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4 HOUSE EDUCATION POLICY COMMITTEE SUBSTITUTE FOR SB45  
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9 SYNOPSIS: This bill would create the Alabama School  
10 Choice and Student Opportunity Act.

11 This bill would create the Alabama Public  
12 Charter School Commission and would provide for the  
13 membership, powers, duties, and liabilities of the  
14 commission.

15 This bill would provide for the application  
16 process for establishing public charter schools and  
17 conversion charter schools and would provide for  
18 charter terms, charter contracts, and preopening  
19 requirements and conditions.

20 This bill would provide for accountability  
21 of charter schools pursuant to a performance  
22 framework, ongoing oversight and corrective action,  
23 and renewal, revocation, and nonrenewal of  
24 charters.

25 This bill would provide for the operation  
26 and autonomy of public charter schools.

1                   This bill would also provide for funding and  
2                   facilities.

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4                   A BILL  
5                   TO BE ENTITLED  
6                   AN ACT

7  
8                   To create the Alabama School Choice and Student  
9                   Opportunity Act; to create the Alabama Public Charter School  
10                  Commission and provide for the membership, powers, duties, and  
11                  liabilities of the commission; to provide for the application  
12                  process for establishing public charter schools and conversion  
13                  charter schools; to provide for charter terms, charter  
14                  contracts, and preopening requirements and conditions; to  
15                  provide for accountability of charter schools pursuant to a  
16                  performance framework, ongoing oversight and corrective  
17                  action, and renewal, revocation, and nonrenewal of charters;  
18                  to provide for the operation and autonomy of public charter  
19                  schools; to provide for funding; and to provide for  
20                  facilities.

21                  BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

24                         Section 2. (a) Public charter schools may be  
25                         established in Alabama in accordance with this act. All public  
26                         charter schools in the state established under this act are

1 public schools and are part of the public education system of  
2 the state.

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

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

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

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

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

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

20 (4) Those who know students best, parents and  
21 educators, make the best education-related decisions regarding  
22 their students.

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

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

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

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

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

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

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

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

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

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

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

24           (1) APPLICANT. Any group with 501(c)(3) tax-exempt  
25 status or that has submitted an application for 501(c)(3)

1 tax-exempt status that develops and submits an application for  
2 a public charter school to an authorizer.

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

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

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

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

25 (6) COMMISSION. The Alabama Public Charter School  
26 Commission created in subsection (c) of Section 6. The

1 commission serves as an appellate body in specific  
2 circumstances outlined in subsection (a) of Section 6.

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

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

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

15 (10) GOVERNING BOARD. The independent board of a  
16 public charter school that is party to the charter contract  
17 with the authorizer. A governing board shall have at least 20  
18 percent of its membership be parents of students who attend or  
19 have attended the public charter school for at least one  
20 academic year. Before the first day of instruction, the 20  
21 percent membership requirement may be satisfied by parents who  
22 intend to have their students attend the public charter  
23 school.

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

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

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

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

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

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

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

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

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

4           d. Is a school to which parents choose to send their  
5 student.

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

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

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

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

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

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

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

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

1                   Section 5. (a) Open enrollment.

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

4                   (2) A school system shall not require any student  
5 enrolled in the school system to attend a start-up public  
6 charter school.

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

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

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

21                   (6) If facility capacity is insufficient to enroll  
22 all students who wish to attend a start-up public charter  
23 school, the school shall select students through a random  
24 selection process. The school shall first enroll students who  
25 reside within the school system in which the public charter  
26 school is located. If the number of local students wanting to

1 enroll exceeds the facility's capacity, then the school shall  
2 conduct a random selection process to enroll students who  
3 reside in the local school system. If the school has  
4 additional capacity after admitting students from the local  
5 school system, then the school shall admit any students  
6 without regard to their residency by a random selection  
7 process. The selection shall take place in a public meeting,  
8 called by the governing body of the public charter school, and  
9 following all posting and notice requirements prescribed by  
10 the Alabama Open Meetings Act.

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

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

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

25 (9) A public charter school may give enrollment  
26 preference to children of a public charter school's founders,

1 governing board members, and full-time employees, so long as  
2 they constitute no more than 10 percent of the school's total  
3 student population.

