

**Hall of the House of Representatives**  
84th General Assembly - Regular Session, 2003  
**Amendment Form**

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**Subtitle of House Bill No. 2878**  
"AN ACT TO AMEND THE CHARTER SCHOOL LAW."  
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**Amendment No. 1 to House Bill No. 2878.**

Amend House Bill No. 2878 as originally introduced:

Delete everything following the enacting clause and substitute the following:

SECTION 1. Arkansas Code § 6-23-103 is amended to read as follows:  
6-23-103. Definitions.

As used in this chapter:

(1) "Charter" means a performance-based contract for an initial ~~three-~~  
year five-year period that converts a public school to a charter school or  
authorizes the creation and conditional operation of an open-enrollment  
charter school, which exempts the charter school from state and local rules,  
regulations, policies, and procedures specified in the contract and from the  
provisions of § 6-1-101 et seq. specified in the contract;

(2) "Charter school" means a public school that is operating under the  
terms of a charter granted by the State Board of Education or an open  
enrollment charter school as defined in subdivision (5) of this section;

(3) "Eligible entity" means a public institution of higher education,  
a private nonsectarian institution of higher education, a governmental  
entity, or an organization that is nonsectarian in its program, admissions  
policies, employment practices, and operations and is exempt from taxation  
under § 501(c)(3) of the Internal Revenue Code of 1986;

(4) "Local board" means a board of directors exercising the control  
and management of a public school district;

(5) "Open-enrollment charter school" means a public school that is  
operating under the terms of a charter granted by the state board on the  
application of an eligible entity and may draw its students from across  
public school district boundaries;

(6) "Parent" means any parent, legal guardian, or other person having  
custody or charge of a school-age child;

(7) "Petition" means a proposal to enter into a performance-based  
contract between the state board and a public school or eligible entity  
whereby the proposed school obtains charter school status;

(8) "Public school" means a school that is part of a public school  
district under the control and management of a local board; and

(9) "State board" means the State Board of Education.

SECTION 2. Arkansas Code § 6-23-204 is amended to read as follows:



6-23-204. Charter renewal.

The State Board of Education is authorized to renew charters on a one-year or multiyear basis, not to exceed ~~three (3)~~ five (5) years, for local schools after the initial ~~three-year~~ five-year period if the renewal is approved by the local school board.

SECTION 3. Arkansas Code § 6-23-302 is amended to read as follows:  
6-23-302. Petition for an open-enrollment charter school.

(a) Pursuant to the provisions of this chapter, an eligible entity may petition the State Board of Education to grant an application for an open-enrollment charter school to operate in a facility of a commercial or nonprofit entity or a public school district.

(b) The petition to the state board for an open-enrollment charter school shall be made in accordance with a schedule approved by the state board.

(c) The petition shall:

(1)(A) Describe the results of a public hearing called by the petitioner for the purpose of assessing support of an application to initiate a petition for charter school status.

(B)(i) Notice of the public hearing shall be published once a week for three (3) consecutive weeks in a newspaper having general circulation in each school district from which the charter school is likely to draw students for the purpose of enrollment.

(ii) The last publication of notice shall be no less than seven (7) days prior to the public meeting.

(iii) The notice shall not be published in the classified or legal notice section of the newspaper.

(iv) The notice shall be published in no less than ten-point size and shall be no less than two by four inches (2" x 4") or four by two inches (4" x 2").

~~(C)(i)~~ Within seven (7) calendar days following the first publication of notice required under subdivision (c)(1)(B) of this section, letters announcing the public hearing shall be sent to the superintendents ~~and school board members~~ of each of the school districts from which the charter school is likely to draw students for the purpose of enrollment and the superintendents ~~and school board members~~ of any district that is contiguous to the district in which the open-enrollment charter school will be located;

~~(ii) The letters to the school board members required in subdivision (c)(1)(C)(i) shall only be required for each school board member whose name and mailing address are provided by the superintendent of an affected school district upon the request of the petitioner;~~

(2) Describe a plan for academic achievement that addresses how the open-enrollment charter school will improve student learning and meet the state education goals;

(3) Outline the proposed performance criteria that will be used during the initial ~~three-year~~ five-year period of the open-enrollment charter school operation to measure its progress in improving student learning and meeting or exceeding the state education goals;

(4) List the specific provisions of ~~§ 6-1-101 et seq.~~ Title 6 of the Arkansas Code and the specific rules and regulations promulgated by the

state board from which the open-enrollment charter school seeks to be exempted;

(5)(A) Describe the facility to be used for the open-enrollment charter school and state the facility's current use and the facility's use for the immediately preceding three (3) years.

