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Date

MINUTES OF THE SENATE COMMITTEE ON EDUCATION

The meeting was called to order by Chairperson Barbara Lawrence at 9:00 a.m. on March 17, 1998 in Room 123-S of the Capitol.

All members were present except: Senator Hensley

Committee staff present: Ben Barrett, Legislative Research Department
Carolyn Rampey, Legislative Research Department
Avis Swartzman, Revisor of Statutes
Jackie Breymeyer, Committee Secretary

Conferees appearing before the committee: Eric Hirsch, National Conference of State Legislatures

Others attending: See attached list

Chairperson Lawrence called the meeting to order and stated the agenda was the continuation of: **SB 160--charter schools** she said there have been some major revisions made in the particular bill that will be presented later. Essentially what this bill does is to create 30 slots for state charter schools. They would become state schools rather than under the auspices of the local district. It would give opportunity of choice for parents and students and an opportunity of experimentation and innovation for teachers and administrators.

She introduced Eric Hirsch, Education Policy Specialist, National Conference of State Legislatures, who has a great deal of experience in this field. Mr. Hirsch was present to inform the Committee how the Charter schools are doing across the United States and what the current law looks like at this time.

Mr. Hirsch distributed his remarks (Attachment 1) and stated since the enactment of charter school legislation in Minnesota in 1991, the number of states with laws allowing for charters has swelled to 29 plus the District of Columbia. Utah, Idaho and Virginia have passed laws that, if signed into law, will make 32. One hundred seventy thousand students attend approximately 800 charter schools nationwide. President Clinton has set a goal of 40 states with laws and 3,000 charter schools by 2000.

Mr. Hirsch defined charter schools as public schools that are freed from, in most cases, local and state regulation. In return for this freedom, charter schools are held accountable for student performance. If the goals of the school set forth in the charter are not reached, the school's charter is not renewed.

Mr. Hirsch went through the pros and cons of the charter school arguments and gave some conclusions based on research from the U.S. Department of Education. He then went through charter school legislation and legislative trends. He discussed the three key components of charter school legislation: sponsorship, finance and waivers.

Mr. Hirsch was asked if some planning grant money had been made available recently. He responded that from his understanding what has been made available at the federal level is the \$80 million that goes to start up. There is pending legislation that may change how much money is allocated and for how long. Currently schools are eligible for three years. A bill, HB 2616 has already passed the House and corresponding legislation is pending in the Senate. As the House bill stands there are two main criteria: that the number of schools does not cap unnecessarily low and that the number of charter schools continue to increase on a yearly basis; charter schools are given the maximum budgetary autonomy and strong accountability providers. The amount of time a charter school can qualify would be raised from 3 to 5 years if the House version of the bill passes.

Mr. Hirsch was asked why, in his opinion, the federal government was pushing charter schools.

He responded that he thought a lot of it has to do with an urgency for reform. There is a lot of frustration with the current system nationally. Charter schools are a way to allow for some innovation, but on a limited scale. Another thing potentially pushing the issue is a fear of non-public school alternatives on the other side which offer similar sorts of things. Charter schools keep money within the public school system and allow for public school creativity and innovation, whereas vouchers and tuition tax credits pose a more significant danger at the federal level. As for the question of parental involvement, Mr. Hirsch responded by stating that the answer, in general, was yes, in large part because these students already had fairly active parents. Some of the charter schools actually write parental involvement contracts within their charters and require that parents donate so many hours: they either donate time or help in other sorts of way that benefit the school. It creates a community of involvement.

In response to his testimony that the mix of low income children is about the same as that in the public school, Mr. Hirsch responded that this was data provided by the U.S. Department of Education, but it will probably be impacted by where the charter originated and where it will originate in the future - urban or rural. Charter schools tend to be more urban at this stage. Some states have a specific provision for a percentage of at-risk and some states use a level of income as an at-risk factor.

A member of the committee asked Mr. Hirsch if most of the state charter schools have some type of a local board.

Mr. Hirsch replied by stating that when they sign the chartering agreement, there is some type of governing board. Under the law, anyone can start a school; it could include parents, educators or others.

One of the Senator corrected Mr. Hirsch's testimony by stating that there are now 15 charter schools in Kansas, not 3. Mr. Hirsch stated that he had relied on the Center for Educational Reform statistics nationally. The best way to get data is to call the state departments and boards of education, although it is very difficult. He would tell the Committee to look at the data as a rough estimate.

