

HOUSE BILL REPORT

HB 2910

As Reported By House Committee On:

Education
Appropriations

Title: An act relating to charter schools.

Brief Description: Authorizing charter schools.

Sponsors: Representatives B. Thomas, Foreman, Talcott, Cairnes, Robertson, L. Thomas, Horn, Johnson, Cooke, Kessler, Huff, D. Sommers, Basich, Campbell, Smith, Quall and Carlson.

Brief History:

Committee Activity:

Education: 1/30/96, 2/2/96 [DPS];
Appropriations: 2/3/96, 2/5/96 [DPS(ED)].

HOUSE COMMITTEE ON EDUCATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 12 members: Representatives Brumsickle, Chairman; Elliot, Vice Chairman; Johnson, Vice Chairman; Fuhrman; McMahan; Pelesky; Quall; Radcliff; Smith; Talcott; B. Thomas and Thompson.

Minority Report: Do not pass. Signed by 7 members: Representatives Cole, Ranking Minority Member; Keiser, Assistant Ranking Minority Member; Clements; Hatfield; Linville; Poulsen and Veloria.

Staff: Robert Butts (786-7111).

Background: The basic concept of charter schools is to allow a group of teachers or others to plan and operate a school. The schools are generally free from many state laws and regulations and are provided funds approximately equal to the amount going to other public schools. Accountability is to be based not on procedural requirements, but on the achievement of the school's students and its ability to enroll students.

In 1991 Minnesota was the first state to pass charter school legislation. Since then 18 other states have passed legislation in various forms. In the states with charter school legislation, there are approximately 230 charter schools.

Summary of Substitute Bill:

Intent: Charter schools are independent public schools established to provide a learning environment that will improve pupil achievement; provide additional academic choices for parents and pupils; and expand opportunities for principals, teachers, and other educational staff in public schools.

Application, requirements, and renewal process: Applicants seeking to establish a charter school are to submit an application to the school district in which it is located. The application is to include the charter school's mission statement; a description of the charter school's organizational structure, governing body, and educational program; its academic standards; the assessments to be used to measure student progress; how students will be transported; its financial plan and hiring policy; the name of any educational providers if different from the applicant; and criteria for measuring its effectiveness.

Existing public schools, nonprofit corporations or cooperatives, public colleges and universities, other public bodies, private persons, and private organizations are eligible to sponsor charter schools.

To convert an existing public school to a charter school, at least 50 percent of the school's teachers and 50 percent of the parents must agree.

Applicants are to submit an application to the school board of the school district in which the charter school will be located. If an application is rejected by a school district board of directors, it may be submitted to the State Board for Charter Schools for sponsorship. The board shall not consider applications until after July 1, 1997. A school district has no legal authority over or responsibility for a charter school sponsored by the State Board for Charter Schools.

The charter of a charter school shall ensure

- compliance with federal, state, and local rules and statutes relating to health, safety, and civil rights to the extent required of private schools;
- that it is nonsectarian in its programs, admission policies, employment practices, and in all other operations;
- that it provides a comprehensive program of instruction, except that a school may offer this curriculum with special emphasis or style;
- that it participates in the 4th, 8th, and 11th grade nationally-normed standardized achievement tests;

- that it complies with the annual school performance report;
- that, except as provided in this act and in the school's charter, it is exempt from all statutes and rules relating to schools and school districts;
- that it is subject to the same financial and audit requirements as a school district;
- that it complies with all state and federal laws relating to the education of children with disabilities;
- that it has a governing council that is responsible for the policy and operational decisions of the charter school;
- that employees undergo record checks;
- that teachers be certificated;
- that it has adequate insurance; and
- that it complies with the open public meetings and public disclosure acts.

A school's charter may include exceptions to these requirements as determined by the school's sponsor.

The charter of the school shall include

- a description of the charter school's personnel policies, personnel qualifications, method of school governance, and the specific role and duties of the sponsor.
- the academic standards and the criteria and assessments that will be used to measure student progress. The standards and assessments must be at least as rigorous as those required by law of public school students. The charter school is to report to the sponsor once a year regarding the academic achievement of the school's students.

Charter schools may contract, sue, and be sued.

The duration of the charter, the process for renewing the charter, and the grounds and process for revoking the charter are provided.

Charter schools may provide student transportation services through a cooperative agreement with a school district or through private contracts.

Charter school sponsors are not liable for any acts or omissions of a charter school that it sponsors. Charter schools and their employees are immune from personal liability if they acted in good faith within the scope of their authority.

State Board for Charter Schools: A State Board for Charter Schools is established. Members are to include

- two members appointed by the Speaker of the House of Representatives and two members appointed by the President of the Senate. Appointments may be legislators or nonlegislators; and
- three members appointed by the Governor who are not in government service.

Terms of office are four years. However, all members serve at the pleasure of their appointing official. Appointees shall have indicated their support for charter schools.