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

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

22 (c) Determination of student capacity of public  
23 charter schools. The capacity of the public charter school  
24 shall be determined annually by the governing board of the  
25 public charter school in conjunction with the authorizer and  
26 in consideration of the public charter school's ability to

1 facilitate the academic success of its students, to achieve  
2 the other objectives specified in the charter contract, and to  
3 ensure that its student enrollment does not exceed the  
4 capacity of its facility or site.

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

8 Section 6. (a) Eligible authorizing entities.

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

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

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

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

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

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

5           a. An application to form a public charter school is  
6 denied by the local school board overseeing that system and  
7 the applicant chooses to appeal the decision of the local  
8 school board to the commission.

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

12           (b) Public charter school cap.

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

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

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

23           (4) At the conclusion of the fifth fiscal year, the  
24 department shall submit a report to the Legislature outlining  
25 the performance of both start-up and conversion public charter  
26 schools. This report shall include, at a minimum, academic

1 performance of all public charter schools in the state, a  
2 detailed update on the authorizing process, and  
3 recommendations for adjustments to public charter school  
4 governance and oversight.

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

7 (c) The Alabama Public Charter School Commission.

8 (1) The commission is established as an independent  
9 state entity.

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

13 (3) The commission shall be composed of a total of  
14 11 members. The State Board of Education shall appoint 10  
15 members, made up of two appointees recommended by the  
16 Governor, two appointees recommended by the Lieutenant  
17 Governor, three appointees recommended by the President Pro  
18 Tempore of the Senate, and three appointees recommended by the  
19 Speaker of the House of Representatives. The Governor, the  
20 Lieutenant Governor, the President Pro Tempore of the Senate,  
21 and the Speaker of the House of Representatives shall each  
22 recommend a list of no fewer than two nominees for each  
23 appointment to the commission. One recommended appointee of  
24 the President Pro Tempore of the Senate and one recommended  
25 appointee of the Speaker of the House of Representatives shall  
26 be an appointee recommended by the Senate minority party and

1 the House minority party, respectively. No commission member  
2 can be appointed unless he or she has been recommended by the  
3 Governor, Lieutenant Governor, President Pro Tempore of the  
4 Senate, and the Speaker of the House of Representatives.

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

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

23 (6) Membership of the commission shall be inclusive  
24 and reflect the racial, gender, geographic, urban/rural, and  
25 economic diversity of the state. The appointing authority

1 shall consider the eight State Board of Education districts in  
2 determining the geographical diversity of the commission.

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

19 (8) A member of the commission may be removed for  
20 failure to perform the duties of the appointment. Whenever a  
21 vacancy on the commission exists, the appointing authority,  
22 within 60 days after the vacancy occurs, shall appoint a  
23 member for the remaining portion of the term. A member of the  
24 commission shall abstain from any vote that involves a local  
25 school system of which he or she is an employee or which he or  
26 she oversees as a member of a local school board. The

1 requirement to abstain does not apply to the rotating position  
2 on the commission.

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

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

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

1           a. Utilize professional and administrative staff of  
2 the department as recommended by the State Superintendent of  
3 Education.

4           b. Adopt rules for the operation and organization of  
5 the commission.

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

10          d. Convene stakeholder groups and engage experts.

11          e. Seek and receive state, federal, and private  
12 funds for operational expenses.

13          f. A commission member may not receive compensation,  
14 but shall be reimbursed by the department for travel and per  
15 diem expenses at the same rates and in the same manner as  
16 state employees.

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

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

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

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

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

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

14           e. Find evidence that the local school board erred  
15 in its application of nationally recognized authorizing  
16 standards.

17           (d) A local school board may register with the  
18 department for chartering authority within the boundaries of  
19 the school system overseen by the local school board. The  
20 department shall publicize to all local school boards the  
21 opportunity to register with the state for chartering  
22 authority within the school system they oversee. By June 1 of  
23 each year, the department shall provide information about the  
24 opportunity, including a registration deadline, to all local  
25 school boards. To register as a charter authorizer in its  
26 school system, each interested local school board shall submit

1 the following information in a format to be established by the  
2 department:

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

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

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

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

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

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

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

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

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

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

11           (2) Approve applications that meet identified  
12 educational needs.

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

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

17           (5) Negotiate and execute charter contracts with  
18 each approved public charter school.

