



House Bill 520

Public Charter Schools

2017 Regular Session of the Kentucky General Assembly
Kentucky Department of Education

HB 520 Overview of Sections

HB 520 is divided into 12 Sections that address the following general areas:

Section 1, Creates a new section of KRS 160:
DEFINITIONS

Section 2, creates a new section of KRS 160:
GENERAL ASSEMBLY'S PURPOSE AND FINDINGS RELATED TO CHARTER
SCHOOLS
ENROLLMENT PREFERENCES
PROHIBITION OF VIRTUAL CHARTER SCHOOLS

Section 3, creates a new section of KRS 160:
EXEMPTIONS FROM CERTAIN STATUTES AND REGULATIONS
REQUIREMENTS FOR HEALTH, SAFETY, CIVIL AND DISABILITY RIGHTS
OTHER REQUIREMENTS
ATHLETIC AND EXTRA-CURRICULAR PARTICIPATION

Section 4, creates a new section of KRS 160:
APPLICATION PROCESS

Section 5, creates a new section of KRS 160:
RESPONSIBILITIES OF
AUTHORIZERS



HB 520 Overview of Sections Cont'd)

Section 6, creates a new section of KRS
160: KBE REVIEW OF
APPLICATIONS
APPEAL OF APPLICANTS TO THE KBE

Section 7, creates a new section of KRS 160:
BOARD OF DIRECTORS FOR CHARTER SCHOOLS
CONTRACT REQUIREMENTS BETWEEN CHARTER AND
AUTHORIZER

Section 8, creates a new section of KRS
160: OPERATIONAL
PROVISIONS

Section 9, creates a new section of KRS 160:
RENEWAL OF CHARTER CONTRACTS

Section 10, creates new section of KRS
160: CONVERSION
CHARTERS

Section 11, creates new section of KRS 161:
EMPLOYEE RETIREMENT AND LABOR PROVISIONS

Section 12, non-codified language:
SAVINGS CLAUSE



Public Charter Schools

The General Assembly established public charter schools to:

- Improve student learning outcomes by creating additional high-performing schools with high standards for student performance;
- Encourage the use of different, high-quality models of teaching, governing, scheduling, or other aspects of schooling that meet student needs;
- Close achievement gaps between high-performing and low-performing groups of public school students; and
- Allow schools freedom and flexibility in exchange for exceptional levels of results-driven accountability.



Charter Schools – Definition and Authorization



Public Charter Schools:

- Have autonomy;
- Are governed by an independent board of directors;
- Are established and operated under the terms of a charter contract;
- Utilize a randomized lottery, if necessary, for student selection; and
- May not be a virtual school.

Authorizers:

- Review, approve, or deny charter applications; enter into charter contracts with applicants; oversee public charter schools; and renew, do not renew or revoke charter contracts;
- Include local district school boards and mayors of Louisville and Lexington.

Types Of Public Charter Schools

"Regional achievement academy" - a public charter school that has been established to serve students across multiple school districts.

"Regional achievement zone" - one (1) county containing four (4) or more local school districts or two (2) or more contiguous counties, each containing four (4) or more local school districts.

"Conversion public charter school" - a public charter school that existed as a non-charter public school prior to becoming a public charter school.

"Education service provider" - an education management organization, school design provider, or any other partner entity with which a public charter school contracts for educational design, implementation, or comprehensive management.



Enrollment In Public Charter Schools

- May enroll students who reside in the boundaries of the district or districts, when authorized by a local school board, mayor or collaborative.
- Give preference to students enrolled the previous year and to siblings of students already enrolled in the charter school.
- When preference given to returning students, exclude them from entering into a lottery.
- May give preference to those students meeting federal eligibility requirements for free/reduced lunch and to those attending persistently low-achieving public schools.
- May give preference to children of public charter school's board of directors and full-time employees (cap of 10% of total student population).
- In a conversion public charter school, must provide enrollment preference to students who attended in previous school years, if the number enrolled doesn't exceed the school's capacity. Must give secondary preference to students who reside within the district attendance boundary where the charter is located.



Exemptions For Public Charter Schools

Charter schools must be exempt from: “**all statutes and administrative regulations applicable to the state board, a local school district, or a school, except the public charter school must adhere to the same health, safety, civil rights, and disability rights requirements as are applied to all public schools and other all requirements otherwise identified**”.

However, a public charter school **may** elect to comply with any statute or administrative regulation.



