## IN THE HOUSE OF REPRESENTATIVES

## HOUSE BILL NO. 241

## BY EDUCATION COMMITTEE

1	AN ACT
2	RELATING TO CHARTER SCHOOLS; AMENDING SECTION 33-5203, IDAHO CODE, TO PRO-
3	VIDE THAT A CHARTERING ENTITY MAY AGREE TO ACCEPT A CHARTER SCHOOL
4	PETITION AT A LATER DATE AND TO MAKE TECHNICAL CORRECTIONS; AMENDING
5	SECTION 33-5205, IDAHO CODE, TO REVISE THE REQUIREMENTS FOR THE PROCESS
6	OF STARTING OR CONVERTING A NEW PUBLIC CHARTER SCHOOL; AMENDING SECTION
7	33-5206, IDAHO CODE, TO PROVIDE FOR THE APPLICABILITY OF FEDERAL LAW
8	AND COLLECTIVE BARGAINING AND TO REVISE ADMISSION PROCEDURES; AMEND-
9	ING SECTION 33-5210, IDAHO CODE, TO REVISE THE APPLICABILITY OF STATE
10	LAW AND TO MAKE TECHNICAL CORRECTIONS; AMENDING SECTION 33-5211, IDAHO
11	CODE, TO AUTHORIZE CERTAIN TECHNICAL SUPPORT AND TO AUTHORIZE CERTAIN
12	WORKSHOPS TO BE OFFERED ELECTRONICALLY; AND AMENDING SECTION 33-5202A,
13	IDAHO CODE, TO REMOVE A CODE REFERENCE.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Section 33-5203, Idaho Code, be, and the same is hereby amended to read as follows:

- 33-5203. AUTHORIZATION -- LIMITATIONS. (1) The creation of public charter schools is hereby authorized. Public charter schools shall be part of the state's program of public education.
- (2) New public charter schools, which may begin educational instruction in any one (1) school year, shall be subject to the following:
  - (a) No whole school district may be converted to a charter district or any configuration which that includes all schools as public charter schools; and
  - (b) A petition must be received by the initial authorized chartering entity no later than September 1 to be eligible to begin instruction the first complete school year following receipt of the petition, unless the authorized chartering entity agrees to a later date; and
  - (c) To begin operations, a newly chartered public school must be authorized by no later than January 1 of the previous school year.
- (3) A public charter school may be formed either by creating a new public charter school or  $\underline{by}$  replicating an existing high-performing public charter school, which charter may be approved by any authorized chartering entity, or by converting an existing traditional public school to a public charter school, which charter may only be approved by the board of trustees of the school district in which the existing public school is located.
  - (4) No charter shall be approved under this chapter:
  - (a) Which provides for the conversion of any existing private or parochial school to a public charter school.
  - (b) To a for-profit entity or any school which that is operated by a for-profit entity, provided however, nothing herein shall prevent the board of directors of a public charter school from legally contracting with

 for-profit entities for the provision of products or services that aid in the operation of the school.

- (c) By the board of trustees of a school district if the public charter school's physical location is outside the boundaries of the authorizing school district.
- (5) A public virtual school charter may be approved by any authorized chartering entity except a local school district board of trustees. In addition, a charter may also be approved by the state board of education pursuant to section 33-5207(5)(b), Idaho Code.
- (6) A charter holder may not operate enterprises other than the public charter schools for which it has been authorized.
- (7) The state board of education shall adopt rules, subject to law, to establish a consistent application and review process for the approval and maintenance of all public charter schools.
- (8) Each public charter school authorized by an authorized chartering entity other than a local school district board of trustees is hereby designated as a local education agency (LEA) as such term is defined in 34 CFR 300.28. Public charter schools chartered by the board of trustees of a school district may also be designated by the board of trustees as an LEA, with the concurrence of the public charter school board of directors. Otherwise, the public charter school shall be included in that district's LEA.

SECTION 2. That Section 33-5205, Idaho Code, be, and the same is hereby amended to read as follows:

33-5205. PETITION TO ESTABLISH PUBLIC CHARTER SCHOOL. (1) <u>Intent.</u> Any group of persons, upon creating a nonprofit corporation pursuant to section 33-5204, Idaho Code, may petition to establish a new public charter school, or to convert an existing traditional public school to a public charter school. The purpose of the charter petition is to present the proposed public charter school's academic and operational vision and plans, demonstrate the petitioner's capacities to execute the proposed vision and plans and provide the authorized chartering entity a clear basis for assessing the applicant's plans and capacities. An approved charter petition shall not serve as the school's performance certificate.

