

1 HB487  
2 209185-1  
3 By Representative Collins  
4 RFD: Education Policy  
5 First Read: 02-MAR-21

SYNOPSIS: Under existing law, the Alabama School Choice and Student Opportunity Act provides for the establishment of public charter schools in the state.

This bill would revise the manner of appointing and terms of office of members of the Alabama Public Charter School Commission.

This bill would also revise the methods of providing operational funding to public charter schools.

A BILL  
TO BE ENTITLED  
AN ACT

To amend Sections 16-6F-6 and 16-6F-10, Code of Alabama 1975, relating to the Alabama School Choice and Student Opportunity Act; to revise the manner of appointing members to the Alabama Public Charter School Commission; to increase the length of the terms of office of members from two

1 to four years; and to revise the methods of providing  
2 operational funding to public charter schools.

3 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

4 Section 1. Sections 16-6F-6 and 16-6F-10 of the Code  
5 of Alabama 1975, are amended to read as follows:

6 "§16-6F-6.

7 "(a) Eligible authorizing entities.

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

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

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

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

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

26 "(4) A decision made by a local school board shall  
27 be subject to appeal to the commission. The commission may

1 hear an application for the formation of a public charter  
2 school by an applicant only if one of the following factors is  
3 met:

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

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

11 "(b) Public charter school cap.

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

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

19 "(3) The cap expires on April 1 immediately  
20 following the conclusion of the fiscal year beginning October  
21 1, 2020.

22 "(4) At the conclusion of the fiscal year beginning  
23 October 1, 2020, the department shall submit a report to the  
24 Legislature outlining the performance of both start-up and  
25 conversion public charter schools. This report shall include,  
26 at a minimum, academic performance of all public charter  
27 schools in the state, a detailed update on the authorizing

1 process, and recommendations for adjustments to public charter  
2 school governance and oversight.

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

5 "(c) The Alabama Public Charter School Commission.

6 "(1) The commission is established as an independent  
7 state entity.

8 "(2) The mission of the commission is to authorize  
9 high quality public charter schools, in accordance with the  
10 powers expressly conferred on the commission in this chapter.

11 "(3)a. The initial membership of the commission  
12 shall be composed of a total of 11 members. The State Board of  
13 Education shall appoint 10 members, made up of four appointees  
14 recommended by the Governor, one appointee recommended by the  
15 Lieutenant Governor, two appointees recommended by the  
16 President Pro Tempore of the Senate, and three appointees  
17 recommended by the Speaker of the House of Representatives.  
18 The Governor, the Lieutenant Governor, the President Pro  
19 Tempore of the Senate, and the Speaker of the House of  
20 Representatives shall each recommend a list of no fewer than  
21 two nominees for each initial appointment to the commission.  
22 One recommended initial appointee of the President Pro Tempore  
23 of the Senate and one recommended initial appointee of the  
24 Speaker of the House of Representatives shall be an appointee  
25 recommended by members of the Senate minority party and  
26 members of the House minority party, respectively. No initial  
27 commission member ~~can~~ may be appointed unless he or she has

1       been recommended by the Governor, Lieutenant Governor,  
2       President Pro Tempore of the Senate, or the Speaker of the  
3       House of Representatives.

4               "b. Commencing on the effective date of the act  
5       adding this paragraph, as the terms of the initial and current  
6       members expire, the nominating authority for the respective  
7       initial members of the commission shall be the appointing  
8       authority for their successors on the commission so that the  
9       Governor shall appoint four members to the commission, the  
10       Lieutenant Governor shall appoint one member to the  
11       commission, the President Pro Tempore of the Senate shall  
12       appoint two members to the commission, and the Speaker of the  
13       House of Representatives shall appoint three members to the  
14       commission.

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

23               "(5) The appointing authorities of the commission  
24       members shall strive to select individuals that collectively  
25       possess strong experience and expertise in public and  
26       nonprofit governance, strategic planning, management and  
27       finance, public school leadership, assessment, curriculum and

1 instruction, and public education law. Each member of the  
2 commission shall have demonstrated understanding of and  
3 commitment to charter schooling as a tool for strengthening  
4 public education and shall sign an agreement to hear the  
5 appeal and review documents in a fair and impartial manner.

6 ~~"(6) Membership of the commission shall be inclusive~~  
7 ~~and reflect the racial, gender, geographic, urban/rural, and~~  
8 ~~economic diversity of the state~~ All appointing authorities  
9 shall coordinate their appointments so that diversity of  
10 gender, race, and geographical areas is reflective of the  
11 makeup of this state. The appointing authority shall consider  
12 the eight State Board of Education districts in determining  
13 the geographical diversity of the commission.

