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3 SENATE EDUCATION AND YOUTH AFFAIRS COMMITTEE SUBSTITUTE FOR
4 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

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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.

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

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

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

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

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

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

14 a. Has autonomy over key decisions including, but
15 not limited to, decisions concerning finance, personnel,
16 scheduling, curriculum, instruction, and procurement.

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

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

24 d. Is a school to which parents choose to send their
25 student.

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

4 f. Provides an educational program that satisfies
5 all of the following:

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

8 2. May include a specific academic approach or theme
9 including, but not limited to, vocational and technical
10 training; visual and performing arts; liberal arts and
11 classical education; or science, mathematics, and technology.

12 3. Operates in pursuit of a specific set of
13 educational objectives as defined in its charter contract,
14 such as college or career readiness, or both.

15 4. Operates under the oversight of its authorizer in
16 accordance with its charter contract.

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

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

22 Section 5. (a) Open enrollment.

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

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

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

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

14 (5) A public charter school shall enroll all
15 students who wish to attend the school, unless the number of
16 students exceeds the capacity of the building identified for
17 the public charter school.

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

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

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

13 (8) A public charter school shall give enrollment
14 preference to students enrolled in the public charter school
15 the previous school year and to siblings of students already
16 enrolled in the public charter school.

17 (9) A public charter school may give enrollment
18 preference to children of a public charter school's founders,
19 governing board members, and full-time employees, so long as
20 they constitute no more than 10 percent of the school's total
21 student population.

22 (10) This subsection does not preclude the formation
23 of a public charter school whose mission is focused on serving
24 special education students, students of the same gender,
25 students who pose such severe disciplinary programs that they
26 warrant a specific educational program, or students who are at

1 risk of academic failure. Notwithstanding the stated mission
2 of the public charter school, any student may attend.

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

14 (c) Determination of student capacity of public
15 charter schools. The capacity of the public charter school
16 shall be determined annually by the governing board of the
17 public charter school in conjunction with the authorizer and
18 in consideration of the public charter school's ability to
19 facilitate the academic success of its students, to achieve
20 the other objectives specified in the charter contract, and to
21 ensure that its student enrollment does not exceed the
22 capacity of its facility or site.

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

26 Section 6. (a) Eligible authorizing entities.

1 (1) A public charter school may not be established
2 in this state unless its establishment is authorized by this
3 section. No governmental entity or other entity, other than an
4 entity expressly granted chartering authority as set forth in
5 this section, may assume any authorizing function or duty in
6 any form. The following entities shall be authorizers of
7 public charter schools:

8 a. A local school board, for chartering of schools
9 within the boundaries of the school system under its
10 jurisdiction, pursuant to state law.

11 b. The Alabama Public Charter School Commission,
12 pursuant to this section.

13 (2) A local school board that registers as an
14 authorizer may approve or deny an application to form a public
15 charter school within the boundaries of the local school
16 system overseen by the local school board.

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

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

23 a. An application to form a public charter school is
24 denied by the local school board overseeing that system and
25 the applicant chooses to appeal the decision of the local
26 school board to the commission.

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

4 (b) Public charter school cap.

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

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

12 (3) The cap expires after five fiscal years of
13 implementation of this act.

14 (4) At the conclusion of the fifth fiscal year, the
15 department shall submit a report to the Legislature outlining
16 the performance of both start-up and conversion public charter
17 schools. This report shall include, at a minimum, academic
18 performance of all public charter schools in the state, a
19 detailed update on the authorizing process, and
20 recommendations for adjustments to public charter school
21 governance and oversight.

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

24 (c) The Alabama Public Charter School Commission.

25 (1) The commission is established as an independent
26 state entity.

