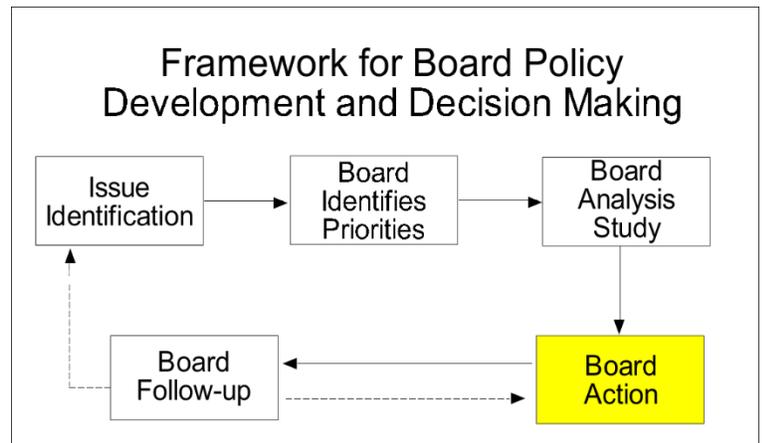


Iowa State Board of Education

Executive Summary

September 16, 2021



Agenda Item: Rules: 281 IAC Chapters 19 & 68 – Charter Schools (Notice of Intended Action)

State Board Priority: Eliminating Achievement and Opportunity Gaps

State Board Role/Authority: Iowa Code section 256.7(5) provides the State Board’s authority to adopt rules.

Presenter(s): Thomas A. Mayes, General Counsel
Janell Brandhorst, Bureau Chief

Attachment(s): One

Recommendation: It is recommended that the State Board give notice of its intent to adopt a new chapter 19 and amend chapter 68.

Background: This rule making implements, in whole or in part, 2021 Iowa Acts, House File 813, as amended by 2021 Iowa Acts, House File 847. This rule making modernizes charter schools in Iowa, including creating a new pathway to forming a charter school (“founding group/state board” model). As part of the rule drafting process, the Department sought pre-notice input via a public survey. Some responses took issue with the policy decision to allow charter schools or the flexibility recent legislation affords to charter schools. Those comments deserve no further comment because those policy decisions have already been made. Many commenters thought that charter schools deserve flexibility, must be held accountable for performance, and must not discriminate. Those three concerns are addressed in the underlying statute and these proposed rules.

EDUCATION DEPARTMENT[281]

Notice of Intended Action

The State Board of Education hereby proposes to adopt chapter 19 “Charter Schools,” and amend chapter 68, “Iowa Public Charter and Innovation Zone Schools,” Iowa Administrative Code.

Legal Authority for Rule Making

This rule making is proposed under the authority provided in Iowa Code section 256.7(5).

State or Federal Law Implemented

This rule making implements, in whole or in part, 2021 Iowa Acts House File 813, as amended by 2021 Iowa Acts, House File 847.

Purpose and Summary

This rule making modernizes charter schools in Iowa, in light of recent legislative changes.

As part of the rule drafting process, the Department sought pre-notice input via a public survey. Sixty-one people responded. Some of the responses took issue with the policy decision to allow charter schools or the flexibility recent legislation affords to charter schools. Those comments, although forcefully made, deserve no further comment. Those policy decisions have already been made. Many commenters thought that charter schools deserve flexibility, charter schools must be held accountable for performance, and charter schools must not discriminate. Those three concerns are addressed in the underlying statute and these proposed rules.

Fiscal Impact

This rule making has an unknown fiscal impact to the state of Iowa, based on an analysis of House File 813 performed by the Legislative Services Agency (<https://www.legis.iowa.gov/docs/publications/FN/1220089.pdf>).

Jobs Impact

After analysis and review of this rule making, no impact on jobs has been found.

Waivers

Any person who believes that the application of the discretionary provisions of this rule making would result in hardship or injustice to that person may petition the State Board for a waiver of the discretionary provisions, if any, pursuant to chapter 281—4.

Public Comment

Any interested person may submit comments concerning this proposed rule making. Written comments in response to this rule making must be received by the Department no later than 4:30 p.m. on October 26, 2021. Comments should be directed to Thomas A. Mayes, General Counsel and Administrative Rules Coordinator, Grimes State Office Building, Second Floor; 400 E. 14th Street; Des Moines, IA 50319-0416. Phone: 515-281-8661. Fax: 515-242-5988.