(a) A petition to establish a new public charter school, including a public virtual charter school, shall be signed by not fewer than thirty (30) qualified electors of the attendance area designated in the petition, unless it is a petition for approval by an authorized chartering entity permitted pursuant to section 33-5202A(1)(c) or (d), Idaho Code. Proof of elector qualifications shall be provided with the petition. A petition to establish a new public charter school may be submitted directly to an authorized chartering entity permitted pursuant to section 33-5202A(1)(c) or (d), Idaho Code; provided however, that no such individual authorized chartering entity shall approve more than one (1) new public charter school each year within the boundaries of a single school district. Except as provided in paragraphs (a) and (c) of this subsection, authorized chartering entities permitted pursuant to section 33-5202A(1)(c) or (d), Idaho Code, shall be governed by the same laws and rules in approving new public charter schools as the public charter school commission.

 (b) Except as provided in paragraph (c) of this subsection, a petition to establish a new public charter school, other than a new public virtual school, shall first be submitted to the local board of trustees in which the public charter school will be located. A petition shall be considered to be received by an authorized chartering entity as of the next regularly scheduled meeting of the authorized chartering entity after submission of the petition.

(c) Petitions meeting the following conditions may be submitted directly to the public charter school commission or Idaho university or college pursuant to section 33-5202A, Idaho Code: (i) a petition to establish a new virtual public charter school; or (ii) a petition for a new or replication public charter school from an existing charter holder authorized by the public charter school commission or an Idaho university or college pursuant to section 33-5202A, Idaho Code. An existing charter holder authorized by the public charter school commission or an Idaho university or college pursuant to section 33-5202A, Idaho Code, may submit a petition for an additional new charter directly to its existing authorizer.

(d) The board of trustees may either: (i) consider the petition and approve the charter; or (ii) consider the petition and deny the charter; or (iii) refer the petition to the public charter school commission, but such referral shall not be made until the local board has documented its due diligence in considering the petition. Such documentation shall be submitted with the petition to the public charter school commission. If the petitioners and the local board of trustees have not reached mutual agreement on the provisions of the charter, after a reasonable and good faith effort, within seventy-five (75) days from the date the charter petition is received, the petitioners may withdraw their petition from the local board of trustees and may submit their charter petition to the public charter school commission. Documentation of the reasonable and good faith effort between the petitioners and the local board of trustees must be submitted with the petition to the public charter school commission.

(e) A petition to convert an existing traditional public school shall be submitted to the board of trustees of the district in which the school is located for review and approval. The petition shall be signed by not fewer than sixty percent (60%) of the teachers currently employed by the school district at the school to be converted, and by one (1) or more parents or guardians of not fewer than sixty percent (60%) of the students currently attending the school to be converted. Each petition submitted to convert an existing school or to establish a new charter school shall contain a copy of the articles of incorporation and the bylaws of the nonprofit corporation, which shall be deemed incorporated into the petition.

(2) Not later than seventy-five (75) days after receiving a petition for a new or replication public charter school, the authorized chartering entity shall hold a public hearing for the purpose of discussing the provisions of the charter, at which time the authorized chartering entity shall consider the merits of the petition and the level of employee and parental support for the petition. In the case of a petition submitted to the public

charter school commission, such public hearing must be not later than seventy-five (75) days after receipt of the petition, which may be extended for an additional specified period of time if both parties agree to an extension. Such agreement shall be established in writing and signed by representatives of both parties.

(a) In the case of a petition for a public virtual charter school, if the primary attendance area described in the petition of a proposed public virtual charter school extends within the boundaries of five (5) or fewer local school districts, the prospective authorizer shall provide notice in writing of the public hearing no less than thirty (30) days prior to such public hearing to those local school districts. Such public hearing shall include any oral or written comments that an authorized representative of the local school districts may provide regarding the merits of the petition and any potential impacts on the school districts.

(b) In the case of a petition for a non-virtual new or replication publie charter school submitted to the public charter school commission, the board of the district in which the proposed public charter school will be physically located shall be notified of the hearing in writing by the public charter school commission, no less than thirty (30) days prior to the public hearing. Such public hearing shall include any oral or written comments that an authorized representative of the school district in which the proposed public charter school would be physically located may provide regarding the merits of the petition and any potential impacts on the school district. The hearing shall include any oral or written comments that petitioners may provide regarding any potential impacts on such school district. If the school district chooses not to provide any oral or written comments as provided for in this subsection, such school district shall notify the public charter school commission of such decision. This public hearing shall be an opportunity for public participation and oral presentation by the public. This hearing is not a contested case hearing as described in chapter 52, title 67, Idaho Code. Following review of any petition and any public hearing provided for in this section, the authorized chartering entity shall within seventy-five (75) days either:

(i) Approve the charter;

- (ii) Deny the charter; or
- (iii) Provide a written response identifying the specific deficiencies in the petition.