A question regarding blanket waivers and in particular any waivers ever being asked for or granted in Kansas was asked. Mr. Hirsch replied that he didn't know of any, but what is an interesting phenomena is that many states who have been considering or who have passed charter school regulations already have some sort of accreditation, or regulation statute on the books and yet these do not seem to be taken advantage of. This is true for the states of Maine, Montana and certainly Texas, which actually allows the district to become a full charting district.

Mr. Hirsch was asked if the logical conclusion to this would be that there is no need for them then.

Mr. Hirsch's response was that there is a general inability to exactly know what is the frustrating component. Sixty percent of charter schools are new start up schools; 30 percent converted public schools and about 10 percent converted non-public. Many states prohibit non-public schools from conversion although some states allow an existing Montessori or an existing religious school, although when it converts it must then become nonsectarian. Schools are covering a lot of the things that most states require with state standards and assessments. The material that is being taught is very similar, but the organization of these schools and their approach to how they teach the material varies widely.

With regard to funding, Mr. Hirsch stated there are many contingencies to federal funding. Start up costs are the most significant barrier to charter schools. It is very difficult in starting up a school to find a facility as well as accounting expertise and other things. Some states are giving charter school students far less per pupil expenditure and the charter schools have to spend that on capitol facilities.

The Chairperson stated that three of the fifteen schools in Kansas got their charters approved; Columbus, Yoder and Galena. Galena asked for a time waiver; Yoder asked for a waiver from sex education and Columbus asked for a waiver from sex education and physical education. These school were conversions from regular public school. The twelve remaining were actually alternative schools. Staff was asked to provide information on whether these schools were K-12 or K-6.

One of the Committee members stated that there might be some administrators that thought the most onerous part waived was the due process type things, but by far the one parents and teachers talk about were issues like time flexibility and the ability to use two staff members or one staff member to teach two areas. Curriculum reorganization, alternative testing, the parental input piece and some class and age redistribution also. What they have discovered is that most of that is already available. If not, with the waiver currently allowed, through the state department. In her particular district, when the subject of charter schools came up, it initiated a discussion and they found out they could do it and they did organize an alternative school.

The Chairperson was asked the difference between an alternative school and a charter school.

Mr. Hirsch stated that one of the larger differences is the ability to create new schools under this law. Even with these waivers given, schools definitely have existing school cultures which even if you're waiving the cost, you're keeping the same personnel; similar students. It's very difficult to change. With the ability to create new schools, you see a degree of creativity and, perhaps, community and parental involvement that is unavailable with the existing alternative schools.

The Chairperson added that, in her mind, the fact that this school is a school district within itself, and it is run by those people who are in that building. They have a buy in to it that wouldn't be there in the ordinary setting. They have to make it work or else it's gone. It's really their school in the most basic sense. There is a productivity that isn't there when one does not have the ultimate say in the way the district is going.

The Revisor distributed a balloon that the Chairperson stated the Committee would go over in the morning. Mr. Hirsch will also be available.

The meeting was adjourned. The next meeting will be March 18, 1998.

**Testimony for the Senate Education Committee
Topeka, Kansas – 3/17/98**

Eric Hirsch, Education Policy Specialist, National Conference of State Legislatures

Since the enactment of charter school legislation in Minnesota in 1991, the number of states with laws allowing for charters has swelled to 29 plus the District of Columbia. In addition, legislatures in Utah, Idaho and Virginia have passed laws in the past two weeks that, if signed into law, will make the total 32. And while only 170,000 students attend approximately 800,000 charter schools nationwide (compare this with 52.2 million school-age children and about 108,000 schools), this reform is indeed popular. Given that President Clinton has set a goal of 40 states with laws and 3,000 charter schools by 2000, this quick growth is likely to continue, especially with the bipartisan support charter schools have seen in state legislatures across the country.

Defining charter schools is difficult given both the variety of the charter school statutes and the types of schools that have been created. Simply, charter schools are public schools that are freed from, in most cases, local and state regulations. In return for this freedom, charter schools are held accountable for student performance – if the goals of the school set forth in the charter are not reached, the school’s charter is not renewed.

