



# 125th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2011

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Legislative Document

No. 1553

S.P. 496

In Senate, May 5, 2011

### An Act To Create a Public Charter School Program in Maine

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Reference to the Committee on Education and Cultural Affairs suggested and ordered printed.

*Joseph G. Carleton Jr.*

JOSEPH G. CARLETON, JR.  
Secretary of the Senate

Presented by Senator MASON of Androscoggin.

Cosponsored by Senator KATZ of Kennebec, Representatives: KENT of Woolwich, VOLK of Scarborough and Senators: COLLINS of York, LANGLEY of Hancock, Representatives: BEAULIEU of Auburn, CASAVANT of Biddeford, MALONEY of Augusta, McCLELLAN of Raymond, MORISSETTE of Winslow, ROSEN of Bucksport.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 5 MRSA §12004-G, sub-§10-D** is enacted to read:

3 **10-D.**

4 <u>Education</u>	<u>State Charter School</u>	<u>Travel Expenses</u>	<u>20-A MRSA §2407,</u>
5	<u>Commission</u>	<u>Only</u>	<u>sub-§9</u>

6 **Sec. 2. 20-A MRSA §1, sub-§26, ¶F**, as enacted by PL 2007, c. 668, §1, is  
7 amended to read:

8 F. A municipal or quasi-municipal district responsible for operating public schools  
9 that has not reorganized as a regional school unit pursuant to chapter 103-A; ~~and~~

10 **Sec. 3. 20-A MRSA §1, sub-§26, ¶G**, as amended by PL 2009, c. 580, §2, is  
11 further amended to read:

12 G. A municipal school unit, school administrative district, community school district,  
13 regional school unit or any other quasi-municipal district responsible for operating  
14 public schools that forms a part of an alternative organizational structure approved by  
15 the commissioner; and

16 **Sec. 4. 20-A MRSA §1, sub-§26, ¶H** is enacted to read:

17 H. A charter school under chapter 112.

18 **Sec. 5. 20-A MRSA §202, sub-§16**, as enacted by PL 1981, c. 693, §§5 and 8, is  
19 amended to read:

20 **16. Other entities.** Other entities authorized by the Legislature; ~~and~~

21 **Sec. 6. 20-A MRSA §202, sub-§17**, as enacted by PL 1981, c. 693, §§5 and 8, is  
22 amended to read:

23 **17. Other bureaus.** Any other bureau the commissioner establishes; and

24 **Sec. 7. 20-A MRSA §202, sub-§18** is enacted to read:

25 **18. Charter schools.** Charter schools.

26 **Sec. 8. 20-A MRSA c. 112** is enacted to read:

27 **CHAPTER 112**

28 **CHARTER SCHOOLS**

29 **§2401. Definitions**

30 As used in this chapter, unless the context otherwise indicates, the following terms  
31 have the following meanings.

1           **1. Applicant.** "Applicant" means a person or group that develops and submits an  
2 application for a public charter school to an authorizer.

3           **2. Application.** "Application" means a proposal from an applicant to an authorizer  
4 to enter into a charter contract whereby the proposed school obtains public charter school  
5 status.

6           **3. At-risk pupil.** "At-risk pupil" means a pupil who has an economic or academic  
7 disadvantage that requires special services and assistance to enable the student to succeed  
8 in educational programs. "At-risk pupil" includes, but is not limited to, pupils who are  
9 members of economically disadvantaged families, pupils who are identified as having  
10 special educational needs, pupils who are limited in English proficiency, pupils who are  
11 at risk of dropping out of high school and pupils who do not meet minimum standards of  
12 academic proficiency.

13           **4. Authorizer.** "Authorizer" means an entity empowered under this chapter to  
14 review applications, decide whether to approve or reject applications, enter into charter  
15 contracts with applicants, oversee and monitor public charter schools and decide whether  
16 to renew, not renew or revoke charter contracts.

17           **5. Charter contract.** "Charter contract" means a performance-based contract for a  
18 fixed term between a public charter school and an authorizer that describes performance  
19 expectations, defines operational responsibilities and outlines the autonomy and  
20 accountability for each party to the contract.

21           **6. Conversion public charter school.** "Conversion public charter school" means a  
22 public charter school that existed as a noncharter public school before becoming a public  
23 charter school.

24           **7. Education service provider.** "Education service provider" means an education  
25 management organization, charter management organization, school design provider or  
26 any other partner entity with whom a public charter school intends to contract for  
27 education design, implementation or comprehensive management.

28           **8. Governing board.** "Governing board" means the independent board of a public  
29 charter school that is party to the charter contract with the authorizer and whose members  
30 have been elected or selected pursuant to the school's application.

31           **9. Local school board.** "Local school board" means a school board exercising  
32 management and control of a local school district pursuant to the Constitution of Maine  
33 and the laws of the State.

34           **10. Local school district.** "Local school district" means a system of public schools  
35 established and maintained by a local school board within its limits pursuant to the  
36 Constitution of Maine and the laws of the State.

37           **11. Noncharter public school.** "Noncharter public school" means a public school  
38 that is under the direct management, governance and control of a local school board.

39           **12. Parent.** "Parent" means a parent, guardian or legal guardian.

- 1           **13. Public charter school.** "Public charter school" means a public school that:
- 2           A. Has autonomy over key decisions, including, but not limited to, decisions
- 3           concerning finance, personnel, scheduling, curriculum and instruction;
- 4           B. Is governed by an independent board;
- 5           C. Is established and operated under the terms of a charter contract between the
- 6           governing board and its authorizer in accordance with this chapter;
- 7           D. Is a school to which parents choose to send their children;
- 8           E. Provides a program of education that:
- 9                   (1) Includes one or more of the following: preschool, prekindergarten and any
- 10                   grade or grades from kindergarten to grade 12;
- 11                   (2) May include a focus on students with special needs, such as at-risk pupils,
- 12                   English language learners or students involved with the juvenile justice system;
- 13                   (3) May include a specific academic approach or theme, such as:
- 14                           (a) Vocational and technical training;
- 15                           (b) Natural resources and the environment;
- 16                           (c) Farming, fishing and forestry;
- 17                           (d) Foreign language and culture;
- 18                           (e) Visual and performing arts;
- 19                           (f) Science, mathematics and technology; and
- 20                           (g) Project-based learning, experiential learning or online instruction;
- 21           F. Operates in pursuit of a specific set of educational objectives as defined in its
- 22           charter contract; and
- 23           G. Operates under the oversight of the authorizer from which its charter contract is
- 24           granted and in accordance with its charter contract.

25           **14. Pupil or student.** "Pupil" or "student" means any child who is eligible for

26           attendance in public schools in the State.

27           **15. Start-up public charter school.** "Start-up public charter school" means a public

28           charter school that did not exist as a noncharter public school prior to becoming a public

29           charter school.

30           **16. Virtual public charter school.** "Virtual public charter school" means a public

31           charter school that offers education services predominantly through an online program.