(c) If the authorized chartering entity exercises the option provided for in paragraph (b) (iii) of this subsection, then the petitioners may revise the petition and resubmit such within thirty (30) days. Within forty-five (45) days of receiving a revised petition, the authorized chartering entity shall review the revised petition and either approve or deny the petition based upon whether the petitioners have adequately addressed the specific deficiencies identified in the authorized chartering entity's written response, or based upon any other changes made to the petition, and upon no other criteria.

(3) An authorized chartering entity may approve a charter under the provisions of this chapter only if it determines that the petition contains

the requisite signatures, the information required by subsections (4) and (5) of this section, and additional statements describing all of the following:

- (a) The proposed educational program of the public charter school designed, among other things, to identify what it means to be an "educated person" in the twenty-first century, and how learning best occurs. The goals identified in the program shall include how all educational thoroughness standards as defined in section 33-1612, Idaho Code, shall be fulfilled.
- (b) The measurable student educational standards identified for use by the public charter school. "Student educational standards" for the purpose of this chapter means the extent to which all students of the public charter school demonstrate they have attained the skills and knowledge specified as goals in the school's educational program.
- (c) The method by which student progress in meeting those student educational standards is to be measured.
- (d) A provision by which students of the public charter school will be tested with the same standardized tests as other Idaho public school students.
- (e) A provision which ensures that the public charter school shall be state accredited as provided by rule of the state board of education.
- (f) The governance structure of the public charter school including, but not limited to, the person or entity who shall be legally accountable for the operation of the public charter school, and the process to be followed by the public charter school to ensure parental involvement.
- (g) The qualifications to be met by individuals employed by the public charter school. Instructional staff shall be certified teachers as provided by rule of the state board of education.
- (h) The procedures that the public charter school will follow to ensure the health and safety of students and staff.
- (i) A plan for the requirements of section 33-205, Idaho Code, for the denial of school attendance to any student who is an habitual truant, as defined in section 33-206, Idaho Code, or who is incorrigible, or whose conduct, in the judgment of the board of directors of the public charter school, is such as to be continuously disruptive of school discipline, or of the instructional effectiveness of the school, or whose presence in a public charter school is detrimental to the health and safety of other pupils, or who has been expelled from another school district in this state or any other state.
- (j) The primary attendance area of the charter school, which shall be composed of a compact and contiguous area. For the purposes of this section, if services are available to students throughout the state, the state of Idaho is considered a compact and contiguous area.
- (k) Admission procedures, including provision for overenrollment. Such admission procedures shall provide that the initial admission procedures for a new public charter school or replication public charter school, including provision for overenrollment, will be determined by lottery or other random method, except as otherwise provided herein. If initial capacity is insufficient to enroll all pupils who submit

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a timely application, then the admission procedures may provide that preference shall be given in the following order: first, to children of founders, provided that this admission preference shall be limited to not more than ten percent (10%) of the capacity of the public charter school; second, to siblings of pupils already selected by the lottery or other random method; third, to pupils seeking to transfer from another Idaho public charter school at which they have been enrolled for at least one (1) year, provided that this admission preference shall be subject to an existing written agreement for such preference between the subject charter schools; fourth, to students residing within the primary attendance area of the public charter school; and fifth, by an equitable selection process such as a lottery or other random method. If so stated in its petition, a new public charter school or replication public charter school may include the children of full-time employees of the public charter school within the first priority group subject to the limitations therein. Otherwise, such children shall be included in the highest priority group for which they would otherwise be eligible. If capacity is insufficient to enroll all pupils who submit a timely application for subsequent school terms, then the admission procedures may provide that preference shall be given in the following order: first, to pupils returning to the public charter school in the second or any subsequent year of its operation; second, to children of founders, provided that this admission preference shall be limited to not more than ten percent (10%) of the capacity of the public charter school; third, to siblings of pupils already enrolled in the public charter school; fourth, to pupils seeking to transfer from another Idaho public charter school at which they have been enrolled for at least one (1) year, provided that this admission preference shall be subject to an existing written agreement for such preference between the subject charter schools; fifth, to students residing within the primary attendance area of the public charter school; and sixth, by an equitable selection process such as a lottery or other random method. There shall be no carryover from year to year of the list maintained to fill vacancies. A new lottery shall be conducted each year to fill vacancies which become available. If so stated in its petition, a public charter school may include the following children within the second priority group subject to the limitations therein:

(i) The children of full-time employees of the public charter school;

(ii) Children who previously attended the public charter school within the previous three (3) school years, but who withdrew as a result of the relocation of a parent or guardian due to an academic sabbatical, employer or military transfer or reassignment.

