SB45

165119-3

By Senator Marsh

RFD: Education and Youth Affairs

First Read: 03-MAR-15

PFD: 02/25/2015
To create the Alabama School Choice and Student Opportunity Act; to create the Alabama Public Charter School Commission and provide for the membership, powers, duties, and liabilities of the commission; to provide for the application process for establishing public charter schools and conversion charter schools; to provide for charter terms, charter contracts, and preopening requirements and conditions; to provide for accountability of charter schools pursuant to a performance framework, ongoing oversight and corrective action, and renewal, revocation, and nonrenewal of charters; to provide for the operation and autonomy of public charter schools; to provide for funding; and to provide for facilities.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. This act shall be known and may be cited as the Alabama School Choice and Student Opportunity Act.
Section 2. (a) Public charter schools may be established in Alabama in accordance with this act. All public charter schools in the state established under this act are public schools and are part of the public education system of the state.

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

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

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

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

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

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

(4) Those who know students best, parents and educators, make the best education-related decisions regarding their students.
(5) Parents and local educators have a right and responsibility to actively participate in the educational institutions that serve the children of Alabama.

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

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

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

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

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

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

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

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

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

Section 4. For the purposes of this act, the following terms shall have the following meanings:
(1) APPLICANT. Any group with 501(c)(3) tax-exempt status or that has submitted an application for 501(c)(3) tax-exempt status that develops and submits an application for a public charter school to an authorizer.

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

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

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

(5) CHARTER CONTRACT. A fixed-term renewable contract between a public charter school and an authorizer that outlines the roles, powers, responsibilities, and quantitative and qualitative performance expectations for each party to the contract.
(6) COMMISSION. The Alabama Public Charter School Commission created in subsection (c) of Section 6. The commission serves as an appellate body in specific circumstances outlined in subsection (a) of Section 6.

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

(8) DEPARTMENT. The State Department of Education.

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

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

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

(12) LOCAL SCHOOL SYSTEM. A public agency that establishes and supervises one or more public schools within
its geographical limits pursuant to state law. A local school system includes a city or county school system.

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

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

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

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

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

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

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

d. Is a school to which parents choose to send their student.
e. Is a school that admits students on the basis of a random selection process if more students attempt to enroll for admission than can be accommodated.

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

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

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

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

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

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

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

Section 5. (a) Open enrollment.

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

(2) A school system shall not require any student enrolled in the school system to attend a start-up public charter school.
(3) A public charter school shall not limit admission based on ethnicity, national origin, religion, gender, income level, disability, proficiency in the English language, or academic or athletic ability.

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

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

(6) If building capacity is insufficient to enroll all students who wish to attend a start-up public charter school, the school shall select students through a random selection process. The school shall first enroll students who reside within the school system in which the public charter school is located. If the number of local students wanting to enroll in the school exceeds the capacity of the school, then the school shall conduct a random selection process to enroll students who reside in the local school system. If the school has additional capacity after admitting students from the local school system, then the school shall admit any students without regard to their residency by a random selection process. The selection shall take place in a public meeting,
called by the governing body of the public charter school, and
following all posting and notice requirements prescribed by
the Alabama Open Meetings Act.

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

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

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

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

(10) This subsection does not preclude the formation
of a public charter school whose mission is focused on serving
special education students, students of the same gender,
students who pose such severe disciplinary programs that they
warrant a specific educational program, or students who are at
risk of academic failure. Notwithstanding the stated mission of the public charter school, any student may attend.

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

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

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

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

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

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

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

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

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

a. An application to form a public charter school is denied by the local school board overseeing that system and the applicant chooses to appeal the decision of the local school board to the commission.
b. The applicant wishes to open a start-up public charter school in a public school system that has chosen not to register as an authorizer.

(b) Public charter school cap.

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

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

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

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

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

(c) The Alabama Public Charter School Commission.

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

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

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

(4) The ninth member of the commission shall be a rotating position based on the local school system where the application was denied. This member appointed to the rotating position shall be appointed by the local school system where
the applicant is seeking to open a public charter school. The local school system shall appoint a member to the rotating position through board action specifically to consider that application.

