

HB

191

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

REPORTED OUT OF
4/14/00

DATE: 4/11/00

FURTHER:

DATE TURNED
IN TO OFFICE: 14 April 00

Finance Committee considered

CS FOR HOUSE BILL NO. 191(FIN)

"An Act relating to charter schools."

and recommends:

- be replaced with S CS CS HB 191 (FIN)
- adopt previous _____ CS _____
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

- Senate Bill:**
- same title
 - new title
- House Bill:**
- same title
 - technical title
 - new: SCR# _____

| SIGNING DO PASS | DP | OTHER RECOMMENDATIONS | NR | DNP | AM |
|------------------------------|----|-----------------------|----|-----|----|
| <i>Linda Green</i> | ✓ | <i>Bill & ...</i> | ✓ | | |
| <i>Loren D. Leman</i> | ✓ | <i>Al Adams</i> | X | | |
| | | <i>Gary White</i> | ✓ | | |
| | | | | | |
| | | | | | |
| Co-Chair: <i>[Signature]</i> | | Co-Chair: | | | |
| Co-Chair: <i>[Signature]</i> | ✓ | Co-Chair: | | | |

NEW FISCAL NOTE(S):

| Department | Date | Zero | Fiscal |
|------------|------|------|--------|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

PREVIOUS FISCAL NOTE(S):*

| Department | Date | Zero | Fiscal |
|------------|---------|------|--------|
| Education | 1/31/00 | | 161.3 |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

FISCAL NOTE

Bill Version: CSHB 191 (FIN)
 (H) Publish Date: 2/11/00

STATE OF ALASKA
 2000 LEGISLATIVE SESSION

REPORTED OUT OF
 SFC 411400

Revision Date/Time (Note if correction) _____ Dept. Affected Education & Early Development
 Title An Act relating to charter schools BRU Teaching and Learning Support
 Component Quality School
 Sponsor Rep. Dyson
 Requester House Finance Component No. 2147

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

| OPERATING EXPENDITURES | FY 2001 | FY 2002 | FY 2003 | FY 2004 | FY 2005 | FY 2006 |
|------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Personal Services | 102.3 | 105.0 | 107.0 | 109.0 | 111.0 | 113.0 |
| Travel | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 |
| Contractual | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 |
| Supplies | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 |
| Equipment | | | | | | |
| Land & Structures | | | | | | |
| Grants & Claims | | | | | | |
| Miscellaneous | | | | | | |
| TOTAL OPERATING | 161.3 | 164.0 | 166.0 | 168.0 | 170.0 | 172.0 |

| | | | | | | |
|----------------------|--|--|--|--|--|--|
| CAPITAL EXPENDITURES | | | | | | |
|----------------------|--|--|--|--|--|--|

| | | | | | | |
|------------------------|--|--|--|--|--|--|
| CHANGE IN REVENUES () | | | | | | |
|------------------------|--|--|--|--|--|--|

FUND SOURCE (Thousands of Dollars)

| | | | | | | |
|--------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| 1002 Federal Receipts | | | | | | |
| 1003 GF Match | | | | | | |
| 1004 GF | 161.3 | 164.0 | 166.0 | 168.0 | 170.0 | 172.0 |
| 1005 GF/Program Receipts | | | | | | |
| 1037 GF/Mental Health | | | | | | |
| Other (Specify Type) | | | | | | |
| TOTAL | 161.3 | 164.0 | 166.0 | 168.0 | 170.0 | 172.0 |

Estimate of any current year (FY2000) cost: 0.0

POSITIONS

| | | | | | |
|-----------|---|--|--|--|--|
| Full-time | 1 | | | | |
| Part-time | | | | | |
| Temporary | | | | | |

ANALYSIS: (Attach a separate page if necessary)

Please refer to the attached sheet for a detailed description.

Prepared by: Barbara Thompson
 Division: Teaching and Learning Support
 Approved by: Richard S. Cross, Commissioner
 Agency: Department of Education & Early Development

Phone: 465-8727
 Date/Time: 01/28/00
 Date: 1/31/2000

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Fiscal Note Description for CSHB 191
Alaska Department of Education & Early Development
1/28/00

Section 1 of CSHB 191 removes the former requirements that the State Board of Education & Early Development may not approve more than 30 charter schools to operate in the state at one time and shall approve charter schools in a geographically balanced manner. Amended language raises the cap on the number of charter schools to be allowed from 30 to 60. Language related to approval of charter schools geographically is eliminated.

Section 2 requires the inclusion of a statement showing itemized costs or administrative or other services provided by a district to its charter schools.

Section 3 states that the annual charter school budget shall be not less than the basic need for the charter school and must reflect the itemization and per student value.

Section 4 requires districts to itemize services provided to the charter schools and itemize services and programs whose costs are allocated districtwide. Charter schools may elect not to receive services, except for administration, districtwide programs or services or other services required by law.

Section 5 extends allowable charter school contract time from 5 years to 10 years.

Personal Services - 102,205

One new full-time Education Specialist II, Range 21, is needed to administer the charter schools application process; provide technical assistance to school districts and charter school staff who are planning for or initiating a charter school; assure compliance with state charter school statutes and regulations, assure quality programs are developed and supported, develop and maintain a charter schools regulations process; and evaluate the effectiveness of Alaska's charter schools. (\$77,000)

Funds for one .15 FTE Grants Administrator II will be needed to address fiscal issues and complete fiscal documents related to charter schools grant applications and billings. (\$8,205)

Funds for one .50 FTE Administrative Clerk II will be needed to provide clerical support to the Education Specialist and for the application process. (\$17,000)

Although the grant administrator and administrative clerk are existing positions, current federal fund sources are not sufficient to fund the portions of the charter schools duties that would be assigned to them.

