

AN ACT relating to charter schools.

*Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

➔SECTION 1. A NEW SECTION OF KRS CHAPTER 160 IS CREATED TO READ AS FOLLOWS:

*(1) The General Assembly hereby establishes a public charter school pilot project to benefit parents, teachers, and community members by creating new, innovative, and more flexible ways of educating all children within the public school system and by advancing a renewed commitment to the mission, goals, and diversity of public education. The purposes of the charter school initiative are to:*

*(a) Improve student learning by creating more high-performing schools with high standards for student performance;*

*(b) Encourage the use of different, high-quality models of teaching, governing, scheduling, or other aspects of schooling that meet a variety of student needs;*

*(c) Close achievement gaps between high-performing and low-performing groups of public school students;*

*(d) Allow schools freedom and flexibility in exchange for exceptional levels of results-driven accountability;*

*(e) Increase high-quality educational opportunities within the public education system for all students, especially those at risk of academic failure; and*

*(f) Provide students, parents, community members, and local entities with expanded opportunities for involvement in the public education system.*

*(2) Beginning in academic year 2018-2019 and continuing through academic year 2022-2023, the charter school pilot project shall allow a local school board of the largest local school district located in a county with a consolidated local government to authorize a maximum number of two (2) charter schools per academic year.*

(3) A charter school shall enroll only those students who reside within the attendance area of the local school district in which the charter school is located.

(4) Charter schools established during the charter school pilot project may continue to operate beyond the 2022-2023 academic year if the charter is renewed in accordance with Section 7 of this Act.

➔SECTION 2. A NEW SECTION OF KRS CHAPTER 160 IS CREATED TO READ AS FOLLOWS:

As used in Sections 1 to 9 of this Act:

(1) "Applicant" means teachers, parents, school administrators, community residents, public organizations, private organizations, or a combination thereof that seek approval from a charter school authorizer to establish a public charter school;

(2) "Board of directors" means the governing body of a charter school;

(3) "Charter application" means a proposal from an applicant to an authorizer to enter into a charter contract whereby the proposed school obtains public charter school status;

(4) "Charter contract" means a fixed-term, renewable contract between a charter school and an authorizer that identifies the roles, powers, responsibilities, and performance expectations for each party to the contract pursuant to Section 5 of this Act;

(5) "Charter school" means a public school that:

(a) Except as specified in the charter agreement, has autonomy over decisions including but not limited to matters concerning finance, scheduling, curriculum, and instruction;

(b) Is governed by a board of directors;

(c) Is established and operating under the terms of a charter contract between the charter school's board of directors and its authorizer;

- (d) Is a school to which parents choose to send their children;
- (e) Is a school that provides no more than twenty-five percent (25%) of its classes through virtual instruction;
- (f) Is a school that admits students on the basis of a lottery if more students apply for admission than can be accommodated;
- (g) Offers a comprehensive instructional program within a public school district that offers kindergarten through grade twelve (12);
- (h) Operates in pursuit of a specific set of educational objectives as defined in its charter contract; and
- (i) Operates under the oversight of its authorizer in accordance with its charter contract;
- (6) "Charter school authorizer" or "authorizer" means the local board of education of the largest local school district located in a county with a consolidated local government;
- (7) "Education service provider" means a nonprofit education management organization, nonprofit charter management organization, nonprofit school design provider, or any other nonprofit partner entity with which a public charter school contracts for educational design, implementation, or comprehensive management;
- (8) "Local board" means the local board of education of the largest local school district located in a county with a consolidated local government;
- (9) "Local school district" means the largest school district located in a county with a consolidated local government;
- (10) "Qualified teacher" means a person certified by the Education Professional Standards Board pursuant to KRS 161.028, 161.030, 161.046, or 161.048; and
- (11) "State board" means the Kentucky Board of Education.

➔SECTION 3. A NEW SECTION OF KRS CHAPTER 160 IS CREATED TO

READ AS FOLLOWS:

- (1) A charter school shall be part of the state's system of public education but may request exemption from any statute and administrative regulation applicable to the state board, a local school district, or a school, except as provided in this section.
- (2) A charter school or any education service provider contracted to manage the operations of a charter school shall:
- (a) Adhere to the same health, safety, civil rights, and disability rights requirements as are applied to all public schools;
  - (b) Ensure that students meet compulsory attendance requirements under KRS 158.030 and 158.100;
  - (c) Ensure that high school course offerings meet or exceed the minimum required under KRS 156.160 for high school graduation;
  - (d) Design its education programs to meet or exceed the student performance standards adopted by the Kentucky Board of Education;
  - (e) 1. Ensure students' participation in required state assessment of student performance, as required of other public school students under KRS 158.6453; or
    - 2. Upon request to and approval by the Kentucky Board of Education, ensure students' participation in an alternative assessment model;
  - (f) Adhere to all generally accepted accounting principles and adhere to the same financial audits, audit procedures, and audit requirements as are applied to other public schools under KRS 156.265;
  - (g) Require state and criminal background checks for staff and volunteers as required of all public school employees and volunteers within the public schools specified in KRS 160.380 and 161.148;
  - (h) Comply with open records and open meeting requirements under KRS

