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**SENATE BILL 5764**

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**State of Washington**

**55th Legislature**

**1997 Regular Session**

**By** Senators Johnson, Anderson, Benton, McCaslin, Oke, Deccio, Strannigan, Swecker, Hochstatter, Finkbeiner, Schow, Rossi, Sellar and West

Read first time 02/12/97. Referred to Committee on Education.

1 AN ACT Relating to charter schools; and adding a new chapter to  
2 Title 28A RCW.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** INTENT. The legislature intends to  
5 authorize the establishment of charter schools for the purpose of  
6 providing a unique setting for learning that will improve pupil  
7 achievement and provide additional public school choices for students,  
8 parents, and teachers.

9 NEW SECTION. **Sec. 2.** DEFINITIONS. Unless the context clearly  
10 requires otherwise, the definitions in this section apply throughout  
11 this chapter.

12 (1) "Applicant" means a nonprofit entity as identified in section  
13 7(1) of this act that has submitted an application to a sponsor to  
14 obtain approval to operate a charter school.

15 (2) "Charter" means an agreement between an applicant and a  
16 sponsor. The charter establishes, in accordance with this chapter, the  
17 terms and conditions for the management, operation, and educational  
18 program of the charter school.

1 (3) "Charter school" means a public school managed by a governing  
2 council and operating independently of any school district board under  
3 a charter approved in accordance with this chapter.

4 (4) "Governing council" means a council created in accordance with  
5 the school's charter and with this chapter that is responsible for the  
6 policy and operational decisions of the charter school.

7 (5) "Sponsor" means a school district, an educational service  
8 district, a board of directors of a community and technical college, or  
9 a college or program of education at a regional university as defined  
10 in RCW 28B.10.016, whichever is applicable, that has approved a charter  
11 for a charter school.

12 NEW SECTION. **Sec. 3.** CHARTER SCHOOLS--POWERS. (1) The governing  
13 council of a charter school may hire, manage, and discharge any charter  
14 school employee in accordance with the terms of this chapter and that  
15 school's charter.

16 (2) A charter school may enter into a contract with any school  
17 district, or any other public or private entity also empowered to enter  
18 into contracts, for any and all real property, equipment, goods,  
19 supplies, and services, to include educational instructional services.

20 (3) Charter schools may rent, lease, or own property, but may not  
21 acquire property by eminent domain. Charter schools may accept gifts  
22 and donations from other governmental and private entities, excluding  
23 sectarian or religious organizations. Charter schools shall not accept  
24 any gifts or donations the conditions of which violate this chapter.

25 (4) Charter schools shall not charge tuition, levy taxes, or issue  
26 bonds, however they may charge fees for optional noncredit  
27 extracurricular events.

28 NEW SECTION. **Sec. 4.** LEGAL STATUS. A public charter school is a  
29 public school including one or more of grades kindergarten through  
30 twelve, operated by a nonprofit entity, according to the terms of a  
31 renewable five-year agreement granted by a sponsor or the  
32 superintendent of public instruction.

33 NEW SECTION. **Sec. 5.** CHARTER SCHOOLS--EXEMPTIONS. (1) A charter  
34 school shall operate independently of any school district board, under  
35 a charter approved by a sponsor pursuant to this chapter. Charter  
36 schools are exempt from all state statutes and rules relating to school

1 districts except as provided in this chapter and in the school's  
2 approved charter.

3 (2) Except as provided in this chapter, charter schools are exempt  
4 from all statutes and rules applicable to a school board or district,  
5 although they may elect to comply with one or more provisions of these  
6 statutes or rules.

7 (3) All approved charter schools shall:

8 (a) Comply with state and federal health, safety, and civil rights  
9 laws and rules applicable to school districts;

10 (b) Meet or exceed the student performance and assessment standards  
11 as established for students in other public schools;

12 (c) Participate in nationally normed standardized achievement tests  
13 as required in RCW 28A.230.190, 28A.230.230, and 28A.230.240;

14 (d) Seventy-five percent of instructional staff must be  
15 certificated in accordance with chapter 28A.410 RCW;

16 (e) Comply with the employee record check requirements in RCW  
17 28A.400.303;

18 (f) Be subject to the same financial and audit requirements as a  
19 school district; and

20 (g) Report at least annually to its sponsor and to parents of  
21 children enrolled at the charter school on progress toward the student  
22 performance goals specified in the charter.

