

Senate File 2241 - Introduced

SENATE FILE 2241

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A BILL FOR

1 An Act relating to charter school requirements, including
2 reporting requirements, governance standards, financial
3 accountability, and oversight by the state board of education.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 256.9, Code 2026, is amended by adding the
2 following new subsections:

3 NEW SUBSECTION. 80. Notify school districts of the amount of
4 resident students enrolled in a charter school under chapter 256E
5 prior to the beginning of the school year.

6 NEW SUBSECTION. 81. Report to school districts the amount
7 of resident students who withdrew from a charter school under
8 chapter 256E and reentered the public school district during the
9 school year, indicating whether the student's return to a public
10 school was voluntary.

11 Sec. 2. Section 256E.4, Code 2026, is amended by adding the
12 following new subsection:

13 NEW SUBSECTION. 8A. The state board shall not approve a
14 charter school application under this section if doing so would
15 result in more than one charter school per ten thousand students
16 statewide in the grade level groupings of elementary, middle, or
17 high school.

18 Sec. 3. Section 256E.5, Code 2026, is amended by adding the
19 following new subsection:

20 NEW SUBSECTION. 7A. The state board shall not approve a
21 charter school application under this section if doing so would
22 result in more than one charter school per ten thousand students
23 statewide in the grade level groupings of elementary, middle, or
24 high school.

25 Sec. 4. Section 256E.7, subsection 2, Code 2026, is amended
26 by adding the following new paragraphs:

27 NEW PARAGRAPH. 0v. Be subject to and comply with the
28 restrictions regarding the use of public funds for public
29 purposes under chapters 11, 274, and 279 in the same manner as
30 a school district.

31 NEW PARAGRAPH. 00v. Require each pupil to take all
32 applicable state and federally required student assessments and
33 report the results of those assessments to the pupil's parents or
34 guardians and to the department of education, in the same manner
35 as a school district.

1 Sec. 5. Section 256E.7, subsection 6, Code 2026, is amended
2 to read as follows:

3 6. A charter school shall enroll an eligible student who
4 submits a timely application unless the number of applications
5 exceeds the capacity of a program, class, grade level, or
6 building. In this case, students must be accepted by lot.
7 Upon enrollment of an eligible student, the charter school shall
8 notify the department and public school district of residence not
9 later than March 1 of the school year preceding the school year
10 of enrollment.

11 Sec. 6. Section 256E.7, subsection 11, Code 2026, is amended
12 by striking the subsection and inserting in lieu thereof the
13 following:

14 11. The governing board of a charter school shall be composed
15 in accordance with all of the following:

16 a. All members of the governing board shall be residents of
17 this state.

18 b. At least fifty percent of the membership of the governing
19 board shall be parents or legal guardians of students currently
20 enrolled in the charter school.

21 c. At least one member of the governing board shall be a
22 representative of the school district in which the charter school
23 is physically located. The representative shall be a voting
24 member of the governing board.

25 Sec. 7. Section 256E.7, Code 2026, is amended by adding the
26 following new subsections:

27 NEW SUBSECTION. 13. The governing board of a charter school
28 shall select and retain independent auditors and legal counsel.
29 A management entity shall not select the independent auditor or
30 legal counsel of the charter school.

31 NEW SUBSECTION. 14. Each charter school governing board
32 shall report to the department the amount of resident students
33 who withdrew from the charter school and reentered a public
34 school during the school year, indicating whether the student's
35 return to a public school was voluntary.

1 Sec. 8. Section 256E.10, Code 2026, is amended by adding the
2 following new subsection:

3 NEW SUBSECTION. 14. The state board shall develop and
4 implement oversight standards and procedures that provide for all
5 of the following:

6 a. Regular monitoring, including periodic on-site visits,
7 data validation, and annual performance reports evaluating
8 a charter school's academic, financial, and operational
9 performance.

10 b. Differentiated oversight and monitoring based on a charter
11 school's performance, including enhanced monitoring for schools
12 that fail to meet performance expectations or meet compliance
13 standards. Such monitoring may include corrective action plans,
14 probationary status, or nonrenewal of a charter school contract.