Chapter 61;

- (i) Comply with purchasing requirements and limitations under KRS Chapter 45 and KRS 156.074 and 156.480;
- (j) Provide instructional time that is at least equivalent to the student instructional year specified in KRS 158.070; and
- (k) Provide data to the Kentucky Department of Education and the authorizer as required by the Kentucky Department of Education or authorizer to generate a school report card under KRS 158.6453.
- (3) A local board shall not discriminate against a charter school in publicizing the district's educational options through advertising, direct mail, availability of mailing lists, or other informational activities.
- (4) (a) 1. For purposes of ensuring compliance with this section and the charter under which it operates, a charter school shall be administered by a charter school board of directors accountable to the authorizer in a manner agreed to in the charter contract, as negotiated between the charter school applicant and the authorizer.
2. At least fifty percent (50%) of the members of the charter school board of directors shall be parents of students who are enrolled or will be enrolled in the charter school during the time of the member's service on the board, elected by parents of students enrolled in the charter school.
- (b) Members of a charter school board of directors shall:
1. File full financial disclosure reports and identify any potential conflicts of interest, relationships with management companies, or other business dealings with the school, the management company of the school, or any other charter school and shall make these documents available online through the authorizer;

2. Ensure that all meetings of the board are publicized in advance according to rules governing meetings of the authorizer and open to the public at times that are convenient to parents;
3. Make available online access to minutes from board meetings, the school's policies, information about staff, instructional strategies, curriculum, school rules and behavior codes, school budgets, and a detailed budget from any education service provider with a contract exceeding ten thousand dollars (\$10,000); and
4. Require any education service provider contracted with the board to provide a monthly detailed budget to the board.
- (5) The board of directors shall be responsible for the operation of its charter school, including but not limited to preparation of a budget, contracting for services, and school curriculum.
- (6) A charter school may negotiate and contract with its authorizer or any third party for the use, operation, and maintenance of a building and grounds, liability insurance, and the provision of any service, activity, or undertaking that the charter school is required to perform in order to carry out the educational program described in its charter. Any services for which a charter school contracts with a school district shall be provided by the district at cost. A charter school shall waive any legal obligations with respect to the authorizer if the authorizer, at its discretion, revokes or does not renew a charter contract. A charter school may own, rent, or lease its space.
- (7) Any party contracted to provide educational services or goods to a charter school in an amount exceeding ten thousand dollars (\$10,000) shall be subject to the Open Records Act under KRS Chapter 61 for all records associated with the contract.
- (8) A charter school shall be exempt from administrative regulations governing

public schools for purposes of zoning and local land use regulation. The Finance and Administration Cabinet shall annually publish a list of vacant and unused buildings and vacant and unused portions of buildings that are owned by the state and that may be suitable for the operation of a charter school and shall provide the list to applicants for charter schools and to existing charter schools upon request.

(9) A charter school shall be nonsectarian in its programs, admissions policies, employment practices, partnerships, and all other operations and shall not have entrance requirements or charge tuition or fees, except that a charter school may require the payment of fees on the same basis and to the same extent as other public schools.

(10) A charter school shall not discriminate against any student, employee, or any other person on the basis of ethnicity, religion, national origin, gender, disability, special needs, athletic ability, academic ability, or any other ground that would be unlawful if done by a public school.

(11) A charter school shall serve one (1) or more of grades kindergarten through twelve (12) and shall limit admission to students within the grade levels served.

(12) A board of directors of a charter school shall not grant diplomas, but shall grant other certificates and honors as are specifically authorized by the school, and shall give suitable certificates and honors under the seal of the board of directors of the charter school.

