#### 6194-S2.E AMH SPRI H4714.2

### E2SSB 6194 - H AMD 945

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By Representative Springer

### ADOPTED 03/09/2016

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

3 "PART I

# 4 CHARTER PUBLIC SCHOOLS

5 **Sec. 101.** RCW 28A.710.010 and 2013 c 2 s 201 are each reenacted 6 and amended to read as follows:

The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

- (1) "Applicant" means a nonprofit corporation that has submitted an application to an authorizer. The nonprofit corporation must be either a public benefit nonprofit corporation as defined in RCW 24.03.490, or a nonprofit corporation as defined in RCW 24.03.005 that has applied for tax exempt status under section 501(c)(3) of the internal revenue code of 1986 (26 U.S.C. Sec. 501(c)(3)). The nonprofit corporation may not be a sectarian or religious organization and must meet all of the requirements for a public benefit nonprofit corporation before receiving any funding under RCW 28A.710.220.
- (2) "At-risk student" means a student who has an academic or economic disadvantage that requires assistance or special services to succeed in educational programs. The term includes, but is not limited to, students who do not meet minimum standards of academic proficiency, students who are at risk of dropping out of high school, students in chronically low-performing schools, students with higher average disciplinary sanctions, students with participation rates in advanced or gifted programs, students who are English proficiency, students limited in who are members economically disadvantaged families, and students who are identified as having special educational needs.
- 30 (3) "Authorizer" means ((an entity)) the commission established 31 in RCW 28A.710.070 or a school district approved under RCW

- 1 28A.710.090 to review, approve, or reject charter school
- 2 applications; enter into, renew, or revoke charter contracts with
- 3 applicants; and oversee the charter schools the entity has
- 4 authorized.
- 5 (4) "Charter contract" means a fixed term, renewable contract
- 6 between a charter school and an authorizer that outlines the roles,
- 7 powers, responsibilities, and performance expectations for each party
- 8 to the contract.
- 9 (5) "Charter school" or "((public)) charter public school" means
- 10 a public school that is established in accordance with this chapter,
- 11 governed by a charter school board, and operated according to the
- 12 terms of a charter contract executed under this chapter ((and
- includes a new charter school and a conversion charter school)).
- 14 (6) "Charter school board" means the board of directors appointed
- 15 or selected under the terms of a charter application to manage and
- 16 operate the charter school.
- 17 (7) "Commission" means the Washington <u>state</u> charter school
- 18 commission established in RCW 28A.710.070.
- 19 (8) (("Conversion charter school" means a charter school created
- 20 by converting an existing noncharter public school in its entirety to
- 21 a charter school under this chapter.
- 22 (9) "New charter school" means any charter school established
- 23 under this chapter that is not a conversion charter school.
- 24 (10))) "Parent" means a parent, guardian, or other person or
- 25 entity having legal custody of a child.
- 26 ((<del>(11)</del>)) <u>(9)</u> "Student" means ((<del>any</del>)) <u>a</u> child eligible ((<del>under RCW</del>
- 27 28A.225.160)) to attend a public school in the state.
- 28 Sec. 102. RCW 28A.710.020 and 2013 c 2 s 202 are each reenacted
- 29 and amended to read as follows:
- A charter school established under this chapter:
- 31 (1) Is a public((<del>, common</del>)) school that is:
- 32 (a) Open to all children free of charge and by choice; and
- 33 (b) Operated separately from the common school system as an
- 34 <u>alternative to traditional common schools</u>;
- 35 (2) ((<del>Is a public, common school offering</del>)) <u>May offer</u> any program
- 36 or course of study that ((a noncharter)) any other public school may
- 37 offer, including one or more of grades kindergarten through twelve;

- 1 (3) Is governed by a charter school board according to the terms 2 of a renewable, five-year charter contract executed under RCW 3 28A.710.160;
- 4 (4) ((Is a public school to which parents choose to send their 5 children;
- (5))) Functions as a local education agency under applicable 6 7 federal laws and regulations and is responsible for meeting the requirements of local education agencies and public schools under 8 those federal laws and regulations, including but not limited to 9 with the individuals with disabilities education 10 seq.), the federal 11 improvement act (20 U.S.C. Sec. 1401 et 12 educational rights and privacy act (20 U.S.C. Sec. 1232g), and the elementary and secondary education act (20 U.S.C. Sec. 6301 et seq.). 13
- 14 Sec. 103. RCW 28A.710.030 and 2013 c 2 s 203 are each reenacted 15 and amended to read as follows:
- 16 (1) To ((carry out)) <u>fulfill</u> its duty to manage and operate the 17 charter school, and ((carry out)) <u>to execute</u> the terms of its charter 18 contract, a charter school board may:
- 19 (a) Hire, manage, and discharge ((any)) charter school employees 20 in accordance with the terms of this chapter and ((that)) the 21 school's charter contract;
- 22 (b) Receive and disburse funds for the purposes of the charter 23 school;
  - (c) Enter into contracts with any school district, educational service district, or other public or private entity for the provision of real property, equipment, goods, supplies, and services, including educational instructional services ((and including)), pupil transportation services, and for the management and operation of the charter school ((to the same extent as other noncharter public schools, as long as)), provided the charter school board maintains oversight authority over the charter school. Contracts for management operation of the charter school may only be with nonprofit organizations;
- (d) Rent, lease, purchase, or own real property. All charter contracts and contracts with other entities must include provisions regarding the disposition of the property if the charter school fails to open as planned or closes, or if the charter contract is revoked or not renewed;

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- 1 (e) Issue secured and unsecured debt, including pledging, assigning, or encumbering its assets to be used as collateral for 2 loans or extensions of credit to manage cash flow, 3 operations, or finance the acquisition of real property 4 equipment((: PROVIDED, That)). However, the ((public)) charter public 5 6 school may not pledge, assign, or encumber any public funds received 7 or to be received pursuant to RCW 28A.710.220. ((The)) Debt issued <u>under this subsection (1)(e)</u> is not a general, special, or moral 8 obligation of the state, the charter school authorizer, the school 9 district in which the charter school is located, or any other 10 11 political subdivision or agency of the state. Neither the full faith and credit nor the taxing power of the state, or any political 12 13 subdivision or agency of the state, may be pledged for the payment of 14 the debt;
  - (f) Solicit, accept, and administer for the benefit of the charter school and its students, gifts, grants, and donations from individuals, or public or private entities, excluding ((from)) sectarian or religious organizations. A charter school((s)) board may not accept any gifts or donations ((the conditions of which)) that violate this chapter or other state laws; and
- 21 (g) Issue diplomas to students who meet state high school 22 graduation requirements established under RCW 28A.230.090. A charter 23 school board may establish additional graduation requirements.
- 24 (2) A charter school board may not levy taxes or issue tax-backed 25 bonds.
- 26 (3) A charter school board may not acquire property by eminent 27 domain.
- Sec. 104. RCW 28A.710.040 and 2013 c 2 s 204 are each reenacted and amended to read as follows:
- 30 (1) A charter school must operate according to the terms of its 31 charter contract and the provisions of this chapter.
  - (2) ((All)) <u>A</u> charter school((s)) must:

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- 33 (a) Comply with local, state, and federal health, safety, 34 parents' rights, civil rights, and nondiscrimination laws applicable 35 to school districts and to the same extent as school districts, 36 including but not limited to chapter 28A.642 RCW (discrimination 37 prohibition) and chapter 28A.640 RCW (sexual equality);
- 38 (b) Provide <u>a program of</u> basic education, ((<del>as provided</del>)) that 39 <u>meets the goals</u> in RCW 28A.150.210, including instruction in the Code Rev/SCG:amh 4 H-4714.2/16 2nd draft

- essential academic learning requirements, and participate in the statewide student assessment system as developed under RCW 28A.655.070;
- 4 (c) Employ certificated instructional staff as required in RCW 28A.410.025((: PROVIDED, That)). Charter schools, however, may hire noncertificated instructional staff of unusual competence and in exceptional cases as specified in RCW 28A.150.203(7);
- 8 (d) Comply with the employee record check requirements in RCW 9 28A.400.303;
- 10 (e) Adhere to generally accepted accounting principles and be 11 subject to financial examinations and audits as determined by the 12 state auditor, including annual audits for legal and fiscal 13 compliance;
- 14 (f) Comply with the annual performance report under RCW 15 28A.655.110;
- 16 (g) Be subject to the performance improvement goals adopted by 17 the state board of education under RCW 28A.305.130;
  - (h) Comply with the open public meetings act in chapter 42.30 RCW and public records requirements in chapter 42.56 RCW; and
- 20 (i) Be subject to and comply with legislation enacted after 21 December 6, 2012, ((governing)) that governs the operation and 22 management of charter schools.
- (3) ((Public)) Charter public schools must comply with all state 23 statutes and rules made applicable to the charter school in the 24 25 school's charter contract, and are subject to the specific state statutes and rules identified in subsection (2) of this section. For 26 the purpose of allowing flexibility to innovate in areas such as 27 scheduling, personnel, funding, and educational programs to improve 28 student outcomes and academic achievement, charter schools are not 29 subject to, and are exempt from, all other state statutes and rules 30 31 applicable to school districts and school district boards 32 directors((, for the purpose of allowing flexibility to innovate in areas such as scheduling, personnel, funding, and educational 33 programs in order to improve student outcomes and academic 34 achievement)). Except as provided otherwise by this chapter or a 35 charter contract, charter schools are exempt from all school district 36 policies ((except policies made applicable in the school's charter 37 38 contract)).