Public Hearing

A public hearing at which persons may present their views orally or in writing will be held as follows:

A public hearing at which persons may present their views orally or in writing will be held as follows:

October 26, 2021
1:00 p.m. to 3:00 p.m.
Grimes State Office Building, State Board Room
400 E. 14th Street
Des Moines, IA 50319

The option for participation by remote videoconference is also available at the following link: <https://IDOE.zoom.us/j/96227468763?pwd=QVhEQkxKZlVpT1ZCZmZ4QnY3d3Qyd309>

Persons who wish to make oral comments at the public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rule making.

Any persons who intend to attend the hearing and have special requirements, such as those related to hearing or mobility impairments, should contact the Department of Education and advise of specific needs by calling 515-281-5295.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rule making by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rule making at its regular monthly meeting or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rule-making action proposed:

ITEM 1. Adopt the following **new** 281—Chapter 19:

CHAPTER 19
CHARTER SCHOOLS

281—19.1(256E) Purpose. It is the purpose of this chapter to give guidance and direction for the establishment, general operating powers and duties, funding, performance, and oversight of charter schools. All charter schools in Iowa are a part of the state's program of public education. Charter schools established prior to July 1, 2021, shall continue to operate under and be subject to the requirements of 256F.12 and Iowa Administrative Code chapter 281-68.

281—19.2(256E) Establishment of charter schools.

19.2(1) A charter school may be established by either of the following methods:

a. School board-state board model. A school board may create a founding group to apply to the state board for approval to establish and operate a charter school within and as a part of the school district by establishing a new attendance center, creating a new school within an existing attendance center, or by converting an existing attendance center to charter status.

b. Founding group-state board model. A founding group may apply to the state board for approval to establish and operate a charter school within the boundaries of the state that operates as a new attendance center independently from a public school district.

19.2(2) The state board of education shall be the only authorizer of charter schools under this chapter.

281—19.3(256E) *Purpose of a charter school.* The purpose of a charter school established under this chapter shall be to accomplish the following:

- a.* Improve student learning, well-being, and postsecondary success.
- b.* Increase learning opportunities for students in areas of need, including but not limited to science, technology, engineering, and math (STEM), and science, technology, engineering, arts, and math (STEAM).
- c.* Increase opportunities for work-based learning, early literacy intervention, and serving at-risk populations.
- d.* Accelerating student learning to prevent learning loss during the COVID-19 pandemic and other significant disruptions to student learning.
- e.* Encourage the use of evidence-based practices in innovative environments.
- f.* Require the measurement and evaluation of program implementation and learning outcomes.
- g.* Establish models of success for Iowa schools.
- h.* Create new professional opportunities for teachers and other educators.
- i.* Investigate and establish different organizational structures for schools to use to implement a multi-tiered system of supports for students.

j. Allow greater flexibility to meet the education needs of a diverse student population and changing workforce needs.

k. Allow for the flexible allocation of resources through implementation of specialized school budgets for the benefit of the schools served.

l. Allow greater flexibility for districts and schools to focus on closing gaps in student opportunity and achievement for all students from preschool through postsecondary preparation.

281—19.4(256E) Definitions.

"*Attendance center*" means a school building that contains classrooms used for instructional purposes for elementary, middle, or secondary school students.

"*Charter school*" means a school established in accordance with this chapter.

"*Department*" means the department of education.

"*Education service provider*" means an education management organization, charter school management organization, or other person with whom a charter school contracts for educational program implementation of comprehensive management.

"*Founding group*" means a person, group of persons, or education service provider that develops and submits an application for a charter school to the state board under this chapter.

"*Governing board*" means the independent board of a charter school whose members are elected or selected pursuant to the charter school contract, subject to the requirements of section 256E.7, subsection 10.

"*School board*" means a board of directors regularly elected by the registered voters of an accredited public school district.

"*State board*" means the state board of education.

281—19.5(256E) Department duty to monitor. The department shall monitor the effectiveness of charter schools and shall implement the applicable provisions of this chapter.

281—19.6(256E) General application provisions. The following general application provisions apply to both the school board-state board and founding group-state board charter establishment models.