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

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

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

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

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

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

10           a. Approved, but not yet open.

11           b. Open and operating.

12           c. Terminated.

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

15           e. Never opened.

16           (4) The oversight and services, if any, provided by  
17 the authorizer to the public charter schools under the purview  
18 of the authorizer.

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

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

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

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

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

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

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

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

20           d. These funds shall be used to cover the costs for  
21 a local school board to provide authorizing services to its  
22 public charter schools.

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

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

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

18           (l) The department shall oversee the performance and  
19 effectiveness of all authorizers established under this act.  
20 Persistently unsatisfactory performance of the portfolio of  
21 the public charter schools of an authorizer, a pattern of  
22 well-founded complaints about the authorizer or its public  
23 charter schools, or other objective circumstances may trigger  
24 a special review by the department. In reviewing and  
25 evaluating the performance of an authorizer, the department  
26 shall apply nationally recognized standards for quality in

1 charter authorizing. If, at any time, the department finds  
2 that an authorizer is not in compliance with an existing  
3 charter contract or the requirements of all authorizers under  
4 this act, the department shall notify the authorizer in  
5 writing of any identified problem, and the authorizer shall  
6 have reasonable opportunity to respond and remedy the problem.

7 (m) If a local school board acting as an authorizer  
8 persists in violating a material provision of a charter  
9 contract or fails to remedy any other authorizing problem  
10 after due notice from the department, the department shall  
11 notify the local school board, within 60 days, that it intends  
12 to revoke the chartering authority of the local school board  
13 unless the local school board demonstrates a timely and  
14 satisfactory remedy for the violation or deficiencies.

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

1 the department or face a revocation of their appointment to  
2 the commission.

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

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

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

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

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

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

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

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

3           (q) An authorizer that grants a charter to a  
4 501(c)(3) tax-exempt organization for the purpose of opening  
5 and operating a public charter school is not liable for the  
6 debts or obligations of the public charter school, or for  
7 claims arising from the performance of acts, errors, or  
8 omissions by the charter school, if the authorizer has  
9 complied with all oversight responsibilities required by law,  
10 including, but not limited to, those required by this act.

11           (r) Principles and standards for charter  
12 authorizing.

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

24           (2) Authorizers shall carry out all of their duties  
25 under this act in a manner consistent with such nationally  
26 recognized principles and standards and with the spirit and

1 intent of this act. Evidence of material or persistent failure  
2 to do so shall constitute grounds for losing charter  
3 authorizing powers.

4 Section 7. (a) Request for proposals.

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

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

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

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

25 (5) The request for proposals shall include or  
26 otherwise direct applicants to the performance framework that

1 the authorizer has developed for public charter school  
2 oversight and evaluation in accordance with this act.

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

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

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

14 a. An executive summary.

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

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

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

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

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

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

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

6                   i. A description of the academic program.

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

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

13                  l. The school's plan for identifying and  
14 successfully serving students with disabilities, students who  
15 are English language learners, students who are academically  
16 behind, and gifted students, including, but not limited to,  
17 compliance with applicable laws and regulations.

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

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

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

25                  p. An organization chart that clearly presents the  
26 school's organizational structure, including lines of

1 authority and reporting between the governing board, staff,  
2 any related bodies (such as advisory bodies or parent and  
3 teacher councils), and any external organizations that will  
4 play a role in managing the school.

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

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

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

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

15 u. Proposed governing bylaws.

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

18 w. The school's plans for providing transportation,  
19 food service, and all other significant operational or  
20 ancillary services.

21 x. Opportunities and expectations for parental  
22 involvement.

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

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

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

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

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

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

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

14 ee. In the case of an applicant who has submitted an  
15 application for 501(c)(3) tax-exempt status, but has not yet  
16 been approved for 501(c)(3) tax-exempt status, the applicant  
17 shall submit a copy of their application for 501(c)(3)  
18 tax-exempt status.

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

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

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

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

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

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

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

22          5. If personnel reductions are contemplated as the  
23 result of a conversion to a charter model, that shall be  
24 clearly stated in the application. An approved conversion  
25 shall constitute decreased student enrollment or a shortage of  
26 revenues, or both, for the purposes of the local school board

1 implementing a reduction in force pursuant to Section 16-1-33,  
2 Code of Alabama 1975.