23 NEW SECTION. **Sec. 6.** ADMISSION REQUIREMENTS. (1) A charter  
24 school shall enroll all students who submit a timely application. If  
25 capacity is insufficient to enroll all students who submit a timely  
26 application, the charter school shall give enrollment priority to  
27 students who reside within the boundaries of the school district in  
28 which the charter school is physically located. Priority also shall be  
29 given to siblings of students who are currently enrolled in the school.  
30 Students shall be selected through an equitable selection process, such  
31 as a lottery, to fill any remaining spaces.

32 (2) A charter school shall not grant or limit admission based on  
33 race, religion, ethnicity, national origin, gender, income level,  
34 intellectual ability, disabling condition, proficiency in the English  
35 language, or athletic ability. A charter school may limit admission to  
36 students within a given age group or grade level.

1        NEW SECTION.    **Sec. 7.**    CHARTER APPLICATION--CHARTERING PROCESS.

2    (1) Applicants to establish a charter school include nonprofit  
3 corporations or cooperatives.

4        (2) The sponsor of a charter school shall be a local school  
5 district board of directors, an educational service district, a board  
6 of trustees of a community and technical college, or a college or  
7 program of education at a regional university as defined in RCW  
8 28B.10.016. An applicant for a charter school shall submit its  
9 application to a sponsor, which shall either accept or reject a  
10 sponsorship of the charter school within sixty days. The timeline may  
11 be extended by mutual consent of both parties if it is in writing  
12 before the sixty-day deadline. The sponsor shall hold at least one  
13 public hearing on the charter application.

14        (3) The charter application shall be a proposed agreement and shall  
15 include:

16        (a) The identification and description of the nonprofit entity  
17 submitting the application, including the names and descriptions of the  
18 individuals who will operate the school;

19        (b) The nonprofit corporation's articles of incorporation, bylaws,  
20 and most recent financial statement and balance sheet;

21        (c) A description of the philosophy and mission of the charter  
22 school;

23        (d) A description of the curriculum, the expected results, and the  
24 verified methods of measuring and reporting objective results that show  
25 the growth of knowledge in students attending the school and the  
26 procedures for taking corrective action in the event that student  
27 performance falls below established standards;

28        (e) The governance, bylaws, and management structure of the school;

29        (f) A description of admission policies and application procedures;

30        (g) A proposed five-year budget of projected revenues and  
31 expenditures, a plan for starting the school, and a description of  
32 major contracts planned for equipment and services, leases,  
33 improvements, purchases of real property, and insurance; and

34        (h) A description of the proposed financial management procedures,  
35 including annual audits of the school's financial and administrative  
36 operations, which shall meet or exceed generally accepted standards of  
37 management and public accounting.

38        (4) If the sponsor rejects the application, the sponsor shall  
39 notify the applicant in writing of the reasons for the rejection. The

1 applicant may request, and the sponsor may provide, technical  
2 assistance to improve the application. An applicant may submit a  
3 revised application for reconsideration by the sponsor.

4 (5) If the applicant meets the elements in subsection (3) of this  
5 section, the sponsor shall notify the applicant in writing that the  
6 charter school has been approved.

7 NEW SECTION. **Sec. 8.** APPEAL PROCESS. (1) If the sponsor decides  
8 not to approve the charter application, the applicant may submit a  
9 motion for appeal to the superintendent of public instruction within  
10 thirty days of the sponsor's decision. The superintendent of public  
11 instruction shall accept the appeal of a charter school applicant whose  
12 application was considered but not approved by a sponsor. Within  
13 thirty days of accepting an appeal, the superintendent of public  
14 instruction shall rule on whether to approve or deny the application at  
15 a public meeting. If the superintendent of public instruction approves  
16 the application, the superintendent shall be deemed the sponsor of the  
17 charter school.