Otherwise, such children shall be included in the highest priority group for which they would otherwise be eligible.

- (1) The manner in which annual audits of the financial operations of the public charter school are to be conducted.
- (m) The disciplinary procedures that the public charter school will utilize, including the procedure by which students may be suspended,

expelled and reenrolled, and the procedures required by section 33-210, Idaho Code.

- (n) A provision which ensures that all staff members of the public charter school will be covered by the public employee retirement system, federal social security, unemployment insurance, worker's compensation insurance, and health insurance.
- (o) If the public charter school is a conversion of an existing traditional public school, the public school attendance alternative for students residing within the school district who choose not to attend the public charter school.
- (p) A description of the transfer rights of any employee choosing to work in a public charter school that is approved by the board of trustees of a school district, and the rights of such employees to return to any noncharter school in the same school district after employment at such charter school.
- (q) A provision which ensures that the staff of the public charter school shall be considered a separate unit for purposes of collective bargaining.
- (r) The manner by which special education services will be provided to students with disabilities who are eligible pursuant to the federal individuals with disabilities education act, including disciplinary procedures for these students.
- (s) A plan for working with parents who have students who are dually enrolled pursuant to section 33-203, Idaho Code.
- (t) The process by which the citizens in the primary attendance area shall be made aware of the enrollment opportunities of the public charter school.
- (u) A proposal for transportation services including estimated first year costs.
- (v) A plan for termination of the charter by the board of directors, to include:
  - (i) Identification of who is responsible for dissolution of the charter school;
  - (ii) A description of how payment to creditors will be handled;
  - (iii) A procedure for transferring all records of students with notice to parents of how to request a transfer of student records to a specific school; and
  - (iv) A plan for the disposal of the public charter school's assets.
- (4) An authorized chartering entity, except for a school district board of trustees, may approve a charter for a public virtual school under the provisions of this chapter only if it determines that the petition contains the requirements of subsections (3) and (5) of this section and the additional statements describing the following:
  - (a) The learning management system by which courses will be delivered;
  - (b) The role of the online teacher, including the consistent availability of the teacher to provide guidance around course material, methods of individualized learning in the online course and the means by which student work will be assessed;

- (c) A plan for the provision of professional development specific to the public virtual school environment;
- (d) The means by which public virtual school students will receive appropriate teacher-to-student interaction, including timely and frequent feedback about student progress;
- (e) The means by which the public virtual school will verify student attendance and award course credit. Attendance at public virtual schools shall focus primarily on coursework and activities that are correlated to the Idaho state thoroughness standards;
- (f) A plan for the provision of technical support relevant to the delivery of online courses;
- (g) The means by which the public virtual school will provide opportunity for student-to-student interaction; and
- (h) A plan for ensuring equal access to all students, including the provision of necessary hardware, software and internet connectivity required for participation in online coursework.
- (5) The petitioner shall provide information regarding the proposed operation and potential effects of the public charter school including, but not limited to, the facilities to be utilized by the public charter school, the manner in which administrative services of the public charter school are to be provided and the potential civil liability effects upon the public charter school and upon the authorized chartering entity.
- (6) An initial charter, if approved, shall be granted for a term of three (3) operating years. This term shall commence on the public charter school's first day of operation.
- (2) New Public Charter School Petition. Except for a petition to establish a new virtual school, which shall follow subsection (6) of this section, or to convert an existing traditional public school, which shall follow subsection (7) of this section, a petition to establish a new public charter school shall follow the process set forth in subsections (3) through (5) of this section.
  - (3) Application.