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

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

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

19 b. Provide a term sheet setting forth the proposed  
20 duration of the service contract; roles and responsibilities  
21 of the governing board; the school staff; and the education  
22 service provider; scope of services and resources to be  
23 provided by the education service provider; performance  
24 evaluation measures and timelines; compensation structure,  
25 including clear identification of all fees to be paid to the  
26 education service provider; methods of contract oversight and

1 enforcement; investment disclosure; and conditions for renewal  
2 and termination of the contract.

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

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

12 (b) Application decision-making process.

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

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

24 a. Grant charters only to applicants that have  
25 demonstrated competence in each element of the authorizer's

1 published approval criteria and are likely to open and operate  
2 a successful public charter school.

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

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

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

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

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

17 b. Any parochial or religious theme.

18 (4) No later than 60 days after the filing of the  
19 charter application, the authorizer shall decide to approve or  
20 deny the charter application. The authorizer shall adopt by  
21 resolution all charter approval or denial decisions in an open  
22 meeting. If no action is taken on the application within 60  
23 days, the application shall be considered denied and the  
24 applicant may appeal the decision to the commission.

25 (5) An approval decision may include, if  
26 appropriate, reasonable conditions that the charter applicant

1 must meet before a charter contract may be executed pursuant  
2 to this section.

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

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

17 (c) (1) The applicant for a public charter school,  
18 the local school board for the district in which a public  
19 charter school is proposed to be located, and the authorizer  
20 shall carefully review the potential impact of an application  
21 for a public charter school on the efforts of the local school  
22 system to comply with court orders and statutory obligations  
23 for creating and maintaining a unitary system of desegregated  
24 public schools.

25 (2) The authorizer shall attempt to measure the  
26 likely impact of a proposed public charter school on the

1 efforts of local school systems to achieve and maintain a  
2 unitary system.

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

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

16 (e) Charter contracts.

17 (1) Within 60 days of approval of a charter  
18 application, the authorizer and the governing board of the  
19 approved public charter school shall execute a charter  
20 contract that clearly sets forth the academic and operational  
21 performance expectations and measures by which the public  
22 charter school will be judged and the administrative  
23 relationship between the authorizer and the public charter  
24 school, including each party's rights and duties. The  
25 performance expectations and measures set forth in the charter  
26 contract shall include, but need not be limited to, applicable

1 federal and state accountability requirements. The performance  
2 provisions may be refined or amended by mutual agreement after  
3 the public charter school is operating and has collected  
4 baseline achievement data for its enrolled students. A  
5 governing board shall have received 501(c)(3) tax exempt  
6 status before beginning charter contract negotiations.

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

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

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

24 Section 8. (a) Performance framework.

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

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

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

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

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

13 d. Attendance.

14 e. Recurrent enrollment from year to year.

15 f. Postsecondary readiness for high schools.

16 g. Financial performance and sustainability.

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

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

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

1 external evaluations of its performance, provided that the  
2 authorizer approves the quality and rigor of such  
3 school-proposed indicators, and they are consistent with the  
4 purposes of this act.

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

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

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

17 (b) Ongoing oversight and corrective action.

18 (1) An authorizer shall continually monitor the  
19 performance and legal compliance of the public charter schools  
20 it oversees, including collecting and analyzing data to  
21 support ongoing evaluation according to the charter contract.  
22 Every authorizer shall have the authority to conduct or  
23 require oversight activities that enable the authorizer to  
24 fulfill its responsibilities under this act, including  
25 conducting appropriate inquiries and investigations, so long  
26 as those activities are consistent with the intent of this

1 act, adhere to the terms of the charter contract, and do not  
2 unduly prohibit the autonomy granted to public charter  
3 schools.

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

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

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

1 (c) Renewals, revocations, and nonrenewals.

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

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

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

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

1           b. Describe improvements undertaken or planned for  
2 the school.

3           c. Detail the school's plans for the next charter  
4 term.

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

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

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

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

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

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

1           (7) A charter contract may be revoked at any time if  
2 the authorizer determines that the public charter school did  
3 any of the following or otherwise failed to comply with this  
4 act:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1           c. Provide the charter holders with an opportunity  
2 to submit documents and give testimony challenging the  
3 rationale for closure and in support of the continuation of  
4 the school at an orderly proceeding held for that purpose.

