86R9007 TSS-F

By:  Allison H.B. No. 2760

A BILL TO BE ENTITLED

AN ACT

relating to the requirements for an application for or a request for the revision of a charter for an open-enrollment charter school.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1.  Section 12.1012, Education Code, is amended by adding Subdivision (1-a) to read as follows:

(1-a)  "Expansion amendment" means an amendment to the charter of an open-enrollment charter school that permits the school to increase its maximum allowable enrollment, extend the grade levels it serves, change its geographic boundaries, or add a campus or site.

SECTION 2.  Section 12.110(d), Education Code, is amended to read as follows:

(d)  The commissioner shall approve or deny an application based on:

(1)  documented evidence collected through the application review process;

(2)  merit; [~~and~~]

(3)  the impact report prepared by the commissioner under Section 12.1102; and

(4)  other criteria as adopted by the commissioner, which must include:

(A)  criteria relating to the capability of the applicant to carry out the responsibilities provided by the charter and the likelihood that the applicant will operate a school of high quality; and

(B)  criteria relating to improving student performance and encouraging innovative programs[~~; and~~

[~~(C)  a statement from any school district whose enrollment is likely to be affected by the open-enrollment charter school, including information relating to any financial difficulty that a loss in enrollment may have on the district~~].

SECTION 3.  Section 12.1101, Education Code, is amended to read as follows:

Sec. 12.1101.  NOTIFICATION OF CHARTER APPLICATION OR REQUEST FOR EXPANSION [~~ESTABLISHMENT OF CAMPUS~~]. The commissioner by rule shall adopt a procedure for providing notice to the following persons on receipt by the commissioner of an application for a charter for an open-enrollment charter school under Section 12.110 or a request for approval of an expansion amendment to a charter under Section 12.114 [~~of notice of the establishment of a campus as authorized under Section 12.101(b-4)~~]:

(1)  the board of trustees of each school district from which the proposed open-enrollment charter school or campus is likely to draw students, as determined by the commissioner; and

(2)  each member of the legislature that represents the geographic area to be served by the proposed school or campus, as determined by the commissioner.

SECTION 4.  Subchapter D, Chapter 12, Education Code, is amended by adding Section 12.1102 to read as follows:

Sec. 12.1102.  IMPACT REPORT OF NEW OPEN-ENROLLMENT CHARTER SCHOOL OR CAMPUS. (a) Before the commissioner may approve an application for a charter for an open-enrollment charter school under Section 12.110 or a request for an expansion amendment to a charter under Section 12.114, the applicant or charter holder must provide notice as required by Section 12.1101.

(b)  A school district whose enrollment may be affected by a new open-enrollment charter school or expansion of an existing charter may submit a written statement to the commissioner stating the impact the new school or expansion of the charter will have on the school district. The commissioner must allow a school district to submit a statement as provided by this section not less than 60 days after the date the school received notice of the new school or charter expansion.

(c)  The commissioner must issue an impact report on the application for the new charter or the expansion of an existing charter that includes:

(1)  if applicable, an evaluation of the proximity of the proposed location of the new open-enrollment charter school or campus to existing school district campuses and the ability of local communities to support a new open-enrollment charter school or campus;

(2)  an analysis of the educational effects on school district campuses, including the availability and duplication of programs, services, and resources;

(3)  information regarding any financial burden that a loss in student enrollment may cause a school district or district campus;

(4)  a summary of and response to any concern raised by a school district or the public;

(5)  a fiscal statement estimating costs for a five-year period beginning the first day a new open-enrollment charter school or campus begins classes, including costs relating to:

(A)  state revenue; and

(B)  local school district revenue, including the impact on Foundation School Program funding, equalized wealth levels, and bonded indebtedness; and

(6)  any written statement by a school district received under Subsection (b).

(d)  Not later than the 15th business day before the date the commissioner holds a public hearing under Section 12.110 or approves an application for a charter for an open-enrollment charter school under Section 12.110 or a request for an expansion amendment to a charter under Section 12.114, the commissioner shall:

(1)  make the impact report under Subsection (c) available to the public on the agency's Internet website; and

(2)  provide a copy of the impact report to:

(A)  the applicant or charter holder; and

(B)  the parties required to receive notice under Section 12.1101.

(e)  Not later than December 1 of each year, the Legislative Budget Board shall submit a report to the governor and the legislature documenting the financial impact of open-enrollment charter schools on the state budget and on local school districts, including the effect on school districts required to take action under Chapter 41 to reduce equalized wealth levels.

SECTION 5.  Section 12.114, Education Code, is amended by amending Subsections (a) and (c) and adding Subsection (a-1) to read as follows:

(a)  A revision of a charter of an open-enrollment charter school may be made only with the approval of the commissioner, in coordination with a member of the State Board of Education designated for the purpose by the chair of the board.

(a-1)  The commissioner shall notify the State Board of Education of each request for revision the commissioner proposes to grant under this subchapter. Unless, before the 90th day after the date on which the board receives the notice from the commissioner, a majority of the members of the board present and voting vote against the revision of the charter, the commissioner's proposal to grant the revision to the charter takes effect. The board may not deliberate or vote on any revision to a charter that is not proposed by the commissioner.

(c)  Not later than 14 months [~~the 60th day~~] after the date that a charter holder submits to the commissioner a completed request for approval for an expansion amendment, [~~as defined by commissioner rule, including a new school amendment,~~] the commissioner shall provide to the charter holder written notice of approval or disapproval of the amendment.

SECTION 6.  Section 12.101(b-4), Education Code, is repealed.

SECTION 7.  The changes in law made by this Act apply only to an application for a charter for an open-enrollment charter school or a request for approval of a revision to the charter of an open-enrollment charter school submitted on or after the effective date of this Act.

SECTION 8.  This Act takes effect September 1, 2019.