Travel - \$5,000

Travel funding will need to be provided for a limited number of technical assistance and/or compliance reviews of charter schools. (\$5,000)

Supplies - \$4,000

Funding will be needed for the purchase of general office supplies and materials for meetings related to charter schools. (\$4,000)

Total Request for Year 1- \$161,205

PARNELL

1-LS0598\Y.1

Ford

4/14/00

A M E N D M E N T

STATE FINANCE
COMMITTEE

Amendment Number: #1
Bill Number: HB 191
Sponsor: Parnell Date: 4/14/00
Logged In By: Mindy

OFFERED IN THE SENATE

TO: SCS CSHB 191(HES)

1 Page 3, following line 7:

2 Insert a new bill section to read:

3 **** Sec. 4.** AS 14.03.260 is amended by adding a new subsection to read:

4 (e) In addition to the amount provided to an approved charter school in the
5 annual program budget under (a) of this section, a charter school budget must include
6 an allocation equal to the amount determined by dividing the amount of local
7 revenues contributed under AS 14.17.410(c) by the average daily membership of the
8 district and multiplying that number by the average daily membership of the charter
9 school."

10 Renumber the following bill sections accordingly.

Donley COMMITTEE
2000 COMMITTEE ACTION

| | | | |
|----------------------------|----------|-------------|----------|
| Bill Number | HB 191 | | |
| Amendment | #1 | | |
| Motion | adopt | | |
| <u>Motion by</u> | Farnell | | |
| <u>Objection by</u> | Wilken | | |
| <u>Removed</u> | | | |
| <u>Second Objection by</u> | | | |
| <u>Committee Member</u> | <u>Y</u> | <u>Vote</u> | <u>N</u> |
| Senator Dave Donley | ✓ | | |
| Senator Loren Leman | ✓ | | |
| Senator Al Adams | | | ✓ |
| Senator Gary Wilken | | | ✓ |
| Senator Pete Kelly | | — | |
| Senator Lyda Green | ✓ | | |
| Senator Randy Phillips | | | ✓ |
| Co-Chair Sean Farnell | ✓ | | |
| Co-Chair John Torgerson | ✓ | | |
| <u>Tally</u> | | | |
| Yea | 5 | | |
| Nay | 3 | | |
| Absent | 1 | | |
| <u>MOTION</u> | Pass | | |

SENATE FINANCE 1-LS0598\Y.3
COMMITTEE Ford
Amendment Number: #2 4/14/00
Bill Number: HB 191
Sponsor: Wilken Date: 4/14/00
Logged In By: Mindy

AMENDMENT

OFFERED IN THE SENATE

BY SENATOR WILKEN

TO: SCS CSHB 191(HES)

1 Page 2, lines 10 - 13:

2 Delete

3 "(5) a statement of the charter school's funding allocation from the
4 local school board. including the itemized costs of administrative or other services
5 to be provided [AND COSTS ASSIGNABLE] to the charter school [PROGRAM
6 BUDGET];"

7 Insert

8 "(5) a statement of the charter school's funding allocation from the
9 local school board and costs assignable to the charter school program budget;"

Leman COMMITTEE
2000 COMMITTEE ACTION

| | | | |
|----------------------------|----------|-------------|---|
| Bill Number | S HB 191 | | |
| Amendment | #2 | | |
| Motion | adpt | | |
| <u>Motion by</u> | Wilken | | |
| <u>Objection by</u> | Green | | |
| Removed | ✓ | | |
| <u>Second Objection by</u> | | | |
| <u>Committee Member</u> | Y | <u>Vote</u> | N |
| Senator Loren Leman | | | |
| Senator Al Adams | | | |
| Senator Gary Wilken | | | |
| Senator Pete Kelly | | | |
| Senator Lyda Green | | | |
| Senator Randy Phillips | | | |
| Senator Dave Donley | | | |
| Co-Chair Sean Parnell | | | |
| Co-Chair John Torgerson | | | |
| <u>Tally</u> | | | |
| Yea | | | |
| Nay | | | |
| Absent | | | |
| <u>MOTION</u> | | Pass | |

SENATE FINANCE 1-LS0598\Y.4
COMMITTEE Ford
Amendment Number: #3 4/14/00
Bill Number: HB 191
Sponsor: Wilken Date: 4/14/00
Logged In By: Mindu

A M E N D M E N T

OFFERED IN THE SENATE

BY SENATOR WILKEN

TO: SCS CSHB 191(HES)

1 Page 2, line 27, through page 3, line 1:

2 Delete "a clause providing that the charter school's budget shall be increased to
3 reflect operating cost savings achieved by the charter school; in this paragraph,
4 "operating cost savings" means the estimated value of educational or related services
5 provided by the district to all schools in the district that are not provided to the charter
6 school;

7 (15)"

Adams COMMITTEE
2000 COMMITTEE ACTION

| | | | |
|----------------------------|----------|-------------|---|
| Bill Number | @ HB 191 | | |
| Amendment | #3 | | |
| Motion | adopt | | |
| <u>Motion by</u> | W | | |
| <u>Objection by</u> | T | | |
| <u>Removed</u> | ✓ | | |
| Second Objection by | | | |
| <u>Committee Member</u> | Y | <u>Vote</u> | N |
| Senator Al Adams | | | |
| Senator Gary Wilken | | | |
| Senator Pete Kelly | | | |
| Senator Lyda Green | | | |
| Senator Randy Phillips | | | |
| Senator Dave Donley | | | |
| Senator Loren Leman | | | |
| Co-Chair Sean Parnell | | | |
| Co-Chair John Torgerson | | | |
| <u>Tally</u> | | | |
| Yea | | | |
| Nay | | | |
| Absent | | | |
| <u>MOTION</u> Withdrawn | | | |