- 1 (4) ((No)) <u>A</u> charter school may <u>not</u> engage in any sectarian 2 practices in its educational program, admissions or employment 3 policies, or operations.
  - (5) Charter schools are subject to the supervision of the superintendent of public instruction and the state board of education, including accountability measures, to the same extent as other public schools, except as otherwise provided in <u>this</u> chapter  $((\frac{2}{2}, \frac{1}{2} + \frac{1}{2} + \frac{1}{2}))$ .
- **Sec. 105.** RCW 28A.710.050 and 2013 c 2 s 205 are each reenacted 10 and amended to read as follows:
  - (1) Except as provided in subsection (3) of this section, a charter school may not limit admission on any basis other than age group, grade level, or <u>enrollment</u> capacity ((and must enroll all students who apply within these bases)). A charter school is open to any student regardless of his or her location of residence.
  - (2) A charter school may not charge tuition, but may charge fees for participation in optional extracurricular events and activities in the same manner and to the same extent as do other public schools.
  - (3) ((A conversion charter school must provide sufficient capacity to enroll all students who wish to remain enrolled in the school after its conversion to a charter school, and may not displace students enrolled before the chartering process.
  - (4+)) If capacity is insufficient to enroll all students who apply to a charter school, the charter school must ((select students through a lottery to ensure fairness. However, a charter school must give an enrollment preference to siblings of already enrolled students)) grant an enrollment preference to siblings of enrolled students, with any remaining enrollments allocated through a lottery. A charter school may offer, pursuant to an admissions policy approved by the commission, a weighted enrollment preference for at-risk students or to children of full-time employees of the school if the employees' children reside within the state.
  - (((5))) (4) The <u>enrollment</u> capacity of a charter school must be determined annually by the charter school board in consultation with the charter authorizer and with consideration of the charter school's ability to facilitate the academic success of its students, achieve the objectives specified in the charter contract, and assure that its student enrollment does not exceed the capacity of its facility. An

- 1 authorizer may not restrict the number of students a charter school 2 may enroll.
- $((\frac{6}{1}))$  (5) Nothing in this section prevents formation of a 3 charter school whose mission is to offer a specialized learning 4 environment and services for particular groups of students, such as 5 6 at-risk students, students with disabilities, or students who pose 7 such severe disciplinary problems that they warrant a specific educational program. Nothing in this section prevents formation of a 8 9 charter school organized around a special emphasis, theme, or concept as stated in the school's application and charter contract. 10
- 11 Sec. 106. RCW 28A.710.060 and 2013 c 2 s 206 are each reenacted 12 and amended to read as follows:
  - (1) School districts must provide information to parents and the general public about charter schools located within the district as an enrollment option for students.
  - (2) If a student who was previously enrolled in a charter school enrolls in another public school in the state, the student's new school must accept credits earned by the student in the charter school in the same manner and according to the same criteria that credits are accepted from other public schools.
- 21 (3) A charter school ((is eligible for)) may participate in state 22 or district-sponsored interscholastic programs, awards, scholarships, 23 or competitions to the same extent as other public schools.
- Sec. 107. RCW 28A.710.070 and 2013 c 2 s 208 are each reenacted and amended to read as follows:
  - (1) The Washington <u>state</u> charter school commission is established as an independent state agency whose mission is to authorize high quality ((<del>public</del>)) charter <u>public</u> schools throughout the state, ((<del>particularly</del>)) <u>especially</u> schools <u>that are</u> designed to expand opportunities for at-risk students, and to ensure the highest standards of accountability and oversight for these schools.
- 32 (2) The commission shall, through its management, supervision,
  33 and enforcement of the charter contracts <u>and pursuant to applicable</u>
  34 <u>law</u>, administer the ((<del>portion of the public common school system</del>
  35 <del>consisting of the</del>)) charter schools it authorizes ((<del>as provided in</del>
  36 <del>this chapter,</del>)) in the same manner as a school district board of
  37 directors((<del>, through its management, supervision, and enforcement of</del>

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the charter contracts, and pursuant to applicable law, administers the charter schools it authorizes)) administers other schools.

 $((\frac{(2)}{(2)}))$  (3) The commission shall consist of nine members, no more than five of whom shall be members of the same political party. Three members shall be appointed by the governor; three members shall be appointed by the president of the senate; and three members shall be appointed by the speaker of the house of representatives. The appointing authorities shall assure diversity among commission members, including representation from various geographic areas of the state and shall assure that at least one member is a parent of a Washington public school student.

 $((\frac{3}{3}))$   $(\frac{4}{3})$  Members appointed to the commission shall collectively possess strong experience and expertise in public and nonprofit governance; management and finance; public school leadership, assessment, curriculum, and instruction; and public education law. All members shall have demonstrated an understanding of and commitment to charter schooling as a strategy for strengthening public education.

((4+)) (5) Members shall be appointed to <u>serve</u> four-year, staggered terms((-, with)). The initial appointments from each of the appointing authorities ((-, with)) must consist of one member appointed to a one-year term, one member appointed to a two-year term, and one member appointed to a three-year term, all of whom thereafter may be reappointed for a four-year term. No member may serve more than two consecutive terms. Initial appointments must be made ((-, with)) by July 1, 2016.

 $((\frac{5}{1}))$  (6) Whenever a vacancy on the commission exists, the original appointing authority must appoint a member for the remaining portion of the term within no more than thirty days.

 $((\frac{(6)}{(6)}))$  Commission members shall serve without compensation but may be reimbursed for travel expenses as authorized in RCW 43.03.050 and 43.03.060.

(((7) Operational and staff support for the commission shall be provided by the office of the governor until the commission has sufficient resources to hire or contract for separate staff support, who)) (8) The commission shall reside within the office of the ((governor)) superintendent of public instruction for administrative purposes only.

- 1  $((\frac{8}{8}))$  (9) RCW 28A.710.090 and 28A.710.120 do not apply to the commission.
- 3 **Sec. 108.** RCW 28A.710.080 and 2013 c 2 s 207 are each reenacted 4 and amended to read as follows:
- 5 The following entities ((are eligible to)) may be authorizers of 6 charter schools:
- 7 (1) The ((Washington charter school)) commission ((established 8 under RCW 28A.710.070,)) may exercise the authority granted under 9 this section for charter schools located anywhere in the state; and
- (2) <u>A school</u> district board((s)) of directors ((that have been approved by the state board of education under RCW 28A.710.090 before authorizing a charter school,)) may exercise the authority granted under this section only after receiving approval from the state board of education under RCW 28A.710.090, and only for charter schools located within the school district's ((own)) boundaries.
- Sec. 109. RCW 28A.710.090 and 2013 c 2 s 209 are each reenacted and amended to read as follows:
- 18 (1) The state board of education shall establish an annual application and approval process and timelines for ((entities)) school districts seeking approval to ((be)) become charter school authorizers. The initial process and timelines must be established ((no later than ninety days after December 6, 2012)) by July 1, 2016.
  - (2) At a minimum, each applicant <u>district</u> must submit to the state board <u>of education</u>:
    - (a) The applicant's strategic vision for chartering;
    - (b) A plan to support the vision presented, including explanation and evidence of the applicant's budget and personnel capacity and commitment to execute the responsibilities of quality charter authorizing;
- 30 (c) A draft or preliminary outline of the ((request for proposals)) annual charter school application process that the applicant would, if approved as an authorizer, issue to solicit charter school applicants;
- (d) A draft of the performance framework that the applicant would, if approved as an authorizer, use to guide the establishment of a charter contract and <u>use</u> for ongoing oversight and evaluation of charter schools;

