

1 SB45
2 165119-3
3 By Senator Marsh
4 RFD: Education and Youth Affairs
5 First Read: 03-MAR-15
6 PFD: 02/25/2015

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4 ENGROSSED

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7 A BILL
8 TO BE ENTITLED
9 AN ACT

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11 To create the Alabama School Choice and Student
12 Opportunity Act; to create the Alabama Public Charter School
13 Commission and provide for the membership, powers, duties, and
14 liabilities of the commission; to provide for the application
15 process for establishing public charter schools and conversion
16 charter schools; to provide for charter terms, charter
17 contracts, and preopening requirements and conditions; to
18 provide for accountability of charter schools pursuant to a
19 performance framework, ongoing oversight and corrective
20 action, and renewal, revocation, and nonrenewal of charters;
21 to provide for the operation and autonomy of public charter
22 schools; to provide for funding; and to provide for
23 facilities.

24 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

25 Section 1. This act shall be known and may be cited
26 as the Alabama School Choice and Student Opportunity Act.

1 Section 2. (a) Public charter schools may be
2 established in Alabama in accordance with this act. All public
3 charter schools in the state established under this act are
4 public schools and are part of the public education system of
5 the state.

6 (b) This act shall be interpreted to support the
7 findings and purposes of this act and to advance the continued
8 commitment of the state to the mission and goals of public
9 education.

10 (c) No private or nonpublic school may establish a
11 public charter school pursuant to this act.

12 Section 3. The Legislature finds and declares all of
13 the following:

14 (1) It is in the best interests of the people of
15 Alabama to provide all children with access to high quality
16 public schools.

17 (2) It is necessary to continue to search for ways
18 to strengthen the academic performance of elementary and
19 secondary public school students.

20 (3) Different students learn differently and public
21 schools should have the ability to customize programs to fit
22 the needs of individual students.

23 (4) Those who know students best, parents and
24 educators, make the best education-related decisions regarding
25 their students.

1 (5) Parents and local educators have a right and
2 responsibility to actively participate in the educational
3 institutions that serve the children of Alabama.

4 (6) Public school programs, whenever possible,
5 should be customized to fit the needs of individual children.

6 (7) Students of all backgrounds are entitled to
7 access to a high quality education.

8 (8) Therefore, with this act, the Legislature
9 intends to accomplish all of the following:

10 a. Provide school systems and communities with
11 additional tools that may be used to better meet the
12 educational needs of a diverse student population.

13 b. Encourage innovative educational ideas that
14 improve student learning for students at all academic levels.

15 c. Empower educators to be nimble and strategic in
16 their decisions on behalf of students.

17 d. Provide additional high quality educational
18 options for all students, especially students in low
19 performing schools.

20 e. Create public schools with freedom and
21 flexibility in exchange for exceptional results.

22 f. Foster tools and strategies to close achievement
23 gaps between high-performing and low-performing groups of
24 public school students.

25 Section 4. For the purposes of this act, the
26 following terms shall have the following meanings:

1 (1) APPLICANT. Any group with 501(c)(3) tax-exempt
2 status or that has submitted an application for 501(c)(3)
3 tax-exempt status that develops and submits an application for
4 a public charter school to an authorizer.

5 (2) APPLICATION. A proposal from an applicant to an
6 authorizer to enter into a charter contract whereby the
7 proposed school obtains public charter school status.

8 (3) AT-RISK STUDENT. A student who has an economic
9 or academic disadvantage that requires special services and
10 assistance to succeed in educational programs. The term
11 includes, but is not limited to, students who are members of
12 economically disadvantaged families, students who are
13 identified as having special education needs, students who are
14 limited in English proficiency, students who are at risk of
15 dropping out of high school, and students who do not meet
16 minimum standards of academic proficiency.

17 (4) AUTHORIZER. An entity authorized under this act
18 to review applications, approve or reject applications, enter
19 into charter contracts with applicants, oversee public charter
20 schools, and decide whether to renew, not renew, or revoke
21 charter contracts.

22 (5) CHARTER CONTRACT. A fixed-term renewable
23 contract between a public charter school and an authorizer
24 that outlines the roles, powers, responsibilities, and
25 quantitative and qualitative performance expectations for each
26 party to the contract.

1 (6) COMMISSION. The Alabama Public Charter School
2 Commission created in subsection (c) of Section 6. The
3 commission serves as an appellate body in specific
4 circumstances outlined in subsection (a) of Section 6.

5 (7) CONVERSION PUBLIC CHARTER SCHOOL. A public
6 charter school that existed as a non-charter public school
7 before becoming a public charter school. A conversion public
8 charter school shall adopt and maintain a policy giving
9 enrollment preference to students who reside within the former
10 attendance zone of the public school.

11 (8) DEPARTMENT. The State Department of Education.

12 (9) EDUCATION SERVICE PROVIDER. An entity with which
13 a public charter school intends to contract with for
14 educational design, implementation, or comprehensive
15 management. This relationship shall be articulated in the
16 public charter school application.

17 (10) GOVERNING BOARD. The independent board of a
18 public charter school that is party to the charter contract
19 with the authorizer. A governing board shall have at least 20
20 percent of its membership be parents of students who attend or
21 have attended the public charter school for at least one
22 academic year.

23 (11) LOCAL SCHOOL BOARD. A city or county board of
24 education exercising management and control of a city or
25 county local school system pursuant to state law.

26 (12) LOCAL SCHOOL SYSTEM. A public agency that
27 establishes and supervises one or more public schools within

1 its geographical limits pursuant to state law. A local school
2 system includes a city or county school system.

3 (13) NATIONALLY RECOGNIZED AUTHORIZING STANDARDS.
4 Standards for high quality public charter school authorizing
5 collaboratively drafted and regularly updated by practitioners
6 and policy makers from across the country who have experience
7 and practice in the field of charter authorizing.

8 (14) NON-CHARTER PUBLIC SCHOOL. A public school
9 other than a school formed pursuant to this act. A public
10 school that is under the direct management, governance, and
11 control of a local school board or the state.

12 (15) PARENT. A parent, guardian, or other person or
13 entity having legal custody of a child.

14 (16) PUBLIC CHARTER SCHOOL. A public school formed
15 pursuant to this act that satisfies all of the following:

16 a. Has autonomy over key decisions including, but
17 not limited to, decisions concerning finance, personnel,
18 scheduling, curriculum, instruction, and procurement.

19 b. Is governed by an independent governing board
20 that is a 501(c)(3) tax-exempt organization. No member of a
21 governing board shall have a financial relationship to an
22 education service provider or the staff of the authorizer.

23 c. Is established and operated under the terms of a
24 charter contract between the governing board and its
25 authorizer, in accordance with this act.

26 d. Is a school to which parents choose to send their
27 student.

1 e. Is a school that admits students on the basis of
2 a random selection process if more students attempt to enroll
3 for admission than can be accommodated.

4 f. Provides an educational program that satisfies
5 all of the following:

6 1. Includes any grade or grades from prekindergarten
7 to 12th grade.

8 2. May include a specific academic approach or theme
9 including, but not limited to, vocational and technical
10 training; visual and performing arts; liberal arts and
11 classical education; or science, mathematics, and technology.

12 3. Operates in pursuit of a specific set of
13 educational objectives as defined in its charter contract,
14 such as college or career readiness, or both.

15 4. Operates under the oversight of its authorizer in
16 accordance with its charter contract.

17 (17) START-UP PUBLIC CHARTER SCHOOL. A public
18 charter school that did not exist as a non-charter public
19 school prior to becoming a public charter school.

20 (18) STUDENT. Any child who is eligible for
21 attendance in public schools in the state.

22 Section 5. (a) Open enrollment.

23 (1) A public charter school shall be open to any
24 student residing in the state.

25 (2) A school system shall not require any student
26 enrolled in the school system to attend a start-up public
27 charter school.

1 (3) A public charter school shall not limit
2 admission based on ethnicity, national origin, religion,
3 gender, income level, disability, proficiency in the English
4 language, or academic or athletic ability.

5 (4) A public charter school may limit admission to
6 students within a given age group or grade level and may be
7 organized around a special emphasis, theme, or concept as
8 stated in the school's charter application, but fluency or
9 competence in the theme may not be used as a standard for
10 enrollment.