(13) A charter school shall provide programs and services to a student with a disability in accordance with the student's individualized education program and all federal and state laws, rules, and regulations. A charter school shall deliver the services directly or contract with another provider to deliver the services. A charter school shall establish an admissions and release committee at the school and the committee shall:

- (a) Develop an individualized education program for each student with a disability; or
- (b) Review, revise, or utilize a student's individualized education program completed by the admissions and release committee of the student's former school. If needed, the committee shall work collaboratively with staff from the student's former school to review and revise a student's existing individualized education program.
- (14) The local board of education for the local district in which the charter school is located shall grant a diploma to a student enrolled in a charter school who successfully completes or exceeds the minimum high school graduation requirements established by the Kentucky Board of Education under KRS 156.160.
- (15) (a) If no expanded bus service is needed, the local district in which the charter school is located shall provide transportation between the charter school and residence of a charter school student who resides within the attendance area of the local district in which the charter school is located. The local district shall retain all funding allocated for student transportation.
- (b) The local school district shall not be responsible for transporting students to a charter school if the local district is required to expand existing bus service.
- (16) (a) A charter school shall be eligible to participate in state-sponsored or district-sponsored interscholastic athletics, academic programs, competitions, awards, scholarships, and recognition programs for students, educators, administrators, and schools to the same extent as noncharter schools. Participants shall comply with eligibility requirements of students enrolled in noncharter schools.
- (b) A charter school has no obligation to provide extracurricular activities or



access to facilities for students enrolled in the charter school.

(c) If a charter school sponsors extracurricular activities, students enrolled in the charter school shall be considered eligible to participate in interscholastic competitions by the Kentucky Board of Education or the agency designated by the state board to manage interscholastic athletics, if other eligibility requirements are met. A student enrolled in a charter school that sponsors an extracurricular activity shall be ineligible to participate in that activity at any other school.

(17) Nothing in this section shall be construed to prevent the establishment of a single-sex charter school consistent with federal regulations or a charter school designed to provide expanded learning opportunities for students at risk of academic failure or for students with special needs.

➔SECTION 4. A NEW SECTION OF KRS CHAPTER 160 IS CREATED TO READ AS FOLLOWS:

(1) An application to establish a charter school may be submitted to a charter school authorizer by teachers, parents, school administrators, community residents, public organizations, private organizations, or a combination thereof.

(2) An applicant shall submit an application for approval of a charter school to an authorizer on or before January 1 of a calendar year.

(3) The information provided in the application shall be consistent with this section and shall include:

(a) A mission statement and a vision statement for the charter school, including the targeted student population and the community the school hopes to serve;

(b) A description of the school's proposed academic program that is aligned with state standards and that implements one (1) or more of the purposes described in Section 1 of this Act, and the instructional methods that will

- support the implementation and success of the program;
- (c) The student learning goals for the charter school's educational program and the chosen methods of evaluating whether students have attained the skills and knowledge specified for those goals;
- (d) The school's plan for using assessments, including external, internal, and state-required assessments or state board-approved alternative assessments, to measure student progress on the performance framework as identified in Section 5 of this Act, and how the school will use data to drive instruction and continued school improvement;
- (e) The proposed governance structure of the school, including a list of members of the initial board of directors, a draft of bylaws that include the description of the qualifications, terms, and methods of appointment or election of directors, the organizational structure of the school, and the relationship between the school's administration and the board of directors;
- (f) Plans and timelines for student recruitment and enrollment, including lottery policies and procedures for the school, which shall be consistent with Section 10 of this Act;
- (g) A proposed budget for the initial charter authorization period and all additional authorized years with clearly stated assumptions;
- (h) Draft fiscal and internal control policies for the charter school;
- (i) Requirements and procedures for programmatic audits and assessments at least once annually, with audits and assessments being comparable in scope to those required of noncharter public schools;
- (j) A draft handbook that outlines the personnel policies of the charter school, including a description of staff responsibilities;
- (k) A draft of the policies and procedures by which students may be disciplined, including students with disabilities, which shall be consistent with the

requirements of due process and with state and federal laws and regulations governing the placement of students with disabilities;

- (l) A description of the facilities to be used by the school, including the location of the school, if known, and how the facility supports the implementation of the school's academic program. If the facilities to be used by the proposed school are not known at the time the application is submitted, the applicant shall notify the authorizer within ten (10) business days of acquiring facilities for the school. The school shall obtain certification of occupancy for the facilities at least thirty (30) days prior to the first student instructional day;
- (m) The proposed ages and grade levels to be served by the school, including the planned, minimum, and maximum enrollment per grade per year;
- (n) The school calendar and school day schedule, which shall total at least the number of days, or their equivalent, required under KRS 158.070;
- (o) Evidence of community support for and interest in the school sufficient to allow the school to reach its anticipated enrollment;
- (p) A description of the health and food services to be provided to students attending the school, if health and food services are not provided by the authorizer;
- (q) Procedures to be followed in the case of the closure or dissolution of the charter school, including provisions for the transfer of students and student records to the local school district in which the charter school is located or to another charter school located within the local school district;
- (r) A code of ethics for the school setting forth the standards of conduct expected of its board of directors, officers, and employees;
- (s) Plans for recruiting and developing staff;
- (t) A staffing chart for the school's first year and a staffing chart for the term

of the charter;