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- 1 (e) A draft of the applicant's proposed renewal, revocation, and 2 nonrenewal processes, consistent with RCW 28A.710.190 and 3 28A.710.200;
- 4 (f) A statement of assurance that the applicant seeks to serve as 5 an authorizer in fulfillment of the expectations, spirit, and intent 6 of this chapter, and that, if approved as an authorizer, the 7 applicant will fully participate in any authorizer training provided 8 or required by the state; and
- 9 (g) A statement of assurance that the applicant will provide 10 public accountability and transparency in all matters concerning 11 charter authorizing practices, decisions, and expenditures.
  - (3) The state board of education shall consider the merits of each application and make its decision within the timelines established by the <u>state</u> board <u>of education</u>.
  - (4) Within thirty days of making a decision to approve an application under this section, the state board of education must execute a renewable authorizing contract with the ((entity)) applicant district. The initial term of an authorizing contract ((shall)) must be six years. The authorizing contract must specify each approved ((entity's)) applicant district's agreement to serve as an authorizer in accordance with the expectations of this chapter, and may specify additional performance terms based on the applicant's proposal and plan for chartering.
- 24 <u>(5)</u> No approved ((entity)) school district may commence charter 25 authorizing without an authorizing contract in effect.
- Sec. 110. RCW 28A.710.100 and 2013 c 2 s 210 are each reenacted and amended to read as follows:
- 28 (1) Authorizers are responsible for:

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- (a) Soliciting and evaluating charter applications;
- 30 (b) Approving ((quality)) charter applications that meet 31 identified educational needs and promote a diversity of educational 32 choices;
- 33 (c) Denying ((weak or inadequate)) charter applications that fail 34 to meet statutory requirements, requirements of the authorizer, or 35 both;
- 36 (d) Negotiating and executing ((sound)) charter contracts with
  37 each authorized charter school;
- 38 (e) Monitoring, in accordance with charter contract terms, the 39 performance and legal compliance of charter schools including, Code Rev/SCG:amh 10 H-4714.2/16 2nd draft

- 1 without limitation, education and academic performance goals and 2 student achievement; and
- 3 (f) Determining whether each charter contract merits renewal,
  4 nonrenewal, or revocation.
  - (2) An authorizer may delegate its responsibilities under this section to employees or contractors.
  - (3) All authorizers must develop and follow chartering policies and practices that are consistent with the principles and standards for quality charter authorizing developed by the national association of charter school authorizers in at least the following areas:
    - (a) Organizational capacity and infrastructure;
    - (b) Soliciting and evaluating charter applications;
- 13 (c) Performance contracting;

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- (d) Ongoing charter school oversight and evaluation; and
- 15 (e) Charter renewal decision making.
- 16 (4) Each authorizer must submit an annual report to the state 17 board of education, according to a timeline, content, and format 18 specified by the board((, which)) that includes:
  - (a) The authorizer's strategic vision for chartering and progress toward achieving that vision;
  - (b) The academic and financial performance of all operating charter schools ((overseen by the authorizer)) under its jurisdiction, including the progress of the charter schools based on the authorizer's performance framework;
  - (c) The status of the authorizer's charter school portfolio, identifying all charter schools in each of the following categories:

    (i) Approved but not yet  $open((\tau))$ ; (ii)  $operating((\tau))$ ; (iii) epsilon vertical ve
  - (d) The authorizer's operating costs and expenses detailed in annual audited financial statements that conform with generally accepted accounting principles; and
  - (e) The services purchased from the authorizer by the charter schools under its jurisdiction under RCW 28A.710.110, including an itemized accounting of the actual costs of these services.
- 36 (5) Neither an authorizer, individuals who comprise the 37 membership of an authorizer in their official capacity, nor the 38 employees of an authorizer are liable for acts or omissions of a 39 charter school they authorize.

- 1 (6) No employee, trustee, agent, or representative of an 2 authorizer may simultaneously serve as an employee, trustee, agent, 3 representative, vendor, or contractor of a charter school under the 4 jurisdiction of that authorizer.
- **Sec. 111.** RCW 28A.710.110 and 2013 c 2 s 211 are each reenacted 6 and amended to read as follows:
  - (1) The state board of education shall establish a statewide formula for an authorizer oversight fee, which ((shall)) <u>must</u> be calculated as a percentage of the state operating funding ((allocated)) <u>distributed to charter schools</u> under RCW 28A.710.220 to each charter school under the jurisdiction of an authorizer, but may not exceed four percent of each charter school's annual funding. ((The office of the superintendent of public instruction shall deduct the oversight fee from each charter school's allocation under RCW 28A.710.220 and transmit the fee to the appropriate authorizer.))
  - (2) The state board of education may establish a sliding scale for the authorizer oversight fee, with the funding percentage decreasing after the authorizer has achieved a certain threshold, such as after a certain number of years of authorizing or after a certain number of charter schools have been authorized.
- 21 (3) The office of the superintendent of public instruction shall 22 deduct the oversight fee from each charter school's distribution 23 under RCW 28A.710.220 and transmit the fee to the appropriate 24 authorizer.
- 25 <u>(4)</u> An authorizer must use its oversight fee exclusively for the purpose of fulfilling its duties under RCW 28A.710.100.
  - ((\(\frac{(4+)}{4}\))) (5) An authorizer may provide contracted, fee-based services to charter schools under its jurisdiction that are in addition to the oversight duties under RCW 28A.710.100. An authorizer may not charge more than market rates for the contracted services provided. An authorizer may not require a charter school ((\(\text{may not be required}\))) to purchase contracted services ((\(\frac{from}{rom}\))) provided by an authorizer. Fees collected by the authorizer under this subsection must be separately accounted for and reported annually to the state board of education.
- 36 Sec. 112. RCW 28A.710.120 and 2013 c 2 s 212 are each reenacted 37 and amended to read as follows:

- 1 (1) The state board of education is responsible for overseeing the performance and effectiveness of all authorizers approved under 2 RCW 28A.710.090. 3
  - (2) Persistently unsatisfactory performance of an authorizer's portfolio of charter schools, a pattern of well-founded complaints about the authorizer or its charter schools, or other objective circumstances may trigger a special review by the state board of education.
  - (3) In reviewing or evaluating the performance of authorizers, the <u>state</u> board <u>of education</u> must apply nationally recognized principles and standards for quality charter authorizing. Evidence of material or persistent failure by an authorizer to carry out its duties in accordance with ((the)) these principles and standards constitutes grounds for revocation of the authorizing contract by the state board of education, as provided under this section.
  - (4) If at any time the state board of education finds that an authorizer is not in compliance with a charter contract, its authorizing contract, or the authorizer duties under RCW 28A.710.100, the board must notify the authorizer in writing of the identified problems, and the authorizer ((shall)) must have reasonable opportunity to respond and remedy the problems.
  - (5) If ((an authorizer persists)), after due notice from the state board of education, an authorizer persists in violating a material provision of a charter contract or its authorizing contract, or fails to remedy other identified authorizing problems, the state board of education shall notify the authorizer, within a reasonable amount of time under the circumstances, that it intends to revoke the authorizer's chartering authority unless the authorizer demonstrates a timely and satisfactory remedy for the violation or deficiencies.
  - (6) In the event of revocation of any authorizer's chartering authority, the state board of education shall manage the timely and orderly transfer of each charter contract held by that authorizer to another authorizer in the state, with the mutual agreement of each affected charter school and proposed new authorizer. The new authorizer shall assume the existing charter contract for the remainder of the charter term.
- (7) The state board of education must establish timelines and a 37 process for taking actions under this section in response to 38 performance deficiencies by an authorizer.

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- 1 Sec. 113. RCW 28A.710.130 and 2013 c 2 s 213 are each reenacted 2 and amended to read as follows:
  - (1)(a) Each authorizer must annually issue and broadly publicize a ((request)) solicitation for proposals for charter school applicants by the date established by the state board of education under RCW 28A.710.140.
- 7 (b) Each authorizer's ((request)) solicitation for proposals 8 must:
  - (i) Present the authorizer's strategic vision for chartering, including a clear statement of any preferences the authorizer wishes to grant to applications that employ proven methods for educating atrisk students or students with special needs;
- (ii) Include or otherwise direct applicants to the performance framework that the authorizer has developed for charter school oversight and evaluation in accordance with RCW 28A.710.170;
- 16 (iii) Provide the criteria that will guide the authorizer's decision to approve or deny a charter application; and
  - (iv) State clear, appropriately detailed questions as well as guidelines concerning the format and content essential for applicants to demonstrate the capacities necessary to establish and operate a successful charter school.
- 22 (2) A charter school application must provide or describe 23 thoroughly all of the following elements of the proposed school plan:
  - (a) An executive summary;

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- (b) The mission and vision of the proposed charter school, including identification of the ((targeted)) student population and ((the)) community the school hopes to serve;
- (c) The location or geographic area proposed for the school and the school district within which the school will be located;
- 30 (d) The grades to be served each year for the full term of the 31 charter contract;
- 32 (e) Minimum, planned, and maximum enrollment per grade per year 33 for the <u>full</u> term of the charter contract;
- 34 (f) Evidence of need and parent and community support for the 35 proposed charter school;
- (g) Background information on the proposed founding ((governing))
  charter school board members and, if identified, the proposed school leadership and management team;
  - (h) The school's proposed calendar and sample daily schedule;

1 (i) A description of the academic program aligned with state 2 standards;

