

**HB**

**191**

# FISCAL NOTE

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

**STATE OF ALASKA  
 2000 LEGISLATIVE SESSION**

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						
<b>TOTAL OPERATING</b>	<b>161.3</b>	<b>164.0</b>	<b>166.0</b>	<b>168.0</b>	<b>170.0</b>	<b>172.0</b>

<b>CAPITAL EXPENDITURES</b>						
-----------------------------	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>						
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**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)						
<b>TOTAL</b>	<b>161.3</b>	<b>164.0</b>	<b>166.0</b>	<b>168.0</b>	<b>170.0</b>	<b>172.0</b>

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 district 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*





# Teleconference Participants

TCN: 10641

**Participant Lists**

View List for

ALL

Testifiers

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**Participants**

Unidentified Testifiers:

Unidentified Observers:

**ANCHORAGE (ANC)**

1 Name: Ms. Carol Comeau ✓ Phone:  
 Address: Affiliation: Anc SD  
 City /St /Zip: Type: Testifier  
 Bill: HB 191: CHARTER SCHOOLS

**FAIRBANKS (FBX)**

1 Name: Ms. Annie Keep-Barnes ✓ Phone:  
 Address: Affiliation:  
 City /St /Zip: Type: Testifier  
 Bill: HB 191: CHARTER SCHOOLS

2 Name: Ms. Kitty Mathers ✓ Phone:  
 Address: Affiliation:  
 City /St /Zip: Type: Testifier  
 Bill: HB 191: CHARTER SCHOOLS

3 Name: Ms. Mika Mack ✓ Phone:  
 Address: Affiliation:  
 City /St /Zip: Type: Testifier  
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4 Name: Ms. Gail McCann ✓ Phone:  
 Address: Affiliation:  
 City /St /Zip: Type: Testifier  
 Bill: HB 191: CHARTER SCHOOLS

5 Name: Ms. Jody Vanderbilt ✓ Phone:  
 Address: Affiliation:  
 City /St /Zip: Type: Testifier  
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6 Name: Ms. Rachel Stinson ✓ Phone:  
 Address: Affiliation:  
 City /St /Zip: Type: Testifier  
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7 Name: Ms. Alison Seymour ✓ Phone:  
 Address: Affiliation:  
 City /St /Zip: Type: Testifier  
 Bill: HB 191: CHARTER SCHOOLS

8 Name: Ms. Susan Faulkner ✓ Phone:  
 Address: Affiliation:  
 City /St /Zip: Type: Testifier  
 Bill: HB 191: CHARTER SCHOOLS



9

Name: Ms. Terri Austin ✓

Address:

City /St /Zip:

Bill: HB 191: CHARTER SCHOOLS

Phone:  
Affiliation:  
Type: Testifier

1-LS0598W  
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): REPRESENTATTIVES DYSON, Kohring, Mulder, Rokeberg

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FOR AN ACT ENTITLED

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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  
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- 6 (1) a description of the educational program;
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- 8 (3) admission policies and procedures;
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- 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  
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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  
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10 annual program budget under (a) of this section, a charter school budget must include  
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13 multiplying that number by the average daily membership of the charter school.

*delete*

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17 JULY 1, 2005].

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

TO: Senator Mike Miller, Chairman  
Senate HESS Committee

FROM: Gary Wilken

DATE: April 6, 2000

RE: House Bill 191

As you know our school district and others have expressed several concerns over the current version of the charter school legislation, HB 191, now under consideration in the Senate HESS Committee. I appreciate their concerns and suggest several changes be incorporated into a HESS Committee Substitute.

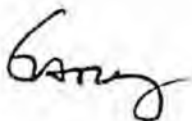
**Page 2, Lines 11 – 12 (Version W)**

First, requiring a school district to establish a separate accounting system to itemize the cost of the administrative services provided to each charter school puts an unreasonable burden on the district for a small percentage of students. (For example, in Fairbanks only 133 students out of a total student enrollment of 15,804 attend two charter schools.) This mandate will place the district and the charter school in an adversarial position; both groups will constantly be defining which costs should be credited to the charter school and which costs should not. Instead of working together cooperatively, the district and a charter school will find themselves at odds with each other. Instead of working towards a common goal of achieving the highest quality possible for our public education, we will be spending our precious financial and personal resources defining vague terms and trying to quantify the separate costs of educating our children.

