



HOUSE BILL 729: Charter Schools Omnibus.

2021-2022 General Assembly

Committee: House Education - K-12. If favorable, re-refer to Rules, Calendar, and Operations of the House **Date:** May 11, 2021

Introduced by: Reps. Yarborough, Hardister, Bradford, Brody **Prepared by:** Drupti Chauhan

Analysis of: PCS to First Edition **Committee Counsel**
H729-CSRQ-19

OVERVIEW: *House Bill 729 makes various changes to the charter school laws. The Proposed Committee Substitute (PCS) removes Part II of the first edition of the bill; clarifies that it is the intent of the General Assembly to ensure that there is parity for State funds for charter schools; and provides that the governing boards of all public school units can request residency licenses rather than just local boards of education.*

PART I. Charter Schools May Provide Remote Instruction

CURRENT LAW: Charter schools are required to provide instruction for at least 185 days or 1025 hours over 9 calendar months. There is no explicit authority for charter schools to provide instruction remotely.

BILL ANALYSIS: Part I of the bill authorizes charter schools to meet the instructional time requirement by providing in-person or blended instruction. Blended instruction is a combination of remote and in-person classroom instruction.

PART II. Authorize Counties to Provide Capital Funds to Charter Schools

CURRENT LAW:

- Transfer of local current expense fund monies: A local school administrative unit (LEA) in which a child lives must transfer to the charter school that the child attends an amount equal to the per pupil share of the local current expense fund of the LEA for the fiscal year.
- State funds: State funds may be used to enter into operational leases financing leases for real property or mobile classroom units for charter schools and can be used for payments on loans for facilities. State funds cannot be used to obtain any other interest in real property or mobile classroom units.
- City funds: A city may appropriate funds for charter schools located inside its city limits for capital, for current operating expenses, or for other specific uses directed by the city. City funds may be used to enter into operational and financing leases for real property or mobile classroom units for charter schools and can be used for payments on loans for facilities. City funds cannot be used to obtain any other interest in real property or mobile classroom units.
- City funds for charter school outside city limits: A city may appropriate funds for current operating expenses or other specific uses directed by the city to a charter school located outside its city limits on a per pupil basis for students who are residents of the city and attend the charter school.
- Faith, credit, and taxing power of State and cities cannot be used to secure charter school debt: No indebtedness of any kind incurred or created by the charter school can constitute an indebtedness of the State or its political subdivisions (including cities) and no indebtedness of a charter school can involve or be secured by the faith, credit, or taxing power of the State or its political subdivisions.

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- Asset distribution upon dissolution: When a charter school is dissolved, all net assets of the school that were purchased with public funds are deemed the property of the LEA in which the charter school is located.

BILL ANALYSIS: Part II would authorize counties to lease real property to charter schools. Part II would also allow counties to provide funds to charter schools by direct appropriation for the following purposes:

- The acquisition of real property for school purposes such as school sites and athletic fields.
- The acquisition, construction, renovation, or replacement of buildings and other structures such as buildings for classrooms and laboratories, libraries, auditoriums, and gyms.
- The acquisition or replacement of items such as furnishings and instructional equipment.

Deed of trust for real property: If a charter school used funds appropriated directly by a county to acquire or improve property, the amount provided by the county must be evidenced by a promissory note and secured by a deed of trust on the property acquired or improved by the funds. The county may subordinate the deed of trust to other liens to facilitate the acquisition or improvement of the property secured by the deed of trust. If the charter school repays the capital funds the county provides, the county must file a deed of release or satisfaction showing that the charter school repaid the county the amount of the capital funds it provided.

Asset distribution upon dissolution: Upon the dissolution of a charter school, capital-sourced assets would not become the property of the LEA in which the charter school is located. Capital-sourced assets are defined as (i) capital funds provided directly to a charter school by a county and (ii) net assets purchased or improved with such funds up to the total amount of the funds provided.

Capital-sourced assets would be deemed the property of the county providing the funding and if multiple counties provided such funds, they would be divided between the counties in the proportion to the funds they each provided.

PART III. Funding Comparability Among Charter Schools and Other Public School Units

BILL ANALYSIS: This Part states that the it is the intent of the General Assembly to ensure that all State funds for public school students attending charter schools are provided in amounts on a comparable to funds given to other public school students attending other public school units.

PART IV. Allow Charter School Teachers to Receive Residence Licenses

CURRENT LAW: An individual is eligible to receive a residency license which is a 1 year license that is renewable twice if the following requirements are met:

- The license is requested by the local board of education and accompanied by a certification of supervision from a recognized education preparation program in which the person is enrolled.
- The individual for whom the license is requested meets the following requirements: (i) holds a bachelor's degree; (ii) has either completed coursework relevant to the requested licensure area or passed the content area examination relevant to the requested licensure area that has been approved by the State Board of Education (SBE); (iii) is enrolled in a recognized educator preparation program; and (iv) meets all the requirements established by the SBE.

BILL ANALYSIS: This Part would allow any governing board of a public school unit to request a residency license for an individual. All other requirements of the statute would still need to be met.

EFFECTIVE DATE: Except as provided in the bill, the act is effective when it becomes law and applies beginning with the 2021-2022 school year.