until the sponsor is reauthorized by the state board of education under section 160.403.

(3) The charter sponsor may, within thirty days of receipt of the notice of the commissioner's recommendation, provide a written statement and other documentation to show cause as to why that action should not be taken. Final determination of corrective action shall be determined by the state board of education based upon a review of the documentation submitted to the department and the charter sponsor.

(4) If the state board removes the authority to sponsor a currently operating **charter school** under any provision of law, the Missouri charter public school commission shall become the sponsor of the school.

18. If a sponsor notifies a **charter school** of closure under subsection 8 of section 160.405, the department of elementary and secondary education shall exercise its financial withholding authority under subsection 12 of section 160.415 to assure all obligations of the **charter school** shall be met. The state, charter sponsor, or resident district shall not be liable for any outstanding liability or obligations of the **charter school**.

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(L. 1998 S.B. 781 § 4, A.L. 2005 S.B. 287, A.L. 2009 S.B. 291, A.L. 2012 S.B. 576, A.L. 2016 S.B. 638)





# POLICY BRIEF

DECEMBER 2023



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## EXPANDING CHARTER SCHOOLS THROUGHOUT MISSOURI

*By Susan Pendergrass*

### KEY TAKEAWAYS

- Charter schools are public schools that operate independently of a school district school board. They are authorized (sponsored) for a limited period of time during which they must demonstrate success if they are to continue. They offer families a public school option other than their assigned public school.
- One out of every 12 U.S. public schools is now a charter school, and these schools enroll 3.7 million public school students.
- While charter schools may be sponsored by universities, state charter school boards, or state departments of education, approximately half of them are sponsored by local school districts.
- Last year, there were over 2,000 suburban charter schools and over 1,400 in rural and small town school districts across the United States. Missouri is the only state with charter schools that has no suburban or rural charter schools.

ADVANCING LIBERTY WITH RESPONSIBILITY  
BY PROMOTING MARKET SOLUTIONS  
FOR MISSOURI PUBLIC POLICY

- A high-quality 2023 study by Stanford University found that charter school students have higher academic growth in reading and math than they would have had if they had attended their assigned traditional public school. A 2021 study by researchers at Northwestern University found that competition from the opening of a new charter school improves reading performance and decreases absenteeism among students who remain in their traditional public school.

## BACKGROUND

Charter schools were first proposed in the late 1980s as a way for teachers to become education entrepreneurs. The idea was to give those with an innovative education proposal a charter to run a school for a limited period of time while freeing them from many state and local regulations. It was up to the operator and board of the chartered school to fill the seats and meet specified performance goals or face closure. Since the first charter school opened in 1992, this sector of the public education system has grown to nearly 7,850 schools serving 3.7 million students.

Charter schools are, by definition, unique. In a recent study, about one third were found to have a specialized curriculum, such as STEM (science, technology, engineering, and math), STEAM (STEM plus arts), classical, language immersion, or career and technical education.<sup>1</sup> Another third of charter schools were found to have a specialized approach to teaching and learning, such as personalized learning, “no excuses,” project-based learning, or Montessori. A third type of charter school was identified as serving a specific student population, such as dropout recovery, single sex, or students with disabilities.

In every state other than Missouri, charter schools can be found in all community types. In the 2021–22 school year, there were over 2,000 suburban charter schools and over 1,400 charter schools in rural and small-town school districts.<sup>2</sup> A study of rural charter schools found that the number of schools grew by 22 percent in the decade between 2007 and 2017, while the number of students attending rural charters grew by 64 percent.<sup>3</sup>

Key factors for successful charter schools, according to this research, are strong ties to the local community, filling a gap in the education offered, and consistent school leadership.

When it comes to suburban charter schools, research has found that curriculum really matters to suburban parents and suburban charter schools often offer curriculum that is more rigorous or open and creative than in traditional public schools.<sup>4</sup> As an example, BASIS Charter Schools offers a “STEM-infused, liberal arts curriculum.” All 11 of its high schools are nationally ranked, with 10 in the top one percent of high schools, according to *US News & World Report* in 2022.<sup>5</sup> Over 86 percent of BASIS high school students passed an Advanced Placement exam in 2021, compared to just 12 percent of all Missouri high school students, and they have a 100 percent college acceptance rate.