Requirements For Public Charter Schools

Requirements include (See language in HB 520 for complete listing.):

- Complying with compulsory attendance
- Hiring qualified teachers (EPSB certified)
- Abiding by generally accepted accounting procedures
- Participating in the state assessment, accountability and school report card
- Utilizing the state student information system and accounting systems
- Conducting criminal background checks on employees
- Abiding by open meetings and open records laws
- Abiding by procurement statutes
- Meeting or exceeding instructional time of traditional public schools
- Conducting admissions lottery
- Having their board members subject to removal per KRS 156.132
- Creating and implementing IEPs for students under IDEA
- Nonsectarian
- Requiring board members to do disclosure reports
- No entrance or enrollment requirements
- No fees or tuition (except as may exist in traditional public schools)
- 2-year leave of absence granted for traditional public school teachers to go to a charter
- Single sex school permitted
- Academic credits from charters must be accepted at other schools



Interscholastic Athletics and Extracurricular Activities

- Charter students eligible to participate same as traditional public school students.
- However, no obligation for charter to provide student access or facilities for extracurricular activities.
- If charter school has **a** sport, student plays at charter for that sport. If charter does not have **any** sports, student plays at traditional school where student would have been enrolled. If charter offers **a** sport, but not others, students may not play at another school.



Application Process for Public Charter Schools

Applications must be filed simultaneously with the authorizer and with the KBE.

Application must include (See language in HB 520 for complete listing.):

- Mission and vision for the charter
- Targeted student population and community of service
- Proposed academic program aligned with state standards
- Governance structure
- Budget
- Personnel policies
- Facilities
- Closure procedures
- Code of ethics
- If using an education service provider (ESP), must include evidence of ESP success



Authorizer's Responsibilities

An **authorizer** must:

- Solicit, invite and evaluate applications
- Give preference to applicants seeking to serve at-risk or special needs students
- Conduct the review and interview process for all applications
- Approve or deny applications within 60 days of receipt
- Explain in writing the approval or denial of an application within 5 days of action
- Submit approved charter application to Commissioner of Education for final approval



Kentucky Board of Education (KBE)

Review and Appeal Process

- KBE reviews authorizer's decision to approve, deny, renew, not renew, revoke or impose unilateral conditions.
- Appeal by charter board filed with KBE within 30 days of authorizer's action(s).
- KBE to utilize "best interest of students or community" standard.
- If after appeal, an authorizer still denies, refuses to renew, revoke or impose unilateral conditions, second appeal may be filed with the KBE.
- Applications approved as result of second appeal results in joint oversight of the charter school by the authorizer and the KBE.



Responsibility of Public Charter School Board of Directors

- ▶ Charter board members are considered state officers for the purpose of removal and must vacate position if convicted of bribery, forgery, perjury or a felony.



Contract with Authorizer Requirements

- ▶ Charter must be in place 75 days after application approval
- ▶ Contract is the final governing document (chapter application does NOT govern)
- ▶ Contract must address the following (reference HB 520 for complete requirements):
 - Allocation of state and federal funds (HB471)
 - Schedule of disbursement of funds by authorizer
 - Annual site visits/oversight by authorizer
 - Dispute process between authorizer and charter
 - May not include any enrollment caps by authorizer
 - Academic performance indicators



Operational Parameters of Public Charter School

- ▶ Initial term of operation: 5 years
- ▶ Charter board of directors has all powers under law to carry out mission of the charter contract
- ▶ Charters exempt from taxes, fees, assessments, etc. to same extent as public school districts
- ▶ Charters may NOT levy taxes or condemn property by eminent domain
- ▶ No civil liability, debt or obligation incurred by a charter
- ▶ School or charter board may be attached to an authorizer



Charter Schools - Renewal Process

- Renewal may be for 3-5 years, but if less than 5 years, must be based upon performance
- Authorizer required to issue charter performance report one (1) year prior to expiration of contract
- Charter school has opportunity to present additional evidence in support of renewal
- Renewal application must be filed no later than 6 months prior to expiration
- Authorizer's decision must be based upon evidence of performance, fiscal management, contract terms and violation of any law
- Health and safety violation by a charter permits immediate revocation by an authorizer
- Closure protocol must be developed by authorizer



Conversion Charter Schools

- An existing public school may be converted to a charter school if:
 - It is in the lowest 5% of all schools and 60% of parents/guardians petition to convert; OR
 - It is not in the lowest 5%, 60% of parents/guardians petition to convert and the local board votes to convert; OR
 - Local board votes to convert an existing school.
- Conversion charters hire own employees like a traditional charter school.
- Conversion charter schools are housed in the same school facility and use existing assets in the school.



Affect of Public Charter Schools on Educators

- Charter certified employees in TRS
- Charter classified employees in CERS
- Charter employees not required to be a member of a collective bargaining agreement
- No district employee may be required to work in a charter school
- Prohibition of retaliation, discrimination or harassment of district employees involved in applying for a charter



House Bill 471 Charter Schools - Funding Provisions

It is important to note that the funding provisions included in the amendments to the current budget only apply to fiscal year 2017-2018 (the second year of the current fiscal biennium). The legislature will have to address funding for charter schools in the 2018 Regular Session either through additional budget language or place it in statute.