(u) A plan for parental and community involvement in the school, including the role of parents in the administration and governance of the school;

(v) The school's plan for identifying and successfully serving students with disabilities, students who are English language learners, bilingual students, and students who are academically behind and gifted, including but not limited to the school's plan for compliance with all applicable federal and state laws and regulations;

(w) A description of cocurricular and extracurricular programs and how they will be funded and delivered;

(x) The process by which the school will resolve any disputes with the authorizer;

(y) A detailed start-up plan, including financing, tasks, timelines, and individuals responsible for carrying out the plan; and

(z) If the charter school issues a request for proposals as provided in subsection (4) of this section, the request for proposals and the proposal submitted by the winning applicant shall be included with the application.

(4) If the public charter school applicant intends to contract with an education service provider for substantial educational services or management services, a request for proposals shall be issued prior to submitting an application. The request for proposals shall require the education service provider to:

(a) Provide evidence of success in serving student populations similar to the targeted population, including demonstrated academic achievement as well as successful management of nonacademic school functions, if applicable;

(b) Provide a term sheet setting forth:

1. The proposed duration of the service contract;

2. The annual proposed fees to be paid to the education service provider;

3. The roles and responsibilities of the board of directors, the school staff, and the education service provider;
  4. The scope of services and resources to be provided by the education service provider;
  5. Performance evaluation measures and timelines;
  6. Compensation structure, including clear identification of all fees to be paid to the education service provider;
  7. Methods of contract oversight and enforcement;
  8. Investment disclosure; and
  9. Conditions for renewal and termination of the contract; and
- (c) Prohibit any conflicts of interest between the board of directors and the proposed education service provider or any affiliated business entities.

➔SECTION 5. A NEW SECTION OF KRS CHAPTER 160 IS CREATED TO READ AS FOLLOWS:

(1) A charter school authorizer shall:

- (a) Fulfill the expectations and intent of Sections 1 to 9, 10, 11, and 12 of this Act;
- (b) Demonstrate public accountability and transparency in all matters concerning its charter-authorizing practices, decisions, and expenditures;
- (c) Establish and make publicly available local criteria for charter school authorization approval consistent with this section and Sections 4 and 7 of this Act;
- (d) Solicit, invite, and evaluate applications from applicants;
- (e) Approve new and renewal charter applications that meet the requirements of this section and Sections 4 and 7 of this Act;
- (f) Decline to approve charter applications that:
  1. Fail to meet the requirements of this section and Section 4 of this Act

or are otherwise inadequate;

2. Are submitted by a private school seeking to convert to a charter school; or

3. Are for a school that would be wholly or partly under the control or direction of any religious denomination or affiliation;

(g) Negotiate and execute in good faith a charter contract with each charter school it authorizes;

(h) Monitor the performance and compliance of charter schools according to the terms of the charter contract;

(i) Determine whether each charter contract it authorizes merits renewal or revocation; and

(j) Establish and maintain policies and practices consistent with the principles and professional standards for authorizers of public charter schools, as identified by the Annenberg Institute for School Reform, including standards relating to:

1. Organizational capacity and infrastructure;

2. Soliciting and evaluating applications;

3. Performance contracting;

4. Ongoing public charter school oversight and evaluation; and

5. Charter approval, renewal, and revocation decision making.

(2) In reviewing applications, the charter school authorizer is encouraged to give preference to applications that demonstrate the intent, capacity, and capability to provide comprehensive learning experiences to:

(a) Students identified by the applicants as at risk of academic failure;

(b) Students residing in the attendance area of a school in which at least sixty-five percent (65%) of the students enrolled qualify for free and reduced-price lunch; and

- (c) Students with special needs as identified in their individualized education program as defined in KRS 158.281.
- (3) The application review process shall include a thorough evaluation of each application, an in-person interview with the applicant group, and an opportunity in a public forum for local residents to provide input and learn about the charter application. In deciding whether to approve a charter application, the authorizer shall:
- (a) Grant charters only to applicants that have demonstrated competence in all elements of the application requirements identified in this section and Section 4 of this Act;
- (b) Base decisions on documented evidence collected through the application review process; and
- (c) Follow charter-granting policies and practices that are transparent, are based on merit, and avoid conflicts of interest.
- (4) No later than sixty (60) days following the filing of the charter application, the authorizer shall approve or deny the charter application in an open meeting.
- (5) An application may be approved if the charter school authorizer finds that:
- (a) The charter school described in the application meets the requirements established by this section and Section 4 of this Act;
- (b) The applicant demonstrates the ability to operate the school in an educationally and fiscally sound manner;
- (c) Approving the application is likely to improve student learning and achievement and further the purposes established by Section 1 of this Act; and
- (d) Approving the application will result in minimal adverse effects on the school district in which the charter school is located.
- (6) If an authorizer denies an application:

- (a) The reasons for the denial shall be provided, in writing, by the authorizer to the applicant; and
- (b) A copy shall be sent to the Kentucky Board of Education and shall be kept on file for a minimum of five (5) years.
- (7) (a) If an application is denied and the applicant believes the appropriate approval process was not followed, the applicant may appeal the decision to the state board within ten (10) days of receipt of the denial.
- (b) The state board shall review the appeal to determine if the appropriate approval process was followed and render a decision within one hundred twenty (120) days of the filing of the appeal.
- (c) If the state board finds the appropriate approval process was not followed, the state board shall remand the matter to the authorizer and may direct the authorizer to reconsider the application using the appropriate approval process.
- (8) (a) Within sixty (60) days of approval of an application by an authorizer, the board of directors of the approved charter school and the authorizer shall execute a legally binding charter contract that sets forth the academic and operational performance expectations and measures by which the charter school will be evaluated.
- (b) The executed charter contract shall become the final authorization for the charter school. The charter contract shall include:
1. The term of the contract, not to exceed five (5) years;
  2. The agreements relating to each item required under subsection (3) of Section 4 of this Act, as modified or supplemented during the approval process;
  3. The rights and duties of each party;
  4. The administrative relationship between the authorizer and the



- charter school;
5. The allocation of funds to the charter school by the authorizer;
  6. The process the authorizer will use to provide ongoing oversight, including a process to conduct a minimum of one (1) site visit annually;
  7. The specific commitments of the charter school authorizer relating to its obligations to oversee, monitor the progress of, and supervise the charter school;
  8. The process and criteria the authorizer will use to annually monitor and evaluate the overall academic, operating, and fiscal conditions of the charter school, including the process the authorizer will use for correcting any deficiencies found in the annual review;
  9. The process for revision or amendment to the terms of the charter contract agreed to by the authorizer and the board of directors of the charter school;
  10. The process agreed to by the authorizer and the board of directors of the charter school that identifies how disputes between the authorizer and the board will be handled; and
  11. Any other terms and conditions agreed to by the authorizer and the board of directors.
- (c) 1. The performance provisions within a charter contract shall be based on a performance framework that sets forth the academic and operational performance indicators, measures, and metrics to be used by the authorizer to evaluate each public charter school. The performance framework shall include at a minimum indicators, measures, and metrics for:
- a. Student academic proficiency;

- b. Student academic growth;
  - c. Achievement gaps in both student proficiency and student growth between student subgroups, including race, gender, socioeconomic status, and areas of exceptionality;
  - d. Attendance;
  - e. Measures of student health and safety, including but not limited to student behavior data, suspensions, and expulsions;
  - f. Recurrent enrollment from year to year;
  - g. College or career readiness at the end of grade twelve (12);
  - h. Financial performance and sustainability; and
  - i. Board of directors' performance and stewardship, including compliance with all applicable statutes, administrative regulations, and terms of the charter contract.
2. The performance framework shall allow the inclusion of additional rigorous, valid, and reliable indicators proposed by a charter school or authorizer to augment external evaluations of its performance. The proposed indicators shall be consistent with the purposes of Sections 1 to 9 of this Act and shall be negotiated with the authorizer.
3. The performance framework shall require the disaggregation of student performance data by subgroups, including race, gender, socioeconomic status, and areas of exceptionality.
- (d) Annual student learning performance targets shall be set, in accordance with the state accountability system, by each public charter school in conjunction with its authorizer, and those measures shall be designed to help each school meet applicable federal, state, and authorizer goals.
- (e) The authorizer shall be responsible for collecting, analyzing, and reporting to the state board for each public charter school it oversees:

1. The results of all state-required assessments or state board approved alternative assessments; and
  2. Student achievement, attendance, and behavior data, and other data requested by the state board.
- (f) The charter contract shall be signed by the chair of the governing board of the authorizer and the chair of the board of directors of the charter school. An approved charter application shall not serve as a charter contract for the charter school.
- (g) No charter school may commence operations without a charter contract executed according to this section and approved in an open meeting of the governing board of the authorizer.
- (9) Within five (5) days after entering into a charter contract, a copy of the executed contract shall be submitted by the authorizer to the commissioner of education.
- (10) A charter school authorizer may provide other services to a charter school, but shall not require such an arrangement as a condition for charter approval.
- (11) The state board shall promulgate administrative regulations to establish the process to be used to evaluate the performance of a charter school authorizer, based upon the requirements of Sections 1 to 9, 10, 11, and 12 of this Act, and the actions to be taken in response to failures in performance.
- (12) The commissioner of education shall apply for financial assistance through the federal government for the planning, program design, and initial implementation of charter schools in the state within sixty (60) days after the effective date of this Act or at the first available grant application period. Federal grants include but are not limited to the Charter Schools Program administered by the United States Department of Education.
- (13) By August 31, 2018, and annually thereafter, each charter school authorizer shall submit to the commissioner of education, the secretary of the Education and

