

SUBJECT

Legislative Update

APPLICABLE STATUTE, RULE, OR POLICY

N/A

BACKGROUND

The 2019 Idaho Legislature is considering bills that directly impact public charter schools.

DISCUSSION

The following current legislation is pertinent to public charter schools:

H91 would eliminate development impact fees for public charter schools. Currently, school districts are not considered development for the purposes of impact fees. If this legislation passes, charter schools would receive the same exemption as school districts.

S1057 seeks to eliminate duplicate reporting of academic achievement data in district and public charter school continuous improvement plans. This policy change recommendation came out of Superintendent Ybarra's Red Tape Committee.

S1058 would allow an alternative path to certification for public charter school administrators. A similar bill passed both houses in the 2018 legislature, but was vetoed by former Governor Otter.

S1102 seeks to increase facility funding for public charter schools from 50% of the statewide average for facility levies and bonds to 80% of this average. This bill would increase per student funding for facilities from \$370 per student enrolled in a public charter school to \$640 per student.

S1103 would allow public charter schools who met specific criteria and agreed to specific conditions to obtain more favorable bond financing for new facilities and renovations.

S1106 would specify that all public schools, including virtual charters and traditional public schools, regardless of the instructional delivery method are eligible to participate in Career Technical Education (CTE) programs.

S1107 is intended to lift the sunset provision on 2016 legislation that allowed public schools to receive a portion of the funding for students who enrolled later in the school year, a particular concern for schools such as virtual charters that commonly enroll students later in the school year.

IMPACT

Information item only.

STAFF COMMENTS AND RECOMMENDATIONS

Staff has no comments or recommendations.

COMMISSION ACTION

Any action would be at the discretion of the PCSC.

STATEMENT OF PURPOSE

RS26592C1

Taxing districts, which includes district public schools, are not within the current definition of development in Idaho Code 67-8203(7) and therefore are not subject to development impact fees. This legislation changes the definition of the word development to not include public charter schools. The purpose is to recognize that public charter schools are similar in purpose to district public schools and should also not be included within the definition of development under the act and consequently not subject to development impact fees. This proposal does not make public charter schools into taxing districts. The proposed change places public charter schools on the same level as district public schools in relation to the assessment of a development impact fee. This legislation includes an emergency clause.

FISCAL NOTE

There is no impact to the state general fund. Local units of government that assess impact fees could see a reduction in collection of these fees. There would be a positive fiscal impact for public charter schools.

Contact:

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Senator Lori Den Hartog
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DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 91

BY LOCAL GOVERNMENT COMMITTEE

AN ACT

1 RELATING TO DEVELOPMENT IMPACT FEES; AMENDING SECTION 67-8203, IDAHO CODE,
2 TO REVISE A DEFINITION AND TO MAKE TECHNICAL CORRECTIONS; AND DECLARING
3 AN EMERGENCY.
4

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

6 SECTION 1. That Section 67-8203, Idaho Code, be, and the same is hereby
7 amended to read as follows:

8 67-8203. DEFINITIONS. As used in this chapter:

9 (1) "Affordable housing" means housing affordable to families whose
10 incomes do not exceed eighty percent (80%) of the median income for the ser-
11 vice area or areas within the jurisdiction of the governmental entity.

12 (2) "Appropriate" means to legally obligate by contract or otherwise
13 commit to use by appropriation or other official act of a governmental en-
14 tity.

15 (3) "Capital improvements" means improvements with a useful life of ten
16 (10) years or more, by new construction or other action, which increase the
17 service capacity of a public facility.

18 (4) "Capital improvement element" means a component of a comprehensive
19 plan adopted pursuant to chapter 65, title 67, Idaho Code, which component
20 meets the requirements of a capital improvements plan pursuant to this chap-
21 ter.

22 (5) "Capital improvements plan" means a plan adopted pursuant to this
23 chapter that identifies capital improvements for which development impact
24 fees may be used as a funding source.

25 (6) "Developer" means any person or legal entity undertaking develop-
26 ment, including a party that undertakes the subdivision of property pursuant
27 to sections 50-1301 through 50-1334, Idaho Code.

28 (7) "Development" means any construction or installation of a building
29 or structure, or any change in use of a building or structure, or any change
30 in the use, character or appearance of land, which creates additional demand
31 and need for public facilities or the subdivision of property that would per-
32 mit any change in the use, character or appearance of land. As used in this
33 chapter, "development" shall not include activities that would otherwise
34 be subject to payment of the development impact fee if such activities are
35 undertaken by a taxing district, as defined in section 63-201, Idaho Code,
36 or by an authorized public charter school, as defined in section 33-5202A,
37 Idaho Code, in the course of carrying out the taxing district's public its
38 statutory responsibilities, unless the adopted impact fee ordinance ex-
39 pressly includes taxing districts or public charter schools as being subject
40 to development impact fees.

41 (8) "Development approval" means any written authorization from a gov-
42 ernmental entity ~~which~~ that authorizes the commencement of a development.

1 (9) "Development impact fee" means a payment of money imposed as a con-
 2 dition of development approval to pay for a proportionate share of the cost
 3 of system improvements needed to serve development. This term is also re-
 4 ferred to as an impact fee in this chapter. The term does not include the fol-
 5 lowing:

6 (a) A charge or fee to pay the administrative, plan review, or inspec-
 7 tion costs associated with permits required for development;

8 (b) Connection or hookup charges;

9 (c) Availability charges for drainage, sewer, water, or transportation
 10 charges for services provided directly to the development; or

11 (d) Amounts collected from a developer in a transaction in which the
 12 governmental entity has incurred expenses in constructing capital im-
 13 provements for the development if the owner or developer has agreed to
 14 be financially responsible for the construction or installation of the
 15 capital improvements, unless a written agreement is made pursuant to
 16 section 67-8209(3), Idaho Code, for credit or reimbursement.

17 (10) "Development requirement" means a requirement attached to a devel-
 18 opmental approval or other governmental action approving or authorizing a
 19 particular development project including, but not limited to, a rezoning,
 20 which requirement compels the payment, dedication or contribution of goods,
 21 services, land, or money as a condition of approval.

22 (11) "Extraordinary costs" means those costs incurred as a result of an
 23 extraordinary impact.

24 (12) "Extraordinary impact" means an impact ~~which~~ that is reasonably
 25 determined by the governmental entity to:

26 ~~(i)a~~ Result in the need for system improvements, the cost of which will
 27 significantly exceed the sum of the development impact fees to be gener-
 28 ated from the project or the sum agreed to be paid pursuant to a develop-
 29 ment agreement as allowed by section 67-8214(2), Idaho Code; ~~or~~

30 ~~(i)b~~ Result in the need for system improvements ~~which~~ that are not
 31 identified in the capital improvements plan.

32 (13) "Fee payer" means that person who pays or is required to pay a de-
 33 velopment impact fee.

34 (14) "Governmental entity" means any unit of local government that is
 35 empowered in this enabling legislation to adopt a development impact fee or-
 36 dinance.

37 (15) "Impact fee." See development impact fee.

38 (16) "Land use assumptions" means a description of the service area and
 39 projections of land uses, densities, intensities, and population in the ser-
 40 vice area over at least a twenty (20) year period.

41 (17) "Level of service" means a measure of the relationship between ser-
 42 vice capacity and service demand for public facilities.

43 (18) "Manufactured home" means a structure, constructed according to
 44 HUD/FHA mobile home construction and safety standards, transportable in
 45 one (1) or more sections, which, in the traveling mode, is eight (8) feet
 46 more in width or is forty (40) body feet or more in length, or when erected on
 47 site, is three hundred twenty (320) or more square feet, and which is built
 48 on a permanent chassis and designed to be used as a dwelling with or without a
 49 permanent foundation when connected to the required utilities, and includes
 50 the plumbing, heating, air conditioning, and electrical systems contained

1 therein, except that such term shall include any structure ~~which~~ that meets
2 all the requirements of this subsection except the size requirements and
3 with respect to which the manufacturer voluntarily files a certification
4 required by the secretary of housing and urban development and complies with
5 the standards established under 42 U.S.C. 5401, et seq.

6 (19) "Modular building" is as defined in section 39-4301, Idaho Code.

7 (20) "Present value" means the total current monetary value of past,
8 present, or future payments, contributions or dedications of goods, ser-
9 vices, materials, construction or money.

10 (21) "Project" means a particular development on an identified parcel
11 of land.

12 (22) "Project improvements" means site improvements and facilities
13 that are planned and designed to provide service for a particular devel-
14 opment project and that are necessary for the use and convenience of the
15 occupants or users of the project.

16 (23) "Proportionate share" means that portion of the cost of system im-
17 provements determined pursuant to section 67-8207, Idaho Code, which rea-
18 sonably relates to the service demands and needs of the project.