11 (5) A public charter school shall enroll all
12 students who wish to attend the school, unless the number of
13 students exceeds the capacity of the building identified for
14 the public charter school.

15 (6) If building capacity is insufficient to enroll
16 all students who wish to attend a start-up public charter
17 school, the school shall select students through a random
18 selection process. The school shall first enroll students who
19 reside within the school system in which the public charter
20 school is located. If the number of local students wanting to
21 enroll in the school exceeds the capacity of the school, then
22 the school shall conduct a random selection process to enroll
23 students who reside in the local school system. If the school
24 has additional capacity after admitting students from the
25 local school system, then the school shall admit any students
26 without regard to their residency by a random selection
27 process. The selection shall take place in a public meeting,

1 called by the governing body of the public charter school, and
2 following all posting and notice requirements prescribed by
3 the Alabama Open Meetings Act.

4 (7) Any non-charter public school converting
5 partially or entirely to a public charter school shall adopt
6 and maintain a policy giving enrollment preference to students
7 who reside within the former attendance area of that public
8 school.

9 After all students who reside within the former
10 attendance area of that public school are enrolled, enrollment
11 shall first be opened to students residing within the local
12 school system and then outside the local school system, as set
13 forth in subdivision (6).

14 (8) A public charter school shall give enrollment
15 preference to students enrolled in the public charter school
16 the previous school year and to siblings of students already
17 enrolled in the public charter school.

18 (9) A public charter school may give enrollment
19 preference to children of a public charter school's founders,
20 governing board members, and full-time employees, so long as
21 they constitute no more than 10 percent of the school's total
22 student population.

23 (10) This subsection does not preclude the formation
24 of a public charter school whose mission is focused on serving
25 special education students, students of the same gender,
26 students who pose such severe disciplinary programs that they
27 warrant a specific educational program, or students who are at

1 risk of academic failure. Notwithstanding the stated mission
2 of the public charter school, any student may attend.

3 (b) Credit transferability. If a student who was
4 previously enrolled in a public charter school enrolls in
5 another public school in Alabama, the student's new school
6 shall accept credits earned by the student in courses or
7 instructional programs at the public charter school in a
8 uniform and consistent manner and according to the same
9 criteria that are used to accept academic credits from other
10 public schools. Nothing in this act shall prevent local school
11 systems from administering placement tests for newly enrolled
12 students who were previously enrolled in a public charter
13 school.

14 (c) Determination of student capacity of public
15 charter schools. The capacity of the public charter school
16 shall be determined annually by the governing board of the
17 public charter school in conjunction with the authorizer and
18 in consideration of the public charter school's ability to
19 facilitate the academic success of its students, to achieve
20 the other objectives specified in the charter contract, and to
21 ensure that its student enrollment does not exceed the
22 capacity of its facility or site.

23 (d) Student information. A public charter school
24 shall maintain records on all enrolled students utilizing the
25 state adopted Alabama Student Information System (ASIM).

26 Section 6. (a) Eligible authorizing entities.

1 (1) A public charter school shall not be established
2 in this state unless its establishment is authorized by this
3 section. No governmental entity or other entity, other than an
4 entity expressly granted chartering authority as set forth in
5 this section, may assume any authorizing function or duty in
6 any form. The following entities shall be authorizers of
7 public charter schools:

8 a. A local school board, for chartering of schools
9 within the boundaries of the school system under its
10 jurisdiction, pursuant to state law.

11 b. The Alabama Public Charter School Commission,
12 pursuant to this section.

13 (2) A local school board that registers as an
14 authorizer may approve or deny an application to form a public
15 charter school within the boundaries of the local school
16 system overseen by the local school board.

17 (3) All authorizing entities shall prioritize those
18 applications that are focused on serving at-risk students.

19 (4) A decision made by a local school board shall be
20 subject to appeal to the commission. The commission may hear
21 an application for the formation of a public charter school by
22 an applicant only if one of the following factors is met:

23 a. An application to form a public charter school is
24 denied by the local school board overseeing that system and
25 the applicant chooses to appeal the decision of the local
26 school board to the commission.

1 b. The applicant wishes to open a start-up public
2 charter school in a public school system that has chosen not
3 to register as an authorizer.

4 (b) Public charter school cap.

5 (1) Authorizers may not approve more than 10
6 start-up public charter schools in a fiscal year.

7 (2) Upon receiving notice of approval of the tenth
8 start-up public charter school to be approved in a fiscal
9 year, the department shall provide notice to all authorizers
10 that the cap has been reached and no new start-up public
11 charter schools may be approved in that fiscal year.

12 (3) The cap expires on April 1 immediately following
13 the conclusion of the fifth fiscal year after the effective
14 date of this act.

15 (4) At the conclusion of the fifth fiscal year, the
16 department shall submit a report to the Legislature outlining
17 the performance of both start-up and conversion public charter
18 schools. This report shall include, at a minimum, academic
19 performance of all public charter schools in the state, a
20 detailed update on the authorizing process, and
21 recommendations for adjustments to public charter school
22 governance and oversight.

23 (5) There is no limit on the number of conversion
24 public charter schools that may be approved.

25 (c) The Alabama Public Charter School Commission.

26 (1) The commission is established as an independent
27 state entity.

1 (2) The mission of the commission is to authorize
2 high quality public charter schools, in accordance with the
3 powers expressly conferred on the commission in this act.

4 (3) The commission shall be composed of a total of
5 nine members. The State Board of Education shall appoint eight
6 members, made up of four appointees recommended by the
7 Governor, one appointee recommended by the President Pro
8 Tempore of the Senate, one appointee recommended by the
9 Speaker of the House of Representatives, one appointee
10 recommended by the House of Representatives Minority Caucus,
11 and one appointee recommended by the Senate Minority Caucus.
12 The Governor, the President Pro Tempore of the Senate, and the
13 Speaker of the House of Representatives shall each recommend a
14 list of no fewer than two nominees for each appointment to the
15 commission. No commission member can be appointed unless he or
16 she has been recommended by the Governor, President Pro
17 Tempore of the Senate, Speaker of the House of
18 Representatives, or the State Superintendent of Education.

19 The State Board of Education may reject the name of
20 any nominee submitted for appointment and request the
21 submission of a substitute nominee from the recommending
22 authority if the nominee does not possess the qualifications
23 specified in subdivision (5).

24 (4) The ninth member of the commission shall be a
25 rotating position based on the local school system where the
26 application was denied. This member appointed to the rotating
27 position shall be appointed by the local school system where

1 the applicant is seeking to open a public charter school. The
2 local school system shall appoint a member to the rotating
3 position through board action specifically to consider that
4 application.

5 (5) The appointing authorities of the commission
6 members shall strive to select individuals that collectively
7 possess strong experience and expertise in public and
8 nonprofit governance, strategic planning, management and
9 finance, public school leadership, assessment, curriculum and
10 instruction, and public education law. Each member of the
11 commission shall have demonstrated understanding of and
12 commitment to charter schooling as a tool for strengthening
13 public education and shall sign an agreement to hear the
14 appeal and review documents in a fair and impartial manner.

15 (6) Membership of the commission shall be inclusive
16 and reflect the racial, gender, geographic, urban/rural, and
17 economic diversity of the state. The appointing authority
18 shall consider the eight State Board of Education districts in
19 determining the geographical diversity of the commission.

20 (7) The initial appointments to the commission shall
21 be made no later than June 1, 2015. One recommended appointee
22 of the Governor, Speaker of the House of Representatives,
23 President Pro Tempore of the Senate, and State Superintendent
24 of Education shall serve an initial term of one year and one
25 recommended appointee of the Governor, Speaker of the House of
26 Representatives, President Pro Tempore of the Senate, and
27 State Superintendent of Education shall serve an initial term

1 of two years. Thereafter, all appointees shall serve two-year
2 terms of office. All appointments shall be eligible for
3 reappointment as determined by the appointing authority, not
4 to exceed a total of six years of service, unless the member
5 was initially appointed to serve a one-year term of office. If
6 the initial term of office of an appointee was one year, he or
7 she may serve a total of five years of service on the
8 commission.

