

Union Calendar No. 185

105TH CONGRESS
1ST SESSION

H. R. 2616

[Report No. 105-321]

To amend titles VI and X of the Elementary and Secondary Education Act of 1965 to improve and expand charter schools.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 6, 1997

Mr. RIGGS introduced the following bill; which was referred to the Committee on Education and the Workforce

OCTOBER 14, 1997

Additional sponsor: Mr. ROEMER

OCTOBER 14, 1997

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italie*]

[For text of introduced bill, see copy of bill as introduced on October 6, 1997]

A BILL

To amend titles VI and X of the Elementary and Secondary Education Act of 1965 to improve and expand charter schools.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 *This Act may be cited as the “Charter Schools Amend-*
3 *ments Act of 1997”.*

4 **SEC 2. INNOVATIVE CHARTER SCHOOLS.**

5 *Title VI of the Elementary and Secondary Education*
6 *Act of 1965 (20 U.S.C. 7301 et seq.) is amended—*

7 *(1) in section 6201(a)—*

8 *(A) in paragraph (1)(C), by striking “and”*
9 *after the semicolon;*

10 *(B) by redesignating paragraph (2) as*
11 *paragraph (3); and*

12 *(C) by inserting after paragraph (1) the fol-*
13 *lowing:*

14 *“(2) support for planning, designing, and initial*
15 *implementation of charter schools as described in part*
16 *C of title X; and”;* and

17 *(2) in section 6301(b)—*

18 *(A) in paragraph (7), by striking “and”*
19 *after the semicolon;*

20 *(B) by redesignating paragraph (8) as*
21 *paragraph (9); and*

22 *(C) by inserting after paragraph (7) the fol-*
23 *lowing:*

24 *“(8) planning, designing, and initial implemen-*
25 *tation of charter schools as described in part C of title*
26 *X; and”.*

1 **SEC. 3. CHARTER SCHOOLS.**

2 *Part C of title X of the Elementary and Secondary*
3 *Education Act of 1965 is amended to read as follows:*

4 **“PART C—PUBLIC CHARTER SCHOOLS**

5 **“SEC. 10301. FINDINGS AND PURPOSE.**

6 *“(a) FINDINGS.—The Congress finds that—*

7 *“(1) enhancement of parent and student choices*
8 *among public schools can assist in promoting com-*
9 *prehensive educational reform and give more students*
10 *the opportunity to learn to challenging State content*
11 *standards and challenging State student performance*
12 *standards, if sufficiently diverse and high-quality*
13 *choices, and genuine opportunities to take advantage*
14 *of such choices, are available to all students;*

15 *“(2) useful examples of such choices can come*
16 *from States and communities that experiment with*
17 *methods of offering teachers and other educators, par-*
18 *ents, and other members of the public the opportunity*
19 *to design and implement new public schools and to*
20 *transform existing public schools;*

21 *“(3) charter schools are a mechanism for testing*
22 *a variety of educational approaches and should, there-*
23 *fore, be exempted from restrictive rules and regula-*
24 *tions if the leadership of such schools commits to at-*
25 *taining specific and ambitious educational results for*
26 *educationally disadvantaged students consistent with*

1 *challenging State content standards and challenging*
2 *State student performance standards for all students;*

3 “(4) *charter schools, as such schools have been*
4 *implemented in a few States, can embody the nec-*
5 *essary mixture of enhanced choice, exemption from re-*
6 *strictive regulations, and a focus on learning gains;*

7 “(5) *charter schools, including charter schools*
8 *that are schools-within-schools, can help reduce school*
9 *size, which can have a significant effect on student*
10 *achievement;*

11 “(6) *the Federal Government should test, evalu-*
12 *ate, and disseminate information on a variety of*
13 *charter school models in order to help demonstrate the*
14 *benefits of this promising educational reform; and*

15 “(7) *there is a strong documented need for cash-*
16 *flow assistance to charter schools that are starting up,*
17 *because State and local operating revenue streams are*
18 *not immediately available.*

19 “(b) *PURPOSES.—The purposes of this part are—*

20 “(1) *to provide financial assistance for the plan-*
21 *ning, design, initial implementation of charter*
22 *schools;*

23 “(2) *to facilitate the ability of States and local-*
24 *ities to increase the number of charter schools in the*
25 *Nation to not less than 3,000 by the year 2000; and*

1 “(3) to evaluate the effects of charter schools, in-
2 cluding the effects on students, student achievement,
3 staff, and parents.