Wilken COMMITTEE
2000 COMMITTEE ACTION

| | | | |
|-------------------------|---------------------|-------------|---|
| Bill Number | HB 191 | | |
| Amendment | #4 | | |
| Motion | to adopt | | |
| <u>Motion by</u> | P | | |
| <u>Objection by</u> | none | | |
| Removed | | | |
| Second Objection by | | | |
| <u>Committee Member</u> | Y | <u>Vote</u> | N |
| Senator Gary Wilken | | | |
| Senator Pete Kelly | | | |
| Senator Lyda Green | | | |
| Senator Randy Phillips | | | |
| Senator Dave Donley | | | |
| Senator Loren Lemar | | | |
| Senator Al Adams | | | |
| Co-Chair Sean Parnell | | | |
| Co-Chair John Torgerson | | | |
| | | | |
| <u>Tally</u> | | | |
| Yea | | | |
| Nay | | | |
| Absent | | | |
| | | | |
| | | | |
| <u>MOTION</u> | Pass | | |

Page 2 line 27
 delete "shall"
 insert "may"



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REPRESENTATIVE FRED DYSON

CSHB 191 Sponsor Statement

"An Act relating charter schools; and providing for an effective date."

In 1995, the Alaska State Legislature passed CSSB 88(FIN) authorizing Alaskan charter schools. Alaskan charter schools have attracted an impressive cadre of educational enthusiasts who have struggled to make the Charter Schools work under Alaska law. Three years of experience has highlighted the areas of Alaskan charter school law that need adjustment. HB 191 addresses some of these issues.

Charter schools may be the most vibrant force in Alaskan education today. No one can say with confidence how large this movement may grow if we give it a chance. While it is too early to say anything conclusive about their educational effectiveness, there is a growing body of positive evidence.

Genuine educational innovation and passionate participation are occurring in Alaska's charter schools. While it is reassuring and heart-warming to see the dedication and fervor of parents involving themselves in their children's education, it is alarming to see the difficult barriers they face. HB 191 lowers some of these barriers.

A U.S. Department of Education Charter School study shows that lack of funds, facilities, and opposition by school boards and districts are among the leading "difficult" or "very difficult" barriers faced by our nation's charter schools. Alaska is no exception. Unfortunately, when compared nationally, our charter school law has been rated "weak". This bill gives strength to charter schools in some of the areas pointed out as lacking within these studies.

HB 191 strengthens the hand of charter schools by:

- 1) Increasing the allowable length of a charter school's contract,
- 2) Ensuring accountability by requiring student exit exams,
- 3) Allowing not-for-profit charter schools to raise funds in order to enhance their budgets, and
- 4) Clarifying that charter school students are to receive a fair share of the revenue they generate.

- E-mail -
representative_Fred_Dyson
@Legis.state.ak.us

- Internet -
<http://www.akrepublicans.org>

SENATE CS FOR CS FOR HOUSE BILL NO. 191(HES)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - SECOND SESSION

BY THE SENATE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

Offered: 4/11/00

Referred: Finance

Sponsor(s): REPRESENTATIVES DYSON, Kohring, Mulder, Rokeberg

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to charter schools."

2 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

3 * Section 1. AS 14.03.250(a) is amended to read:

4 (a) A charter school may be established as provided under AS 14.03.250 -
5 14.03.290 upon the approval of the local school board and the state Board of
6 Education of an application for a charter school. The state Board of Education may
7 not approve more than 60 [30] charter schools to operate in the state at any one time
8 [AND SHALL APPROVE CHARTER SCHOOLS IN A GEOGRAPHICALLY
9 BALANCED MANNER AS FOLLOWS: NOT MORE THAN 10 SCHOOLS IN
10 ANCHORAGE; NOT MORE THAN FIVE SCHOOLS IN FAIRBANKS; NOT MORE
11 THAN THREE SCHOOLS IN THE MATANUSKA-SUSITNA BOROUGH; NOT
12 MORE THAN THREE SCHOOLS IN THE KENAI PENINSULA BOROUGH; NOT
13 MORE THAN TWO SCHOOLS IN THE CITY AND BOROUGH OF JUNEAU; NOT
14 MORE THAN SEVEN SCHOOLS LOCATED IN OTHER AREAS OF THE STATE,
15 AND THESE SEVEN SCHOOLS SHALL BE ALLOCATED AS NEARLY

1 AS POSSIBLE IN A GEOGRAPHICALLY BALANCED MANNER THROUGHOUT
 2 THE REST OF THE STATE].

3 * Sec. 2. AS 14.03.255(c) is amended to read:

4 (c) A charter school shall operate under a contract between the charter school
 5 and the local school board. A contract must contain the following provisions:

- 6 (1) a description of the educational program;
- 7 (2) specific levels of achievement for the education program;
- 8 (3) admission policies and procedures;
- 9 (4) administrative policies;
- 10 (5) a statement of the charter school's funding allocation from the local
 11 school board, including the itemized costs of administrative or other services to be
 12 provided [AND COSTS ASSIGNABLE] to the charter school [PROGRAM
 13 BUDGET];
- 14 (6) the method by which the charter school will account for receipts
 15 and expenditures;
- 16 (7) the location and description of the facility;
- 17 (8) the name of the teacher, or teachers, who, by agreement between
 18 the charter school and the teacher, will teach in the charter school;
- 19 (9) the teacher-to-student ratio;
- 20 (10) the number of students served;
- 21 (11) the term of the contract, not to exceed a term of 10 [FIVE] years;
- 22 (12) a termination clause providing that the contract may be terminated
 23 by the local school board for the failure of the charter school to meet educational
 24 achievement goals or fiscal management standards, or for other good cause;
- 25 (13) a statement that the charter school will comply with all state and
 26 federal requirements for receipt and use of public money;
- 27 (14) a clause providing that the charter school's budget shall be
 28 increased to reflect operating cost savings achieved by the charter school; in this
 29 paragraph, "operating cost savings" means the estimated value of educational or
 30 related services provided by the district to all schools in the district that are not
 31 provided to the charter school;

1 (15) other requirements or exemptions agreed upon by the charter
2 school and the local school board.