19.6(1) Instructions. The instructions for completing an application shall include or otherwise inform applicants of all of the following:

- a.* The performance framework adopted by the state board for charter school oversight and evaluation requirements in accordance with sections 256E.9 and 256E.10.
- b.* The criteria the state board will use in evaluating applications.
- c.* The requirements concerning the format and content essential for applicants to demonstrate the capacities necessary to establish and operate a successful charter school.

19.6(2) Review. In reviewing and evaluating charter school applications the state board shall employ procedures, practices, and criteria consistent with nationally recognized principles and standards for reviewing charter school applications. Each application review shall include:

- a.* A thorough evaluation of the written application.
- b.* An in-person interview with the founding group.
- c.* An opportunity in a public forum for local residents to learn about and provide input on each application.

19.6(3) State board actions following review. Following review of a charter school application and completion of the process required under subrule 19.6(2), the state board shall do all of the following:

a. Approve a charter school application only if the founding group has demonstrated competence in each element of the approval criteria and if the founding group is likely to open and operate a successful charter school.

b. Make application decisions on documented evidence collected through the application review process.

c. Adhere to the policies and criteria that are transparent, based on merit, and avoid conflicts of interest or any appearance thereof.

19.6(4) *Application approval.* The state board shall approve a charter school application if the application satisfies the requirements of this chapter.

a. The state board shall approve or deny a charter school application no later than seventy-five calendar days after the application is received.

b. If the state board denies an application, the state board shall provide notice of denial to the founding group in writing within thirty days after the state board's action. The notice shall specify the exact reasons for denial and provide documentation supporting those reasons.

c. An approval decision may include, if appropriate, reasonable conditions that the founding group must meet before a charter school contract may be executed pursuant to section 256E.6.

d. An approved charter application shall not serve as a charter school contract.

e. A decision of the state board relating to an application under this section is not appealable.

f. An unsuccessful applicant under this section may subsequently reapply to the state board.

19.6(5) *Application deadlines and timelines.* For school years on or after the school year beginning on July 1, 2023, applications submitted to the state board on or before August 1 of the preceding school year shall be considered for approval for the establishment of the charter school for the next school year. For the school year beginning on July 1, 2022, applications submitted to the state board on or before February 1, 2022, shall be considered for approval for the establishment of the charter school for the next school year.

281—19.7(256E) School board-state board model. A school board may create a founding group to apply to the state board for approval to establish and operate a charter school within and as a part of the school district by establishing a new attendance center, creating a new school within an existing attendance center, or by converting an existing attendance center. The application shall demonstrate the founding group's academic and operational vision and plans for the proposed charter school, demonstrate the founding group's capacity to execute the vision and plans, and provide the state board a clear basis for assessing the founding group's plans and capacity.

19.7(1) *School board-state board model application.* An application submitted under this section shall include all of the following items related to the proposed charter school:

- a.* An executive summary.
- b.* The mission and vision of the proposed charter school, including identification of the targeted student population and the community the charter school intends to serve.
- c.* The location of the proposed charter school or the proposed geographic area within the school district where the school is proposed to be located.
- d.* Identification of the grades to be served each school year during the duration of the charter school contract.

- e.* Minimum, planned, and maximum enrollment per grade for each school year during the duration of the charter school contract.
- f.* Evidence of need and community support for the proposed charter school.
- g.* Background information on the members of the founding group and background information on the governing board, administration, and management personnel of the proposed charter school, if available.
- h.* The charter school's proposed operations calendar and sample daily schedule.
- i.* A description of the academic program and identification of ways the program aligns with state academic standards.
- j.* A description of the charter school's instructional model, including the type of learning environment, class size and structure, curriculum overview, and teaching methods.
- k.* The charter school's plan for using internal and external assessments to measure and report student progress on the performance framework in accordance with section 256E.9.
- l.* Plans for identifying and serving students with disabilities, students who are limited English proficient, students who are academically failing or below grade level, and gifted students, including but not limited to compliance with applicable laws and regulations.
- m.* A description of cocurricular and extracurricular programs and how the programs will be funded and delivered.
- n.* Plans and timelines for student recruitment, enrollment and transfers, including enrollment preferences and procedures for conducting transparent admissions selections, including admissions lotteries.
- o.* The proposed code of student conduct, including applicable procedures and disciplinary sanctions for both general students and special education students.

