

## **BILL ANALYSIS**

C.S.H.B. 3051  
By: Anchia  
Public Education  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Currently, open-enrollment charter schools are limited to short-term charters that prohibit the schools from qualifying to issue bonds that otherwise would provide the schools with funds for facilities. If charter schools could qualify for the issuance of bonds, the state would remove one of the most significant impediments to the schools' success, namely, facilities funding.

C.S.H.B. 3051 provides for an open-enrollment charter school's charter to be renewed for a period of 25 years under certain conditions.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that rulemaking authority is expressly granted to the State Board of Education in SECTION 1 of this bill.

### **ANALYSIS**

C.S.H.B. 3051 amends the Education Code to establish that a charter granted to an open-enrollment charter school is renewed for a period of 25 years beginning on the date the following requirements are each satisfied:

- one or more open-enrollment charter schools have been operating for at least seven years under the charter as granted or previously renewed;
- each school that has been operating under the charter has been rated as exemplary or recognized for at least five consecutive school years of the preceding seven school years or for each school year in which the school has been operating if the school has been operating for less than five school years;
- each school operating under the charter has received an unqualified opinion in the most recent independent auditor's report of the school's finances;
- the Texas Education Agency has determined that neither the charter holder nor a school operating under the charter is at risk of financial insolvency;
- the charter holder has provided written notice to the State Board of Education (SBOE), in the manner required by board rule, that the above requirements have been met; and
- the SBOE has made a determination that the above requirements have been met and has renewed the charter.

### **EFFECTIVE DATE**

On passage, or, if the act does not receive the necessary vote, the act takes effect September 1, 2009.

### **COMPARISON OF ORIGINAL AND SUBSTITUTE**

C.S.H.B. 3051 differs from the original by requiring, for purposes of renewing an open-enrollment school charter, that one or more charter schools have been operating under the charter

for at least seven years, whereas the original requires a minimum of five years of operation.

C.S.H.B. 3051 differs from the original by requiring, for a charter renewal, each school operating under the charter to have been rated as exemplary or recognized for at least five consecutive school years of the preceding seven school years or, if a school has been operating for less than five school years, requiring an exemplary or recognized rating for each school year in which the school has been operating, whereas the original requires an exemplary or recognized rating for at least three of the five preceding years, or for each year if the school has been operating for less than three school years.