19 (24) "Public facilities" means:

20 (a) Water supply production, treatment, storage and distribution fa-
21 cilities;

22 (b) Wastewater collection, treatment and disposal facilities;

23 (c) Roads, streets and bridges, including rights-of-way, traffic
24 signals, landscaping and any local components of state or federal high-
25 ways;

26 (d) Storm water collection, retention, detention, treatment and dis-
27 posal facilities, flood control facilities, and bank and shore protec-
28 tion and enhancement improvements;

29 (e) Parks, open space and recreation areas, and related capital im-
30 provements; and

31 (f) Public safety facilities, including law enforcement, fire, emer-
32 gency medical and rescue and street lighting facilities.

33 (25) "Recreational vehicle" means a vehicular type unit primarily de-
34 signed as temporary quarters for recreational, camping, or travel use, which
35 either has its own motive power or is mounted on or drawn by another vehicle.

36 (26) "Service area" means any defined geographic area identified by a
37 governmental entity or by intergovernmental agreement in which specific
38 public facilities provide service to development within the area defined, on
39 the basis of sound planning or engineering principles or both.

40 (27) "Service unit" means a standardized measure of consumption, use,
41 generation or discharge attributable to an individual unit of development
42 calculated in accordance with generally accepted engineering or planning
43 standards for a particular category of capital improvements.

44 (28) "System improvements," in contrast to project improvements, means
45 capital improvements to public facilities ~~which are~~ designed to provide ser-
46 vice to a service area including, without limitation, the type of improve-
47 ments described in section 50-1703, Idaho Code.

48 (29) "System improvement costs" means costs incurred for construction
49 or reconstruction of system improvements, including design, acquisition,
50 engineering and other costs attributable thereto, and also including, with-

1 out limitation, the type of costs described in section 50-1702(h), Idaho
2 Code, to provide additional public facilities needed to serve new growth and
3 development. For clarification, system improvement costs do not include:

4 (a) Construction, acquisition or expansion of public facilities other
5 than capital improvements identified in the capital improvements plan;

6 (b) Repair, operation or maintenance of existing or new capital im-
7 provements;

8 (c) Upgrading, updating, expanding or replacing existing capital im-
9 provements to serve existing development in order to meet stricter
10 safety, efficiency, environmental or regulatory standards;

11 (d) Upgrading, updating, expanding or replacing existing capital im-
12 provements to provide better service to existing development;

13 (e) Administrative and operating costs of the governmental entity un-
14 less such costs are attributable to development of the capital improve-
15 ments plan, as provided in section 67-8208, Idaho Code; or

16 (f) Principal payments and interest or other finance charges on bonds
17 or other indebtedness except financial obligations issued by or on be-
18 half of the governmental entity to finance capital improvements identi-
19 fied in the capital improvements plan.

20 SECTION 2. An emergency existing therefor, which emergency is hereby
21 declared to exist, this act shall be in full force and effect on and after its
22 passage and approval.

STATEMENT OF PURPOSE

RS26692

This legislation seeks to eliminate duplicate reporting of student achievement data to the state. District and charter school student achievement data is now reported in the State Department of Education's online school report card at www.idahoschools.org. There is no longer a need for the district or charter school's continuous improvement plans to include this data. The bill removes the individual metrics now required to be submitted as part of the continuous improvement plans. The continuous improvement plans would, instead, simply point to the district or charter school's report card.

FISCAL NOTE

There is no fiscal impact to the state General Fund. There may, however, be savings at the district or charter school level due to the elimination of duplicate reporting.

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DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).

IN THE SENATE

SENATE BILL NO. 1057

BY EDUCATION COMMITTEE

AN ACT

RELATING TO EDUCATION; AMENDING SECTION 33-320, IDAHO CODE, TO REVISE PROVISIONS REGARDING CONTINUOUS IMPROVEMENT PLANS FOR SCHOOL DISTRICTS AND PUBLIC CHARTER SCHOOLS.

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

SECTION 1. That Section 33-320, Idaho Code, be, and the same is hereby amended to read as follows:

33-320. CONTINUOUS IMPROVEMENT PLANS AND TRAINING. (1) Each school district and public charter school in Idaho shall develop an annual plan that is part of a continuous focus on improving the student performance of the district or public charter school.

(2) (a) The board of trustees and the superintendent shall collaborate on the plan and engage students, parents, educators and the community as appropriate. The board of directors and the administrator of a public charter school shall collaborate on the plan and engage students, parents, educators and the community as appropriate.

(b) The annual continuous improvement plan shall:

(i) Be data driven, specifically in student outcomes, and shall include, but not be limited to, analyses of demographic data, student achievement and growth data, graduation rates, and college and career readiness;

(ii) Set clear and measurable targets based on student outcomes;

(iii) Include a clearly developed and articulated vision and mission;

(iv) Include key indicators for monitoring performance; and

(v) Include, at a minimum, the ~~statewide student readiness and student improvement~~ achievement and growth metrics, and reported on each school and district's report card as required by the state board of education and published by the state department of education

~~(vi) Include a report of progress toward the previous year's improvement goals.~~

(c) The annual continuous improvement plan must be reviewed and updated annually no later than October 1 each year.

(d) The board of trustees or the board of directors shall continuously monitor progress toward the goals by utilizing relevant data to measure growth. The progress shall be included in evaluations of the district superintendent or administrator of a public charter school.

(3) The plan must be made available to the public and shall be posted on the school district or charter school website.

(4) Of the moneys appropriated in the public schools educational support program, up to six thousand six hundred dollars (\$6,600) shall be

1 distributed to each school district and public charter school to be expended
 2 for training purposes for district superintendents and boards of trustees,
 3 public charter school administrators and boards of directors. Funds shall
 4 be distributed on a reimbursement basis based on a process prescribed by the
 5 superintendent of public instruction. Qualified training shall include
 6 training for continuous improvement processes and planning, strategic plan-
 7 ning, finance, superintendent evaluations, public charter administrator
 8 evaluations, ethics and governance.

9 ~~(5) (a) As used in this section, "statewide student readiness and im-~~
 10 ~~provement metrics" means metrics established by the state board of ed-~~
 11 ~~ucation applicable to three (3) grade bands that include high school,~~
 12 ~~middle grades and elementary grades and early reading readiness, which~~
 13 ~~metrics will be referred to as the:~~

- 14 ~~(i) Career and college readiness metric;~~
- 15 ~~(ii) Career and college readiness improvement metric;~~
- 16 ~~(iii) High school readiness metric;~~
- 17 ~~(iv) High school readiness improvement metric;~~
- 18 ~~(v) Grade 7 readiness metric;~~
- 19 ~~(vi) Grade 7 readiness improvement metric;~~
- 20 ~~(vii) Grade 4 reading readiness metric;~~
- 21 ~~(viii) Grade 4 reading readiness improvement metric;~~
- 22 ~~(ix) Grade 3 reading readiness metric;~~
- 23 ~~(x) Grade 3 reading readiness improvement metric;~~
- 24 ~~(xi) Grade 2 reading readiness metric;~~
- 25 ~~(xii) Grade 2 reading readiness improvement metric;~~
- 26 ~~(xiii) Grade 1 reading readiness metric; and~~
- 27 ~~(xiv) Grade 1 reading readiness improvement metric.~~

28 ~~(b) The readiness score shall be the percent of exiting students that~~
 29 ~~are prepared to continue to the next educational level.~~

30 ~~(c) The readiness improvement score shall be the year-over-year im-~~
 31 ~~provement in the readiness score of the school.~~

32 ~~(d) Statewide student readiness and improvement metrics shall be cal-~~
 33 ~~culated at the school level and reported annually on the progress re-~~
 34 ~~port.~~

35 ~~(6) The state board of education shall be granted rulemaking author-~~
 36 ~~ity to establish appropriate procedures, qualifications and guidelines for~~
 37 ~~qualified training providers and shall prepare a list of qualified training~~
 38 ~~providers within the state of Idaho.~~

STATEMENT OF PURPOSE

RS26699

Unlike most states, Idaho requires charter school administrators to hold a traditional school administrator certificate. This lack of flexibility prevents some local boards of directors from hiring the administrator of their choice. This bill would create a new charter school administrator certificate as an alternative to traditional administrator certificates. Administrators would be eligible for a charter school administrator certificate if they (1) hold a bachelor's degree, (2) pass a criminal background check, (3) receive training on teacher evaluation, (4) demonstrate a charter school board of directors seeks to hire them and commits to overseeing their work, and (5) have a minimum amount of professional experience. This would not be a mandate on charter schools; charter school administrators could continue to hold a traditional administrator certificate or could hold a charter school administrator certificate.

FISCAL NOTE

This bill will have no fiscal impact to the general fund. Though the state board of education and department of education would be tasked with developing and administering the certification, this is already required under existing law so should not result in increased costs.

Contact:

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DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).

IN THE SENATE

SENATE BILL NO. 1058

BY EDUCATION COMMITTEE

AN ACT

RELATING TO CHARTER SCHOOLS; AMENDING SECTION 33-5206, IDAHO CODE, TO ESTABLISH PROVISIONS REGARDING CERTIFICATES FOR CHARTER SCHOOL ADMINISTRATORS AND TO MAKE TECHNICAL CORRECTIONS.

