

2SHB 2295 - H AMD 1062

By Representative Chase

FAILED 03/10/2004

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** INTENT. The legislature intends to
4 authorize the establishment of public charter schools within the
5 general and uniform system of public schools for the exclusive purpose
6 of providing more high-quality learning environments to assist
7 historically underserved populations of students in meeting the state's
8 academic standards. The legislature intends for charter schools to
9 function as an integral element of the public school system maintained
10 at public expense, free from discrimination, and open to all students
11 in the state, and to be subject to greater academic standards and
12 performance outcomes than other public schools. The legislature
13 intends to ensure accountability of charter schools through the use of
14 performance audits and a comprehensive study of charter schools, and to
15 use the information generated to demonstrate how charter schools can
16 contribute to raising student academic achievement.

17 NEW SECTION. **Sec. 2.** DEFINITIONS. The definitions in this
18 section apply throughout this chapter unless the context clearly
19 requires otherwise.

20 (1) "Applicant" means a nonprofit corporation that has submitted an
21 application to a sponsor. The nonprofit corporation must be either a
22 public benefit nonprofit corporation as defined in RCW 24.03.490, or a
23 nonprofit corporation as defined in RCW 24.03.005 that has applied for
24 tax-exempt status under section 501(c)(3) of the internal revenue code
25 of 1986 (26 U.S.C. Sec. 501(c)(3)). The nonprofit corporation may not
26 be a sectarian or religious organization and must meet all of the
27 requirements for a public benefit nonprofit corporation before
28 receiving any funding under section 12 of this act.

1 (2) "Charter school management team" means the management team
2 appointed or contractually engaged by the nonprofit applicant to manage
3 and operate the charter school.

4 (3) "Charter" means a one-year contract between an applicant and a
5 sponsor. The charter establishes, in accordance with this chapter, the
6 terms and conditions for the management, operation, and educational
7 program of the charter school.

8 (4) "Charter school" means a public school managed by a nonprofit
9 corporation and operating according to the terms of a charter approved
10 under this chapter.

11 (5) "Historically underserved populations of students" includes
12 students with limited English proficiency; students with special needs,
13 including students with disabilities; and economically disadvantaged
14 students, including students who qualify for free and reduced priced
15 meals.

16 (6) "New charter school" means any charter school created under
17 this chapter.

18 (7) "Sponsor" means the board of directors of the school district
19 in which the proposed charter school will be located.

20 NEW SECTION. **Sec. 3.** CHARTER SCHOOLS--POWERS. (1) To carry out
21 its duty to manage and operate the charter school, the charter school
22 management team may:

23 (a) Hire, manage, and discharge any charter school employee in
24 accordance with the terms of collective bargaining agreements in the
25 district;

26 (b) Enter into a contract with any school district, or any other
27 public or private entity, also empowered to enter into contracts, for
28 any and all real property, equipment, goods, supplies, and services,
29 including educational instructional services; however, this authority
30 does not permit assigning, delegating, or contracting out the
31 administration and management of a charter school to a for-profit
32 entity;

33 (c) Rent, lease, or own property, but may not acquire property by
34 eminent domain;

35 (d) Accept and administer for the benefit of the charter school and
36 its students, gifts, grants, and donations from other governmental and

1 private entities, excluding sectarian or religious organizations.
2 Charter schools may not accept any gifts or donations the conditions of
3 which violate this chapter.

4 (2) A charter school may not charge tuition, levy taxes, or issue
5 tax-backed bonds, however it may charge fees for optional noncredit
6 extracurricular events.

7 (3) A charter school sponsor is not liable for acts or omissions of
8 a charter school or its charter school management team, including but
9 not limited to acts or omissions related to the application, the
10 charter, the operation, the performance, and the closure of the charter
11 school.

12 NEW SECTION. **Sec. 4.** LEGAL STATUS. A charter school is a public
13 school including one or more of grades kindergarten through twelve,
14 operated by a management team selected by the board of directors of the
15 nonprofit applicant operating under the sponsorship and supervision of
16 an elected public school board of directors, according to the terms of
17 a renewable one-year contract granted by a sponsor. A charter school
18 must allow students who are receiving home-based instruction under
19 chapter 28A.200 RCW to participate in its programs on a part-time
20 basis.