14 "(7) The initial appointments to the commission  
15 shall be made no later than June 1, 2015. Two recommended  
16 initial appointees of the Governor, one recommended initial  
17 appointee of the Lieutenant Governor, one recommended initial  
18 appointee of the Speaker of the House of Representatives, and  
19 one recommended initial appointee of the President Pro Tempore  
20 of the Senate shall serve an initial term of one year and two  
21 recommended initial appointees of the Governor, two  
22 recommended initial appointees of the Speaker of the House of  
23 Representatives, and one recommended initial appointee of the  
24 President Pro Tempore of the Senate shall serve an initial  
25 term of two years. Thereafter, all appointees shall serve  
26 ~~two-year~~ four-year terms of office. All appointments shall be  
27 eligible for reappointment as determined by the appointing

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

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

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



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

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

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

12 "a. Employ professional, administrative, technical,  
13 and clerical staff, appointed to serve at the pleasure of the  
14 commission without regard to the state Merit System. Staff  
15 employed pursuant to this paragraph shall receive compensation  
16 and benefits established by the commission, payable as the  
17 compensation of employees of the department.

18 ~~"a. Utilize professional and administrative staff of~~  
19 ~~the department as recommended by the State Superintendent of~~  
20 ~~Education.~~

21 "b. Upon evaluation and agreement, share services,  
22 facilities, supplies, and related costs with the department.

23 ~~"b.c.~~ Adopt rules for the operation and organization  
24 of the commission.

25 ~~"c.d.~~ Review, at least once per year, department  
26 rules and regulations concerning public charter schools and,

1 if needed, recommend to the State Superintendent of Education  
2 any rule or regulation changes deemed necessary.

3 "~~d.~~e. Convene stakeholder groups and engage experts.

4 "~~e.~~f. Seek and receive state, federal, and private  
5 funds for operational expenses.

6 "~~f.~~(12) A commission member may not receive  
7 compensation, but shall be reimbursed by the department for  
8 travel and per diem expenses at the same rates and in the same  
9 manner as state employees.

10 "~~g.~~(13) The commission shall submit an annual report  
11 to the department pursuant to subsection (g).

12 ~~(12)~~(14) In order to overrule the decision of a  
13 local school board and authorize a public charter school, the  
14 commission shall do all of the following:

15 "a. Find evidence of a thorough and high-quality  
16 public charter school application from the applicant based on  
17 the authorizing standards in subdivision (8) of subsection (a)  
18 of Section 16-6F-7.

19 "b. Hold an open community hearing opportunity for  
20 public comment within the local school system where the  
21 application was denied.

22 "c. Find that the local board's denial of an  
23 original charter application was not supported by the  
24 application and exhibits.

25 "d. Take into consideration 1. other existing  
26 charter school applications, 2. the quality of school options  
27 existing in the affected community, 3. the existence of other

1 charter schools, and 4. any other factors considered relevant  
2 to ensure the establishment of high-quality charter schools in  
3 accordance with the intent of this chapter.

4 "e. Find evidence that the local school board erred  
5 in its application of nationally recognized authorizing  
6 standards.

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

19 "(1) Written notification of intent to serve as a  
20 charter authorizer in accordance with this chapter.

21 "(2) An explanation of the local school board's  
22 capacity and commitment to execute the duties of quality  
23 charter authorizing, as defined by nationally recognized  
24 authorizing standards.

25 "(3) An explanation of the local school board's  
26 strategic vision for chartering.

1           "(4) An explanation of how the local school board  
2 plans to solicit public charter school applicants, in  
3 accordance with this chapter.

4           "(5) A description or outline of the performance  
5 framework the local school board will use to guide the  
6 establishment of a charter contract and for ongoing oversight  
7 and evaluation of public charter schools, consistent with the  
8 requirements of this chapter.

9           "(6) A draft of the local school board's renewal,  
10 revocation, and nonrenewal processes, consistent with  
11 subsection (c) of Section 16-6F-8.

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

16           "(e) If a local school board chooses not to register  
17 as an authorizer, all applications seeking to open a start-up  
18 public charter school within that local school board's  
19 boundaries shall be denied. Applicants wishing to open a  
20 public charter school physically located in that local school  
21 system may apply directly to the commission.

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

23           "(1) Solicit, invite, receive, and evaluate  
24 applications from organizers of proposed public charter  
25 schools.