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

SECTION 1. That Section 33-5206, Idaho Code, be, and the same is hereby amended to read as follows:

33-5206. REQUIREMENTS AND PROHIBITIONS 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 education act. 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 contiguous and compact 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. Administrators may be certified pursuant to the requirements set forth in chapter 12, title 33, Idaho Code, pertaining to traditional public schools, or may hold a charter school administrator certificate. An applicant is eligible for a charter school administrator certificate if the applicant:

(a) Holds a bachelor's degree from an accredited four (4) year institution;

(b) Submits to a criminal history check as described in section 33-130, Idaho Code;

1 (c) Completes a course consisting of a minimum of three (3) semester
 2 credits in the statewide framework for teacher evaluations, which shall
 3 include a laboratory component;

4 (d) Submits a letter from a charter school board of directors stating
 5 that the board of directors has carefully considered the applicant's
 6 candidacy, has chosen to hire the applicant, and is committed to over-
 7 seeing the applicant's performance; and

8 (e) Has one (1) or more of the following:

9 (i) Five (5) or more years of experience administering a public
 10 charter school;

11 (ii) A post-baccalaureate degree and a minimum of five (5) years
 12 of experience in school administration, public administration,
 13 business administration, or military administration;

14 (iii) Successful completion of a nationally recognized charter
 15 school leaders fellowship; or

16 (iv) Five (5) or more years of teaching experience and a commit-
 17 ment from an administrator at a charter school in academic, opera-
 18 tional, and financial good standing according to its authorizer's
 19 most recent review to mentor the applicant for a minimum of one (1)
 20 year.

21 A charter school administrator certificate shall be valid for five (5) years
 22 and renewable thereafter. Administrators shall be subject to oversight
 23 by the professional standards commission. Certificates may be revoked
 24 pursuant to the provisions of section 33-1208, Idaho Code. Issuance of a
 25 certificate to any applicant may be refused for such reason as would have
 26 constituted grounds for revocation.

27 (5) No board of trustees shall require any student enrolled in the
 28 school district to attend a public charter school.

29 (6) Authorized chartering entities may establish reasonable pre-open-
 30 ing requirements or conditions to monitor the start-up progress of newly
 31 approved public charter schools and ensure that they are prepared to open
 32 smoothly on the date agreed, and to ensure that each school meets all build-
 33 ing, health, safety, insurance and other legal requirements for school
 34 opening.

35 (7) Each public charter school shall annually submit the audit of its
 36 fiscal operations to the authorized chartering entity.

37 (8) A public charter school or the authorized chartering entity may
 38 enter into negotiations to revise a charter or performance certificate at
 39 any time. If a public charter school petitions to revise its charter or
 40 performance certificate, the authorized chartering entity's review of the
 41 revised petition shall be limited in scope solely to the proposed revisions.
 42 Except for public charter schools authorized by a school district board of
 43 trustees, when a non-virtual public charter school submits a proposed char-
 44 ter revision to its authorized chartering entity and such revision includes
 45 a proposal to increase such public charter school's approved student enroll-
 46 ment cap by ten percent (10%) or more, the authorized chartering entity shall
 47 hold a public hearing on such petition. The authorized chartering entity
 48 shall provide the board of the local school district in which the public
 49 charter school is physically located notice in writing of such hearing no
 50 later than thirty (30) days prior to the hearing. The public hearing shall

1 include any oral or written comments that an authorized representative of
2 the school district in which the public charter school is physically located
3 may provide regarding the impact of the proposed charter revision upon the
4 school district. Such public hearing shall also include any oral or written
5 comments that any petitioner may provide regarding the impact of the pro-
6 posed charter revision upon such school district.

7 (9) When a charter is nonrenewed pursuant to the provisions of section
8 33-5209B, Idaho Code, revoked pursuant to section 33-5209C, Idaho Code, or
9 the board of directors of the public charter school terminates the charter,
10 the assets of the public charter school remaining after all debts of the pub-
11 lic charter school have been satisfied must be returned to the authorized
12 chartering entity for distribution in accordance with applicable law.

13 (10) Public charter schools may contract with educational services
14 providers subject to the following provisions:

15 (a) Educational services providers, whether for-profit or nonprofit,
16 shall be third-party entities separate from the public charter schools
17 with which they contract. Educational services providers shall not be
18 considered governmental entities.

19 (b) No more than one-third (1/3) of the public charter school's board
20 membership may be comprised of nonprofit educational services provider
21 representatives. Nonprofit educational services provider repre-
22 sentatives may not be employees of the public charter school or the
23 educational services provider and may not hold office as president or
24 treasurer on the public charter school's board. For-profit educational
25 services providers may not have representatives on the public charter
26 school's board of directors.

27 (c) Public charter school board of director members shall annually dis-
28 close any existing and potential conflicts of interest, pecuniary or
29 otherwise, with affiliated educational services providers.

30 (d) Charter holders shall retain responsibility for academic, fiscal
31 and organizational operations and outcomes of the school and may not re-
32 linquish this responsibility to any other entity.

33 (e) Contracts must ensure that school boards retain the right to termi-
34 nate the contract for failure to meet defined performance standards.

35 (f) Contracts must ensure that assets purchased by educational ser-
36 vices providers on behalf of the school, using public funds, shall
37 remain assets of the school. The provisions of this paragraph shall
38 not prevent educational services providers from acquiring assets using
39 revenue acquired through management fees.

40 (g) Charter holders shall consult legal counsel independent of the
41 party with whom they are contracting for purposes of reviewing the
42 school's management contract and facility lease or purchase agreements
43 to ensure compliance with applicable state and federal law, including
44 requirements that state entities not enter into contracts that obligate
45 them beyond the terms of any appropriation of funds by the state legis-
46 lature.

47 (h) Charter holders must ensure that their facility contracts are sepa-
48 rate from any and all management contracts.

49 (i) Prior to approval of the charter petition indicating the school
50 board's intention to contract with an educational services provider,

1 authorized chartering entities shall conduct a thorough evaluation of
2 the academic, financial and organizational outcomes of other schools
3 that have contracted with the educational services provider and evi-
4 dence of the educational services provider's capacity to successfully
5 grow the public charter school while maintaining quality management and
6 instruction in existing schools.

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

11 (a) If initial capacity is insufficient to enroll all pupils who submit
12 a timely application, then the admission procedures may provide that
13 preference shall be given in the following order: first, to children
14 of founders, provided that this admission preference shall be limited
15 to not more than ten percent (10%) of the capacity of the public charter
16 school; second, to siblings of pupils already selected by the lottery
17 or other random method; third, to pupils seeking to transfer from an-
18 other Idaho public charter school at which they have been enrolled for
19 at least one (1) year, provided that this admission preference shall be
20 subject to an existing written agreement for such preference between
21 the subject charter schools; fourth, to students residing within the
22 primary attendance area of the public charter school; and fifth, by an
23 equitable selection process such as a lottery or other random method.
24 If so stated in its petition, a new public charter school or replication
25 public charter school may include the children of full-time employees
26 of the public charter school within the first priority group subject to
27 the limitations therein. Otherwise, such children shall be included in
28 the highest priority group for which they would otherwise be eligible.

29 (b) If capacity is insufficient to enroll all pupils who submit a timely
30 application for subsequent school terms, then the admission procedures
31 may provide that preference shall be given in the following order:
32 first, to pupils returning to the public charter school in the second or
33 any subsequent year of its operation; second, to children of founders,
34 provided that this admission preference shall be limited to not more
35 than ten percent (10%) of the capacity of the public charter school;
36 third, to siblings of pupils already enrolled in the public charter
37 school; fourth, to pupils seeking to transfer from another Idaho pub-
38 lic charter school at which they have been enrolled for at least one
39 (1) year, provided that this admission preference shall be subject to
40 an existing written agreement for such preference between the subject
41 charter schools; fifth, to students residing within the primary at-
42 tendance area of the public charter school; and sixth, by an equitable
43 selection process such as a lottery or other random method. There shall
44 be no carryover from year to year of the list maintained to fill vacan-
45 cies. A new lottery shall be conducted each year to fill vacancies that
46 become available. If so stated in its petition, a public charter school
47 may include the following children within the second priority group
48 subject to the limitations therein:

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

1 (ii) Children who attended the public charter school within the
2 previous three (3) school years, but who withdrew as a result of
3 the relocation of a parent or guardian due to an academic sabbati-
4 cal, employer or military transfer or reassignment.
5 Otherwise, such children shall be included in the highest priority
6 group for which they would otherwise be eligible.
7 (12) Public charter schools shall comply with section 33-119, Idaho
8 Code, as it applies to secondary school accreditation.
9 (13) Public charter school students shall be tested with the same stan-
10 dardized tests as other Idaho public school students.