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

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

(7) The initial appointments to the commission shall be made no later than June 1, 2015. One recommended appointee of the Governor, Speaker of the House of Representatives, President Pro Tempore of the Senate, and State Superintendent of Education shall serve an initial term of one year and one recommended appointee of the Governor, Speaker of the House of Representatives, President Pro Tempore of the Senate, and State Superintendent of Education shall serve an initial term
of two years. Thereafter, all appointees shall serve two-year terms of office. All appointments shall be eligible for reappointment as determined by the appointing authority, not to exceed a total of six years of service, unless the member was initially appointed to serve a one-year term of office. If the initial term of office of an appointee was one year, he or she may serve a total of five years of service on the commission.

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

(9) Six members of the commission constitute a quorum, and a quorum shall be necessary to transact business. Actions of the commission shall be by a majority vote of the commission. The commission, in all respects, shall comply with the Alabama Open Meetings Act and state record laws. Notwithstanding the preceding sentence, members of the commission may participate in a meeting of the commission by means of telephone conference, video conference, or similar communications equipment by means of which all persons
participating in the meeting may hear each other at the same
time. Participation by such means shall constitute presence in
person at a meeting for all purposes, including the
establishment of a quorum. Telephone or video conference or
similar communications equipment shall also allow members of
the public the opportunity to simultaneously listen to or
observe meetings of the commission.

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

(11) The commission may do any of the following:
  a. Utilize professional and administrative staff of
     the department as recommended by the State Superintendent of
     Education.
  b. Adopt rules for the operation and organization of
     the commission.
  c. Review, at least once per year, department rules
     and regulations concerning public charter schools and, if
     needed, recommend to the State Superintendent of Education any
     rule or regulation changes deemed necessary.
  d. Convene stakeholder groups and engage experts.
  e. Seek and receive state, federal, and private
     funds for operational expenses.
  f. A commission member may not receive compensation,
     but shall be reimbursed by the department for travel and per
diem expenses at the same rates and in the same manner as
state employees.

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

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

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

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

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

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

e. Find evidence that the local school board erred
in its application of nationally recognized authorizing
standards.
(d) A local school board may register with the department for chartering authority within the boundaries of the school system overseen by the local school board. The department shall publicize to all local school boards the opportunity to register with the state for chartering authority within the school system they oversee. By June 1 of each year, the department shall provide information about the opportunity, including a registration deadline, to all local school boards. To register as a charter authorizer in its school system, each interested local school board shall submit the following information in a format to be established by the department:

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

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

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

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

(5) A description or outline of the performance framework the local school board will use to guide the establishment of a charter contract and for ongoing oversight
and evaluation of public charter schools, consistent with the
requirements of this act.

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

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

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

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

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

(2) Approve applications that meet identified
educational needs.

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

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

(5) Negotiate and execute charter contracts with
each approved public charter school.
(6) Monitor the academic, fiscal, and organizational performance and compliance of public charter schools.

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

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

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

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

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

a. Approved, but not yet open.

b. Open and operating.

c. Terminated.

d. Closed, including year closed and reason for closing.

e. Never opened.

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

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

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

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

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

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

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

   c. If the local school board has oversight over six to 10, inclusive, public charter schools: One percent of annual per student state allocations.
d. These funds shall be used to cover the costs for a local school board to provide authorizing services to its public charter schools.

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

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

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

(l) The department shall oversee the performance and effectiveness of all authorizers established under this act. Persistently unsatisfactory performance of the portfolio of
the public charter schools of an authorizer, a pattern of well-founded complaints about the authorizer or its public charter schools, or other objective circumstances may trigger a special review by the department. In reviewing and evaluating the performance of an authorizer, the department shall apply nationally recognized standards for quality in charter authorizing. If, at any time, the department finds that an authorizer is not in compliance with an existing charter contract or the requirements of all authorizers under this act, the department shall notify the authorizer in writing of any identified problem, and the authorizer shall have reasonable opportunity to respond and remedy the problem.

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

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

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

(p) Authorizer power, duties, and liabilities. Authorizers are responsible for executing, in accordance with this act, the following essential powers and duties:
(1) Soliciting and evaluating charter applications based on nationally recognized standards.