26           "(2) Approve applications that meet identified  
27 educational needs.

1           "(3) Deny applications that do not meet identified  
2 educational needs.

3           "(4) Create a framework to guide the development of  
4 charter contracts.

5           "(5) Negotiate and execute charter contracts with  
6 each approved public charter school.

7           "(6) Monitor the academic, fiscal, and  
8 organizational performance and compliance of public charter  
9 schools.

10          "(7) Determine whether each charter contract merits  
11 renewal or revocation.

12          "(g) An authorizer shall submit to the State Board  
13 of Education a publicly accessible annual report within 60  
14 days after the end of each school fiscal year summarizing all  
15 of the following:

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

18           "(2) The academic and financial performance of all  
19 operating public charter schools overseen by the authorizer,  
20 according to the performance measures and expectations  
21 specified in the charter contracts.

22           "(3) The status of the public charter school  
23 portfolio of the authorizer, identifying all public charter  
24 schools within that portfolio as one of the following:

25           "a. Approved, but not yet open.

26           "b. Open and operating.

27           "c. Terminated.

1 "d. Closed, including year closed and reason for  
2 closing.

3 "e. Never opened.

4 "(4) The oversight and services, if any, provided by  
5 the authorizer to the public charter schools under the purview  
6 of the authorizer.

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

12 "(6) All use of taxpayer dollars including  
13 expenditures, contracts, and revenues.

14 "(h) To cover costs for overseeing and authorizing  
15 public charter schools in accordance with this chapter, ~~a~~  
16 ~~local school board serving as~~ an authorizer may do all of the  
17 following:

18 "(1) Expend its own resources, seek grant funds, and  
19 establish partnerships to support its public charter school  
20 authorizing activities.

21 "(2) Charge a portion of annual per student state  
22 allocations received by each public charter school it  
23 authorizes based on the following schedule:

24 "a. If the ~~local school board~~ authorizer has  
25 oversight over one to three, inclusive, public charter  
26 schools: Three percent of annual per student state  
27 allocations.

1           "b. If the ~~local school board~~ authorizer has  
2 oversight over four to five, inclusive, public charter  
3 schools: Two percent of annual per student state allocations.

4           "c. If the ~~local school board~~ authorizer has  
5 oversight over six to 10, inclusive, public charter schools:  
6 One percent of annual per student state allocations.

7           "d. These funds shall be used to cover the costs for  
8 ~~local school board~~ an authorizer to provide authorizing  
9 services to its public charter schools.

10          "(i) An employee, agent, or representative of an  
11 authorizer may not simultaneously serve as an employee, agent,  
12 representative, vendor, or contractor of a public charter  
13 school of that authorizer.

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

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

1 but consistent with this section, may purchase services from  
2 the local school system where the public charter school is  
3 located.

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

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



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

15           "(o) In the event of revocation of the chartering  
16 authority of an authorizer, the department shall manage the  
17 timely and orderly transfer of each charter contract held by  
18 that authorizer to another authorizer in the state, with the  
19 mutual agreement of each affected public charter school and  
20 proposed new authorizer. The new authorizer shall assume the  
21 existing charter contract for the remainder of the charter  
22 term.

23           "(p) Authorizer power, duties, and liabilities.  
24 Authorizers are responsible for executing, in accordance with  
25 this chapter, the following essential powers and duties:

26           "(1) Soliciting and evaluating charter applications  
27 based on nationally recognized standards.

1           "(2) Approving quality charter applications that  
2 meet identified educational needs and promote a diversity of  
3 high-quality educational choices.

4           "(3) Declining to approve weak or inadequate charter  
5 applications.

6           "(4) Negotiating and executing charter contracts  
7 with each approved public charter school.

8           "(5) Monitoring, in accordance with charter contract  
9 terms, the performance and legal compliance of public charter  
10 schools.

11           "(6) Determining whether each charter contract  
12 merits renewal, nonrenewal, or revocation.

13           "(q) An authorizer that grants a charter to a  
14 501(c)(3) tax-exempt organization for the purpose of opening  
15 and operating a public charter school is not liable for the  
16 debts or obligations of the public charter school, or for  
17 claims arising from the performance of acts, errors, or  
18 omissions by the charter school, if the authorizer has  
19 complied with all oversight responsibilities required by law,  
20 including, but not limited to, those required by this chapter.

21           "(r) Principles and standards for charter  
22 authorizing.