**Page 2, Lines 27 – 31 and Page 3, Lines 8 – 13 (Version W)**

Additionally, the proposed change on how a district should fund a charter school undermines the district's local control over education. As you may know, some school boards in the past have allocated additional dollars over the required amount to the district's charter schools as a local choice. Local control over the expenditure of local dollars is important and must be maintained. I respectfully recommend that the legislature not mandate statewide changes in charter school funding and but allow local communities, through their elected leaders, to allocate their own resources as they see proper.

For your consideration, I have attached a committee substitute that addresses these concerns.



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1-LS0598X  
Ford  
4/5/00

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## HB 191

### Changes to CSHB 191 1-LS0598\W As reflected in 1-LS0598\V:

As you know the ASD has been kept pretty busy with the contract dispute, and dealing with the assembly. Partly due to their pre-occupation with local problems, we failed to communicate as well as we would have liked before this bill came to the floor on the house side. We have become convinced that many of their concerns were valid and have made these changes to accommodate them to a large degree. They still have some concerns that they will address and you will have to decide on today.

I. Please reference Section 4 on page three of version \V. We tried to tie the charter school budget to the "basic need" amount, which is a number, calculated for each school to determine the amount of revenue flowing into the district from the State. The School District points out that the basic need amount is **before** the 4mil deduction so that the budget source of existing charter schools is only 57% State, and 30% local contributions.

The District also points out that budgets are not based on per student allocations (reference item 3 in ASD letter). This took us a while to comprehend because we have an ASD Budget attachment which shows the "Budgeted Cost Per Student".

At any rate, we have scratched our attempts and are leaving AS 14.03.260(a) as it was.

II. Please reference Section 5(e) on page 3 of version \V. We have also deleted this sub section. There has been a lot of frustration expressed by various charter schools saying in essence that the districts have not provided an equitable share of the money. We attempted, in this section, using a variety of different wording approaches, to require districts to reveal where the district spends it's money on a per- programs or per- service basis. We have become convinced that whether right or wrong, districts are unable to provide this type of information with their existing accounting practices. Rather than force this issue, we have opted to withdraw our effort in the context of this bill.

III. Please reference version \W, page 2 beginning on line 27. We have inserted this new paragraph (14) to cause the district to evaluate, and assign a cash value, if there is any, to the efficiency of charter schools who through innovation or increased parent involvement provide services that would normally be provided by the district. We do not feel that this paragraph will generate any huge increase in Charter School Budgets, but that with the requirement in paragraph 5, there will be a better reason for better communication between districts and charter schools regarding available revenue.

(14) a clause providing that the charter school's budget shall be increased to reflect operating cost savings achieved by the charter school: in this paragraph "operating cost

savings" means the estimated value [cost] of educational or related services provided by the district to all other schools in the district that are not provided to the charter school:

Delete Section 4 so there is no change to AS 14.03.260(a)

Delete Section 5 (e) and re-number accordingly

1-LS0598\W

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### Changes to CS HB 191 1-LS0598\W As reflected in 1-LS0598\V:

As you know the ASD has been kept pretty busy with the contract dispute, and dealing with the assembly. Partly due to their pre-occupation with local problems, we failed to communicate as well as we would have liked before this bill came to the floor on the house side. We have become convinced that many of their concerns were valid and have made these changes to accommodate them to a large degree. They still have some concerns that they will address and you will have to decide on today.

I. Please reference Section 4 on page three of version \V. We tried to tie the charter school budget to the "basic need" amount, which is a number, calculated for each school to determine the amount of revenue flowing into the district from the State. The School District points out that the basic need amount is **before** the 4mil deduction so that the budget source of existing charter schools is only 57% State, and 30% local contributions.

The District also points out that budgets are not based on per student allocations (reference item 3 in ASD letter). This took us a while to comprehend because we have an ASD Budget attachment which shows the "Budgeted Cost Per Student".

At any rate, we have scratched our attempts and are leaving AS 14.03.260(a) as it was.

II. Please reference Section 5(e) on page 3 of version \V. We have also deleted this sub section. There has been a lot of frustration expressed by various charter schools saying in essence that the districts have not provided an equitable share of the money. We attempted, in this section, using a variety of different wording approaches, to require districts to reveal where the district spends it's money on a per- programs or per- service basis. We have become convinced that whether right or wrong, districts are unable to provide this type of information with their existing accounting practices. Rather than force this issue, we have opted to withdraw our effort in the context of this bill.