3 * **Sec. 3.** AS 14.03.255(d) is amended to read:

4 (d) A charter school may be operated in an existing school district facility or
5 in a facility within the school district that is not currently being used as a public
6 school, if the chief school administrator determines the facility meets requirements for
7 health and safety applicable to public buildings or other public schools in the district.

8 * **Sec. 4.** AS 14.03.275 is amended to read:

9 **Sec. 14.03.275. Contracts; duration.** A contract for a charter school may be
10 for a term of no more than 10 [FIVE] years [AND MAY NOT EXTEND BEYOND
11 JULY 1, 2005].

12 * **Sec. 5.** Section 9, ch. 77, SLA 1995, is repealed.

1-LS0598\W
Ford
3/24/00

SENATE CS FOR CS FOR HOUSE BILL NO. 191()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIRST LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): REPRESENTATIVES DYSON, Kohring, Mulder, Rokeberg

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to charter schools."

2 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

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6 Education of an application for a charter school. The state Board of Education may
7 not approve more than 60 [30] charter schools to operate in the state at any one time
8 [AND SHALL APPROVE CHARTER SCHOOLS IN A GEOGRAPHICALLY
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10 ANCHORAGE; NOT MORE THAN FIVE SCHOOLS IN FAIRBANKS; NOT MORE
11 THAN THREE SCHOOLS IN THE MATANUSKA-SUSITNA BOROUGH; NOT
12 MORE THAN THREE SCHOOLS IN THE KENAI PENINSULA BOROUGH; NOT
13 MORE THAN TWO SCHOOLS IN THE CITY AND BOROUGH OF JUNEAU; NOT
14 MORE THAN SEVEN SCHOOLS LOCATED IN OTHER AREAS OF THE STATE.
15 AND THESE SEVEN SCHOOLS SHALL BE ALLOCATED AS NEARLY

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2 THE REST OF THE STATE].

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5 and the local school board. A contract must contain the following provisions:

6 (1) a description of the educational program;

7 (2) specific levels of achievement for the education program;

8 (3) admission policies and procedures;

9 (4) administrative policies;

10 (5) a statement of the charter school's funding allocation from the local
11 school board, including the itemized costs of administrative or other services to be
12 provided [AND COSTS ASSIGNABLE] to the charter school [PROGRAM
13 BUDGET];

14 (6) the method by which the charter school will account for receipts
15 and expenditures;

16 (7) the location and description of the facility;

17 (8) the name of the teacher, or teachers, who, by agreement between
18 the charter school and the teacher, will teach in the charter school;

19 (9) the teacher-to-student ratio;

20 (10) the number of students served;

21 (11) the term of the contract, not to exceed a term of 10 [FIVE] years;

22 (12) a termination clause providing that the contract may be terminated
23 by the local school board for the failure of the charter school to meet educational
24 achievement goals or fiscal management standards, or for other good cause;

25 (13) a statement that the charter school will comply with all state and
26 federal requirements for receipt and use of public money;

27 (14) a clause providing that the charter school's budget shall be
28 increased to reflect operating cost ~~savings~~ achieved by the charter school; in this
29 paragraph. "operating cost savings" means the estimated value of educational or
30 related services provided by the district to all schools in the district that are not
31 provided to the charter school;

1 (15) other requirements or exemptions agreed upon by the charter
2 school and the local school board.

3 * Sec. 3. AS 14.03.255(d) is amended to read:

4 (d) A charter school may be operated in an existing school district facility or
5 in a facility within the school district that is not currently being used as a public
6 school, if the chief school administrator determines the facility meets requirements for
7 health and safety applicable to public buildings or other public schools in the district.

8 * Sec. 4. AS 14.03.260 is amended by adding a new subsection to read:

9 (e) In addition to the amount provided to an approved charter school in the
10 annual program budget under (a) of this section, a charter school budget must include
11 an allocation equal to the amount determined by dividing the amount of local revenues
12 contributed under AS 14.17.410(c) by the average daily membership of the district and
13 multiplying that number by the average daily membership of the charter school.

14 * Sec. 5. AS 14.03.275 is amended to read:

15 Sec. 14.03.275. **Contracts; duration.** A contract for a charter school may be
16 for a term of no more than 10 [FIVE] years [AND MAY NOT EXTEND BEYOND
17 JULY 1, 2005].

18 * Sec. 6. Section 9, ch. 77, SLA 1995, is repealed.

Charter School Law

Sec. 14.03.250. Establishment of charter schools.

(a) A charter school may be established as provided under AS 14.03.250 - 14.03.290 upon the approval of the local school board and the state Board of Education of an application for a charter school. The state Board of Education may not approve more than 30 charter schools to operate in the state at any one time and shall approve charter schools in a geographically balanced manner as follows: not more than 10 schools in Anchorage; not more than five schools in Fairbanks; not more than three schools in the Matanuska-Susitna Borough; not more than three schools in the Kenai Peninsula Borough; not more than two schools in the City and Borough of Juneau; not more than seven schools located in other areas of the state, and these seven schools shall be allocated as nearly as possible in a geographically balanced manner throughout the rest of the state.

(b) A local school board shall prescribe an application procedure for the establishment of a charter school in that school district. The application procedure must include provisions for an academic policy committee consisting of parents of students attending the school, teachers, and school employees and a proposed form for a contract between a charter school and the local school board, setting out the contract elements required under AS 14.03.255 (c).

(c) A local school board shall forward to the state Board of Education applications for a charter school that have been approved or denied by the local board.

Sec. 14.03.255. Organization and operation of a charter school.