p. A chart or description of the charter school's organizational structure and the duties and powers of each position or group, including the delineation of authority and reporting between the governing board, administration, staff, and any related bodies or external organizations that have a role in managing the charter school.

q. A staffing chart for the charter school's first year and a staffing plan for the duration of the charter school contract.

r. Plans for recruiting and developing school administrators, staff, and governing board members and the charter school's employment policies, including performance evaluation plans.

s. Proposed governing bylaws for the charter school.

t. Identification and explanation of any partnerships or contractual relationships with the founding group or any of the founding group or school board's members that are related to the charter school's operations or mission.

u. The charter school's plans for providing transportation services, food service, and all other operational or ancillary services.

v. Proposed opportunities and expectations for parent involvement.

w. A detailed school start-up plan and five-year plan, including all relevant assumptions used, identifying timelines for charter school finances, budget, and insurance coverage, facility construction, preparation, and contingencies, and the identification of persons or positions responsible for each such item.

x. Evidence of anticipated fundraising contributions, if any.

y. Evidence of the founding group's success in serving student populations similar to that which is proposed in the application and if the founding group operates other charter

schools, evidence of past performance of such other charter schools and evidence of the founding group's capacity for an additional charter school.

z. A description of the proposed charter school's staff performance evaluation measures and compensation structure, methods of contract oversight and dispute resolution, investment disclosures, and conflicts of interest.

aa. A proposed duration and outline of the charter school contract, including designation of roles, authority, and duties of the governing board and the charter school staff.

bb. The specific statutes and administrative rules with which the charter school does not intend to comply. The department shall provide technical assistance to the applicant concerning statutes and administrative rules that may be waived under the charter school contract in order to facilitate the goals of the charter school.

19.7(2) *Conversion of existing attendance center.* If the founding group proposes to establish a charter school by converting an existing attendance center of the school district, the state board shall not approve the application unless the founding group submits evidence that the attendance center's teachers and parents or guardians of students enrolled at the existing attendance center voted in favor of the conversion. A vote in favor of conversion under this subsection requires the support of a majority of the teachers employed at the school on the date of the vote and a majority of the parents or guardians voting whose children are enrolled at the school, provided that a majority of the parents or guardians eligible to vote participate in the ballot process. Voting could include the following: signing a petition, a ballot, etc. Electronic voting is permitted, provided that it is secure and creates an auditable record. Voting methods must be accessible, including accessible to individuals with disabilities. Regardless of the method, documentation is required and must be maintained for inspection by the state board or

the department. A parent or guardian voting in accordance with this subsection must be a resident of this state.

281—19.8(256E) Founding group-state board model. A founding group may apply to the state board for approval to establish and operate a charter school within the boundaries of the state that operates as a new attendance center independently from a public school district. The application shall demonstrate the founding group's academic and operational vision and plans for the proposed charter school, demonstrate the founding group's capacity to execute the vision and plans, and provide the state board a clear basis for assessing the founding group's plans and capacity.

19.8(1) Founding group-state board model application. An application submitted under this section shall include all of the following items related to the proposed charter school:

- a.* An executive summary.
- b.* The mission and vision of the proposed charter school, including identification of the targeted student population and the community the school intends to serve.
- c.* The location of the proposed charter school or the proposed geographic area within the state where the school is proposed to be located.
- d.* Identification of the grades to be served each school year during the duration of the charter school contract.
- e.* Minimum, planned, and maximum enrollment per grade for each school year during the duration of the charter school contract.
- f.* Evidence of need and community support for the proposed charter school.