4 **“SEC. 10302. PROGRAM AUTHORIZED.**

5 “(a) *IN GENERAL.*—The Secretary may award grants
6 to State educational agencies having applications approved
7 pursuant to section 10303 to enable such agencies to con-
8 duct a charter school grant program in accordance with this
9 part.

10 “(b) *SPECIAL RULE.*—If a State educational agency
11 elects not to participate in the program authorized by this
12 part or does not have an application approved under sec-
13 tion 10303, the Secretary may award a grant to an eligible
14 applicant that serves such State and has an application
15 approved pursuant to section 10303.

16 “(c) *PROGRAM PERIODS.*—

17 “(1) *GRANTS TO STATES.*—

18 “(A) *BASIC GRANTS.*—Grants awarded to
19 State educational agencies under this part for
20 planning, design, or initial implementation of
21 charter schools, shall be awarded for a period of
22 not more than 5 years.

23 “(B) *EXTENSION.*—Any eligible applicant
24 that has received a grant or subgrant under this
25 part prior to October 1, 1997, shall be eligible to

1 *receive an additional grant for a period not to*
2 *exceed 2 years in accordance with this section.*

3 “(2) *GRANTS TO ELIGIBLE APPLICANTS.*—

4 “(A) *BASIC GRANTS.*—*Grants awarded by*
5 *the Secretary to eligible applicants or subgrants*
6 *awarded by State educational agencies to eligible*
7 *applicants under this part shall be awarded for*
8 *planning, design, or initial implementation of*
9 *charter schools, for a period not to exceed more*
10 *than 5 years, of which the eligible applicant may*
11 *use—*

12 “(i) *not more than 30 months for plan-*
13 *ning and program design; and*

14 “(ii) *not more than 4 years for the ini-*
15 *tial implementation of a charter school.*

16 “(B) *EXTENSION.*—*Any eligible applicant*
17 *that has received a grant or subgrant under this*
18 *part prior to October 1, 1997, shall be eligible to*
19 *receive an additional grant for a period not to*
20 *exceed 2 years in accordance with this section.*

21 “(d) *LIMITATION.*—*Except as otherwise provided*
22 *under subsection (c), the Secretary shall not award more*
23 *than one grant and State educational agencies shall not*
24 *award more than one subgrant under this part to support*
25 *a particular charter school.*

1 “(e) *PRIORITY AND REQUIREMENTS.*—

2 “(1) *PRIORITY.*—

3 “(A) *FISCAL YEARS 1998, 1999, AND 2000.*—

4 *In awarding grants under this part for any of*
5 *the fiscal years 1998, 1999, and 2000 from funds*
6 *appropriated under section 10310 that are in ex-*
7 *cess of \$51,000,000 for the fiscal year, the Sec-*
8 *retary shall give priority to State educational*
9 *agencies in accordance with subparagraph (C).*

10 “(B) *SUCCEEDING FISCAL YEARS.*—*In*

11 *awarding grants under this part for fiscal year*
12 *2001 or any succeeding fiscal year from any*
13 *funds appropriated under section 10310, the Sec-*
14 *retary shall consider the number of charter*
15 *schools in each State and shall give priority to*
16 *State educational agencies in accordance with*
17 *subparagraph (C).*

18 “(C) *PRIORITY ORDER.*—*In awarding*

19 *grants under subparagraphs (A) and (B), the*
20 *Secretary shall, in the order listed, give priority*
21 *to a State that—*

22 “(i) *meets all requirements of para-*
23 *graph (2);*

24 “(ii) *meets 2 requirements of para-*
25 *graph (2); and*

1 “(iii) meets 1 requirement of para-
2 graph (2).