(a) A charter school operates as a school in the local school district except that the charter school (1) is exempt from the local school district's textbook, program, curriculum, and scheduling requirements; (2) is exempt from AS 14.14.130 (c); the principal of the charter school shall be selected by the academic policy committee and shall select, appoint, or otherwise supervise employees of the charter school; and (3) operates under the charter school's annual program budget as set out in the contract between the local school board and the charter school under (c) of this section. A local school board may exempt a charter school from other local school district requirements if the exemption is set out in the contract.

(b) A charter school shall

(1) keep financial records of the charter school;

(2) oversee the operation of the charter school to ensure that the terms of the contract required by (c) of this section are being met;

(3) meet regularly with parents and with teachers of the charter school to review, evaluate, and improve operations of the charter school; and

(4) meet with the academic policy committee at least once each year to monitor progress in achieving the committee's policies and goals.

(c) A charter school shall operate under a contract between the charter school and the local school board. A contract must contain the following provisions:

(1) description of the educational program;

(2) specific levels of achievement for the education program;

- (3) admission policies and procedures;
- (4) administrative policies;
- (5) statement of the charter school's funding allocation from the local school board and costs assignable to the charter school program budget;
- (6) method by which the charter school will account for receipts and expenditures;
- (7) location and description of the facility;
- (8) name of the teacher, or teachers, who, by agreement between the charter school and the teacher, will teach in the charter school;
- (9) teacher-to-student ratio;
- (10) number of students served;
- (11) the term of the contract, not to exceed a term of five years;
- (12) a termination clause providing that the contract may be terminated by the local school board for the failure of the charter school to meet educational achievement goals or fiscal management standards, or for other good cause;
- (13) a statement that the charter school will comply with all state and federal requirements for receipt and use of public money;
- (14) other requirements or exemptions agreed upon by the charter school and the local school board.

(d) A charter school may be operated in an existing school district facility or in a facility within the school district that is not currently being used as a public school, if the chief school administrator determines the facility meets requirements for health and safety applicable to other public schools in the district.

Sec. 14.03.260. Funding for charter school.

(a) A local school board shall provide an approved charter school with an annual program budget. The budget shall be not less than the amount generated by the students enrolled in the charter school less administrative costs retained by the local school district, determined by applying the indirect cost rate approved by the Department of Education and Early Development. The "amount generated by students enrolled in the charter school" is to be determined in the same manner as it would be for a student enrolled in another public school in that school district.

(b) The program budget of a charter school is to be used for operating expenses of the educational program of the charter school, including purchasing textbooks, classroom materials, and instructional aids.

(c) The charter school shall provide the financial and accounting information requested by the local school board or the Department of Education and Early Development and shall cooperate with the local school district or the department in complying with the requirements of AS 14.17.910 .

(d) The expenses of housing nonresident students who attend the charter school, including room, board, and other reasonable housing expenses, may not be paid for with state money but may be paid for with funds contributed by sources other than the state.

Sec. 14.03.265. Admission.

(a) The program of a charter school may be designed to serve

(1) students within an age group or grade level;

(2) students who will benefit from a particular teaching method or curriculum; or

(3) nonresident students, including providing domiciliary services for students who need those services, if approved by the board.

(b) A charter school shall enroll all eligible students who submit a timely application, unless the number of those applications exceeds the capacity of the program, class, grade level, or building. In the event of an excess of those applications, the charter school and the local school board shall attempt to accommodate all of those applicants by considering providing additional classroom space and assigning additional teachers from the district to the charter school. If it is not possible to accommodate all eligible students who submit a timely application, students shall be accepted by random drawing. A school board may not require a student to attend a charter school.

(c) In addition to other requirements of law, a charter school shall be nonsectarian.

Sec. 14.03.270. Teacher or employee transfers, evaluations, and negotiated agreements.

(a) A teacher or employee may not be assigned to a charter school unless the teacher or employee consents to the assignment.

(b) All provisions of an existing negotiated agreement or collective bargaining agreement applicable to a teacher or employee of a district apply to that teacher or employee if employed at a charter school in that district, unless the district and the bargaining unit representing the teacher or employee agree to an exemption.

(c) A teacher in a charter school shall be evaluated in an equivalent manner as all other teachers in the district, except that if there is no administrator assigned to the charter school, the local school board, with the agreement of the charter school, shall designate a school district administrator in that district to evaluate a teacher in a charter school.

Sec. 14.03.275. Contracts; duration.

A contract for a charter school may be for a term of no more than five years and may not extend beyond July 1, 2005.

Sec. 14.03.280. Regulations.

The state Board of Education may adopt regulations under AS 44.62 (Administrative Procedure Act) necessary to implement AS 14.03.250 - 14.03.290.

Sec. 14.03.290. Definitions.

In AS 14.03.250 - 14.03.290

(1) "academic policy committee" means the group designated to supervise the academic operation of a charter school and to ensure the fulfillment of the mission of a charter school;

(2) "charter school" means a school established under AS 14.03.250 - 14.03.290 that operates within a public school district;

(3) "local school board" means a borough or city school board or a school board of a regional educational attendance area;

(4) "parent" means a biological, adoptive, or foster parent, or an adult who acts as guardian of a child and makes decisions related to the child's safety, education, and welfare;

(5) "parent advisory group" means a group that is recognized by the school as representative of those parents having children attending that school, that has regular meetings, and in which membership is open to all parents within that school's attendance area;

(6) "teacher" means a person who serves a school district in a teaching, counseling, or administrative capacity and is required to be certificated in order to hold the position.



Alaska State Legislature

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REPRESENTATIVE FRED DYSON

CSHB 191 Sponsor Statement

"An Act relating to charter schools; and providing for an effective date."

In 1995 the Alaskan Legislature passed CSSB 88(FIN) authorizing Alaskan Charter Schools. Alaskan Charter Schools have attracted an impressive cadre of educational enthusiasts who have struggled to make the Charter Schools work under Alaskan Law. Three years of experience has highlighted the areas of Alaskan Charter School Law that need adjustment. HB 191 addresses some of these issues.