(B) If the facility to be used for an open-enrollment charter school is a public school district facility, the open-enrollment charter school must operate in the facility in accordance with the terms established by the board of directors of the public school district in an agreement governing the relationship between the open-enrollment charter school and the public school district.

(C) If the facility that will be used for the charter school is owned by or leased from a sectarian organization, the terms of the facility agreement must be disclosed to the state board; and

(6) Include a detailed budget and a governance plan for the operation of the open-enrollment charter school.

(d)(1) The petition shall be first reviewed and approved by the local board of the district where the proposed open enrollment will operate.

(2) ~~However, if the local board disapproves the petition, the petitioners shall have an immediate right to proceed with a written notice of appeal to the state board, which shall hold a hearing within forty five (45) calendar days after receipt of the notice of appeal and where all interested parties may appear and present relevant information regarding the proposed open enrollment charter school petition. The local board of directors of the district where the proposed open-enrollment charter school will operate may submit written comments stating the local board's support or opposition of the proposed open-enrollment charter school to the State Board of Education.~~

(e) A certified teacher employed by a public school district in the school year immediately preceding the effective date of a charter for an open-enrollment charter school operated at a public school facility may not be transferred to or be employed by the open-enrollment charter school over the certified teacher's objections.

SECTION 4. Arkansas Code § 6-23-303 is amended to read as follows:  
6-23-303. Authorization for an open-enrollment charter school.

As requested by the petitioning open-enrollment charter school proponents, the State Board of Education shall review the petition for an open-enrollment charter school and may approve any petition that:

(1) Provides a plan for academic achievement that addresses how the open-enrollment charter school proposes to improve student learning and meet the state education goals;

(2) Includes a set of performance criteria that will be used during the initial ~~three-year~~ five-year period of the open-enrollment charter school's operation to measure its progress in meeting its academic performance goals;

(3) Includes a proposal to directly and substantially involve the parents of students to be enrolled in the open-enrollment charter school, the certified employees, and the broader community in carrying out the terms of the open-enrollment charter;

(4) Includes an agreement to provide an annual report to parents, the community, and the state board that demonstrates the progress made by the open-enrollment charter school during the previous academic year in meeting

its academic performance objectives; and

(5) Includes a detailed budget, a business plan, and a governance plan for the operation of the open-enrollment charter school.

SECTION 5. Arkansas Code § 6-23-304 is amended to read as follows:  
6-23-304. Requirements - Preference for certain districts.

(a) The State Board of Education may approve or deny an application based on criteria adopted by the state board, which shall include criteria relating to improving student performance and encouraging innovative programs and written findings or statements received by the board from any public school district likely to be affected by the charter school.

(b) The state board shall give preference in approving an application for a charter school to be located in any public school district:

(1) Where the percentage of students who qualify for free or reduced price lunches is above the average for the state; or

(2) Where the percentage of students not reading at grade level is above the average for the state.

~~(c) The state board may grant no more than a total of twelve (12) charters for open enrollment charter schools, and no more than three (3) of such charters may be granted in any single congressional district in the state.~~

~~(d)(1) No private or parochial elementary or secondary school shall be eligible for open enrollment charter school status.~~

~~(2)(c) No open-enrollment charter school shall be located in a school district with an enrollment of fewer than five hundred (500) students at the time that the state board initially approves the charter.~~

SECTION 6. Arkansas Code § 6-23-307 is amended to read as follows:  
6-23-307. Renewal of charter.

After the initial ~~three-year~~ five-year period of an open-enrollment charter, the State Board of Education is authorized to renew these charters on a one-year or multiyear basis, not to exceed ~~three (3)~~ five (5) years per each charter renewal.

SECTION 7. Arkansas Code § 6-23-402 is amended to read as follows:  
6-23-402. Enrollment numbers and deadline.

(a) An open-enrollment charter school may enroll a number of students not to exceed the number of students specified in its charter or the initial funding projected enrollment as of April 15 preceding the school year in which the students are to attend.

~~(b)(1) Any student enrolling in an open enrollment charter school shall enroll in that school by April 15 of the school year prior to the school year during which the student will be enrolled in the open enrollment charter school.~~

~~(2) However, if a student enrolled by April 15 should no longer choose to attend the open enrollment charter school, the open enrollment charter school may enroll a replacement student.~~

~~(e)(b) Open-enrollment charter schools shall keep records of attendance in accordance with the law and submit quarterly attendance reports to the Department of Education.~~

SECTION 8. Arkansas Code § 6-23-501 is amended to read as follows:

6-23-501. Funding for open-enrollment charter schools.