21 NEW SECTION. **Sec. 5.** CHARTER SCHOOLS--EXEMPTIONS. (1) A charter
22 school shall operate according to the terms of a charter approved by a
23 sponsor.

24 (2) Charter schools must adhere to all state statutes and rules
25 applicable to school districts and school district boards of directors,
26 except when exempted by negotiated waivers.

27 (3) A charter school's management team shall implement a quality
28 management system and conduct annual self-assessments.

29 (4) Each approved charter school shall conduct annual self-
30 assessments of its quality management program.

31 (5) A member of a board of directors of the nonprofit applicant of
32 a charter school is a board member of a school district for the
33 purposes of public disclosure requirements and must comply with the
34 reporting requirements in RCW 42.17.240.

1 NEW SECTION. **Sec. 6.** ADMISSION REQUIREMENTS. (1) To effectuate
2 the primary purpose for which the legislature established charter
3 schools, a charter school must enroll historically underserved
4 populations of students. Consistent with the legislative intent of
5 this chapter, a charter school shall conduct timely outreach and
6 marketing efforts to historically underserved populations of students
7 in the school district in which the charter school will be located.

8 (2) A new charter school must enroll all students who submit a
9 timely application if capacity is sufficient. If capacity is
10 insufficient to enroll all students who apply, students must be
11 selected to fill any remaining spaces only through an equitable
12 selection process, such as a lottery. Siblings of enrolled students
13 must be given priority in enrollment.

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

15 (1) An applicant may apply to a sponsor to establish a charter school
16 under this section. An application may not be submitted earlier than
17 eighteen months before, nor later than four months before, the proposed
18 date of opening the school.

19 (2) The sponsoring public school board shall establish guidelines
20 for the timely receipt and approval of applications to facilitate the
21 efficient implementation of this act. Guidelines established under
22 this subsection shall reflect efficient processes for the expeditious
23 and orderly start-up of charter schools in a timely manner for the
24 purpose of serving historically underserved populations of students.

25 (3) An application for a charter school must be submitted to the
26 publicly elected board of directors of the school district in which the
27 proposed charter school will be located, allowing for the board's
28 consideration of the application in accordance with subsections (4) and
29 (5) of this section. A copy of each application submitted to a sponsor
30 also must be provided to the superintendent of public instruction.

31 (4) The school district board of directors must decide, within
32 forty-five days of receipt of the application, whether to hold a public
33 hearing in the school district to take public comment on the
34 application and, if a hearing is to be held, must schedule it within
35 seventy-five days of receipt of the application. If the school board
36 intends to accept the application, one or more public hearings must be

1 held before granting a charter; however a school board is not required
2 to hold a public hearing before rejecting an application. The school
3 board must either accept or reject the application within one hundred
4 five days after receipt of the application. The one hundred five-day
5 deadline for accepting or rejecting the charter school application may
6 be extended for an additional thirty days if both parties agree in
7 writing.

8 (5) If the school board does not hold a public hearing or rejects
9 the application after holding one or more public hearings, the school
10 board must notify the applicant in writing of the reasons for that
11 decision. The applicant may submit a revised application for the
12 school board's reconsideration and the school board may provide
13 assistance to improve the application. If the school board rejects the
14 application after a revised application is submitted, the school board
15 must notify the applicant in writing of the reasons for the rejection.

16 NEW SECTION. **Sec. 8.** APPLICATION REQUIREMENTS. The charter
17 school application is a proposed contract and must include:

18 (1) The identification and description of the nonprofit corporation
19 submitting the application, including the names, descriptions,
20 curriculum vitae, and qualifications of the individuals who will
21 operate the school, all of which are subject to verification and
22 review;

23 (2) The nonprofit corporation's articles of incorporation, bylaws,
24 and most recent financial statement and balance sheet;

25 (3) A mission statement for the proposed charter school, consistent
26 with the description of legislative intent in this chapter, declaring
27 the proposed charter school's primary purpose is to provide high-
28 quality learning environments to assist historically underserved
29 populations of students in meeting the state's academic standards;