Charter School Arguments:

PRO	CON
Charter schools provide families with public school choice options. Parents will have the ability to choose the school best suited for their child.	Charter schools, due to their small size and limited numbers, will provide only <i>some</i> families with public school choice options, thereby raising issues of fairness and equity.
Charter schools can act as laboratories of reform, identifying successful practices that could be replicated by traditional district public schools. Also, by waiving regulations in a limited number of schools, the most prohibitive policies can be identified and eliminated for all schools.	Successful reform models such as New American Schools and Core Knowledge have already been identified. Why not attempt these reforms in existing schools? If rules and regulations are so burdensome, they should be waived for all public schools.
Through school choice, competition within the public school system is created, pressuring school districts to reassess their educational practices.	Charter schools have an unfair advantage when competing against district public schools since they tend to be smaller and free from regulations. Charter schools have access to federal funds and other revenue sources.
Charters will lead to overall systemic reform through the pressure and competition of the choice mechanism.	Charters are too limited in scope to adequately pressure the entire public school system.
Charter schools, unlike traditional public schools are held accountable. If charters do not perform, they are not renewed.	Charters are not accountable as they are freed from rules and regulations intended to ensure quality in public education.

*Senate Education
Attachment 1
3-17-98*

Charter School Research:

What we know about charter schools is very limited. Seven years after the first charter school legislation was enacted, there is still no definitive research demonstrating the effectiveness of charter schools. Some schools are performing tremendously; and doing so with some of the most difficult children. But overall the research says much more about students attending charter schools than how successful they have been in charter school classrooms.

The most comprehensive research comes from the U.S. Department of Education. The first year report of a four-year study makes several broad conclusions about charter schools:

- Most charter schools are small. About 60 percent of studied schools enroll fewer than 200 students, whereas only 16 percent of other public schools have such a small student population. The disparity is most striking at the secondary level.
- Charter schools have, on average, a racial composition roughly similar to statewide averages. Some states like Massachusetts, Michigan and Minnesota have a higher percentage of minority students.
- Charter schools serve, on average, a slightly lower proportion of students with disabilities.
- Charter schools serve, on average, a slightly lower proportion of limited English proficient students, although there is wide disparity across chartering states.
- Charter schools enroll approximately the same proportion of lower-income students as other public schools.

Results from state studies of charter school programs from Massachusetts, Minnesota, California, Colorado and Michigan offer mixed evidence. While these reports unanimously find high levels of student, parent and teacher satisfaction as well as a relatively diverse student population, most are inconclusive on student performance. In Massachusetts, charter school students made greater academic gains in a year than would be expected in six out of eight charter schools studied. Students at the Community Day Charter School in Lawrence (MA), for example, advanced 1.5 school years in eight months. But preliminary results from Michigan were less positive as charter schools, on average, compared poorly to state public schools on the Michigan Educational Assessment Program tests.

But these scores are indeed preliminary. In Michigan, many of the state's 110 charter schools had just opened prior to the assessment. In fact, according to US Department of Education figures, only 64 charter schools were up and running in the 1994-95 school year. The number increased to 155 in 1995-96, but getting reliable, long-term achievement results in which the impact of charter school innovation can be isolated is virtually impossible as over three-quarters of charter schools across the nation are less than two years old.

Charter School Legislation and Legislative Trends:

There is tremendous variation across the states in the degree of autonomy granted to charter schools as well as in the number of charter schools in the 24 states that have established schools (5 states have passed laws but not opened any schools, some with laws dating back to 1995). Most advocates claim that the number of schools is directly related to the type of law passed – those laws granting charter schools maximum autonomy and providing multiple sponsoring entities produce the most charter schools. Based on these criteria, charter school legislation is often referred to as strong or weak. States that provide for blanket waivers, multiple sponsors, etc. are rated as strong: one-third of the approximately 800 charter schools are in the state with the strongest legislation and two-thirds of all charters can be found in six states (Arizona, California, Michigan, Colorado, North Carolina and Minnesota). The legislation in Kansas was considered the nation's 6th weakest law according to the Center for Education Reform.

States that pass “strong” laws are the same states that devote the greatest legislative activity toward refining and evaluating these statutes. In these states, legislatures have worked to respond to the concerns of potential charter school operators.