- g.* Background information on the members of the founding group and background information on the governing board, administration, and management personnel of the proposed charter school, if available.
- h.* The charter school's proposed operations calendar and sample daily schedule.
- i.* A description of the academic program and identification of ways the program aligns with state academic standards.
- j.* A description of the charter school's instructional model, including the type of learning environment, class size and structure, curriculum overview, and teaching methods.
- k.* The charter school's plan for using internal and external assessments to measure and report student progress on the performance framework in accordance with section 256E.9.
- l.* Plans for identifying and serving students with disabilities, students who are limited English proficient, students who are academically failing or below grade level, and gifted students, including but not limited to compliance with applicable laws and regulations.
- m.* A description of cocurricular and extracurricular programs and how the programs will be funded and delivered.
- n.* Plans and timelines for student recruitment, enrollment, and transfers, including enrollment preferences and procedures for conducting transparent admissions selections, including admissions lotteries.
- o.* The proposed code of student conduct, including applicable procedures and disciplinary sanctions for both general students and special education students.
- p.* A chart or description of the charter school's organizational structure and the duties and powers of each position or group, including the delineation of authority and reporting

between the governing board, staff, and any related bodies or external organizations that have a role in managing the charter school.

q. A staffing chart for the charter school's first year and a staffing plan for the duration of the charter school contract.

r. Plans for recruiting and developing school administrators, staff, and governing board members and the charter school's employment policies, including performance evaluation plans.

s. Proposed governing bylaws for the charter school.

t. Identification and explanation of any partnerships or contractual relationships with an education service provider that are related to the charter school's operations or mission.

u. The charter school's plans for providing transportation services, food service, and all other operational or ancillary services.

v. Proposed opportunities and expectations for parent involvement.

w. A detailed school start-up plan and five-year plan, including all relevant assumptions used, identifying timelines for charter school finances, budget, and insurance coverage, facility construction, preparation, and contingencies, and the identification of persons or positions responsible for each such item.

x. Evidence of anticipated fundraising contributions, if any.

y. If the application includes a proposal that the governing board contracts with an education service provider, evidence of the education service provider's success in serving student populations similar to that which is proposed in the application and if the education service provider operates other charter schools, evidence of past performance of such other charter schools and evidence of the education service provider's capacity for growth.

z. If the application includes a proposal that the governing board contracts with an education service provider, a description of the education service provider's staff performance evaluation measures and compensation structure, methods of contract oversight and dispute resolution, investment disclosures, and conflicts of interest.

aa. A proposed duration and outline of the charter school contract, including designation of roles, authority, and duties of the governing board and the charter school staff.

bb. The specific statutes and administrative rules with which the charter school does not intend to comply. The department shall provide technical assistance to the applicant concerning statutes and administrative rules that may be waived under the charter school contract in order to facilitate the goals of the charter school.

19.8(2) *Special rule.* A charter school application under this section shall not be approved if the founding group has another pending application under this section.

281—19.9 Charter school contract. Within the later of thirty days following approval of a charter school application or upon the satisfaction of all reasonable conditions imposed on the applicant in the charter school approval, if any, an enforceable and renewable charter school contract shall be executed between the founding group and the state board setting forth the academic and operational performance expectations and measures by which the charter school will be evaluated pursuant to Code sections 256E.9 and 256E.10, rules 281-19.10(256E0 and 281-19.13(256E), and the other rights and duties of the parties.

19.9(1) *Initial contract.* An initial charter school contract shall be granted for a term of five school budget years. The charter school contract shall include the beginning and ending dates of the charter school contract term.

19.9(2) *Delay of opening.* An approved charter school may delay its opening for a period of time not to exceed one school year in order to plan and prepare for the charter school's opening. If the charter school requires an opening delay of more than one school year, the charter school may request an extension from the state board.

19.9(3) Each charter school contract shall be signed by the president of the state board and the president or appropriate officer of the governing body of the founding group.

19.9(4) *Notification of charter school.* Within fifteen days of the execution of a charter school contract entered into by the state board, the state board shall notify the department and the department of management of the name of the charter school and any applicable education service provider, the proposed location of the charter school, and the charter school's first year projected enrollment.

19.9(5) A charter school approved under this chapter shall not commence operations without a valid charter school contract executed in accordance with this section and approved in an open session of the state board.

19.9(6) *Conditions prior to opening.* The contract may provide for requirements or conditions to govern and monitor the start-up progress of an approved charter school prior to the opening of the charter school including but not limited to conditions to ensure that the charter school meets all building, health, safety, insurance, and other legal requirements.

19.9(7) *Contract governing multiple charter schools.* A charter school contract may be amended to govern multiple charter schools operated by the same applicant and approved by the state board. However, each charter school that is part of a charter school contract shall be separate and distinct from any other charter school governed by the contract.