15 Sec. 9. Section 256E.12, subsection 1, Code 2026, is amended
16 to read as follows:

17 1. Each charter school shall prepare and file an annual
18 report with the department. The department shall prescribe
19 by rule the required contents of the report, but each such
20 report shall include information regarding student achievement,
21 including annual academic growth and proficiency, graduation
22 rates, and financial performance and sustainability. Financial
23 performance reporting shall include detailed information
24 regarding the charter school's revenues and expenditures,
25 including salaries and benefits, management or administrative
26 fees, contractual payments, and any profits, surpluses, or
27 other financial benefits realized by a founding or managing
28 entity, including an education management organization or
29 charter management organization, as well as any related-party
30 transactions. The reports are public records and the
31 examination, publication, and dissemination of the reports are
32 governed by the provisions of chapter 22.

33 Sec. 10. Section 256E.12, Code 2026, is amended by adding the
34 following new subsection:

35 NEW SUBSECTION. 3. Each charter school shall annually report

1 to the department the number of resident students who applied
2 for admission and the number of resident students who were
3 denied admission. The report must include the reason for each
4 denial. Personal information regarding an applicant in a report
5 submitted pursuant to this subsection shall be kept confidential
6 as required under the federal Family Educational Rights and
7 Privacy Act, 20 U.S.C. §1232g, and in the same manner as personal
8 information in student records maintained, created, collected,
9 or assembled by or for a school corporation or educational
10 institution in accordance with section 22.7, subsection 1.

11 Sec. 11. 2013 Iowa Acts, chapter 121, section 73, subsection
12 2, is amended to read as follows:

13 2. The department shall develop an achievement score that
14 calculates aggregate growth as well as aggregate proficiency
15 of students which when combined with other academic indicators
16 results in an overall school performance grade for each
17 attendance center in the school district. For purposes of
18 calculating the performance grade, a student dropping out of
19 an accredited nonpublic school, a charter school established
20 pursuant to chapter 256E, or a charter school or innovation
21 zone school established pursuant to chapter 256F, shall not
22 adversely affect the performance grade of the student's school
23 district of residence. The performance grade may also be
24 used as one measure to rank and classify schools into six
25 different performance categories: exceptional, high performing,
26 commendable, acceptable, needs improvement, and priority. The
27 categories may be used to define support and specialized
28 assistance to schools classified as needs improvement or
29 priority as well as to recognize schools designated exceptional
30 or high performing. Additionally, a closing gap score
31 shall be calculated as another measure to determine subgroup
32 performance and to rank and classify attendance centers. Other
33 academic indicators shall be defined as criterion referenced
34 variables that will be utilized in the calculation of the
35 performance grade. Other academic indicators shall include

1 but not be limited to graduation rates, attendance rates, and
2 college-readiness rates. Additional indicators of academic
3 success and progress may include post-graduation data, suspension
4 and expulsion rates, levels of student engagement, parent
5 satisfaction, parent engagement, and staff working conditions.

6 EXPLANATION

7 The inclusion of this explanation does not constitute agreement with
8 the explanation's substance by the members of the general assembly.

9 This bill relates to charter school requirements,
10 including reporting requirements, governance standards, financial
11 accountability, and oversight by the state board of education.

12 Current law requires charter schools to be subject to and
13 comply with all of the following in the same manner as a school
14 district: the governing board's meetings shall be conducted in
15 a manner that is open to the public; all records, documents,
16 and electronic data of the charter school and of the governing
17 board shall be public records; be free of tuition and application
18 fees to Iowa resident students between the ages of 5 and 21
19 years; comply with Code chapters 216 and 216A relating to
20 civil and human rights; meet all applicable federal, state,
21 and local health and safety requirements and laws prohibiting
22 discrimination on the basis of race, creed, color, sex, sexual
23 orientation, national origin, religion, ancestry, or disability;
24 be prohibited from administering or conducting an invasive
25 physical examination of a student, a student health screening
26 that is not required by state or federal law, or a formal
27 examination or survey of a student that is designed to assess
28 the student's mental, emotional, or physical health that is not
29 required by state or federal law, without first acquiring the
30 written consent of the student's parent or guardian; establish
31 a multidisciplinary school safety assessment; conduct state
32 criminal history checks for teachers and registry checks for
33 school employees; and meet the requirements of Code section
34 256.7, subsection 21, and the educational standards of Code
35 section 256.11.