Charter schools may be the most vibrant force in Alaskan education today. No one can say with confidence how large this movement may grow if we give it a chance. While it's too early to say anything conclusive about their educational effectiveness, there is a growing body of positive evidence.

Genuine educational innovation and passionate participation are occurring in Alaska's Charter Schools. While it is reassuring and heart-warming to see the dedication and fervor of parents involving themselves in their children's education, it is alarming to see the difficult barriers they face. HB 191 lowers some of these barriers.

A US Department of Education Charter School study shows that lack of funds, facilities, and opposition by school boards and districts are among the leading "difficult" or "very difficult" barriers faced by our nation's charter schools. Alaska is no exception, and unfortunately, our Charter school law has been rated "weak" when compared nationally. This bill gives strength to charter schools in some of the areas pointed out as lacking in these studies.

HB 191 strengthens the hand of Charter schools by:

- 1) Doubling the cap on the allowable number of charter schools,
- 2) Increasing the allowable length of a charter school's contract,
- 3) Clarifying how school districts are to determine charter school annual program budgets, and
- 4) Removes the sunset.

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Anchorage School District

*Educating students
for success in life*

"It is not good enough that we do our best, sometimes we have to do what's required." - Winston Churchill

TO: SENATE FINANCE

FROM: KATHI GILLESPIE, CO-CHAIR, ANCHORAGE SCHOOL BOARD
LEGISLATIVE SUBCOMMITTEE

SUBJECT: SENATE CS FOR CS FOR HOUSE BILL 191(HES):
THE CHARTER SCHOOL BILL: ASD POSITION

DATE: APRIL 14, 2000

The Anchorage School Board cannot support the Charter School bill in its present form. We respectfully request the following changes:

- Page 2, line 11: Delete "including itemizes costs of administrative or other services to be provided."

The itemization of services proposed in this bill would be a bookkeeping nightmare for the Anchorage School District. It would add to administrative costs for operating charter schools and may in fact result in some reductions in funding to charter schools that they currently.

School districts currently provide an itemized accounting for all schools in the district according to the Chart of Accounts. To require school districts to put in place a process account for billable hours for all services rendered to a charter school or any other school within a district would be costly and inequitable.

The proposed changes in Section 4 state that the budget shall not be less than the basic need for the charter school be as determined under AS 14.17.410(b)(1) and must reflect the itemization and per student value required under Section 5.

1. **Each individual charter school's budget receives local support.** Revenue for charter schools in Anchorage is based on Foundation Program Basic Need less the State approved indirect cost rate of 3.5 to 5 percent. The actual Foundation revenue that that Anchorage School District receives is calculated by reducing Foundation Basic Need by the required local contribution of 4 mills of the assessed valuation and a portion of Federal Impact Aid funds. Although the amount of funding for charter schools is equivalent to the Foundation Program Basic Need for the students enrolled in the charter schools, the actual revenues funding charter school budgets come from approximately 57.2 percent State Foundation revenue, 30% local taxes and one percent federal revenue.
2. **Under this proposal, charter schools would be funded more than neighborhood schools.** No individual school's budget within the Anchorage School District, however, is based on a per student value either of the entire general operating budget according to the number of students in that particular school. This is true whether it be a charter school or any other school within the district. There are expenditures in the general operating budget that are designated for specific purposes and are not distributed equally among all students. For example, expenditures for pupil transportation services are not provided to students in the District's alternative schools nor are they provided to the over 25,000 students who walk, drive, or are transported to school by parents r others. There are also expenditures which are dedicated to specific special programs/ schools such as McLaughlin Youth Center, Booth Memorial Home, Maplewood Group Home, Jesse Lee home and Providence Heights as well as the Community

Education Department which serves students, staff and community members.

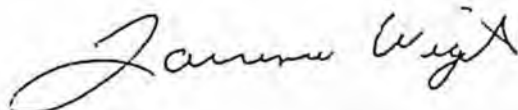
3. **Budgets for non-charter schools within the Anchorage School District are not based on per student allocation.** The amount of supply allocation and teacher staffing are based on the number of students, but the number of administrative and support staff may differ between schools based on the overall enrollment or programs within that school.

4. **The itemization of services proposed in this bill would be a bookkeeping nightmare for the Anchorage School District.** It would add to administrative costs for operating charter schools and may in fact result in some reductions in funding to charter schools that they currently receive.

In summary, while the Anchorage School District supports its charter schools and the charter school concept, we feel that passage of this bill without our suggested amendments would make it less likely that school boards will expand charter schools in their districts.

We respectfully request that if you have any questions regarding our position regarding this bill or charter schools in general, that you please contact us for further information and clarification.

Sincerely,



Lawrence A. Wiget, Ed.D.
Executive Director, Public Affairs
(w) 907 742-4322 (f) 907 269-2340
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Anchorage School District
Anchorage, Alaska
Proposed FY 1998-99
Budgeted Cost Per Student in School Budgets

