
SENATE BILL 6202

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By Senators Tom, Litzow, Baumgartner, Kastama, Shin, Hobbs, Fain, Ericksen, Hill, Becker, Delvin, King, Hatfield, Hewitt, Sheldon, Swecker, and Pflug

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1 AN ACT Relating to establishing alternative forms of governance for
2 certain public schools; amending RCW 28A.150.010 and 28A.310.140;
3 reenacting and amending RCW 41.05.011; adding a new section to chapter
4 41.32 RCW; adding a new section to chapter 41.35 RCW; adding a new
5 section to chapter 41.40 RCW; adding a new section to chapter 41.56
6 RCW; adding a new section to chapter 41.59 RCW; adding a new section to
7 chapter 28A.315 RCW; adding a new section to chapter 28A.323 RCW;
8 adding a new section to chapter 28A.343 RCW; adding new chapters to
9 Title 28A RCW; and creating a new section.

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

11 NEW SECTION. **Sec. 1.** INTENT AND PURPOSE. (1) The legislature
12 finds that of all the challenges confronting the state, none is more
13 critical to the future than the education of all children. The
14 legislature further finds compelling evidence from studies it
15 commissioned that there is a persistent educational opportunity gap
16 disproportionately affecting particular populations of students that
17 must be addressed on an urgent basis. Too many students in racial,
18 ethnic, English language proficiency, and income groups are
19 overrepresented in measures such as school disciplinary sanctions;

1 failure to meet state academic standards; failure to graduate; and
2 enrollment in special education and underperforming schools and
3 underrepresented in enrollment in advanced placement courses, honors
4 programs, and college preparatory classes; and enrollment in and
5 completion of college. The data regarding inequities,
6 disproportionality, and gaps in achievement between groups is alarming
7 no matter which indicators are used. For example:

8 (a) The gap in reading test scores between students of color and
9 white students on the seventh grade Washington measurement of student
10 progress averages twenty-five percentage points, with just over
11 one-third of African-American, Latino, Native American, and Pacific
12 Islander students able to meet grade-level standard in reading compared
13 to sixty-two percent of white students;

14 (b) The gap in reading test scores between low-income and
15 nonlow-income students on the seventh grade Washington measurement of
16 student progress is equally stark, with only forty-two percent of
17 low-income students able to meet grade-level standard in reading
18 compared to sixty-eight percent of nonlow-income students; and

19 (c) More than one-fifth of low-income students and students of
20 color who enter seventh grade will have dropped out of school by the
21 time their peers graduate in twelfth grade. For students with limited
22 English proficiency, nearly one-third will drop out before their peers
23 graduate in twelfth grade.

24 (2) The legislature further finds that although there are multiple
25 initiatives broadly intended to improve student achievement, including
26 a small number of initiatives to address the educational opportunity
27 gap for disadvantaged students generally, some schools continue to
28 struggle in the current system. They are often hindered by outdated
29 laws, rules, and practices and need much greater flexibility to
30 innovate and quickly improve results for low-income students, students
31 of color, English language learners, and others who are currently
32 educationally disadvantaged. Incremental change has not been a
33 successful strategy to turn around performance in every school, and a
34 more dramatic transformation of school governance, staffing,
35 leadership, and management is necessary.

36 (3) Therefore, the legislature intends to authorize new school
37 models with alternative forms of school governance that focus on

1 improving academic achievement for educationally disadvantaged students
2 and have increased autonomy, flexibility, and oversight.

3 **PART I**
4 **AUTHORIZING CHARTER SCHOOLS**

5 NEW SECTION. **Sec. 101.** DEFINITIONS--CHARTER SCHOOLS. The
6 definitions in this section apply throughout this chapter unless the
7 context clearly requires otherwise.

8 (1) "Applicant" means a nonprofit corporation that has submitted an
9 application to a sponsor or has filed an appeal with the superintendent
10 of public instruction to obtain approval to operate a charter school.
11 The nonprofit corporation must be either a public benefit nonprofit
12 corporation as defined in RCW 24.03.490, or a nonprofit corporation as
13 defined in RCW 24.03.005 that has applied for tax exempt status under
14 section 501(c)(3) of the internal revenue code of 1986 (26 U.S.C. Sec.
15 501(c)(3)). The nonprofit corporation may not be a sectarian or
16 religious organization and must meet all of the requirements for a
17 public benefit nonprofit corporation before receiving any funding under
18 section 122 of this act.

19 (2) "Authorizer" means an entity approved under section 109 of this
20 act to review, approve, or reject charter school applications; enter
21 into, renew, or revoke charter contracts with applicants; and oversee
22 the charter schools the entity has authorized.

23 (3) "Charter contract" means a fixed term, renewable contract
24 between a charter school and an authorizer that outlines the roles,
25 powers, responsibilities, and performance expectations for each party
26 to the contract.

27 (4) "Charter school" means a public school governed by a charter
28 school board and operated according to the terms of a charter contract
29 executed under this chapter and includes a new charter school and a
30 conversion charter school.

31 (5) "Charter school board" means the board of directors appointed
32 or selected under the terms of a charter application to manage and
33 operate the charter school.

34 (6) "Conversion charter school" means a charter school created by
35 converting an existing noncharter public school in its entirety to a
36 charter school under this chapter.

1 (7) "Educationally disadvantaged students" means students in
2 racial, ethnic, English language proficiency, or income groups who are
3 overrepresented in measures of school disciplinary sanctions, failure
4 to meet state academic standards, failure to graduate, enrollment in
5 special education, and enrollment in underperforming schools and who
6 are underrepresented in AP courses, honors programs, college
7 preparatory classes, and enrollment in and completion of college.

8 (8) "New charter school" means any charter school established under
9 this chapter that is not a conversion charter school.

10 (9) "Parent" means a parent, guardian, or other person or entity
11 having legal custody of a child.

12 (10) "Student" means any child eligible under RCW 28A.225.160 to
13 attend a public school in the state.

14 NEW SECTION. **Sec. 102.** LEGAL STATUS. A charter school
15 established under this chapter:

16 (1) Is a public school offering any program or course of study that
17 a noncharter public school may offer, including one or more of grades
18 kindergarten through twelve;

19 (2) Is governed by a charter school board according to the terms of
20 a renewable, five-year charter contract executed under section 116 of
21 this act;

22 (3) Is a public school to which parents choose to send their
23 children;

24 (4) Functions as a local education agency under applicable federal
25 laws and regulations and is responsible for meeting the requirements of
26 local education agencies and public schools under those federal laws
27 and regulations, including but not limited to compliance with the
28 individuals with disabilities education improvement act (20 U.S.C. Sec.
29 1401 et seq.), the federal educational rights and privacy act (20
30 U.S.C. Sec. 1232g), and the elementary and secondary education act (20
31 U.S.C. Sec. 6301 et seq.).

32 NEW SECTION. **Sec. 103.** CHARTER SCHOOL BOARDS--POWERS. (1) To
33 carry out its duty to manage and operate the charter school and carry
34 out the terms of its charter contract, a charter school board may:

35 (a) Hire, manage, and discharge any charter school employee in

1 accordance with the terms of this chapter and that school's charter
2 contract;

3 (b) Receive and disburse funds for the purposes of the charter
4 school;

5 (c) Enter into contracts with any school district, educational
6 service district, or other public or private entity for the provision
7 of real property, equipment, goods, supplies, and services, including
8 educational instructional services and including for the management and
9 operation of the charter school as long as the charter school board
10 maintains oversight authority over the charter school;

11 (d) Rent, lease, purchase, or own real property. All charter
12 contracts and contracts with other entities must include provisions
13 regarding the disposition of the property if the charter school fails
14 to open as planned or closes, or if the charter contract is revoked or
15 not renewed;

16 (e) Issue secured and unsecured debt, including pledging,
17 assigning, or encumbering its assets to be sued as collateral for loans
18 or extensions of credit to manage cash flow, improve operations, or
19 finance the acquisition of real property or equipment. The issuance is
20 not a general, special, or moral obligation of the state, the charter
21 school authorizer, the school district in which the charter school is
22 located, or any other political subdivision or agency of the state.
23 Neither the full faith and credit nor the taxing power of the state or
24 any political subdivision or agency of the state may be pledged for the
25 payment of the debt;

26 (f) Solicit, accept, and administer for the benefit of the charter
27 school and its students, gifts, grants, and donations from individuals
28 or public or private entities, excluding from sectarian or religious
29 organizations. Charter schools may not accept any gifts or donations
30 the conditions of which violate this chapter or other state laws; and

31 (g) Issue diplomas to students who meet state high school
32 graduation requirements established under RCW 28A.230.090. A charter
33 school board may establish additional graduation requirements.

34 (2) A charter school board may not levy taxes or issue tax-backed
35 bonds. A charter school board may not acquire property by eminent
36 domain.

1 NEW SECTION. **Sec. 104.** CHARTER SCHOOLS--APPLICABILITY OF STATE

2 LAWS. (1) A charter school must operate according to the terms of its
3 charter contract and the provisions of this chapter.

4 (2) Charter schools are exempt from all state statutes and rules
5 applicable to school districts and school district boards of directors,
6 except those statutes and rules made applicable to charter schools
7 under this chapter and in the school's charter contract. Charter
8 schools authorized by a school district are exempt from all school
9 district policies except policies made applicable in the school's
10 charter contract.