Workforce Development Cabinet, and the Interim Joint Committee on Education  
a report to include:

- (a) The name of each charter school operating under contract with the authorizer during the previous academic year that:
  1. Closed during or after the academic year; or
  2. Had the contract nonrenewed or revoked;
- (b) The name of each charter school operating under contract with the authorizer during the previous academic year that has not yet begun to operate;
- (c) The number of applications received, the number reviewed, and the number approved;
- (d) A comprehensive summary of the performance of each charter school operated under contract with the authorizer during the previous academic year; and
- (e) The authorizing duties and functions performed by the authorizer during the previous academic year.

➔SECTION 6. A NEW SECTION OF KRS CHAPTER 160 IS CREATED TO READ AS FOLLOWS:

- (1) Upon the approval of a charter contract by a charter school authorizer, the applicant shall be permitted to operate a charter school for a term of up to five (5) years.
- (2) The board of directors of the charter school shall have final authority over policy and operational decisions of the charter school consistent with the terms of the charter agreement, although the decision-making authority may be delegated to the administrators and staff of the school in accordance with the provisions of the charter contract.
- (3) A charter school shall not have the power to levy taxes or to acquire property by

eminent domain.

(4) Notwithstanding any other statute to the contrary, no civil liability shall attach to any charter school authorizer or to any of its members or employees, individually or collectively, for any acts or omissions of the charter school. Neither the local school district nor the Commonwealth shall be liable for the debts or financial obligations of a charter school or any person or corporate entity who operates a charter school.

(5) Upon revocation or nonrenewal of a charter contract, the authorization of the charter school shall be revoked by the authorizer in compliance with the notice and hearing requirements of Section 8 of this Act.

➔SECTION 7. A NEW SECTION OF KRS CHAPTER 160 IS CREATED TO READ AS FOLLOWS:

(1) A charter contract may be renewed by the authorizer for a term of up to five (5) years in accordance with this section, although the authorizer may reduce the term based on the performance, demonstrated capacities, and particular circumstances of a charter school and may grant renewal with specific conditions for necessary improvements to a charter school. The renewal application shall be submitted to the authorizer by the board of directors no later than six (6) months prior to the expiration of the existing charter contract unless the authorizer waives the deadline for good cause. A renewal application shall include:

(a) Evidence that the charter school continues to meet or exceed state student performance measures adopted by the Kentucky Board of Education under KRS 158.6453;

(b) A report of the progress of the school in achieving the educational objectives set forth in the charter contract;

(c) A report of the progress of the charter school in meeting the goals of the performance framework in the charter contract;

- (d) A detailed financial statement that discloses the cost of administration, instruction, and other spending categories for the school that will allow a comparison of the costs to other schools. The financial statement shall be in the form prescribed by the authorizer;
  - (e) Copies of each of the annual reports of the school required by subsection (2) of Section 9 of this Act, including the school report cards and the certified financial statements;
  - (f) Indicators of parent and student satisfaction; and
  - (g) Any other information the authorizer may require.
- (2) In making charter contract renewal decisions, an authorizer shall:
- (a) Base decisions on evidence of the performance of the school over the term of the charter contract in accordance with the performance framework set forth in the charter contract;
  - (b) Ensure that data used in making renewal decisions are available to the school and the public; and
  - (c) Provide a written report to the school summarizing the evidence basis for the renewal decision. Upon approval of a renewal, a new or revised agreement shall be executed as provided in subsection (8) of Section 5 of this Act. Any denial of a renewal shall be governed by Section 8 of this Act.

➔SECTION 8. A NEW SECTION OF KRS CHAPTER 160 IS CREATED TO READ AS FOLLOWS:

- (1) (a) A charter school authorizer may revoke a charter contract, decide not to renew a charter contract, or place a charter school on probationary status if the authorizer determines the charter school:
- 1. Fails to meet or make sufficient progress on the learning measures adopted by the Kentucky Board of Education under KRS 158.6453 and the performance requirements found in the charter school

contract;

2. Fails to adhere to generally accepted accounting standards; or
3. Commits a material and substantial violation of any of the terms, conditions, standards, or procedures required under Sections 1 to 9, 10, 11, and 12 of this Act, or under the charter contract.