9 (8) A member of the commission may be removed for
10 failure to perform the duties of the appointment. Whenever a
11 vacancy on the commission exists, the appointing authority,
12 within 60 days after the vacancy occurs, shall appoint a
13 member for the remaining portion of the term. A member of the
14 commission shall abstain from any vote that involves a local
15 school system of which he or she is an employee or which he or
16 she oversees as a member of a local school board. The
17 requirement to abstain does not apply to the rotating position
18 on the commission.

19 (9) Six members of the commission constitute a
20 quorum, and a quorum shall be necessary to transact business.
21 Actions of the commission shall be by a majority vote of the
22 commission. The commission, in all respects, shall comply with
23 the Alabama Open Meetings Act and state record laws.
24 Notwithstanding the preceding sentence, members of the
25 commission may participate in a meeting of the commission by
26 means of telephone conference, video conference, or similar
27 communications equipment by means of which all persons

1 participating in the meeting may hear each other at the same
2 time. Participation by such means shall constitute presence in
3 person at a meeting for all purposes, including the
4 establishment of a quorum. Telephone or video conference or
5 similar communications equipment shall also allow members of
6 the public the opportunity to simultaneously listen to or
7 observe meetings of the commission.

8 (10) If the commission overrules the decision of a
9 local school board and chooses to authorize the establishment
10 of a public charter school in that local school system, the
11 commission shall serve as the authorizer for that public
12 charter school, pursuant to this act.

13 (11) The commission may do any of the following:

14 a. Utilize professional and administrative staff of
15 the department as recommended by the State Superintendent of
16 Education.

17 b. Adopt rules for the operation and organization of
18 the commission.

19 c. Review, at least once per year, department rules
20 and regulations concerning public charter schools and, if
21 needed, recommend to the State Superintendent of Education any
22 rule or regulation changes deemed necessary.

23 d. Convene stakeholder groups and engage experts.

24 e. Seek and receive state, federal, and private
25 funds for operational expenses.

26 f. A commission member may not receive compensation,
27 but shall be reimbursed by the department for travel and per

1 diem expenses at the same rates and in the same manner as
2 state employees.

3 g. The commission shall submit an annual report to
4 the department pursuant to subsection (g).

5 (12) In order to overrule the decision of a local
6 school board and authorize a public charter school, the
7 commission shall do all of the following:

8 a. Find evidence of a thorough and high-quality
9 public charter school application from the applicant based on
10 the authorizing standards in subdivision (8) of subsection (a)
11 of Section 7.

12 b. Hold an open community hearing opportunity for
13 public comment within the local school system where the
14 application was denied.

15 c. Find that the local board's denial of an original
16 charter application was not supported by the application and
17 exhibits.

18 d. Take into consideration (i) other existing
19 charter school applications, (ii) the quality of school
20 options existing in the affected community, (iii) the
21 existence of other charter schools, and (iv) any other factors
22 considered relevant to ensure the establishment of
23 high-quality charter schools in accordance with the intent of
24 this act.

25 e. Find evidence that the local school board erred
26 in its application of nationally recognized authorizing
27 standards.

1 (d) A local school board may register with the
2 department for chartering authority within the boundaries of
3 the school system overseen by the local school board. The
4 department shall publicize to all local school boards the
5 opportunity to register with the state for chartering
6 authority within the school system they oversee. By June 1 of
7 each year, the department shall provide information about the
8 opportunity, including a registration deadline, to all local
9 school boards. To register as a charter authorizer in its
10 school system, each interested local school board shall submit
11 the following information in a format to be established by the
12 department:

13 (1) Written notification of intent to serve as a
14 charter authorizer in accordance with this act.

15 (2) An explanation of the local school board's
16 capacity and commitment to execute the duties of quality
17 charter authorizing, as defined by nationally recognized
18 authorizing standards.

19 (3) An explanation of the local school board's
20 strategic vision for chartering.

21 (4) An explanation of how the local school board
22 plans to solicit public charter school applicants, in
23 accordance with this act.

24 (5) A description or outline of the performance
25 framework the local school board will use to guide the
26 establishment of a charter contract and for ongoing oversight

1 and evaluation of public charter schools, consistent with the
2 requirements of this act.

3 (6) A draft of the local school board's renewal,
4 revocation, and nonrenewal processes, consistent with
5 subsection (c) of Section 8.

6 (7) A statement of assurance that the local school
7 board commits to serving as a charter authorizer and shall
8 fully participate in any authorizer training provided or
9 required by the state.

10 (e) If a local school board chooses not to register
11 as an authorizer, all applications seeking to open a start-up
12 public charter school within that local school board's
13 boundaries shall be denied. Applicants wishing to open a
14 public charter school physically located in that local school
15 system may apply directly to the commission.

16 (f) An authorizer may do all of the following:

17 (1) Solicit, invite, receive, and evaluate
18 applications from organizers of proposed public charter
19 schools.

20 (2) Approve applications that meet identified
21 educational needs.

22 (3) Deny applications that do not meet identified
23 educational needs.

24 (4) Create a framework to guide the development of
25 charter contracts.

26 (5) Negotiate and execute charter contracts with
27 each approved public charter school.

1 (6) Monitor the academic, fiscal, and organizational
2 performance and compliance of public charter schools.

3 (7) Determine whether each charter contract merits
4 renewal or revocation.

5 (g) An authorizer shall submit to the State Board of
6 Education a publicly accessible annual report within 60 days
7 after the end of each school fiscal year summarizing all of
8 the following:

9 (1) The authorizer's strategic vision for chartering
10 and progress toward achieving that vision.

11 (2) The academic and financial performance of all
12 operating public charter schools overseen by the authorizer,
13 according to the performance measures and expectations
14 specified in the charter contracts.

15 (3) The status of the public charter school
16 portfolio of the authorizer, identifying all public charter
17 schools within that portfolio as one of the following:

- 18 a. Approved, but not yet open.
- 19 b. Open and operating.
- 20 c. Terminated.
- 21 d. Closed, including year closed and reason for
22 closing.
- 23 e. Never opened.

24 (4) The oversight and services, if any, provided by
25 the authorizer to the public charter schools under the purview
26 of the authorizer.

1 (5) The authorizing functions provided by the
2 authorizer to the public charter schools under its
3 jurisdiction, including the operating costs and expenses of
4 the authorizer detailed in annual audited financial statements
5 that conform to generally accepted accounting principles.

6 (6) All use of taxpayer dollars including
7 expenditures, contracts, and revenues.

8 (h) To cover costs for overseeing and authorizing
9 public charter schools in accordance with this act, a local
10 school board serving as an authorizer may do all of the
11 following:

12 (1) Expend its own resources, seek grant funds, and
13 establish partnerships to support its public charter school
14 authorizing activities.

15 (2) Charge a portion of annual per student state
16 allocations received by each public charter school it
17 authorizes based on the following schedule:

18 a. If the local school board has oversight over one
19 to three, inclusive, public charter schools: Three percent of
20 annual per student state allocations.

21 b. If the local school board has oversight over four
22 to five, inclusive, public charter schools: Two percent of
23 annual per student state allocations.

24 c. If the local school board has oversight over six
25 to 10, inclusive, public charter schools: One percent of
26 annual per student state allocations.

1 d. These funds shall be used to cover the costs for
2 a local school board to provide authorizing services to its
3 public charter schools.

4 (i) An employee, agent, or representative of an
5 authorizer may not simultaneously serve as an employee, agent,
6 representative, vendor, or contractor of a public charter
7 school of that authorizer.

8 (j) With the exception of charges for oversight
9 services as required in subsection (h), a public charter
10 school may not be required to purchase services from its
11 authorizer as a condition of charter approval or of a charter
12 contract, nor may any such condition be implied.

13 (k) A public charter school authorized by a local
14 school system may choose to purchase services, such as
15 transportation-related or lunchroom-related services, from its
16 authorizer. In such event, the public charter school and
17 authorizer shall execute an annual service contract, separate
18 from the charter contract, stating the mutual agreement of the
19 parties concerning any service fees to be charged to the
20 public charter school. A public charter school authorized by
21 the commission may not purchase services from the commission,
22 but consistent with this section, may purchase services from
23 the local school system where the public charter school is
24 located.