11 (3) All charter schools must:

12 (a) Comply with state and federal health, safety, parents' rights,
13 civil rights, and nondiscrimination laws applicable to school districts
14 and to the same extent as school districts, including but not limited
15 to chapter 28A.642 RCW (discrimination prohibition) and chapter 28A.640
16 RCW (sexual equality);

17 (b) Provide instruction in the essential academic learning
18 requirements and participate in the statewide student assessment system
19 as provided under RCW 28A.655.070;

20 (c) Employ certificated instructional staff as required in RCW
21 28A.410.010, however charter schools may hire noncertificated
22 instructional staff of unusual competence and in exceptional cases as
23 specified in RCW 28A.150.260;

24 (d) Comply with the employee record check requirements in RCW
25 28A.400.303;

26 (e) Adhere to generally accepted accounting principles and be
27 subject to financial examinations and audits as determined by the state
28 auditor, including annual audits for legal and fiscal compliance;

29 (f) Comply with the annual performance report under RCW
30 28A.655.110;

31 (g) Be subject to the performance improvement goals adopted by the
32 state board of education under RCW 28A.305.130;

33 (h) Comply with the open public meetings act in chapter 42.30 RCW
34 and open public records requirements in RCW 42.56.040; and

35 (i) Be subject to and comply with legislation enacted after the
36 effective date of this section governing the operation and management
37 of charter schools.

1 (4) No charter school may engage in any sectarian practices in its
2 educational program, admissions or employment policies, or operations.

3 NEW SECTION. **Sec. 105.** ADMISSION AND ENROLLMENT OF STUDENTS. (1)
4 A charter school may not limit admission on any basis other than age
5 group, grade level, or capacity and must enroll all students who apply
6 within these bases. A charter school is open to any student regardless
7 of his or her location of residence.

8 (2) A charter school may not charge tuition, but may charge fees
9 for participation in optional extracurricular events and activities.

10 (3) A conversion charter school must provide sufficient capacity to
11 enroll all students who wish to remain enrolled in the school after its
12 conversion to a charter school, and may not displace students enrolled
13 before the chartering process.

14 (4) If capacity is insufficient to enroll all students who apply to
15 a charter school, the charter school must select students through a
16 lottery. However, a charter school must give an enrollment preference
17 to siblings of already enrolled students. A charter school may give an
18 enrollment preference to children of the charter school's founders,
19 board members, and full-time employees as long as these students
20 constitute no more than ten percent of the school's total enrollment.

21 (5) The capacity of a charter school must be determined annually by
22 the charter school board in consultation with the charter authorizer
23 and with consideration of the charter school's ability to facilitate
24 the academic success of its students, achieve the objectives specified
25 in the charter contract, and assure that its student enrollment does
26 not exceed the capacity of its facility. An authorizer may not
27 restrict the number of students a charter school may enroll.

28 (6) Nothing in this section prevents formation of a charter school
29 whose mission is to offer a specialized learning environment and
30 services for particular groups of students, such as educationally
31 disadvantaged students, students with disabilities, students of the
32 same gender, or students who pose such severe disciplinary problems
33 that they warrant a specific educational program. Nothing in this
34 section prevents formation of a charter school organized around a
35 special emphasis, theme, or concept as stated in the school's
36 application and charter contract.

1 NEW SECTION. **Sec. 106.** CHARTER SCHOOL STUDENTS. (1) School

2 districts must provide information to parents and the general public
3 about charter schools located within the district as an enrollment
4 option for students.

5 (2) If a student who was previously enrolled in a charter school
6 enrolls in another public school in the state, the student's new school
7 must accept credits earned by the student in the charter school in the
8 same manner and according to the same criteria that credits are
9 accepted from other public schools.

10 (3) A charter school is eligible for state or district-sponsored
11 interscholastic programs, awards, scholarships, or competitions to the
12 same extent as other public schools.

13 (4)(a) A charter school student is eligible to participate in
14 extracurricular activities not offered by the charter school at:

15 (i) The noncharter public school within whose attendance boundaries
16 the student's custodial parent resides, as established by the local
17 school board; or

18 (ii) The noncharter public school from which the student withdrew
19 for the purpose of attending the charter school.

20 (b) A charter school student is eligible for extracurricular
21 activities at a noncharter public school in the same manner and
22 according to the same criteria as the students of the noncharter public
23 school, including being provided with the opportunity to try out for or
24 compete to participate.

25 (5) The state board of education shall adopt rules establishing
26 uniform cost sharing and fee policies for charter school students'
27 participation in extracurricular activities at noncharter public
28 schools. The rules must provide that:

29 (a) Charter school students pay the same fees and are eligible for
30 the same fee waivers as students in the noncharter public school; and

31 (b) For each charter school student who participates in an
32 extracurricular activity at a noncharter public school, the charter
33 school must pay a share of the noncharter public school's costs for the
34 extracurricular activity. The uniform cost sharing established by the
35 board must reflect state and local revenues expended per student to
36 support the extracurricular activity, except capital facilities
37 expenditures. The uniform cost sharing may reflect average costs
38 statewide or average costs within a sample of school districts.

1 NEW SECTION. **Sec. 107.** AUTHORIZERS. (1) The following entities
2 are eligible to be authorizers of charter schools:

3 (a) The Washington charter school commission established under
4 section 108 of this act, for charter schools located anywhere in the
5 state;

6 (b) School district boards of directors, for charter schools
7 located within the school district boundaries; and

8 (c) The governing boards of public four-year colleges and
9 universities in the state, for charter schools located anywhere in the
10 state.

11 (2) Except for the Washington charter school commission, an entity
12 must be approved by the state board of education under section 109 of
13 this act before authorizing a charter school.

14 NEW SECTION. **Sec. 108.** WASHINGTON CHARTER SCHOOL COMMISSION. (1)
15 The Washington charter school commission is established as an
16 independent state agency whose mission is to authorize high quality
17 charter schools throughout the state, particularly schools designed to
18 expand opportunities for educationally disadvantaged students.

19 (2) The commission shall consist of nine members, no more than five
20 of whom shall be members of the same political party. Three members
21 shall be appointed by the governor; three members shall be appointed by
22 the president of the senate; and three members shall be appointed by
23 the speaker of the house of representatives. The appointing
24 authorities shall assure diversity among commission members, including
25 representation from various geographic areas of the state.

26 (3) Members appointed to the commission shall collectively possess
27 strong experience and expertise in public and nonprofit governance;
28 management and finance; public school leadership, assessment,
29 curriculum, and instruction; and public education law. All members
30 shall have demonstrated an understanding of and commitment to charter
31 schooling as a strategy for strengthening public education.

32 (4) Members shall be appointed to four-year, staggered terms, with
33 initial appointments from each of the appointing authorities consisting
34 of one member appointed to a one-year term, one member appointed to a
35 two-year term, and one member appointed to a three-year term, all of
36 whom thereafter may be reappointed for a four-year term. No member may

1 serve more than two consecutive terms. Initial appointments must be
2 made no later than ninety days after the effective date of this
3 section.

4 (5) A member of the commission may be removed for cause by the
5 appointing authority. Whenever a vacancy on the commission exists, the
6 original appointing authority must appoint a member for the remaining
7 portion of the term.

8 (6) Commission members shall serve without compensation but may be
9 reimbursed for travel expenses as authorized in RCW 43.03.050 and
10 43.03.060.

11 (7) Operational and staff support for the commission shall be
12 provided by the office of the governor until the commission has
13 sufficient resources to hire or contract for separate staff support,
14 who shall reside within the office of the governor for administrative
15 purposes only.

16 (8) Sections 110 and 111 of this act apply to the commission.

17 NEW SECTION. **Sec. 109.** AUTHORIZERS--APPROVAL. (1) The state
18 board of education shall establish an annual application and approval
19 process and timelines for entities seeking approval to be charter
20 school authorizers. The initial process and timelines must be
21 established no later than ninety days after the effective date of this
22 section.

23 (2) At a minimum, each applicant must submit to the state board:

24 (a) The applicant's strategic vision for chartering;

25 (b) A plan to support the vision presented, including explanation
26 and evidence of the applicant's budget and personnel capacity and
27 commitment to execute the responsibilities of quality charter
28 authorizing;

29 (c) A draft or preliminary outline of the request for proposals
30 that the applicant would, if approved as an authorizer, issue to
31 solicit charter school applicants;

32 (d) A draft of the performance framework that the applicant would,
33 if approved as an authorizer, use to guide the establishment of a
34 charter contract and for ongoing oversight and evaluation of charter
35 schools;

36 (e) A draft of the applicant's proposed renewal, revocation, and
37 nonrenewal processes, consistent with sections 119 and 120 of this act;

1 (f) A statement of assurance that the applicant seeks to serve as
2 an authorizer in fulfillment of the expectations, spirit, and intent of
3 this chapter, and that if approved as an authorizer, the applicant will
4 fully participate in any authorizer training provided or required by
5 the state; and

6 (g) A statement of assurance that the applicant will provide public
7 accountability and transparency in all matters concerning charter
8 authorizing practices, decisions, and expenditures.

9 (3) The state board of education shall consider the merits of each
10 application and make its decision within the timelines established by
11 the board.