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

4 (3) The commission shall be composed of a total of
5 nine members. The State Board of Education shall appoint eight
6 members, made up of two appointees recommended by the
7 Governor, two appointees recommended by the President Pro
8 Tempore of the Senate, two appointees recommended by the
9 Speaker of the House of Representatives, and two appointees
10 recommended by the State Superintendent of Education. The
11 Governor, the President Pro Tempore of the Senate, and the
12 Speaker of the House of Representatives shall each recommend a
13 list of no fewer than two nominees for each appointment to the
14 commission. No commission member can be appointed unless he or
15 she has been recommended by the Governor, President Pro
16 Tempore of the Senate, Speaker of the House of
17 Representatives, or the State Superintendent of Education.

18 (4) The ninth member of the commission shall be a
19 rotating position based on the local school system where the
20 application was denied. This member appointed to the rotating
21 position shall be appointed by the local school system where
22 the applicant is seeking to open a public charter school. The
23 local school system shall appoint a member to the rotating
24 position through board action specifically to consider that
25 application.

1 (5) The appointing authorities of the commission
2 members shall strive to select individuals that collectively
3 possess strong experience and expertise in public and
4 nonprofit governance, strategic planning, management and
5 finance, public school leadership, assessment, curriculum and
6 instruction, and public education law. Each member of the
7 commission shall have demonstrated understanding of and
8 commitment to charter schooling as a tool for strengthening
9 public education and shall sign an agreement to hear the
10 appeal and review documents in a fair and impartial manner.

11 (6) Membership of the commission shall be inclusive
12 and reflect the racial, gender, geographic, urban/rural, and
13 economic diversity of the state. The appointing authority
14 shall consider the eight State Board of Education districts in
15 determining the geographical diversity of the commission.

16 (7) The initial appointments to the commission shall
17 be made no later than 30 days after the effective date of this
18 act. One recommended appointee of the Governor, Speaker of the
19 House of Representatives, President Pro Tempore of the Senate,
20 and State Superintendent of Education shall serve an initial
21 term of one year and one recommended appointee of the
22 Governor, Speaker of the House of Representatives, President
23 Pro Tempore of the Senate, and State Superintendent of
24 Education shall serve an initial term of two years.
25 Thereafter, all appointees shall serve two-year terms of
26 office. All appointments shall be eligible for reappointment

1 as determined by the appointing authority, not to exceed a
2 total of six years of service, unless the member was initially
3 appointed to serve a one-year term of office. If the initial
4 term of office of an appointee was one year, he or she may
5 serve a total of five years of service on the commission.

6 (8) A member of the commission may be removed for
7 failure to perform the duties of the appointment. Whenever a
8 vacancy on the commission exists, the appointing authority,
9 within 60 days after the vacancy occurs, shall appoint a
10 member for the remaining portion of the term. A member of the
11 commission shall abstain from any vote that involves a local
12 school system of which he or she is an employee or which he or
13 she oversees as a member of a local school board. The
14 requirement to abstain does not apply to the rotating position
15 on the commission.

16 (9) Six members of the commission constitute a
17 quorum, and a quorum shall be necessary to transact business.
18 Actions of the commission shall be by a majority vote of the
19 commission. The commission, in all respects, shall comply with
20 the Alabama Open Meetings Act and state record laws.
21 Notwithstanding the preceding sentence, members of the
22 commission may participate in a meeting of the commission by
23 means of telephone conference, video conference, or similar
24 communications equipment by means of which all persons
25 participating in the meeting may hear each other at the same
26 time. Participation by such means shall constitute presence in

1 person at a meeting for all purposes, including the
2 establishment of a quorum. Telephone or video conference or
3 similar communications equipment shall also allow members of
4 the public the opportunity to simultaneously listen to or
5 observe meetings of the commission.

6 (10) If the commission overrules the decision of a
7 local school board and chooses to authorize the establishment
8 of a public charter school in that local school system, the
9 commission shall serve as the authorizer for that public
10 charter school, pursuant to this act.

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

12 a. Utilize professional and administrative staff of
13 the department as recommended by the State Superintendent of
14 Education.

15 b. Adopt rules for the operation and organization of
16 the commission.

