

SENATE BILL REPORT

SB 6765

As of February 1, 1996

Title: An act relating to charter schools.

Brief Description: Authorizing the establishment of charter schools.

Sponsors: Senators McAuliffe, Pelz, Bauer, Goings, Haugen, Heavey, Sheldon, Fairley and Drew.

Brief History:

Committee Activity: Education: 2/2/95.

SENATE COMMITTEE ON EDUCATION

Staff: Leslie Goldstein (786-7424)

Background: The basic charter school concept is to allow a group of teachers or others to apply for permission to open a school. The school would be funded like a public school. The schools are generally freed from many state laws and regulations. Charter school legislation passed in Minnesota four years ago. Since then, 18 other states have passed charter school legislation in various forms. Minnesota passed charter school legislation in 1991, California followed in 1992. In 1993, Massachusetts, Colorado, Wisconsin, New Mexico, and Georgia passed legislation. In 1994, Arizona, Michigan, Hawaii, and Kansas followed. Delaware, Texas, Louisiana, Wyoming, Rhode Island, Arkansas, and Alaska followed in 1995. In the states with charter school legislation, there are 219 charter schools in six states and 15 charter schools in the remaining 13 states.

Summary of Bill: Overview: Twenty-seven charter schools may be created in the state with a maximum of three in each educational service district. The stated purpose is to enhance parent and student choices and to promote educational excellence.

The stated goals are to meet the state's constitutional duties under Article IX, sections 1 and 2 to provide for an ample education and a general and uniform system of public schools. School boards are intended to have broad discretion to make decisions about charter schools. Specific policy goals are stated including providing opportunities for students at-risk, improving student learning, encouraging innovative teaching methods and greater parental involvement, establishing model programs, and establishing new forms of accountability based on student performance.

Creation of a Charter School: Applications must be submitted to the school district board of directors in the school district where the charter school is located.

Who May Apply: Nonprofit corporations organized solely to operate a charter school or teacher preparation programs at public colleges or universities may apply. Private schools and religious organizations may not apply.

Contents of Application: The application must contain:

- A description of the educational program and how the program is going to achieve both the program goals and the student learning goals;
- The specific learning requirements to be achieved by students;
- Methods of measuring student achievement in addition to using assessments required by the state;
- Admission policies;
- A proposed five-year budget and policies regarding governance, management and finance; and
- Evidence of involvement of parents, school staff, teachers, business, labor, and other community groups.

Approval Process: The school board must approve or disapprove a charter school within ninety days. The school board must approve the school if it determines that it can meet the statutory goals for charter schools. The school board and charter school enter into a written contract for not more than five years containing:

- The requirements of the law and the information required in the application;
- The description of the educational program including how the goals are to be met; information on how the needs of special needs or at-risk students are to be addressed; the process for developing a personal education plan for each student; and program information such as length of school year and school day, class size, and the age and grade composition of each class;
- Insurance and liability requirements;
- Salaries of employees, employee benefit plans including the provision of medical insurance, and the hours and periods of employment;
- The organizational chart for the school; and
- Program evaluation and audit requirements.

Requirements for Charter Schools: Specific requirements for charter schools include:

- Focusing on the learning needs of at-risk students and provide a comprehensive program for at least one grade level;
- Complying with the special education laws;
- Administering the required statewide assessments and state-accountability requirements; complying with audit requirements; and preparing an annual report;

- Being nonsectarian;
- Not charging tuition; and
- Emphasizing admitting students who are at risk and not limiting admission based on race, ethnicity, gender, religion, intellectual ability, measures of achievement or aptitude, or athletic ability.

Exempt from Certain Laws: Unless specified in the contract, charter schools are exempt from all statutes and rules governing reporting requirements; requirements about what must be taught; requirements on the salaries, hiring, evaluation, promotion or termination of staff; and restrictions on the ratios of students to teachers or the use of staff time. Waivers from additional laws or rules may be requested by the school board and granted by the applicable state agency to the extent permitted by law. Health, safety, and civil rights laws cannot be waived.

Termination of a Charter: The charter may be terminated by the school board after sixty days written notice and an opportunity for a hearing. Reasons for terminating a contract include:

- Failure to meet learning requirements that either exceed those for comparable students, are specified in the contract, or are specified in the students' personal education plan;
- Failure to meet standards of fiscal management;
- Violations of the law or other good cause.

Board of Trustees: Charter schools must be governed by a board of trustees consisting of parents, teachers, school employees, and representatives of business, labor and the community. The board of trustees has broad power to govern the school consistent with the contract with the school board.

Staff: Teachers must be certificated. Staff may choose to be represented by a union but shall not be subject to any collective bargaining agreement negotiated by the school district. Employees have the right to collectively bargain under applicable statutes.

Employees of a school district may get leaves of absences from the district to work at the charter school as determined under an agreement with the district. The employee continues to participate in the retirement system.

Funding: General: The charter school receives state funds based upon the estimated state wide average allocation for student. (The small school rate is not included.) The school also receives funds based upon the number of bilingual, special education and learning assistance students enrolled.

Funds Retained by District: Districts may retain two-and-one-half percent of the funds to cover costs of administering and monitoring the program.

Local Levies: Maintenance and operation levies are allocated as determined by the school board.

Receipt of Other Funds: Charter schools may receive funds from public or private sources. They may not receive funds from sectarian organizations. They cannot receive funds from sectarian organizations. Records must be kept and open to public inspection.

Transportation: The charter school may choose to either transport students to the charter school or receive a student transportation allocation as determined in the contract.

Performance Audit: The Legislative Budget Committee must conduct a performance audit of charter schools and make recommendations about whether the number of charter schools should be expanded. The final report is due December 15, 1999.

Information: The Superintendent of Public Instruction must distribute information to the public and to school district employees about what a charter school is and how to form one.

Appropriation: None.

Fiscal Note: Requested on January 29, 1996.

Effective Date: The bill takes effect if approved by the voters at the November general election.