- (a) The state board of education, by rule, shall develop an application to establish a new public charter school which, when submitted by petitioners, shall constitute the public charter school's completed petition. The application is not intended to be exhaustive, but shall require petitioners to provide descriptions of the following key features of the prospective public charter school:
  - (i) Educational program, including student academic proficiency and growth standards and measurement methods and any mission-specific standards that may be unique to the school;
  - (ii) Financial and facilities plan;
  - (iii) Board capacity and governance structure; and
  - (iv) Student demand and primary attendance area.
- (b) A minimum of two (2) weeks prior to submitting the completed petition to an authorized chartering entity described in section 33-5202A(1), Idaho Code, petitioners shall send a letter and a copy of the completed petition to the superintendent of each district that overlaps the proposed public charter school's primary attendance area. The purpose of the letter is to inform the superintendent that petition-

ers are seeking an authorizer, and to offer to attend a district board of trustees meeting, if the superintendent so requests.

- (c) A minimum of two (2) weeks after sending the letter and copy of the completed petition pursuant to paragraph (b) of this subsection, petitioners may submit the completed petition to an authorized chartering entity pursuant to section 33-5202A(1), Idaho Code. Upon receipt of the completed petition, which may be received electronically, representatives of the authorized chartering entity shall review, and may contract with a third party or other government agency to assist in reviewing, the petition. If necessary, representatives of the authorized chartering entity may request from petitioners limited additional information necessary to clarify the contents of the completed petition. Any subsequent change to the completed petition will comprise the revised petition.
- (4) Hearing. If the authorized chartering entity is the public charter school commission, within ten (10) weeks of receiving a revised petition and not later than twelve (12) weeks after receiving the completed petition, commission staff shall provide commissioners with a written recommendation that the commission either approve, deny or grant conditional approval of the petition. Concurrently, the commission staff shall provide a copy of the recommendation to petitioners, along with a notice of a hearing date, and shall notify the district in which the proposed charter school will be physically located of the opportunity to submit written comments or to testify at the hearing. Petitioners may testify to support or refute the recommendation. If the authorized chartering entity is other than the public charter school commission, it may develop its own hearing process.
- (5) Petition Decision. If the authorized chartering entity approves the petition, the parties shall negotiate the terms of the performance certificate pursuant to section 33-5205B, Idaho Code. If the authorized chartering entity grants conditional approval, the conditions may be considered reasonable pre-opening requirements or conditions pursuant to section 33-5206, Idaho Code, or may be added to the charter upon agreement of petitioners and the authorized chartering entity. Nothing in this section shall prevent a petitioner from bringing a new petition for a public charter school at a later time.
  - (6) Virtual Schools.

- (a) In the case of a petition for a public virtual charter school, if the primary attendance area described in the petition of a proposed public virtual charter school extends within the boundaries of five (5) or fewer local school districts, the prospective authorizer shall provide notice in writing to those local school districts of the public hearing no less than thirty (30) days prior to the public hearing. The public hearing shall include any oral or written comments that an authorized representative of the local school districts may provide regarding the merits of the petition and any potential impacts on the school districts.
- (b) An authorized chartering entity, except for a school district board of trustees, may approve a charter for a public virtual school under the provisions of this chapter only if it determines that the petition con-

 tains the requirements of subsection (2) of this section and the additional statements describing the following:

- (i) The learning management system by which courses will be delivered;
- (ii) The role of the online teacher, including the consistent availability of the teacher to provide guidance around course material, methods of individualized learning in the online course and the means by which student work will be assessed;
- (iii) A plan for the provision of professional development specific to the public virtual school environment;
- (iv) The means by which public virtual school students will receive appropriate teacher-to-student interaction, including timely and frequent feedback about student progress;
- (v) The means by which the public virtual school will verify student attendance and award course credit. Attendance at public virtual schools shall focus primarily on coursework and activities that are correlated to the Idaho state thoroughness standards;
- (vi) A plan for the provision of technical support relevant to the delivery of online courses;
- (vii) The means by which the public virtual school will provide opportunity for student-to-student interaction; and
- (viii) A plan for ensuring equal access for all students, including the provision of necessary hardware, software and internet connectivity required for participation in online coursework.
- (7) Conversion Charter Schools. A petition to convert an existing traditional public school shall be submitted to the board of trustees of the district in which the school is located for review and approval. The petition shall be signed by not less than sixty percent (60%) of the teachers currently employed by the school district at the school to be converted, and by one (1) or more parents or guardians of not less than sixty percent (60%) of the students currently attending the school to be converted. Each petition submitted to convert an existing school or to establish a new charter school shall contain a copy of the articles of incorporation and the bylaws of the nonprofit corporation, which shall be deemed incorporated into the petition.
- (8) Term. An initial charter, if approved, shall be granted for a term of five (5) operating years. This term shall commence on July 1 preceding the public charter school's first year of operation.
- SECTION 3. That Section 33-5206, Idaho Code, be, and the same is hereby amended to read as follows:
- 33-5206. REQUIREMENTS AND PROHIBITIONS UPON APPROVAL OF A PUBLIC CHARTER SCHOOL. (1) In addition to any other requirements imposed in this chapter, a public charter school shall be nonsectarian in its programs, affiliations, admission policies, employment practices, and all other operations, shall not charge tuition, levy taxes or issue bonds, and shall not discriminate against any student on any basis prohibited by the federal or state constitutions or any federal, state or local law. Public charter schools shall comply with the federal individuals with disabilities edu-