3 “(2) *REQUIREMENTS.*—*The requirements re-*
4 *ferred to in paragraph (1)(C) are as follows:*

5 “(A) *The State law regarding charter*
6 *schools ensures that each charter school has a*
7 *high degree of autonomy over its budgets and ex-*
8 *penditures.*

9 “(B) *The State law regarding charter*
10 *schools provides that not less than 1 chartering*
11 *authority in the State allows for an increase in*
12 *the number of charter schools from 1 year to the*
13 *next year; and*

14 “(C) *The State law regarding charter*
15 *schools provides for periodic review and evalua-*
16 *tion by the authorized public chartering agency*
17 *of each charter school to determine whether the*
18 *school is meeting or exceeding the academic per-*
19 *formance requirements and goals for charter*
20 *schools as set forth under State law or the*
21 *school’s charter.*

22 **“SEC. 10303. APPLICATIONS.**

23 “(a) *APPLICATIONS FROM STATE AGENCIES.*—*Each*
24 *State educational agency desiring a grant from the Sec-*
25 *retary under this part shall submit to the Secretary an ap-*

1 *plication at such time, in such manner, and containing or*
2 *accompanied by such information as the Secretary may re-*
3 *quire.*

4 “(b) *CONTENTS OF A STATE EDUCATIONAL AGENCY*
5 *APPLICATION.—Each application submitted pursuant to*
6 *subsection (a) shall—*

7 “(1) *describe the objectives of the State edu-*
8 *cational agency’s charter school grant program and a*
9 *description of how such objectives will be fulfilled, in-*
10 *cluding steps taken by the State educational agency*
11 *to inform teachers, parents, and communities of the*
12 *State educational agency’s charter school grant pro-*
13 *gram;*

14 “(2) *describe how the State educational agency*
15 *will inform each charter school of available Federal*
16 *programs and funds that each such school is eligible*
17 *to receive and ensure that each such school receives its*
18 *appropriate share of Federal education funds allo-*
19 *cated by formula; and*

20 “(3) *contain assurances that the State edu-*
21 *cational agency will require each eligible applicant*
22 *desiring to receive a subgrant to submit an applica-*
23 *tion to the State educational agency containing—*

1 “(A) a description of the educational pro-
2 gram to be implemented by the proposed charter
3 school, including—

4 “(i) how the program will enable all
5 students to meet challenging State student
6 performance standards;

7 “(ii) the grade levels or ages of children
8 to be served; and

9 “(iii) the curriculum and instructional
10 practices to be used;

11 “(B) a description of how the charter school
12 will be managed;

13 “(C) a description of—

14 “(i) the objectives of the charter school;
15 and

16 “(ii) the methods by which the charter
17 school will determine its progress toward
18 achieving those objectives;

19 “(D) a description of the administrative re-
20 lationship between the charter school and the au-
21 thorized public chartering agency;

22 “(E) a description of how parents and other
23 members of the community will be involved in
24 the design and implementation of the charter
25 school;

1 “(F) a description of how the authorized
2 public chartering agency will provide for contin-
3 ued operation of the school once the Federal
4 grant has expired, if such agency determines that
5 the school has met the objectives described in sub-
6 paragraph (C)(i);

7 “(G) a request and justification for waivers
8 of any Federal statutory or regulatory provisions
9 that the applicant believes are necessary for the
10 successful operation of the charter school, and a
11 description of any State or local rules, generally
12 applicable to public schools, that will be waived
13 for, or otherwise not apply to, the school;

14 “(H) a description of how the subgrant
15 funds or grant funds, as appropriate, will be
16 used, including a description of how such funds
17 will be used in conjunction with other Federal
18 programs administered by the Secretary;

19 “(I) a description of how students in the
20 community will be—

21 “(i) informed about the charter school;

22 and

23 “(ii) given an equal opportunity to at-
24 tend the charter school;

1 “(J) an assurance that the eligible appli-
2 cant will annually provide the Secretary and the
3 State educational agency such information as
4 may be required to determine if the charter
5 school is making satisfactory progress toward
6 achieving the objectives described in subpara-
7 graph (C)(i);

8 “(K) an assurance that the applicant will
9 cooperate with the Secretary and the State edu-
10 cational agency in evaluating the program as-
11 sisted under this part;

12 “(L) such other information and assurances
13 as the Secretary and the State educational agen-
14 cy may require; and

15 “(4) describe how the State educational agency
16 will disseminate best or promising practices of char-
17 ter schools in such State to each local educational
18 agency in the State.