(b) A charter school authorizer shall revoke or shall not renew a contract if the charter school's progress does not meet, for three (3) consecutive years, state student performance measures adopted by the Kentucky Board of Education under KRS 158.6453 and program requirements found in the charter school's contract.

(2) The charter school authorizer may place a charter school on probationary status to allow the implementation of a remedial action plan. The failure of a charter school to comply with the terms and conditions of a remedial action plan may result in revocation of the school's charter contract.

(3) An authorizer shall develop a process for the revocation and nonrenewal of a charter contract that:

(a) Provides the charter school with a timely notification of the prospect of revocation or nonrenewal of the charter contract and the reasons for such possible closure;

(b) Allows the charter school sixty (60) days or a length of time agreed upon by the charter school and the authorizer to prepare a response;

(c) Within thirty (30) days of the receipt of the response from the charter school, provides the charter school the opportunity to have a hearing before the authorizer, which shall be recorded, and at which the charter school may be represented by counsel and may call witnesses on behalf of the charter school; and

(d) Requires a final determination to be made within sixty (60) days of the

hearing or, if no hearing is requested, within sixty (60) days of the receipt of the response from the charter school. The final determination shall be conveyed in writing to the charter school.

(4) If a charter authorizer revokes or does not renew a charter contract, the authorizer shall adopt a resolution in a public meeting stating the reasons for the revocation or nonrenewal.

(5) Within thirty (30) days of adoption of the resolution required by subsection (4) of this section, the charter authorizer shall:

(a) Report the action taken to the commissioner of education; and

(b) Provide a copy of the resolution and a written report to the commissioner of education and the charter school.

(6) Any individual or group may bring a complaint to the board of directors of a charter school alleging a violation of this section, the charter contract, or any other provision of law relating to the management or operation of the charter school. If, after presentation of the complaint to the board of directors, the individual or group determines that the board of directors has not adequately addressed the complaint, the individual or group may present the complaint to the charter school authorizer, which shall investigate and respond. The charter school authorizer shall have the power and the duty to issue appropriate remedial orders to charter schools under its jurisdiction to effectuate this section.

(7) (a) If a charter school closes, the authorizer shall oversee the closing and shall work with the charter school to ensure timely notification to parents, orderly transition of students and student records to receiving schools, and proper disposition of school funds, property, and assets in accordance with the requirements of paragraphs (b) and (c) of this subsection.

(b) The assets of the charter school shall be distributed by the authorizer first to satisfy outstanding financial obligations and to creditors of the school. If



the assets are insufficient to satisfy outstanding obligations, the authorizer shall petition the Circuit Court of the county in which the charter school is located to prioritize the distribution of assets.

(c) Any funds remaining after outstanding obligations are satisfied shall be returned to the district in which the charter school was located.

➔SECTION 9. A NEW SECTION OF KRS CHAPTER 160 IS CREATED TO READ AS FOLLOWS:

(1) (a) A charter school shall submit an annual report to the authorizer and the commissioner of education no later than the first day of August of each year for the preceding school year.

(b) The report shall include but not be limited to the following components:

1. A charter school report card that shall include measures of the comparative academic and fiscal performance of the school. The measures shall include but not be limited to graduation rates, dropout rates, performance of students on standardized tests, college entry rates, student attendance and behavior records, student disciplinary actions, total spending per student, and administrative spending per student;

2. A narrative of the progress made toward the achievement of the goals set forth for charter schools; and

3. A copy of the most recent audit of the charter school as required by subsection (2)(f) of Section 3 of this Act.

(2) The commissioner of education shall report annually to the Interim Joint Committee on Education:

(a) The number, location, and a brief description of new charter schools established during the preceding year;

(b) The academic progress of students attending charter schools, as measured

against comparable schools, wherever practicable;

(c) The number and location of charter schools closed during the preceding year; and

(d) Any other information regarding charter schools that the commissioner or an authorizer deems necessary.

➔SECTION 10. A NEW SECTION OF KRS CHAPTER 159 IS CREATED TO READ AS FOLLOWS:

(1) As used in this section, "charter school" has the same meaning as in Section 2 of this Act.

(2) (a) Students qualified under KRS 158.030, 158.100, or 159.010, relating to school entrance requirements and school compulsory attendance, who meet the requirements of this subsection are eligible for admission to a charter school.

(b) Enrollment decisions shall be made in a nondiscriminatory manner and shall not be limited based on intellectual ability, measures of achievement or aptitude, athletic ability, disability, race, creed, gender, national origin, religion, or ancestry.

