

BILL DRAFT (H-3358.1): Establishing Alternative Forms of Governance for Public Schools
Rep. Eric Pettigrew

PART I: Charter Schools

- **Allows various entities to apply to the State Board of Education to authorize charter schools.**
 - Local school district (within its district)
 - Governing board of public four-year colleges and universities (within a region or statewide)
 - State Public Charter School Commission (statewide - no application to SBE needed)
 - 9 members, no more than 5 of same political party. 3 each appointed by Governor, Speaker, and Pres. of Senate to staggered 4 year terms
 - Initially funded by gifts, grants, donations. Initially staffed by the Governor's Office.
- **Directs SBE to establish an approval process and assume oversight for Authorizers.**
 - Authorizers are approved for 6 years, with renewal option.
 - Allows SBE to revoke an authorizer's contract and transfer its charters to another authorizer
 - Directs SBE to establish fee for Authorizers, not to exceed 4% of charter allocation.
- **Establishes responsibilities of Authorizers:**
 - Solicit, approve, decline charter applications.
 - Negotiate, monitor, renew, revoke charters
 - Maintain policies & practices consistent with national principles for charter authorizing
 - Report annually to the SBE and Legislature
- **Requires that charter school applicants must be public non-profit corporations**
 - May not be sectarian or religious organization
- **Provides for the process and content of charter school applications and charter contracts.**
 - Directs SBE to set timelines for applications, reviews, and approval by Authorizers.
 - Stipulates the detail of required contents of a charter application.
 - Requires conversion charters to be supported by a majority of teachers or parents.
 - Requires charters intending to contract with third party for substantial education or management services to include information about proposed contract.
 - Stipulates that after application approval, the authorizer and applicant negotiate the charter contract, including academic and performance expectations and performance metrics.
- **Establishes oversight for charter schools by the Authorizer through a performance contract.**
 - Requires charter contracts to be based on a performance framework with indicators and benchmarks for test scores, improvement, closing achievement gap, attendance, retention, college/career readiness, financial sustainability, management, and other indicators.
 - Provides that Authorizers may take corrective actions for lack of charter performance.
 - Authorizes charter contracts for 5 year term.
 - Provides that charters may be revoked for failure to comply with law or make sufficient progress on performance contract.
 - Requires any charter identified for transfer to the Transformation Zone District to be revoked.
 - Requires authorizers to develop protocol for closure of school whose charter is revoked
- **Establishes charter schools as within the state uniform system of public schools.**
 - Provides that each charter is a separate Local Education Agency for federal purposes.
 - Exempts charters from state laws and regulations applicable to public schools, except:

- Civil rights and nondiscrimination, health & safety
 - Requirement to be nonsectarian
 - Student assessment and accountability.
 - Hire only appropriately certified staff, employee background checks
 - Audit by State Auditor
 - Establishes charter school board powers:
 - Receive and disburse funds for school purposes.
 - Secure insurance and contract for services.
 - Contract with third party for education services and/or management.
 - Acquire real property Incur debt but debt is not secured by the state.
 - Solicit and accept gifts.
 - Issue diplomas to students who meet state graduation requirements.
 - Provides that charter school employees are eligible to participate in public employee retirement and benefits programs, and collective bargaining.
- **Provides that a charter school is open to any student in the state, tuition-free.**
 - Allows a charter to organize around a special emphasis, including serving certain students.
 - Requires that if applications exceed capacity, charter must select students based on lottery. Directs annual capacity to be determined by the Authorizer.
 - Provides for enrollment preferences for students who reside in the school attendance area if charter is a conversion, siblings of current students, and (with limitations) children of the charter's founders, board members, employees.
 - Provides that charter students may participate in extra-curricular activities in the local school district and may be required to pay fees based on the district's costs for the activity. Directs SBE to adopt rules for such fees .
 - **Establishes funding for charter schools based on the same per-pupil allocation of state Basic Education and categorical funds as other public schools.**
 - Allows a charter to receive funds based on projected rather than actual enrollment in the first year of operation, with differences reconciled in the second year.
 - Allows charters to negotiate with local school districts and/or ESDs for provision of special education, transportation, food services, or other specialized services.
 - Provides that conversion charters authorized by a school district receive previously-authorized local levy funds. Requires new charters sponsored by a school district to be included in levies authorized after creation of a charter.
 - Stipulates that charters with other sponsors are not eligible for local levies.
 - Authorizes a charter to negotiate with school district, ESD, college/university or other public or private entity for rent or lease of facilities.
 - Provides that charter schools are eligible for state matching funds for school construction.
 - **Provides that a maximum of 50 charter schools may be established, no more than 10/ year.**
 - Provides that a majority each year are reserved to serve educationally-disadvantaged students.
 - **Requires an annual report from the SBE on the status of charter schools.**

PART II: Transformation Zone District

- **Establishes a Transformation Zone District (TZD) as a statewide school district.**
 - Provides that schools are transferred to the TZD on a temporary basis because they are among a subset of the persistently lowest-performing schools in the state.
 - Authorizes the Superintendent of Public Instruction to exercise all powers over the TZD that are otherwise legally granted to a school district board of directors, except:
 - The TZD is not a taxing district. SPI does not have authority for local levies, cannot buy or sell real property, issue bonded indebtedness or exercise eminent domain.
 - Establishes the TZD a separate local education agency (LEA) for federal purposes.