(a)(1) An open-enrollment charter school shall receive funds equal to the minimum state and local revenue per average daily membership as defined in § 6-20-303.

(2) Funding for an open-enrollment charter school shall be based upon the current year three-quarter average daily membership of the open-enrollment charter school as follows:

(A) The initial funding estimate for each school year shall be ~~based on enrollment as of April 15 preceding the school year in which the students are to attend~~ based on the projected enrollment as of April 15 preceding the school year in which the students are to attend under. Under no circumstances may a projected enrollment approved in any charter issued by the State Board of Education;

(B) In December, funding will be adjusted based on the first quarter average daily membership; and

(C) A final adjustment will be made after the current year three-quarter average daily membership is established.

(3) Funding for an open-enrollment charter school shall be paid in twelve (12) ~~equal~~ installments each fiscal year.

(b) Except for state transportation aid funds, an open-enrollment charter school may receive other state and federal aids, grants, and revenue as may be provided by law.

(c) Open-enrollment charter schools may receive gifts and grants from private sources in whatever manner is available to public school districts.

SECTION 9. Arkansas Code § 6-23-601 is amended to read as follows:

6-23-601. Petition for limited charter school status - Approval - Teacher transfers - annual evaluation.

(a)(1) Any public school may petition the State Board of Education for a limited charter status for alternative comprehensive staffing and compensation programs designed to enhance student and teacher performance and improve employee salaries, opportunities, and incentives, to be known as a limited charter school.

(2) A limited charter shall be for the purpose of instituting alternative staffing practices in accordance with a schedule approved by the state board.

(3) A limited charter shall be initially established for a period of no more than ~~three (3)~~ five (5) years and may be renewed on a one-year or multiyear basis, not to exceed ~~three (3)~~ five (5) years per charter renewal.

(b) The petition shall:

(1)(A) Contain the provisions of § 6-1-101 et seq. and the specific rules and regulations promulgated by the state board from which the public school will be exempt.

(B) The provisions from which the school district may be exempt for the limited charter school only shall be limited to the following:

(i) The duty-free lunch period requirements set forth in § 6-17-111;

(ii) The daily planning period requirements set forth in § 6-17-114;

(iii) The committee on personnel policies requirements set forth in §§ 6-17-201 - 6-17-208; and

(iv) Standards for accreditation set forth in the Arkansas Code, set forth by the Department of Education, or set forth by the state board.

(C) No limited charter school may be allowed an exemption that would allow a full-time certified employee to be paid less than the salary provided in the school district's salary schedule for that employee;

(2) Describe a plan for school improvement that addresses how the school will improve student learning and meet the state education goals;

(3) Describe how the certified employees at the charter school will be involved in developing and implementing the school improvement plan set forth in subdivision (b)(2) of this section and in identifying performance criteria;

(4) Outline proposed performance criteria that will be used during the initial ~~three-year~~ five-year period of the charter to measure the progress of the charter school in improving student learning and meeting or exceeding the state education goals; and

(5) Be reviewed as a regular agenda item and approved after sufficient public comment by the local school board and the state board.

(c)(1) Any petition to obtain limited charter school status approved by a local board shall be forwarded by the local board to the state board.

(2) If a local board does not approve a public school's petition, the local board shall inform the petitioners and faculty of the public school of the local board's reasons for not approving the petition.

(d)(1) A certified teacher employed by a public school in the school year immediately preceding the effective date of a limited charter for a public school within that district may not be transferred to or be employed by the limited charter school over the certified teacher's objections, nor shall that objection be used as a basis to deny continuing employment within the district in another public school at a similar grade level.

(2) If the transfer of a teacher within a district is not possible because only one (1) school exists for the teacher's certification level, then the local board shall call for a vote of the certified teachers in the proposed limited charter school site and proceed, at the local board's option, with the charter school petition if a majority of the certified teachers approve the proposal.

(3)(A) A certified teacher choosing to join the staff of a limited charter school shall be employed by the district by a written contract as set forth in § 6-13-620(4), with the contract being subject to the provisions of the Teacher Fair Dismissal Act of 1983, § 6-17-1501 et seq.