25 (l) The department shall oversee the performance and
26 effectiveness of all authorizers established under this act.
27 Persistently unsatisfactory performance of the portfolio of

1 the public charter schools of an authorizer, a pattern of
2 well-founded complaints about the authorizer or its public
3 charter schools, or other objective circumstances may trigger
4 a special review by the department. In reviewing and
5 evaluating the performance of an authorizer, the department
6 shall apply nationally recognized standards for quality in
7 charter authorizing. If, at any time, the department finds
8 that an authorizer is not in compliance with an existing
9 charter contract or the requirements of all authorizers under
10 this act, the department shall notify the authorizer in
11 writing of any identified problem, and the authorizer shall
12 have reasonable opportunity to respond and remedy the problem.

13 (m) If a local school board acting as an authorizer
14 persists in violating a material provision of a charter
15 contract or fails to remedy any other authorizing problem
16 after due notice from the department, the department shall
17 notify the local school board, within 60 days, that it intends
18 to terminate the chartering authority of the local school
19 board unless the local school board demonstrates a timely and
20 satisfactory remedy for the violation or deficiencies. If the
21 local school board acting as an authorizer persists, after due
22 notice from the department, in violating a material provision
23 of a charter contract or fails to remedy other identified
24 authorizing problems, the department shall notify the local
25 school board, within a reasonable amount of time under the
26 circumstances, that it intends to revoke the chartering
27 authority of the local school board unless the local school

1 board demonstrates a timely and satisfactory remedy for the
2 violation or deficiencies.

3 (n) If the commission violates a material provision
4 of a charter contract or fails to remedy any other authorizing
5 problems after due notice from the department, the department
6 shall notify the commission, within 60 days, that it intends
7 to notify the Governor, the Speaker of the House of
8 Representatives, and the President Pro Tempore of the Senate
9 of the actions of the commission unless the commission
10 demonstrates a timely and satisfactory remedy for the
11 violation of the deficiencies. Along with this notification,
12 the department shall publicly request in writing that the
13 Governor, the Speaker of the House of Representatives, and the
14 President Pro Tempore appointees comply with the requests of
15 the department or face a revocation of their appointment to
16 the commission.

17 (o) In the event of revocation of the chartering
18 authority of an authorizer, the department shall manage the
19 timely and orderly transfer of each charter contract held by
20 that authorizer to another authorizer in the state, with the
21 mutual agreement of each affected public charter school and
22 proposed new authorizer. The new authorizer shall assume the
23 existing charter contract for the remainder of the charter
24 term.

25 (p) Authorizer power, duties, and liabilities.
26 Authorizers are responsible for executing, in accordance with
27 this act, the following essential powers and duties:

1 (1) Soliciting and evaluating charter applications
2 based on nationally recognized standards.

3 (2) Approving quality charter applications that meet
4 identified educational needs and promote a diversity of
5 high-quality educational choices.

6 (3) Declining to approve weak or inadequate charter
7 applications.

8 (4) Negotiating and executing charter contracts with
9 each approved public charter school.

10 (5) Monitoring, in accordance with charter contract
11 terms, the performance and legal compliance of public charter
12 schools.

13 (6) Determining whether each charter contract merits
14 renewal, nonrenewal, or revocation.

15 (q) An authorizer that grants a charter to a
16 501(c)(3) tax-exempt organization for the purpose of opening
17 and operating a public charter school is not liable for the
18 debts or obligations of the public charter school, or for
19 claims arising from the performance of acts, errors, or
20 omissions by the charter school, if the authorizer has
21 complied with all oversight responsibilities required by law,
22 including, but not limited to, those required by this act.

23 (r) Principles and standards for charter
24 authorizing.

25 (1) All authorizers shall be required to develop and
26 maintain chartering policies and practices consistent with
27 nationally recognized principles and standards for quality

1 charter authorizing in all major areas of authorizing
2 responsibility including: Organizational capacity and
3 infrastructure; soliciting and evaluating charter
4 applications; performance contracting; ongoing public charter
5 school oversight and evaluation; and charter renewal
6 decision-making. The State Board of Education shall promulgate
7 reasonable rules and regulations to effectuate this section
8 within 90 days after the effective date of this act.

9 (2) Authorizers shall carry out all of their duties
10 under this act in a manner consistent with such nationally
11 recognized principles and standards and with the spirit and
12 intent of this act. Evidence of material or persistent failure
13 to do so shall constitute grounds for losing charter
14 authorizing powers.

15 Section 7. (a) Request for proposals.

16 (1) To solicit, encourage, and guide the development
17 of quality public charter school applications, every local
18 school board, in its role as public charter school authorizer,
19 shall issue and broadly publicize a request for proposals for
20 public charter school applications by 120 days after the
21 effective date of this act, and by November 1 in each
22 subsequent year. The content and dissemination of the request
23 for proposals shall be consistent with the purposes and
24 requirements of this act.

25 (2) Public charter school applicants may submit a
26 proposal for a particular public charter school to no more
27 than one local school board at a time.

1 (3) The department shall annually establish and
2 disseminate a statewide timeline for charter approval or
3 denial decisions, which shall apply to all authorizers in the
4 state.

5 (4) Each local school board's request for proposals
6 shall present the board's strategic vision for chartering,
7 including a clear statement of any preferences the board
8 wishes to grant to applications that help at-risk students.

9 (5) The request for proposals shall include or
10 otherwise direct applicants to the performance framework that
11 the authorizer has developed for public charter school
12 oversight and evaluation in accordance with this act.

13 (6) The request for proposals shall include the
14 criteria that will guide the authorizer's decision to approve
15 or deny a charter application.

16 (7) The request for proposals shall state clear,
17 appropriately detailed questions as well as guidelines
18 concerning the format and content essential for applicants to
19 demonstrate the capacities necessary to establish and operate
20 a successful public charter school.

21 (8) The request for proposals shall require charter
22 applications to provide or describe thoroughly all of the
23 following essential elements of the proposed school plan:

24 a. An executive summary.

25 b. The mission and vision of the proposed public
26 charter school, including identification of the targeted

1 student population and the community the school hopes to
2 serve.

3 c. The location or geographic area proposed for the
4 school.

5 d. The grades to be served each year for the full
6 term of the charter contract.

7 e. Minimum, planned, and maximum enrollment per
8 grade per year for the term of the charter contract.

9 f. Evidence of need and community support for the
10 proposed public charter school.

11 g. A brief biography regarding the expertise and
12 background on the proposed founding governing members and the
13 proposed school leadership and management team.

14 h. The school's proposed calendar and sample daily
15 schedule.

16 i. A description of the academic program.

17 j. A description of the school's instructional
18 design, including the type of learning environment (such as
19 classroom-based or independent study), class size and
20 structure, curriculum overview, and teaching methods.

21 k. The school's plan for using internal and external
22 assessments to measure and report student progress.

23 l. The school's plan for identifying and
24 successfully serving students with disabilities, students who
25 are English language learners, students who are academically
26 behind, and gifted students, including, but not limited to,
27 compliance with applicable laws and regulations.

1 m. A description of cocurricular or extracurricular
2 programs and how they will be funded and delivered.

3 n. Plans and timelines for student recruitment and
4 enrollment, including random selection procedures in the event
5 that interest exceeds capacity.

6 o. The school's student discipline policies,
7 including those for special education students.

8 p. An organization chart that clearly presents the
9 school's organizational structure, including lines of
10 authority and reporting between the governing board, staff,
11 any related bodies (such as advisory bodies or parent and
12 teacher councils), and any external organizations that will
13 play a role in managing the school.

14 q. A clear description of the roles and
15 responsibilities for the governing board, the school's
16 leadership and management team, and any other entities shown
17 in the organization chart.

18 r. A staffing chart for the school's first year, and
19 a staffing plan for the term of the charter.

20 s. Plans for recruiting and developing school
21 leadership and staff.

22 t. The school's leadership and teacher employment
23 policies, including performance evaluation plans.

24 u. Proposed governing bylaws.

25 v. Explanations of any partnerships or contractual
26 relationships central to the school's operations or mission.

1 w. The school's plans for providing transportation,
2 food service, and all other significant operational or
3 ancillary services.