(c) A charter school shall accept an application for enrollment from any student who submits the application on or before April 1 of each year and who:

1. Is currently attending the school and is applying to return for the following year;

2. Is a sibling of a student already attending the school;

3. Is a child of a teacher or administrator at the school;

4. Is currently enrolled in a school classified by the Kentucky Board of Education as a school that needs improvement as a result of its accountability performance; or

5. Meets the following requirements:
- a. Qualifies for free or reduced-price lunch; and
  - b. Resides within the attendance area of the local school district in which the charter school is located.
- (d) 1. If the number of applications for enrollment under paragraph (c) of this subsection exceeds the capacity of the school, students shall be selected for admission by a random selection lottery, except that an enrollment preference shall be provided to students returning to the charter school in the second or any subsequent year of operation, siblings of students already enrolled in the charter school, and children of teachers and school administrators.
2. a. If the number of applications for enrollment under paragraph (c) of this subsection does not meet the capacity of the school, enrollment shall be opened to any student who resides within the attendance area of the local school district in which the charter school is located and submits an application for enrollment on or before May 15 of each year.
- b. An application for enrollment shall be marked with the date on which it was received.
- c. A student shall be enrolled according to the date the application was received and a waiting list shall be created if the number of applications received exceeds the capacity of the school.
- (e) A charter school shall provide a list of enrolled students to the authorizer, the school district in which the charter school is located, and the Kentucky Department of Education no later than May 31 of each year the charter school operates.
- (3) A student who enrolls in a charter school shall commit to remain through the

entire school year. A student who seeks to withdraw during the school year shall apply in writing to the charter school board of directors, unless the student enrolls in another district because he or she has moved out of the attendance area of the local school district in which the charter school is located.

(4) Student disciplinary actions shall be made in a nondiscriminatory manner. A student may be suspended or expelled from the school setting in accordance with KRS 158.150. Students may be refused admission into another school until the period of suspension or expulsion has expired, consistent with the requirements of due process.

(5) A charter school may initiate the permanent exit of a student from the school only if the student demonstrates a serious threat to the safety and security of the school staff, students, or environment. A student shall be entitled to a due process hearing according to the provisions of KRS 158.150 before a permanent exit is imposed.

➔SECTION 11. A NEW SECTION OF KRS CHAPTER 161 IS CREATED TO READ AS FOLLOWS:

(1) As used in this section, "authorizer," "board of directors," "charter school," "local board," and "local school district" have the same meanings as in Section 2 of this Act.

(2) A charter school shall comply with all provisions of this section and Sections 1 to 9, 10, and 12 of this Act.

(3) Certified and classified personnel of a charter school shall be employees of the authorizer and shall be afforded all benefits extended by the authorizer to certified and classified employees of a non-charter school.

(4) A local board shall not require any employee of the local school district to be employed in a charter school or any student enrolled in the school district to attend a charter school. A local board shall not harass, threaten, discipline,

discharge, retaliate, or in any manner discriminate against any district employee involved directly or indirectly with an application to establish a charter school as authorized under this section.

(5) Notwithstanding any other statute to the contrary, if a collective bargaining agreement is in existence in the county where the charter school is located, employees of a charter school shall be covered under the collective bargaining agreement, unless an alternative agreement has been negotiated by the board of directors and the employee representative organization.

➔SECTION 12. A NEW SECTION OF KRS CHAPTER 157 IS CREATED TO READ AS FOLLOWS:

(1) As used in this section, "authorizer," "board of directors," "charter school," "local board," and "local school district" have the same meanings as in Section 2 of this Act.

(2) Funding for a charter school shall be negotiated as part of the charter agreement between the authorizer and the charter school under Section 5 of this Act. At a minimum, the agreement shall require the local board in which the charter school is located to provide funding to the charter school at levels comparable to funding provided to other schools in the local school district.

(3) With approval of the authorizer, a charter school shall be eligible for federal and state competitive grants and shall not be excluded from an opportunity to participate as an independent educational entity as long as the available grants align with the grade levels included in the charter school and the other criteria established for the respective grants.

(4) The authorizer shall distribute moneys generated under federal and state categorical aid programs for students that are eligible for the aid in charter schools in the same manner as distributed for eligible students in non-charter schools.

- (5) (a) The board of directors of a charter school may accept gifts, donations, or grants of any kind made to the school and expend or use the gifts, donations, or grants in accordance with the conditions prescribed by the donor.
- (b) A gift or donation shall not be required for admission or used as a means to gain admission to the charter school.
- (c) A gift, donation, or grant shall not be accepted by the board of directors if it is subject to a condition that is contrary to law or contrary to the terms of the contract between the charter school and the authorizer.
- (d) All gifts, donations, or grants shall be reported to the charter school authorizer in the charter school's annual report.