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- (j) A description of the school's proposed instructional design, including the type of learning environment( $(\div)$ ), class size and structure( $(\div)$ ), curriculum overview( $(\div)$ ), and teaching methods;
- 6 (k) Evidence that the educational program is based on proven 7 methods;
  - (1) The school's plan for using internal and external assessments to measure and report student progress on the performance framework developed by the authorizer in accordance with RCW 28A.710.170;
  - (m) The school's plans for identifying, successfully serving, and complying with applicable laws and regulations regarding students with disabilities, students who are limited English proficient, students who are struggling academically, and highly capable students;
- 16 (n) A description of cocurricular or extracurricular programs and 17 how ((they)) those programs will be funded and delivered;
  - (o) Plans and timelines for student recruitment and enrollment, including targeted plans for recruiting at-risk students and including lottery procedures;
- 21 (p) The school's student discipline policies, including for 22 special education students;
  - (q) An organization chart that clearly presents the school's organizational structure, including lines of authority and reporting between the governing board, staff, any related bodies such as advisory bodies or parent and teacher councils, and any external organizations that will play a role in managing the school;
  - (r) A clear description of the roles and responsibilities for the governing board, the school's leadership and management team, and any other entities shown in the organization chart;
- 31 (s) A staffing plan for the school's first year and for the term 32 of the charter;
- 33 (t) Plans for recruiting and developing school leadership and 34 staff;
- 35 (u) The school's leadership and teacher employment policies, 36 including performance evaluation plans;
  - (v) Proposed governing bylaws;
- 38 (w) An explanation of proposed partnership agreement, if any,
  39 between a charter school and its school district focused on
  40 facilities, budgets, taking best practices to scale, and other items;
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- 1 (x) Explanations of any other partnerships or contractual 2 relationships central to the school's operations or mission;
  - (y) Plans for providing transportation, food service, and all other significant operational or ancillary services;
    - (z) Opportunities and expectations for parent involvement;
- 6 (aa) A detailed school start-up plan, identifying tasks, 7 timelines, and responsible individuals;
- 8 (bb) A description of the school's financial plan and policies, 9 including financial controls and audit requirements;
- 10 (cc) A description of the insurance coverage the school will obtain;
- 12 (dd) Start-up and five-year cash flow projections and budgets 13 with clearly stated assumptions;
- 14 (ee) Evidence of anticipated fund-raising contributions, if 15 claimed in the application; and
- 16 (ff) A sound facilities plan, including backup or contingency 17 plans if appropriate.
  - (3) ((In the case of an application to establish a conversion charter school, the applicant must also demonstrate support for the proposed conversion by a petition signed by a majority of teachers assigned to the school or a petition signed by a majority of parents of students in the school.
  - (4) In the case of an application where the proposed charter school)) If an applicant intends to contract with a nonprofit education service provider for substantial educational services, management services, or both, the applicant must:
  - (a) Provide evidence of the nonprofit education service provider's success in serving student populations similar to the targeted population, including demonstrated academic achievement as well as successful management of nonacademic school functions if applicable;
- (b) Provide a term sheet setting forth: (i) The proposed duration 32 of the service contract; (ii) the roles and responsibilities of the 33 governing board, the school staff, and the service provider; (iii) 34 the scope of services and resources to be provided by the service 35 provider; (iv) performance evaluation measures and timelines; (v) the 36 compensation structure, including clear identification of all fees to 37 be paid to the service provider; (vi) methods of contract oversight 38 39 and enforcement; (vii) investment disclosure; and (viii) conditions 40 for renewal and termination of the contract; and

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- 1 (c) Disclose and explain any existing or potential conflicts of 2 interest between the charter school board and proposed service 3 provider or any affiliated business entities.
- 4 ((<del>(5)</del> In the case of an application from)) (4) If an applicant ((that)) operates one or more schools in any state or nation, the applicant must provide evidence of ((past)) the performance of those schools, including evidence of the applicant's success in serving atrisk students, and capacity for growth.
- 9 ((<del>(6)</del>)) <u>(5)</u> Applicants may submit a proposal for a particular 10 ((<del>public</del>)) charter <u>public</u> school to no more than one authorizer at a 11 time.
- 12 **Sec. 114.** RCW 28A.710.140 and 2013 c 2 s 214 are each reenacted and amended to read as follows:
  - (1) The state board of education must establish an annual statewide timeline for charter application submission and approval or denial((, which)) that must be followed by all authorizers.
  - (2) In reviewing and evaluating charter applications, authorizers shall employ procedures, practices, and criteria consistent with nationally recognized principles and standards for quality charter authorizing. Authorizers shall give preference to applications for charter schools that are designed to enroll and serve at-risk student populations((: PROVIDED, That)). However, nothing in this chapter may be construed as intended to limit the establishment of charter schools to those that serve a substantial portion of at-risk students, or to in any manner restrict, limit, or discourage the establishment of charter schools that enroll and serve other pupil populations under a nonexclusive, nondiscriminatory admissions policy. The application review process must include thorough evaluation of each application, an in-person interview with the applicant group, and an opportunity to learn about and provide input on each application in a public forum including, without limitation, parents, community members, local residents, and school district board members and staff((, to learn about and provide input on each application)).
- 35 (3) In deciding whether to approve an application, authorizers 36 must:
- 37 (a) Grant charters only to applicants that have demonstrated 38 competence in each element of the authorizer's published approval

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- criteria and are likely to open and operate a successful ((public))
  charter public school;
- 3 (b) Base decisions on documented evidence collected through the 4 application review process;
  - (c) Follow charter-granting policies and practices that are transparent and based on merit; and
    - (d) Avoid any conflicts of interest, whether real or apparent.
- 8 (4) An approval decision may include, if appropriate, reasonable 9 conditions that the charter applicant must meet before a charter 10 contract may be executed.
- 11 (5) For any denial of an application, the authorizer shall 12 clearly state in writing its reasons for denial. A denied applicant 13 may subsequently reapply to that authorizer or apply to another 14 authorizer in the state.
- Sec. 115. RCW 28A.710.150 and 2013 c 2 s 215 are each reenacted and amended to read as follows:
  - (1) A maximum of forty ((public)) charter public schools may be established under this chapter(( $\tau$ )) over ((a)) the five-year period commencing with the effective date of this section. No more than eight charter schools may be established in any ((single)) year during the five-year period, except that if in any ((single)) year fewer than eight charter schools are established, ((then)) additional charter schools, equal in number to the difference between the number established in that year and eight, may be established in subsequent years during the five-year period.
  - (2)(a) To ensure compliance with the limits for establishing new charter schools, certification from the state board of education must be obtained before final authorization of a charter school.
- (b) Within ten days of taking action to approve or deny an 29 30 application under RCW 28A.710.140, an authorizer must submit a report of the action to the applicant and ((to)) the state board of 31 education((, which)). The report must include a copy of the 32 authorizer's resolution setting forth the action taken, the reasons 33 for the decision, and assurances of compliance with the procedural 34 35 requirements and application elements under RCW 28A.710.130 and 28A.710.140. The authorizer must also indicate whether the charter 36 school is designed to enroll and serve at-risk student populations. 37 The state board of education must establish, for each year in which 38 charter schools may be authorized as part of the timeline to be 39

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- established pursuant to RCW 28A.710.140, the ((last)) latest annual date by which the authorizer ((must)) may submit the report. The state board of education must send to each authorizer notice of the date ((to each authorizer no later than)) by which a report must be submitted at least six months before the date established by the board.
  - (3) Upon the receipt of notice from an authorizer that a charter school has been approved, the state board of education shall certify whether the approval is in compliance with the limits on the maximum number of charters allowed under subsection (1) of this section. If the board receives simultaneous notification of approved charters that exceed the annual allowable limits in subsection (1) of this section, the board must select approved charters for implementation through a lottery process, and must assign implementation dates accordingly.
- 16 (4) The state board of education must notify authorizers when the 17 maximum allowable number of charter schools has been reached.
  - Sec. 116. RCW 28A.710.160 and 2013 c 2 s 216 are each reenacted and amended to read as follows:
  - (1) The purposes of the charter application submitted under RCW 28A.710.130 are to present the proposed charter school's academic and operational vision and plans, and to demonstrate and provide the authorizer with a clear basis for evaluating the applicant's capacities to execute the proposed vision and plans. An approved charter application does not serve as the school's charter contract.
  - (2) Within ninety days of approval of a charter application, the authorizer and the governing board of the approved charter school must execute a charter contract. The contract must establish the terms by which((, fundamentally,)) the ((public)) charter school agrees to provide educational services that, at a minimum, meet basic education standards, in return for ((an allocation)) a distribution of public funds ((to)) that will be used for ((such)) the purposes ((all as set forth)) established in the contract and in this and other applicable statutes ((and in the charter contract)). The charter contract must clearly set forth the academic and operational performance expectations and measures by which the charter school will be ((judged)) evaluated and the administrative relationship between the authorizer and charter school, including each party's rights and duties. The performance expectations and measures set