4 x. Opportunities and expectations for parental
5 involvement.

6 y. A detailed school start-up plan, identifying
7 tasks, timelines and responsible individuals.

8 z. Description of the school's financial plan and
9 policies, including financial controls and audit requirements.
10 This plan shall include a disclosure of all donations of
11 private funding, if any, including, but not limited to, gifts
12 received from foreign governments, foreign legal entities,
13 and, when reasonably known, domestic entities affiliated with
14 either foreign governments or foreign legal entities.

15 aa. A description of the insurance coverage the
16 school will obtain.

17 bb. Start-up and five-year budgets with clearly
18 stated assumptions.

19 cc. Evidence of anticipated fundraising
20 contributions, if claimed in the application.

21 dd. A sound facilities plan, including backup or
22 contingency plans, if appropriate.

23 ee. In the case of an applicant who has submitted an
24 application for 501(c)(3) tax-exempt status, but has not yet
25 been approved for 501(c)(3) tax-exempt status, the applicant
26 shall submit a copy of their application for 501(c)(3)
27 tax-exempt status.

1 ff. Any other item that the authorizer deems
2 appropriate to assess the applicant's ability to successfully
3 open and operate a public charter school.

4 (9) Conversion public charter schools. A local
5 school board may convert a non-charter public school to a
6 public charter school.

7 a. Any local school board's decision to convert a
8 school is not appealable to the commission.

9 1. After identifying the non-charter public school
10 it has decided to convert to a public charter school, a local
11 school board shall release a request for proposals, allowing
12 education service providers the opportunity to submit
13 applications to manage the specific school as a public charter
14 school under the terms of this act.

15 2. The conversion must occur at the beginning of an
16 academic school year and shall be subject to compliance with
17 this act.

18 3. At the time of conversion to a public charter
19 school, any teacher or administrator in the newly converted
20 public charter school shall have the opportunity to interview
21 for a position in the public charter school. The public
22 charter school is under no obligation to hire any teacher or
23 administrator.

24 4. At the time of conversion to a public charter
25 school, any teacher or administrator in the public charter
26 school may be allowed to transfer into vacant positions for
27 which they are both certified and qualified in other schools

1 in the school system prior to the hiring of new personnel for
2 those vacant positions.

3 5. If personnel reductions are contemplated as the
4 result of a conversion to a charter model, that shall be
5 clearly stated in the application. An approved conversion
6 shall constitute decreased student enrollment or a shortage of
7 revenues, or both, for the purposes of the local school board
8 implementing a reduction in force pursuant to Section 16-1-33,
9 Code of Alabama 1975.

10 b. After an education service provider has been
11 identified to manage the non-charter public school, the local
12 school board shall negotiate a performance contract with the
13 selected education service provider as set forth in
14 subdivision (1) of subsection (d).

15 (10) In the case of a proposed public charter school
16 that intends to contract with an education service provider
17 for substantial education services, management services, or
18 both types of services, the request for proposals shall
19 additionally require the applicants to do all of the
20 following:

21 a. Provide evidence of the education service
22 provider's success in serving student populations similar to
23 the targeted population, including demonstrated academic
24 achievement as well as successful management of nonacademic
25 school functions, if applicable.

26 b. Provide a term sheet setting forth the proposed
27 duration of the service contract; roles and responsibilities

1 of the governing board; the school staff; and the education
2 service provider; scope of services and resources to be
3 provided by the education service provider; performance
4 evaluation measures and timelines; compensation structure,
5 including clear identification of all fees to be paid to the
6 education service provider; methods of contract oversight and
7 enforcement; investment disclosure; and conditions for renewal
8 and termination of the contract.

9 c. Disclose and explain any existing or potential
10 conflicts of interest between the school governing board and
11 proposed education service provider or any affiliated business
12 entities.

13 (11) In the case of a public charter school proposal
14 from an applicant that currently operates one or more schools
15 inside or outside of Alabama, the request for proposals shall
16 additionally require the applicant to provide evidence of past
17 performance and current ability to manage for growth.

18 (b) Application decision-making process.

19 (1) In evaluating and reviewing charter
20 applications, authorizers shall employ procedures, practices,
21 and criteria consistent with nationally recognized principles
22 and standards for quality charter authorizing. The application
23 review process shall include thorough evaluation of each
24 written charter application, an in-person interview with the
25 applicant group, and an opportunity in a public forum for
26 local residents to learn about and provide input on each
27 application.

1 (2) In deciding whether to approve charter
2 applications, authorizers shall do all of the following:

3 a. Grant charters only to applicants that have
4 demonstrated competence in each element of the authorizer's
5 published approval criteria and are likely to open and operate
6 a successful public charter school.

7 b. Base decisions on documented evidence collected
8 through the application review process.

9 c. Follow charter-granting policies and practices
10 that are transparent, based on merit, and avoid conflicts of
11 interest or any appearance thereof.

12 d. In the case of the commission, require
13 significant and objective evidence of interest for the public
14 charter school from the community the public charter school
15 wishes to serve.

16 (3) An authorizer shall not approve a public charter
17 school application that includes any of the following:

18 a. Admissions requirements for entry, including, but
19 not limited to academic proficiency, particular skills or
20 competencies, or financial means.

21 b. Any parochial or religious theme.

22 (4) No later than 60 days after the filing of the
23 charter application, the authorizer shall decide to approve or
24 deny the charter application. The authorizer shall adopt by
25 resolution all charter approval or denial decisions in an open
26 meeting. If no action is taken on the application within 60

1 days, the application shall be considered denied and the
2 applicant may appeal the decision to the commission.

3 (5) An approval decision may include, if
4 appropriate, reasonable conditions that the charter applicant
5 must meet before a charter contract may be executed pursuant
6 to this section.

7 (6) For any charter denial, the authorizer shall
8 clearly state, for public record, its reasons for denial. A
9 denied applicant may subsequently reapply to that board the
10 following year or appeal the denial to the commission.

11 (7) Within 30 days of taking action to approve or
12 deny a charter application, the authorizer shall report to the
13 department the action it has taken. The authorizer shall
14 provide a copy of the report to the charter applicant at the
15 same time that the report is submitted to the department. The
16 report shall include a copy of the authorizer's resolution
17 setting forth the action taken and reasons for the decision
18 and assurances as to compliance with all of the procedural
19 requirements and application elements set forth in this
20 section.

21 (c) (1) The applicant for a public charter school,
22 the local school board for the district in which a public
23 charter school is proposed to be located, and the authorizer
24 shall carefully review the potential impact of an application
25 for a public charter school on the efforts of the local school
26 system to comply with court orders and statutory obligations

1 for creating and maintaining a unitary system of desegregated
2 public schools.

3 (2) The authorizer shall attempt to measure the
4 likely impact of a proposed public charter school on the
5 efforts of local school systems to achieve and maintain a
6 unitary system.

7 (3) The authorizer shall not approve any public
8 charter school under this act that hampers, delays, or in any
9 manner negatively affects the desegregation efforts of a local
10 school system.

11 (d) Initial charter term. An initial charter shall
12 be granted for a term of five operating years. The charter
13 term shall commence on the public charter school's first day
14 of operation. An approved public charter school may delay its
15 opening for one school year in order to plan and prepare for
16 the school's opening. If the school requires an opening delay
17 of more than one year, the school shall request an extension
18 from its authorizer. The authorizer may grant or deny the
19 extension depending on the particular school's circumstances.

20 (e) Charter contracts.

21 (1) Within 60 days of approval of a charter
22 application, the authorizer and the governing board of the
23 approved public charter school shall execute a charter
24 contract that clearly sets forth the academic and operational
25 performance expectations and measures by which the public
26 charter school will be judged and the administrative
27 relationship between the authorizer and the public charter

1 school, including each party's rights and duties. The
2 performance expectations and measures set forth in the charter
3 contract shall include, but need not be limited to, applicable
4 federal and state accountability requirements. The performance
5 provisions may be refined or amended by mutual agreement after
6 the public charter school is operating and has collected
7 baseline achievement data for its enrolled students.

8 (2) The charter contract shall be signed by the
9 president of the authorizer's board and the president of the
10 public charter school's governing body. Within 10 days of
11 executing a charter contract, the authorizer shall submit to
12 the department written notification of the executed charter
13 contract and any attachments.