- According to a recent US Department of Education report, a lack of start-up funds and planning time are the most significant barriers to developing charter schools (59 percent and 42 percent respectively). In that vein: Louisiana created a no-interest loan program for charters (up to \$100,000 per school), Minnesota established a start-up grant program of up to \$50,000 per school, Pennsylvania and Ohio's laws allocate start-up funds. Further, Congress has appropriated \$80 million this year for start-up assistance to states this fiscal year.
- The fourth most cited barrier to establishing charters is inadequate facilities (35 percent). In 1997, Arizona allowed charters access to capital-facilities aid and Minnesota established a lease aid program.
- Finally caps on the number of schools have been increased or altered. For example, in 1997: Connecticut lifted the total student population cap and shuffled sponsorship of the 24 allowed charter schools; Louisiana bumped its cap up to 42 schools; Massachusetts allowed for 25 new schools; Minnesota removed its cap of 40 schools (the cap in 1991 in its original legislation was set at 8); Texas raised its cap to 100 open enrollment charters (with schools catering to at-risk students not counting against the cap).

I would like to now briefly discuss a few of the most important areas of charter legislation and discuss how SB 160 will alter the current statutes.

Discussion of Three Key Components of Charter School Legislation:

SPONSORSHIP:

One of the reasons that the initial law did not produce the number and types of schools desired is likely the chartering authority. Kansas is one of six states that has a local sponsoring entity with no appeals process. It is not surprising that the number of charter

schools using this mechanisms is lower than when multiple sponsors are allowed, either through an appeals process or having more than one authority.

The local mechanism on its own often times is ineffective given the tremendous disincentives faced by local school districts to establishing charter schools. First, local districts would be creating a viable public school alternative to themselves, which could draw students and potentially demonstrate that the district is not providing an effective education. Second, as funding follows the student to the charter schools, the district will likely loose revenue from the creation of a charter (and it is difficult to cut costs as students are drawn in limited numbers from across grade spans).

Given these disincentives, creating multiple sponsoring entities – in some states both the local and state education agency and in others public and private universities as well as city mayor’s offices – provides potential charter school operators with multiple channels to find support. While SB 160 creates state sponsorship, which appears to produce even fewer schools than under local sponsorship, please note that five of the six states only allow for converted public schools to become charters, and in the sixth state (Rhode Island) only public school personnel can propose a charter school.

Chartering Authorities and the Number of Charter Schools

Local Sponsor: No Appeals	Local Sponsor: Appeal Process	State Sponsor	Multiple Sponsors
Alaska – 15	California – 128	Arkansas – 0	Arizona – 241
Kansas – 3	Colorado – 50	Georgia – 21	Connecticut – 12
Nevada – 0	Illinois – 7	Hawaii – 2	Delaware – 3
Pennsylvania – 6*	New Hampshire – 0	Mississippi – 0	Florida – 33
Wisconsin – 18*	South Carolina – 4	New Mexico – 5	Louisiana – 6
Wyoming – 0	New Jersey – 13	Rhode Island – 1	Massachusetts – 25
			Michigan – 110
			Minnesota – 27
			North Carolina – 34
			Ohio – 0
			Texas – 20
6 states – 42 schools	6 states – 202 schools	6 states – 29 schools	11 states – 511 schools

* Pennsylvania has an appeals process that will begin in 1999.

* Wisconsin allows for multiple sponsors in Milwaukee only.

(Data on the number of charter schools from the Center for Education Reform)

FINANCE:

The amount of money a charter school received and the path through which the money flows has been an issue in many states. SB 160 would have the state pick up the full PPE of each student. Louisiana state-sponsored charter schools utilize the same approach. Other states, however, require the local school district to contribute their share of

expenditures. Given the tremendous increase in the state share of school funding over since 1992, the issue is less contentious than it might have been.

While districts will feel the brunt of losing the state funding for charter school students, the blow is cushioned by the state picking up the local share. Animosity may still result from the state running a state sponsored and controlled school within a school district, but the funding mechanism of SB 160 is the best way to minimalize conflict.

WAIVERS:

The standing Kansas charter law requires potential charter school operators to identify and request a waiver from each district policy, state board of education rule and regulation, and statutory requirement. SB 160 exempts charter schools automatically from all state laws relating to school districts and board of education, and requires the school to participate in the accreditation system unless a specific request is submitted and approved.

Advocates argue that the blanket waiver is less burdensome for applicants and necessary to allow for maximum innovations. Others say that evaluating regulations on a case by case basis will provide charter schools with a better understanding of educational law as well as give districts and the state a better idea of which regulations are considered the most burdensome.

I hope you have found this information useful and I would be more than happy to answer any questions.