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

21 d. Convene stakeholder groups and engage experts.

22 e. Seek and receive state, federal, and private
23 funds for operational expenses.

24 f. A commission member may not receive compensation,
25 but shall be reimbursed by the department for travel and per

1 diem expenses at the same rates and in the same manner as
2 state employees.

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

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

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

12 b. Hold an open community hearing opportunity for
13 public comment.

14 c. Find that the local board's denial of an original
15 charter application was not supported by the application and
16 exhibits.

17 d. Take into consideration (i) other existing
18 charter school applications, (ii) the quality of school
19 options existing in the affected community, (iii) the
20 existence of other charter schools, and (iv) any other factors
21 considered relevant to ensure the establishment of
22 high-quality charter schools in accordance with the intent of
23 this act.

24 e. Find evidence that the local school board erred
25 in its application of nationally recognized authorizing
26 standards.

1 (d) A local school board may register with the
2 department for chartering authority within the boundaries of
3 the school system overseen by the local school board. The
4 department shall publicize to all local school boards the
5 opportunity to register with the state for chartering
6 authority within the school system they oversee. By June 1 of
7 each year, the department shall provide information about the
8 opportunity, including a registration deadline, to all local
9 school boards. To register as a charter authorizer in its
10 school system, each interested local school board shall submit
11 the following information in a format to be established by the
12 department:

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

15 (2) An explanation of the local school board's
16 capacity and commitment to execute the duties of quality
17 charter authorizing, as defined by nationally recognized
18 authorizing standards.

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

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

24 (5) A description or outline of the performance
25 framework the local school board will use to guide the
26 establishment of a charter contract and for ongoing oversight

1 and evaluation of public charter schools, consistent with the
2 requirements of this act.

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

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

10 (e) If a local school board chooses not to register
11 as an authorizer, all applications seeking to open a start-up
12 public charter school within that local school board's
13 boundaries shall be denied. Applicants wishing to open a
14 public charter school physically located in that local school
15 system may apply directly to the commission.

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

17 (1) Solicit, invite, receive, and evaluate
18 applications from organizers of proposed public charter
19 schools.

20 (2) Approve applications that meet identified
21 educational needs.

22 (3) Deny applications that do not meet identified
23 educational needs.

24 (4) Create a framework to guide the development of
25 charter contracts.

1 (5) Negotiate and execute charter contracts with
2 each approved public charter school.

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

5 (7) Determine whether each charter contract merits
6 renewal or revocation.

7 (g) An authorizer shall submit to the State Board of
8 Education a publicly accessible annual report within 60 days
9 after the end of each school fiscal year summarizing all of
10 the following:

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

13 (2) The academic and financial performance of all
14 operating public charter schools overseen by the authorizer,
15 according to the performance measures and expectations
16 specified in the charter contracts.

17 (3) The status of the public charter school
18 portfolio of the authorizer, identifying all public charter
19 schools within that portfolio as one of the following:

- 20 a. Approved, but not yet open.
21 b. Open and operating.
22 c. Terminated.
23 d. Closed, including year closed and reason for
24 closing.
25 e. Never opened.

1 (4) The oversight and services, if any, provided by
2 the authorizer to the public charter schools under the purview
3 of the authorizer.

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

9 (6) All use of taxpayer dollars including
10 expenditures, contracts, and revenues.

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

15 (1) Expend its own resources, seek grant funds, and
16 establish partnerships to support its public charter school
17 authorizing activities.

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

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

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

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

4 d. These funds shall be used to cover the costs for
5 a local school board to provide authorizing services to its
6 public charter schools.

7 (i) An employee, agent, or representative of an
8 authorizer may not simultaneously serve as an employee, agent,
9 representative, vendor, or contractor of a public charter
10 school of that authorizer.

11 (j) With the exception of charges for oversight
12 services as required in subsection (h), a public charter
13 school may not be required to purchase services from its
14 authorizer as a condition of charter approval or of a charter
15 contract, nor may any such condition be implied.