30 (4) A description of the school's educational program, curriculum,
31 and instructional strategies, including but not limited to how the
32 charter school will assist its students in meeting the state's academic
33 standards;

34 (5) A description of the school's admissions policy and marketing
35 program, and its deadlines for applications and admissions, including

1 its program for community outreach to families of historically
2 underserved populations of students;

3 (6) A description of the school's student performance standards and
4 requirements that must exceed those determined under chapter 28A.655
5 RCW, and be measured according to the assessment system determined
6 under chapter 28A.655 RCW;

7 (7) A description of the school's plan to evaluate student
8 performance and the procedures for taking corrective action if student
9 performance at the charter school falls below standards established in
10 its charter;

11 (8) A description of the financial plan for the school. The plan
12 shall include: (a) A proposed one-year budget of projected revenues
13 and expenditures; (b) a plan for starting the school; (c) a one-year
14 facilities plan; (d) evidence supporting student enrollment projections
15 of at least twenty students; and (e) a description of major contracts
16 planned for administration, management, equipment, and services,
17 including consulting services, leases, improvements, real property
18 purchases, and insurance;

19 (9) A description of the proposed financial management procedures
20 and administrative operations, which shall meet or exceed generally
21 accepted standards of management and public accounting;

22 (10) An assessment of the school's potential legal liability and a
23 description of the types and limits of insurance coverage the nonprofit
24 corporation plans to obtain. A liability insurance policy, negotiated
25 with the school board, up to fifty million dollars is required;

26 (11) A description of the procedures to discipline, suspend, and
27 expel students;

28 (12) A description of procedures to assure the health and safety of
29 students, employees, and guests of the school and to comply with
30 applicable federal and state health and safety laws and regulations;

31 (13) A description of the school's program for parent involvement
32 in the charter school;

33 (14) Documentation sufficient to demonstrate that the charter
34 school will have the liquid assets available to operate the school on
35 an ongoing and sound financial basis;

36 (15) Supporting documentation for any additional requirements that

1 are appropriate and reasonably related to operating the charter school
2 that a public school board sponsor may impose as a condition of
3 approving the charter;

4 (16) A description of the quality management plan for the school,
5 including its specific components; and

6 (17) A description of the academic plan.

7 NEW SECTION. **Sec. 9.** APPROVAL CRITERIA. A sponsoring public
8 school board may approve an application for a charter school, if in the
9 sponsor's reasonable judgment, after exercising due diligence and good
10 faith, the sponsor finds:

11 (1) The applicant is an eligible public benefit nonprofit
12 corporation and the individuals it proposes to manage and operate the
13 school are qualified to operate a charter school and implement the
14 proposed academic plan that is free from religious or sectarian
15 influence;

16 (2) The public benefit nonprofit corporation has been approved or
17 conditionally approved by the internal revenue service for tax exempt
18 status under section 501(c)(3) of the internal revenue code of 1986 (26
19 U.S.C. Sec. 501(c)(3));

20 (3) The mission statement is consistent with the description of
21 legislative intent and restrictions on charter school operations in
22 this chapter. The sponsor must make a finding of whether or not the
23 charter school's primary purpose is to serve historically underserved
24 populations of students;

25 (4) The school's educational program, including its curriculum and
26 instructional strategies, is likely to assist its students, including
27 its historically underserved populations of students, in meeting the
28 state's academic standards;

29 (5) The school's admissions policy and marketing program is
30 consistent with state and federal law, and includes community outreach
31 to families of historically underserved populations of students;

32 (6) The school's proposed educational program includes student
33 academic performance standards and requirements that exceed those
34 determined under chapter 28A.655 RCW and are measured according to the
35 assessment system determined under chapter 28A.655 RCW;

1 (7) The application includes a viable plan to evaluate pupil
2 performance and procedures to take appropriate corrective action if
3 pupil performance at the charter school falls below standards
4 established in its charter;

5 (8) The financial plan for the school is designed to reasonably
6 support the charter school's educational program based on a review of
7 the proposed one-year budget of projected revenues, expenditures, and
8 facilities;

9 (9) The school's financial and administrative operations, including
10 its audits, exceed generally accepted standards of accounting and
11 management;