(B)(i) The certified teacher shall also enter into a separate supplemental contract specifically for the teacher's employment in the limited charter school, with the supplemental contract being exempt from the Teacher Fair Dismissal Act of 1983, § 6-17-1501 et seq., and from § 6-17-807.

(ii) Termination of the supplemental contract shall not be used as a basis to deny continued employment of the teacher within the district in another public school at a similar grade level.

(e)(1) Limited charter schools shall be evaluated annually by the department based on criteria approved by the state board, including, but not limited to, student performance data in order to determine progress in student achievement that has been achieved by the limited charter school.

(2) The department shall annually report its evaluation to the

state board.

(3) Based upon that evaluation, the state board may revoke a limited charter.

(f) The state board shall promulgate rules and regulations necessary for the implementation of this subchapter.

SECTION 10. Arkansas Code § 6-20-802 is amended to read as follows:  
6-20-802. Purposes of loan.

Subject to the conditions and limitations contained in this subchapter, any school district or public charter school may borrow and the State Board of Education may lend moneys in the Revolving Loan Fund for any of the following purposes:

- (1) The funding of its legally issued and outstanding postdated warrants;
- (2) The purchase of new or used school buses or the refurbishing of school buses;
- (3) The payment of premiums on insurance policies covering its school buildings, facilities, and equipment in instances where the insurance coverage extends three (3) years or longer;
- (4) The replacement of or payment of the district's pro rata part of the expense of employing professional appraisers as authorized by § 26-26-601 et seq. or other laws providing for the appraisal or reappraisal and assessment of property for ad valorem tax purposes;
- (5) The making of major repairs and the construction of additions to existing school buildings and facilities;
- (6) The purchase of surplus buildings and equipment;
- (7) The purchase of sites for and the cost of construction thereon of school buildings and facilities and the purchase of equipment for the buildings;
- (8) The purchase of its legally issued and outstanding commercial bonds at a discount provided that a substantial savings in gross interest charges can be thus effected;
- (9) The refunding of all or any part of its legally issued and outstanding debt, both funded and unfunded;
- (10) The purchase of equipment;
- (11) The payment on loans secured for settlement resulting from litigation against a school district;
- (12) The purchase of energy conservation measures as defined in § 6-20-401; and
- (13)(A)(i) The maintenance and operation of the school district in an amount equal to delinquent property taxes resulting from bankruptcies or receiverships of taxpayers; and  
(ii) Loans to school districts in an amount equal to insured facility loss or damage when the insurance claim is being litigated or arbitrated.
- (B) For purposes of this subdivision (13), the loans become payable and due when the final settlement is made, and the loan limits prescribed by § 6-20-803 shall not apply.

SECTION 11. Arkansas Code § 6-21-108 is amended to read as follows:  
6-21-108. School districts authorized to own and convey real property - Donation of property for educational purposes only.

(a) In addition to the authority of school districts under § 6-13-620 to have the care and custody of the schoolhouse, grounds, and other property belonging to the district, the board of directors for any Arkansas school district shall be authorized and empowered to acquire and hold real estate, tenements, hereditaments, and other real property as is necessary and proper for the purposes of the education of pupils of the district and the administration of the schools of the district.

(b)(1) If the board of directors for a school district determines that any real estate owned or controlled by the district is not required for the present or anticipated future needs of the school district and that the donation thereof would serve a beneficial educational service for the pupils of the district, then the school district is also empowered and authorized to donate property or any part thereof to a publicly supported charter school, institution of higher education or a vocational-technical or community college, or any entity thereof, for any of the following limited purposes:

(A) Having the real property improved, upgraded, rehabilitated, or enlarged by the donee; or

(B) Providing a publicly supported institution of higher education or a vocational-technical or community college with the donated property in which to hold classes for students who are from the district or to educate pupils from within the donating school district even if students from outside the district might also benefit.

(2) All donation instruments shall contain provisions by which the title to the property donated shall revert to the donating school district when the donated property is no longer used by the donee for the purposes for which it was donated.

(3) Furthermore, school districts may donate the fee simple title and absolute interest, without any reservations or restrictions, in and to all real property or any part of the property to the publicly supported institution or college if this property was previously conveyed or otherwise transferred by the institution or college to the school district without cost.

(c) The execution of all contracts and conveyances and lease contracts shall be performed by the president and confirmed by the secretary of the school board when authorized by a resolution in writing and approved by a majority vote of the school board."

The Amendment was read \_\_\_\_\_  
By: Representative Hardwick  
KAS/VJF - 040120031317  
VJF822

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Chief Clerk