281—19.10(256E) Performance framework. The performance provisions within the charter school contract shall be based on a performance framework that clearly sets forth the academic and operational performance indicators, measures, and metrics that will guide the evaluation of the charter school by the state board, without compromising individual student privacy.

19.10(1) The performance framework shall include:

- a.* Student academic growth and proficiency in English/Language Arts on statewide outcome assessments.
- b.* Student academic growth and proficiency in Mathematics on statewide outcome assessments.
- c.* Achievement gaps in both proficiency and growth on statewide outcome assessments between specified populations or groups of students, including groups based on gender, race, poverty, special education status, limited English proficiency, and gifted status.
- d.* Benchmark status on early literacy approved screening measure(s) in grades kindergarten through three.
- e.* Attendance.
- f.* Conditions for Learning data.
- g.* Enrollment attrition and mobility.
- h.* Postsecondary readiness for students in grades nine through twelve.
- i.* Goals specified in the charter school's mission.
- j.* Financial performance and sustainability.
- k.* Governing board performance and stewardship, including compliance with all applicable laws, regulations, and terms of the charter contract.

19.10(2) *Annual performance targets.* Annual performance targets shall be agreed upon between each charter school and the state board. Such performance targets shall be contained in the charter school contract and shall be designed to help each charter school meet applicable federal, state, and local standards. The performance targets contained in the charter school contract may be amended by mutual agreement after the charter school is operating and has collected initial achievement data for the charter school's students.

19.10(3) The state board is responsible for collecting, analyzing, and reporting all data from state assessments and other state data sources in accordance with the performance framework. However, all efforts shall be made by all parties to the charter school contract to eliminate or reduce duplicative data reporting requirements.

19.10(4) Multiple charter schools operating under a single charter school contract shall be required to report their performance data as separate, individual schools, with each charter school held independently accountable for performance.

19.10(5) Each charter school established under this chapter shall be evaluated and ranked by the department pursuant to the attendance center performance ranking system developed and adopted by the department.

281—19.11(256E) General operating powers and duties. In order to fulfill the charter school's public purpose, a charter school established under this chapter shall be organized as a nonprofit education organization.

19.11(1) *Operating powers.* A charter school established under this chapter shall have all the powers necessary for carrying out the terms of the charter school contract including but not limited to the following, as applicable:

- a.* Receive and expend funds for charter school purposes.

- b.* Secure appropriate insurance and enter into contracts and leases.
- c.* Contract with an education service provider for the management and operation of the charter school so long as the governing board retains oversight authority over the charter school.
- d.* Incur debt in anticipation of the receipt of public or private funds.
- e.* Pledge, assign, or encumber the charter school's assets to be used as collateral for loans or extensions of credit.
- f.* Solicit and accept gifts or grants for charter school purposes unless otherwise prohibited by law or by the terms of its charter school contract.
- g.* Acquire from public or private sources real property for use as a charter school or a facility directly related to the operations of the charter school.
- h.* Sue and be sued in the charter school's own name.
- i.* Operate an education program that may be offered by any noncharter public school or school district.

19.11(2) Exemptions. A charter school established under this chapter is exempt from all state statutes and rules and any local rule, regulation, or policy, applicable to a noncharter school, except that the charter school shall do all of the following:

- a.* Meet all applicable federal, state, and local health and safety requirements and laws prohibiting discrimination on the basis of race, creed, color, sex, sexual orientation, gender identity, national origin, religion, ancestry, or disability. If approved under section 256E.4 and rule 281—19.7, the charter school shall be subject to any court-ordered desegregation in effect for the school district at the time the charter school application is approved, unless otherwise specifically provided for in the desegregation order.

- b.* Operate as a nonsectarian, nonreligious school.
- c.* Be free of tuition and application fees to Iowa resident students between the ages of five and twenty-one years.
- d.* Be subject to and comply with chapters 216 and 216A relating to civil and human rights.
- e.* Provide special education services in accordance with chapter 256B.
- f.* Be subject to the same financial audits, audit procedures, and audit requirements as a school district. The audit shall be consistent with the requirements of Code sections 11.6, 11.14, 11.19, and 279.29, and section 256.9, subsection 20, except to the extent deviations are necessary because of the program at the school. The department, the auditor of state, or the legislative services agency may conduct financial, program, or compliance audits.
- g.* Be subject to and comply with the requirements of section 256.7, subsection 21, and the educational standards of section 256.11, unless specifically waived by the state board during the application process.
- h.* Provide instruction for at least the number of days or hours required by section 279.10, subsection 1, unless specifically waived by the state board as part of the application process.
- i.* Comply with the requirements of this chapter.
- j.* Conduct governing board meetings in a manner that is open to the public and the governing board shall be a governmental body for purposes of chapter 21.
- k.* The governing board shall be a government body for purposes of chapter 22 and all records, documents, and electronic data of the charter school and of the governing board shall

be public records and shall be subject to the provisions of chapter 22 relating to the examination of public records.