32           **§2402. Public charter schools authorized**

33           Charter schools may be established as public schools pursuant to this chapter to

34           improve pupil learning by creating more high-quality schools with high standards for

35           pupil performance; to close achievement gaps between high-performing and low-

36           performing groups of public school students; to increase high-quality educational

1 opportunities within the public education system; to provide alternative learning  
2 environments for students who are not thriving in traditional school settings; to create  
3 new professional opportunities for teachers and other school personnel; to encourage the  
4 use of different, high-quality models of teaching and other aspects of schooling; and to  
5 provide students, parents, community members and local entities with expanded  
6 opportunities for involvement in the public education system.

7 **§2403. Role of the department; commissioner; rules**

8 **1. Information and technical assistance.** The department shall disseminate  
9 information on how to form and operate a public charter school and on how to enroll in a  
10 public charter school once the school is created. The department may provide assistance  
11 and guidance to authorizers in developing effective authorization and oversight  
12 procedures.

13 **2. Applications for federal funds.** The department may apply for assistance from  
14 the federal charter school grant program on behalf of potential and actual public charter  
15 schools in the State.

16 **3. Use of federal funds.** If the department receives a grant from the federal charter  
17 school grant program on behalf of potential and actual charter schools, the grant must be  
18 used according to the applicable federal law and primarily for planning and start-up  
19 grants to public charter school organizers and for such activities as:

20 A. Establishing a charter school office in the department;

21 B. Providing information and technical assistance to potential and actual public  
22 charter school organizers and authorizers; and

23 C. Allocating funds to support the work of potential and actual authorizers.

24 **4. Rules.** The department may adopt routine technical rules pursuant to Title 5,  
25 chapter 375, subchapter 2-A to implement this chapter.

26 **5. Reports.** Four years after public charter schools have been in operation, the  
27 commissioner shall issue to the Governor, the Legislature and the public a report on the  
28 State's charter school program, drawing from the annual reports submitted by every  
29 authorizer pursuant to section 2407, subsection 4, as well as any additional relevant data  
30 compiled by the commissioner up to the school year ending in the preceding calendar  
31 year. The report must include an assessment of the charter school program's successes,  
32 challenges and areas for improvement in meeting the purposes of this chapter and any  
33 suggested changes in state law or policy necessary to strengthen the charter school  
34 program. The commissioner shall issue a similar report after 8 years of operation of  
35 public charter schools.

36 **§2404. Public charter school eligibility; enrollment**

37 **1. Eligibility.** Any student residing in the State is eligible to apply to a public  
38 charter school.

1           **2. Enrollment.** A public charter school shall enroll students in accordance with this  
2           subsection.

3           A. Public charter school organizers shall include all segments of the populations  
4           served by the existing public schools in their area in their recruitment efforts.

5           B. A public charter school shall enroll all students who wish to attend the school,  
6           unless the number of students exceeds the enrollment capacity of a program, class,  
7           grade level or building.

8           C. Except as provided in paragraphs G and H, if capacity is insufficient to enroll all  
9           students who wish to attend the school, the public charter school shall select students  
10           through a random selection process. A list maintained to fill potential vacancies may  
11           be carried over to the succeeding year.

12           D. A public charter school, unless authorized by a school administrative unit, may  
13           not enroll more than 10% of a school administrative unit's public school students per  
14           grade level in each of the first 2 years of the public charter school's operation.

15           E. A public charter school may limit enrollment to pupils within a given age group or  
16           grade level and may be organized around a special emphasis, theme or concept as  
17           stated in the school's application for a charter contract pursuant to section 2410.

18           F. Any noncharter public school converting partially or entirely to a public charter  
19           school shall adopt and maintain a policy that gives enrollment preference to pupils  
20           who reside within the former attendance area of that public school.

21           G. A public charter school shall give enrollment preference to pupils enrolled in the  
22           public charter school the previous school year and to siblings of pupils already  
23           enrolled in the public charter school.

24           H. A public charter school may give enrollment preference to children of a public  
25           charter school's founders, governing board members and full-time employees, as long  
26           as they constitute no more than 10% of the school's total student population.

27           I. A public charter school may enroll students from outside the State if space is  
28           available.

29           **3. Discrimination prohibited.** A public charter school may not discriminate on the  
30           basis of race, ethnicity, national origin, religion, gender, income level, disabling  
31           condition, proficiency in the English language or academic or athletic ability, except that  
32           nothing in this subsection may be construed to limit the formation of a public charter  
33           school that is dedicated to focusing education services on at-risk pupils, students with  
34           disabilities and students who pose such severe disciplinary problems that they warrant a  
35           specific education program.

36           **§2405. Prohibition**

37           A local school district may not require a student enrolled in the local school district to  
38           attend a public charter school.

1           **§2406. Public information**

2           A local school district shall provide or publicize to parents and the general public  
3 information about public charter schools authorized by the district as an enrollment  
4 option within the district to the same extent and through the same means that the district  
5 provides and publicizes information about noncharter public schools in the district.

6           **§2407. Authorizers**

7           **1. Eligible authorizers.** The following groups may become authorizers of public  
8 charter schools:

- 9           A. A local school board within the boundaries of a school administrative unit;  
10           B. A collaborative among authorizing entities that forms to set up a regional public  
11 charter school;  
12           C. A college or university located in the State that offers a baccalaureate degree in  
13 education; and  
14           D. The State Charter School Commission established in subsection 9.

15           **2. Powers and duties.** An authorizer may:

- 16           A. Solicit, invite and evaluate applications from organizers of proposed public  
17 charter schools;  
18           B. Approve applications that meet identified educational needs;  
19           C. Deny applications that do not meet identified educational needs;  
20           D. Create a framework to guide the development of charter contracts;  
21           E. Negotiate and execute sound charter contracts with each approved public charter  
22 school;  
23           F. Monitor the performance and compliance of public charter schools; and  
24           G. Determine whether each charter contract merits renewal or revocation.

25           **3. Principles and professional standards.** An authorizer shall develop and  
26 maintain policies and practices consistent with nationally recognized principles and  
27 professional standards for authorizing public charter schools including standards relating  
28 to:

- 29           A. Organizational capacity and infrastructure;  
30           B. Soliciting and evaluating applications;  
31           C. Performance contracting;  
32           D. Ongoing public charter school oversight and evaluation; and  
33           E. Charter renewal decision making.

34           **4. Reporting and evaluation.** An authorizer shall submit to the commissioner an  
35 annual report within 60 days of the end of each school fiscal year summarizing:

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

3 B. The performance of all operating public charter schools overseen by the  
4 authorizer, according to the performance measures and expectations specified in the  
5 charter contracts;

6 C. The status of the authorizer's public charter school portfolio, identifying all public  
7 charter schools within that portfolio as:

8 (1) Approved, but not yet open;

9 (2) Operating;

10 (3) Renewed;

11 (4) Transferred;

12 (5) Terminated;

13 (6) Closed; or

14 (7) Never opened; and

15 D. The oversight and services provided by the authorizer to the public charter  
16 schools under the authorizer's purview.