18 (2) Any superintendent's decision denying the application may be  
19 appealed to the state courts and reviewed to determine whether the  
20 superintendent's decision is supported by the facts. Decisions  
21 unsupported by the facts shall be remanded to the superintendent of  
22 public instruction with orders to approve the charter application.

23 NEW SECTION. **Sec. 9.** CHARTER AGREEMENT--AMENDMENT. (1) A charter  
24 application approved by a sponsor constitutes a charter.

25 (2) A charter may be amended during its term at the request of its  
26 governing council and with the approval of its sponsor.

27 NEW SECTION. **Sec. 10.** CHARTER RENEWAL AND REVOCATION. (1) An  
28 approved plan to establish a charter school is effective for five years  
29 from the first day of operation. At the conclusion of the first four  
30 years of operation, the charter school may apply to the sponsor for  
31 renewal.

32 (2) A charter school renewal application shall include:

33 (a) A report on the progress of the charter school in achieving the  
34 goals, student performance standards, and other terms of the initial  
35 approved charter; and

1 (b) A financial statement that discloses the costs of  
2 administration, instruction, and other expenditure objects and  
3 activities of the charter school.

4 (3) The sponsor may reject the application for renewal if, in its  
5 judgment, any of the following occurred:

6 (a) The charter school materially violated its contract with its  
7 sponsor, as set forth in the initial approved charter as amended;

8 (b) The students enrolled in the charter school failed to meet or  
9 make reasonable progress toward achievement of the student performance  
10 standards identified in the initial approved charter;

11 (c) The charter school failed to meet generally accepted standards  
12 of fiscal management; or

13 (d) The charter school violated provisions in law that have not  
14 been waived in accordance with this chapter.

15 (4) A sponsor shall give written notice of its intent not to renew  
16 the charter school's request for renewal to the charter school at least  
17 twelve months before the expiration of the approved charter to allow  
18 the charter school an opportunity to correct identified deficiencies in  
19 its operation or to apply to another sponsor for approval of the  
20 operation of the charter school. At the request of the governing  
21 council of the charter school, the sponsor shall review its decision  
22 for nonrenewal after the charter school has corrected any identified  
23 deficiencies. If the charter is transferred by application to another  
24 sponsor, the five-year term of the charter shall be repeated.

25 (5) The sponsor may revoke a previously approved charter before the  
26 expiration of the term of the charter, and before application for  
27 renewal, for any of the reasons specified in subsection (3) of this  
28 section. In addition, the sponsor may revoke a charter after two years  
29 if the academic achievement of its students is significantly below the  
30 academic achievement of comparable students in the school district in  
31 which the charter school is located. Except in cases of emergency  
32 where the health and safety of children are at risk, a charter may not  
33 be revoked unless the sponsor first provides written notice of the  
34 specific violations alleged, a public hearing, and a reasonable  
35 opportunity for the charter school to correct the identified areas of  
36 concern. The sponsor of a charter school shall provide for an appeal  
37 process upon a determination by the sponsor that grounds exist to  
38 revoke a charter.

1        NEW SECTION.    **Sec. 11.**    FUNDING.    (1) The superintendent of public  
2 instruction shall separately calculate and allocate to charter schools  
3 moneys appropriated for basic education under RCW 28A.150.260. The  
4 amount of funding for charter schools shall be determined by the number  
5 of full-time equivalent students enrolled in the school multiplied by  
6 the estimated state-wide annual average per full-time equivalent  
7 student allocation under RCW 28A.150.260 and applicable rules.

8        (2) State funding to charter schools for students who are eligible  
9 for special education under chapter 28A.155 RCW; the learning  
10 assistance program under chapter 28A.165 RCW; and the transitional  
11 bilingual instruction program under chapter 28A.180 RCW shall be  
12 determined in accordance with applicable statutes and rules that apply  
13 to school districts.

14        (3) State funding for the transportation of students who are  
15 transported shall be based on the average full-time equivalent student  
16 transportation allocation for transported students in the district in  
17 which the school is located or on the allocation formula used by school  
18 districts.

