

BILL ANALYSIS

Senate Research Center
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S.B. 1830
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Charter schools were adopted in Texas to provide additional educational opportunities for students in the public school system. Charter schools, through the use of different and innovative learning methods, have proven to be extremely popular and successful in meeting the educational needs of many students. Open-enrollment charter schools have been particularly successful at meeting the needs of at-risk students and students seeking a college preparatory school. In 2008, almost 114,000 students attended a charter school, with another 16,810 on waiting lists.

As proposed, S.B. 1830 deletes the provision capping the number of open-enrollment charter schools for which the State Board of Education is authorized to grant a charter; authorizes a charter holder to establish one or more new open-enrollment charter school campuses under a charter without applying for authorization from the State Board of Education if it meets certain criteria. The bill provides that an open-enrollment charter school is subject to certain prohibitions, restrictions, or requirements, as applicable, imposed by this title or a rule, relating to public school accountability, except that a student may be included in computing the dropout or completion rate of an open-enrollment charter school for purposes of Chapter 39 only after the student has attended the school for 85 or more school days. S.B. 1830 provides that for each school year that an open-enrollment charter school is rated academically acceptable under Subchapter D, Chapter 39, to the extent that money is available that may be used for the purpose, the open-enrollment charter school is entitled to certain additional funding. The bill requires the commissioner of education to adopt rules to administer certain funding provisions, and a procedure for providing notice to certain persons on receipt of an application for a charter for an open-enrollment charter school or on receipt by the board and the commissioner of notice of the establishment of a campus. S.B. 1830 authorizes the board of trustees of a school district that collocates a charter school on a district school campus to have data regarding the academic performance of students enrolled in the open-enrollment charter school combined with comparable data of the colocated district campus in determining the performance of the campus and the district and sets forth certain requirements for the agreement between the school district and the open-enrollment charter school and authorizes certain funding adjustments.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the commissioner of education (commissioner) in SECTION 4 (Section 12.1062, Education Code) of this bill.

Rulemaking authority previously granted to the commissioner is modified in SECTION 5 (Section 12.1101, Education Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 12.101, Education Code, by amending Subsection (b) and adding Subsection (b-1), as follows:

(b) Deletes existing text prohibiting the State Board of Education (SBOE) from granting a total of more than 215 charters for an open-enrollment charter school.

(b-1) Authorizes a charter holder to establish one or more new open-enrollment charter school campuses under a charter without applying for authorization from SBOE if 75 percent or more of the open-enrollment charter school campuses operating under the

charter are rated as academically acceptable or higher under Subchapter D (Accreditation Status), Chapter 39 (Public School System Accountability); either no campus operating under the charter has been rated as academically unacceptable for any two of the three preceding school years or such a campus has been closed; and the charter holder provides written notice, in the time, manner, and form provided by commissioner of education (commissioner) rule, to SBOE and the commissioner of the establishment of any campus under this subsection.

SECTION 2. Amends Section 12.1012, Education Code, by adding Subdivision (7), to define "open-enrollment charter school."

SECTION 3. Amends Section 12.104, Education Code, by amending Subsection (b) and adding Subsection (e), as follows:

(b) Creates an exception under Subsection (e).

(e) Authorizes a student to be included in computing the dropout or completion rate of an open-enrollment charter school for purposes of Chapter 39 only after the student has attended the school for 85 or more school days.

SECTION 4. Amends Subchapter D, Chapter 12, Education Code, by adding Section 12.1062, as follows:

Sec. 12.1062. **ADDITIONAL FUNDING FOR ACADEMICALLY ACCEPTABLE SCHOOLS.** (a) Entitles an open-enrollment charter school to funding under this section for each school year that an open-enrollment charter school is rated academically acceptable under Subchapter D, Chapter 39, to the extent that money is available that is authorized to be used for the purpose.

(b) Requires the commissioner, based on the amount of money that is available that is authorized to be used for the purpose, to establish the amount of funds that an open-enrollment charter school will be provided under this section, except that the amount is prohibited from exceeding \$1,000 per student in enrollment and to the extent money is available, is required to be at least \$500 per student.

(c) Requires that the amount awarded per student for all open-enrollment charter schools described by Subsection (a), if there is not sufficient money available to pay \$500 per student to each open-enrollment charter school described by Subsection (a), be reduced by the same amount.

(d) Authorizes funds awarded under this section to be used only for open-enrollment charter school operations and facilities.

(e) Requires the commissioner to adopt rules as necessary to administer this section, including rules to ensure that money awarded is used only for the purpose authorized by Subsection (d).

(f) Provides that Section 12.107 (Status and Use of Funds) applies to funds awarded under this section.

SECTION 5. Amends Section 12.1101, Education Code, as follows:

Sec. 12.1101. **NOTIFICATION OF CHARTER APPLICATION.** Requires the commissioner by rule to adopt a procedure for providing notice to certain persons on receipt by SBOE of an application for a charter for an open-enrollment charter school under Section 12.110 (Application) or on receipt by SBOE and the commissioner of notice of the establishment of a campus as authorized under Section 12.101(b-1).

SECTION 6. Amends Subchapter D, Chapter 12, Education Code, by adding Sections 12.134 and 12.135, as follows:

Sec. 12.134. COLOCATION AGREEMENT BETWEEN SCHOOL DISTRICT AND OPEN-ENROLLMENT CHARTER SCHOOL. (a) Provides that this section applies to a school district that leases a district facility for the operation of an open-enrollment charter school to be colocated on a district campus and enters into an agreement with the charter school as provided by Subsection (d).

(b) Authorizes the board of trustees of a school district to elect to have a date regarding the academic performance of students enrolled in the open-enrollment charter school combined with comparable data of the colocated district campus in determining the performance of the campus and the district.

(c) Requires the board of trustees of a school district that elects under Subsection (b) to have academic data combined to annually file with the Texas Education Agency (TEA) a copy of the lease and agreement described by Subsection (a).

(d) Provides that the agreement between the school district and the open-enrollment charter school is required to establish terms for sharing instructional or other specified resources, such as professional development; is required to specify for each year factors for identifying a student who will be served by the charter school in the leased facilities, which may include certain factors; and is authorized to prohibit the charter school from enrolling students at the leased facilities other than those identified under factors designated in the agreement.

Sec. 12.135. EDUCATIONAL SERVICES AGREEMENT BETWEEN SCHOOL DISTRICT AND OPEN-ENROLLMENT CHARTER SCHOOL. (a) Entitles the school district, notwithstanding Chapters 41 (Equalized Wealth Level) and 42 (Foundation School Program), and in addition to any other funds to which a school district is authorized to be entitled, if the board of trustees of the district enters into an agreement under this section with an open-enrollment charter school for the charter school to provide educational services to a student enrolled in school in the district, to receive the greater of the amount the charter school would receive under Section 12.106 (State Funding) if the student were enrolled in the charter school or the amount to which the district is entitled under Chapters 41 and 42 for the student.

(b) Authorizes the board of trustees of a school district that enters into an agreement described by Subsection (a) with an open-enrollment charter school to elect to have the state and federal funds attributable to the students educated by the charter school paid directly to the charter school. Requires a school district that makes such an election to make an annual declaration of the election to TEA in a manner determined by the commissioner. Provides that the district remains responsible for any overallocation or audit recovery of state or federal funds as determined by the commissioner.

SECTION 7. Provides that this Act applies beginning with the 2009-2010 school year.

SECTION 8. Effective date: upon passage or September 1, 2009.