19 “(c) *CONTENTS OF ELIGIBLE APPLICANT APPLICA-*
20 *TION.—Each eligible applicant desiring a grant pursuant*
21 *to section 10302 shall submit an application to the State*
22 *educational agency or Secretary, respectively, at such time,*
23 *in such manner, and accompanied by such information as*
24 *the State educational agency or Secretary, respectively,*
25 *may reasonably require.*

1 “(d) *CONTENTS OF APPLICATION.*—Each application
2 submitted pursuant to subsection (c) shall contain—

3 “(1) the information and assurances described in
4 subparagraphs (A) through (L) of subsection (b)(3),
5 except that for purposes of this subsection subpara-
6 graphs (J), (K), and (L) of such subsection shall be
7 applied by striking ‘and the State educational agen-
8 cy’ each place such term appears; and

9 “(2) assurances that the State educational agen-
10 cy—

11 “(A) will grant, or will obtain, waivers of
12 State statutory or regulatory requirements; and

13 “(B) will assist each subgrantee in the State
14 in receiving a waiver under section 10304(e).

15 **“SEC. 10304. ADMINISTRATION.**

16 “(a) *SELECTION CRITERIA FOR STATE EDUCATIONAL*
17 *AGENCIES.*—The Secretary shall award grants to State edu-
18 cational agencies under this part on the basis of the quality
19 of the applications submitted under section 10303(b), after
20 taking into consideration such factors as—

21 “(1) the contribution that the charter schools
22 grant program will make to assisting educationally
23 disadvantaged and other students to achieving State
24 content standards and State student performance

1 standards and, in general, a State’s education im-
2 provement plan;

3 “(2) the degree of flexibility afforded by the State
4 educational agency to charter schools under the
5 State’s charter schools law;

6 “(3) the ambitiousness of the objectives for the
7 State charter school grant program;

8 “(4) the quality of the strategy for assessing
9 achievement of those objectives;

10 “(5) the likelihood that the charter school grant
11 program will meet those objectives and improve edu-
12 cational results for students; and

13 “(6) the number of charter schools created under
14 this part in the State.

15 “(b) *SELECTION CRITERIA FOR ELIGIBLE APPLI-*
16 *CANTS.—The Secretary shall award grants to eligible appli-*
17 *cants under this part on the basis of the quality of the ap-*
18 *plications submitted under section 10303(c), after taking*
19 *into consideration such factors as—*

20 (1) the quality of the proposed curriculum and
21 instructional practices;

22 “(2) the degree of flexibility afforded by the State
23 educational agency and, if applicable, the local edu-
24 cational agency to the charter school;

1 “(3) *the extent of community support for the ap-*
2 *plication;*

3 “(4) *the ambitiousness of the objectives for the*
4 *charter school;*

5 “(5) *the quality of the strategy for assessing*
6 *achievement of those objectives; and*

7 “(6) *the likelihood that the charter school will*
8 *meet those objectives and improve educational results*
9 *for students.*

10 “(c) *PEER REVIEW.—The Secretary, and each State*
11 *educational agency receiving a grant under this part, shall*
12 *use a peer review process to review applications for assist-*
13 *ance under this part.*

14 “(d) *DIVERSITY OF PROJECTS.—The Secretary and*
15 *each State educational agency receiving a grant under this*
16 *part, shall award subgrants under this part in a manner*
17 *that, to the extent possible, ensures that such grants and*
18 *subgrants—*

19 “(1) *are distributed throughout different areas of*
20 *the Nation and each State, including urban and rural*
21 *areas; and*

22 “(2) *will assist charter schools representing a va-*
23 *riety of educational approaches, such as approaches*
24 *designed to reduce school size.*

1 “(e) *WAIVERS.—The Secretary may waive any statu-*
2 *tory or regulatory requirement over which the Secretary ex-*
3 *ercises administrative authority except any such require-*
4 *ment relating to the elements of a charter school described*
5 *in section 10309(1), if—*

6 “(1) *the waiver is requested in an approved ap-*
7 *plication under this part; and*