Because of the wide variation among charter schools in instruction methods and subject specialties, it can be difficult to determine if charter schools outperform traditional public schools. However, the Stanford Center on Research on Education Outcomes (CREDO) has been studying this issue for over 15 years. Their approach is to create a “virtual twin” for each charter school student by matching their characteristics and academic achievement to several students from the traditional public school to which the charter student would otherwise be assigned. Difference in academic growth can then be attributed to the type of school attended. The most recent study found that, on average, charter school students gained an additional six days of learning in math and 16 days of learning in reading (based on a typical 180-day school year) over what they would have gained if they had attended their assigned public school.<sup>6</sup> This finding applies to the entire sector of charter schools, not just those in low-performing districts.

Equally important is the impact that opening a charter school can have on traditional public schools. In a 2021 study of Florida conducted by researchers at Northwestern University, it was found that opening a charter school significantly improved reading scores and decreased absenteeism in the traditional public schools in the same district.<sup>7</sup>

A second study on the competitive effects of charter schools found that once charter schools enroll 10 percent of a district's students, graduation rates along with math and reading scores in all schools, charter and traditional, improve.<sup>8</sup> The authors of this study test and confirm that the opening of a charter school may lead to the closing of a traditional public school. Not surprisingly, it is most likely that low-performing schools will close, as those are the ones that students are most anxious to leave. Therefore, the opening of a charter school can replace a low-performing district school with a higher quality charter school, thereby raising the overall performance of the students in a district.

### What Does This Mean for Missouri?

The law allowing charter schools in Missouri was passed in 1998 and focused on providing options for students in our lowest-performing districts beyond transferring to another district. The original law was amended in 2012 to allow charter schools to open in any district, provided that the local school board is the sponsor of any charter school in districts that are fully accredited. Unfortunately, the first decade of charter schools in Missouri created a mindset that the purpose of charter schools is to punish low-performing schools or to provide a way for students to escape them. Twenty-five years later, it's time to drop that limited view and take advantage of the benefits and opportunities that charter schools provide to millions of public school students.

Ideally, this mindset change would happen within the existing law by breaking the entrenched attitude toward district sponsorship. Imagine a suburban Missouri district that is slowly bleeding students, as most districts in the state are. Bringing in a high-quality charter operator with a proven track record, such as a classical school or a STEM school, could provide a whole-school setting, not just a program within a school, that attracts families to the community. A forward-thinking school board could see the opportunity to be a leader in its region.

Surprisingly, this has not yet happened. Unfortunately, education entrepreneurs, including local parent groups, who want to open a charter school must ask their local

school board to sponsor the school. While that is the most common arrangement nationwide, the early approach to charter schools in Missouri rendered this a non-starter. In the event that school boards can't, or won't, see the benefits of bringing high-quality charter schools to their families, charter school applicants should be able to appeal to the Missouri Public Charter School Commission for sponsorship. This would require a small change to the law's current language.

## CONCLUSION

In the past two years, dozens of states have expanded education options for parents. Several of Missouri's neighbors, including Iowa, Arkansas, Oklahoma, and Kansas, have extended school choice to nearly every family in these states. Yet Missouri continues to stand on the increasingly lonely hill of "assigned school only." Missouri families can choose a full-time virtual option, and a few thousand students can now get publicly funded scholarships to private schools or to cover the cost of home schooling. However, 99 percent of Missouri children outside of Kansas City and St. Louis continue to have exactly one in-person option, whether it's a good fit for them or not.

To be clear, this is not a discussion of whether a school is "good" or "not good." Rather, the issue is whether that school is a good fit for a particular student, or not. One can well imagine a school that is too big, too small, too impersonal, has the wrong social environment, or doesn't offer the needed coursework for a given child.

Charter schools offer a way to expand options within the public school system. They can be an addition to a traditional school district's offerings, not a competitor. In many districts, charters share transportation, special education, and other services. Missouri can help change the perspective on charter schools by allowing applicants outside of the lowest-performing districts to go around the local school board for sponsorship.

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## NOTES

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