12 (4) Within thirty days of making a decision to approve an
13 application under this section, the state board of education must
14 execute a renewable authorizing contract with the entity. The initial
15 term of an authorizing contract shall be six years. The authorizing
16 contract must specify each approved entity's agreement to serve as an
17 authorizer in accordance with the expectations of this chapter, and may
18 specify additional performance terms based on the applicant's proposal
19 and plan for chartering. No approved entity may commence charter
20 authorizing without an authorizing contract in effect.

21 NEW SECTION. **Sec. 110.** AUTHORIZERS--POWERS AND DUTIES. (1)

22 Authorizers are responsible for:

23 (a) Soliciting and evaluating charter applications;

24 (b) Approving quality charter applications that meet identified
25 educational needs and promote a diversity of educational choices;

26 (c) Denying weak or inadequate charter applications;

27 (d) Negotiating and executing sound charter contracts with each
28 authorized charter school;

29 (e) Monitoring, in accordance with charter contract terms, the
30 performance and legal compliance of charter schools; and

31 (f) Determining whether each charter contract merits renewal,
32 nonrenewal, or revocation.

33 (2) An authorizer may delegate its responsibilities under this
34 section to employees or contractors.

35 (3) All authorizers must develop and follow chartering policies and
36 practices that are consistent with the principles and standards for

1 quality charter authorizing developed by the national association of
2 charter school authorizers in at least the following areas:

- 3 (a) Organizational capacity and infrastructure;
- 4 (b) Soliciting and evaluating charter applications;
- 5 (c) Performance contracting;
- 6 (d) Ongoing charter school oversight and evaluation; and
- 7 (e) Charter renewal decision making.

8 (4) Each authorizer must submit an annual report to the state board
9 of education, according to a timeline, content, and format specified by
10 the board, that includes:

11 (a) The authorizer's strategic vision for chartering and progress
12 toward achieving that vision;

13 (b) The academic and financial performance of all operating charter
14 schools overseen by the authorizer, including the progress of the
15 charter schools based on the authorizer's performance framework;

16 (c) The status of the authorizer's charter school portfolio,
17 identifying all charter schools in each of the following categories:
18 Approved but not yet open, operating, renewed, transferred, revoked,
19 not renewed, voluntarily closed, or never opened;

20 (d) The authorizer's operating costs and expenses detailed in
21 annual audited financial statements that conform with generally
22 accepted accounting principles; and

23 (e) The services purchased from the authorizer by the charter
24 schools under its jurisdiction under section 111 of this act, including
25 an itemized accounting of the actual costs of these services.

26 (5) Neither an authorizer, individuals who make up the membership
27 of an authorizer in their official capacity, nor the employees of an
28 authorizer are liable for acts or omissions of a charter school they
29 authorize.

30 (6) No employee, trustee, agent, or representative of an authorizer
31 may simultaneously serve as an employee, trustee, agent,
32 representative, vendor, or contractor of a charter school under the
33 jurisdiction of that authorizer.

34 NEW SECTION. **Sec. 111.** AUTHORIZERS--FUNDING. (1) The state board
35 of education shall establish a statewide formula for an authorizer
36 oversight fee, which shall be calculated as a percentage of the state
37 operating funding allocated under section 122 of this act to each

1 charter school under the jurisdiction of an authorizer, but may not
2 exceed four percent of each charter school's annual funding. The
3 office of the superintendent of public instruction shall deduct the
4 oversight fee from each charter school's allocation under section 122
5 of this act and transmit the fee to the appropriate authorizer.

6 (2) The state board of education may establish a sliding scale for
7 the authorizer oversight fee, with the funding percentage decreasing
8 after the authorizer has achieved a certain threshold, such as after a
9 certain number of years of authorizing or after a certain number of
10 charter schools have been authorized.

11 (3) An authorizer must use its oversight fee exclusively for the
12 purpose of fulfilling its duties under section 110 of this act.

13 (4) An authorizer may provide contracted, fee-based services to
14 charter schools under its jurisdiction that are in addition to the
15 oversight duties under section 110 of this act. An authorizer may not
16 charge more than market rates for the contracted services provided. A
17 charter school may not be required to purchase contracted services from
18 an authorizer. Fees collected by the authorizer under this subsection
19 must be separately accounted for and reported annually to the state
20 board of education.

21 NEW SECTION. **Sec. 112.** AUTHORIZERS--OVERSIGHT. (1) The state
22 board of education is responsible for overseeing the performance and
23 effectiveness of all authorizers approved under section 110 of this
24 act.

25 (2) Persistently unsatisfactory performance of an authorizer's
26 portfolio of charter schools, a pattern of well-founded complaints
27 about the authorizer or its charter schools, or other objective
28 circumstances may trigger a special review by the state board of
29 education.

30 (3) In reviewing or evaluating the performance of authorizers, the
31 board must apply the principles and standards for quality charter
32 authorizing. Evidence of material or persistent failure by an
33 authorizer to carry out its duties in accordance with the principles
34 and standards constitutes grounds for revocation of the authorizing
35 contract by the state board, as provided under this section.

36 (4) If at any time the state board of education finds that an
37 authorizer is not in compliance with a charter contract, its

1 authorizing contract, or the authorizer duties under section 110 of
2 this act, the board must notify the authorizer in writing of the
3 identified problems, and the authorizer shall have reasonable
4 opportunity to respond and remedy the problems.

5 (5) If an authorizer persists after due notice from the state board
6 of education in violating a material provision of a charter contract or
7 its authorizing contract, or fails to remedy other identified
8 authorizing problems, the state board of education shall notify the
9 authorizer, within a reasonable amount of time under the circumstances,
10 that it intends to revoke the authorizer's chartering authority unless
11 the authorizer demonstrates a timely and satisfactory remedy for the
12 violation or deficiencies.

13 (6) In the event of revocation of any authorizer's chartering
14 authority, the state board of education shall manage the timely and
15 orderly transfer of each charter contract held by that authorizer to
16 another authorizer in the state, with the mutual agreement of each
17 affected charter school and proposed new authorizer. The new
18 authorizer shall assume the existing charter contract for the remainder
19 of the charter term.

20 (7) The state board of education must establish timelines and a
21 process for taking actions under this section in response to
22 performance deficiencies by an authorizer.

23 NEW SECTION. **Sec. 113.** CHARTER APPLICATIONS--CONTENT. (1)(a)
24 Each authorizer must annually issue and broadly publicize a request for
25 proposals for charter school applicants by the date established by the
26 state board of education under section 114 of this act.

27 (b) Each authorizer's request for proposals must:

28 (i) Present the authorizer's strategic vision for chartering,
29 including a clear statement of any preferences the authorizer wishes to
30 grant to applications that employ proven methods for educating
31 educationally disadvantaged students or students with special needs;

32 (ii) Include or otherwise direct applicants to the performance
33 framework that the authorizer has developed for charter school
34 oversight and evaluation in accordance with section 117 of this act;

35 (iii) Provide the criteria that will guide the authorizer's
36 decision to approve or deny a charter application; and

1 (iv) State clear, appropriately detailed questions as well as
2 guidelines concerning the format and content essential for applicants
3 to demonstrate the capacities necessary to establish and operate a
4 successful charter school.

5 (2) A charter school application must provide or describe
6 thoroughly all of the following elements of the proposed school plan:

7 (a) An executive summary;

8 (b) The mission and vision of the proposed charter school,
9 including identification of the targeted student population and the
10 community the school hopes to serve;

11 (c) The location or geographic area proposed for the school;

12 (d) The grades to be served each year for the full term of the
13 charter contract;

14 (e) Minimum, planned, and maximum enrollment per grade per year for
15 the term of the charter contract;

16 (f) Evidence of need and community support for the proposed charter
17 school;

18 (g) Background information on the proposed founding governing board
19 members and, if identified, the proposed school leadership and
20 management team;

21 (h) The school's proposed calendar and sample daily schedule;

22 (i) A description of the academic program aligned with state
23 standards;

24 (j) A description of the school's proposed instructional design,
25 including the type of learning environment, such as classroom-based or
26 independent study; class size and structure; curriculum overview; and
27 teaching methods;

28 (k) Evidence that the educational program is based on proven
29 methods;

30 (l) The school's plan for using internal and external assessments
31 to measure and report student progress on the performance framework
32 developed by the authorizer in accordance with section 117 of this act;

33 (m) The school's plans for identifying, successfully serving, and
34 complying with applicable laws and regulations regarding students with
35 disabilities, students who are limited English proficient, students who
36 are struggling academically, and highly capable students;

37 (n) A description of cocurricular or extracurricular programs and
38 how they will be funded and delivered;

1 (o) Plans and timelines for student recruitment and enrollment,
2 including targeted plans for recruiting educationally disadvantaged
3 students and including lottery procedures;

4 (p) The school's student discipline policies, including for special
5 education students;

6 (q) An organization chart that clearly presents the school's
7 organizational structure, including lines of authority and reporting
8 between the governing board, staff, any related bodies such as advisory
9 bodies or parent and teacher councils, and any external organizations
10 that will play a role in managing the school;

11 (r) A clear description of the roles and responsibilities for the
12 governing board, the school's leadership and management team, and any
13 other entities shown in the organization chart;

14 (s) A staffing plan for the school's first year and for the term of
15 the charter;

16 (t) Plans for recruiting and developing school leadership and
17 staff;

18 (u) The school's leadership and teacher employment policies,
19 including performance evaluation plans;

20 (v) Proposed governing bylaws;

21 (w) Explanations of any partnerships or contractual relationships
22 central to the school's operations or mission;

23 (x) Plans for providing transportation, food service, and all other
24 significant operational or ancillary services;

25 (y) Opportunities and expectations for parent involvement;

26 (z) A detailed school start-up plan, identifying tasks, timelines,
27 and responsible individuals;

28 (aa) A description of the school's financial plan and policies,
29 including financial controls and audit requirements;

30 (bb) A description of the insurance coverage the school will
31 obtain;

32 (cc) Start-up and five-year cash flow projections and budgets with
33 clearly stated assumptions;

34 (dd) Evidence of anticipated fundraising contributions, if claimed
35 in the application; and

36 (ee) A sound facilities plan, including backup or contingency plans
37 if appropriate.