1 The bill requires charter schools to also be subject to and
2 comply with the restrictions regarding the use of public funds
3 for public purposes under Code chapters 11, 274, and 279 in
4 the same manner as a school district, and requires each pupil
5 to take all applicable state and federally required student
6 assessments and report the results of those assessments to the
7 pupil's parents or guardians and to the department of education,
8 in the same manner as a school district.

9 The bill requires charter schools to annually report to the
10 department of education the number of resident students who
11 applied for admission and the number of resident students who
12 were denied admission, including the reason for each denial.
13 Current law requires charter schools to notify the public school
14 district of residence not later than March 1 of the school year
15 preceding the school year of enrollment. The bill requires
16 charter schools to also report to the department. The bill
17 further requires the department to notify school districts of the
18 amount of resident students enrolled in a charter school under
19 Code chapter 256E prior to the beginning of the school year.

20 The bill requires each charter school governing board to
21 report to the department the amount of resident students who
22 withdrew from the charter school and reentered a public school
23 during the school year, indicating whether the student's return
24 to a public school was voluntary. The bill further requires
25 the department to report such information to the affected school
26 districts.

27 The bill requires the governing board of a charter school to
28 select and retain independent auditors and legal counsel, and
29 prohibits a management entity from doing so.

30 The bill requires that all members of the governing board
31 of a charter school be residents of Iowa, at least 50 percent
32 of the membership be parents or legal guardians of students
33 currently enrolled in the charter school, and at least one
34 member of the governing board be a representative of the school
35 district in which the charter school is physically located. The

1 bill requires the representative to be a voting member of the
2 governing board. Current law requires governing board members of
3 a charter school to provide full financial disclosures that, at a
4 minimum, meet the standards in Code section 68B.35.

5 The bill requires the state board of education to develop and
6 implement oversight standards and procedures for charter schools
7 that provide for regular monitoring, including periodic on-site
8 visits, data validation, annual performance reports evaluating
9 a charter school's academic, financial, and operational
10 performance, and differentiated oversight and monitoring based
11 on a charter school's performance, including enhanced monitoring
12 for schools that fail to meet performance expectations or meet
13 compliance standards. Such monitoring may include corrective
14 action plans, probationary status, or nonrenewal of a charter
15 school contract.

16 The bill requires that the state board shall not approve a
17 charter school application if doing so would result in more than
18 one charter school per 10,000 students statewide in the grade
19 level groupings of elementary, middle, or high school.

20 The bill requires charter schools to include, in their annual
21 report concerning financial performance, detailed information
22 regarding the charter school's revenues and expenditures,
23 including salaries and benefits, management or administrative
24 fees, contractual payments, and any profits, surpluses, or
25 other financial benefits realized by a founding or managing
26 entity, including an education management organization or
27 charter management organization, as well as any related-party
28 transactions.

29 Pursuant to the federal Every Student Succeeds Act and 2013
30 Iowa Acts, chapter 121, section 73, the department is required
31 to publish on its internet site an online tool showing how
32 public schools performed on certain required measures. The
33 department fulfills these requirements by publishing the Iowa
34 school performance profiles annually. The bill provides that,
35 for purposes of calculating the performance grade, a student

1 dropping out of an accredited nonpublic school, a charter school
2 established pursuant to Code chapter 256E, or a charter school or
3 innovation zone school established pursuant to Code chapter 256F,
4 will not adversely affect the performance grade of the student's
5 school district of residence.

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