17 **5. Funding.** To cover costs for overseeing public charter schools in accordance with  
18 this chapter, an authorizer may:

19 A. Expend its own resources, seek grant funds and establish partnerships to support  
20 its charter school office and activities; and

21 B. Charge up to 3% of annual per-pupil allocations received by each public charter  
22 school it authorizes. These funds must be used to cover the costs for an authorizer to  
23 provide oversight services to its public charter schools.

24 **6. Conflicts of interest.** An employee, trustee, agent or representative of an  
25 authorizer may not simultaneously serve as an employee, trustee, agent, representative,  
26 vendor or contractor of a public charter school of that authorizer.

27 **7. Exclusivity of authorizing functions and rights.** A governmental entity or other  
28 entity, other than an entity expressly granted chartering authority as set forth in this  
29 chapter, may not assume any authorizing function or duty in any form, unless expressly  
30 allowed by law.

31 **8. Services purchased from authorizer.** With the exception of charges for  
32 oversight services as required by subsection 5, a public charter school may not be  
33 required to purchase services from its authorizer as a condition of charter approval or of  
34 executing a charter contract, nor may any such condition be implied.

35 A. A public charter school may, at its discretion, choose to purchase services from its  
36 authorizer. In such event, the public charter school and authorizer shall execute an  
37 annual service contract, separate from the charter contract, stating the parties' mutual  
38 agreement concerning any services to be provided by the authorizer and any service

1 fees to be charged to the public charter school. An authorizer may not charge more  
2 than market rates for services provided to a public charter school.

3 B. Within 90 days after the end of each school fiscal year, an authorizer shall provide  
4 to each public charter school it oversees an itemized accounting of all the actual costs  
5 of services purchased by the public charter school from the authorizer.

6 C. Any difference between the amount initially charged to the public charter school  
7 and the actual cost must be reconciled and paid to the owed party. If either party  
8 disputes the itemized accounting, any charges included in such accounting or charges  
9 to either party, the disputing party is entitled to request a 3rd-party review at its own  
10 expense.

11 **9. State Charter School Commission.** The State Charter School Commission,  
12 established under Title 5, section 12004-G, subsection 10-D, is referred to in this chapter  
13 as "the commission."

14 A. The commission consists of 7 members appointed by the state board for 3-year  
15 terms.

16 (1) Three members must be members of the state board, and those 3 members  
17 shall nominate the other 4 members who must be approved by a majority vote of  
18 the state board.

19 (2) Members appointed to the commission must have diverse professional  
20 experience in education, social services, youth training, business startup and  
21 administration, accounting and finance, strategic planning and nonprofit  
22 governance.

23 (3) A commission member may serve a total of 3 consecutive terms.

24 (4) A commission member may not receive compensation, but may be  
25 reimbursed for travel expenses.

26 B. The commission shall, subject to the requirements of all charter school authorizers  
27 under this chapter, develop, implement and refine procedures related to the process of  
28 authorizing the creation of public charter schools in this State.

29 C. The commission shall, in keeping with its authorizing responsibilities:

30 (1) Engage professional and administrative staff, separate from the department;

31 (2) Convene stakeholder groups and engage experts; and

32 (3) Seek and receive state, federal and private funds.

33 D. The commission is the sole authorizer in this State for virtual public charter  
34 schools, except that a local school district may authorize a public charter school  
35 within its jurisdiction that integrates online and on-site instruction.

36 **§2408. Request for proposals**

37 **1. Issuance.** To invite, solicit, encourage and guide the development of high-quality  
38 public charter school applications, an authorizer shall issue and broadly publicize requests

1 for proposals. The content and dissemination of the request for proposals must be  
2 consistent with the purposes and requirements of this chapter.

3 **2. Content.** An authorizer's request for proposals must contain information outlined  
4 in this subsection.

5 A. A request for proposals must present the authorizer's strategic vision for and  
6 interests in chartering.

7 B. Authorizers may give priority to proposals that expand opportunities for children  
8 who are not realizing their full potential, who may be disaffected or disengaged in  
9 their current education situations and who may be at risk of failure academically,  
10 socially, economically or personally. Authorizers may encourage proposals that  
11 include a specific academic approach or theme to address the diverse educational  
12 needs of communities in the State. A request for proposals must include a clear  
13 statement of any priority or preference the authorizer wishes to grant to particular  
14 types of applications.

15 C. A request for proposals must include or otherwise direct applicants to the  
16 performance framework that the authorizer has developed for public charter school  
17 oversight and evaluation in accordance with section 2411.

18 D. A request for proposals must include the criteria and standards that will guide the  
19 authorizer's decision to approve or deny an application.

20 E. A request for proposals must state clear, appropriately detailed questions as well  
21 as guidelines concerning the format and content essential for applicants to  
22 demonstrate the capacities necessary to establish and operate a successful public  
23 charter school.

24 F. A request for proposals must require applications to provide or describe  
25 thoroughly, at a minimum, all of the following essential elements of the proposed  
26 public charter school plan:

27 (1) The proposed public charter school's vision, including:

28 (a) An executive summary;

29 (b) The mission and vision of the proposed public charter school, including  
30 identification of the targeted student population and the community the  
31 school hopes to serve; and

32 (c) Evidence of need and community support for the proposed public charter  
33 school;

34 (2) The proposed public charter school's governance plan, including:

35 (a) Background information on proposed board members and any assurances  
36 or certifications required by the authorizer;

37 (b) Proposed governing bylaws;

38 (c) An organization chart that clearly presents the school's organizational  
39 structure, including lines of authority and reporting between the governing  
40 board, staff and any related bodies such as advisory bodies or parent and

- 1 teacher councils, and any external organizations that will play a role in  
2 managing the school;
- 3 (d) A clear description of the roles and responsibilities for the governing  
4 board, the school's leadership and management team and any other entities  
5 shown on the organization chart;
- 6 (e) Identification of the proposed founding governing board members and, if  
7 identified, the proposed school leader or leaders; and
- 8 (f) Background information on the school's leadership and management team,  
9 if identified;
- 10 (3) The proposed public charter school's plan of organization, including:
- 11 (a) The location or geographic area of the school;
- 12 (b) The grades to be served each year for the full term of the charter;
- 13 (c) Minimum, planned and maximum enrollment per grade per year for the  
14 term of the charter;
- 15 (d) The school's proposed calendar and sample daily schedule;
- 16 (e) Plans and timelines for student recruitment and enrollment, including  
17 lottery procedures;
- 18 (f) Explanations of any partnerships or contractual relationships central to  
19 the school's operations or mission;
- 20 (g) The school's proposals for providing transportation, food service and  
21 other significant operational or ancillary services;
- 22 (h) A facilities plan, including backup or contingency plans if appropriate;
- 23 (i) A detailed school start-up plan, identifying tasks, timelines and  
24 responsible individuals; and
- 25 (j) A closure protocol, outlining orderly plans and timelines for transitioning  
26 students and student records to new schools and for appropriately disposing  
27 of school funds, property and assets in the event of school closure;
- 28 (4) The proposed public charter school's finances, including:
- 29 (a) A description of the school's financial plan and policies, including  
30 financial controls and audit requirements;
- 31 (b) Start-up and 3-year budgets with clearly stated assumptions;
- 32 (c) Start-up and first-year cash-flow projections with clearly stated  
33 assumptions;
- 34 (d) Evidence of anticipated fund-raising contributions, if claimed in the  
35 application; and
- 36 (e) A description of the insurance coverage the school proposes to obtain;
- 37 (5) The proposed public charter school's student policy, including:

- 1                   (a) The school's plans for identifying and successfully serving students with  
2                   the wide range of learning needs and styles typically found in schools of the  
3                   sending area;
- 4                   (b) The school's plans for compliance with applicable laws, rules and  
5                   regulations; and
- 6                   (c) The school's student discipline plans and policies, including those for  
7                   special education students;
- 8                   (6) The proposed public charter school's academic program, including:
- 9                   (a) A description of the academic program aligned with the statewide system  
10                  of learning results under section 6209;
- 11                  (b) A description of the school's instructional design, including the type of  
12                  learning environment, such as classroom-based or independent study, class  
13                  size and structure, curriculum overview, teaching methods and research  
14                  basis;
- 15                  (c) The school's plan for using internal and external assessments to measure  
16                  and report student progress on the measures and metrics of the performance  
17                  framework developed by the authorizer in accordance with section 2411; and
- 18                  (d) A description of cocurricular or extracurricular programs and how they  
19                  will be funded and delivered; and
- 20                  (7) The proposed public charter school's staff policy, including:
- 21                  (a) A staffing chart for the school's first year and a staffing plan for the term  
22                  of the charter;
- 23                  (b) Plans for recruiting and developing school leadership and staff;
- 24                  (c) The school's leadership and teacher employment policies, including  
25                  performance evaluation plans; and
- 26                  (d) Opportunities and expectations for parent involvement.
- 27                  G. With respect to the conversion of an existing public school to public charter  
28                  school status, in addition to the other requirements of this subsection, the request for  
29                  proposals must require applicants to demonstrate support for the proposed conversion  
30                  public charter school by submitting 2 petitions, one signed by a majority of teachers  
31                  in the existing public school and the other signed by a majority of parents and  
32                  guardians of students in the existing public school.
- 33                  If the school to be converted is the only public school option for students in the  
34                  school administrative unit, the request for proposals must additionally require that the  
35                  conversion be approved by voters in that school administrative unit.
- 36                  H. With respect to a proposed charter school that intends to contract with an  
37                  education service provider for substantial education or management services, in  
38                  addition to the other requirements of this subsection, the request for proposals must  
39                  require applicants to:
- 40                  (1) Explain how and why the education service provider was selected;

1 (2) Provide evidence of the education service provider's success in serving  
2 student populations similar to the targeted population, including demonstrated  
3 academic achievement as well as successful management of nonacademic school  
4 functions if applicable;

5 (3) Provide information on the proposed duration of the service contract; roles  
6 and responsibilities; scope of services and resources to be provided by the  
7 education service provider; performance evaluation measures and timelines;  
8 compensation structure, including clear identification of all fees to be paid to the  
9 education service provider; methods of contract oversight and enforcement;  
10 investment disclosure; and conditions for renewal and termination of the contract;

11 (4) Provide a draft of the proposed service contract including all of the terms in  
12 subparagraphs (1), (2) and (3);

13 (5) Explain the relationship between the governing board and the education  
14 service provider, specifying how the governing board will monitor and evaluate  
15 the performance of the education service provider, the internal controls that will  
16 guide the relationship and how the governing board will ensure fulfillment of  
17 performance expectations;

18 (6) Provide a statement of assurance that the governing board is legally and  
19 operationally independent from the education service provider; and

20 (7) Disclose and explain any existing or potential conflicts of interest between  
21 the governing board and the education service provider or any affiliated business  
22 entities.

23 I. With respect to a public charter school proposal from an applicant that currently  
24 operates one or more schools in any other state or nation, in addition to the other  
25 requirements of this subsection, the request for proposals must require applicants to  
26 provide evidence of past performance and current capacity for growth.

27 **§2409. Charter applications**

28 **1. Application.** An applicant for approval as a public charter school must submit an  
29 application as set out in this section. An applicant may submit an application only to an  
30 authorizer that has issued a request for proposals in accordance with section 2408. An  
31 applicant may submit a proposal for a particular public charter school to no more than  
32 one authorizer at a time. The purposes of the application are to present the proposed  
33 public charter school's academic and operational vision and plans, demonstrate the  
34 applicant's capacities to execute the proposed vision and plans and provide the authorizer  
35 a clear basis for assessing the applicant's plans and capacities.

36 **2. Conversion of existing public schools.** A public school or public school program  
37 may apply to its local school board to become a conversion public charter school.

38 **3. Start-up schools.** An application for a start-up public charter school may be  
39 submitted by a nonprofit, nonreligious organization. If the organizers of a start-up public  
40 charter school have been affiliated with a previous school or education program, they  
41 must form a separate nonprofit organization in this State to be eligible for state and  
42 federal grants.

1           **4. Application review process.** In reviewing and evaluating applications,  
2 authorizers shall employ procedures, practices, criteria and standards consistent with  
3 nationally recognized principles and standards for authorizing high-quality public charter  
4 schools.

5           A. The application review process must include, at a minimum, substantive  
6 participation by a team of reviewers who collectively possess appropriate academic  
7 expertise and operational experience with charter schools.

8           B. The application review process must include a thorough evaluation of each  
9 application, an in-person interview with the applicant and a public hearing.

10          C. In deciding whether to approve applications, authorizers shall:

11                   (1) Grant charters only to applicants that have demonstrated competence in each  
12 element of the authorizer's published approval criteria and are likely to open and  
13 operate a successful public charter school;

14                   (2) Base decisions on documented evidence collected through the application  
15 review process; and

16                   (3) Follow charter-granting policies and practices that are transparent, based on  
17 merit and avoid conflicts of interest or any appearance of a conflict of interest.

18           **5. Approval; denial.** No later than 90 days after the filing of an application, an  
19 authorizer shall decide to approve or deny the application. The authorizer shall make and  
20 announce all charter approval or denial decisions in a meeting of the authorizer's  
21 governing entity open to the public.

22           A. An approval decision may include, if appropriate, reasonable conditions that the  
23 applicant must meet before a charter contract may be executed.

24           B. If the authorizer denies an application, the authorizer shall clearly state, for public  
25 record, its reasons for denial. An applicant may subsequently reapply to that  
26 authorizer or apply to any other authorizer in the State.

27           C. Within 10 days of taking action to approve or deny an application, the authorizer  
28 shall report to the commissioner the action it has taken. The authorizer shall provide  
29 a copy of the report to the applicant at the same time that the report is submitted to  
30 the commissioner.

31           D. The commissioner shall register the charters approved by all chartering authorities  
32 in chronological order by date of approval.

33           E. An approved application may not serve as a school's charter contract nor may it be  
34 incorporated by reference into the charter contract.