III. Please reference version \W, page 2 beginning on line 27. We have inserted this new paragraph (14) to cause the district to evaluate, and assign a cash value, if there is any, to the efficiency of charter schools who through innovation or increased parent involvement provide services that would normally be provided by the district. We do not feel that this paragraph will generate any huge increase in Charter School Budgets, but that with the requirement in paragraph 5, there will be a better reason for better communication between districts and charter schools regarding available revenue.

(14) a clause providing that the charter school's budget shall be increased to reflect operating cost savings achieved by the charter school: in this paragraph "operating cost

savings" means the **estimated value** [cost] of educational or related services provided by the district to all other schools in the district that are not provided to the charter school:

Delete Section 4 so there is no change to AS 14.03.260(a)

Delete Section 5 (e) and re-number accordingly



Alaska State Legislature

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## REPRESENTATIVE FRED DYSON

### Sponsor Statement CSHB 191

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

In 1995, the Alaska Legislature passed CSSB 88(FIN) authorizing the creation of charter schools in Alaska. The opportunity to positively influence a child's educational experience through the charter school framework has attracted an impressive cadre of educational enthusiasts. Many have struggled to make the charter schools work under current Alaska law. After three years of experience, several deficiencies in our statutes have come to light -- HB 191 addresses some of these issues.

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" obstacles 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 key areas identified by research as lacking.

HB 191 improves the atmosphere for Charter school development 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) Removing the sunset

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 barriers they face. Alaska's youth stand to benefit from a more responsive, localized educational experience. HB 191 is a modest step towards granting charter schools more flexibility, more room to grow and more opportunities to succeed.

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## 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 not 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 Statute referenced in Section 4, CSHB 191(FIN)**

Sec. 14.17.410. Public school funding.

(b) Public school funding consists of state aid, a required local contribution, and eligible federal impact aid determined as follows:

(1) state aid equals basic need minus a required local contribution and 90 percent of eligible federal impact aid for that fiscal year; basic need equals the sum obtained under (D) of this paragraph, multiplied by the base student allocation set out in AS 14.17.470 ; district adjusted ADM is calculated as follows:

(A) the ADM of each school in the district is calculated by applying the school size factor to the student count as set out in AS 14.17.450 ;

(B) the number obtained under (A) of this paragraph is multiplied by the district cost factor described in AS 14.17.460 ;

(C) the ADMs of each school in a district, as adjusted according to (A) and (B) of this paragraph, are added; the sum is then multiplied by the special needs factor set out in AS 14.17.420 (a)(1);

(D) the number obtained for intensive services under AS 14.17.420(a)(2) and the number obtained for correspondence study under AS 14.17.430 are added to the number obtained under (C) of this paragraph;

# CSHB 191 (FIN) Sectional Analysis

1-LS0598\V February 23, 2000

Section 1: Amends AS 14.03.250(a) to double the limiting cap on the number of charters schools allowable in the state and eliminates the statutory requirement of geographic distribution.

Section 2: Amends AS 14.03.255(c) to require that the Charter School contract must include an itemized cost of administrative or other services to be provided to the Charter School as defined in Section 4 of this CS.

Section 3: Amends AS 14.03.255(d) to allow charter schools meet in public buildings as well as public schools if the chief school administrator determines the facility meets requirements for health and safety.

Section 4: Amends AS 14.03.260(a) to tie the charter school annual program budget to the "basic need" for the charter school and the itemization required in Section 4. (Reference AS 14.17.410(b)(1) (attached)).

Section 5: Adds a subsection to AS 14.03.260 which requires itemization of services provided to the charter school. The intent of this section is to ensure information is available to enable negotiation between the charter school and the district to determine appropriate budget levels. This section will cause discussion and clarification of what services are to be provided by the district for the charter school. This section also requires an equitable share of local contributions to go to charter schools.

Section 6: Extends allowable contract time to be up to 10 years rather than 5 years and eliminates the sunset.

## NATIONAL

# Charter schools have positive impacts, studies conclude

By Andrea Billups  
THE WASHINGTON TIMES

The charter school movement is booming nationwide and making significant and positive impacts on public education, two new reports on the movement have found.

A report released on Feb. 11 by the White House showed the number of charter schools nationwide increased by 40 percent in the 1998-1999 school year, with 250,000 students enrolled at such schools in 30 states and the District of Columbia.

About 53.2 million students attend public schools nationwide.