8 “(2) *the Secretary determines that granting such*
9 *a waiver will promote the purpose of this part.*

10 “(f) *USE OF FUNDS.—*

11 “(1) *STATE EDUCATIONAL AGENCIES.—Each*
12 *State educational agency receiving a grant under this*
13 *part shall use such grant funds to award subgrants*
14 *to one or more eligible applicants in the State to en-*
15 *able such applicant to plan and implement a charter*
16 *school in accordance with this part.*

17 “(2) *ELIGIBLE APPLICANTS.—Each eligible ap-*
18 *plicant receiving funds from the Secretary or a State*
19 *educational agency shall use such funds to plan and*
20 *implement a charter school in accordance with this*
21 *part.*

22 “(3) *ALLOWABLE ACTIVITIES FOR BASIC*
23 *GRANTS.—An eligible applicant receiving a basic*
24 *grant or subgrant under section 10302(c)(2) may use*
25 *the grant or subgrant funds only for—*

1 “(A) *post-award planning and design of the*
2 *educational program, which may include—*

3 “(i) *refinement of the desired edu-*
4 *cational results and of the methods for*
5 *measuring progress toward achieving those*
6 *results; and*

7 “(ii) *professional development of teach-*
8 *ers and other staff who will work in the*
9 *charter school; and*

10 “(B) *initial implementation of the charter*
11 *school, which may include—*

12 “(i) *informing the community about*
13 *the school;*

14 “(ii) *acquiring necessary equipment*
15 *and educational materials and supplies;*

16 “(iii) *acquiring or developing curricu-*
17 *lum materials; and*

18 “(iv) *other initial operational costs*
19 *that cannot be met from State or local*
20 *sources.*

21 “(4) *ADMINISTRATIVE EXPENSES.—Each State*
22 *educational agency receiving a grant pursuant to this*
23 *part may reserve not more than 5 percent of such*
24 *grant funds for administrative expenses associated*

1 *with the charter school grant program assisted under*
2 *this part.*

3 **“SEC. 10305. NATIONAL ACTIVITIES.**

4 *“The Secretary shall reserve for each fiscal year the*
5 *lesser of 5 percent of the amount appropriated to carry out*
6 *this part for the fiscal year or \$5,000,000, to carry out,*
7 *giving highest priority to carrying paragraph (2), the fol-*
8 *lowing:*

9 *“(1) To provide charter schools, either directly or*
10 *through the State educational agency, with informa-*
11 *tion regarding available education funds that such*
12 *school is eligible to receive, and assistance in apply-*
13 *ing for Federal education funds which are allocated*
14 *by formula, including filing deadlines and submission*
15 *of applications; and*

16 *“(2) To provide, through 1 or more contracts*
17 *using a competitive bidding process—*

18 *“(A) charter schools with assistance in*
19 *accessing private capital;*

20 *“(B) pilot projects in a variety of States to*
21 *better understand and improve access to private*
22 *capital by charter schools; and*

23 *“(C) collection on a nationwide basis, of in-*
24 *formation regarding successful programs that ac-*
25 *cess private capital for charter schools and dis-*

1 *seminate any such relevant information and*
2 *model descriptions to all charter schools.*

3 “(3) *To provide for the completion of the 4-year*
4 *national study (which began in 1995) of charter*
5 *schools and any related evaluations or studies.*

6 “(4)(A) *To provide information to applicants for*
7 *assistance under this part;*

8 “(B) *assistance to applicants for assistance*
9 *under this part with the preparation of applications*
10 *under section 10303;*

11 “(C) *assistance in the planning and startup of*
12 *charter schools;*

13 “(D) *ongoing training and technical assistance*
14 *to existing charter schools; and*

15 “(E) *for the dissemination of best practices in*
16 *charter schools to other public schools.*

17 **“SEC. 10306. PART A, TITLE I ALLOCATION DURING FIRST**
18 **YEAR AND FOR SUCCESSIVE ENROLLMENT**
19 **EXPANSIONS.**

20 *“For purposes of the allocation to schools by the States*
21 *or their agencies of funds under part A of title I, or of any*
22 *other Federal educational assistance funds, the Secretary*
23 *and each State educational agency shall take such measures*
24 *not later than 6 months after the date of the enactment of*
25 *this part as are necessary to ensure that every charter school*

1 receives the Federal funding for which it is eligible in the
2 calendar year in which it first opens, notwithstanding the
3 fact that the identity and characteristics of the students en-
4 rolling in that school are not fully and completely deter-
5 mined until that school actually opens. These measures shall
6 similarly ensure that every charter school expanding its en-
7 rollment in any subsequent year of operation receives the
8 Federal funding for which it is eligible during the calendar
9 year of such expansion.