- forth in the charter contract must include, but need not be limited to, applicable federal and state accountability requirements. The performance provisions may be refined or amended by mutual agreement after the charter school is operating and has collected baseline achievement data for its enrolled students.
- (3) If the charter school is authorized by a school district board of directors, the charter contract must be signed by the president of the applicable school district board of directors ((iff the school district board of directors is the authorizer or the chair of the commission if the commission is the authorizer and by)) and the president of the charter school board. If the charter school is authorized by the commission, the charter contract must be signed by the chair of the commission and the president of the charter school board. Within ten days of executing a charter contract, the authorizer must submit to the state board of education written notification of the charter contract execution, including a copy of the executed charter contract and any attachments.
- (4) A charter contract may govern one or more charter schools to the extent approved by the authorizer. A single charter school board may hold one or more charter contracts. However, each charter school that is part of a charter contract must be separate and distinct from any others and, for purposes of calculating the maximum number of charter schools that may be established under this chapter, each charter school must be considered a single charter school regardless of how many charter schools are governed under a particular charter contract.
- (5) An initial charter contract must be granted for a term of five operating years. The contract term must commence on the charter school's first day of operation. An approved charter school may delay its opening for one school year in order to plan and prepare for the school's opening. If the school requires an opening delay of more than one school year, the school must request an extension from its authorizer. The authorizer may grant or deny the <u>contract</u> extension depending on the school's circumstances.
- (6) Authorizers may establish reasonable preopening requirements or conditions to monitor the start-up progress of newly approved charter schools ((and)), ensure that they are prepared to open smoothly on the date agreed, and ((to)) ensure that each school meets all building, health, safety, insurance, and other legal requirements for school opening.

- 1 (7) No charter school may commence operations without a charter contract executed in accordance with this section.
  - (8) In accordance with section 138(3) of this act:
- (a) The state board of education must take reasonable and necessary steps to provide parties to contracts entered into under or in accordance with chapter 2, Laws of 2013 that were in effect or that had been executed on or before December 1, 2015, with an opportunity to execute new contracts with the same terms and duration or substantially the same terms and duration as were in effect on
- 10 <u>December 1, 2015; and</u>

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- 11 (b) Each authorizer must take reasonable and necessary steps to
  12 provide parties to contracts entered into under or in accordance with
  13 chapter 2, Laws of 2013 that were in effect or that had been executed
  14 on or before December 1, 2015, with an opportunity to execute new
  15 contracts with the same terms and duration or substantially the same
  16 terms and duration as were in effect on December 1, 2015.
- (9) Contracts executed pursuant to subsection (8) of this section

  18 do not count against the annual cap established in RCW

  19 28A.710.150(1).
- 20 (10) For purposes of this section, "substantially the same terms
  21 and duration" includes contract modifications necessary to comply
  22 with the provisions of this chapter or other applicable law.
- Sec. 117. RCW 28A.710.170 and 2013 c 2 s 217 are each reenacted and amended to read as follows:
  - (1) The performance provisions within a charter contract must be based on a performance framework that clearly sets forth the academic and operational performance indicators, measures, and metrics that will guide an authorizer's evaluations of ((each)) a charter school within its jurisdiction.
- 30 (2) At a minimum, the performance framework must include 31 indicators, measures, and metrics for:
  - (a) Student academic proficiency;
- 33 (b) Student academic growth;
- 34 (c) Achievement gaps in both proficiency and growth between major 35 student subgroups;
- 36 (d) Attendance;
- 37 (e) Recurrent enrollment from year to year;
- 38 (f) <u>High school graduation rates and student</u> postsecondary 39 readiness((<del>, for high schools</del>));

(g) Financial performance and sustainability; and

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- 2 (h) <u>Charter school board performance and stewardship, including</u> 3 compliance with all applicable laws, rules, and terms of the charter 4 contract.
  - (3) Annual performance targets must be set by each charter school in conjunction with its authorizer and must be designed to help each school meet applicable federal, state, and authorizer expectations.
    - (4) The authorizer and charter school may also include additional rigorous, valid, and reliable indicators in the performance framework to augment external evaluations of the charter school's performance.
- 11 (5) The performance framework must require the disaggregation of 12 all student performance data by major student subgroups, including 13 gender, race and ethnicity, poverty status, special education status, 14 English language learner status, and highly capable status.
- 15 (6) Multiple schools operating under a single charter contract or 16 overseen by a single charter school board must report their 17 performance as separate schools, and each school shall be held 18 independently accountable for its performance.
- 19 Sec. 118. RCW 28A.710.180 and 2013 c 2 s 218 are each reenacted 20 and amended to read as follows:
  - (1) Each authorizer must continually monitor the performance and legal compliance of the charter schools ((it oversees)) under its jurisdiction, including collecting and analyzing data to support ongoing evaluation according to the performance framework in the charter contract.
  - (2) An authorizer may conduct or require oversight activities that enable the authorizer to fulfill its responsibilities under this chapter, including conducting appropriate inquiries and investigations, ((so long as)) if those activities are consistent with the intent of this chapter, adhere to the terms of the charter contract, and do not unduly inhibit the autonomy granted to charter schools.
- 33 (3) In the event that a charter school's performance or legal compliance appears unsatisfactory, the authorizer must promptly notify the school of the perceived problem and provide reasonable opportunity for the school to remedy the problem((, unless)).

  36 However, if the problem warrants revocation ((in which case)) of the charter contract, the revocation procedures under RCW 28A.710.200 apply.

- 1 (4) An authorizer may take appropriate corrective actions or 2 exercise sanctions short of revocation in response to apparent 3 deficiencies in charter school performance or legal compliance. 4 ((Such)) These actions or sanctions may include, if warranted, 5 requiring a school to develop and execute a corrective action plan 6 within a specified time frame.
- 7 Sec. 119. RCW 28A.710.190 and 2013 c 2 s 219 are each reenacted 8 and amended to read as follows:
  - (1) A charter contract may be renewed by the authorizer, at the request of the charter school, for successive five-year terms((\(\tau\) although)). The authorizer, however, may vary the term based on the performance, demonstrated capacities, and particular circumstances of a charter school, and may grant renewal with specific conditions for necessary improvements to a charter school.
  - (2) No later than six months before the expiration of a charter contract, the authorizer must issue a performance report and charter contract renewal application guidance to ((that)) the charter school. The performance report must summarize the charter school's performance record to date based on the data required by the charter contract, and must provide notice of any weaknesses or concerns perceived by the authorizer concerning the charter school that may, if not timely rectified, jeopardize its position in seeking renewal ((if not timely rectified)). The charter school has thirty days to respond to the performance report and submit any corrections or clarifications for the report.
  - (3) The renewal application guidance must, at a minimum, provide an opportunity for the charter school to:
  - (a) Present additional evidence, beyond the data contained in the performance report, supporting its case for charter contract renewal;
- 30 (b) Describe improvements undertaken or planned for the school; 31 and
  - (c) Detail the school's plans for the next charter contract term.
  - (4) The renewal application guidance must include or refer explicitly to the criteria that will guide the authorizer's renewal decisions, ((which shall)) and this criteria must be based on the performance framework set forth in the charter contract.
    - (5) In making charter renewal decisions, an authorizer must:

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- 1 (a) ((Ground)) <u>Base</u> its decisions in evidence of the school's 2 performance over the term of the charter contract in accordance with 3 the performance framework set forth in the charter contract;
  - (b) Ensure that data used in making renewal decisions are available to the school and the public; and
- 6 (c) Provide a public report summarizing the evidence basis for 7 its decision.
- 8 **Sec. 120.** RCW 28A.710.200 and 2013 c 2 s 220 are each reenacted 9 and amended to read as follows:
- 10 (1) An authorizer may revoke a charter contract ((may be revoked)) at any time, or ((not renewed)) may refuse to renew it, if the authorizer determines that the charter school did any of the following or otherwise failed to comply with the provisions of this chapter:
- 15 (a) Committed a material and substantial violation of any of the 16 terms, conditions, standards, or procedures required under this 17 chapter or the charter contract;
- 18 (b) Failed to meet or make sufficient progress toward the 19 performance expectations set forth in the charter contract;
- 20 (c) Failed to meet generally accepted standards of fiscal 21 management; or
- 22 (d) Substantially violated any material provision of law from 23 which the charter school is not exempt.
- 24 (2) Except as provided otherwise by this subsection (2), an author<u>izer may not renew a</u> charter contract ((may not be renewed)) 25 26 if, at the time of the renewal application, the charter school's 27 performance falls in the bottom quartile of schools on the ((accountability)) Washington achievement index developed by the 28 state board of education under RCW 28A.657.110((, unless)). A 29 30 contract may be renewed without violating this subsection (2), however, if the charter school demonstrates exceptional circumstances 31 that the authorizer finds justifiable. 32
- 33 (3) Each authorizer must develop revocation and nonrenewal processes that:
- 35 (a) Provide the charter school board with a timely notification 36 of the prospect of and reasons for revocation or nonrenewal;
- 37 (b) Allow the charter school board a reasonable amount of time in 38 which to prepare a response;