<u>cation act.</u> Admission to a public charter school shall not be determined according to the place of residence of the student, or of the student's parent or guardian within the district, except that a new, replication or conversion public charter school established under the provisions of this chapter shall adopt and maintain a policy giving admission preference to students who reside within the <u>contiguous and compact</u> primary attendance area of that public charter school.

- (2) No board of trustees shall require any employee of the school district to be involuntarily assigned to work in a public charter school.
- (3) Certified teachers in a public charter school shall be considered public school teachers. Educational experience shall accrue for service in a public charter school and such experience shall be counted by any school district for any teacher who has been employed in a public charter school. The staff of the public charter school shall be considered a separate unit for the purposes of collective bargaining.
- (4) Employment of charter school teachers and administrators shall be on written contract conditioned upon a valid certificate being held by such professional personnel at the time of entering upon the duties thereunder.
- (5) No board of trustees shall require any student enrolled in the school district to attend a public charter school.
- (6) Authorized chartering entities may establish reasonable pre-opening requirements or conditions to monitor the start-up progress of newly approved public charter schools and ensure that they are prepared to open smoothly on the date agreed, and to ensure that each school meets all building, health, safety, insurance and other legal requirements for school opening.
- (7) Each public charter school shall annually submit the audit of the its fiscal operations as required in section 33-5205(3)(1), Idaho Code, and a copy of the public charter school's accreditation report to the authorized chartering entity that approved its charter.
- A public charter school or the authorized chartering entity may enter into negotiations to revise a charter or performance certificate at any time. If a public charter school petitions to revise its charter or performance certificate, the authorized chartering entity's review of the revised petition shall be limited in scope solely to the proposed revisions. Except for public charter schools authorized by a school district board of trustees, when a non-virtual public charter school submits a proposed charter revision to its authorized chartering entity and such revision includes a proposal to increase such public charter school's approved student enrollment cap by ten percent (10%) or more, the authorized chartering entity shall hold a public hearing on such petition. The authorized chartering entity shall provide the board of the local school district in which the public charter school is physically located notice in writing of such hearing no later than thirty (30) days prior to the hearing. The public hearing shall include any oral or written comments that an authorized representative of the school district in which the public charter school is physically located may provide regarding the impact of the proposed charter revision upon the school district. Such public hearing shall also include any oral or written comments that any petitioner may provide regarding the impact of the proposed charter revision upon such school district.

(9) When a charter is nonrenewed pursuant to the provisions of section 33-5209B, Idaho Code, revoked pursuant to section 33-5209C, Idaho Code, or the board of directors of the public charter school terminates the charter, the assets of the public charter school remaining after all debts of the public charter school have been satisfied must be returned to the authorized chartering entity for distribution in accordance with applicable law.

- (10) Public charter schools may contract with educational services providers subject to the following provisions:
  - (a) Educational services providers, whether for-profit or nonprofit, shall be third-party entities separate from the public charter schools with which they contract. Educational services providers shall not be considered governmental entities.
  - (b) No more than one-third (1/3) of the public charter school's board membership may be comprised of nonprofit educational services provider representatives. Nonprofit educational services provider representatives may not be employees of the public charter school or the educational services provider and may not hold office as president or treasurer on the public charter school's board. For-profit educational services providers may not have representatives on the public charter school's board of directors.
  - (c) Public charter school board of director members shall annually disclose any existing and potential conflicts of interest, pecuniary or otherwise, with affiliated educational services providers.
  - (d) Charter holders shall retain responsibility for academic, fiscal and organizational operations and outcomes of the school and may not relinquish this responsibility to any other entity.
  - (e) Contracts must ensure that school boards retain the right to terminate the contract for failure to meet defined performance standards.
  - (f) Contracts must ensure that assets purchased by educational services providers on behalf of the school, using public funds, shall remain assets of the school. The provisions of this paragraph shall not prevent educational services providers from acquiring assets using revenue acquired through management fees.
  - (g) Charter holders shall consult legal counsel independent of the party with whom they are contracting for purposes of reviewing the school's management contract and facility lease or purchase agreements to ensure compliance with applicable state and federal law, including requirements that state entities not enter into contracts that obligate them beyond the terms of any appropriation of funds by the state legislature.
  - (h) Charter holders must ensure that their facility contracts are separate from any and all management contracts.
  - (i) Prior to approval of the charter petition indicating the school board's intention to contract with an educational services provider, authorized chartering entities shall conduct a thorough evaluation of the academic, financial and organizational outcomes of other schools that have contracted with the educational services provider and evidence of the educational services provider's capacity to successfully grow the public charter school while maintaining quality management and instruction in existing schools.