STATEMENT OF PURPOSE

RS26820

Public charter schools do not raise funds through local bonds and levies. They are dependent on state funding to lease, purchase or improve school facilities. The amount available fluctuates each year based on the statewide average per-pupil amount raised by school districts through bond and plant facility levies. Under the current formula, charter schools can receive no more than 50% of the statewide per-pupil average. This bill would increase the amount by a potential 10% per year up to a cap of 80% of the statewide per-pupil average. Additionally, it would remove a mandatory 10% penalty on charter schools if the legislature appropriates less to the education support program compared to the prior year.

FISCAL NOTE

Based on FY 2018 and 2019 appropriations and public school enrollment, a 10% increase equates to a \$1,500,000 increase in general fund appropriations in total for the charter facilities fund. The amount of funding per charter school student would increase by approximately \$70 per student. If there is less than a 3% increase in overall state spending on public education, there would be no increase in facilities funding, meaning no impact in the general fund.

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DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).

IN THE SENATE

SENATE BILL NO. 1102

BY EDUCATION COMMITTEE

AN ACT

RELATING TO EDUCATION; AMENDING SECTION 33-5208, IDAHO CODE, TO REVISE PROVISIONS REGARDING FACILITIES FUNDS FOR PUBLIC CHARTER SCHOOLS.

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

SECTION 1. That Section 33-5208, Idaho Code, be, and the same is hereby amended to read as follows:

33-5208. PUBLIC CHARTER SCHOOL FINANCIAL SUPPORT. Except as provided in subsection (10) of this section, from the state educational support program the state department of education shall make the following apportionment to each public charter school for each fiscal year based on attendance figures submitted in a manner and time as required by the department of education:

(1) Per student support. Computation of support units for each public charter school shall be calculated as if it were a separate school according to the schedules in section 33-1002(4), Idaho Code, except that public charter schools with fewer than one hundred (100) secondary ADA shall use a divisor of twelve (12) and the minimum units shall not apply, and no public charter school shall receive an increase in support units that exceeds the support units it received in the prior year by more than thirty (30). Funding from the state educational support program shall be equal to the total distribution factor, plus the salary-based apportionment provided in chapter 10, title 33, Idaho Code. Provided however, any public charter school that is formed by the conversion of an existing traditional public school shall be assigned divisors, pursuant to section 33-1002, Idaho Code, that are no lower than the divisors of the school district in which the traditional public school is located, for each category of pupils listed.

(2) Special education. For each student enrolled in the public charter school who is entitled to special education services, the state and federal funds from the exceptional child education program for that student that would have been apportioned for that student to the school district in which the public charter school is located.

(3) Alternative school support. Public charter schools may qualify under the provisions of sections 33-1002 and 33-1002C, Idaho Code, provided the public charter school meets the necessary statutory requirements, and students qualify for attendance at an alternative school as provided by rule of the state board of education.

(4) Transportation support. Support shall be paid to the public charter school as provided in chapter 15, title 33, Idaho Code, and section 33-1006, Idaho Code. Each public charter school shall furnish the department with an enrollment count as of the first Friday in November, of public charter school students who are eligible for reimbursement of transportation costs under the provisions of this subsection and who reside more than

1 one and one-half (1 1/2) miles from the school. The state department of edu-
 2 cation is authorized to include in the annual appropriation to the charter
 3 school sixty percent (60%) of the estimated transportation cost. The final
 4 appropriation payment in July shall reflect reimbursements of actual costs
 5 pursuant to section 33-1006, Idaho Code. To be eligible for state reimburse-
 6 ment under the provisions of section 33-1006, Idaho Code, the student to be
 7 transported must reside within the public charter school's primary atten-
 8 dance area, and must meet at least one (1) of the following two (2) criteria:

9 (a) The student resides within the school district in which the public
 10 charter school is physically located; or

11 (b) The student resides within fifteen (15) miles of the public charter
 12 school, by road.

13 The limitations placed by this subsection on the reimbursement of
 14 transportation costs for certain students shall not apply to public virtual
 15 schools.

16 (5) Facilities funds. The state department of education shall distrib-
 17 ute facilities funds to public charter schools for each enrolled student in
 18 which a majority of the student's instruction is received at a facility that
 19 is owned or leased by the public charter school. Such funds shall be used to
 20 defray the purchase, fee, loan or lease costs associated with payments for
 21 real property used by the students or employees of the public charter school
 22 for educational or administrative purposes. Such funds shall be distributed
 23 from the moneys appropriated to the educational support program, and shall
 24 be calculated as a percentage of the statewide average amount of bond and
 25 plant facility funds levied per student by Idaho school districts, as fol-
 26 lows:

27 Fiscal Year 2014 Twenty Percent (20%)

28 Fiscal Year 2015 Thirty Percent (30%)

29 For fiscal year 2016 and each fiscal year thereafter, this percentage
 30 shall increase by ten percent (10%) each time the total appropriation of
 31 state funds for the educational support program increases by three percent
 32 (3%) or more over the prior fiscal year, ~~and shall decrease by ten percent~~
 33 ~~(10%) each time the total appropriation of state funds for the educational~~
 34 ~~support program decreases as compared to the prior fiscal year.~~ Provided
 35 however, that the percentage shall be no less than twenty percent (20%) and
 36 no greater than fifty eight percent (58%), and that the average amount
 37 of funding received per public charter school shall not exceed the average
 38 amount of funding received by each school district pursuant to the provi-
 39 sions of section 33-906, Idaho Code.

40 For those public charter schools that do not receive facilities funds
 41 for all enrolled students, the school may submit to the state department of
 42 education a reimbursement claim for any costs for which facilities funds may
 43 be used. The state department of education shall reduce such claim by the
 44 greater of fifty percent (50%) or the percentage of the school's enrolled
 45 students for which the school receives facilities funds, and shall pay the
 46 balance. Provided however, that the total reimbursements paid to a public
 47 charter school, in combination with any facilities stipend received by the
 48 school, shall not exceed the amount of facilities funds that would have been
 49 received by the school had the school received facilities funds for all en-

1 rolled students. For the purposes of this subsection, the term "real prop-
2 erty" shall be used as defined in section 63-201, Idaho Code.

3 (6) Payment schedule. The state department of education is authorized
4 to make an advance payment of twenty-five percent (25%) of a public charter
5 school's estimated annual apportionment for its first year of operation,
6 and each year thereafter, provided the public charter school is serving more
7 grades or at least ten percent (10%) more classes than the previous year, to
8 assist the school with initial start-up costs or payroll obligations. For a
9 public charter school entering its second or greater year of operations, the
10 state department of education may require documentation establishing the
11 need for such an advance payment, including comparative class schedules and
12 proof of a commensurate increase in the number of employees.

13 (a) For a public charter school to receive the advance payment, the
14 school shall submit its anticipated fall membership for each grade
15 level to the state department of education by June 1.

16 (b) Using the figures provided by the public charter school, the state
17 department of education shall determine an estimated annual apportion-
18 ment from which the amount of the advance payment shall be calculated.
19 Advance payment shall be made to the school on or after July 1 but no
20 later than July 31.

21 (c) All subsequent payments, taking into account the one-time advance
22 payment made for the first year of operation, shall be made to the public
23 charter school in the same manner as other traditional public schools in
24 accordance with the provisions of section 33-1009, Idaho Code.

25 A public charter school shall comply with all applicable fiscal requirements
26 of law, except that the following provisions shall not be applicable to pub-
27 lic charter schools: that portion of section 33-1004, Idaho Code, relating
28 to reduction of the administrative and instructional staff allowance and the
29 pupil service staff allowance when there is a discrepancy between the number
30 allowed and the number actually employed; and section 33-1004E, Idaho Code,
31 for calculation of district staff indices.

32 (7) Nothing in this chapter shall be construed to prohibit any private
33 person or organization from providing funding or other financial assistance
34 to the establishment or operation of a public charter school.