(c) Provide the charter school board with an opportunity, at a recorded public proceeding held for that purpose, to submit documents and give testimony challenging the rationale for closure and in support of the continuation of the school ((at a recorded public proceeding held for that purpose));

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- (d) Allow the charter school board to be represented by counsel and to call witnesses on its behalf; and
- (e) After a reasonable period for deliberation, require a final determination to be made and conveyed in writing to the charter school board.
- (4) If an authorizer revokes or does not renew a charter contract, the authorizer must clearly state in a resolution the reasons for the revocation or nonrenewal.
  - (5) Within ten days of taking action to renew, not renew, or revoke a charter contract, an authorizer must submit a report of the action to the ((applicant)) charter school and ((to)) the state board education((, which)). The report must include a copy of the authorizer's resolution setting forth the action taken, the reasons for the decision, and assurances of compliance with the procedural requirements established by the authorizer under this section.
- Sec. 121. RCW 28A.710.210 and 2013 c 2 s 221 are each reenacted 21 and amended to read as follows: 22
  - (1) Before making a decision to not renew or to revoke a charter contract,  $\underline{an}$  authorizer(( $\underline{s}$ )) must develop a charter termination protocol to ensure timely notification to parents, orderly transition of students and student records to new schools, as necessary, and proper disposition of public school funds, property, The protocol must specify tasks, timelines, and assets. responsible parties, including delineating the respective duties of the charter school and the authorizer.
- (2) ((<del>In the event that</del>)) <u>If</u> the nonprofit corporation 31 ((applicant)) operator of a charter school should dissolve for any 32 reason including, without limitation, because of the termination of 33 the charter contract, the public school funds of the charter school 34 35 that have been provided pursuant to RCW 28A.710.220 must be returned to the state or local account from which the public funds originated. 36 If the charter school has commingled the funds, the funds must be 37 returned in proportion to the proportion of those funds received by 38 the charter school from the public accounts in the last year 39 Code Rev/SCG:amh 25

- 1 preceding the dissolution. The dissolution of ((an applicant)) <u>a</u>
  2 nonprofit corporation shall otherwise proceed as provided by law.
  - (3) A charter contract may not be transferred from one authorizer to another or from one charter school ((applicant)) to another before the expiration of the charter contract term except by petition to the state board of education by the charter school or its authorizer. The state board of education must review such petitions on a case-by-case basis and may grant transfer requests in response to special circumstances and evidence that such a transfer would serve the best interests of the charter school's students.
- 11 Sec. 122. RCW 28A.710.220 and 2013 c 2 s 222 are each reenacted 12 and amended to read as follows:
  - (1) Charter schools must report student enrollment in the same manner, and based on the same definitions of enrolled students and annual average full-time equivalent enrollment, as other public schools. Charter schools must comply with applicable reporting requirements to receive state or federal funding that is ((allocated)) distributed based on student characteristics.
  - (2) ((According to the schedule established under RCW 28A.510.250, the superintendent of public instruction shall allocate funding for a charter school including general apportionment, special education, categorical, and other nonbasic education moneys. Allocations must be based on the statewide average staff mix ratio of all noncharter public schools from the prior school year and the school's actual full-time equivalent enrollment. Categorical funding must be allocated to a charter school based on the same funding criteria used for noncharter public schools and the funds must be expended as provided in the charter contract. A charter school is eligible to apply for state grants on the same basis as a school district)) In accordance with appropriations made under sections 127 and 128 of this act, the superintendent of public instruction shall distribute state funding to charter schools according to the schedule established in RCW 28A.510.250.
  - (3) ((Allocations for pupil transportation must be calculated on a per student basis based on the allocation for the previous school year to the school district in which the charter school is located. A charter school may enter into a contract with a school district or other public or private entity to provide transportation for the students of the school.

(4))) Amounts ((payable)) distributed to a charter school under ((this)) section 128 of this act in the school's first year of operation must be based on the projections of first-year student enrollment established in the charter contract. The office of the superintendent of public instruction must reconcile the amounts ((paid)) distributed in the first year of operation to the amounts that would have been ((paid)) distributed based on actual student and make adjustments the charter school's to ((allocations)) distributions over the course of the second year of operation.

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- ((<del>5)</del> For charter schools authorized by a school district board 11 12 of directors, allocations to a charter school that are included in RCW 84.52.0531(3) (a) through (c) shall be included in the levy 13 planning, budgets, and funding distribution in the same manner as 14 other public schools in the district. 15
  - (6) Conversion charter schools are eligible for local levy moneys approved by the voters before the conversion start-up date of the school as determined by the authorizer, and the school district must allocate levy moneys to a conversion charter school.
- (7) New charter schools are not eligible for local levy moneys 21 approved by the voters before the start-up date of the school unless the local school district is the authorizer. 22
  - (8) For levies submitted to voters after the start-up date of a charter school authorized under this chapter, the charter school must be included in levy planning, budgets, and funding distribution in the same manner as other public schools in the district.
- (9))) (4) Any moneys received by a charter school from any source 27 28 and remaining in the school's accounts at the end of ((any)) a budget 29 year ((shall)) must remain in the school's accounts for use by the school during subsequent budget years. 30
- 31 Sec. 123. RCW 28A.710.230 and 2013 c 2 s 223 are each reenacted and amended to read as follows: 32
- (1) Charter schools are eligible for state ((matching funds)) 33 34 funding for ((<del>common</del>)) school construction. However, such 35 appropriations may not be made from the common school construction fund. 36
- (2) ((A)) If a school district decides to sell or lease the 37 public school facility or property pursuant to RCW 28A.335.040 or 38 28A.335.120, a charter school ((has)) located within the boundaries 39 Code Rev/SCG:amh 27 H-4714.2/16 2nd draft

- of the district has a right of first refusal to purchase or lease at ((or below)) fair market value a closed public school facility or property or unused portions of a public school facility or property ((located in a school district from which it draws its students if the school district decides to sell or lease the public school facility or property pursuant to RCW 28A.335.040 or 28A.335.120)) by negotiated agreement with mutual consideration. The consideration may include the provision of educational services by the charter school.
- 9 (3) A charter school may negotiate and contract with a school district, the governing body of a public college or university, or any other public or private entity for the use of a facility for a school building at ((or below)) fair market rent.
  - (4) Public libraries, community service organizations, museums, performing arts venues, theaters, and public or private colleges and universities may provide space to charter schools within their facilities under their preexisting zoning and land use designations.
  - (((5) A conversion charter school as part of the consideration for providing educational services under the charter contract may continue to use its existing facility without paying rent to the school district that owns the facility. The district remains responsible for major repairs and safety upgrades that may be required for the continued use of the facility as a public school. The charter school is responsible for routine maintenance of the facility including, but not limited to, cleaning, painting, gardening, and landscaping. The charter contract of a conversion charter school using existing facilities that are owned by its school district must include reasonable and customary terms regarding the use of the existing facility that are binding upon the school district.))
- **Sec. 124.** RCW 28A.710.240 and 2013 c 2 s 224 are each reenacted 31 to read as follows:
  - Years of service in a charter school by certificated instructional staff shall be included in the years of service calculation for purposes of the statewide salary allocation schedule under RCW 28A.150.410. This section does not require a charter school to pay a particular salary to its staff while the staff is employed by the charter school.

1 Sec. 125. RCW 28A.710.250 and 2013 c 2 s 225 are each reenacted 2 and amended to read as follows:

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- (1) By December 1st of each year beginning in the first year after there have been charter schools operating for a full school year, the state board of education, in collaboration with the commission, must issue ((an annual)) a report on the performance of the state's charter schools ((for)) during the preceding school year to the governor, the legislature, and the public at large.
- (2) The annual report must be based on the reports submitted by each authorizer as well as any additional relevant data compiled by the state board of education. The report must include a comparison of the performance of charter school students with the performance of academically, ethnically, and economically comparable groups of students in ((noncharter)) other public schools. In addition, the annual report must include the state board of education's assessment of the successes, challenges, and areas for improvement in meeting the purposes of this chapter, including the board's assessment of the sufficiency of funding for charter schools, the efficacy of the formula for authorizer funding, and any suggested changes in state law or policy necessary to strengthen the state's charter schools.
- 21 (3) Together with the issuance of the annual report following the 22 fifth year after there have been charter schools operating for a full 23 school year, the state board of education, in collaboration with the 24 commission, shall submit a recommendation regarding whether or not 25 the legislature should authorize the establishment of additional 26 ((public)) charter public schools.
- 27 **Sec. 126.** RCW 28A.710.260 and 2014 c 221 s 911 are each 28 reenacted to read as follows:
- The charter schools oversight account is hereby created in the state treasury. All moneys received by the commission under RCW 28A.710.110 must be deposited into the account. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only for the purposes of this chapter.
- NEW SECTION. Sec. 127. A new section is added to chapter 28A.710 RCW to read as follows:
- The state legislature shall, at each regular session in an oddnumbered year, appropriate from the Washington opportunity pathways account for the current use of charter public schools amounts as Code Rev/SCG:amh

