Prior to October 1, 2008, the state approved formula increases to support elementary and secondary education for FY 2010 or 2011, or to phase in state equity and adequacy adjustments.

(ii) The State's policies lead to equitable funding (a) between high-need LEAs (as defined in this notice) and other LEAs, and (b) within LEAs, between high-poverty schools (as defined in this notice) and other schools.

(F)(2) Ensuring successful conditions for high-performing charter schools and other innovative schools (40 points)

The extent to which-

(i) The State has a charter school law that does not prohibit or effectively inhibit increasing the number of high-performing charter schools (as defined in this notice) in the State, measured (as set forth in Appendix B) by the percentage of total schools in the State that are allowed to be charter schools or otherwise restrict student enrollment in charter schools;

(ii) The State has laws, statutes, regulations, or guidelines regarding how charter school authorizers approve, monitor, hold accountable, reauthorize, and close charter schools; in particular, whether authorizers require that student achievement (as defined in this notice) be one significant factor, among others, in authorization or renewal; encourage charter schools that serve student populations that are similar to local district student populations, especially relative to high-need students (as defined in this notice); and have closed or not renewed ineffective charter schools;

(iii) The State's charter schools receive (as set forth in Appendix B) equitable funding compared to traditional public schools, and a commensurate share of local, State, and Federal revenues;

(iv) The State provides charter schools with funding for facilities (for leasing facilities, purchasing facilities, or making tenant improvements), assistance with facilities acquisition, access to public facilities, the ability to share in bonds and mill levies, or other supports; and the extent to which the State does not impose any facility-related requirements on charter schools that are stricter than those applied to traditional public schools; and

(v) The State enables LEAs to operate innovative, autonomous public schools (as defined in this notice) other than charter schools.

In the text box below, the State shall describe its current status in meeting the criterion. The narrative or attachments shall also include, at a minimum, the evidence listed below, and how each piece of evidence demonstrates the State's success in meeting the criterion. The narrative and attachments may also include any additional information the State believes will be helpful to peer reviewers. For attachments included in the Appendix, note in the narrative the location where the attachments can be found.

Evidence for (F)(2)(i):

- A description of the State's applicable laws, statutes, regulations, or other relevant legal documents.
- The number of charter schools allowed under State law and the percentage this represents of the total number of schools in the State.
- The number and types of charter schools currently operating in the State.

Evidence for (F)(2)(ii):

- A description of the State's approach to charter school accountability and authorization, and a description of the State's applicable laws, statutes, regulations, or other relevant legal documents.
- For each of the last five years:
  - The number of charter school applications made in the State.
  - The number of charter school applications approved.
  - The number of charter school applications denied and reasons for the denials (academic, financial, low enrollment, other).
  - The number of charter schools closed (including charter schools that were not reauthorized to operate).

Evidence for (F)(2)(iii):

- A description of the State's applicable statutes, regulations, or other relevant legal documents.
- A description of the State's approach to charter school funding, the amount of funding passed through to charter schools per student, and how those amounts compare with traditional public school per-student funding allocations.

Evidence for (F)(2)(iv):

- A description of the State's applicable statutes, regulations, or other relevant legal documents.
- A description of the statewide facilities supports provided to charter schools, if any.

Evidence for (F)(2)(v):

• A description of how the State enables LEAs to operate innovative, autonomous public schools (as defined in this notice) other than charter schools.

## Recommended maximum response length: Six pages

ATTACHMENTS RELATED TO THIS SECTION:

1 – Proposed Charter School Legislation

The state of South Dakota does not have a law or statute that specifically charters schools. The DOE has proposed charter school legislation as South Dakota Senate Bill 63. The current legislative session in South Dakota ends on March 29, 2010 and the DOE will know at that time whether the legislation will pass.

However, South Dakota does allow for some innovation in public schools. One example is a number of schools that fall under the auspices of a local LEA for the Hutterite community in our state.

An example of schools that fall outside the South Dakota public school system would be those that are run by the BIS/BIE on Lakota, Dakota, and Nakota Indian reservations that lie within the state. These are not under the control of the state of South Dakota, but as this grant points out, every effort will be made to involve their administrators, teachers and students in the activities of this grant.

The language of a statute which allows innovation in schools is as follows:

13-5-34. Application procedure by school district for waiver from compliance with administrative rules--School reform plan.

School districts may apply for waivers from compliance with state administrative rules which a majority of the local school board agrees limit its ability to make specified reforms and are unnecessary for maintaining the quality of education within the school district. Prior to applying for the waivers, the school district shall hold a public hearing within the district to seek public comment on its school reform plan and the waivers being sought. A list of the waivers being sought and justification for each shall be submitted to the Department of Education at least sixty days before the date that waivers are to occur. The request for waiver shall provide a method for evaluation which includes the involvement of students, parents, teachers, and administrators. The

secretary of the Department of Education may approve waivers of up to four years. Any district which is aggrieved by a decision of the secretary of the Department of Education may, within thirty days, appeal to the South Dakota Board of Education pursuant to chapter 1-26.

The South Dakota Board of Education may promulgate rules, pursuant to chapter 1-26, to establish standards for waivers, reform plans, approval process, and rescission procedures.

Source: SL 1990, ch 122, § 8; SL 1993, ch 123; SL 2003, ch 272, § 63.

There are two schools within the borders of the state that did get exceptions for their educational programming following the guidelines within the statute, but neither can be considered a true charter. The State recognizes that charter school legislation could provide a beneficial alternative to the failing schools in the state. In many cases, such as in very rural areas, the charter alternative is difficult to accomplish. This is, perhaps, why a specific charter school law has never been seen as a necessity before.

In examining the vision behind the AIII STEM and health demonstration school, however, it has become clear that there are models which break the traditional mold and have potential for bringing success where little success has existed before. It is for this reason that, as referenced above, legislation is being proposed to establish a process by which educational entities can apply for and obtain a charter in South Dakota.

## (F)(3) Demonstrating other significant reform conditions (5 points)

The extent to which the State, in addition to information provided under other State Reform Conditions Criteria, has created, through law, regulation, or policy, other conditions favorable to education reform or innovation that have increased student achievement or graduation rates, narrowed achievement gaps, or resulted in other important outcomes.

In the text box below, the State shall describe its current status in meeting the criterion. The narrative or attachments shall also include, at a minimum, the evidence listed below, and how each piece of evidence demonstrates the State's success in meeting the criterion. The narrative and attachments may also include any additional information the State believes will be helpful to peer reviewers. For attachments included in the Appendix, note in the narrative the location where the attachments can be found.