16 (k) A public charter school authorized by a local
17 school system may choose to purchase services, such as
18 transportation-related or lunchroom-related services, from its
19 authorizer. In such event, the public charter school and
20 authorizer shall execute an annual service contract, separate
21 from the charter contract, stating the mutual agreement of the
22 parties concerning any service fees to be charged to the
23 public charter school. A public charter school authorized by
24 the commission may not purchase services from the commission,
25 but consistent with this section, may purchase services from

1 the local school system where the public charter school is
2 located.

3 (l) The department shall oversee the performance and
4 effectiveness of all authorizers established under this act.
5 Persistently unsatisfactory performance of the portfolio of
6 the public charter schools of an authorizer, a pattern of
7 well-founded complaints about the authorizer or its public
8 charter schools, or other objective circumstances may trigger
9 a special review by the department. In reviewing and
10 evaluating the performance of an authorizer, the department
11 shall apply nationally recognized standards for quality in
12 charter authorizing. If, at any time, the department finds
13 that an authorizer is not in compliance with an existing
14 charter contract or the requirements of all authorizers under
15 this act, the department shall notify the authorizer in
16 writing of any identified problem, and the authorizer shall
17 have reasonable opportunity to respond and remedy the problem.

18 (m) If a local school board acting as an authorizer
19 persists in violating a material provision of a charter
20 contract or fails to remedy any other authorizing problem
21 after due notice from the department, the department shall
22 notify the local school board, within 60 days, that it intends
23 to terminate the chartering authority of the local school
24 board unless the local school board demonstrates a timely and
25 satisfactory remedy for the violation or deficiencies. If the
26 local school board acting as an authorizer persists, after due

1 notice from the department, in violating a material provision
2 of a charter contract or fails to remedy other identified
3 authorizing problems, the department shall notify the local
4 school board, within a reasonable amount of time under the
5 circumstances, that it intends to revoke the chartering
6 authority of the local school board unless the local school
7 board demonstrates a timely and satisfactory remedy for the
8 violation or deficiencies.

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

23 (o) In the event of revocation of the chartering
24 authority of an authorizer, the department shall manage the
25 timely and orderly transfer of each charter contract held by
26 that authorizer to another authorizer in the state, with the

1 mutual agreement of each affected public charter school and
2 proposed new authorizer. The new authorizer shall assume the
3 existing charter contract for the remainder of the charter
4 term.

5 (p) Authorizer power, duties, and liabilities.

6 Authorizers are responsible for executing, in accordance with
7 this act, the following essential powers and duties:

8 (1) Soliciting and evaluating charter applications
9 based on nationally recognized standards.

10 (2) Approving quality charter applications that meet
11 identified educational needs and promote a diversity of
12 high-quality educational choices.

13 (3) Declining to approve weak or inadequate charter
14 applications.

15 (4) Negotiating and executing charter contracts with
16 each approved public charter school.

17 (5) Monitoring, in accordance with charter contract
18 terms, the performance and legal compliance of public charter
19 schools.

20 (6) Determining whether each charter contract merits
21 renewal, nonrenewal, or revocation.

22 (q) An authorizer that grants a charter to a
23 501(c)(3) tax-exempt organization for the purpose of opening
24 and operating a public charter school is not liable for the
25 debts or obligations of the public charter school, or for
26 claims arising from the performance of acts, errors, or

1 omissions by the charter school, if the authorizer has
2 complied with all oversight responsibilities required by law,
3 including, but not limited to, those required by this act.

4 (r) Principles and standards for charter
5 authorizing.

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

17 (2) Authorizers shall carry out all of their duties
18 under this act in a manner consistent with such nationally
19 recognized principles and standards and with the spirit and
20 intent of this act. Evidence of material or persistent failure
21 to do so shall constitute grounds for losing charter
22 authorizing powers.