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- 1 determined in accordance with section 128 of this act, and amounts
- 2 authorized under RCW 28A.710.230(1), for state support to charter
- 3 schools during the ensuing biennium.
- 4 <u>NEW SECTION.</u> **Sec. 128.** A new section is added to chapter 5 28A.710 RCW to read as follows:
- eligible students enrolled in a charter school 6 For established and operating in accordance with this chapter, the 7 superintendent of public instruction shall transmit to each charter 8 school an amount per each full-time equivalent student at statewide 9 10 uniform rates. The calculations and distributions must be based upon 11 the estimated statewide annual average per full-time equivalent student allocations under RCW 28A.150.260, including any enrichment 12 13 to those statutory formulae that is specified in the omnibus appropriations act. The amount must be the sum of (a) and (b) of this 14 subsection, as applicable. 15
- 16 (a) The superintendent shall, for purposes of making 17 distributions under this section, separately calculate and distribute 18 to charter schools moneys appropriated for general apportionment 19 under the same ratios as in RCW 28A.150.260.
  - (b) The superintendent also shall, for purposes of making distributions under this section, and in accordance with the applicable formulae for categorical programs specified in (b)(i) through (v) of this subsection (1) and any enrichment to those statutory formulae that is specified in the omnibus appropriations act, separately calculate and distribute moneys appropriated by the legislature to charter schools for:
  - (i) Supplemental instruction and services for underachieving students through the learning assistance program under RCW 28A.165.005 through 28A.165.065;
- (ii) Supplemental instruction and services for eligible and enrolled students and exited students whose primary language is other than English through the transitional bilingual instruction program under RCW 28A.180.010 through 28A.180.080;
- (iii) The opportunity for an appropriate education at public expense as defined by RCW 28A.155.020 for all eligible students with disabilities as defined in RCW 28A.155.020;
- 37 (iv) Programs for highly capable students under RCW 28A.185.010 38 through 28A.185.030; and

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- 1 (v) Pupil transportation services to and from school in 2 accordance with RCW 28A.160.150 through 28A.160.180. Distributions 3 for pupil transportation must be calculated on a per eligible student 4 basis based on the allocation for the previous school year to the 5 school district in which the charter school is located.
- 6 (2) The superintendent of public instruction must adopt rules 7 necessary for the distribution of funding required by this section 8 and to comply with federal reporting requirements.
- 9 **Sec. 129.** RCW 28A.150.010 and 2013 c 2 s 301 are each reenacted 10 and amended to read as follows:
- 11 Public schools means the common schools as referred to in Article
  12 IX of the state Constitution, ((including)) charter schools
  13 established under chapter 28A.710 RCW, and those schools and
  14 institutions of learning having a curriculum below the college or
  15 university level as now or may be established by law and maintained
  16 at public expense.
- 17 Sec. 130. RCW 28A.315.005 and 2013 c 2 s 302 are each reenacted and amended to read as follows:

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- (1) Under the constitutional framework and the laws of the state of Washington, the governance structure for the state's public common school system is comprised of the following bodies: The legislature, the governor, the superintendent of public instruction, the state board of education, ((the Washington charter school commission,)) the educational service district boards of directors, and local school district boards of directors. The respective policy and administrative roles of each body are determined by the state Constitution and statutes.
- (2) Local school districts are political subdivisions of the state and the organization of such districts, including the powers, duties, and boundaries thereof, may be altered or abolished by laws of the state of Washington.
- 32 **Sec. 131.** RCW 41.32.033 and 2013 c 2 s 303 are each reenacted to 33 read as follows:
- This section designates charter schools established under chapter 28A.710 RCW as employers and charter school employees as members, and applies only if the department of retirement systems receives determinations from the internal revenue service and the United Code Rev/SCG:amh 31 H-4714.2/16 2nd draft

- 1 States department of labor that participation does not jeopardize the
- 2 status of these retirement systems as governmental plans under the
- 3 federal employees' retirement income security act and the internal
- 4 revenue code.
- 5 **Sec. 132.** RCW 41.35.035 and 2013 c 2 s 304 are each reenacted to 6 read as follows:
- 7 This section designates charter schools established under chapter
- 8 28A.710 RCW as employers and charter school employees as members, and
- 9 applies only if the department of retirement systems receives
- 10 determinations from the internal revenue service and the United
- 11 States department of labor that participation does not jeopardize the
- 12 status of these retirement systems as governmental plans under the
- 13 federal employees' retirement income security act and the internal
- 14 revenue code.
- 15 **Sec. 133.** RCW 41.40.025 and 2013 c 2 s 305 are each reenacted to
- 16 read as follows:
- 17 This section designates charter schools established under chapter
- 18 28A.710 RCW as employers and charter school employees as members, and
- 19 applies only if the department of retirement systems receives
- 20 determinations from the internal revenue service and the United
- 21 States department of labor that participation does not jeopardize the
- 22 status of these retirement systems as governmental plans under the
- 23 federal employees' retirement income security act and the internal
- 24 revenue code.
- 25 **Sec. 134.** RCW 41.05.011 and 2015 c 116 s 2 are each reenacted to
- 26 read as follows:
- The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.
- 29 (1) "Authority" means the Washington state health care authority.
- 30 (2) "Board" means the public employees' benefits board 31 established under RCW 41.05.055.
- 32 (3) "Dependent care assistance program" means a benefit plan
- 33 whereby state and public employees may pay for certain employment
- 34 related dependent care with pretax dollars as provided in the salary
- 35 reduction plan under this chapter pursuant to 26 U.S.C. Sec. 129 or
- 36 other sections of the internal revenue code.
- 37 (4) "Director" means the director of the authority.

(5) "Emergency service personnel killed in the line of duty" means law enforcement officers and firefighters as defined in RCW 41.26.030, members of the Washington state patrol retirement fund as defined in RCW 43.43.120, and reserve officers and firefighters as defined in RCW 41.24.010 who die as a result of injuries sustained in the course of employment as determined consistent with Title 51 RCW by the department of labor and industries.

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7 (6) "Employee" includes all employees of the state, whether or 8 not covered by civil service; elected and appointed officials of the 9 executive branch of government, including full-time 10 boards, commissions, or committees; justices of the supreme court and 11 12 judges of the court of appeals and the superior courts; and members of the state legislature. Pursuant to contractual agreement with the 13 authority, "employee" may also include: (a) Employees of a county, 14 municipality, or other political subdivision of the state and members 15 16 of the legislative authority of any county, city, or town who are elected to office after February 20, 1970, if the 17 legislative authority of the county, municipality, or other political subdivision 18 of the state seeks and receives the approval of the authority to 19 provide any of its insurance programs by contract with the authority, 20 as provided in RCW 41.04.205 and 41.05.021(1)(g); (b) employees of 21 employee organizations representing state civil service employees, at 22 the option of each such employee organization, and, effective October 23 1, 1995, employees of employee organizations currently pooled with 24 25 employees of school districts for the purpose of purchasing insurance 26 benefits, at the option of each such employee organization; (c) employees of a school district if the authority agrees to provide any 27 of the school districts' insurance programs by contract with the 28 authority as provided in RCW 28A.400.350; (d) employees of a tribal 29 government, if the governing body of the tribal government seeks and 30 31 receives the approval of the authority to provide any 32 insurance programs by contract with the authority, as provided in RCW 41.05.021(1) (f) and (q); (e) employees of the Washington health 33 benefit exchange if the governing board of the exchange established 34 in RCW 43.71.020 seeks and receives approval of the authority to 35 36 provide any of its insurance programs by contract with the authority, as provided in RCW 41.05.021(1) (g) and (n); and (f) employees of a 37 charter school established under chapter 28A.710 RCW. "Employee" does 38 39 not include: Adult family home providers; unpaid volunteers; patients 40 of state hospitals; inmates; employees of the Washington state

- convention and trade center as provided in RCW 41.05.110; students of institutions of higher education as determined by their institution; and any others not expressly defined as employees under this chapter or by the authority under this chapter.
  - (7) "Employer" means the state of Washington.