35 (8) Each public charter school shall pay an authorizer fee to its autho-
36 rized chartering entity, to defray the actual documented cost of monitoring,
37 evaluation and oversight, which, in the case of public charter schools
38 authorized by the public charter school commission, shall include each
39 school's proportional fee share of moneys appropriated from the public char-
40 ter school authorizers fund to the public charter school commission, plus
41 fifteen percent (15%). Provided however, that each public charter school's
42 board of directors may direct up to ten percent (10%) of the calculated fee
43 to pay membership fees to an organization or association that provides tech-
44 nical assistance, training and advocacy for Idaho public charter schools.
45 Unless the authorized chartering entity declines payment, such fee shall be
46 paid by March 15 of each fiscal year and shall not exceed the greater of:

47 (a) All state funds distributed to public schools on a support unit ba-
48 sis for the prior fiscal year, divided by the statewide number of public
49 school students in average daily attendance in the first reporting pe-
50 riod in the prior fiscal year; or

- 1 (b) The lesser of:
2 (i) The result of the calculation in subsection (8) (a) of this
3 section, multiplied by four (4); or
4 (ii) One and one-half percent (1.5%) of the result of the calcula-
5 tion in subsection (8) (a) of this section, multiplied by the pub-
6 lic charter school's average daily attendance in the first report-
7 ing period in the current fiscal year.
- 8 (9) Nothing in this chapter shall prevent a public charter school from
9 applying for federal grant moneys.
- 10 (10) (a) Each student in attendance at a public virtual school shall be
11 funded based upon either the actual hours of attendance in the public
12 virtual school on a flexible schedule, or the percentage of coursework
13 completed, whichever is more advantageous to the school, up to the maxi-
14 mum of one (1) full-time equivalent student.
- 15 (b) All federal educational funds shall be administered and dis-
16 tributed to public charter schools, including public virtual schools,
17 that have been designated as a local education agency (LEA), as provided
18 in section 33-5203(8), Idaho Code.
- 19 (11) Nothing in this section prohibits separate face-to-face learning
20 activities or services.
- 21 (12) The provisions of section 33-1021, Idaho Code, shall apply to pub-
22 lic charter schools provided for in this chapter.

STATEMENT OF PURPOSE

RS26821

Charter schools are public schools supported by taxpayer dollars, but too many of those dollars flow right out of the classroom to make interest payments on bonds. Traditional public schools have access to financing tools that help lower interest rates on bonds. This bill would create a similar tool to help seasoned, stable public charter schools obtain lower interest rates on bonds so more taxpayer money can stay in the schools.

FISCAL NOTE

There is no required expenditure from the general fund. However, this bill calls for creating a separate fund in the state treasury to give lenders comfort that if no other money is available, there is a backstop to cover a potential missed payment. The legislature may appropriate new money or transfer from existing funds for this purpose, and no minimum or specific amount is required. Additionally, participating schools are required to pay an amount equal to two basis points into the fund.

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DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).

IN THE SENATE

SENATE BILL NO. 1103

BY EDUCATION COMMITTEE

AN ACT

RELATING TO PUBLIC CHARTER SCHOOLS; AMENDING CHAPTER 52, TITLE 33, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 33-5218, IDAHO CODE, TO ESTABLISH PROVISIONS REGARDING A PUBLIC CHARTER SCHOOL FACILITIES PROGRAM.

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

SECTION 1. That Chapter 52, Title 33, Idaho Code, be, and the same is hereby amended by the addition thereto of a NEW SECTION, to be known and designated as Section 33-5218, Idaho Code, and to read as follows:

33-5218. PUBLIC CHARTER SCHOOL FACILITIES PROGRAM. (1) Legislative intent. It is the intent of the legislature, in recognition that providing Idaho students with a thorough education is an essential public purpose of the state, to support public charter schools by providing a mechanism to obtain favorable financing on bonds so that less money is obligated toward interest payments and more money remains in public charter schools for the benefit of Idaho's students. There is hereby created the public charter school facilities program to assist qualifying charter schools in obtaining favorable financing on bonds for facility improvements and construction.

(2) Eligibility. A public charter school seeking to use the public charter school facilities program must receive approval from the Idaho housing and finance association pursuant to satisfaction of the criteria set forth in this section. To qualify, a public charter school must submit the following documentation to the Idaho housing and finance association:

(a) A letter of commitment from one (1) of the following:

- (i) A national or state chartered financial institution;
- (ii) A community development financial institution; or
- (iii) A qualified underwriter or an investment firm;

(b) Evidence that the public charter school is in academic, operational, and financial good standing according to its authorizer's most recent review;

(c) Annual budgets and cash flow statements projecting that the cost to operate the proposed facility, including future debt service, future occupancy cost, and facility operating expenses, will not exceed twenty percent (20%) of revenue with the benefit of the facilities program included;

(d) An audit opinion or opinions demonstrating:

- (i) An unqualified audit opinion, or a qualified opinion qualified only on the basis of not reporting the actuarial value of the PERSI sick leave plan pursuant to statement no. 45 of the governmental accounting standards board;
- (ii) An audit devoid of significant findings and conditions, material weakness, or significant internal control weakness; and

1 (iii) An audit that does not include a going concern disclosure in
 2 the notes or an explanatory paragraph within the audit report for
 3 three (3) consecutive years;

4 (e) Certification from a public charter school's board chair or trea-
 5 surer that projected future budgets and cash flows are based on reason-
 6 able assumptions related to level or increasing projected enrollment or
 7 waitlist and projected total income, including any matching funds and
 8 donations contingent on receipt of a loan under this section;

9 (f) Evidence of strong academic results, including above state average
 10 growth or proficiency on the Idaho standards achievement test; and

11 (g) Any additional information requested by the Idaho housing and fi-
 12 nance association.

13 (3) Approval to participate. Upon receipt of documentation satisfy-
 14 ing the criteria set forth in subsection (2) of this section, the Idaho hous-
 15 ing and finance association shall notify the public charter school and the
 16 state treasurer that the school has been approved to participate in the pub-
 17 lic charter school facilities program if:

18 (a) The public charter school complies with the requirements set forth
 19 in subsection (4) of this section; and

20 (b) The public charter school's participation would not cause a viola-
 21 tion of the limitations set forth in subsection (7) (b) of this section.

22 Additional requirements and security interests may be imposed by agreement
 23 of the school and bondholder or trustee.

24 (4) Restricted debt service reserve account.

25 (a) A school participating in the public charter school facilities pro-
 26 gram shall agree to have deposited a minimum of twelve (12) months' pay-
 27 ment on principal and interest in a restricted debt service reserve ac-
 28 count established and held by the bondholder or trustee.

29 (b) Except as provided in paragraph (c) of this subsection, money in a
 30 participating public charter school's restricted debt service reserve
 31 account may not be withdrawn if the amount withdrawn would reduce the
 32 level of money in the account to less than twelve (12) months' payment on
 33 principal and interest.

34 (c) As long as applicable bonds issued under the facilities program re-
 35 main outstanding, money in a restricted debt service reserve account
 36 may be withdrawn in an amount that would reduce the level to less than
 37 twelve (12) months' payment on principal and interest, if the money is
 38 withdrawn for the purpose of:

39 (i) Paying the principal, redemption price, or interest on a bond
 40 when due if the state payments intercepted pursuant to subsection
 41 (6)(b) of this section, plus funded grants and other revenues
 42 pledged by the participating public charter school for payment of
 43 the bond, are insufficient to make the payment; or

44 (ii) Paying any redemption premium required to be paid when the
 45 bonds are redeemed prior to maturity if no bonds will remain out-
 46 standing.

47 (5) Public charter school facilities program fund. There is hereby es-
 48 tablished in the state treasury the public charter school facilities program
 49 fund, which shall consist of moneys made available through appropriations,
 50 fees, grants, gifts, or any other source to fulfill the purposes of this

1 section. Moneys in the fund are hereby continuously appropriated for the
 2 purposes of this section and shall only be expended for the purposes stated
 3 herein. Any interest earned on the investment of idle moneys in the public
 4 charter school facilities program fund shall be returned to the public char-
 5 ter school facilities program fund. Schools participating in the public
 6 charter school facilities program shall pay a one-time fee in an amount equal
 7 to two (2) basis points of the principal amount of the bond for which it qual-
 8 ified to use the public charter school facilities program, which shall be
 9 deposited into the public charter school facilities program fund.

10 (6) Nonpayment.

11 (a) If a public charter school participating in the public charter
 12 school facilities program defaults on an outstanding bond for which it
 13 used the facilities program after any applicable notice and cure pe-
 14 riod, then the following shall occur:

15 (i) If payment is thirty (30) days or more late, moneys shall be
 16 withdrawn from the public charter school's restricted debt ser-
 17 vice reserve account set forth in subsection (4) of this section to
 18 make the payment.

19 (ii) If the draw on the restricted debt service reserve account
 20 reduces the account below the requirement set forth in subsec-
 21 tion (4) (b) of this section, within ten (10) days following the
 22 withdrawal made pursuant to subparagraph (i) of this paragraph,
 23 the bond holder or trustee shall notify the Idaho housing and fi-
 24 nance association, the state treasurer, and the state controller
 25 of the shortfall in the school's restricted debt service reserve
 26 account.

27 (iii) Within fifteen (15) days of the notice provided pursuant to
 28 subparagraph (ii) of this paragraph, the controller shall trans-
 29 fer, from the public charter school facilities program fund set
 30 forth in subsection (5) of this section, to the public school in-
 31 come fund and then to the school's debt service reserve account,
 32 the lesser of:

33 1. The amount necessary to replenish the restricted debt
 34 service account to the requirement set forth in subsection
 35 (4) (b) of this section; or

36 2. Twelve (12) months' principal, redemption price, or in-
 37 terest on the outstanding bond, less any prior transfers to
 38 the participating public charter school's restricted debt
 39 service account made pursuant to this subsection.