19        (4) For each annual full-time equivalent student enrolled in a  
20 charter school, the charter schools shall be entitled to an amount  
21 equal to two-thirds of the maintenance and operation excess tax levy  
22 rate per annual average full-time equivalent student of the district in  
23 which each full-time equivalent student who attends the charter school  
24 resides. These funds shall be paid to the charter school by the school  
25 district in which the student resides in equal monthly installments,  
26 adjusted for any changes in enrollment, between October and July each  
27 year, by the fifteenth of each month.

28        (5) The superintendent of public instruction shall establish rules  
29 for the calculation and payment of state and school district funds to  
30 charter schools.

31        (6) On or before October 15th of each year, the superintendent of  
32 public instruction shall transmit to charter schools one-tenth of the  
33 total state amount to be apportioned during the fiscal year. The  
34 remaining funds shall be apportioned in equal monthly installments,  
35 adjusted for any changes in enrollment and other factors, between  
36 November and July by the fifteenth of each month.

37        (7) Charter schools are eligible to apply for education grant  
38 programs and special education safety net funding.

1 (8) Transportation of students attending a charter school may be  
2 provided by the sponsoring school district, if applicable, through a  
3 cooperative agreement with another school district, through a contract  
4 with a third party, or by parents.

5 NEW SECTION. **Sec. 12.** VACANT BUILDINGS. The superintendent of  
6 public instruction, in conjunction with the department of general  
7 administration, shall annually publish a list of vacant and unused  
8 buildings and vacant and unused portions of buildings that are owned by  
9 this state or by school districts and that may be suitable for the  
10 operation of a charter school. The superintendent of public instruction  
11 shall make the list available to applicants for charter schools and to  
12 existing charter schools. The list shall include the address of each  
13 building, a short description of the building, and the name of the  
14 owner of the building. This section does not require the owner of a  
15 building on the list to sell or lease the building or a portion of the  
16 building to a charter school or to any other school or to any other  
17 prospective buyer or tenant.

18 NEW SECTION. **Sec. 13.** EDUCATIONAL EMPLOYEES' LEAVES OF ABSENCE.  
19 (1) If a school district employee makes a written request for an  
20 extended leave of absence to work at a charter school, the school  
21 district shall grant the leave. The school district may require that  
22 the request for a leave be made up to ninety days before the employee  
23 would otherwise have to report for duty. If the employee returns to  
24 the school district, the employee shall receive first consideration for  
25 rehire.

26 (2) During a leave, the employee may continue to aggregate benefits  
27 and credits in the employee's retirement system account if appropriate  
28 employee and employer contributions are made. The department of  
29 retirement systems may impose reasonable requirements to administer  
30 this section efficiently.

31 NEW SECTION. **Sec. 14.** CHARTER SCHOOLS ASSISTANCE ACCOUNT. The  
32 charter schools assistance account is created in the custody of the  
33 state treasurer. All receipts from appropriations shall be deposited  
34 into the account. Expenditures from the account may be used only to  
35 provide financial grants to approved charter schools for start-up  
36 costs. Charter schools may receive up to twenty-five thousand dollars



1 per building for start-up costs. Only the superintendent of public  
2 instruction or the superintendent's designee may authorize expenditures  
3 from the account. The account is subject to allotment procedures under  
4 chapter 43.88 RCW, but no appropriation is required for expenditures.  
5 Start-up moneys shall be distributed to schools with approved charters  
6 on a first-come, first-served basis.

7 NEW SECTION. **Sec. 15.** RULES--GRANTS. The office of the  
8 superintendent of public instruction shall adopt rules to implement  
9 section 14 of this act.

10 If an applicant for a charter school receives a grant under this  
11 section and fails to begin operating a charter school within the next  
12 eighteen months, the applicant shall reimburse the office of the  
13 superintendent of public instruction for the amount of the grant plus  
14 interest calculated at a rate of ten percent a year.

15 NEW SECTION. **Sec. 16.** CAPTIONS NOT LAW. Captions used in this  
16 chapter do not constitute any part of the law.

17 NEW SECTION. **Sec. 17.** Sections 1 through 16 of this act  
18 constitute a new chapter in Title 28A RCW.

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