1 (3) In the case of an application to establish a conversion charter
2 school, the applicant must also demonstrate support for the proposed
3 conversion by a petition signed by a majority of teachers assigned to
4 the school or a petition signed by a majority of parents of students in
5 the school.

6 (4) In the case of an application where the proposed charter school
7 intends to contract with an education service provider for substantial
8 educational services, management services, or both, the applicant must:

9 (a) Provide evidence of the education service provider's success in
10 serving student populations similar to the targeted population,
11 including demonstrated academic achievement as well as successful
12 management of nonacademic school functions if applicable;

13 (b) Provide a term sheet setting forth the proposed duration of the
14 service contract; roles and responsibilities of the governing board,
15 the school staff, and the service provider; scope of services and
16 resources to be provided by the service provider; performance
17 evaluation measures and timelines; compensation structure, including
18 clear identification of all fees to be paid to the service provider;
19 methods of contract oversight and enforcement; investment disclosure;
20 and conditions for renewal and termination of the contract; and

21 (c) Disclose and explain any existing or potential conflicts of
22 interest between the charter school board and proposed service provider
23 or any affiliated business entities.

24 (5) In the case of an application from an applicant that operates
25 one or more schools in any state or nation, the applicant must provide
26 evidence of past performance, including evidence of the applicant's
27 success in serving educationally disadvantaged students, and capacity
28 for growth.

29 (6) Applicants may submit a proposal for a particular public
30 charter school to no more than one authorizer at a time.

31 NEW SECTION. **Sec. 114.** CHARTER APPLICATIONS--DECISION PROCESS.

32 (1) The state board of education must establish an annual statewide
33 timeline for charter application submission and approval or denial,
34 which must be followed by all authorizers.

35 (2) In reviewing and evaluating charter applications, authorizers
36 shall employ procedures, practices, and criteria consistent with the
37 principles and standards for quality charter authorizing. The

1 application review process must include thorough evaluation of each
2 application, an in-person interview with the applicant group, and an
3 opportunity in a public forum for local residents to learn about and
4 provide input on each application.

5 (3) In deciding whether to approve an application, authorizers
6 must:

7 (a) Grant charters only to applicants that have demonstrated
8 competence in each element of the authorizer's published approval
9 criteria and are likely to open and operate a successful public charter
10 school;

11 (b) Base decisions on documented evidence collected through the
12 application review process;

13 (c) Follow charter-granting policies and practices that are
14 transparent and based on merit; and

15 (d) Avoid any conflicts of interest whether real or apparent.

16 (4) An approval decision may include, if appropriate, reasonable
17 conditions that the charter applicant must meet before a charter
18 contract may be executed.

19 (5) For any denial of an application, the authorizer shall clearly
20 state in writing its reasons for denial. A denied applicant may
21 subsequently reapply to that authorizer or apply to another authorizer
22 in the state.

23 NEW SECTION. **Sec. 115.** NUMBER OF CHARTER SCHOOLS. (1) A maximum
24 of fifty charter schools may be established statewide under this
25 chapter. No more than ten charter schools may be established each
26 calendar year. These annual allocations are cumulative so that if the
27 maximum number of allowable new charters is not reached in any given
28 year the maximums are increased accordingly for the successive years,
29 but in no case may the total number exceed fifty without further
30 legislative authorization.

31 (2) Consistent with the legislative intent of establishing charter
32 schools, until a date each year established by the state board of
33 education, a majority of the annual number of charter schools that may
34 be established under subsection (1) of this section are reserved to
35 implement charter schools established for the primary purpose of
36 serving educationally disadvantaged students, and that are located in,
37 or accessible to students who live in, geographic areas in which a

1 large proportion of the students have difficulty meeting state academic
2 content and student achievement standards, or geographic areas,
3 including urban and rural areas, in which a large proportion or number
4 of public schools have been identified as needing improvement under
5 state and federal accountability.

6 (3) To ensure compliance with the annual limits for establishing
7 new charter schools, certification from the state board of education
8 must be obtained before final authorization of a charter school.
9 Within ten days of taking action to approve or deny an application
10 under section 114 of this act, an authorizer must submit a report of
11 the action to the applicant and to the state board of education, which
12 must include a copy of the authorizer's resolution setting forth the
13 action taken, the reasons for the decision, and assurances of
14 compliance with the procedural requirements and application elements
15 under sections 113 and 114 of this act. The authorizer must also
16 indicate whether the charter school's primary purpose is to serve
17 educationally disadvantaged students.

18 (4) Upon the receipt of notice from an authorizer that a charter
19 school has been approved, the state board of education shall certify
20 whether the approval is in compliance with the limits on the maximum
21 number of charters allowed under subsection (1) of this section and in
22 compliance with the date until which the majority of charters each year
23 are reserved under subsection (2) of this section. If the board
24 receives simultaneous notification of approved charters that exceed the
25 annual allowable limits in subsections (1) and (2) of this section, the
26 board must select approved charters for implementation through a
27 lottery process, and must assign implementation dates accordingly.

28 (5) If the number of charters reserved each year under subsection
29 (2) of this section is not reached by the date established by the state
30 board of education, the board must notify authorizers of any other
31 approved charters for which authorization has not been granted under
32 subsection (2) of this section, and must allow implementation of those
33 charters within the annual limits, regardless of whether those charters
34 meet the requirements of subsection (2) of this section.

35 (6) The state board of education must notify authorizers of the
36 number of applications approved by the date until which the majority of
37 new charters each year are reserved under subsection (2) of this

1 section. The board must also notify authorizers when the maximum
2 allowable number of charter schools has been reached each year.

3 NEW SECTION. **Sec. 116.** CHARTER CONTRACTS. (1) The purposes of
4 the charter application submitted under section 113 of this act are to
5 present the proposed charter school's academic and operational vision
6 and plans and to demonstrate and provide the authorizer a clear basis
7 for the applicant's capacities to execute the proposed vision and
8 plans. An approved charter application does not serve as the school's
9 charter contract.

10 (2) Within ninety days of approval of a charter application, the
11 authorizer and the governing board of the approved charter school must
12 execute a charter contract that clearly sets forth the academic and
13 operational performance expectations and measures by which the charter
14 school will be judged and the administrative relationship between the
15 authorizer and charter school, including each party's rights and
16 duties. The performance expectations and measures set forth in the
17 charter contract must include but need not be limited to applicable
18 federal and state accountability requirements. The performance
19 provisions may be refined or amended by mutual agreement after the
20 charter school is operating and has collected baseline achievement data
21 for its enrolled students.

22 (3) The charter contract must be signed by the president of the
23 authorizer's governing board or the chief executive of the authorizer
24 as applicable and the president of the charter school board. Within
25 ten days of executing a charter contract, the authorizer must submit to
26 the state board of education written notification of the charter
27 contract execution, including a copy of the executed charter contract
28 and any attachments.

29 (4) A charter contract may comprise one or more schools to the
30 extent approved by the authorizer. A single charter school board may
31 hold one or more charter contracts. However, each charter school that
32 is part of a charter contract must be separate and distinct from any
33 others.

34 (5) An initial charter contract must be granted for a term of five
35 operating years. The contract term must commence on the charter
36 school's first day of operation. An approved charter school may delay
37 its opening for one school year in order to plan and prepare for the

1 school's opening. If the school requires an opening delay of more than
2 one school year, the school must request an extension from its
3 authorizer. The authorizer may grant or deny the extension depending
4 on the school's circumstances.

5 (6) Authorizers may establish reasonable preopening requirements or
6 conditions to monitor the start-up progress of newly approved charter
7 schools and ensure that they are prepared to open smoothly on the date
8 agreed, and to ensure that each school meets all building, health,
9 safety, insurance, and other legal requirements for school opening.

10 (7) No charter school may commence operations without a charter
11 contract executed in accordance with this section.

12 NEW SECTION. **Sec. 117.** CHARTER CONTRACTS--PERFORMANCE FRAMEWORK.

13 (1) The performance provisions within a charter contract must be based
14 on a performance framework that clearly sets forth the academic and
15 operational performance indicators, measures, and metrics that will
16 guide an authorizer's evaluations of each charter school.

17 (2) At a minimum, the performance framework must include
18 indicators, measures, and metrics for:

19 (a) Student academic proficiency;

20 (b) Student academic growth;

21 (c) Achievement gaps in both proficiency and growth between major
22 student subgroups;

23 (d) Attendance;

24 (e) Recurrent enrollment from year to year;

25 (f) Graduation rates and postsecondary readiness, for high schools;

26 (g) Financial performance and sustainability; and

27 (h) Board performance and stewardship, including compliance with
28 all applicable laws, rules, and terms of the charter contract.