35           F. A decision on an application must be conveyed in writing to the applicant. A  
36 decision may grant approval or conditional approval, request resubmission or reject  
37 the application and must include written reasons for the decisions.

38           **§2410. Charter contracts**

39           **1. Charter contracts.** When an application is approved, a charter contract must be  
40 executed in accordance with this section.

1 A. After approval of an application and no later than 60 days prior to the opening  
2 date of the public charter school, the authorizer and the governing board shall execute  
3 a charter contract that sets forth:

4 (1) Performance provisions describing the academic and operational  
5 performance expectations and measures by which the public charter school will  
6 be judged; and

7 (2) Administrative provisions articulating the administrative relationship  
8 between the authorizer and the public charter school, including each party's rights  
9 and duties.

10 B. The performance provisions set forth in a charter contract under paragraph A must  
11 include but need not be limited to applicable federal and state accountability  
12 requirements.

13 C. The performance provisions set forth in a charter contract under paragraph A may  
14 be refined or amended by mutual agreement of the parties to the charter contract after  
15 the public charter school is operating and has collected baseline achievement data for  
16 its enrolled students.

17 D. A charter contract must be signed by the president of the authorizer's governing  
18 entity and the president of the governing board.

19 E. A public charter school may not commence operations without a charter contract  
20 executed in accordance with this section and approved in a meeting open to the  
21 public of the authorizer's governing entity.

22 **2. Requirements prior to opening.** An authorizer may establish reasonable  
23 requirements or conditions prior to the opening of a public charter school to monitor the  
24 start-up progress of a newly approved public charter school, ensure that it is prepared to  
25 open smoothly on the date agreed and ensure that the school meets all building, health,  
26 safety, insurance and other legal requirements for school opening.

27 **3. Virtual public charter schools.** The charter contract of a virtual public charter  
28 school must require the governing board to:

29 A. Provide each student enrolled in the virtual public charter school with online  
30 courses that meet or exceed state standards and all instructional materials required for  
31 the student's participation in the school;

32 B. Ensure that the persons who operate the virtual public charter school on a day-to-  
33 day basis comply with and carry out all applicable requirements, statutes, regulations,  
34 rules and policies of the school;

35 C. Ensure that a parent of each student verifies the number of hours of educational  
36 activities completed by the student each school year; and

37 D. Adopt a plan by which the governing board provides:

38 (1) Frequent, ongoing monitoring to ensure and verify that each student is  
39 participating in the virtual public charter school, including proctored assessments  
40 each semester in core subjects graded or evaluated by the teacher, and at least  
41 biweekly parent-teacher conferences in person or by telephone;

1                   (2) Regular instructional opportunities in real time that are directly related to the  
2                   virtual public charter school's curricular objectives, including, but not limited to,  
3                   meetings with teachers and educational field trips and outings;

4                   (3) Verification of ongoing student attendance in the virtual public charter  
5                   school;

6                   (4) Verification of ongoing student progress and performance in each course as  
7                   documented by ongoing assessments and examples of student course work; and

8                   (5) Administration to all students in a proctored setting of all applicable  
9                   assessments as required by the State.

10                  Nothing in this subsection prohibits a virtual public charter school from reimbursing  
11                  families of enrolled students for costs associated with their Internet connection for use in  
12                  the program.

13                  Only students enrolled in a virtual public charter school as full-time students may be  
14                  reported in the virtual public charter school's average pupil count to the department for  
15                  the purposes of receiving local, state and federal funds.

16                  **§2411. Public charter school performance framework**

17                   **1. Performance framework.** The performance provisions of a charter contract must  
18                   be based on a performance framework developed by the authorizer that sets forth the  
19                   academic and operational performance indicators that will guide the authorizer's  
20                   evaluations of each public charter school.

21                   **2. Data elements.** The performance framework developed under subsection 1 must  
22                   include, at a minimum, indicators for:

23                   A. Student academic proficiency;

24                   B. Student academic growth;

25                   C. Achievement gaps in both proficiency and growth between major student  
26                   subgroups;

27                   D. Attendance;

28                   E. Recurrent enrollment from year to year;

29                   F. With respect to high school, postsecondary readiness;

30                   G. Financial performance and sustainability;

31                   H. Governing board performance and stewardship; and

32                   I. Parent and community engagement.

33                   **3. Annual performance targets.** Annual performance targets must be set by a  
34                   public charter school in conjunction with its authorizer and must be designed to help each  
35                   school meet applicable federal and state requirements and authorizer expectations.

1           **4. Data disaggregation.** The performance framework developed under subsection 1  
2 must require the disaggregation of all student performance data by major student  
3 subgroups.

4           **5. Reports for multiple campuses.** With respect to a public charter school that  
5 contains multiple campuses operating under a single charter contract or overseen by a  
6 single governing board, the performance framework developed under subsection 1 must  
7 require the performance of each campus to be reported separately and must hold each  
8 campus independently accountable for its performance.

9           **§2412. Oversight**

10           **1. Data collection; monitoring.** For each public charter school it oversees, the  
11 authorizer is responsible for collecting, analyzing and reporting all data from state  
12 assessments in accordance with the performance framework developed under section  
13 2411, subsection 1. An authorizer shall monitor the performance and legal compliance of  
14 the public charter schools it oversees, including collecting and analyzing all data to  
15 support ongoing evaluation according to the charter contract.

16           **2. Notification of unsatisfactory performance or compliance.** In the event that a  
17 public charter school's performance or legal compliance appears unsatisfactory, the  
18 authorizer shall promptly notify the public charter school of perceived problems and  
19 provide reasonable opportunity for the school to remedy the problems.

20           **§2413. Charter term and renewal**

21           **1. Initial charter term.** An initial charter must be granted for a term of 5 operating  
22 years. The charter term commences on the public charter school's first day of operation.  
23 An approved public charter school may delay its opening for one school year in order to  
24 plan and prepare for the school's opening. If the public charter school requires an  
25 opening delay of more than one school year, the public charter school must request an  
26 extension from its authorizer. The authorizer may grant or deny the extension depending  
27 on the particular public charter school's circumstances.

28           **2. Charter renewal term.** A charter may be renewed for successive terms of 5  
29 years, although an authorizer may grant a renewal for a term not to exceed 15 years based  
30 on the performance, demonstrated capacities and particular circumstances of each public  
31 charter school. If a charter is renewed for more than 5 years, the authorizer shall still  
32 issue a charter school performance report every 5 years as called for by subsection 3. An  
33 authorizer may grant renewal with specific conditions for necessary improvements to a  
34 public charter school.

35           **3. Authorizer renewal responsibilities.** No later than June 30th of a public charter  
36 school's 4th year of operation under each 5-year term of a charter contract, the authorizer  
37 shall issue a charter school performance report. If the charter of the public charter school  
38 is expiring, the authorizer shall offer charter renewal application guidance to the school.