23 Section 7. (a) Request for proposals.

24 (1) To solicit, encourage, and guide the development
25 of quality public charter school applications, every local
26 school board, in its role as public charter school authorizer,

1 shall issue and broadly publicize a request for proposals for
2 public charter school applications by 120 days after the
3 effective date of this act, and by November 1 in each
4 subsequent year. The content and dissemination of the request
5 for proposals shall be consistent with the purposes and
6 requirements of this act.

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

10 (3) The department shall annually establish and
11 disseminate a statewide timeline for charter approval or
12 denial decisions, which shall apply to all authorizers in the
13 state.

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

18 (5) The request for proposals shall include or
19 otherwise direct applicants to the performance framework that
20 the authorizer has developed for public charter school
21 oversight and evaluation in accordance with this act.

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

25 (7) The request for proposals shall state clear,
26 appropriately detailed questions as well as guidelines

1 concerning the format and content essential for applicants to
2 demonstrate the capacities necessary to establish and operate
3 a successful public charter school.

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

7 a. An executive summary.

8 b. The mission and vision of the proposed public
9 charter school, including identification of the targeted
10 student population and the community the school hopes to
11 serve.

12 c. The location or geographic area proposed for the
13 school.

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

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

18 f. Evidence of need and community support for the
19 proposed public charter school.

20 g. A brief biography regarding the expertise and
21 background on the proposed founding governing members and the
22 proposed school leadership and management team.

23 h. The school's proposed calendar and sample daily
24 schedule.

25 i. A description of the academic program.

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

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

7 l. The school's plan for identifying and
8 successfully serving students with disabilities, students who
9 are English language learners, students who are academically
10 behind, and gifted students, including, but not limited to,
11 compliance with applicable laws and regulations.

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

14 n. Plans and timelines for student recruitment and
15 enrollment, including random selection procedures in the event
16 that interest exceeds capacity.

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

19 p. An organization chart that clearly presents the
20 school's organizational structure, including lines of
21 authority and reporting between the governing board, staff,
22 any related bodies (such as advisory bodies or parent and
23 teacher councils), and any external organizations that will
24 play a role in managing the school.

25 q. A clear description of the roles and
26 responsibilities for the governing board, the school's

1 leadership and management team, and any other entities shown
2 in the organization chart.

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

5 s. Plans for recruiting and developing school
6 leadership and staff.

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

9 u. Proposed governing bylaws.

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

12 w. The school's plans for providing transportation,
13 food service, and all other significant operational or
14 ancillary services.

15 x. Opportunities and expectations for parental
16 involvement.

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

19 z. Description of the school's financial plan and
20 policies, including financial controls and audit requirements.
21 This plan shall include a disclosure of all donations of
22 private funding, if any, including, but not limited to, gifts
23 received from foreign governments, foreign legal entities,
24 and, when reasonably known, domestic entities affiliated with
25 either foreign governments or foreign legal entities.

1 aa. A description of the insurance coverage the
2 school will obtain.

3 bb. Start-up and five-year budgets with clearly
4 stated assumptions.

5 cc. Evidence of anticipated fundraising
6 contributions, if claimed in the application.

7 dd. A sound facilities plan, including backup or
8 contingency plans, if appropriate.

9 ee. Any other item that the authorizer deems
10 appropriate to assess the applicant's ability to successfully
11 open and operate a public charter school.

12 (9) Conversion public charter schools. A local
13 school board may convert a non-charter public school to a
14 public charter school.

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

17 1. After identifying the non-charter public school
18 it has decided to convert to a public charter school, a local
19 school board shall release a request for proposals, allowing
20 education service providers the opportunity to submit
21 applications to manage the specific school as a public charter
22 school under the terms of this act.

23 2. After an education service provider has been
24 identified to manage the conversion public charter school, the
25 local school board shall negotiate a performance contract with

1 the selected education service provider as set forth in
2 subdivision (1) of subsection (d).