29 (3) Annual performance targets must be set by each charter school
30 in conjunction with its authorizer and must be designed to help each
31 school meet applicable federal, state, and authorizer expectations.

32 (4) The authorizer and charter school may also include additional
33 rigorous, valid, and reliable indicators in the performance framework
34 to augment external evaluations of the charter school's performance.

35 (5) The performance framework must require the disaggregation of
36 all student performance data by major student subgroups, including

1 gender, race and ethnicity, poverty status, special education status,
2 English language learner status, and highly capable status.

3 (6) Multiple schools operating under a single charter contract or
4 overseen by a single charter school board must report their performance
5 as separate schools, and each school shall be held independently
6 accountable for its performance.

7 NEW SECTION. **Sec. 118.** CHARTER CONTRACTS--OVERSIGHT. (1) Each
8 authorizer must continually monitor the performance and legal
9 compliance of the charter schools it oversees, including collecting and
10 analyzing data to support ongoing evaluation according to the
11 performance framework in the charter contract.

12 (2) An authorizer may conduct or require oversight activities that
13 enable the authorizer to fulfill its responsibilities under this
14 chapter, including conducting appropriate inquiries and investigations,
15 so long as those activities are consistent with the intent of this
16 chapter, adhere to the terms of the charter contract, and do not unduly
17 inhibit the autonomy granted to charter schools.

18 (3) In the event that a charter school's performance or legal
19 compliance appears unsatisfactory, the authorizer must promptly notify
20 the school of the perceived problem and provide reasonable opportunity
21 for the school to remedy the problem, unless the problem warrants
22 revocation in which case the revocation procedures under section 120 of
23 this act apply.

24 (4) An authorizer may take appropriate corrective actions or
25 exercise sanctions short of revocation in response to apparent
26 deficiencies in charter school performance or legal compliance. Such
27 actions or sanctions may include, if warranted, requiring a school to
28 develop and execute a corrective action plan within a specified time
29 frame.

30 NEW SECTION. **Sec. 119.** CHARTER CONTRACTS--RENEWAL. (1) A charter
31 contract may be renewed for successive five-year terms, although the
32 authorizer may vary the term based on the performance, demonstrated
33 capacities, and particular circumstances of a charter school and may
34 grant renewal with specific conditions for necessary improvements to a
35 charter school.

1 (2) No later than six months before the expiration of a charter
2 contract, the authorizer must issue a performance report and charter
3 contract renewal application guidance to that charter school. The
4 performance report must summarize the charter school's performance
5 record to date based on the data required by the charter contract, and
6 must provide notice of any weaknesses or concerns perceived by the
7 authorizer concerning the charter school that may jeopardize its
8 position in seeking renewal if not timely rectified. The charter
9 school has thirty days to respond to the performance report and submit
10 any corrections or clarifications for the report.

11 (3) The renewal application guidance must, at a minimum, provide an
12 opportunity for the charter school to:

13 (a) Present additional evidence, beyond the data contained in the
14 performance report, supporting its case for charter contract renewal;

15 (b) Describe improvements undertaken or planned for the school; and

16 (c) Detail the school's plans for the next charter contract term.

17 (4) The renewal application guidance must include or refer
18 explicitly to the criteria that will guide the authorizer's renewal
19 decisions, which shall be based on the performance framework set forth
20 in the charter contract.

21 (5) In making charter renewal decisions, an authorizer must:

22 (a) Ground its decisions in evidence of the school's performance
23 over the term of the charter contract in accordance with the
24 performance framework set forth in the charter contract;

25 (b) Ensure that data used in making renewal decisions are available
26 to the school and the public; and

27 (c) Provide a public report summarizing the evidence basis for its
28 decision.

29 NEW SECTION. **Sec. 120.** CHARTER CONTRACTS--NONRENEWAL OR
30 REVOCATION. (1) A charter contract may be revoked at any time or not
31 renewed if the authorizer determines that the charter school did any of
32 the following or otherwise failed to comply with the provisions of this
33 chapter:

34 (a) Committed a material and substantial violation of any of the
35 terms, conditions, standards, or procedures required under this chapter
36 or the charter contract;

1 (b) Failed to meet or make sufficient progress toward the
2 performance expectations set forth in the charter contract;

3 (c) Failed to meet generally accepted standards of fiscal
4 management; or

5 (d) Substantially violated any material provision of law from which
6 the charter school is not exempt.

7 (2) A charter contract may not be renewed if, at the time of the
8 renewal application, the charter school's performance falls in the
9 bottom quartile of schools on the accountability index developed by the
10 state board of education under RCW 28A.657.110, unless the charter
11 school demonstrates exceptional circumstances that the authorizer finds
12 justifiable.

13 (3) A charter contract must be revoked or nonrenewed if the charter
14 school is identified as meeting the criteria for temporary transfer to
15 the transformation zone district as provided under section 203 of this
16 act.

17 (4) Each authorizer must develop revocation and nonrenewal
18 processes that:

19 (a) Provide the charter school board with a timely notification of
20 the prospect of and reasons for revocation or nonrenewal;

21 (b) Allow the charter school board a reasonable amount of time in
22 which to prepare a response;

23 (c) Provide the charter school board with an opportunity to submit
24 documents and give testimony challenging the rationale for closure and
25 in support of the continuation of the school at a recorded public
26 proceeding held for that purpose;

27 (d) Allow the charter school board to be represented by counsel and
28 to call witnesses on its behalf; and

29 (e) After a reasonable period for deliberation, require a final
30 determination to be made and conveyed in writing to the charter school
31 board.

32 (5) If an authorizer revokes or does not renew a charter, the
33 authorizer must clearly state in a resolution the reasons for the
34 revocation or nonrenewal.

35 (6) Within ten days of taking action to renew, not renew, or revoke
36 a charter contract, an authorizer must submit a report of the action to
37 the applicant and to the state board of education, which must include
38 a copy of the authorizer's resolution setting forth the action taken,

1 the reasons for the decision, and assurances of compliance with the
2 procedural requirements established by the authorizer under this
3 section.

4 NEW SECTION. **Sec. 121.** CHARTER SCHOOL CLOSURE OR DISSOLUTION.

5 (1) Before making a decision to close a charter school, authorizers
6 must develop a charter school closure protocol to ensure timely
7 notification to parents, orderly transition of students and student
8 records to new schools, and proper disposition of school funds,
9 property, and assets. The protocol must specify tasks, timelines, and
10 responsible parties, including delineating the respective duties of the
11 charter school and the authorizer.

12 (2) In the event of a charter school closure for any reason, the
13 assets of the school must be distributed first to satisfy outstanding
14 payroll obligations for employees of the school, then to creditors of
15 the school, and then to the state treasurer to the credit of the
16 general fund. If the assets of the school are insufficient to pay all
17 parties to whom the school owes compensation, the prioritization of the
18 distribution of assets may be determined by decree of a court of law.

19 (3) A charter contract may not be transferred from one authorizer
20 to another before the expiration of the charter contract term except by
21 petition to the state board of education by the charter school or its
22 authorizer. The state board of education must review such petitions on
23 a case-by-case basis and may grant transfer requests in response to
24 special circumstances and evidence that such a transfer would serve the
25 best interests of the charter school's students.

26 NEW SECTION. **Sec. 122.** FUNDING. (1) Charter schools must report

27 student enrollment in the same manner and based on the same definitions
28 of enrolled students and annual average full-time equivalent enrollment
29 as other public schools. Charter schools must comply with applicable
30 reporting requirements to receive state or federal funding that is
31 allocated based on student characteristics.

32 (2) According to the schedule established under RCW 28A.510.250,
33 the superintendent of public instruction shall allocate funding for a
34 charter school including general apportionment, special education,
35 categorical, and other nonbasic education moneys. Allocations must be
36 based on the statewide average staff mix ratio of all noncharter public

1 schools from the prior school year and the school's actual full-time
2 equivalent enrollment. A charter school is not eligible for enhanced
3 small school assistance funding. Categorical funding must be allocated
4 to a charter school based on the same funding criteria used for
5 noncharter public schools, except that the charter school is exempt
6 from rules and statutes regarding the expenditure of these funds. A
7 charter school is eligible to apply for state grants on the same basis
8 as a school district.

9 (3) Allocations for pupil transportation must be calculated on a
10 per student basis based on the allocation for the previous school year
11 to the school district in which the charter school is located. A
12 charter school may enter into a contract with a school district or
13 other public or private entity to provide transportation for the
14 students of the school.

15 (4) Amounts payable to a charter school under this section in the
16 school's first year of operation must be based on the projections of
17 first-year student enrollment established in the charter contract. The
18 office of the superintendent of public instruction must reconcile the
19 amounts paid in the first year of operation to the amounts that would
20 have been paid based on actual student enrollment and make adjustments
21 to the charter school's allocations over the course of the second year
22 of operation.

23 (5) For charter schools authorized by a school district board of
24 directors:

25 (a) Allocations to a charter school that are included in RCW
26 84.52.0531(3) (a) through (c) shall be included in the levy base of the
27 district in which the charter school is located.