39           **A.** The performance report required in this subsection must summarize the public  
40 charter school's performance record to date, based on the data required by this chapter  
41 and the charter contract, and must provide notice of any weaknesses or concerns

1 perceived by the authorizer concerning the school that may jeopardize its position in  
2 seeking renewal if not timely rectified. The school must be given the opportunity to  
3 respond to the performance report and submit any corrections or clarifications for the  
4 report.

5 B. The renewal application guidance required by this subsection must include or  
6 refer explicitly to the criteria and standards that will guide the authorizer's renewal  
7 decisions, which must be based on the performance framework set forth in the charter  
8 contract and consistent with this chapter. The renewal application guidance must, at a  
9 minimum, require and provide an opportunity for the public charter school to:

10 (1) Present additional evidence, beyond the data contained in the performance  
11 report, supporting its case for charter renewal;

12 (2) Describe improvements undertaken or planned for the school; and

13 (3) Detail the school's plans for the next charter term.

14 **4. Renewal application.** No later than September 30th of a public charter school's  
15 5th year of operation under a term of a charter contract or September 30th of a public  
16 charter school's final authorized year of operation under a term of a charter contract, the  
17 governing board of a public charter school seeking renewal shall submit a renewal  
18 application to the authorizer pursuant to any renewal application guidance offered by the  
19 authorizer under subsection 3.

20 **5. Renewal decision.** An authorizer shall rule by resolution on a renewal application  
21 under this section no later than 45 days after the filing of the renewal application. In  
22 making charter renewal decisions, every authorizer shall:

23 A. Ground its decisions in evidence of the public charter school's performance over  
24 the term of the charter in accordance with the performance framework set forth in the  
25 charter contract;

26 B. Ensure that data used in making renewal decisions are available to the school and  
27 the public; and

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

29 **6. Charter revocation and nonrenewal.** A decision by an authorizer to revoke or  
30 not to renew the charter of a public charter school must be made in accordance with this  
31 subsection.

32 A. A charter may be revoked at any time or not renewed if the authorizer determines  
33 that the public charter school failed to comply with the provisions of this chapter or:

34 (1) Committed a material violation of any of the terms, conditions, standards or  
35 procedures required under this chapter or the charter contract;

36 (2) Failed to meet or make sufficient progress toward the performance  
37 expectations set forth in the charter contract;

38 (3) Failed to meet generally accepted standards of fiscal management; or

39 (4) Violated any provision of law from which the school was not exempted.

1           B. If an authorizer revokes or does not renew a charter, the authorizer shall clearly  
2           state, in a resolution of its governing entity, the reasons for the revocation or  
3           nonrenewal.

4           **7. Notification to commissioner.** Within 10 days of taking action to renew, not  
5           renew or revoke a charter under this section, the authorizer shall report to the  
6           commissioner the action taken and shall provide a copy of the report to the public charter  
7           school at the same time that the report is submitted to the commissioner. The report must  
8           include a copy of the governing entity of the authorizer's resolution setting forth the  
9           action taken and reasons for the decision.

10           **8. School closure and dissolution.** In the event of a public charter school closure  
11           for any reason:

12           A. The authorizer shall oversee and work with the closing public charter school to  
13           ensure timely notification to parents and guardians, orderly transition of students and  
14           student records to new schools and proper disposition of school funds, property and  
15           assets in accordance with the requirements of this chapter; and

16           B. The assets of the public charter school must be distributed first to satisfy  
17           outstanding payroll obligations for employees of the school and then to creditors of  
18           the school. Any remaining funds must be paid to the Treasurer of State to the credit  
19           of the General Fund. If the assets of the school are insufficient to pay all parties to  
20           whom the school owes compensation, the prioritization of the distribution of assets  
21           may be determined by decree of a court of law.

22           **9. Charter transfers.** A charter contract and its oversight may not be transferred  
23           from one authorizer to another before the expiration of the charter contract term except by  
24           mutual agreement of all parties.

25           **§2414. Operations**

26           **1. Legal status.** Notwithstanding any provision of law to the contrary, to the extent  
27           that any provision of this chapter is inconsistent with any other state or local law, rule or  
28           regulation, the provisions of this chapter govern and are controlling.

29           A. A public charter school is subject to all federal laws and authorities, to local law  
30           not inconsistent with this chapter and to the charter contract.

31           B. A charter contract may include one or more schools, to the extent approved by the  
32           authorizer and consistent with applicable law. Each public charter school that is part  
33           of a charter contract must be separate and distinct from any others.

34           C. A single governing board may be issued one or more charter contracts. Each  
35           public charter school operating under its own contract is a discrete legal entity,  
36           separate and distinct from any others.

37           **2. Local educational agency status.** The following provisions govern the local  
38           educational agency status of public charter schools.

39           A. In the case of a public charter school authorized by a local school district:

1                   (1) The local school district in which the public charter school is located remains  
2                   the local educational agency and the public charter school is a school within that  
3                   local educational agency;

4                   (2) The public charter school receives services, resources and support in the  
5                   same manner as other local school district public schools, except that the public  
6                   charter school is treated as a local educational agency for purposes of applying  
7                   for competitive federal grants; and

8                   (3) The local school district retains responsibility for special education and  
9                   serves students in public charter schools in a manner consistent with local  
10                  educational agency obligations under applicable federal, state and local law.

11                  B. In the case of a public charter school authorized by a college, university or the  
12                  commission:

13                   (1) The public charter school functions for all purposes as a local educational  
14                   agency independent of the local school district in which the school is located.  
15                   Local educational agency status does not preclude a public charter school from  
16                   developing links to local school districts for services, resources and programs, by  
17                   mutual agreement or by formal contract;

18                   (2) To the extent permitted by federal, state or local laws, the public charter  
19                   school is responsible for meeting the requirements of local educational agencies  
20                   under applicable federal, state and local laws, including those relating to special  
21                   education, receipt of funds and compliance with funding requirements; and

22                   (3) The funding and educational decision-making process for special education  
23                   students attending the public charter school is the responsibility of the local  
24                   educational agency of residence, and all options available to the parents and the  
25                   local educational agency through the student's original local school district must  
26                   be retained. To the extent permitted by federal, state or local laws, the public  
27                   charter school has primary responsibility for special education at the school,  
28                   including identification and provision of service, and is responsible for meeting  
29                   the needs of enrolled students with disabilities. In instances when a student's  
30                   individualized education program team, including representatives from the  
31                   student's local school district of residence, determines that a student's needs are  
32                   so profound that they cannot be met in the public charter school and that the  
33                   school cannot provide to the student a free, appropriate public education as  
34                   defined in section 7001, subsection 2-A, the individualized education program  
35                   team must work with the student's local school district of residence to find a  
36                   placement in a more appropriate setting.