14 (3) No public charter school may commence operations
15 without a charter contract executed in accordance with this
16 act and approved in an open meeting of the authorizer's
17 governing board.

18 (f) Preopening requirements or conditions.
19 Authorizers may establish reasonable preopening requirements
20 or conditions to monitor the start-up progress of newly
21 approved public charter schools and ensure that they are
22 prepared to open smoothly on the date agreed, and to ensure
23 that each school meets all building, health, safety,
24 insurance, and other legal requirements for school opening.

25 Section 8. (a) Performance framework.

26 (1) The performance provisions within the charter
27 contract shall be based on a performance framework that

1 clearly sets forth the academic and operational performance
2 indicators, measures, and metrics that will guide the
3 authorizer's evaluations of each public charter school. The
4 performance framework shall include indicators, measures, and
5 metrics for, at a minimum:

6 a. Student academic proficiency, which includes, but
7 is not limited to, performance on state standardized
8 assessments.

9 b. Student academic growth, which includes, but is
10 not limited to, performance on state standardized assessments.

11 c. Achievement gaps in both proficiency and growth
12 between major student subgroups.

13 d. Attendance.

14 e. Recurrent enrollment from year to year.

15 f. Postsecondary readiness for high schools.

16 g. Financial performance and sustainability.

17 h. Board performance and stewardship, including
18 compliance with all applicable laws, regulations, and terms of
19 the charter contract.

20 (2) Annual performance targets shall be set by each
21 public charter school in conjunction with its authorizer, and
22 shall be designed to help each school meet applicable federal,
23 state, and authorizer expectations.

24 (3) The performance framework shall allow the
25 inclusion of additional rigorous, valid, and reliable
26 indicators proposed by a public charter school to augment
27 external evaluations of its performance, provided that the

1 authorizer approves the quality and rigor of such
2 school-proposed indicators, and they are consistent with the
3 purposes of this act.

4 (4) The performance framework shall require the
5 disaggregation of all student performance data by major
6 student subgroups (gender, race, poverty status, special
7 education status, English learner status, and gifted status).

8 (5) For each public charter school it oversees, the
9 authorizer shall be responsible for collecting, analyzing, and
10 reporting all data from state assessments in accordance with
11 the performance framework.

12 (6) Multiple schools overseen by a single governing
13 board shall be required to report their performance as
14 separate, individual schools, and each school shall be held
15 independently accountable for its performance.

16 (b) Ongoing oversight and corrective action.

17 (1) An authorizer shall continually monitor the
18 performance and legal compliance of the public charter schools
19 it oversees, including collecting and analyzing data to
20 support ongoing evaluation according to the charter contract.
21 Every authorizer shall have the authority to conduct or
22 require oversight activities that enable the authorizer to
23 fulfill its responsibilities under this act, including
24 conducting appropriate inquiries and investigations, so long
25 as those activities are consistent with the intent of this
26 act, adhere to the terms of the charter contract, and do not

1 unduly prohibit the autonomy granted to public charter
2 schools.

3 (2) Each authorizer shall annually publish and
4 provide, as part of its annual report to the department and
5 the Legislature, a performance report for each public charter
6 school it oversees, in accordance with the performance
7 framework set forth in the charter contract and Section 6. The
8 authorizer may require each public charter school it oversees
9 to submit an annual report to assist the authorizer in
10 gathering complete information about each school, consistent
11 with the performance framework.

12 (3) In the event that a public charter school's
13 performance or legal compliance appears unsatisfactory, the
14 authorizer shall promptly notify the public charter school of
15 the perceived problem and provide reasonable opportunity for
16 the school to remedy the problem, unless the problem warrants
17 revocation, in which case the revocation timelines shall
18 apply.

19 (4) Every authorizer shall have the authority to
20 take appropriate corrective actions or exercise sanctions
21 short of revocation in response to apparent deficiencies in
22 public charter school performance or legal compliance. Such
23 actions or sanctions may include, if warranted, requiring a
24 school to develop and execute a corrective action plan within
25 a specified time frame.

26 (c) Renewals, revocations, and nonrenewals.

1 (1) A charter may be renewed for successive
2 five-year terms of duration, although the authorizer may vary
3 the term based on the performance, demonstrated capacities,
4 and particular circumstances of each public charter school. An
5 authorizer may grant renewal with specific conditions for
6 necessary improvement to a public charter school.

7 (2) No later than July 15, the authorizer shall
8 issue a public charter school performance report and charter
9 renewal application guidance to any public charter school
10 whose charter is scheduled to expire the following year. The
11 performance report shall summarize the public charter school's
12 performance record to date, based on the data required by this
13 act and the charter contract, and shall provide notice of any
14 weaknesses or concerns perceived by the authorizer concerning
15 the public charter school that may jeopardize its position in
16 seeking renewal if not timely rectified. The public charter
17 school shall have 15 calendar days to respond to the
18 performance report and submit any corrections or
19 clarifications for the report.

20 (3) The renewal application guidance, at a minimum,
21 shall provide an opportunity for the public charter school to
22 do all of the following:

23 a. Present additional evidence, beyond the data
24 contained in the performance report, supporting its case for
25 charter renewal.

26 b. Describe improvements undertaken or planned for
27 the school.

1 c. Detail the school's plans for the next charter
2 term.

3 (4) The renewal application guidance shall include
4 or refer explicitly to the criteria that will guide the
5 authorizer's renewal decisions, which shall be based on the
6 performance framework set forth in the charter contract and
7 consistent with this act.

8 (5) No later than October 1, the governing board of
9 a public charter school seeking renewal shall submit a renewal
10 application to the charter authorizer pursuant to the renewal
11 application guidance issued by the authorizer. The authorizer
12 shall rule by resolution on the renewal application no later
13 than 30 days after the filing of the renewal application.

14 (6) In making charter renewal decisions, every
15 authorizer shall do all of the following:

16 a. Ground its decisions in evidence of the school's
17 performance over the term of the charter contract in
18 accordance with the performance framework set forth in the
19 charter contract.

20 b. Ensure that data used in making renewal decisions
21 are available to the school and the public.

22 c. Provide a public report summarizing the evidence
23 basis for each decision.

24 (7) A charter contract may be revoked at any time if
25 the authorizer determines that the public charter school did
26 any of the following or otherwise failed to comply with this
27 act:

1 a. Commits a material and substantial violation of
2 any of the terms, conditions, standards, or procedures
3 required under this act or the charter contract.

4 b. Fails to meet or make sufficient progress toward
5 the performance expectations set forth in the charter
6 contract.

7 c. Fails to attain the minimum state proficiency
8 standard for public charter schools in each year of their
9 operation and over the charter term.

10 d. Fails to meet generally accepted standards of
11 fiscal management.

12 e. Substantially violates any material provision of
13 law from which the public charter school was not exempted.

14 (8) An authorizer may non-renew a public charter
15 school if the authorizer determines that the public charter
16 school did any of the following or otherwise failed to comply
17 with this act:

18 a. Commits a material and substantial violation of
19 any of the terms, conditions, standards, or procedures
20 required under this act or the charter contract.

21 b. Fails to meet the performance expectations set
22 forth in the charter contract.

23 c. Fails to meet generally accepted standards of
24 fiscal management.

25 d. Substantially violates any material provision of
26 law from which the public charter school was not exempted.

1 (9) A charter contract shall not be renewed at the
2 end of the contract term if the public charter school fails to
3 meet the performance expectations set forth in the charter
4 contract, or fails to attain the minimum state proficiency
5 standard for public charter schools (minimum state standard)
6 in each year of its operation and over the charter term,
7 unless the public charter school demonstrates and the
8 authorizer affirms, through formal action of its board, that
9 other indicators of strength and exceptional circumstances
10 justify the continued operation of the school. At the time of
11 renewal, any public charter school that has received a grade
12 of F on the statewide accountability system for all public
13 schools pursuant to Section 16-6C-2, Code of Alabama 1975, or
14 a grade of D or F for the past three most recent years shall
15 be considered to fall below the minimum state standard.