Charter Schools – Funding Provisions



- ▶ Attendance for a student enrolled in a public charter school who resides within the boundaries of the local school district where the public charter school is located is included and reported in the local school district's Superintendent's Annual Attendance Report and used to calculate funding for the local school district SEEK funds.
- ▶ A local school district where a public charter school is located must utilize SEEK funds (with exceptions) to support those students attending the charter. This is based on the current school allocation model used by the local school district.
- ▶ Local school districts must provide a report detailing the allocation formula (which the minimum is already set in statute) and submit it to KBE, the Secretary of the Education and Workforce Development Cabinet, the LRC and the authorizer within 30 days of adoption.
- ▶ KBE may find the formula deficient.
- ▶ If a local school district levies an occupational license tax, charter schools must receive a proportionate per-pupil amount of the occupational license fees.

Charter Schools – Funding Provisions cont'd

Some local funds are excluded from allocation to the charter school.

- Local capital outlay or other financing mechanisms for new construction or renovations for school facilities;
- Local property tax rates levied that are up to no more than 30% of the revenue guaranteed by SEEK; and
- Transportation funds (If a local district chooses not to provide transportation, then a proportionate amount of state funds are transferred to the charter school for funding transportation).

Three percent of the total funding must be retained by the authorizer if the authorizer is a local school district or transferred to the authorizer if the authorizer is not a local school district.



Charter Schools – Funding Provisions Transportation

- If a local school district provides transportation to students attending a public charter school under terms agreed upon by the local school district and the public charter school in the charter contract, the local school district is not required to transfer transportation funds.
- If a local school district does not provide transportation to students attending a public charter school, proportionate transportation funds must be transferred to the public charter school.
- The amount of funds transferred must be calculated by multiplying the total amount of transportation funds the local school district receives by a fraction, the numerator of which equals the number of students attending the public charter school who would otherwise be transported by the local school district, and the denominator of which equals the total number of students transported by the local school district.



Charter Schools – Distribution of Funds

The KBE must set a schedule for distribution of local school district funds to be transferred to the charter.

- ▶ A fine of not less than 5% of the total funding per funding period must be levied on the local school district if the funds are not transferred.
- ▶ The fine is to be assessed for every five days the fund transfer is late.

Funds are transferred to:

- ▶ The public charter school if the local school district is the authorizer;
- ▶ The Regional Achievement Academy if a Regional Achievement Zone collaborative is the authorizer; or
- ▶ The authorizer if a local school district or Regional Achievement Zone collaborative is not the authorizer of the public charter school.

The Kentucky Board of Education must promulgate administrative regulations governing the transfer of funds between local school districts, authorizers, and public charter schools, and the imposition of fines for late fund transfers.



Charter Schools – Federal Funding

Provisions

- ▶ Charter schools are eligible for all current state and federal grant programs. (For example, all of the state grant programs such as Read to Achieve, Math Achievement, etc. that are funded through the budget would be open to charter schools.)
- ▶ A public charter school must not be excluded from an opportunity to participate as an independent educational entity as long as the available grants align with the grade levels included in the public charter school and the other criteria established for the respective grants.
- ▶ Charter schools would be eligible for all categorical aid programs in the same manner public schools are currently allocated funds.
- ▶ A public charter school must receive a proportionate share of moneys generated under federal and state categorical aid programs for students that are eligible for the aid and attending the public charter school.
- ▶ A local school district must ensure that a public charter school with rapidly expanding enrollment is treated equitably in the calculation and disbursement of all federal and state categorical aid program funding.
- ▶ Each public charter school that receives such aid must comply with all reporting requirements to receive such aid.
- ▶ The Commissioner of Education must apply for all federal funding that supports charter school initiatives for which a state must be the applicant and shall cooperate with a public charter school in its efforts to seek federal funding



Charter School - Employees

- Public charter school employees must participate in the Teachers' Retirement System of County Employees Retirement System, as determined by their eligibility for participation in the appropriate system and provided the public charter school satisfies the criteria set by the Internal Revenue Service to participate in a governmental retirement plan.
- Teachers and other certified personnel must make any required employee contributions to the Teachers' Retirement System.
- Classified employees who are members of the County Employees Retirement System must make any required employee contributions to the County Employees Retirement System.



Charter Schools – School Employees

- ▶ A public charter school must make any required employer contributions to the Teachers' Retirement System and the County Employees Retirement System in the same manner and level as local school districts;
- ▶ A public charter school employee must not be required to be a member of any collective bargaining agreement;
- ▶ A public charter school must participate in the Kentucky Employees Health Plan on the same basis as a local school district;
- ▶ Any state appropriation for retirement, health, or life insurance benefits made on behalf of a local public school employee must also be made on behalf of a public charter school employee;
- ▶ A local school board must not require any employee of the local school district to be employed in a public charter school or any student enrolled in the local school district to attend a public charter school;
- ▶ A local school board must not harass, threaten, discipline, discharge, retaliate, or in any manner discriminate against any local school district employee involved directly or indirectly with an application to establish a public charter school; and
- ▶ For the purposes of calculating sick leave credit, teachers and other certified personnel must not accumulate more days of sick leave during their employment with a public charter school than they would have otherwise accumulated as a certified employee of the local school district in which the public charter school is located.