- **Establishes a process for the SPI to identify and the State Board of Education to transfer a school to the jurisdiction of the TZD.**
 - {OSPI annually identifies "persistently lowest performing" schools under current law, using federal criteria: 5% of Title I or Title I eligible schools with lowest consecutive 3-year student achievement scores in math and reading and 3-year average graduation rates}.
 - Directs OSPI to adopt criteria for recommending transfer of an identified school to the TZD:
 - School must be among the lowest performing of the lowest performing.
 - Schools under a Required Action Plan are exempt, except if they have not met the criteria for release from a Required Action Plan.
 - Schools receiving federal School Improvement Grants are exempt.
 - Any identified charter schools are referred to their Authorizer for revocation.
 - At least 10 and no more than 20 schools must be transferred each year.
 - Requires OSPI to make recommendation annually beginning January 2013 and notify a superintendent and provide an opportunity for reconsideration.
 - Directs SBE to consider OSPI recommendations. Authorizes SBE to modify before transferring schools to the TZD, which takes effect September 1 (beginning of the following school year)

- **Requires SPI to contract with Learning Management Organizations (LMO) to manage operation of schools in the TZD.**
 - Requires contract to include a performance framework that sets forth the academic and performance indicators for improving student learning, along with annual targets.
 - Requires contract to include expectations and indicators for parent and community involvement. Requires LMO to establish and hold regular meetings with a parent/community advisory committee.
 - Authorizes LMO to contract with other entities to provide goods and services in TZ schools.

- **Authorizes the SPI to employ new staff for a TZ school.**
 - Requires original district to notify employees of a school that their contracts are nonrenewed. Allows staff to apply for a transfer to a different school in the district, in which case school district policies on reassignment of staff apply. Allows staff to apply to the LMO to work in the TZ school.
 - Defines staff as employees of the TZD (which is a school district), but directs SPI to delegate hiring, assignment, evaluation, and dismissal of staff to the LMO.
 - Defines SPI as the "employer" for purposes of collective bargaining, but each TZ school has separate bargaining units. Directs SPI to consult with the LMO when negotiating agreements.

- **Establishes notice for parents and a choice of school assignment.**
 - Requires the original district to notify parents if a school is to be transferred to the TZD.
 - Allows parents to transfer a student enrolled in a TZ school to another school in the district.
 - Otherwise, provides that assignment to a TZ school follows the normal district assignment policy.
 - Allows students in a TZ school to participate in extra-curricular activities in the school district on the same basis as any other student enrolled in the district.

- **Exempts the TZD and TZ schools from all state laws and rules pertaining to public schools, except as provided under this law and except:**
 - Compliance with state and federal health, safety, parents' rights, civil rights, nondiscrimination laws
 - Requirements to provide instruction in EALRs and participate in state assessments
 - Employ certificated instructional staff, comply with record check requirements
 - Adhere to generally accepted accounting principles and be subject to audits by SAO
 - Comply with school performance report and performance improvement goals
 - Comply with open public meetings act and open public records requirements

- **Provides for SPI to deduct allocations from apportionment to support each TZ school.**
 - Provides that state funding for a TZ school is calculated on a per-student basis based on the allocation and funding formulas for its school district.
 - OSPI deducts the amount from the school district regular apportionment.
 - The deducted amount for each school must be spent for that school or placed in an account to be used in a future year for that school.
 - The deducted amount is still used to calculate the school district levy base.
 - State laws and rules regarding how categorical funds must be spent do not apply.
 - Requires school districts with local levies to transfer a per-student amount of the levy to OSPI for the support of a TZ school.
 - Allocates federal funds to the TZD in the same manner as for any LEA.
 - Provides that funds for pupil transportation and food services are allocated to the local district, who must continue to provide services as though the TZ school had not been transferred.

- **Clarifies responsibilities for school facilities between the TZD and the local district.**
 - Provides that the local district retains ownership of all land, buildings, and equipment, but a TZ school is not required to pay rent. Requires the district to remain responsible for major capital repairs and projects, but the TZD pays for daily maintenance.
 - Prohibits the district from removing supplies and equipment without authorization.
 - Allows SPI to negotiate to pay a TZ's share of insurance, utilities, and other shared overhead.

- **Provides for return of a TZ School to its district based on improvement.**
 - Requires SBE to adopt criteria for monitoring progress, based on the TZ school's performance framework. Allows a TZ school to be returned if it meets the Board's improvement criteria for 3 consecutive years.
 - Requires SBE to notify SPI by January after a school becomes eligible. Requires SPI to negotiate with the school district for the transition, including addressing the employment status of employees.
 - Time worked in an TZ school counts on the state salary schedule.
 - SPI transfers any unspent fund balance for the TZ school back to the district.
 - Return takes effect September 1 after the SBE's decision.
 - Authorizes the school district to negotiate a contract for the LMO to continue oversight and management of the school.