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

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

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

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

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

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

(r) Principles and standards for charter authorizing.

(1) All authorizers shall be required to develop and maintain chartering policies and practices consistent with nationally recognized principles and standards for quality
charter authorizing in all major areas of authorizing responsibility including: Organizational capacity and infrastructure; soliciting and evaluating charter applications; performance contracting; ongoing public charter school oversight and evaluation; and charter renewal decision-making. The State Board of Education shall promulgate reasonable rules and regulations to effectuate this section within 90 days after the effective date of this act.

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

Section 7. (a) Request for proposals.

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

(2) Public charter school applicants may submit a proposal for a particular public charter school to no more than one local school board at a time.
(3) The department shall annually establish and disseminate a statewide timeline for charter approval or denial decisions, which shall apply to all authorizers in the state.

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

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

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

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

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

   a. An executive summary.

   b. The mission and vision of the proposed public charter school, including identification of the targeted
student population and the community the school hopes to serve.

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

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

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

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

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

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

i. A description of the academic program.

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

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

l. The school's plan for identifying and successfully serving students with disabilities, students who are English language learners, students who are academically behind, and gifted students, including, but not limited to, compliance with applicable laws and regulations.
m. A description of cocurricular or extracurricular programs and how they will be funded and delivered.

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

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

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

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

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

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

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

u. Proposed governing bylaws.

v. Explanations of any partnerships or contractual relationships central to the school's operations or mission.
w. The school's plans for providing transportation, food service, and all other significant operational or ancillary services.

x. Opportunities and expectations for parental involvement.

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

z. Description of the school's financial plan and policies, including financial controls and audit requirements.

This plan shall include a disclosure of all donations of private funding, if any, including, but not limited to, gifts received from foreign governments, foreign legal entities, and, when reasonably known, domestic entities affiliated with either foreign governments or foreign legal entities.

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

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

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

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

ee. In the case of an applicant who has submitted an application for 501(c)(3) tax-exempt status, but has not yet been approved for 501(c)(3) tax-exempt status, the applicant shall submit a copy of their application for 501(c)(3) tax-exempt status.
ff. Any other item that the authorizer deems appropriate to assess the applicant's ability to successfully open and operate a public charter school.

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

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

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

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

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

      4. At the time of conversion to a public charter school, any teacher or administrator in the public charter school may be allowed to transfer into vacant positions for which they are both certified and qualified in other schools
in the school system prior to the hiring of new personnel for those vacant positions.

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

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

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

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

b. Provide a term sheet setting forth the proposed duration of the service contract; roles and responsibilities
of the governing board; the school staff; and the education
service provider; scope of services and resources to be
provided by the education service provider; performance
evaluation measures and timelines; compensation structure,
including clear identification of all fees to be paid to the
education service provider; methods of contract oversight and
enforcement; investment disclosure; and conditions for renewal
and termination of the contract.

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

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

(b) Application decision-making process.

(1) In evaluating and reviewing charter
applications, authorizers shall employ procedures, practices,
and criteria consistent with nationally recognized principles
and standards for quality charter authorizing. The application
review process shall include thorough evaluation of each
written charter application, an in-person interview with the
applicant group, and an opportunity in a public forum for
local residents to learn about and provide input on each
application.
In deciding whether to approve charter applications, authorizers shall do all of the following:

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

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

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

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

An authorizer shall not approve a public charter school application that includes any of the following:

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

b. Any parochial or religious theme.