3 3. The conversion must occur at the beginning of an
4 academic school year and shall be subject to compliance with
5 this act.

6 4. At the time of conversion to a public charter
7 school, any teacher or administrator in the newly converted
8 public charter school shall have the opportunity to interview
9 for a position in the public charter school. The public
10 charter school is under no obligation to hire any teacher or
11 administrator.

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

18 6. If personnel reductions are contemplated as the
19 result of a conversion to a charter model, that shall be
20 clearly stated in the application. An approved conversion
21 shall constitute decreased student enrollment or a shortage of
22 revenues, or both, for the purposes of the local school board
23 implementing a reduction in force pursuant to Section 16-1-33,
24 Code of Alabama 1975.

25 b. After an education service provider has been
26 identified to manage the non-charter public school, the local

1 school board shall negotiate a performance contract with the
2 selected education service provider as set forth in
3 subdivision (1) of subsection (d).

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

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

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

25 c. Disclose and explain any existing or potential
26 conflicts of interest between the school governing board and

1 proposed education service provider or any affiliated business
2 entities.

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

8 (b) Application decision-making process.

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

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

20 a. Grant charters only to applicants that have
21 demonstrated competence in each element of the authorizer's
22 published approval criteria and are likely to open and operate
23 a successful public charter school.

24 b. Base decisions on documented evidence collected
25 through the application review process.

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

4 d. In the case of the commission, require
5 significant and objective evidence of interest for the public
6 charter school from the community the public charter school
7 wishes to serve.

8 (3) An authorizer may not approve a public charter
9 school application that includes any of the following:

10 a. Admissions requirements for entry, including, but
11 not limited to academic proficiency, particular skills or
12 competencies, or financial means.

13 b. Any parochial or religious theme.

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

21 (5) An approval decision may include, if
22 appropriate, reasonable conditions that the charter applicant
23 must meet before a charter contract may be executed pursuant
24 to this section.

25 (6) For any charter denial, the authorizer shall
26 clearly state, for public record, its reasons for denial. A

1 denied applicant may subsequently reapply to that board the
2 following year or appeal the denial to the commission.

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

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

21 (2) The authorizer shall attempt to measure the
22 likely impact of a proposed public charter school on the
23 efforts of local school systems to achieve and maintain a
24 unitary system.

25 (3) The authorizer shall not approve any public
26 charter school under this act that hampers, delays, or in any

1 manner negatively affects the desegregation efforts of a local
2 school system.

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

12 (e) Charter contracts.

13 (1) Within 60 days of approval of a charter
14 application, the authorizer and the governing board of the
15 approved public charter school shall execute a charter
16 contract that clearly sets forth the academic and operational
17 performance expectations and measures by which the public
18 charter school will be judged and the administrative
19 relationship between the authorizer and the public charter
20 school, including each party's rights and duties. The
21 performance expectations and measures set forth in the charter
22 contract shall include, but need not be limited to, applicable
23 federal and state accountability requirements. The performance
24 provisions may be refined or amended by mutual agreement after
25 the public charter school is operating and has collected
26 baseline achievement data for its enrolled students.

1 (2) The charter contract shall be signed by the
2 president of the authorizer's board and the president of the
3 public charter school's governing body. Within 10 days of
4 executing a charter contract, the authorizer shall submit to
5 the department written notification of the executed charter
6 contract and any attachments.

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

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

18 Section 8. (a) Performance framework.

19 (1) The performance provisions within the charter
20 contract shall be based on a performance framework that
21 clearly sets forth the academic and operational performance
22 indicators, measures, and metrics that will guide the
23 authorizer's evaluations of each public charter school. The
24 performance framework shall include indicators, measures, and
25 metrics for, at a minimum:

1 a. Student academic proficiency, which includes, but
2 is not limited to, performance on state standardized
3 assessments.

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

6 c. Achievement gaps in both proficiency and growth
7 between major student subgroups.

8 d. Attendance.

9 e. Recurrent enrollment from year to year.