23           "(1) All authorizers shall be required to develop  
24 and maintain chartering policies and practices consistent with  
25 nationally recognized principles and standards for quality  
26 charter authorizing in all major areas of authorizing  
27 responsibility including: Organizational capacity and

1 infrastructure; soliciting and evaluating charter  
2 applications; performance contracting; ongoing public charter  
3 school oversight and evaluation; and charter renewal  
4 decision-making. ~~The State Board of Education shall promulgate~~  
5 ~~reasonable rules and regulations to effectuate this section by~~  
6 ~~June 17, 2015.~~

7 "(2) Authorizers shall carry out all of their duties  
8 under this chapter in a manner consistent with such nationally  
9 recognized principles and standards and with the spirit and  
10 intent of this chapter. Evidence of material or persistent  
11 failure to do so shall constitute grounds for losing charter  
12 authorizing powers.

13 "§16-6F-10.

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

22 "(b) Operational funding.

23 "(1) The following provisions govern operational  
24 funding:

25 "a. ~~In their initial year, and in subsequent years~~  
26 ~~to accommodate growth as articulated in their application,~~  
27 ~~funding for public charter schools shall be provided from the~~

1 ~~Education Trust Fund in the Foundation Program appropriation~~  
2 ~~for current units. Subsequent year funding for public charter~~  
3 ~~schools shall be based on the Foundation Program allocation~~  
4 ~~and other public school Education Trust Fund appropriations. A~~  
5 start-up public charter school shall be funded for basic  
6 student needs, during startup and planned structured growth  
7 years, in the same manner as a newly formed non-charter public  
8 school. Foundation Program funding during the developmental  
9 years for a start-up public charter school shall be provided  
10 by inclusion of anticipated enrollment for the upcoming school  
11 year as provided in the approved charter application. During  
12 the fiscal year, the resulting Foundation Program allocation  
13 shall be adjusted to reconcile the variance between  
14 anticipated and actual funded enrollment. In addition to  
15 Foundation Program allocations, a public charter school shall  
16 participate in other Education Trust Fund and Public School  
17 Fund appropriations in the same manner as any other  
18 non-charter public school.

19 "b. For each of its students, a public charter  
20 school shall receive the same amount of state funds, including  
21 funds earmarked for the Foundation Program transportation,  
22 school nurses, technology coordinators, and other line items  
23 that may be included in the appropriation for the Foundation  
24 Program Fund, that, for the then-current fiscal year, would  
25 have otherwise been allocated on behalf of each public charter  
26 school student to the local school system where the student  
27 resides. This amount shall reflect the status of each student

1 according to grade level, economic disadvantage, limited  
2 English proficiency, and special education needs.

3 "c. For each ~~of its students~~ student who resides  
4 within the county where a public charter school is located, a  
5 public charter school shall receive the same amount, from the  
6 non-charter school district of residence, a per student share  
7 of the net local tax revenue, that, realized for the  
8 then-current fiscal year, would have otherwise been allocated  
9 on behalf of each public charter school student to the local  
10 non-charter public school of each student's residence,  
11 excluding those funds already earmarked through a vote of the  
12 local school board for debt service, capital expenditures, or  
13 transportation. As necessary, the department shall promulgate.  
14 For each student who resides outside of the county where the  
15 public charter school is located, no local revenue beyond the  
16 per pupil share of the 10 mill match shall follow the student  
17 to the public charter school. Allocable net local tax revenue  
18 shall be determined as the gross local tax revenues realized,  
19 less the school district's 10 mill Foundation Program match  
20 requirement, and less a debt service allowance established by  
21 the chief education financial officer based on the district's  
22 debt obligations at the fiscal year-end just prior to the  
23 public charter school's initial operations. Under no  
24 circumstance shall the start-up public charter school receive  
25 from the non-charter school district of residence a per  
26 student share of the net local tax revenue greater than the  
27 net local tax revenue of the district in which the public

1 charter school is located. The department shall adopt  
2 processes and procedures to annually determine the ~~specific~~  
3 budgeted local revenue allocations ~~according to the Foundation~~  
4 ~~Program~~ for each public charter school before the deadline for  
5 the submission of applications to the commission or the  
6 registered local authorizer.

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

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

26 "f.e. The maximum annual local tax allocation  
27 forwarded to a ~~conversion~~ public charter school from a local

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

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

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

22 "(3) Special education funding.

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

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

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

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

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

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

14 "(5) Transportation funding.

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

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

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



1                   Section 2. This act shall become effective on the  
2 first day of the third month following its passage and  
3 approval by the Governor, or its otherwise becoming law.