40 Moneys transferred to the public school income fund pursuant to
 41 this subparagraph shall be continuously appropriated for such
 42 purposes.

43 (iv) The treasurer shall annually submit to the governor a let-
 44 ter certifying the amount required to restore amounts on deposit
 45 in the public charter school facilities program fund. The gover-
 46 nor shall send to the legislature a statement of the expenditure of
 47 moneys from the public charter school facilities program fund as
 48 specified in section 8, article IV of the Idaho constitution. The
 49 legislature may appropriate money to restore amounts on deposit in
 50 the public charter school facilities program fund.

1 (b) Intercept. As a requirement to participate in the public char-
2 ter school facilities program, a participating public charter school
3 shall provide a directive to the Idaho department of education that all
4 amounts due and payable to the participating public charter school un-
5 der this chapter shall be paid directly to the bond trustee to be applied
6 first to satisfy all current and past due payment obligations under the
7 bond indenture and loan agreement, and second, if there are funds re-
8 maining, to repayment of the public charter school facilities program
9 fund pursuant to paragraph (c) of this subsection unless otherwise pro-
10 hibited by law. All remaining funds shall be forwarded to the public
11 charter school. The payment directive required in this paragraph may
12 not be revoked or amended.

13 (c) Repayment. If money has been withdrawn from the public charter
14 school facilities program fund pursuant to paragraph (a) of this sub-
15 section, the school shall repay the fund from the school's allocation of
16 facilities funds pursuant to section 33-5208(5), Idaho Code, at a time
17 agreed to by the superintendent of public instruction over a period of
18 years until the amount so withdrawn has been repaid to the public char-
19 ter school facilities program fund, as long as the repayment does not
20 cause an event of default on a facility lease or loan.

21 (7) Limitations.

22 (a) Bonds issued for the benefit of public charter schools using the
23 public charter school facilities program shall not be indebtedness of
24 the state, but are special obligations payable solely from:

25 (i) Revenues or other funds pledged by the qualifying public
26 charter school; and

27 (ii) Amounts appropriated by the legislature pursuant to subsec-
28 tion (6) of this section.

29 (b) The Idaho housing and finance association may not use the pub-
30 lic charter school facilities program when issuing bonds for a public
31 charter school under the facilities program if the total par amount out-
32 standing under the facilities program would:

33 (i) Exceed an amount equal to twelve (12) months' payment on prin-
34 cipal and interest multiplied by twenty (20) on debt covered by the
35 facilities program; or

36 (ii) Exceed five percent (5%) of the state's total nontaxable or
37 taxable bond and bank debt for all public district schools plus
38 debt covered under the facilities program.

39 (c) In the event of dissolution, assets shall be distributed in accor-
40 dance with the requirements set forth in section 33-5212, Idaho Code.

STATEMENT OF PURPOSE

RS26806

This legislation modifies Title 33 to clarify that career technical education includes all secondary, postsecondary, and adult courses, programs, training and services, irrespective of instructional delivery method. This bill clarifies that virtual Career Technical Education (CTE) programs which meet the same quality requirements and demonstrate compliance with the Idaho CTE Initiative may be authorized by Idaho CTE. This modernizes CTE language to include all instructional delivery methods and better positions Idaho to meet demands of modern-day workforce.

FISCAL NOTE

Idaho CTE Reimbursement for one Business Program FTE = \$9876. The fiscal impact will depend on the number of participating virtual schools. There are currently 7 virtual schools. If each school took advantage of this opportunity and deployed one Business Program FTE, it would result in an impact of \$69,132 for one program in each of the seven schools. \$9876 is the same fiscal impact that would occur if a traditional high school started a new business program with one FTE.

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DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).

IN THE SENATE

SENATE BILL NO. 1106

BY EDUCATION COMMITTEE

AN ACT

1 RELATING TO PUBLIC CHARTER SCHOOLS; AMENDING SECTION 33-1002G, IDAHO CODE,
2 TO PROVIDE THAT PUBLIC CHARTER SCHOOLS MAY BE ELIGIBLE FOR CERTAIN
3 FUNDING; AMENDING SECTION 33-2202, IDAHO CODE, TO REVISE PROVISIONS
4 REGARDING POWERS AND DUTIES OF THE STATE BOARD FOR CAREER TECHNICAL
5 EDUCATION; AMENDING SECTION 33-2205, IDAHO CODE, TO REVISE PROVISIONS
6 REGARDING THE DIVISION OF CAREER TECHNICAL EDUCATION; AMENDING SECTION
7 33-5202, IDAHO CODE, TO REVISE PROVISIONS REGARDING LEGISLATIVE INTENT
8 IN RELATION TO PUBLIC CHARTER SCHOOLS; AMENDING SECTION 33-5202A, IDAHO
9 CODE, TO REVISE DEFINITIONS; AND AMENDING SECTION 33-5208, IDAHO CODE,
10 TO REVISE PROVISIONS REGARDING FINANCIAL SUPPORT FOR PUBLIC CHARTER
11 SCHOOLS.
12

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

14 SECTION 1. That Section 33-1002G, Idaho Code, be, and the same is hereby
15 amended to read as follows:

16 33-1002G. CAREER TECHNICAL SCHOOL FUNDING AND ELIGIBILITY. (1)
17 School districts and public charter schools may establish career technical
18 schools that qualify for funding appropriated for the specific purpose of
19 supporting the added cost of career technical schools. These funds will be
20 appropriated to the state board for career technical education, to be ex-
21 pended by the division of career technical education. In order for a school
22 to qualify for funding as a career technical school, it must make application
23 to the division of career technical education on or before the fifteenth
24 of April for the following fiscal year. This includes applicants for new
25 schools and renewal applications. Approved public charter schools with
26 career technical education courses and programs will receive the same added
27 cost unit as any other eligible school and will not be penalized with a re-
28 duced rate for courses and programs that are provided virtually. All career
29 technical schools must meet all three (3) of the following criteria:

30 (a) The school serves students from two (2) or more high schools. No one
31 (1) high school can comprise more than eighty-five percent (85%) of the
32 total enrolled career technical school students. In the event a student
33 enrolled in the career technical school is not enrolled in a public high
34 school, the eighty-five percent (85%) will be calculated based on the
35 public high school attendance area where the student resides. This pro-
36 vision does not exclude a public charter school with a statewide bound-
37 ary from applying for appropriate added cost funds authorized for ca-
38 reer technical education, irrespective of the instructional delivery
39 method.

40 (b) The majority of the school's program offerings lead to some form of
41 postsecondary credit, such as dual credit or other advanced opportuni-

1 ties, as defined by the state board of education, or include apprentice-
2 ship opportunities.

3 (c) All school programs offer at least one (1) supervised field experi-
4 ence for all students.

5 (2) All career technical schools must also meet at least one (1) of the
6 following three (3) requirements:

7 (a) The school is funded separately from schools that qualify for com-
8 putation using regular secondary support units.

9 (b) The school has a separate and distinct governing board.

10 (c) The majority of the school programs are provided at dedicated fa-
11 cilities that are separate from the regular high school facilities.

12 SECTION 2. That Section 33-2202, Idaho Code, be, and the same is hereby
13 amended to read as follows:

14 33-2202. STATE BOARD FOR CAREER TECHNICAL EDUCATION -- POWERS AND
15 DUTIES. (1) The state board of education is hereby designated as the state
16 board for career technical education for the purpose of carrying into effect
17 the provisions of the federal act known as the Smith-Hughes act, amendments
18 thereto, and any subsequent acts now or in the future enacted by the congress
19 affecting vocational education, and is hereby authorized to cooperate with
20 the United States office of education, vocational division, or any other
21 agency of the United States designated to administer such legislation, in
22 the administration and enforcement of the provisions of said act, or acts,
23 and to exercise such powers and perform such acts as are necessary to entitle
24 the state of Idaho to receive the benefits of the same, and to execute the
25 laws of the state of Idaho relative to career technical education; to admin-
26 ister the funds provided by the federal government and the state of Idaho
27 under the provisions of this chapter for promotion of education in agricul-
28 tural subjects, trade and industrial subjects, family and consumer science
29 subjects and other subjects authorized by the board. Incident to the other
30 powers and duties of the board for career technical education, the board may
31 hold title to real property.

32 (2) As used in this title, unless otherwise specifically defined, the
33 term "career technical education" means all secondary, postsecondary, and
34 adult courses, programs, training, and services, irrespective of delivery
35 method, administered by the division of career technical education for oc-
36 cupations or careers that require other than a baccalaureate, master's, or
37 doctoral degree. As approved by the board, this term may also apply to spe-
38 specific courses or programs offered in grades 7 and 8 or offered by any approved
39 public charter school that are delivered through traditional or virtual on-
40 line instructional methods.