10 f. Postsecondary readiness for high schools.

11 g. Financial performance and sustainability.

12 h. Board performance and stewardship, including
13 compliance with all applicable laws, regulations, and terms of
14 the charter contract.

15 (2) Annual performance targets shall be set by each
16 public charter school in conjunction with its authorizer, and
17 shall be designed to help each school meet applicable federal,
18 state, and authorizer expectations.

19 (3) The performance framework shall allow the
20 inclusion of additional rigorous, valid, and reliable
21 indicators proposed by a public charter school to augment
22 external evaluations of its performance, provided that the
23 authorizer approves the quality and rigor of such
24 school-proposed indicators, and they are consistent with the
25 purposes of this act.

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

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

9 (6) Multiple schools operating under a single
10 charter contract or overseen by a single governing board shall
11 be required to report their performance as separate,
12 individual schools, and each school shall be held
13 independently accountable for its performance.

14 (b) Ongoing oversight and corrective action.

15 (1) An authorizer shall continually monitor the
16 performance and legal compliance of the public charter schools
17 it oversees, including collecting and analyzing data to
18 support ongoing evaluation according to the charter contract.
19 Every authorizer shall have the authority to conduct or
20 require oversight activities that enable the authorizer to
21 fulfill its responsibilities under this act, including
22 conducting appropriate inquiries and investigations, so long
23 as those activities are consistent with the intent of this
24 act, adhere to the terms of the charter contract, and do not
25 unduly prohibit the autonomy granted to public charter
26 schools.

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

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

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

24 (c) Renewals, revocations, and nonrenewals.

25 (1) A charter may be renewed for successive
26 five-year terms of duration, although the authorizer may vary

1 the term based on the performance, demonstrated capacities,
2 and particular circumstances of each public charter school. An
3 authorizer may grant renewal with specific conditions for
4 necessary improvement to a public charter school.

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

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

21 a. Present additional evidence, beyond the data
22 contained in the performance report, supporting its case for
23 charter renewal.

24 b. Describe improvements undertaken or planned for
25 the school.

1 c. Detail the school's plans for the next charter
2 term.

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

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

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

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

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

22 c. Provide a public report summarizing the evidence
23 basis for each decision.

24 (7) A charter contract may be revoked at any time if
25 the authorizer determines that the public charter school did

1 any of the following or otherwise failed to comply with this
2 act:

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

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

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

12 d. Fails to meet generally accepted standards of
13 fiscal management.

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

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

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

23 b. Fails to meet the performance expectations set
24 forth in the charter contract.

25 c. Fails to meet generally accepted standards of
26 fiscal management.

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

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

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

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

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

25 c. Provide the charter holders with an opportunity
26 to submit documents and give testimony challenging the

1 rationale for closure and in support of the continuation of
2 the school at an orderly proceeding held for that purpose.

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

6 e. Permit the recordings of such proceedings.

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

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

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

22 (d) School closure and dissolution.

23 (1) Prior to any public charter school closure
24 decision, an authorizer shall have developed a public charter
25 school closure protocol to ensure timely notification to
26 parents, orderly transition of students and student records to

1 new schools, and proper disposition of school funds, property,
2 and assets in accordance with the requirements of this act.
3 The protocol shall specify tasks, timelines, and responsible
4 parties, including delineating the respective duties of the
5 school and the authorizer.

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

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

1 circumstances and evidence that such a transfer would serve
2 the best interests of the public charter school's students.

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

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

23 (1) Notwithstanding any provision of law to the
24 contrary, to the extent that any provision of this act is
25 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 charter contract may consist of one or more
17 schools, to the extent approved by the authorizer and
18 consistent with applicable law. Each public charter school
19 that is part of a charter contract shall be separate and
20 distinct from any others. In the event that more than one
21 school is approved, the school only counts against the annual
22 public charter school cap in the fiscal year the school is
23 scheduled to open.