12 (10) The assessment of the school's potential legal liability, and
13 the types and limits of insurance coverage the school plans to obtain,
14 are adequate. A liability insurance policy of up to fifty million
15 dollars, negotiated with the school board, is required;

16 (11) The procedures the school plans to follow to discipline,
17 suspend, and expel students comply with school district policy and
18 state and federal law;

19 (12) The procedures the school plans to follow to assure the health
20 and safety of students, employees, and guests of the school comply with
21 applicable school district, state, and federal health and safety laws
22 and regulations;

23 (13) The school has developed a program for parent involvement in
24 the charter school;

25 (14) The charter school will have the liquid assets available to
26 operate the school on an ongoing and sound financial basis;

27 (15) The procedures the school plans to follow to assure high
28 academic standards;

29 (16) The applicant has met any additional requirements that are
30 appropriate and reasonably related to the operation of a charter school
31 that the sponsoring school board imposed as a condition for approval of
32 the charter; and

33 (17) The quality management plan for the school is adequate.

34 NEW SECTION. **Sec. 10.** CHARTER AGREEMENT--AMENDMENT. (1) A
35 charter application approved by a school board sponsor with any changes

1 or additions, and signed by an authorized representative of the
2 applicant and the sponsor, constitutes a charter.

3 (2) A charter may be amended during its term at the request of the
4 charter school management team and the nonprofit board of directors and
5 on the approval of the sponsoring public school board.

6 (3) A charter may not prohibit and must provide for the application
7 of laws applicable to charter schools or to charter school nonprofit
8 boards of directors and management teams enacted after the effective
9 date of this section.

10 NEW SECTION. **Sec. 11.** CHARTER RENEWAL AND REVOCATION. (1) An
11 approved plan to establish a charter school is effective for one year
12 from the first day of operation. At the conclusion of the first six
13 months of operation, the charter school may apply to the sponsor for
14 renewal. A request for renewal must be submitted no later than four
15 months before the expiration of the charter.

16 (2) A charter school renewal application must include:

17 (a) A report on the progress of the charter school in achieving the
18 goals; student academic achievement, including the student performance
19 standards adopted by the academic achievement and accountability
20 commission in accordance with RCW 28A.655.030; the number and
21 percentage of historically underserved populations of students served;
22 and other terms of the charter;

23 (b) A financial statement that discloses the costs of
24 administration, instruction, and other expenditure objects and
25 activities of the charter school; and

26 (c) All audit information from independent sources regarding the
27 charter school, if available, and all self assessments and
28 corresponding corrective action plans.

29 (3) The sponsor may reject the application for renewal if any of
30 the following occurred:

31 (a) The charter school materially violated its charter with the
32 sponsor;

33 (b) The charter school failed to meet generally accepted standards
34 of fiscal management;

35 (c) The charter school violated provisions in law that have not
36 been waived in accordance with this chapter; or

1 (d) The charter school has failed to deliver high academic
2 standards to their students.

3 (4) A sponsor shall give written notice of its intent not to renew
4 the charter school's request for renewal to the charter school within
5 one month of the request for renewal in order to allow the charter
6 school an opportunity to correct identified deficiencies in its
7 operation. At the request of the management team of the charter
8 school, the sponsor shall review its decision for nonrenewal within
9 forty-five days of receiving the request for review and the supporting
10 documentation demonstrating the correction of the deficiencies.

11 (5)(a) The sponsor may revoke a previously approved charter before
12 the expiration of the term of the charter, and before application for
13 renewal, if any of the following occurred:

14 (i) The charter school materially violated its charter with the
15 sponsor;

16 (ii) The charter school failed to meet generally accepted standards
17 of fiscal management;

18 (iii) The charter school violated provisions in law that have not
19 been waived in accordance with this chapter; or

20 (iv) The charter school failed to deliver high academic standards
21 to their students.

22 (b) Except in cases of emergency where the health and safety of
23 children are at risk, a charter may not be revoked unless the sponsor
24 first provides:

25 (i) Written notice to the charter school of the specific violations
26 alleged;

27 (ii) One or more public hearings in the school district in which
28 the charter school is located; and

29 (iii) A reasonable opportunity and a sufficient period of time for
30 the charter school to correct the identified deficiencies.