28 (b) Conversion charter schools are eligible for local levy moneys
29 approved by the voters before the start-up date of the school as
30 determined by the authorizer, and the school district must allocate
31 levy moneys to a conversion charter school.

32 (c) New charter schools are not eligible for local levy moneys
33 approved by the voters before the start-up date of the school as
34 determined by the authorizer, and the district may not allocate those
35 levy moneys to a new school.

36 (d) For levies submitted to voters after the start-up date of a
37 charter school, the school must be included in levy planning, budgets,

1 and funding distribution in the same manner as other public schools in
2 the district.

3 (e) A conversion charter school is entitled to the continued rent-
4 free use of its existing facility. The district remains responsible
5 for major repairs and safety upgrades that may be required for the
6 continued use of the facility as a public school. The charter school
7 is responsible for routine maintenance of the facility, including but
8 not limited to, cleaning, painting, gardening, and landscaping.

9 (6) No local levy money may be allocated to a charter school if the
10 charter school is not authorized by a school district board of
11 directors.

12 (7) Any moneys received by a charter school from any source and
13 remaining in the school's accounts at the end of any budget year shall
14 remain in the school's accounts for use by the school during subsequent
15 budget years.

16 NEW SECTION. **Sec. 123.** FACILITIES. (1) Charter schools are
17 eligible for state matching funds for common school construction.

18 (2) A charter school has a right of first refusal to purchase or
19 lease at or below fair market value a closed public school facility or
20 property or unused portions of a public school facility or property
21 located in a school district from which it draws its students if the
22 school district decides to sell or lease the public school facility or
23 property.

24 (3) A charter school may negotiate and contract at or below fair
25 market value with a school district, the governing body of a public
26 college or university, or any other public or private entity for the
27 use of a facility for a school building.

28 (4) Public libraries, community service organizations, museums,
29 performing arts venues, theaters, churches, and public or private
30 colleges and universities may provide space to charter schools within
31 their facilities under their preexisting zoning and land use
32 designations.

33 NEW SECTION. **Sec. 124.** YEARS OF SERVICE. Years of service in a
34 charter school by certificated instructional staff shall be included in
35 the years of service calculation for purposes of the statewide salary
36 allocation schedule under RCW 28A.150.410.

1 (3) "Transformation zone district" means an office within the
2 office of the superintendent of public instruction that has been
3 assigned the powers and responsibilities of a school district as
4 provided under this chapter.

5 (4) "Transformation zone school" means a school that has been
6 temporarily transferred from its original school district to the
7 jurisdiction of the transformation zone district as provided under this
8 chapter.

9 NEW SECTION. **Sec. 202.** TRANSFORMATION ZONE DISTRICT. (1) The
10 transformation zone district is hereby established as a statewide
11 school district within the state of Washington. The superintendent of
12 public instruction shall exercise all powers and responsibilities
13 assigned under this title to a school district board of directors for
14 the governance and oversight of the transformation zone district,
15 including under RCW 28A.150.230 and 28A.320.015, except as otherwise
16 provided in this chapter.

17 (2) The transformation zone district and the superintendent of
18 public instruction as the governing authority of the district have
19 jurisdiction over all transformation zone schools that have been
20 temporarily transferred to the district under section 203 of this act.

21 (3) The transformation zone district is not a local taxing district
22 and the superintendent of public instruction may not levy taxes under
23 RCW 84.52.053. The superintendent of public instruction may not buy or
24 sell real property under RCW 28A.335.120 or incur bonded indebtedness
25 under RCW 28A.530.010 or 28A.530.080, and does not have the power of
26 eminent domain under RCW 28A.335.220. The state treasurer shall act as
27 the treasurer for the transformation zone district, with the same
28 responsibilities for transformation zone district funds as are assigned
29 by law to the county treasurer for local school district funds.

30 (4) The transformation zone district shall be designated as a local
31 education agency of the state under applicable federal laws and rules
32 and is responsible for meeting the requirements of local education
33 agencies under those laws and rules, including those regarding the
34 receipt and expenditure of federal funds.

35 NEW SECTION. **Sec. 203.** TRANSFORMATION ZONE SCHOOLS--TRANSFER.
36 (1) Beginning in January 2013, the superintendent of public instruction

1 shall annually recommend to the state board of education schools for
2 temporary transfer to the jurisdiction of the transformation zone
3 district.

4 (2) The superintendent of public instruction shall adopt criteria
5 for the recommendation, including:

6 (a) The school has been identified under RCW 28A.657.020 as a
7 persistently lowest-achieving school and is furthermore among the
8 persistently lowest-achieving of these schools;

9 (b) The school is not the subject of a required action plan in a
10 required action district under chapter 28A.657 RCW, except that a
11 school that has been the subject of a required action plan for at least
12 three years and has not been released from required action under RCW
13 28A.657.100 may be recommended for transfer to the transformation zone
14 district; and

15 (c) The school is not the subject of a currently active federal
16 school improvement grant.

17 (3) At least ten and no more than twenty schools that meet the
18 superintendent's criteria shall be transferred to the transformation
19 zone district each single year.

20 (4) If a charter school established under chapter 28A.--- RCW (the
21 new chapter created in section 401 of this act) is identified as
22 meeting the criteria for temporary transfer to the transformation zone
23 district under this section, the superintendent of public instruction
24 shall notify the state board of education and the authorizer of the
25 charter school that the charter contract must be nonrenewed or revoked
26 as provided under section 120 of this act.

27 (5) The superintendent of public instruction shall provide a school
28 district superintendent with written notice of the recommendation for
29 transfer of a school to the transformation zone district by certified
30 mail or personal service. A school district superintendent may request
31 reconsideration of the superintendent of public instruction's
32 recommendation. The reconsideration is limited to a determination of
33 whether the school met the criteria for being recommended for transfer
34 to the transformation zone district. A request for reconsideration
35 must be in writing and served on the superintendent of public
36 instruction within ten days of service of the notice of the
37 superintendent's recommendation.

1 (6) The state board of education must consider the recommendations
2 of the superintendent of public instruction under subsection (1) of
3 this section at a public meeting. The state board of education may
4 modify the superintendent's recommendations before directing the annual
5 transfer of schools to the jurisdiction of the transformation zone
6 district. The transfer shall take effect on September 1st following
7 the board's decision.

8 (7) During the period of time between the board's decision and the
9 effective date of the transfer of a school under this section, the
10 original school district must cooperate with the superintendent of
11 public instruction in developing a transfer plan, including but not
12 limited to providing necessary financial and staffing information to
13 the superintendent.

14 NEW SECTION. **Sec. 204.** LEARNING MANAGEMENT ORGANIZATION
15 CONTRACTS. (1) The superintendent of public instruction shall contract
16 with a learning management organization for the management and
17 operation of each transformation zone school. A learning management
18 organization may manage more than one transformation zone school, but
19 each school shall be the subject of a separate contract. The term of
20 a contract under this section shall be no more than three years. A
21 learning management organization may apply for renewal of a contract.
22 The superintendent of public instruction shall use the performance
23 framework established under this section as a primary determining
24 factor in awarding or denying a contract renewal.

25 (2) The superintendent's requests for proposals for learning
26 management organizations must require an applicant to provide:

27 (a) The applicant's strategic vision for operation, management, and
28 transformation of a persistently lowest-achieving school;

29 (b) A plan to support the vision presented, including explanation
30 and evidence of the applicant's budget and personnel capacity and
31 commitment to execute the responsibilities of school operation and
32 management;

33 (c) A draft of the performance framework that the applicant would
34 use to guide the transformation of the school; and

35 (d) A statement of assurance that the applicant will provide public
36 accountability and transparency in all matters concerning practices,

1 decisions, and expenditures related to its management of a
2 transformation zone school.

3 (3) A contract with a learning management organization must contain
4 a performance framework that clearly sets forth the academic and
5 operational performance indicators, measures, and metrics for the
6 improvement of student learning in the transformation zone school.
7 Annual performance targets must be established under the contract. The
8 learning management organization must develop, oversee, and implement
9 a school transformation plan based on the performance framework.

10 (4) At a minimum, the performance framework must include
11 indicators, measures, and metrics for:

12 (a) Student academic proficiency;

13 (b) Student academic growth;

14 (c) Achievement gaps in both proficiency and growth between major
15 student subgroups;

16 (d) Attendance;

17 (e) Recurrent enrollment from year to year;

18 (f) Graduation rates and postsecondary readiness, for high schools;

19 (g) Financial performance and sustainability; and

20 (h) Performance and stewardship by the learning management
21 organization, including compliance with all applicable laws, rules, and
22 terms of the contract with the superintendent of public instruction.

23 (5) The superintendent of public instruction and the learning
24 management organization may also include additional rigorous, valid,
25 and reliable indicators in the performance framework to augment
26 external evaluations of the performance of the transformation zone
27 school.

28 (6) The performance framework must require the disaggregation of
29 all student performance data by major student subgroups, including
30 gender, race and ethnicity, poverty status, special education status,
31 English learner status, and highly capable status.

32 (7) A contract with a learning management organization must include
33 expectations and indicators for parent and community involvement in the
34 transformation zone school. The learning management organization must
35 establish and hold regular public meetings with a standing parent and
36 community advisory committee.

37 (8) A learning management organization may contract with

1 individuals, organizations, educational service districts, and school
2 districts including the original school district to provide goods and
3 services to a transformation zone school.