5           d. Allow the charter holders access to  
6 representation by counsel, at the expense of the charter  
7 holder, and to call witnesses on their behalf.

8           e. Permit the recordings of such proceedings.

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

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

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

24           (d) School closure and dissolution.

25           (1) Prior to any public charter school closure  
26 decision, an authorizer shall have developed a public charter

1 school closure protocol to ensure timely notification to  
2 parents, orderly transition of students and student records to  
3 new schools, and proper disposition of school funds, property,  
4 and assets in accordance with the requirements of this act.  
5 The protocol shall specify tasks, timelines, and responsible  
6 parties, including delineating the respective duties of the  
7 school and the authorizer.

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

21 (e) Charter transfers. Transfer of a charter  
22 contract, and of oversight of that public charter school, from  
23 one authorizer to another before the expiration of the charter  
24 term shall not be permitted except by special petition to the  
25 department by a public charter school or its authorizer. The  
26 department shall review such petitions on a case-by-case basis

1 and may grant transfer requests in response to special  
2 circumstances and evidence that such a transfer would serve  
3 the best interests of the public charter school's students.

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

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

24 (1) Notwithstanding any provision of law to the  
25 contrary, to the extent that any provision of this act is  
26 inconsistent with any other state or local law, rule, or

1 regulation, the provisions of this act shall govern and be  
2 controlling.

3 (2) A public charter school shall be subject to all  
4 federal laws and authorities enumerated herein or arranged by  
5 charter contract with the school's authorizer, where such  
6 contracting is consistent with applicable laws, rules, and  
7 regulations.

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

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

20 (5) A start-up public charter school shall function  
21 as a local educational agency (LEA). A public charter school  
22 shall be responsible for meeting the requirements of LEAs  
23 under applicable federal, state, and local laws, including  
24 those relating to special education. LEA status shall not  
25 preclude a public charter school from developing partnerships

1 with school systems for services, resources, and programs by  
2 mutual agreement or formal contract.

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

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

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

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

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

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

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

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

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

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

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

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

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

15           (c) General requirements.

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

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

23           (3) A public charter school shall not discriminate  
24 against any student on the basis of national origin minority  
25 status or limited proficiency in English. Consistent with  
26 federal civil rights laws, public charter schools shall

1 provide limited English proficient students with appropriate  
2 services designed to teach them English and the general  
3 curriculum.

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

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

10 (d) Applicability of other laws, rules, and  
11 regulations.

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

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

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

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

8           (e) Public charter school employees.

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

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

1 Health Insurance Plan as employees defined in subdivision (1)  
2 of Section 16-25A-1.

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

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

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

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

1 (b) Operational funding.

2 (1) The following provisions govern operational  
3 funding:

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

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

22 c. For each of its students, a public charter school  
23 shall receive the same amount of local tax revenue, that, for  
24 the then-current fiscal year, would have otherwise been  
25 allocated on behalf of each public charter school student to  
26 the local non-charter public school of each student's

1 residence, excluding those funds already earmarked through a  
2 vote of the local school board for debt service, capital  
3 expenditures, or transportation. As necessary, the department  
4 shall promulgate processes and procedures to determine the  
5 specific local revenue allocations according to the Foundation  
6 Program for each public charter school.

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

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

25 f. The maximum annual local tax allocation forwarded  
26 to a conversion public charter school from a local school

1 system shall, for each student, equal the amount that would  
2 have been received by the local education agency of the  
3 student's residence for each student who now attends a  
4 conversion public charter school, minus any amounts otherwise  
5 excluded pursuant to this section.

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

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

21 (3) Special education funding.

22 a. The state shall pay directly to a public charter  
23 school any federal or state aid attributable to a student with  
24 a disability attending the school.

25 b. At either party's request, a public charter  
26 school and its authorizer may negotiate and include in the

1 charter contract alternate arrangements for the provision of  
2 and payment for special education services.

3 (4) Generally accepted accounting principles;  
4 independent audit.

5 a. A public charter school shall adhere to generally  
6 accepted accounting principles.

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

14 (5) Transportation funding.

15 a. The department shall disburse state  
16 transportation funding to a public charter school on the same  
17 basis and in the same manner as it is paid to public school  
18 systems.

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

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

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

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

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

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

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

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

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

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

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