| Org | Elementary Schools | Total Enrollment | Proposed Budget | Cost Per Student |
|-----|---------------------|------------------|-----------------|------------------|
| 100 | Abbott Loop | 530 | \$ 1,904,436 | \$ 3,593 |
| 110 | Airport Heights | 324 | 1,328,995 | 4,102 |
| 112 | Alpenglow | 576 | 1,897,229 | 3,294 |
| 114 | Aurora | 498 | 1,651,702 | 3,317 |
| 115 | Baxter | 499 | 1,706,081 | 3,419 |
| 116 | Bayshore | 527 | 1,919,184 | 3,642 |
| 118 | Bear Valley | 501 | 1,636,355 | 3,266 |
| 120 | Birchwood ABC | 331 | 1,344,330 | 4,061 |
| 125 | Bowman | 586 | 2,036,736 | 3,476 |
| 130 | Campbell | 528 | 1,776,460 | 3,365 |
| 140 | Chester Valley | 323 | 1,189,640 | 3,683 |
| 150 | Chinook | 528 | 1,761,729 | 3,337 |
| 160 | Chugach | 246 | 967,547 | 3,933 |
| 170 | Chugiak | 508 | 1,927,390 | 3,794 |
| 174 | College Gate | 491 | 1,863,409 | 3,795 |
| 180 | Creekside Park | 374 | 1,355,880 | 3,625 |
| 190 | Denali | 547 | 2,125,208 | 3,885 |
| 200 | Eagle River | 387 | 1,396,863 | 3,609 |
| 210 | Fairview | 430 | 1,823,919 | 4,242 |
| 215 | Fire Lake | 358 | 1,341,936 | 3,748 |
| 220 | Girdwood | 152 | 759,199 | 4,995 |
| 230 | Government Hill | 425 | 1,630,682 | 3,837 |
| 235 | Homestead | 470 | 1,626,346 | 3,460 |
| 237 | Huffman | 486 | 1,648,956 | 3,393 |
| 240 | Inlet View | 255 | 988,844 | 3,878 |
| 242 | Kasun | 639 | 2,026,180 | 3,171 |
| 244 | Kennedy | 225 | 1,025,811 | 4,559 |
| 245 | Klatt | 524 | 1,921,937 | 3,668 |
| 246 | Kincaid | 459 | 1,577,500 | 3,437 |
| 248 | Lake Hood | 514 | 1,759,589 | 3,423 |
| 250 | Lake Otis | 566 | 2,103,919 | 3,717 |
| 257 | Mt. Spurr | 287 | 1,088,101 | 3,791 |
| 260 | Mt. View | 425 | 1,758,600 | 4,138 |
| 270 | Muldoon | 412 | 1,684,449 | 4,088 |
| 280 | North Star | 496 | 1,931,384 | 3,894 |
| 290 | Northern Lights ABC | 546 | 1,734,515 | 3,177 |
| 300 | Northwood | 370 | 1,342,620 | 3,629 |
| 310 | Nunaka Valley | 365 | 1,449,999 | 3,973 |
| 315 | Ocean View | 399 | 1,449,591 | 3,633 |
| 320 | O'Malley | 489 | 1,636,481 | 3,347 |
| 324 | Orion | 424 | 1,746,915 | 4,120 |

| Org | Elementary Schools | Total Enrollment | Budget | Per Student |
|-----|--------------------|------------------|-----------------------|-----------------|
| 328 | Ptarmigan | 379 | 1,330,332 | 3,510 |
| 330 | Rabbit Creek | 435 | 1,484,228 | 3,412 |
| 335 | Ravenwood | 426 | 1,470,489 | 3,452 |
| 340 | Rogers Park | 616 | 1,977,110 | 3,210 |
| 345 | Russian Jack | 385 | 1,573,540 | 4,087 |
| 350 | Sand Lake | 598 | 1,908,557 | 3,192 |
| 360 | Scenic Park | 536 | 1,736,772 | 3,240 |
| 362 | Spring Hill | 616 | 1,934,582 | 3,141 |
| 364 | Susitna | 617 | 2,092,263 | 3,391 |
| 365 | Taku | 430 | 1,476,495 | 3,434 |
| 370 | Tudor | 525 | 1,747,391 | 3,328 |
| 380 | Turnagain | 389 | 1,381,431 | 3,551 |
| 384 | Tyson, William | 353 | 1,555,902 | 4,408 |
| 386 | Ursa Major | 208 | 1,152,305 | 5,540 |
| 388 | Ursa Minor | 216 | 953,604 | 4,415 |
| 390 | Williwaw | 611 | 2,240,618 | 3,667 |
| 400 | Willow Crest | 504 | 1,657,638 | 3,289 |
| 410 | Wonder Park | 516 | 1,948,693 | 3,777 |
| 418 | Gladys Wood | 527 | 1,762,948 | 3,345 |
| 499 | Unallocated * | | 3,196,595 | |
| | | <u>26,907</u> | <u>\$ 100,428,140</u> | <u>\$ 3,732</u> |

Charter Schools

| | | | | |
|-----|----------------|--------------|---------------------|-----------------|
| 510 | Aquarian ** | 120 | \$ 466,126 | \$ 3,884 |
| 540 | Family | 451 | 1,747,041 | 3,874 |
| 565 | SPYDER | 180 | 805,987 | 4,478 |
| 585 | Village ** | 120 | 530,450 | 4,420 |
| 590 | Walden Pond ** | 140 | 761,740 | 5,441 |
| | | <u>1,011</u> | <u>\$ 4,311,344</u> | <u>\$ 4,264</u> |

Middle Level Schools

| | | | | |
|-----|---------------------------|--------------|----------------------|-----------------|
| 700 | Central Middle School | 833 | \$ 3,494,412 | \$ 4,195 |
| 710 | Clark Middle School | 779 | 3,416,972 | 4,386 |
| 730 | Gruening Middle School | 593 | 2,863,838 | 4,829 |
| 740 | Hanshew Middle School | 937 | 3,935,847 | 4,200 |
| 750 | Mears Middle School | 1,002 | 4,160,796 | 4,152 |
| 755 | Mirror Lake Middle School | 711 | 3,207,344 | 4,511 |
| 760 | Romig Middle School | 774 | 3,413,214 | 4,410 |
| 770 | Wendler Middle School | 939 | 3,944,241 | 4,200 |
| 780 | Goldenview Middle School | 818 | 3,514,043 | 4,296 |
| 799 | Unallocated * | | 380,946 | |
| | | <u>7,386</u> | <u>\$ 32,331,653</u> | <u>\$ 4,377</u> |