19.11(3) *Teachers.* A charter school shall employ or contract with teachers as defined in Code section 272.1, who hold valid licenses with an endorsement for the type of instruction or service for which the teachers are employed or under contract.

19.11(4) *Administrators.* The chief administrator of the charter school shall be one of the following:

(1) An administrator who holds a valid license under chapter 272.

(2) A teacher who holds a valid license under chapter 272.

(3) An individual who holds an authorization to be a charter school administrator issued by the board of educational examiners under chapter 272. The board of educational examiners shall adopt rules for the issuance of such authorizations not later than December 31, 2021, and such authorizations shall only be valid for service or employment as a charter school administrator.

19.11(5) *Admissions.* A charter school shall not discriminate in its student admissions policies or practices on the basis of intellectual or athletic ability, measures of achievement or aptitude, or status as a person with a disability. However, a charter school may limit admission to students who are within a particular range of ages or grade levels or on any other basis that would be legal if initiated by a school district. Enrollment priority shall be given to the siblings of students enrolled in a charter school.

19.11(6) *Enrollment.* A charter school shall enroll an eligible student who submits a timely application unless the number of applications exceeds the capacity of a program, class, grade level, or building. In this case, students must be accepted by lot. Upon enrollment of an

eligible student, the charter school shall notify the public school district of residence not later than March 1 of the preceding school year.

19.11(7) *Governing board.*

a. Each charter school governing board shall be required to adopt a conflict of interest policy and a code of ethics for all board members and employees.

b. Each charter school governing board shall adopt a policy regarding the hiring of family members to avoid nepotism in hiring and supervision. The policy shall include but is not limited to a disclosure to the governing board of potential nepotism in hiring and supervision. Any person subject to the policy with a conflict shall not be involved in the hiring decision or supervision of a potential employee.

c. Individuals compensated by an education service provider are prohibited from serving as a voting member on the governing board of any charter school unless the state board waives such prohibition.

d. If the charter school is operated by an education service provider, the governing board of the charter school shall have access to all records of the education service provider that are necessary to evaluate any provision of the contract or evaluate the education service provider's performance under the contract.

e. A majority of the membership of each charter school's governing board shall be residents of the geographic area served by the charter school. Each member of the governing board who is not a resident of the geographic area served by the charter school must be a resident of this state.

f. The governing board shall post the charter school's annual budget on the charter school's internet site for public viewing within ten days of approval of the budget. Each posted

budget shall continue to be accessible for public viewing on the internet site for all subsequent budget years.

19.11(8) *Rule of construction.* To be exempt from a law or rule pursuant to subrule 19.11(2), a charter school must list that law or rule in its application, pursuant to subrule 19.7(1), paragraph “bb” or subrule 19.8(1), paragraph “bb.”

281—19.12(256E) Funding.

19.12(1) Each student enrolled in a charter school established under this chapter shall be counted, for state school foundation purposes, in the student's district of residence pursuant to section 257.6, subsection 1, paragraph subparagraph (9), including any applicable amounts under section 256B.9. For purposes of this section, residence means a residence under section 282.1.

19.12(2) The school district of residence shall pay to the charter school in which the student is enrolled in the manner required under section 282.18, and pursuant to the timeline in section 282.20, subsection 3, an amount equal to the sum of the state cost per pupil for the previous school year plus the teacher leadership supplement state cost per pupil for the previous fiscal year as provided in section 257.9 plus any moneys received for the student as a result of the non-English speaking weighting under section 280.4, subsection 3, for the previous school year multiplied by the state cost per pupil for the previous year. If a student is an eligible pupil under section 261E.6, the charter school shall pay the tuition reimbursement amount to an eligible postsecondary institution as provided in section 261E.7.