16 (10) An authorizer shall develop revocation and
17 nonrenewal processes that do all of the following:

18 a. Provide the charter holders with a timely
19 notification of the prospect of revocation or nonrenewal and
20 of the reasons for such possible closures.

21 b. Allow the charter holders a reasonable amount of
22 time in which to prepare a response.

23 c. Provide the charter holders with an opportunity
24 to submit documents and give testimony challenging the
25 rationale for closure and in support of the continuation of
26 the school at an orderly proceeding held for that purpose.

1 d. Allow the charter holders access to
2 representation by counsel, at the expense of the charter
3 holder, and to call witnesses on their behalf.

4 e. Permit the recordings of such proceedings.

5 f. After a reasonable period for deliberation,
6 require a final determination be made and conveyed in writing
7 to the charter holders.

8 (11) If an authorizer revokes or does not renew a
9 charter, the authorizer shall clearly state, in a resolution,
10 the reasons for the revocation or nonrenewal.

11 (12) Within 15 days of taking action to renew, not
12 renew, or revoke a charter, the authorizer shall report to the
13 department the action taken, and shall provide a copy of the
14 report to the public charter school at the same time that the
15 report is submitted to the department. The report shall
16 include a copy of the authorizer's resolution setting forth
17 the action taken and reasons for the decision and assurances
18 as to compliance with all of the requirements set forth in
19 this act.

20 (d) School closure and dissolution.

21 (1) Prior to any public charter school closure
22 decision, an authorizer shall have developed a public charter
23 school closure protocol to ensure timely notification to
24 parents, orderly transition of students and student records to
25 new schools, and proper disposition of school funds, property,
26 and assets in accordance with the requirements of this act.
27 The protocol shall specify tasks, timelines, and responsible

1 parties, including delineating the respective duties of the
2 school and the authorizer.

3 (2) In the event of a public charter school closure
4 for any reason, the authorizer shall oversee and work with the
5 closing school to ensure a smooth and orderly closure and
6 transition for students and parents, as guided by the closure
7 protocol. In the event of a public charter school closure for
8 any reason, the assets of the school shall be distributed
9 first to satisfy outstanding payroll obligations for employees
10 of the school, then to creditors of the school, and then to
11 the State Treasury to the credit of the Education Trust Fund.
12 If the assets of the school are insufficient to pay all
13 parties to whom the school owes compensation, the
14 prioritization of the distribution of assets may be determined
15 by decree of a court of law.

16 (e) Charter transfers. Transfer of a charter
17 contract, and of oversight of that public charter school, from
18 one authorizer to another before the expiration of the charter
19 term shall not be permitted except by special petition to the
20 department by a public charter school or its authorizer. The
21 department shall review such petitions on a case-by-case basis
22 and may grant transfer requests in response to special
23 circumstances and evidence that such a transfer would serve
24 the best interests of the public charter school's students.

25 (f) Annual report. On or before November 1 of each
26 year beginning in the first year after the state has had
27 public charter schools operating for a full school year, the

1 department shall issue to the Governor, the Legislature, and
2 the public at large, an annual report on the state's public
3 charter schools, drawing from the annual reports submitted by
4 every authorizer as well as any additional relevant data
5 compiled by the department, for the school year ending in the
6 preceding calendar year. The annual report shall include a
7 comparison of the performance of public charter school
8 students with the performance of academically, ethnically, and
9 economically comparable groups of students in non-charter
10 public schools. In addition, the annual report shall include
11 the department's assessment of the successes, challenges, and
12 areas for improvement in meeting the purposes of this act,
13 including the department's recommendations as to any suggested
14 changes in state law or policy necessary to strengthen the
15 state's public charter schools.

16 Section 9. (a) Legal status of a public charter
17 school.

18 (1) Notwithstanding any provision of law to the
19 contrary, to the extent that any provision of this act is
20 inconsistent with any other state or local law, rule, or
21 regulation, the provisions of this act shall govern and be
22 controlling.

23 (2) A public charter school shall be subject to all
24 federal laws and authorities enumerated herein or arranged by
25 charter contract with the school's authorizer, where such
26 contracting is consistent with applicable laws, rules, and
27 regulations.

1 (3) Except as provided in this act, a public charter
2 school shall not be subject to the state's education statutes
3 or any state or local rule, regulation, policy, or procedure
4 relating to non-charter public schools within an applicable
5 local school system regardless of whether such rule,
6 regulation, policy, or procedure is established by the local
7 school board, the State Board of Education, or the State
8 Department of Education.

9 (4) A single governing board may hold one or more
10 charter contracts. Each public charter school that is part of
11 a charter contract shall be separate and distinct from any
12 others.

13 (5) A start-up public charter school shall function
14 as a local educational agency (LEA). A public charter school
15 shall be responsible for meeting the requirements of LEAs
16 under applicable federal, state, and local laws, including
17 those relating to special education. LEA status shall not
18 preclude a public charter school from developing partnerships
19 with school systems for services, resources, and programs by
20 mutual agreement or formal contract.

21 (6) A conversion public charter school shall remain
22 a part of the LEA in which the non-charter public school
23 existed prior to its conversion to a public charter school.

24 (7) A public charter school shall have primary
25 responsibility for special education at the school, including
26 identification and service provision. It shall be responsible
27 for meeting the needs of enrolled students with disabilities.

1 This does not preclude the public charter school from
2 collaborating with the local school system to meet the needs
3 of any special education student.

4 (8) The governing board of a public charter school
5 shall hold meetings in the local school system in which the
6 public charter school is located and at times convenient for
7 parents to attend.

8 (9) All members of a governing board shall be
9 subject to the State Ethics Law.

10 (b) Powers of public charter schools. A public
11 charter school shall have all the powers necessary for
12 carrying out the terms of its charter contract including the
13 following powers:

14 (1) To receive and disburse funds for school
15 purposes.

16 (2) To secure appropriate insurance and to enter
17 into contracts and leases.

18 (3) To contract with an education service provider
19 for the management and operation of the public charter school
20 so long as the school's governing board retains oversight
21 authority over the school.

22 (4) To incur debt in reasonable anticipation of the
23 receipt of public or private funds.

24 (5) To pledge, assign, or encumber its assets to be
25 used as collateral for loans or extensions of credit.

1 (6) To solicit and accept any gifts or grants for
2 school purposes subject to applicable laws and the terms of
3 its charter contract.

4 (7) To acquire real property for use as its facility
5 or facilities, from public or private sources.

6 (8) To sue and be sued in its own name.

7 (c) General requirements.

8 (1) A public charter school shall not discriminate
9 against any person on the basis of race, creed, color, sex,
10 disability, or national origin or any other category that
11 would be unlawful if done by a non-charter public school.

12 (2) No public charter school may engage in any
13 sectarian practices in its educational program, admissions or
14 employment policies, or operations.

15 (3) A public charter school shall not discriminate
16 against any student on the basis of national origin minority
17 status or limited proficiency in English. Consistent with
18 federal civil rights laws, public charter schools shall
19 provide limited English proficient students with appropriate
20 services designed to teach them English and the general
21 curriculum.

22 (4) A public charter school shall not charge tuition
23 and may only charge such fees as may be imposed on other
24 students attending public schools in the state.

25 (5) The powers, obligations, and responsibilities
26 set forth in the charter contract cannot be delegated or
27 assigned by either party.

1 (d) Applicability of other laws, rules, and
2 regulations.

3 (1) Public charter schools shall be subject to the
4 same civil rights, health, and safety requirements, including,
5 but not limited to, state and local public health and building
6 codes, employee fingerprinting and criminal background checks
7 applicable to other public schools in the state, except as
8 otherwise specifically provided in this act.

9 (2) Public charter schools shall be subject to the
10 statewide end-of-year annual standardized assessment as
11 applicable to other public schools in the state, but nothing
12 herein shall preclude a public charter school from
13 establishing additional student assessment measures that go
14 beyond state requirements if the school's authorizer approves
15 such measures.

16 (3) Public charter school governing boards shall be
17 subject to and comply with the Alabama Open Meetings Act and
18 public records laws.

19 (4) Any provision of this act to the contrary
20 notwithstanding, public charter schools shall be subject to
21 competitive bid laws in the same fashion as local boards of
22 education.

23 (e) Public charter school employees.