37                  **3. Powers of public charter schools.** A public charter school has all the powers  
38                  necessary for carrying out the terms of its charter contract, including the powers to:

39                   A. Receive and disburse funds for school purposes;

40                   B. Contract or cooperate with noncharter public schools for service for students with  
41                   special needs, English language learner students and other specialized populations, as  
42                   well as for mutually agreed administrative services;

- 1           C. Secure appropriate insurance and enter into contracts and leases, free from  
2           prevailing wage laws;
- 3           D. Contract with an education service provider for the management and operation of  
4           the school, as long as the school's governing board retains oversight authority over  
5           the school;
- 6           E. Incur debt in reasonable anticipation of the receipt of public or private funds;
- 7           F. Pledge, assign or encumber its assets to be used as collateral for loans or  
8           extensions of credit;
- 9           G. Solicit and accept any gifts or grants for school purposes subject to applicable  
10          laws and the terms of its charter contract;
- 11          H. Acquire real property for use as its facility or facilities from public or private  
12          sources; and
- 13          I. Sue and be sued in its own name.

14           **4. General requirements.** A public charter school is subject to the general  
15           requirements set out in this subsection.

- 16           A. A public charter school may not discriminate against any person on the basis of  
17           race, creed, color, sex, disability or national origin or on any other basis that would be  
18           unlawful if done by a public school.
- 19           B. A public charter school may not engage in any religious practices in its  
20           educational program, admissions or employment policies or operations.
- 21           C. A public charter school may not charge tuition and may only charge such fees as  
22           may be imposed by other public schools in the State. A public charter school may  
23           charge tuition to an out-of-state student admitted to the school on a space-available  
24           basis.
- 25           D. A public charter school must have a plan that describes how the school will meet  
26           the transportation needs of its students.
- 27           E. The powers, obligations and responsibilities set forth in a charter contract may not  
28           be delegated or assigned by either party.

29           **5. Applicability of other laws, rules and regulations.** The applicability of other  
30           laws, rules and regulations to public charter schools is as set out in this subsection.

- 31           A. Public charter schools are subject to the same civil rights and health and safety  
32           requirements applicable to other public schools in the State, except as otherwise  
33           specifically provided in this chapter.
- 34           B. Public charter schools are subject to the same student assessment and  
35           accountability requirements applicable to other public schools in the State, but  
36           nothing in this chapter precludes a public charter school from establishing additional  
37           student assessment measures that go beyond state requirements if the school's  
38           authorizer approves such measures.
- 39           C. Governing boards are subject to and must comply with Title 1, chapter 13.

1 D. Except as provided in this chapter and its charter contract, a public charter school  
2 is exempt from all statutes and rules applicable to a public school, a local school  
3 board or a local school district, although it may elect to comply with one or more  
4 provisions of statutes or rules. School administrative units may not interpret this  
5 paragraph as reducing their obligation to provide education for their residents.

6 E. A public charter school is exempt from the restrictions normally associated with  
7 any state-funded categorical education funding program.

8 **6. Teachers.** This subsection governs teacher employment in a public charter school.

9 A. A public charter school must comply with applicable federal laws and regulations  
10 regarding the qualification of teachers and other instructional staff.

11 B. All full-time teachers in a public charter school must either hold an appropriate  
12 teaching certificate or become certified within 3 years of the date they are hired,  
13 except for those with an advanced degree, professional certification or unique  
14 expertise or experience in the curricular area in which they teach.

15 C. Teachers in charter schools have the same rights and privileges as other public  
16 school teachers except as otherwise provided in this chapter.

17 D. Teachers and other public charter school personnel, as well as governing board  
18 trustees, are subject to criminal history record checks and fingerprinting requirements  
19 applicable to other public schools.

20 E. Teachers at a public charter school may choose to bargain collectively or form a  
21 professional group in accordance with this paragraph.

22 (1) Teachers who are employees of the public charter school have the same  
23 rights as other teachers in public education to organize and bargain collectively.  
24 Bargaining units at the public charter school must be separate from other  
25 bargaining units, such as a district bargaining unit. Staff at noncharter public  
26 schools converting to public charter schools have a right to employment benefits  
27 as stated in applicable collective bargaining agreements or they may vote to be  
28 represented in alternative ways.

29 (2) A teacher who is an employee of the public charter school may choose to be  
30 part of a professional group that operates the instructional program under an  
31 agreement with the public charter school, forming a partnership or producer  
32 cooperative that the teachers collectively own.

33 (3) Teachers who are employees of the public charter school may not be required  
34 to be members of any existing collective bargaining agreement between a local  
35 school district and its employees. A public charter school may not interfere with  
36 civil service laws or other applicable rules protecting the rights of employees to  
37 organize and be free from discrimination.

38 **7. External audit.** A public charter school shall adhere to generally accepted  
39 accounting principles and shall annually engage an external auditor to do an independent  
40 audit of the school's finances.

1           **§2415. Funding**

2           **1. Enrollment count; report.** Students attending public charter schools must be  
3 included in all enrollment and attendance counts of students of the local school districts in  
4 which the students reside. The public charter school shall report all such data to the local  
5 school districts of residence in a timely manner. Each local school district shall report  
6 such enrollment, attendance and other counts of students to the department.

7           **2. Revenue provisions.** All state and local operating funds follow each student to  
8 the public charter school attended by the student, except that the school administrative  
9 unit of the student's residence may retain up to 1% of the per-pupil allocation described in  
10 this subsection to cover associated administrative costs.

11           **A.** For each public charter school student, the school administrative unit in which the  
12 student resides must forward the per-pupil allocation to the public charter school  
13 attended by the student as follows.

14                   **(1)** The per-pupil allocation amounts must be based on the same per-pupil rates  
15 that are provided for subsidizable pupils who reside in the school administrative  
16 unit and who are educated at public expense for the current fiscal year. These  
17 amounts must reflect each student's status according to grade level, economic  
18 disadvantage, limited English proficiency and special education needs, as  
19 provided in the resident essential programs and services allocation for the school  
20 administrative unit. The department shall adopt rules governing cost-sharing for  
21 students participating in gifted and talented and vocational, technical and career  
22 education programs. For transportation expenses, the average per-pupil expense  
23 in each school administrative unit of residence must be calculated and a per-pupil  
24 allocation of that amount must be forwarded to the public charter school attended  
25 on the same basis as the per-pupil allocations for operating funds. Debt service  
26 and capital outlays may not be included in the calculation of these per-pupil  
27 allocations. The department shall adopt rules governing how to calculate these  
28 per-pupil allocations to the school administrative units of residence and to the  
29 public charter schools.

30                   **(2)** For students attending public charter schools, the school administrative unit  
31 of residence shall forward the per-pupil allocations described in subparagraph (1)  
32 directly to the charter school attended. These per-pupil allocations must be  
33 forwarded to each charter school on a quarterly basis, as follows. For each fiscal  
34 year, allocations must be made in quarterly payments on September 1st,  
35 December 1st, March 1st and June 1st. The September payment must be based  
36 on the number of students enrolled or anticipated to be enrolled in the public  
37 charter school at the opening of school for that school year, which may not  
38 exceed the maximum enrollment approved in the charter contract for that year  
39 unless a waiver is obtained from the authorizer. In February of the school year, if  
40 the number of students is higher or lower than the number of students at the  
41 beginning of the school year, adjustments must be made in the June payment,  
42 with 50% of the annual per-pupil allocation added for additional students or  
43 subtracted if the total number of students is lower.