(11) Admission procedures, including provision for overenrollment, shall provide that the initial admission procedures for a new public charter school or replication public charter school will be determined by lottery or other random method, except as otherwise provided herein.

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- (a) If initial capacity is insufficient to enroll all pupils who submit a timely application, then the admission procedures may provide that preference shall be given in the following order: first, to children of founders, provided that this admission preference shall be limited to not more than ten percent (10%) of the capacity of the public charter school; second, to siblings of pupils already selected by the lottery or other random method; third, to pupils seeking to transfer from another Idaho public charter school at which they have been enrolled for at least one (1) year, provided that this admission preference shall be subject to an existing written agreement for such preference between the subject charter schools; fourth, to students residing within the primary attendance area of the public charter school; and fifth, by an equitable selection process such as a lottery or other random method. If so stated in its petition, a new public charter school or replication public charter school may include the children of full-time employees of the public charter school within the first priority group subject to the limitations therein. Otherwise, such children shall be included in the highest priority group for which they would otherwise be eligible. (b) If capacity is insufficient to enroll all pupils who submit a timely application for subsequent school terms, then the admission procedures may provide that preference shall be given in the following order: first, to pupils returning to the public charter school in the second or any subsequent year of its operation; second, to children of founders, provided that this admission preference shall be limited to not more than ten percent (10%) of the capacity of the public charter school; third, to siblings of pupils already enrolled in the public charter school; fourth, to pupils seeking to transfer from another Idaho public charter school at which they have been enrolled for at least one (1) year, provided that this admission preference shall be subject to an existing written agreement for such preference between the subject charter schools; fifth, to students residing within the primary attendance area of the public charter school; and sixth, by an equitable selection process such as a lottery or other random method. There shall be no carryover from year to year of the list maintained to fill vacancies. A new lottery shall be conducted each year to fill vacancies that become available. If so stated in its petition, a public charter school may include the following children within the second priority group
  - (i) The children of full-time employees of the public charter school; and
  - (ii) Children who attended the public charter school within the previous three (3) school years, but who withdrew as a result of the relocation of a parent or guardian due to an academic sabbatical, employer or military transfer or reassignment.

Otherwise, such children shall be included in the highest priority group for which they would otherwise be eligible.

subject to the limitations therein:

(12) Public charter schools shall comply with section 33-119, Idaho Code, as it applies to secondary school accreditation.

- (13) Public charter school students shall be tested with the same standardized tests as other Idaho public school students.
- SECTION 4. That Section 33-5210, Idaho Code, be, and the same is hereby amended to read as follows:
- 33-5210. APPLICATION OF SCHOOL LAW -- ACCOUNTABILITY -- EXEMPTION FROM STATE RULES. (1) All public charter schools are under the general supervision of the state board of education.
- (2) Every authorized chartering entity that approves a charter shall be responsible for ensuring that each public charter school program approved by that authorized chartering entity meets the terms of the charter, complies with the general education laws of the state unless specifically directed otherwise in this chapter, and operates in accordance with the state educational standards of thoroughness pursuant to section 33-1612, Idaho Code.
- (3) Each public charter school shall comply with the financial reporting requirements of section 33-701, subsections 5. through 10., Idaho Code, in the same manner as those requirements are imposed upon school districts and with laws governing safety including, but not limited to, sections 33-122 and 33-130, Idaho Code, and chapter 2, title 33, Idaho Code, and rules promulgated thereunder.
- (4) Other than as specified in this section, each public charter school is exempt from rules governing school districts, which  $\underline{\text{rules}}$  have been promulgated by the state board of education, with the exception of state rules relating to:
  - (a) Teacher certification as necessitated by the provisions of section  $\frac{33-5205(3)(g)}{33-5206(3)}$  and  $\frac{4}{3}$ , Idaho Code;
  - (b) Accreditation of the school as necessitated by the provisions of section 33-5205(3)(e) 33-5206(12), Idaho Code;
  - (c) Qualifications of a student for attendance at an alternative school as necessitated by the provisions of section 33-5208(3), Idaho Code;
  - (d) Requirements that all employees of the school undergo a criminal history check as required by section 33-130, Idaho Code;
  - (e) Rules promulgated pursuant to section 33-1612, Idaho Code; and
  - $(\underline{\text{fe}})$  All rules which that specifically pertain to public charter schools promulgated by the state board of education.
- SECTION 5. That Section 33-5211, Idaho Code, be, and the same is hereby amended to read as follows:
- 33-5211. TECHNICAL SUPPORT AND INFORMATION. (1) <u>Upon request, t</u>The state department of education shall provide technical assistance to persons or <u>groups</u> <u>authorized chartering entities</u> preparing or <u>revising reviewing</u> charter petitions <u>or performance certificates</u>, and to existing public charter schools in the same manner as such assistance is provided to traditional public schools and school districts.
- (2) Upon request, the state department of education shall provide the following information concerning a public charter school whose petition has been approved:

(a) The public charter school's charter and performance certificate;

- (b) The annual audit performed at the public charter school pursuant to the public charter school petition; and
- (c) Any written report by the state board of education to the legislature reviewing the educational effectiveness of public charter schools.
- (3) At least one (1) person among a group of petitioners of a prospective public charter school shall attend, in person or electronically, a public charter school workshop offered by the state department of education. The state department of education shall provide notice of dates and locations when workshops will be held, shall make earlier recorded workshops available electronically and shall provide proof of attendance to workshop attendees. Such proof shall be submitted by the petitioners to an authorized chartering entity along with the charter petition.
- (4) Prior to submission of a petition for a new or conversion public charter school to an authorized chartering entity, the state department of education must conduct a sufficiency review of the petition and provide to the petitioners, in writing, the findings of such review.
- SECTION 6. That Section 33-5202A, Idaho Code, be, and the same is hereby amended to read as follows:
- 33-5202A. DEFINITIONS. As used in this chapter, unless the context requires otherwise:
  - (1) "Authorized chartering entity" means any of the following:
  - (a) A local board of trustees of a school district in this state;
  - (b) The public charter school commission created pursuant to the provisions of this chapter;
  - (c) An Idaho public college, university or community college;
  - (d) A private, nonprofit Idaho-based, nonsectarian college or university that is accredited by the same organization that accredits Idaho public colleges and universities.
- (2) "Charter" means the grant of authority approved by the authorized chartering entity to the board of directors of the public charter school.
- (3) "Charter holder" means the public charter school's board of directors to which a charter is granted pursuant chapter 52, title 33, Idaho Code.
- (4) "Educational services provider" means a nonprofit or for-profit entity that contracts with a public charter school to provide educational services and resources including administrative support and educational design, implementation or management.
- (5) "Founder" means a person, including employees or staff of a public charter school, who makes a material contribution toward the establishment of a public charter school in accordance with criteria determined by the board of directors of the public charter school, and who is designated as such at the time the board of directors acknowledges and accepts such contribution. The criteria for determining when a person is a founder shall not discriminate against any person on any basis prohibited by the federal or state constitutions or any federal, state or local law. The designation of a person as a founder, and the admission preferences available to the children of a founder, shall not constitute pecuniary benefits.

(6) "Performance certificate" means a fixed-term, renewable certificate between a public charter school and an authorized chartering entity that outlines the roles, powers, responsibilities and performance expectations for each party to the certificate.

- (7) "Petition" means the document submitted by a person or persons to the authorized chartering entity to request the creation of a public charter school.
- (8) "Career technical regional public charter school" means a public charter secondary school authorized under this chapter to provide programs in career technical education which meet the standards and qualifications established by the division of career technical education. A career technical regional public charter school may be approved by an authorized chartering entity and, by the terms of its charter, shall operate in association with at least two (2) school districts. Notwithstanding the provisions of section 33-5205(3) (j), Idaho Code, pParticipating school districts need not be contiguous.
- (9) "Public charter school" means a school that is authorized under this chapter to deliver public education in Idaho.
- (10) "Traditional public school" means any school existing or to be built that is operated and controlled by a school district in this state.
- (11) "Virtual school" means a school that delivers a full-time, sequential program of synchronous and/or asynchronous instruction primarily through the use of technology via the internet in a distributed environment. Schools classified as virtual must have an online component to their school with online lessons and tools for student and data management.