24 (1) Public charter schools shall comply with
25 applicable federal laws, rules, and regulations regarding the
26 qualification of teachers and other instructional staff. In
27 accordance with subsection (a), teachers in public charter

1 schools shall be exempt from state teacher certification
2 requirements.

3 (2) Start-up public charter schools may elect to
4 participate in the Teachers' Retirement System and Public
5 Education Employees' Health Insurance Plan. Such election must
6 take place prior to the execution of the charter contract and
7 once made is irrevocable. Conversion charter schools shall
8 participate in the Teachers' Retirement System and Public
9 Education Employees' Health Insurance Plan. Employees of
10 participating start-up public charter schools and employees of
11 conversion public charter schools shall participate in the
12 Teachers' Retirement System of Alabama as teachers defined in
13 subdivision (3) of Section 16-25-1, Code of Alabama 1975, and
14 are eligible to participate in the Public Education Employees'
15 Health Insurance Plan as employees defined in subdivision (1)
16 of Section 16-25A-1.

17 (3) A public charter school may not interfere with
18 laws and applicable rules protecting the rights of employees
19 to organize and be free from discrimination.

20 (4) Public charter school employees, teachers, and
21 other instructional staff shall be subject to the State Ethics
22 Law, Chapter 25, Title 36, Code of Alabama 1975.

23 (f) Access to extracurricular and interscholastic
24 activities. Nothing in this act shall be construed to prevent
25 a public charter school from forming an athletic team and
26 participating in interscholastic athletics in the State of
27 Alabama. If a public charter school elects for its students to

1 participate in athletic contests or competitions, then the
2 school shall pursue membership in the Alabama High School
3 Athletic Association and shall adhere to all guidelines,
4 rules, regulations, and bylaws as other member schools.

5 Section 10. (a) Enrollment. Students enrolled in and
6 attending public charter schools shall be included in all
7 enrollment and attendance counts of students of the local
8 school system in which the students reside. The public charter
9 school shall report all such data to the local school systems
10 of residence in a timely manner. Each local school system
11 shall report such enrollment, attendance, and other counts of
12 students to the department in the manner required by the
13 department.

14 (b) Operational funding.

15 (1) The following provisions govern operational
16 funding:

17 a. In their initial year, and in subsequent years to
18 accommodate growth as articulated in their application,
19 funding for public charter schools shall be provided from the
20 Education Trust Fund in the Foundation Program appropriation
21 for current units. Subsequent year funding for public charter
22 schools shall be based on the Foundation Program allocation
23 and other public school Education Trust Fund appropriations.

24 b. For each of its students, a public charter school
25 shall receive the same amount of state funds, including funds
26 earmarked for the Foundation Program transportation, school
27 nurses, technology coordinators, and other line items that may

1 be included in the appropriation for the Foundation Program
2 Fund, that, for the then-current fiscal year, would have
3 otherwise been allocated on behalf of each public charter
4 school student to the local school system where the student
5 resides. This amount shall reflect the status of each student
6 according to grade level, economic disadvantage, limited
7 English proficiency, and special education needs.

8 c. For each of its students, a public charter school
9 shall receive the same amount of local tax revenue, that, for
10 the then-current fiscal year, would have otherwise been
11 allocated on behalf of each public charter school student to
12 the local non-charter public school of each student's
13 residence, excluding those funds already earmarked through a
14 vote of the local school board for debt service, capital
15 expenditures, or transportation. As necessary, the department
16 shall promulgate processes and procedures to determine the
17 specific local revenue allocations according to the Foundation
18 Program for each public charter school.

19 d. The state funds described in paragraph a. shall
20 be forwarded on a quarterly basis to the public charter school
21 by the department. The local funds described in paragraph b.
22 shall be forwarded on a quarterly basis to the public charter
23 school by the local educational agency of the student's
24 residence, notwithstanding the oversight fee reductions
25 pursuant to Section 6. Additionally, any local revenues
26 restricted, earmarked, or committed by statutory provision,
27 constitutional provision, or board covenant pledged or imposed

1 by formal action of the local board of education or other
2 authorizing body of government, shall be excluded by the local
3 educational agency of the student's residence when determining
4 the amount of funds to be forwarded by the agency to the
5 public charter school.

6 e. The maximum annual local tax allocation forwarded
7 to a start-up public charter school from a local school system
8 shall, for each student, not exceed the per student portion of
9 the state required 10 mill ad valorem match.

10 f. The maximum annual local tax allocation forwarded
11 to a conversion public charter school from a local school
12 system shall, for each student, equal the amount that would
13 have been received by the local education agency of the
14 student's residence for each student who now attends a
15 conversion public charter school, minus any amounts otherwise
16 excluded pursuant to this section.

17 g. If necessary, the department shall adopt rules
18 governing how to calculate and distribute these per-student
19 allocations, as well as any rules governing cost-sharing for
20 students participating in specialized gifted, talented,
21 vocational, technical, or career education programs.

22 (2) Categorical funding. The department shall direct
23 the proportionate share of moneys generated under federal and
24 state categorical aid programs to public charter schools
25 serving students eligible for such aid. The state shall ensure
26 that public charter schools with rapidly expanding enrollments
27 are treated equitably in the calculation and disbursement of

1 all federal and state categorical aid program dollars. Each
2 public charter school that serves students who may be eligible
3 to receive services provided through such programs shall
4 comply with all reporting requirements to receive the aid.

5 (3) Special education funding.

6 a. The state shall pay directly to a public charter
7 school any federal or state aid attributable to a student with
8 a disability attending the school.

9 b. At either party's request, a public charter
10 school and its authorizer may negotiate and include in the
11 charter contract alternate arrangements for the provision of
12 and payment for special education services.

13 (4) Generally accepted accounting principles;
14 independent audit.

15 a. A public charter school shall adhere to generally
16 accepted accounting principles.

17 b. A public charter school shall annually engage an
18 independent certified public accountant to do an independent
19 audit of the school's finances. A public charter school shall
20 file a copy of each audit report and accompanying management
21 letter to its authorizer by June 1. This audit shall include
22 the same requirements as those required of local school system
23 pursuant to Section 16-13A-7, Code of Alabama 1975.

24 (5) Transportation funding.

25 a. The department shall disburse state
26 transportation funding to a public charter school on the same

1 basis and in the same manner as it is paid to public school
2 systems.

3 b. A public charter school may enter into a contract
4 with a school system or private provider to provide
5 transportation to the school's students.

6 c. Public charter schools that do not provide
7 transportation services shall not be allocated any federal,
8 state, or local funds otherwise earmarked for
9 transportation-related expenses.

10 Section 11. (a) Access to Alabama Public School and
11 College Authority (PSCA) funds.

12 (1) Public charter schools shall have the same
13 rights and access to PSCA funding opportunities as non-charter
14 public schools.

15 (2) The PSCA and the department shall adopt and
16 maintain a policy to ensure that public charter schools
17 receive access to equitable facilities funding.

18 (b) Access to local school system facilities and
19 land.

20 (1) A public charter school shall have a right of
21 first refusal to purchase or lease at or below fair market
22 value a closed or unused public school facility or property
23 located in a school system from which it draws its students if
24 the school system decides to sell or lease the public school
25 facility or property.

26 (2) Unused facility means a school building or other
27 local board of education owned building that is or could be

1 appropriate for school use, in which more than 60 percent of
2 the building is not being used for direct student instruction
3 or critical administration purposes and for which no offer to
4 purchase has been executed.

5 (3) The department shall publish the names and
6 addresses of unused facilities on its website in a list that
7 is searchable at least by each facility's name and address.
8 This list shall be updated at least once a year by May 1.

9 Section 12. The provisions of this act are
10 severable. If any part of this act is declared invalid or
11 unconstitutional, that declaration shall not affect the part
12 that remains.

13 Section 13. This act shall become effective
14 immediately following its passage and approval by the
15 Governor, or its otherwise becoming law.

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Senate

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| Read for the first time and referred to the Senate committee on Education & Youth Affairs..... | 03-MAR-15 |
| Read for the second time and placed on the calen- dar with 1 substitute and..... | 05-MAR-15 |
| Read for the third time and passed as amended | 10-MAR-15 |

Patrick Harris
Secretary