10 **“SEC. 10307. RECORDS TRANSFER.**

11 “State and local educational agencies, to the extent
12 practicable, shall ensure that a student’s records and if ap-
13 plicable a student’s individualized education program as
14 defined in section 602(11) of the Individuals with Disabil-
15 ities Education Act (20 U.S.C. 1401(11)), are transferred
16 to the charter school upon transfer of a student to a charter
17 school in accordance with applicable State law.

18 **“SEC. 10308. PAPERWORK REDUCTION.**

19 “To the extent practicable, the Secretary and each au-
20 thorized public chartering agency, shall ensure that imple-
21 mentation of this part results in a minimum of paperwork
22 for any eligible applicant or charter school.

23 **“SEC. 10309. DEFINITIONS.**

24 “As used in this part:

1 “(1) *The term ‘charter school’ means a public*
2 *school that—*

3 “(A) *in accordance with a specific State*
4 *charter school statute, is exempted from signifi-*
5 *cant State or local rules that inhibit the flexible*
6 *operation and management of public schools, but*
7 *not from any rules relating to the other require-*
8 *ments of this paragraph;*

9 “(B) *is created by a developer as a public*
10 *school, or is adapted by a developer from an ex-*
11 *isting public school, and is operated under pub-*
12 *lic supervision and direction;*

13 “(C) *operates in pursuit of a specific set of*
14 *educational objectives determined by the school’s*
15 *developer and agreed to by the authorized public*
16 *chartering agency;*

17 “(D) *provides a program of elementary or*
18 *secondary education, or both;*

19 “(E) *is nonsectarian in its programs, ad-*
20 *missions policies, employment practices, and all*
21 *other operations, and is not affiliated with a sec-*
22 *tarian school or religious institution;*

23 “(F) *does not charge tuition;*

24 “(G) *complies with the Age Discrimination*
25 *Act of 1975, title VI of the Civil Rights Act of*

1 1964, title IX of the Education Amendments of
2 1972, section 504 of the Rehabilitation Act of
3 1973, and part B of the Individuals with Dis-
4 abilities Education Act;

5 “(H) is a school to which parents choose to
6 send their children, and that admits students on
7 the basis of a lottery, if more students apply for
8 admission than can be accommodated;

9 “(I) agrees to comply with the same Federal
10 and State audit requirements as do other elemen-
11 tary and secondary schools in the State, unless
12 such requirements are specifically waived for the
13 purpose of this program;

14 “(J) meets all applicable Federal, State,
15 and local health and safety requirements;

16 “(K) operates in accordance with State law;
17 and

18 “(L) has a written performance contract
19 with the authorized public chartering agency in
20 the State.

21 “(2) The term ‘developer’ means an individual
22 or group of individuals (including a public or private
23 nonprofit organization), which may include teachers,
24 administrators and other school staff, parents, or

1 *other members of the local community in which a*
2 *charter school project will be carried out.*

3 *“(3) The term ‘eligible applicant’ means an au-*
4 *thorized public chartering agency participating in a*
5 *partnership with a developer to establish a charter*
6 *school in accordance with this part.*

7 *“(4) The term ‘authorized public chartering*
8 *agency’ means a State educational agency, local edu-*
9 *cational agency, or other public entity that has the*
10 *authority pursuant to State law and approved by the*
11 *Secretary to authorize or approve a charter school.*

12 **“SEC. 10310. AUTHORIZATION OF APPROPRIATIONS.**

13 *“For the purpose of carrying out this part, there are*
14 *authorized to be appropriated \$100,000,000 for fiscal year*
15 *1998 and such sums as may be necessary for each of the*
16 *four succeeding fiscal years.”.*

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