

Exhibit 9

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION**

CRATON LIDDELL, et al.)	
)	
Plaintiffs,)	
)	
v.)	Case No. 4:72-CV-100 ERW
)	
BOARD OF EDUCATION OF THE)	
CITY OF ST. LOUIS, MISSOURI, et al.)	
)	
Defendants.)	

DECLARATION OF RICHARD SULLIVAN

I, Richard Sullivan, do hereby declare and state as follows:

1. I am over the age of 21 and am fully competent to execute this Declaration. I am the Chief Executive Officer and Member of the Special Administrative Board of the Transitional School District of the City of St. Louis (“SAB”) which oversees the operations of the St. Louis Public Schools District (“District”), and I have served in that capacity since 2007.

2. All of the statements contained in this Declaration are, unless otherwise indicated, based on my personal knowledge, review of District business and financial records, and interviews with appropriately knowledgeable persons within the District. The statements contained herein are true and correct.

3. Beginning in 2006, following passage of Senate Bill 287, DESE began reducing State public school funding that the District would otherwise be entitled to receive by millions of dollars and began paying the money reduced from District funding directly to charter schools based solely on the

District's receipt of the Desegregation Sales Tax revenue provided for in the settlement approved by the Court via its Order dated March 12, 1999.

4. Once the District became aware of this reduction in funding, the SAB notified the State that reducing the District's funding and reallocating Desegregation Sales Tax revenues violated the Settlement Agreement entered in *Liddell, et al. v. Bd. of Educ. of the City of St. Louis, et al.* and the Court's Order approving that settlement. On December 8, 2008, I sent a letter to Dr. Kent King, Commissioner of the Department of Elementary and Secondary Education, and then Missouri Attorney General Jeremiah Nixon advising that the State was in violation of the Court's order approving the settlement of the desegregation case and in breach of the settlement agreement by providing charter schools with revenues associated with the District's receipt of the Desegregation Sales Tax. A copy of that letter is attached hereto as Exhibit A.

5. After I forwarded the December 8, 2008 letter to the State, I, along with various other representatives of the District, met with representatives of the State in an effort to get the State to comply with the terms of the settlement agreement, which efforts have been unsuccessful.

6. As of the date of the declaration, the State of Missouri and DESE have refused to recognize and acknowledge that the reduction of State public school funding to the District based on the District's receipt of the Desegregation Sales Tax is a violation of the Court's Order approving the settlement of the *Liddell* case and have continued to violate the Desegregation Settlement Agreement and the Court's Order approving that Settlement

Agreement by reducing State public school funding to the District in favor of charter schools based on the District's receipt of the Desegregation Sales Tax.

7. In the absence of relief provided by the Court, as established by the Declaration of Angela Banks, the District will be deprived of millions of dollars that the District is entitled to receive under the Settlement Agreement.

I, Richard Sullivan, do hereby declare under penalty of penalty of perjury that the foregoing is true and correct.

A handwritten signature in black ink, appearing to read "Richard Sullivan", written over a horizontal line.

RICHARD SULLIVAN

EXHIBIT

A



Special Administrative Board

*Mr. Richard Sullivan
President / CEO
Ms. Melanie Adams
Vice President
Mr. Richard Gaines
Member*

December 8, 2008

Certified Mail, Return Receipt

Dr. Kent King
Commissioner
Department of Elementary and
Secondary Education
205 Jefferson Street
Jefferson City, MO 65102

The Honorable Jeremiah (Jay) Nixon
Attorney General of Missouri
207 West High Street
Jefferson City, MO 65101

RE: Notice of Reduced Funding to St. Louis Public Schools in Violation of
Desegregation Settlement Agreement

Gentlemen:

The purpose of this letter is to provide notice to you that we believe the State of Missouri has reduced funding to St. Louis Public Schools ("the District") in such a way as to seriously jeopardize the operation of the District and the many students we serve. Our consultants have completed an analysis of the fiscal 2008 financial impact on the District as a result of reduced funding, concluding that the State has failed to follow the prescribed conditions of the 1999 Desegregation Settlement Agreement, resulting in a disproportionate adverse financial impact on the District.

The District's specific claims are as follows:

1. In the desegregation settlement, the United States District Court ordered that revenues from the St. Louis City desegregation tax shall be unconditionally assigned to the District. It is our understanding that the Department of Elementary and Secondary Education ("DESE") treats the desegregation tax as local revenue under RSMo. § 160.415 and provides charter schools revenue that the District should otherwise receive from the desegregation tax.

This treatment constitutes a violation of the District Court's order and an administration action that results in a disproportionate adverse financial impact on the District, in violation of the Settlement Agreement.

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Based on an analysis by the District's consultants, the fiscal year 2008 financial impact on the District is over \$4 million.

2. It is our understanding that DESE in administratively allocating revenue generated from Proposition C funds to charter schools that results in the District receiving less state aid than it would otherwise be entitled to receive.

This administrative action is unauthorized by law and has resulted in a disproportionately adverse financial impact on the District, in violation of the Settlement Agreement.

Based on an analysis performed by our consultants, the fiscal year 2008 financial impact on the District is approximately \$9 million.

3. Senate Bill ²⁸⁷~~297~~ changed the funding formula, resulting in the District no longer receiving a direct increase in state aid for each child qualifying for special needs. The statutory change to a weighted attendance calculation results in the District receiving less aid in the form of special needs. However, charter schools receive the benefit of the District's weighted attendance due to a higher percentage of special needs populations within the District. Even though charter schools enroll a significantly lower percentage of special needs students, they receive more state aid than they would receive if they were a stand alone public school district, to the detriment of the St. Louis Public Schools.

The statutory change, and its implementation by the state, must be disregarded pursuant to the terms of the Desegregation Settlement Agreement because it results in a disproportionate adverse financial impact on the District.

Based on an analysis performed by our consultants, the fiscal year 2008 financial impact on the District is over \$3 million.

4. Missouri law authorizes the District to choose which enrollment year is used to compute the amount of state aid to the District. RSMo. § 163.036. For fiscal year 2008, the District chose the "second preceding school year" pursuant to the statute. Missouri law further provides the for purposes of calculation and distribution of state aid, pupils enrolled in a charter school shall be included in the pupil enrollment of the school district within which each pupil resides RSMo. § 160.415.

However, DESE has not followed the statutory requirements because it has allocated state aid to charter schools using their current year WADA, instead of allocating aid based on the District's second preceding year WADA, as the law requires. This financially harms the District. The District recently brought this issue to DESE's attention and DESE revised its allocations, which reduce the loss to the District; however, those allocations are still not in compliance with the statutory requirements, resulting in a disproportionate adverse impact on the District.

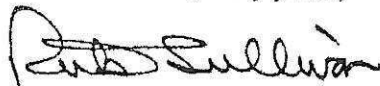
Based on an analysis performed by our consultants, the fiscal year 2008 financial impact on the District is over \$3 million.

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The cumulative financial impact on the District for the fiscal year 2008 exceeds \$19 million.

Accordingly, we request that the State immediately cure these conditions, as they have created a serious interruption of funding that jeopardizes the operation of the District. If these conditions are not remedied, we will have no choice but to initiate legal action.

Very truly yours,



Rick Sullivan
CEO
Transitional School District
of the City of St. Louis



Melanie Adams
Vice President
Special Administrative Board



Richard Gaines
Member
Special Administrative Board

xc: Dr. William Danforth
Ms. Frankie Freeman
Mr. William Taylor
Ms. Veronica Johnson
Mr. Michael Middleton
Mr. Jeremiah Glassman
Mr. William Douthit
Mr. Allen Boston
Mr. Tom Caradonna ✓