| Org | Secondary Alternative Schools | Total Enrollment | Budget | Per Student |
|-----|-------------------------------|------------------|----------------------|-----------------|
| 450 | Polaris K - 12 | 475 | \$ 1,866,079 | \$ 3,929 |
| 800 | Bartlett Sr. High | 1,818 | 7,098,327 | 3,904 |
| 805 | King Career Center | 475 | 3,282,762 | 6,911 |
| 810 | Chugiak Sr. High | 1,943 | 7,216,460 | 3,714 |
| 820 | Dimond Sr. High | 2,017 | 7,339,634 | 3,639 |
| 830 | East Sr. High | 1,847 | 7,065,775 | 3,826 |
| 835 | S.A.V.E. | 229 | 1,127,876 | 4,925 |
| 840 | Service Sr. High | 2,244 | 7,789,441 | 3,471 |
| 845 | Steller | 295 | 1,126,037 | 3,817 |
| 850 | West Sr. High | 1,490 | 6,198,605 | 4,160 |
| 875 | McLaughlin | 167 | 1,467,136 | 8,785 |
| 880 | Benny Benson | 200 | 1,026,602 | 5,133 |
| 881 | S.E.A.R.C.H. | 105 | 421,319 | 4,013 |
| 885 | A.V.A.I.L. | 64 | 241,887 | 3,779 |
| 899 | Unallocated * | | 1,842,391 | |
| | | <u>13,369</u> | <u>\$ 55,110,331</u> | <u>\$ 4,122</u> |

Notes: * These funds are distributed to the schools throughout the year. For example, distribution is based on enrollment for additional staffing allocation for large class sizes, textbook adoptions, and emergency supplies and equipment.

** Aquarian, Village, and Walden Pond Charter Schools have chosen to include special needs funding in their school budgets.

A variety of schools have grade levels that cover more than one level - elementary, middle level and high school level. Each school is shown only one time regardless of school grade level configuration.

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

MEMORANDUM

DATE: April 14, 2000

TO: Senate Finance Committee

FROM: Jim Holt, Superintendent of Schools *JH*
Mike Fisher, Assistant Superintendent for Business and Finance *MF*

RE: HB191 - Charter Schools

Thank you for the chance to express our concerns with HB191 "An Act Relating to Charter Schools.

We do not feel that the proposed language accomplishes one of the main objectives which is to "ease some tensions between school districts and charter schools by clarifying how funds are allocated." The proposed language would almost guarantee that school districts and charter schools would have disputes on how itemized charges are estimated or how estimated cost savings are arrived at.

Sec. 2. AS 14.03.255(c)(5)

Please consider requiring itemized costs only for those services or charges that are in addition to what may be charged by using a district's State approved indirect rate. The indirect rate is reviewed annually, meets federal guidelines, follows standardized methodology across all districts, and is quantifiable. If a district intends to charge for additional direct services then those costs could be itemized or negotiated with the charter school.

Sec. 2. AS 14.03.255(c)(14)

Of most concern is the language stating that "a clause providing that the charter school's budget shall be increased to reflect operating cost savings achieved by the charter school." Shouldn't any increased budget be tied to cost savings achieved by the "district?" This language appears to be similar to paying a farmer not to grow corn.

While Fairbanks has two strong charter school programs providing valuable services and numerous benefits, costs savings is not one of them. The programs themselves are run very efficiently and on very tight budgets. However, we receive considerably less funding for each charter school student, and because of economies of scale, the costs are higher. The district could absorb charter school students back into our system for considerably less than it takes to fund charter schools. There is no cost savings to the district associated with operating charter schools. It is a matter of educational options, not cost savings. Charter schools are given the money they generate.

This mechanism for increasing a charter school budget would be very divisive and would not "clarify how funds are allocated." Please consider deleting this very subjective and confusing language from the bill.

We do not support requiring a district to increase funding to charter schools above basic need without the state recognizing that charter schools should be funded as separate schools in the foundation formula. Although we do not support earlier language requiring the allocation of local contribution based on ADM, that mechanism for increasing funding is far less subjective and divisive.

Thank you for considering our concerns.



Teleconference Participants

TCN: 10773

Participant Lists

View List for

ANC

Testifiers

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Participants

Unidentified Testifiers: 0

Unidentified Observers: 0

ANCHORAGE (ANC)

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 Address: Affiliation: F P C S
 City /St /Zip: Type: Testifier
 Bill: HB 191: CHARTER SCHOOLS

2 ✓ Name: Mr. Anthony Hussey Phone:
 Address: Affiliation: W P C S
 City /St /Zip: Type: Testifier
 Bill: HB 191: CHARTER SCHOOLS

3 ✓ Name: Ms. Mary Carter Phone:
 Address: Affiliation:
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 Bill: HB 191: CHARTER SCHOOLS

4 ✓ Name: Mr. Dick Newton Phone:
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5 ✓ Name: Ms. Lorna Reece Phone:
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6 ✓ Name: Ms. Cynthia Stieger Phone:
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 City /St /Zip: Type: Testifier
 Bill: HB 191: CHARTER SCHOOLS

Mike Fisher - Fbx

SENATE FINANCE COMMITTEE

SIGN-IN

HB 191-CHARTER SCHOOLS

NAME: Kathi Gillespie Subject/Bill No: HB 191
Co./Dept./Title: Anchorage School Board Phone: 945-5335
Address: 3110 Dos Cirole, Arch. Zip: 99507

Do you wish to testify? Yes No Respond To Questions

NAME: Carol D... Subject/Bill No: HB 191
Co./Dept./Title: AASB Phone: 6-1083
Address: Juneau Zip: _____

Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions



Teleconference Participants

TCN: 10773

Participant Lists

View List for

MAT

Testifiers

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Participants

Unidentified Testifiers:

Unidentified Observers:

MATSU (MAT)

1



Name: Mrs. Barbara Gerard

Phone: 745-2369

Address: 640 S Cobb

Affiliation:

City /St /Zip: Palmer 99645

Type: Testifier

Bill: HB 191: CHARTER SCHOOLS