44           **B.** The following provisions govern special education funding.

1                   (1) The funding and educational decision-making process for special education  
2                   pupils attending a public charter school is the responsibility of the local  
3                   educational agency of residence, and all current options available to the parents  
4                   and the local educational agency through the pupil's original local school district  
5                   must be retained.

6                   (2) The local school district of residence shall pay directly to the public charter  
7                   school any federal or state aid attributable to a student with a disability attending  
8                   the public charter school in proportion to the level of services for the student with  
9                   a disability that the public charter school provides directly or indirectly.

10                  C. Except as otherwise provided in this chapter, the State shall send applicable  
11                  federal funds directly to public charter schools attended by eligible students.

12                   (1) Public charter schools with students eligible for funds under Title I of the  
13                   federal Elementary and Secondary Education Act of 1965, 20 United States  
14                   Code, Section 6301 et seq. must receive and use these funds in accordance with  
15                   federal and state law. During the first year of operation, a public charter school  
16                   must receive Title I funds on the basis of an estimated enrollment of eligible  
17                   students, as agreed with its authorizer.

18                   (2) A public charter school must be considered a local educational agency for  
19                   purposes of applying for competitive grants.

20                  D. A public charter school may receive gifts and grants from private sources in any  
21                  manner that is available to a school administrative unit.

22                  E. A public charter school may not levy taxes or issue bonds secured by tax  
23                  revenues.

24                  F. In the event of the failure of the local school district to make payments required  
25                  by this section, the Treasurer of State shall deduct from any state funds that become  
26                  due to the local school district an amount equal to the unpaid obligation. The  
27                  Treasurer of State shall pay over the amount to the public charter school upon  
28                  certification of the department. The department shall adopt rules to implement the  
29                  provisions of this paragraph. Rules adopted pursuant to this paragraph are routine  
30                  technical rules as defined in Title 5, chapter 375, subchapter 2-A.

31                  G. Any money received by a public charter school from any source and remaining in  
32                  the school's accounts at the end of any budget year remains in the school's accounts  
33                  for use by the school during subsequent budget years and may not revert to the  
34                  authorizer or to the State.

35                  H. Nothing in this chapter may be construed to prohibit any person or organization  
36                  from providing funding or other assistance for the establishment or operation of a  
37                  public charter school. The governing board of a public charter school may accept  
38                  gifts, donations or grants of any kind made to the school and expend or use such gifts,  
39                  donations or grants in accordance with the conditions prescribed by the donor except  
40                  that a gift, donation or grant may not be accepted if subject to a condition that is  
41                  contrary to any provision of law or term of the charter contract.

42                  I. Public charter schools have the same access as other public schools to any risk  
43                  pool for high-cost special education services and to any fund for fiscal emergencies.

1           **§2416. Facilities**

2           **1. Facilities; property.** A public charter school may acquire facilities and property  
3 in accordance with this subsection.

4           A. A public charter school has a right of first refusal to purchase or lease at or below  
5 fair market value a closed public school facility or property or unused portions of a  
6 public school facility or property located in a local school district from which it  
7 draws its students if the local school district decides to sell or lease the public school  
8 facility or property. The local school district may not require purchase or lease  
9 payments that exceed the fair market value of the property.

10          B. A public charter school may negotiate and contract with a local school district, the  
11 governing body of a state college or university or public community college or any  
12 other public or for-profit or nonprofit private entity for the use of a school building.

13          C. Library, community service, museum, performing arts, theater, cinema, church,  
14 community college, college and university facilities may provide space to public  
15 charter schools within their facilities under their preexisting zoning and land use  
16 designations.

17          D. A public charter school may purchase or lease at or below fair market value part  
18 or all of any surplus or unused state-owned facility or property located in the State.  
19 The state agency in control of the facility may not require purchase or lease payments  
20 that exceed the fair market value of the property.

21          E. The same zoning rules that apply to other public schools apply to public charter  
22 schools.

23          **2. Inspection; building code.** The municipality in which a facility of a public  
24 charter school is located is the agency that has jurisdiction for the purposes of inspection  
25 of the facility and issuance of a certificate of occupancy for the facility. If the facility is  
26 located in an unorganized area of the State, the county has jurisdiction for those purposes.  
27 A facility of a public charter school is subject to the same building codes, regulations and  
28 fees that apply to other public schools.

29          **3. Taxes.** A facility, or portion thereof, used to house a public charter school is  
30 exempt from property taxes.

31           **§2417. Miscellaneous**

32          **1. Transfer of credits.** If a student who was previously enrolled in a public charter  
33 school enrolls in another public school in this State, the school to which the student  
34 transfers must accept credits earned by the student in courses or instructional programs at  
35 the public charter school in a uniform and consistent manner and according to the same  
36 criteria that are used to accept academic credits from other public schools.

37          **2. Access to extracurricular and interscholastic activities.** A public charter  
38 school is eligible for state-sponsored or local school district-sponsored interscholastic  
39 leagues, competitions, awards, scholarships and recognition programs for students,  
40 educators, administrators and schools to the same extent as noncharter public schools. A

1 public charter school student is eligible to participate in extracurricular activities not  
2 offered by the student's public charter school at the public school within whose  
3 attendance boundaries the student's custodial parent or legal guardian resides or the public  
4 school from which the student withdrew for the purpose of attending a charter school. A  
5 charter school student is eligible for extracurricular activities at a public school subject to  
6 eligibility standards applied to full-time students of the public school. A local school  
7 district or public school may not impose additional requirements on a public charter  
8 school student to participate in extracurricular activities that are not imposed on full-time  
9 students of the public school.

10 **3. Retirement.** A public charter school may establish a retirement plan or plans for  
11 employees.

12 A. Teachers enrolled in the Maine Public Employees Retirement System who take  
13 leave to teach in a public charter school may continue their participation in the Maine  
14 Public Employees Retirement System while on such leave.

15 B. If a public charter school chooses to set up a plan with the Maine Public  
16 Employees Retirement System, the public charter school may establish a participating  
17 local district plan with the Maine Public Employees Retirement System under Title 5,  
18 chapter 425.

19 **Sec. 9. Review of retirement laws.** The Maine Public Employees Retirement  
20 System shall review the laws governing participating local districts' retirement plans and  
21 shall submit, by December 1, 2011, a report to the Joint Standing Committee on  
22 Appropriations and Financial Affairs that includes any proposed legislation necessary to  
23 fully implement this Act.

24 **Sec. 10. Staggered terms.** Notwithstanding the Maine Revised Statutes, Title  
25 20-A, section 2407, subsection 9, of the initial members of the State Charter School  
26 Commission, one member who is also a member of the State Board of Education serves a  
27 3-year term, one member who is a member of the state board serves a 2-year term and  
28 one member who is a member of the state board serves a one-year term. Two members  
29 who are approved by the state board serve 3-year terms, one serves a 2-year term and one  
30 serves a one-year term.

## 31 SUMMARY

32 This bill establishes a process to authorize the establishment of public charter schools  
33 in the State.