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- (8) "Employer group" means those counties, municipalities, political subdivisions, the Washington health benefit exchange, tribal governments, school districts, and educational service districts, and employee organizations representing state civil service employees, obtaining employee benefits through a contractual agreement with the authority.
- (9) "Employing agency" means a division, department, or separate agency of state government, including an institution of higher education; a county, municipality, school district, educational service district, or other political subdivision; charter school; and a tribal government covered by this chapter.
- (10) "Faculty" means an academic employee of an institution of higher education whose workload is not defined by work hours but whose appointment, workload, and duties directly serve the institution's academic mission, as determined under the authority of its enabling statutes, its governing body, and any applicable collective bargaining agreement.
- 23 (11) "Flexible benefit plan" means a benefit plan that allows 24 employees to choose the level of health care coverage provided and 25 the amount of employee contributions from among a range of choices 26 offered by the authority.
  - (12) "Insuring entity" means an insurer as defined in chapter 48.01 RCW, a health care service contractor as defined in chapter 48.44 RCW, or a health maintenance organization as defined in chapter 48.46 RCW.
  - (13) "Medical flexible spending arrangement" means a benefit plan whereby state and public employees may reduce their salary before taxes to pay for medical expenses not reimbursed by insurance as provided in the salary reduction plan under this chapter pursuant to 26 U.S.C. Sec. 125 or other sections of the internal revenue code.
- 36 (14) "Participant" means an individual who fulfills the 37 eligibility and enrollment requirements under the salary reduction 38 plan.
- 39 (15) "Plan year" means the time period established by the 40 authority.

- 1 (16) "Premium payment plan" means a benefit plan whereby state and public employees may pay their share of group health plan premiums with pretax dollars as provided in the salary reduction plan 3 under this chapter pursuant to 26 U.S.C. Sec. 125 or other sections 4 of the internal revenue code.
  - (17) "Retired or disabled school employee" means:

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- (a) Persons who separated from employment with a school district or educational service district and are receiving a retirement allowance under chapter 41.32 or 41.40 RCW as of September 30, 1993;
- (b) Persons who separate from employment with a school district, educational service district, or charter school on or after October 1993, and immediately upon separation receive a retirement allowance under chapter 41.32, 41.35, or 41.40 RCW;
- (c) Persons who separate from employment with a school district, educational service district, or charter school due to a total and permanent disability, and are eligible to receive a deferred retirement allowance under chapter 41.32, 41.35, or 41.40 RCW.
  - (18) "Salary" means a state employee's monthly salary or wages.
- (19) "Salary reduction plan" means a benefit plan whereby state and public employees may agree to a reduction of salary on a pretax basis to participate in the dependent care assistance program, medical flexible spending arrangement, or premium payment plan offered pursuant to 26 U.S.C. Sec. 125 or other sections of the internal revenue code.
- (20) "Seasonal employee" means an employee hired to work during a recurring, annual season with a duration of three months or more, and anticipated to return each season to perform similar work.
- (21) "Separated employees" means persons who separate from 28 29 employment with an employer as defined in:
  - (a) RCW 41.32.010(17) on or after July 1, 1996; or
  - (b) RCW 41.35.010 on or after September 1, 2000; or
  - (c) RCW 41.40.010 on or after March 1, 2002;
- and who are at least age fifty-five and have at least ten years of 33 service under the teachers' retirement system plan 3 as defined in 34 RCW 41.32.010(33), the Washington school employees' retirement system 35 36 plan 3 as defined in RCW 41.35.010, or the public employees' retirement system plan 3 as defined in RCW 41.40.010. 37
- (22) "State purchased health care" or "health care" means medical 38 and health care, pharmaceuticals, and medical equipment purchased 39 with state and federal funds by the department of social and health 40 Code Rev/SCG:amh 35 H-4714.2/16 2nd draft

- 1 services, the department of health, the basic health plan, the state
- 2 health care authority, the department of labor and industries, the
- 3 department of corrections, the department of veterans affairs, and
- 4 local school districts.
- 5 (23) "Tribal government" means an Indian tribal government as
- 6 defined in section 3(32) of the employee retirement income security
- 7 act of 1974, as amended, or an agency or instrumentality of the
- 8 tribal government, that has government offices principally located in
- 9 this state.
- 10 **Sec. 135.** RCW 41.56.0251 and 2013 c 2 s 307 are each reenacted
- 11 to read as follows:
- 12 In addition to the entities listed in RCW 41.56.020, this chapter
- 13 applies to any charter school established under chapter 28A.710 RCW.
- 14 Any bargaining unit or units established at the charter school must
- 15 be limited to employees working in the charter school and must be
- 16 separate from other bargaining units in school districts, educational
- 17 service districts, or institutions of higher education. Any charter
- 18 school established under chapter 28A.710 RCW is a separate employer
- 19 from any school district, including the school district in which it
- 20 is located.
- 21 **Sec. 136.** RCW 41.59.031 and 2013 c 2 s 308 are each reenacted to
- 22 read as follows:
- 23 This chapter applies to any charter school established under
- 24 chapter 28A.710 RCW. Any bargaining unit or units established at the
- 25 charter school must be limited to employees working in the charter
- 26 school and must be separate from other bargaining units in school
- 27 districts, educational service districts, or institutions of higher
- 28 education. Any charter school established under chapter 28A.710 RCW
- 29 is a separate employer from any school district, including the school
- 30 district in which it is located.
- 31 NEW SECTION. Sec. 137. RCW 28A.710.005 (Findings—2013 c 2) and
- 32 2013 c 2 s 101 are each repealed.
- 33 NEW SECTION. Sec. 138. (1) Sections 101 through 137 of this act
- 34 are remedial and curative in nature and apply to the Washington state
- 35 charter school commission, school district authorizers, and charter
- 36 schools established before the effective date of this section.

- (2) The Washington state charter school commission and school district authorizers, and actions related to their establishment and operation that were in compliance with the laws of the state of Washington before the effective date of this section, or that substantially complied with the provisions of this act before its effective date, are declared to be valid.
- (3) Contracts entered into under or in accordance with chapter 2, Laws of 2013 that were in effect on December 1, 2015, may, with the agreement of all parties and within sixty days after the effective date of this section, be executed as new contracts with the same terms and duration or substantially the same terms and duration as were in effect on December 1, 2015. For purposes of this section, "substantially the same terms and duration" includes contract modifications necessary to comply with the provisions of chapter . . ., Laws of 2016 (this act) or other applicable law.
- (4) Nothing in this section entitles a charter school to retroactive payments under chapter . . ., Laws of 2016 (this act) for services that were rendered after December 1, 2015, and before execution of new contracts pursuant to subsection (3) of this section.

21 PART II

### WASHINGTON OPPORTUNITY PATHWAYS ACCOUNT

Sec. 201. RCW 28B.76.526 and 2010 1st sp.s. c 27 s 2 are each amended to read as follows:

The Washington opportunity pathways account is created in the state treasury. Expenditures from the account may be used only for programs in chapter 28A.710 RCW (charter schools), chapter 28B.12 RCW (state work-study), chapter 28B.50 RCW (opportunity grant), RCW 28B.76.660 (Washington scholars award), RCW 28B.76.670 (Washington award for vocational excellence), chapter 28B.92 RCW (state need grant program), ((chapter 28B.101 RCW (educational opportunity grant),)) chapter 28B.105 RCW (GET ready for math and science scholarship), chapter 28B.117 RCW (passport to college promise), chapter 28B.118 RCW (college bound scholarship), chapter 28B.119 RCW (Washington promise scholarship), and chapter 43.215 RCW (early childhood education and assistance program)((, and RCW 43.330.280 (recruitment of entrepreneurial researchers, innovation partnership zones and research teams))).

1 PART III

## MISCELLANEOUS PROVISIONS

- NEW SECTION. **Sec. 301.** If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.
- NEW SECTION. Sec. 302. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately."
- 11 Correct the title.

- <u>EFFECT:</u> 1. Deletes provisions proposing to add the Superintendent of Public Instruction (or the Superintendent's designee) and the Chair of the State Board of Education (SBE) to the Washington State Charter School Commission (Commission);
- 2. Restores provisions requiring that legislative appointees, rather than legislators, serve on the Commission;
- 3. Removes provisions authorizing the conversion of common schools into charter schools;
  - 4. Removes all funding provisions unrelated to charter schools;
- 5. Removes the provision directing the Office of the Superintendent of Public Instruction (SPI) to reimburse qualifying charter schools for any loss of state revenue during the 2015-16 school year as a result of the supreme court's invalidation of charter school laws;
- 6. Specifies that charter schools are not entitled to retroactive payments under the act for services that were rendered after December 1, 2015, and before the execution of new charter school contracts;
  - 7. Removes all appropriation provisions;
- 8. Modifies provisions governing actions that the SBE and each authorizer must take to execute new charter school contracts;
- 9. Modifies funding language for charter schools by removing funding provisions in the underlying bill and by adding generally comparable provisions that (a) modify pupil transportation distribution calculations, and (b) obligate the SPI to adopt rules for the distribution of funding to charter schools and to comply with federal reporting requirements;
- 10. Removes the enrollment preference for at-risk students if capacity is insufficient and adds provisions establishing an enrollment preference for siblings, with remaining enrollments allocated through a lottery with weighted preferences for at-risk students and in-state children of full-time employees; and
- 11. Makes technical changes, including modifying the definition of "student," and removing a provision related to validating charter

schools and previous actions related to their establishment and operation.

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