31 (c) If, after following the procedures in (b) of this subsection,
32 the sponsor determines that revoking the charter is necessary to
33 further the intent of this chapter, the sponsor may revoke the charter.

34 (d) If a sponsor revokes the charter, the sponsor, upon a request
35 by the charter school, shall provide technical assistance to the
36 charter school to complete the plan required and carry out the tasks
37 identified in subsection (6) of this section.

1 (6) A charter school planning to close or anticipating revocation
2 or nonrenewal of its charter shall provide a plan setting forth a
3 timeline and the responsible parties for disposition of students and
4 student records and disposition of finances.

5 (a) Immediately following the decision to close a school, the
6 school must:

7 (i) Submit to the sponsor a list of parent addresses and proof that
8 the school has communicated the impending closure of the school to all
9 parents and staff;

10 (ii) Assign staff responsible for transition of student records and
11 for providing assistance to students and parents in transferring from
12 the charter school to the district public, private, or home school
13 chosen by the family;

14 (iii) Provide the names and contact information for staff
15 responsible for transfer of student records to the central
16 administration of the sponsoring school district, as well as the
17 projected transition tasks and timelines to the sponsor.

18 (b) Before closing the charter school the charter school management
19 team shall:

20 (i) Determine the amount of anticipated revenue due to the school
21 as well as anticipated liabilities, and provide a complete asset and
22 liability report to the sponsor;

23 (ii) Create a current and projected payroll and payroll benefits
24 commitment;

25 (iii) List each employee, job, and the funds necessary to complete
26 the educational calendar balance of the year, the transition of
27 students and records, and the administrative close-down tasks;

28 (iv) Determine the total moneys required to complete contracts;

29 (v) Schedule an audit and set aside funds to cover costs; and

30 (vi) Provide the sponsor with a plan to close the school.

31 NEW SECTION. **Sec. 12.** FUNDING. (1) The publicly elected district
32 school board provides funding for a charter school including regular
33 apportionment, special education, categorical, student achievement, and
34 other nonbasic education moneys. Allocations shall be based on the
35 statewide average staff mix ratio of all noncharter public schools from
36 the prior school year and the school's actual FTE enrollment, except

1 that vocational education funding for grades nine through twelve shall
2 be provided based on eighteen and one-half percent of the charter
3 school's actual FTE enrollment for grades nine through twelve. A
4 charter school is not eligible for enhanced small school assistance
5 funding. Categorical funding shall be allocated to a charter school
6 based on the same funding criteria used for noncharter public schools.
7 A charter school is eligible to apply for state grants on the same
8 basis as a school district. Those allocations to a charter school that
9 are included in RCW 84.52.0531(3) (a) through (c) shall be included in
10 the levy base of the district in which the charter school is located.

11 (2) For levies submitted to voters after the start-up date of a
12 charter school, the school shall be included in levy planning, budgets,
13 and funding distribution in the same manner as other district-sponsored
14 public schools.

15 NEW SECTION. **Sec. 13.** STUDY OF CHARTER SCHOOLS. Subject to
16 funding, the Washington institute for public policy shall study the
17 implementation of charter school legislation in the forty states that
18 have charter school laws and present data to the legislature by
19 February 1, 2005, demonstrating that the system of charter schools in
20 those states has provided innovative, high quality alternative programs
21 for historically underserved populations of students; has not had a
22 negative financial impact on the regular public school system; and that
23 student achievement in charter schools exceeds student achievement in
24 their public school counterparts, prior to the implementation of a
25 charter school system in Washington state.

26 NEW SECTION. **Sec. 14.** CAPTIONS NOT LAW. Captions used in this
27 chapter are not any part of the law.

28 NEW SECTION. **Sec. 15.** Sections 1 through 14 of this act
29 constitute a new chapter in Title 28A RCW.

30 NEW SECTION. **Sec. 16.** If any provision of this act or its
31 application to any person or circumstance is held invalid, the
32 remainder of the act or the application of the provision to other
33 persons or circumstances is not affected."

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By Representative Chase

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1 On page 1, line 1 of the title, after "schools;" strike the
2 remainder of the title and insert "and adding a new chapter to Title
3 28A RCW."

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