"At a time when some educators are saying we really can't do much better with these kids, the charter school movement says: 'Wrong. We can do a lot better and we are putting our jobs on the line to say we can do better,'" said Joe Nathan, a professor at the University of Minnesota who helped write the nation's first charter school law, passed in 1991 in Minnesota.

The U.S. Department of Education report found that seven out of 10 charter schools had waiting lists for students. Median enrollment at charter schools was 137 students, compared with 475 students at public schools in the same states. Eighteen percent of all charter schools were public schools that converted to charters.

Charter schools are publicly funded and privately run, and are

1,700 nationwide had closed their doors. Some shut down voluntarily and others ceased operation because of small enrollments, administrative or fiscal problems or because their charters were revoked for mismanagement or misconduct, the CER report said.

"Far from being an indictment of charter schools, these closures are evidence of accountability, one of the great strengths of the charter school movement," said CER President Jeanne Allen. "It is a

quality too often missing at many traditional public schools."

The CER report says charter schools faced mainly facility and operational hurdles initially, but today most are stymied by political opposition from teachers unions and state and local boards.

Some states like Virginia have passed charter school laws, but because they limit the charters to special-need groups, for example, no charter has been approved.

"About a third of the charter

laws are actually 'cruel joke.'"

Mr. Nathan said. Among the states having the best laws, he said, are Arizona, California, Minnesota, New York, Michigan, North Carolina and the District of Columbia, which boasts the highest percentage of children enrolled in charter schools in the nation.

The CER study also found that of the 37 charter school laws nationwide, 26 states did not provide any start-up funding, making it difficult for charter founders to

open their schools.

The Clinton administration has been a strong proponent of charter schools, but the concept has been opposed by the nation's teachers unions, who charge they will take money away from traditional public schools.

Mrs. Allen, the president of the CER, said that while traditional public schools outnumber charter schools by more than 40 to 1, their "ripple effect" has driven public education reform.

intended to promote creative approaches to teaching children.

"Neither a Republican nor a Democratic idea," they were founded at the grass-roots level without foundation funding, Mr. Nathan said. The schools have enjoyed remarkable bipartisan support, a feat that "has astonished supporters and stunned opponents," he added.

"It taps into hope, which is one of the central values of the United States," said Mr. Nathan, an inner-city public school teacher and author of a 1999 book on the charter schools. "The charter schools movement says if you've got an idea about how to do it better, here's the chance to try it."

Gail Hawkins-Bush, principal of the Alliance for Progress Charter School, one of 24 charter schools operating in Philadelphia, says the reason they are succeeding is because they are "customer-friendly."

"I think that in inner-city communities, the personalized approach to education is a way to combat some of the inequities that our children have suffered through large class size and all of the injustices society has prevailed on our young people," said Mrs. Hawkins-Bush, whose 208-student school has a waiting list.

"It's not just economics," she says of charter school popularity. "It's specialized care."

A relatively small number of new charter schools have failed, another report published last week by the Center for Education Reform (CER) in Washington found.

Through the end of 1999, 39 charter schools out of more than

WASHINGTON TIMES  
February 21, 2000

THE WASHINGTON TIMES 11



March 21, 2000

# Anchorage School District

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### SUPERINTENDENT

Bob Christal

Dear Senator Miller and Members of Senate HESS:

On behalf of the Anchorage School District, I am writing to you regarding HB 191, An Act relating to charter schools.

The Anchorage School District has serious concerns with HB 191 as currently written. We feel these concerns will put undue burden on school districts making an honest attempt to work with their charter schools and charter school applicants to ensure the success of their programs.

- If this bill should pass as written, it may in fact prove to be a disincentive for school boards to approve new charter schools. It would result in funding levels for charter schools that are different than funding available to other schools and it would place an onerous administrative burden on school districts by requiring them to itemize costs of administrative or other services provide to charter schools.
- To correct these problems, HB 191 needs to be amended. Specifically, Sections 4 and 5, along with new language offered on line 11 and line 12 of page 2 (including the itemized costs of administrative or other services to be provided) need to be removed.



Anchorage Pioneer Schoolhouse. Built 1915 -  
Anchorage Woman's Club

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

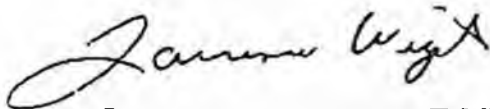
Education Department which serves students, staff and community members.

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,



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