No later than 60 days after the filing of the charter application, the authorizer shall decide to approve or deny the charter application. The authorizer shall adopt by resolution all charter approval or denial decisions in an open 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
4 (5) An approval decision may include, if
5 appropriate, reasonable conditions that the charter applicant
6 must meet before a charter contract may be executed pursuant
7 to this section.
8
9 (6) For any charter denial, the authorizer shall
10 clearly state, for public record, its reasons for denial. A
11 denied applicant may subsequently reapply to that board the
12 following year or appeal the denial to the commission.
13
14 (7) Within 30 days of taking action to approve or
15 deny a charter application, the authorizer shall report to the
16 department the action it has taken. The authorizer shall
17 provide a copy of the report to the charter applicant at the
18 same time that the report is submitted to the department. The
19 report shall include a copy of the authorizer's resolution
20 setting forth the action taken and reasons for the decision
21 and assurances as to compliance with all of the procedural
22 requirements and application elements set forth in this
23 section.
24
25 (c)(1) The applicant for a public charter school,
26 the local school board for the district in which a public
27 charter school is proposed to be located, and the authorizer
28 shall carefully review the potential impact of an application
29 for a public charter school on the efforts of the local school
30 system to comply with court orders and statutory obligations
for creating and maintaining a unitary system of desegregated
public schools.

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

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

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

(e) Charter contracts.

(1) Within 60 days of approval of a charter
application, the authorizer and the governing board of the
approved public charter school shall execute a charter
contract that clearly sets forth the academic and operational
performance expectations and measures by which the public
charter school will be judged and the administrative
relationship between the authorizer and the public charter
school, including each party's rights and duties. The performance expectations and measures set forth in the charter contract shall include, but need not be limited to, applicable federal and state accountability requirements. The performance provisions may be refined or amended by mutual agreement after the public charter school is operating and has collected baseline achievement data for its enrolled students.

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

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

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

Section 8. (a) Performance framework.

(1) The performance provisions within the charter contract shall be based on a performance framework that
clearly sets forth the academic and operational performance indicators, measures, and metrics that will guide the authorizer's evaluations of each public charter school. The performance framework shall include indicators, measures, and metrics for, at a minimum:

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

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

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

d. Attendance.

e. Recurrent enrollment from year to year.

f. Postsecondary readiness for high schools.

g. Financial performance and sustainability.

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

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

(3) The performance framework shall allow the inclusion of additional rigorous, valid, and reliable indicators proposed by a public charter school to augment 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
disaggregation of all student performance data by major
student subgroups (gender, race, poverty status, special
education status, English learner status, and gifted status).

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

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

(b) Ongoing oversight and corrective action.

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

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

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

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

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

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

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

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

b. Describe improvements undertaken or planned for the school.
c. Detail the school's plans for the next charter
term.

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

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

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

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

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

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

(7) A charter contract may be revoked at any time if
the authorizer determines that the public charter school did
any of the following or otherwise failed to comply with this
act:
a. Commits a material and substantial violation of any of the terms, conditions, standards, or procedures required under this act or the charter contract.

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

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

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

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

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

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

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

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

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

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

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

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

c. Provide the charter holders with an opportunity to submit documents and give testimony challenging the rationale for closure and in support of the continuation of the school at an orderly proceeding held for that purpose.
d. Allow the charter holders access to representation by counsel, at the expense of the charter holder, and to call witnesses on their behalf.

e. Permit the recordings of such proceedings.

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

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

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

(d) School closure and dissolution.

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

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

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

(f) Annual report. On or before November 1 of each year beginning in the first year after the state has had public charter schools operating for a full school year, the
department shall issue to the Governor, the Legislature, and
the public at large, an annual report on the state's public
charter schools, drawing from the annual reports submitted by
every authorizer as well as any additional relevant data
compiled by the department, for the school year ending in the
preceding calendar year. The annual report shall include a
comparison of the performance of public charter school
students with the performance of academically, ethnically, and
economically comparable groups of students in non-charter
public schools. In addition, the annual report shall include
the department's assessment of the successes, challenges, and
areas for improvement in meeting the purposes of this act,
including the department's recommendations as to any suggested
changes in state law or policy necessary to strengthen the
state's public charter schools.

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

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

(2) A public charter school shall be subject to all
federal laws and authorities enumerated herein or arranged by
charter contract with the school's authorizer, where such
contracting is consistent with applicable laws, rules, and
regulations.
(3) Except as provided in this act, a public charter school shall not be subject to the state's education statutes or any state or local rule, regulation, policy, or procedure relating to non-charter public schools within an applicable local school system regardless of whether such rule, regulation, policy, or procedure is established by the local school board, the State Board of Education, or the State Department of Education.

