

WAYS AND MEANS COMMITTEE ANALYSIS

Author: Hart

Amended: 07/10/92

Bill No.: SB 1448

Policy Committee: ED.

Vote: 12-00

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Urgency: No

Hearing Date: 08/05/92

State Mandated Local Program: Yes

Staff Comments By:

Reimbursable: Yes

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Summary

This bill authorizes the creation of 100 charter public schools within a school district, with no more than 10 charter schools in any one district. The intent of the Legislature is to provide schools with an opportunity to change from rule-based to performance-based accountability systems, by freeing the charter school from most governmental regulations in exchange for stricter accountability based on performance outcomes. The major provisions of the bill include the following:

Establishing a Charter Public School. To establish a charter public school, a petition must be submitted to the governing board that:

1. is signed by at least 10 percent of the teachers employed by the school district, or at least 50 percent of the teachers employed at one school of the district;
2. includes a statement that the school (1) shall be nonsectarian in its programs, admission policies, employment practices, (2) shall not charge tuition, and (3) shall not discriminate; and
3. includes a charter which describes a number of school policies and procedures including (1) the pupil outcomes that will be used and how those outcomes will be measured, (2) the governance structure, (3) admission requirements, if applicable, (4) how racial and ethnic balance will be achieved, (5) employee qualifications and rights (6) health and safety procedures, (7) pupil suspension and expulsion procedures.

The governing board must hold a public hearing on the petition within 30 days of receiving the petition, and either grant or deny the charter within 60 days of receiving the petition. Upon approval of the petition, the petitioner shall provide written notice of that approval to the State Board of Education (SBE). Upon receipt, the SBE shall assign a number to each charter notice, with the first 100 petitions becoming effective.

Upon denial of a petition, the petitioner may submit a request for a charter for joint approval by the Superintendent of Public Instruction (SPI) and the SBE.

Terms of Operating a Charter Public School. This bill:

1. requires a charter school to comply with all the provisions set forth in its charter, but is otherwise exempt from the laws governing school districts, except as specified in this bill;
2. specifies that charters may be granted for five years, and may be renewed for additional five year periods, indefinitely;
3. specifies that a charter may be revoked by the authority that granted it if the charter school (1) committed a material violation of any of the charter provisions, (2) failed to meet pupil outcomes, (3) failed to meet generally accepted accounting standards of fiscal management, or (4) violated any provision of law;
4. prohibits the granting of a charter petition that converts a private school to a charter public school.

Funding. This bill requires the SPI to apportion to each charter school:

1. An amount equal to the current fiscal year base revenue limit for the school district to which the charter petition was submitted;
2. For each pupil enrolled in the charter school who is entitled to special education services, the state and federal funds for special education services that would have been apportioned for that pupil;
3. Funds for specified programs, to the extent that any pupil enrolled in the charter school is eligible to participate.

Fiscal

1. One-time mandated costs of up to \$350,000, primarily in 1993, and minor ongoing costs annually thereafter, for school districts to hold local hearings on charter school petitions. The cost will depend on the number of petitioners that submit charter proposals to local governing boards for consideration.
2. One-time costs of up to \$75,000 for the State Department of Education to review applications, and absorbable costs annually thereafter to monitor the program.
3. Unknown, but potentially major General Fund costs (Proposition 98) in 1993-94 and annually thereafter due to (1) changing the funding basis from average daily attendance to enrollment, (2) potentially extending categorical program funding to additional students, and (3) potential additional enrollment of pupils formerly attending private schools.

Comments

Background. According to the author, the purpose of this bill is to provide opportunities for the creation of new public schools that are teacher, parent and community-initiated and outcome-based. In June 1991, Minnesota passed

similar legislation allowing for the creation of charter schools.

Current Legislation. Assembly Bill 2585 (Eastin) also authorizes the establishment of charter schools. There are, however, differences between the two bills relating to the creation, staffing, and operation of the charter schools. AB 2585 is currently on the Suspense File of the Senate Appropriations Committee. The intent is for the differences between the two bills to be ironed out in a conference committee.