41 (3) The courses, programs, training, and services include, but are not
42 limited to, career, technical, and applied technology education. They are
43 delivered through the career technical delivery system of public secondary
44 schools, including approved public charter schools, irrespective of the de-
45 livery method, and postsecondary schools and colleges. The division of ca-
46 reer technical education will include approved public charter schools and
47 their students equally and without discrimination in reviewing, authoriz-
48 ing, and funding the delivery of career technical education courses and pro-
49 grams, irrespective of the school's chosen instructional delivery method.

1 SECTION 3. That Section 33-2205, Idaho Code, be, and the same is hereby
2 amended to read as follows:

3 33-2205. STATE BOARD TO APPOINT ADMINISTRATOR -- DESIGNATION OF AS-
4 SISTANTS -- DIVISION OF CAREER TECHNICAL EDUCATION -- DUTIES AND POWERS. (1)
5 The state board of education shall appoint a person to serve as an adminis-
6 trator to the state board for career technical education, who shall be known
7 as the administrator of career technical education. The administrator shall
8 designate, by and with the advice and consent of the state board for career
9 technical education, such assistants as may be necessary to properly carry
10 out the provisions of the federal acts and this chapter for the state of
11 Idaho. The administrator and such assistants shall together be known as the
12 division of career technical education.

13 (2) The administrator of career technical education shall also carry
14 into effect such rules as the state board for career technical education may
15 adopt, and shall coordinate all efforts in career technical education ap-
16 proved by the board with the executive secretary, and shall prepare such re-
17 ports concerning the condition of career technical education in the state as
18 the state board for career technical education may require.

19 (3) The division of career technical education shall ~~coordinate with~~
20 ~~the Idaho digital learning academy to provide approved~~ online career techni-
21 cal education courses ~~to any developed by independent curriculum providers~~
22 including, but not limited to, the Idaho digital learning academy to all
23 Idaho school districts and public charter schools.

24 (4) The division of career technical education may provide incentives
25 to Idaho public colleges and universities offering career technical pro-
26 grams that, in coordination with the division, align their foundational
27 courses that are required in the same or substantially similar programs of
28 study so as to achieve uniformity and transferability in the core program
29 requirements at all such public colleges and universities. Postsecondary
30 credits earned by a student in a career technical education program shall
31 transfer at the full credit value to any public Idaho college or university
32 in a like program of study and such postsecondary credits will be treated by
33 any such public college or university as satisfying specific course require-
34 ments in such program of study.

35 (5) The state board of education may promulgate rules to implement the
36 provisions of this section.

37 SECTION 4. That Section 33-5202, Idaho Code, be, and the same is hereby
38 amended to read as follows:

39 33-5202. LEGISLATIVE INTENT. It is the intent of the legislature to
40 provide opportunities for teachers, parents, students, and community mem-
41 bers to establish and maintain public charter schools ~~which that~~ operate
42 independently from the existing traditional school district structure but
43 within the existing public school system ~~as a method~~. In order to accomplish
44 any of the following, public charter schools shall have equal access and
45 authority to participate in all state and federal programs to the same extent
46 as a traditional public school, irrespective of the instructional delivery
47 method:

48 (1) Improve student learning;

- 1 (2) Increase learning opportunities for all students, with special em-
 2 phasis on expanded learning experiences for students;
 3 (3) Include the use of different and innovative teaching methods;
 4 (4) Utilize virtual distance learning and ~~on-line~~ online learning;
 5 (5) Create new professional opportunities for teachers, including the
 6 opportunity to be responsible for the learning program at the school site;
 7 (6) Provide parents and students with expanded choices in the types of
 8 educational opportunities that are available within the public school sys-
 9 tem;
 10 (7) Hold the schools established under this chapter accountable for
 11 meeting measurable student educational standards.

12 SECTION 5. That Section 33-5202A, Idaho Code, be, and the same is hereby
 13 amended to read as follows:

14 33-5202A. DEFINITIONS. As used in this chapter, unless the context re-
 15 quires otherwise:

- 16 (1) "Authorized chartering entity" means any of the following:
 17 (a) A local board of trustees of a school district in this state;
 18 (b) The public charter school commission created pursuant to the provi-
 19 sions of this chapter;
 20 (c) An Idaho public college, university or community college;
 21 (d) A private, nonprofit, Idaho-based, nonsectarian college or univer-
 22 sity that is accredited by the same organization that accredits Idaho
 23 public colleges and universities.
 24 (2) "Charter" means the grant of authority approved by the authorized
 25 chartering entity to the board of directors of the public charter school.
 26 (3) "Charter holder" means the public charter school's board of direc-
 27 tors to which a charter is granted pursuant to chapter 52, title 33, Idaho
 28 Code.
 29 (4) "Educational services provider" means a nonprofit or for-profit
 30 entity that contracts with a public charter school to provide educational
 31 services and resources including administrative support and educational
 32 design, implementation or management.
 33 (5) "Founder" means a person, including employees or staff of a pub-
 34 lic charter school, who makes a material contribution toward the establish-
 35 ment of a public charter school in accordance with criteria determined by
 36 the board of directors of the public charter school, and who is designated
 37 as such at the time the board of directors acknowledges and accepts such con-
 38 tribution. The criteria for determining when a person is a founder shall not
 39 discriminate against any person on any basis prohibited by the federal or
 40 state constitutions or any federal, state or local law. The designation of a
 41 person as a founder, and the admission preferences available to the children
 42 of a founder, shall not constitute pecuniary benefits.
 43 (6) "Performance certificate" means a fixed-term, renewable certifi-
 44 cate between a public charter school and an authorized chartering entity
 45 that outlines the roles, powers, responsibilities and performance expecta-
 46 tions for each party to the certificate.
 47 (7) "Petition" means the document submitted by a person or persons to
 48 the authorized chartering entity to request the creation of a public charter
 49 school.

1 (8) "Career technical regional public charter school" means a public
 2 charter secondary school authorized under this chapter to provide programs
 3 in career technical education ~~which~~ that meet the standards and qualifica-
 4 tions established by the division of career technical education. A career
 5 technical regional public charter school may be approved by an authorized
 6 chartering entity and, by the terms of its charter, shall operate in associa-
 7 tion with at least two (2) school districts. This provision does not exclude
 8 a public charter school with a statewide boundary from applying for added
 9 cost funds authorized for career technical education, irrespective of the
 10 instructional delivery method. Participating school districts need not be
 11 contiguous.

12 (9) "Public charter school" means a school that is authorized under
 13 this chapter to deliver public education in Idaho with equal access and au-
 14 thority to participate in all state and federal programs to the same extent
 15 as a traditional public school, irrespective of the instructional delivery
 16 method.

17 (10) "Traditional public school" means any school existing or to be
 18 built that is operated and controlled by a school district in this state.

19 (11) "Virtual school" means either a public charter school or a
 20 traditional public school that delivers a full-time, sequential program of
 21 synchronous and/or asynchronous instruction primarily through the use of
 22 technology via the internet in a distributed environment. Schools classi-
 23 fied as virtual must have an online component to their school with online
 24 lessons and tools for student and data management.

25 SECTION 6. That Section 33-5208, Idaho Code, be, and the same is hereby
 26 amended to read as follows:

27 33-5208. PUBLIC CHARTER SCHOOL FINANCIAL SUPPORT. Except as provided
 28 in subsection (10) of this section, from the state educational support pro-
 29 gram the state department of education shall make the following apportion-
 30 ment to each public charter school for each fiscal year based on attendance
 31 figures submitted in a manner and time as required by the department of edu-
 32 cation:

33 (1) Per student support. Computation of support units for each public
 34 charter school shall be calculated as if it were a separate school accord-
 35 ing to the schedules in section 33-1002(4), Idaho Code, except that public
 36 charter schools with fewer than one hundred (100) secondary ADA shall use a
 37 divisor of twelve (12) and the minimum units shall not apply, and no public
 38 charter school shall receive an increase in support units that exceeds the
 39 support units it received in the prior year by more than thirty (30). Funding
 40 from the state educational support program shall be equal to the total dis-
 41 tribution factor, plus the salary-based apportionment provided in chapter
 42 10, title 33, Idaho Code. Provided however, any public charter school that
 43 is formed by the conversion of an existing traditional public school shall
 44 be assigned divisors, pursuant to section 33-1002, Idaho Code, that are no
 45 lower than the divisors of the school district in which the traditional pub-
 46 lic school is located, for each category of pupils listed.

47 (2) Special education. For each student enrolled in the public charter
 48 school who is entitled to special education services, the state and federal
 49 funds from the exceptional child education program for that student that

1 would have been apportioned for that student to the school district in which
2 the public charter school is located.

3 (3) Alternative school support. Public charter schools may qualify un-
4 der the provisions of sections 33-1002 and 33-1002C, Idaho Code, provided
5 the public charter school meets the necessary statutory requirements, and
6 students qualify for attendance at an alternative school as provided by rule
7 of the state board of education.