The board is responsible for exercising supervision over charter schools it sponsors; recommending legislation pertaining to charter schools; delegating to the Superintendent of Public Instruction (SPI) the execution of board policies; and preparing a budget for its operations. It may enter into contracts and appoint and employ staff. SPI is to serve as the board's fiscal agent.

Admission requirements: A charter school may not limit admission based on race, ethnicity, national origin, gender, income level, disabling condition, proficiency in the English language, or athletic ability.

A charter school is required to admit students who reside in the attendance area of a school, or who reside in a school district that is a party to an agreement with the federal government directed toward remediating racial discrimination unless notice is received from the resident school that the admission would violate the agreement. If a charter school admits a student after notice is received that the admission would constitute such a violation, the charter school may not include in its student count the students wrongfully admitted.

Funding: SPI shall allocate to charter schools state "basic education" funds. The amount of basic education funding shall be determined by the number of full-time equivalent (FTE) students enrolled in the school, multiplied by the estimated state-wide annual average per full-time equivalent student allocation.

State funding for students who are eligible for special education, the learning assistance program, and the transitional bilingual instruction program is to be determined in accordance with rules that apply to school districts.

State funding for transportation is to be based on the average FTE student transportation allocation for students in the district in which the school is located or on the allocation formula used by school districts.

Charter schools also receive per-pupil levy amounts from the school district in which the student resides.

Charter schools may not charge tuition, levy taxes, or issue bonds.

Employee leave, retirement, and bargaining: Provisions are included to allow school employees to take leave from their prior school districts, to aggregate benefits and credits in the employees' retirement system account, and to organize under collective bargaining laws. Employees on leave are to receive first consideration for rehire.

Vacant Buildings: SPI and the Department of General Administration are each to publish annually a list of vacant and unused buildings that are owned by the state or by school districts that may be suitable for the operation of a charter school.

Substitute Bill Compared to Original Bill: Provisions were added that student academic standards must be as rigorous as those required by state law for public school students. Funding provisions were modified, including having local levy funds "follow" students in schools chartered both by school districts and the State Board for Charter Schools. A requirement was added that teachers be certificated. Membership and terms of the State Board for Charter Schools were changed. Also, the state board is not to consider applications until after July 1, 1997. Specific requirements for membership and election of school governing council were deleted.

Appropriation: None.

Fiscal Note: Requested on January 23, 1996.

Effective Date of Substitute Bill: Ninety days after adjournment of session in which bill is passed.

Testimony For: Charter schools are not a revolution; they are an evolution. The legislation puts in a structure that will allow schools the freedom to innovate. We will have many laboratories of innovation. This is a strong charter school bill that will allow applicants to appeal applications denied by local school district boards.

Testimony Against: As written, charter schools created as a result of this legislation will increase inequities and remove accountability from school boards, which are accountable to the voters. Applicants should not be allowed to appeal decisions to a state level board, especially a board composed of individuals that are required to be "supportive of charter schools."

Testified: Representative Thomas, prime sponsor; Walter Ball, Association of School Principals (con); Larry Davis, State Board of Education (con); Barbara Mertens, Washington Association of School Administrators (con); Judy Hartmann, Washington Education Association (concerns); Roger Valdez, Washington State School Directors' Association (con); Fawn Spady, Education Excellence Coalition (pro); and Lynn Harsh, Evergreen Freedom Foundation (pro).

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The substitute bill by Committee on Education be substituted therefor and the substitute bill do pass. Signed by 16 members: Representatives Huff, Chairman; Pelesky, Vice Chairman; Beeksma; Brumsickle; Carlson; Cooke; Crouse; Dyer; Foreman; Hickel; Lambert; McMorris; Reams; Sheahan; Silver and Talcott.

Minority Report: Do not pass. Signed by 15 members: Representatives Clements, Vice Chairman; H. Sommers, Ranking Minority Member; Valle, Assistant Ranking Minority Member; Basich; Chappell; Dellwo; Grant; Hargrove; Jacobsen; Kessler; Linville; Poulsen; Rust; Sehlin and Wolfe.

Staff: Jack Daray (786-7178).

Summary of Recommendation of Committee on Appropriations Compared to Recommendation of Committee on Education: No new changes were recommended.

Appropriation: None.

Fiscal Note: Requested on January 23, 1996.

Effective Date of Substitute Bill: Ninety days after adjournment of session in which bill is passed.

Testimony For: None.

Testimony Against: A more common-sense approach is needed for this experimental concept, one that balances experimentation with thoughtful policy making. Paying charter school employees will have an effect on the state pension system if they get a higher salary, especially if these employees are getting the higher salary is one or two years from retirement. This bill allows local levy money to follow the students. If a charter school begins when a two-year levy is already in place in that school district, then that levy money is diluted if that charter school is a former private charter school. In the conversion of private schools there will be a corresponding state cost.

There are concerns that will dilute the basic education dollars especially under the limitations of 601. We are not adequately funding current public schools to offer state funding to currently private schools.

Testified: Doug Nelson, Public School Employees of Washington; and Karen Davis, Washington Education Association.