24 (5) A single governing board may hold one or more
25 charter contracts. Each public charter school that is part of

1 a charter contract shall be separate and distinct from any
2 others.

3 (6) A start-up public charter school shall function
4 as a local educational agency (LEA). A public charter school
5 shall be responsible for meeting the requirements of LEAs
6 under applicable federal, state, and local laws, including
7 those relating to special education. LEA status shall not
8 preclude a public charter school from developing partnerships
9 with school systems for services, resources, and programs by
10 mutual agreement or formal contract.

11 (7) A conversion public charter school shall remain
12 a part of the LEA in which the non-charter public school
13 existed prior to its conversion to a public charter school.

14 (8) A public charter school shall have primary
15 responsibility for special education at the school, including
16 identification and service provision. It shall be responsible
17 for meeting the needs of enrolled students with disabilities.
18 This does not preclude the public charter school from
19 collaborating with the local school system to meet the needs
20 of any special education student.

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

25 (1) To receive and disburse funds for school
26 purposes.

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

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

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

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

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

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

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

17 (c) General requirements.

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

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

25 (3) A public charter school shall not discriminate
26 against any student on the basis of national origin minority

1 status or limited proficiency in English. Consistent with
2 federal civil rights laws, public charter schools shall
3 provide limited English proficient students with appropriate
4 services designed to teach them English and the general
5 curriculum.

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

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

12 (d) Applicability of other laws, rules, and
13 regulations.

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

20 (2) Public charter schools shall be subject to the
21 statewide end-of-year annual standardized assessment as
22 applicable to other public schools in the state, but nothing
23 herein shall preclude a public charter school from
24 establishing additional student assessment measures that go
25 beyond state requirements if the school's authorizer approves
26 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 (f) Access to extracurricular and interscholastic
7 activities. Nothing in this act shall be construed to prevent
8 a public charter school from forming an athletic team and
9 participating in interscholastic athletics in the State of
10 Alabama. If a public charter school elects for its students to
11 participate in athletic contests or competitions, then the
12 school shall pursue membership in the Alabama High School
13 Athletic Association and shall adhere to all guidelines,
14 rules, regulations, and bylaws as other member schools.

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

24 (b) Operational funding.

25 (1) The following provisions govern operational
26 funding:

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

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

19 c. For each of its students, a public charter school
20 shall receive the same amount of local tax revenue, that, for
21 the then-current fiscal year, would have otherwise been
22 allocated on behalf of each public charter school student to
23 the local non-charter public school of each student's
24 residence, excluding those funds already earmarked through a
25 vote of the local school board for debt service, capital
26 expenditures, or transportation. As necessary, the department

1 shall promulgate processes and procedures to determine the
2 specific local revenue allocations according to the Foundation
3 Program for each public charter school.

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

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

22 f. The maximum annual local tax allocation forwarded
23 to a conversion public charter school from a local school
24 system shall, for each student, equal the amount that would
25 have been received by the local education agency of the
26 student's residence for each student who now attends a

1 conversion public charter school, minus any amounts otherwise
2 excluded pursuant to this section.

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

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

18 (3) Special education funding.

19 a. The state shall pay directly to a public charter
20 school any federal or state aid attributable to a student with
21 a disability attending the school.

22 b. At either party's request, a public charter
23 school and its authorizer may negotiate and include in the
24 charter contract alternate arrangements for the provision of
25 and payment for special education services.

1 (4) Generally accepted accounting principles;
2 independent audit.

3 a. A public charter school shall adhere to generally
4 accepted accounting principles.

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

12 (5) Transportation funding.

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

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

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

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

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

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

7 (b) Access to local school system facilities and
8 land.

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

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

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

25 Section 12. The provisions of this act are
26 severable. If any part of this act is declared invalid or

1 unconstitutional, that declaration shall not affect the part
2 that remains.

3 Section 13. This act shall become effective on the
4 first day of the third month following its passage and
5 approval by the Governor, or its otherwise becoming law.