4 NEW SECTION. **Sec. 205.** TRANSFORMATION ZONE DISTRICT EMPLOYEES.

5 (1) The original school district must notify all certificated and
6 classified employees assigned to a school that is scheduled to be
7 transferred to the transformation zone district under section 203 of
8 this act that their employment contracts shall be nonrenewed at the end
9 of the school year before the transfer takes effect. The cause for
10 nonrenewal is the transfer of the school of assignment to the
11 jurisdiction of the transformation zone district where the
12 superintendent of public instruction has governing authority, including
13 over the employment of necessary staff. For certificated employees,
14 the notice must comply with the provisions of RCW 28A.405.210 and
15 28A.405.220.

16 (2) Certificated and classified employees assigned to a school that
17 is scheduled to be transferred to the transformation zone district may
18 apply to the original school district for a transfer of assignment
19 within the original district, which request must be considered
20 according to the policies and procedures of the district regarding
21 transfers of assignment.

22 (3) The superintendent of public instruction shall exercise the
23 powers of a school district board of directors under RCW 28A.400.300
24 with regard to employment of certificated and classified employees who
25 shall be considered employees of the transformation zone district.

26 (4) Under the terms of the contracts executed under section 204 of
27 this act, the superintendent must delegate to the learning management
28 organization the responsibility to hire, assign, evaluate, and dismiss
29 all staff of a transformation zone school.

30 (5) Classified and certificated staff previously assigned to a
31 school that is transferred to the transformation zone district may
32 apply to the learning management organization to become employees of
33 the transformation zone district assigned to that school.

34 (6) Years of service in a transformation zone school by
35 certificated instructional staff shall be included in the years of
36 service calculation for purposes of the statewide salary allocation
37 schedule under RCW 28A.150.410.

1 NEW SECTION. **Sec. 206.** TRANSFORMATION ZONE STUDENTS. (1) The
2 original school district must notify all parents of students attending
3 a school scheduled to be transferred to the transformation zone
4 district of the state board of education's decision to transfer the
5 school.

6 (2) A parent of a student scheduled to attend a transformation zone
7 school must be permitted to transfer the student to another school
8 within the original school district, but may be required to follow
9 other school assignment policies of the original school district.

10 (3) Except for transfers requested by a parent under this section,
11 assignment of students to a transformation zone school must be based on
12 the same policies for student assignment to other schools in the
13 original school district.

14 (4) Students enrolled in a transformation zone school may
15 participate in interscholastic and extracurricular activities offered
16 by the original school district in the same manner as other students
17 enrolled in the original school district, including being required to
18 pay fees to participate in extracurricular activities.

19 NEW SECTION. **Sec. 207.** TRANSFORMATION ZONE SCHOOLS--APPLICABILITY
20 OF STATE LAWS. (1) The superintendent of public instruction, as the
21 governing authority of the transformation zone district, and the
22 schools transferred to its jurisdiction are exempt from all state
23 statutes and rules applicable to school districts and school district
24 boards of directors, except those statutes and rules made applicable
25 under this chapter.

26 (2) The transformation zone district and all transformation zone
27 schools must:

28 (a) Comply with state and federal health, safety, parents' rights,
29 civil rights, and nondiscrimination laws applicable to school districts
30 and to the same extent as school districts, including but not limited
31 to chapter 28A.642 RCW (discrimination prohibition) and chapter 28A.640
32 RCW (sexual equality);

33 (b) Provide instruction in the essential academic learning
34 requirements and participate in the statewide student assessment system
35 as provided under RCW 28A.655.070;

36 (c) Employ certificated instructional staff as required in RCW

1 28A.410.010, however the transformation zone district may hire
2 noncertificated instructional staff of unusual competence and in
3 exceptional cases as specified in RCW 28A.150.260;

4 (d) Comply with the employee record check requirements in RCW
5 28A.400.303;

6 (e) Adhere to generally accepted accounting principles and be
7 subject to financial examinations and audits as determined by the state
8 auditor, including annual audits for legal and fiscal compliance;

9 (f) Comply with the annual performance report under RCW
10 28A.655.110;

11 (g) Be subject to the performance improvement goals adopted by the
12 state board of education under RCW 28A.305.130;

13 (h) Comply with the open public meetings act in chapter 42.30 RCW
14 and open public records requirements in RCW 42.56.040; and

15 (i) Be subject to and comply with legislation enacted after the
16 effective date of this section governing the operation and management
17 of the transformation zone district.

18 NEW SECTION. **Sec. 208.** FUNDING. (1) According to the schedule
19 established under RCW 28A.510.250, the superintendent of public
20 instruction shall deduct from the apportionment payments due to an
21 original school district funding for each annual average full-time
22 equivalent student enrolled in a transformation zone school, including
23 general apportionment, special education, categorical, and other
24 nonbasic education moneys including local effort assistance.
25 Categorical funding must be deducted for a transformation zone school
26 based on the same funding criteria used for other public schools,
27 except that the superintendent of public instruction is exempt from
28 rules and statutes regarding the expenditure of these funds.

29 (2) The superintendent of public instruction shall place the
30 deducted funds in a separate account for each transformation zone
31 school, and funds in such an account may be spent only in support of
32 that school. Any unspent funds at the end of a school fiscal year
33 remain in the account to be used in future years for the benefit of
34 that school.

35 (3) Federal funds that are made available to the transformation
36 zone district as a local education agency must be apportioned among the

1 transformation zone schools by the superintendent of public instruction
2 based on the programs and criteria that generated the funds.

3 (4) State funds deducted from the apportionment of an original
4 school district under subsection (1) of this section and federal funds
5 apportioned to a transformation zone school under subsection (3) of
6 this section must be included in the levy base of the school's original
7 school district under RCW 84.52.0531.

8 (5) If an original school district has a local levy for maintenance
9 and operations, the district must transmit to the superintendent of
10 public instruction a per-student amount of the levy for each annual
11 average full-time equivalent student enrolled in a transformation zone
12 school in that district. The superintendent of public instruction must
13 place the funds in the separate account under subsection (2) of this
14 section and spend the funds only in support of that school. For levies
15 submitted to voters after the transfer of a school to the
16 transformation zone district, the school must be included in levy
17 planning, budgets, and funding distribution in the same manner as other
18 schools in the original school district.

19 (6) Notwithstanding the transfer of a school to the transformation
20 zone district, the original school district must continue to receive
21 applicable state and federal funds for pupil transportation under
22 chapter 28A.160 RCW and for food services under chapter 28A.235 RCW for
23 students enrolled in a transformation zone school and shall continue to
24 provide transportation services and food services to the students
25 enrolled in that school in the same manner as such services would be
26 provided absent the transfer of the school.

27 NEW SECTION. **Sec. 209.** FACILITIES. (1) A transformation zone
28 school is entitled to the continued rent free use of its existing
29 facility. The original school district remains responsible for major
30 repairs and safety upgrades that may be required, as well as continued
31 payment for any outstanding bonds or capital projects associated with
32 the school. The transformation zone district is responsible for
33 routine maintenance of the facility, including but not limited to,
34 cleaning, painting, gardening, and landscaping.

35 (2) The original school district retains ownership of and legal
36 title to the land, building, and equipment of a transformation zone
37 school. After the decision is made by the state board of education to

1 transfer a school to the transformation zone district, the original
2 school district may not remove supplies or equipment from the
3 transformation zone school without written authorization from the
4 superintendent of public instruction or the contracted learning
5 management organization for the school.

6 (3) The superintendent of public instruction may negotiate with the
7 original school district for payment of the school's share of
8 insurance, utilities, or other similar shared overhead associated with
9 the operation of a transformation zone school.

10 NEW SECTION. **Sec. 210.** TRANSFORMATION ZONE SCHOOLS--RETURN TO
11 ORIGINAL DISTRICT. (1) The state board of education must establish
12 criteria for measuring the improvement of each transformation zone
13 school, based on the performance framework and performance targets
14 established under section 204 of this act.

15 (2) A transformation zone school is eligible to be returned to the
16 jurisdiction of its original school district after the school has met
17 the performance improvement criteria of the state board of education
18 for three consecutive years.

19 (3) The state board of education must notify the superintendent of
20 public instruction by January of the year after which a transformation
21 zone school becomes eligible to be returned to its original school
22 district. The superintendent of public instruction shall negotiate
23 with the original school district for the return of the transformation
24 zone school, including addressing the employment status of employees of
25 the transformation zone school. Any notices of nonrenewal of contracts
26 for certificated instructional staff of the transformation zone school
27 must comply with RCW 28A.405.210 and 28A.405.220. The return of a
28 transformation zone school to its original school district takes effect
29 September 1st after the board's decision.

30 (4) Any unspent balances in the account associated with the
31 transformation zone school must be credited to the original school
32 district.

33 (5) The board of directors of the original school district may
34 negotiate a new contract with the learning management organization to
35 continue oversight and management of a returned transformation zone
36 school.

1 the department of retirement systems receives determinations from the
2 internal revenue service and the United States department of labor that
3 participation does not jeopardize the status of these retirement
4 systems as governmental plans under the federal employees' retirement
5 income security act and the internal revenue code.

6 **Sec. 305.** RCW 41.05.011 and 2011 1st sp.s. c 15 s 54 are each
7 reenacted and amended to read as follows:

8 The definitions in this section apply throughout this chapter
9 unless the context clearly requires otherwise.

10 (1) "Authority" means the Washington state health care authority.