8 (4) Transportation support. Support shall be paid to the public char-
9 ter school as provided in chapter 15, title 33, Idaho Code, and section
10 33-1006, Idaho Code. Each public charter school shall furnish the depart-
11 ment with an enrollment count as of the first Friday in November, of public
12 charter school students who are eligible for reimbursement of transporta-
13 tion costs under the provisions of this subsection and who reside more than
14 one and one-half (1 1/2) miles from the school. The state department of edu-
15 cation is authorized to include in the annual appropriation to the charter
16 school sixty percent (60%) of the estimated transportation cost. The final
17 appropriation payment in July shall reflect reimbursements of actual costs
18 pursuant to section 33-1006, Idaho Code. To be eligible for state reimburse-
19 ment under the provisions of section 33-1006, Idaho Code, the student to be
20 transported must reside within the public charter school's primary atten-
21 dance area, and must meet at least one (1) of the following two (2) criteria:

22 (a) The student resides within the school district in which the public
23 charter school is physically located; or

24 (b) The student resides within fifteen (15) miles of the public charter
25 school, by road.

26 The limitations placed by this subsection on the reimbursement of trans-
27 portation costs for certain students shall not apply to public virtual
28 schools.

29 (5) Facilities funds. The state department of education shall distrib-
30 ute facilities funds to public charter schools for each enrolled student in
31 which a majority of the student's instruction is received at a facility that
32 is owned or leased by the public charter school. Such funds shall be used to
33 defray the purchase, fee, loan or lease costs associated with payments for
34 real property used by the students or employees of the public charter school
35 for educational or administrative purposes. Such funds shall be distributed
36 from the moneys appropriated to the educational support program, and shall
37 be calculated as a percentage of the statewide average amount of bond and
38 plant facility funds levied per student by Idaho school districts, as fol-
39 lows:

40 Fiscal Year 2014 Twenty Percent (20%)

41 Fiscal Year 2015 Thirty Percent (30%)

42 For fiscal year 2016 and each fiscal year thereafter, this percentage
43 shall increase by ten percent (10%) each time the total appropriation of
44 state funds for the educational support program increases by three percent
45 (3%) or more over the prior fiscal year, and shall decrease by ten percent
46 (10%) each time the total appropriation of state funds for the educational
47 support program decreases as compared to the prior fiscal year. Provided
48 however, that the percentage shall be no less than twenty percent (20%) and
49 no greater than fifty percent (50%), and that the average amount of funding

1 received per public charter school shall not exceed the average amount of
2 funding received by each school district pursuant to the provisions of sec-
3 tion 33-906, Idaho Code.

4 For those public charter schools that do not receive facilities funds
5 for all enrolled students, the school may submit to the state department of
6 education a reimbursement claim for any costs for which facilities funds may
7 be used. The state department of education shall reduce such claim by the
8 greater of fifty percent (50%) or the percentage of the school's enrolled
9 students for which the school receives facilities funds, and shall pay the
10 balance. Provided however, that the total reimbursements paid to a public
11 charter school, in combination with any facilities stipend received by the
12 school, shall not exceed the amount of facilities funds that would have been
13 received by the school had the school received facilities funds for all en-
14 rolled students. For the purposes of this subsection, the term "real prop-
15 erty" shall be used as defined in section 63-201, Idaho Code.

16 (6) Payment schedule. The state department of education is authorized
17 to make an advance payment of twenty-five percent (25%) of a public charter
18 school's estimated annual apportionment for its first year of operation,
19 and each year thereafter, provided the public charter school is serving more
20 grades or at least ten percent (10%) more classes than the previous year, to
21 assist the school with initial start-up costs or payroll obligations. For a
22 public charter school entering its second or greater year of operations, the
23 state department of education may require documentation establishing the
24 need for such an advance payment, including comparative class schedules and
25 proof of a commensurate increase in the number of employees.

26 (a) For a public charter school to receive the advance payment, the
27 school shall submit its anticipated fall membership for each grade
28 level to the state department of education by June 1.

29 (b) Using the figures provided by the public charter school, the state
30 department of education shall determine an estimated annual apportion-
31 ment from which the amount of the advance payment shall be calculated.
32 Advance payment shall be made to the school on or after July 1 but no
33 later than July 31.

34 (c) All subsequent payments, taking into account the ~~one-time~~ onetime
35 advance payment made for the first year of operation, shall be made to
36 the public charter school in the same manner as other traditional pub-
37 lic schools in accordance with the provisions of section 33-1009, Idaho
38 Code.

39 A public charter school shall comply with all applicable fiscal requirements
40 of law, except that the following provisions shall not be applicable to pub-
41 lic charter schools: that portion of section 33-1004, Idaho Code, relating
42 to reduction of the administrative and instructional staff allowance and the
43 pupil service staff allowance when there is a discrepancy between the number
44 allowed and the number actually employed; and section 33-1004E, Idaho Code,
45 for calculation of district staff indices.

46 (7) Nothing in this chapter shall be construed to prohibit any private
47 person or organization from providing funding or other financial assistance
48 to the establishment or operation of a public charter school.

49 (8) Each public charter school shall pay an authorizer fee to its autho-
50 rized chartering entity, to defray the actual documented cost of monitoring,

1 evaluation and oversight, which, in the case of public charter schools
2 authorized by the public charter school commission, shall include each
3 school's proportional fee share of moneys appropriated from the public char-
4 ter school authorizers fund to the public charter school commission, plus
5 fifteen percent (15%). Provided however, that each public charter school's
6 board of directors may direct up to ten percent (10%) of the calculated fee
7 to pay membership fees to an organization or association that provides tech-
8 nical assistance, training and advocacy for Idaho public charter schools.
9 Unless the authorized chartering entity declines payment, such fee shall be
10 paid by March 15 of each fiscal year and shall not exceed the greater of:

11 (a) All state funds distributed to public schools on a support unit ba-
12 sis for the prior fiscal year, divided by the statewide number of public
13 school students in average daily attendance in the first reporting pe-
14 riod in the prior fiscal year; or

15 (b) The lesser of:

16 (i) The result of the calculation in ~~subsection (8) paragraph (a)~~ paragraph (a)
17 of this subsection, multiplied by four (4); or

18 (ii) One and one-half percent (1.5%) of the result of the calcu-
19 lation in ~~subsection (8) paragraph (a)~~ paragraph (a) of this subsection, multi-
20 plied by the public charter school's average daily attendance in
21 the first reporting period in the current fiscal year.

22 (9) Nothing in this chapter shall prevent a public charter school from
23 applying for federal grant moneys or for career technical education funding
24 of any source for any reason including, but not limited to, the instructional
25 delivery method.

26 (10) (a) Each student in attendance at a public virtual school shall be
27 funded based upon either the actual hours of attendance in the public
28 virtual school on a flexible schedule, or the percentage of coursework
29 completed, whichever is more advantageous to the school, up to the maxi-
30 mum of one (1) full-time equivalent student.

31 (b) All federal educational funds shall be administered and dis-
32 tributed to public charter schools, including public virtual schools,
33 that have been designated as a local education agency (LEA), as provided
34 in section 33-5203(8), Idaho Code.

35 (11) Nothing in this section prohibits separate face-to-face learning
36 activities or services. Virtual schools shall not be required to provide
37 face-to-face instruction.

38 (12) The provisions of section 33-1021, Idaho Code, shall apply to pub-
39 lic charter schools provided for in this chapter.

STATEMENT OF PURPOSE

RS26807

This legislation modifies 33-1004 to remove the sunset provision that allows school districts and public charter schools to receive salary-based apportionment based on adjusted mid-term support units, if full-term support units are at least 3% greater than mid-term support units. The adjustment is equal to 75% of the difference between full-term support units and mid-term support units. For example, salary-based apportionment for a school district or charter school with 100 mid-term units and 104 full-term support units would be based on 103 support units. This provision enables the minority of schools, which experience enrollment growth as the school year progresses, to receive additional funding for those students. The original legislation passed in 2016 with a 3-year sunset. This bill removes the sunset.

FISCAL NOTE

There is no fiscal impact on the general fund because the staff allowance determination is in existing code.

Contact:

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DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).

IN THE SENATE

SENATE BILL NO. 1107

BY EDUCATION COMMITTEE

AN ACT

1
2 RELATING TO EDUCATION; REPEALING SECTION 2, CHAPTER 348, LAWS OF 2016, RE-
3 LATING TO THE REPEAL OF SECTION 33-1004, IDAHO CODE; REPEALING SECTION
4 3, CHAPTER 348, LAWS OF 2016, RELATING TO THE ENACTMENT OF A NEW SECTION
5 33-1004, IDAHO CODE; AND REPEALING SECTION 4, CHAPTER 348, LAWS OF 2016,
6 RELATING TO AN EFFECTIVE DATE.

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

8 SECTION 1. That Section 2, Chapter 348, Laws of 2016, be, and the same is
9 hereby repealed.

10 SECTION 2. That Section 3, Chapter 348, Laws of 2016, be, and the same is
11 hereby repealed.

12 SECTION 3. That Section 4, Chapter 348, Laws of 2016, be, and the same is
13 hereby repealed.