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

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

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

(7) A public charter school shall have primary responsibility for special education at the school, including identification and service provision. It shall be responsible for meeting the needs of enrolled students with disabilities.
This does not preclude the public charter school from collaborating with the local school system to meet the needs of any special education student.

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

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

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

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

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

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

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

(5) To pledge, assign, or encumber its assets to be used as collateral for loans or extensions of credit.
(6) To solicit and accept any gifts or grants for school purposes subject to applicable laws and the terms of its charter contract.

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

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

(c) General requirements.

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

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

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

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

(5) The powers, obligations, and responsibilities set forth in the charter contract cannot be delegated or assigned by either party.
(d) Applicability of other laws, rules, and regulations.

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

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

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

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

(e) Public charter school employees.

(1) Public charter schools shall comply with applicable federal laws, rules, and regulations regarding the qualification of teachers and other instructional staff. In accordance with subsection (a), teachers in public charter
schools shall be exempt from state teacher certification requirements.

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

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

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

(f) Access to extracurricular and interscholastic activities. Nothing in this act shall be construed to prevent a public charter school from forming an athletic team and participating in interscholastic athletics in the State of Alabama. If a public charter school elects for its students to
participate in athletic contests or competitions, then the school shall pursue membership in the Alabama High School Athletic Association and shall adhere to all guidelines, rules, regulations, and bylaws as other member schools.

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

(b) Operational funding.

(1) The following provisions govern operational funding:

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

b. For each of its students, a public charter school shall receive the same amount of state funds, including funds earmarked for the Foundation Program transportation, school nurses, technology coordinators, and other line items that may
be included in the appropriation for the Foundation Program Fund, that, for the then-current fiscal year, would have otherwise been allocated on behalf of each public charter school student to the local school system where the student resides. This amount shall reflect the status of each student according to grade level, economic disadvantage, limited English proficiency, and special education needs.

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

d. The state funds described in paragraph a. shall be forwarded on a quarterly basis to the public charter school by the department. The local funds described in paragraph b. shall be forwarded on a quarterly basis to the public charter school by the local educational agency of the student's residence, notwithstanding the oversight fee reductions pursuant to Section 6. Additionally, any local revenues restricted, earmarked, or committed by statutory provision, constitutional provision, or board covenant pledged or imposed
by formal action of the local board of education or other
authorizing body of government, shall be excluded by the local
educational agency of the student's residence when determining
the amount of funds to be forwarded by the agency to the
public charter school.

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

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

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

(2) Categorical funding. The department shall direct
the proportionate share of moneys generated under federal and
state categorical aid programs to public charter schools
serving students eligible for such aid. The state shall ensure
that public charter schools with rapidly expanding enrollments
are treated equitably in the calculation and disbursement of
all federal and state categorical aid program dollars. Each
public charter school that serves students who may be eligible
to receive services provided through such programs shall
comply with all reporting requirements to receive the aid.

(3) Special education funding.
   a. The state shall pay directly to a public charter
school any federal or state aid attributable to a student with
a disability attending the school.
   b. At either party's request, a public charter
school and its authorizer may negotiate and include in the
charter contract alternate arrangements for the provision of
and payment for special education services.

(4) Generally accepted accounting principles;
independent audit.
   a. A public charter school shall adhere to generally
accepted accounting principles.
   b. A public charter school shall annually engage an
independent certified public accountant to do an independent
audit of the school's finances. A public charter school shall
file a copy of each audit report and accompanying management
letter to its authorizer by June 1. This audit shall include
the same requirements as those required of local school system

(5) Transportation funding.
   a. The department shall disburse state
transportation funding to a public charter school on the same
basis and in the same manner as it is paid to public school systems.

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

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

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

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

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

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

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

(2) Unused facility means a school building or other local board of education owned building that is or could be
appropriate for school use, in which more than 60 percent of the building is not being used for direct student instruction or critical administration purposes and for which no offer to purchase has been executed.

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

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

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

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 calendar with 1 substitute and.......................... 05-MAR-15

Read for the third time and passed as amended .... 10-MAR-15

Patrick Harris
Secretary