11 (2) "Board" means the public employees' benefits board established
12 under RCW 41.05.055.

13 (3) "Dependent care assistance program" means a benefit plan
14 whereby state and public employees may pay for certain employment
15 related dependent care with pretax dollars as provided in the salary
16 reduction plan under this chapter pursuant to 26 U.S.C. Sec. 129 or
17 other sections of the internal revenue code.

18 (4) "Director" means the director of the authority.

19 (5) "Emergency service personnel killed in the line of duty" means
20 law enforcement officers and firefighters as defined in RCW 41.26.030,
21 members of the Washington state patrol retirement fund as defined in
22 RCW 43.43.120, and reserve officers and firefighters as defined in RCW
23 41.24.010 who die as a result of injuries sustained in the course of
24 employment as determined consistent with Title 51 RCW by the department
25 of labor and industries.

26 (6) "Employee" includes all employees of the state, whether or not
27 covered by civil service; elected and appointed officials of the
28 executive branch of government, including full-time members of boards,
29 commissions, or committees; justices of the supreme court and judges of
30 the court of appeals and the superior courts; and members of the state
31 legislature. Pursuant to contractual agreement with the authority,
32 "employee" may also include: (a) Employees of a county, municipality,
33 or other political subdivision of the state and members of the
34 legislative authority of any county, city, or town who are elected to
35 office after February 20, 1970, if the legislative authority of the
36 county, municipality, or other political subdivision of the state seeks
37 and receives the approval of the authority to provide any of its

1 insurance programs by contract with the authority, as provided in RCW
2 41.04.205 and 41.05.021(1)(g); (b) employees of employee organizations
3 representing state civil service employees, at the option of each such
4 employee organization, and, effective October 1, 1995, employees of
5 employee organizations currently pooled with employees of school
6 districts for the purpose of purchasing insurance benefits, at the
7 option of each such employee organization; (c) employees of a school
8 district if the authority agrees to provide any of the school
9 districts' insurance programs by contract with the authority as
10 provided in RCW 28A.400.350; (~~and~~) (d) employees of a tribal
11 government, if the governing body of the tribal government seeks and
12 receives the approval of the authority to provide any of its insurance
13 programs by contract with the authority, as provided in RCW
14 41.05.021(1) (f) and (g); and (e) employees of a charter school
15 established under chapter 28A.--- RCW (the new chapter created in
16 section 401 of this act). "Employee" does not include: Adult family
17 homeowners; unpaid volunteers; patients of state hospitals; inmates;
18 employees of the Washington state convention and trade center as
19 provided in RCW 41.05.110; students of institutions of higher education
20 as determined by their institution; and any others not expressly
21 defined as employees under this chapter or by the authority under this
22 chapter.

23 (7) "Employer" means the state of Washington.

24 (8) "Employing agency" means a division, department, or separate
25 agency of state government, including an institution of higher
26 education; a county, municipality, school district, educational service
27 district, charter school, or other political subdivision; and a tribal
28 government covered by this chapter.

29 (9) "Faculty" means an academic employee of an institution of
30 higher education whose workload is not defined by work hours but whose
31 appointment, workload, and duties directly serve the institution's
32 academic mission, as determined under the authority of its enabling
33 statutes, its governing body, and any applicable collective bargaining
34 agreement.

35 (10) "Flexible benefit plan" means a benefit plan that allows
36 employees to choose the level of health care coverage provided and the
37 amount of employee contributions from among a range of choices offered
38 by the authority.

1 (11) "Insuring entity" means an insurer as defined in chapter 48.01
2 RCW, a health care service contractor as defined in chapter 48.44 RCW,
3 or a health maintenance organization as defined in chapter 48.46 RCW.

4 (12) "Medical flexible spending arrangement" means a benefit plan
5 whereby state and public employees may reduce their salary before taxes
6 to pay for medical expenses not reimbursed by insurance as provided in
7 the salary reduction plan under this chapter pursuant to 26 U.S.C. Sec.
8 125 or other sections of the internal revenue code.

9 (13) "Participant" means an individual who fulfills the eligibility
10 and enrollment requirements under the salary reduction plan.

11 (14) "Plan year" means the time period established by the
12 authority.

13 (15) "Premium payment plan" means a benefit plan whereby state and
14 public employees may pay their share of group health plan premiums with
15 pretax dollars as provided in the salary reduction plan under this
16 chapter pursuant to 26 U.S.C. Sec. 125 or other sections of the
17 internal revenue code.

18 (16) "Retired or disabled school employee" means:

19 (a) Persons who separated from employment with a school district or
20 educational service district and are receiving a retirement allowance
21 under chapter 41.32 or 41.40 RCW as of September 30, 1993;

22 (b) Persons who separate from employment with a school district
23 (~~(or)~~), educational service district, or charter school on or after
24 October 1, 1993, and immediately upon separation receive a retirement
25 allowance under chapter 41.32, 41.35, or 41.40 RCW;

26 (c) Persons who separate from employment with a school district
27 (~~(or)~~), educational service district, or charter school due to a total
28 and permanent disability, and are eligible to receive a deferred
29 retirement allowance under chapter 41.32, 41.35, or 41.40 RCW.

30 (17) "Salary" means a state employee's monthly salary or wages.

31 (18) "Salary reduction plan" means a benefit plan whereby state and
32 public employees may agree to a reduction of salary on a pretax basis
33 to participate in the dependent care assistance program, medical
34 flexible spending arrangement, or premium payment plan offered pursuant
35 to 26 U.S.C. Sec. 125 or other sections of the internal revenue code.

36 (19) "Seasonal employee" means an employee hired to work during a
37 recurring, annual season with a duration of three months or more, and
38 anticipated to return each season to perform similar work.

1 (20) "Separated employees" means persons who separate from
2 employment with an employer as defined in:

3 (a) RCW 41.32.010(17) on or after July 1, 1996; or

4 (b) RCW 41.35.010 on or after September 1, 2000; or

5 (c) RCW 41.40.010 on or after March 1, 2002;

6 and who are at least age fifty-five and have at least ten years of
7 service under the teachers' retirement system plan 3 as defined in RCW
8 41.32.010(33), the Washington school employees' retirement system plan
9 3 as defined in RCW 41.35.010, or the public employees' retirement
10 system plan 3 as defined in RCW 41.40.010.

11 (21) "State purchased health care" or "health care" means medical
12 and health care, pharmaceuticals, and medical equipment purchased with
13 state and federal funds by the department of social and health
14 services, the department of health, the basic health plan, the state
15 health care authority, the department of labor and industries, the
16 department of corrections, the department of veterans affairs, and
17 local school districts.

18 (22) "Tribal government" means an Indian tribal government as
19 defined in section 3(32) of the employee retirement income security act
20 of 1974, as amended, or an agency or instrumentality of the tribal
21 government, that has government offices principally located in this
22 state.

23 NEW SECTION. **Sec. 306.** A new section is added to chapter 41.56
24 RCW to read as follows:

25 (1) Notwithstanding RCW 41.56.060 and 41.56.070, the bargaining
26 units of classified employees of the transformation zone district
27 established under section 202 of this act must be limited to the
28 employees of each transformation zone school within the district and
29 must be separate from other bargaining units in the district. The
30 superintendent of public instruction must consult with the learning
31 management organizations that are under contract to manage and operate
32 transformation zone schools when fulfilling the responsibilities of a
33 public employer under this chapter.

34 (2) In addition to the entities listed in RCW 41.56.020, this
35 chapter applies to any charter school established under chapter 28A.---
36 RCW (the new chapter created in section 401 of this act).

1 NEW SECTION. **Sec. 307.** A new section is added to chapter 41.59
2 RCW to read as follows:

3 (1) Notwithstanding RCW 41.59.070 and 41.59.080, the bargaining
4 units of certificated employees of the transformation zone district
5 established under section 202 of this act must be limited to the
6 employees of each transformation zone school within the district and
7 must be separate from other bargaining units in the district. The
8 superintendent of public instruction must consult with the learning
9 management organizations that are under contract to manage and operate
10 transformation zone schools when fulfilling the responsibilities of an
11 employer under this chapter.

12 (2) In addition to school districts, this chapter applies to any
13 charter school established under chapter 28A.--- RCW (the new chapter
14 created in section 401 of this act).

15 **Sec. 308.** RCW 28A.310.140 and 2006 c 263 s 608 are each amended to
16 read as follows:

17 Every school district must be included entirely within a single
18 educational service district. If the boundaries of any school district
19 within an educational service district are changed in any manner so as
20 to extend the school district beyond the boundaries of that educational
21 service district, the superintendent of public instruction shall change
22 the boundaries of the educational service districts so affected in a
23 manner consistent with the purposes of RCW 28A.310.010 and this
24 section. This section does not apply to the transformation zone
25 district established under section 202 of this act.

26 NEW SECTION. **Sec. 309.** A new section is added to chapter 28A.315
27 RCW to read as follows:

28 The provisions of this chapter do not apply to the transformation
29 zone district established under section 202 of this act.

30 NEW SECTION. **Sec. 310.** A new section is added to chapter 28A.323
31 RCW to read as follows:

32 The provisions of this chapter do not apply to the transformation
33 zone district established under section 202 of this act.