19.12(3) *Special education funding.* For a student requiring special education, the school district of residence shall pay to the charter school the actual costs incurred in providing the appropriate special education.

19.12(4) For each student enrolled in the charter school who was not included in the actual enrollment of the district of residence under section 257.6, subsection 1, in the previous school year, the amount otherwise required to be paid under paragraph or "b" shall instead be paid by the department to the charter school for the student's initial year of enrollment in the charter school.

19.12(5). There is appropriated annually from the general fund of the state to the department of education an amount necessary to pay all applicable amounts to charter schools under subrule 19.12(4).

19.12(6) *Medicaid.* The charter school shall complete and provide to the students' school districts of residence all documentation necessary to seek Medicaid reimbursement for eligible services.

19.12(7) If necessary, and pursuant to rules adopted by the state board, funding amounts required under this section for the first school year of a new charter school shall be based on enrollment estimates for the charter school included in the charter school contract. Initial amounts paid using estimated enrollments shall be reconciled during the subsequent payment based on actual enrollment of the charter school during the first school year.

281—19.13(256E) Oversight — corrective action — contract renewal — revocation.

19.13(1) *Monitoring.* The state board shall monitor the performance and compliance of each charter school the state board approves, including collecting and analyzing data according to the charter school contract in order to meet the requirements of this chapter. Such oversight may include inquiries and investigation of the charter school so long as the activities are consistent with the intent of this chapter, adhere to the terms of the charter school contract, and do not unduly inhibit the autonomy granted to the charter school. Any performance report

resulting from an inquiry or investigation under this section shall, upon conclusion of such action, be included in the annual report required under section 256E.12.

19.13(2) *Annual report.* As part of the charter school contract, the charter school shall submit an annual report to assist the state board in evaluating the charter school's performance and compliance with the performance framework.

19.13(3) *Noncompliance or unsatisfactory performance.* If a charter school's performance under the charter school contract or compliance with applicable laws or rules is unsatisfactory, the state board shall notify the charter school of the perceived problem and provide reasonable opportunity for the school to remedy the problem, unless the problem warrants revocation, in which case the revocation provisions of this section apply.

19.13(4) *Corrective actions and sanctions.* The state board may take appropriate corrective actions or impose sanctions, other than revocation, in response to deficiencies in the charter school's performance or compliance with applicable laws and rules. Such actions or sanctions may include requiring the charter school to develop and execute a corrective action plan within a specified time period.

19.13(5) *Renewal.* A charter school contract may be renewed for periods of time not to exceed an additional five years.

19.13(6) *Charter school performance report.* Annually, by June 30, the state board shall issue a charter school performance report and charter school contract renewal application guidance to each charter school whose charter school contract will expire during the following school budget year. The performance report shall summarize the charter school's performance record to date based on the data required by the charter school contract and by this chapter and shall identify concerns that may jeopardize renewal of the charter school contract if not

remedied. The charter school shall have sixty days to respond to the performance report and submit any corrections or clarifications for the report.

19.13(7) The renewal application guidance shall, at a minimum, include the criteria that will be used when assessing charter school contract renewal decisions and provide an opportunity for the charter school to:

- a.* Present additional evidence, beyond the data contained in the performance report.
- b.* Describe improvements undertaken or planned for the charter school.
- c.* Describe the charter school's plans, including any proposed modifications, for the next charter school contract term.

19.13(8) No later than October 1, the governing board of a charter school seeking renewal shall submit a renewal application to the state board pursuant to the renewal application guidance. A renewal or denial shall be approved by resolution of the state board within sixty days following the filing of the renewal application.

19.13(9) Unless eligible for expedited renewal under subsection 13, when reviewing a charter school contract renewal application, the state board shall do all of the following:

- a.* Use evidence of the school's performance over the term of the charter school contract in accordance with the applicable performance framework.
- b.* Ensure that data used in making renewal decisions is available to the charter school and the public.
- c.* Provide a report summarizing the evidence that served as a basis for the decision.

19.13(10) A charter school contract may be revoked at any time or not renewed if the state board determines that the charter school did any of the following:

- a.* Committed a material violation of any of the terms, conditions, standards, or procedures required under the charter school contract or this chapter.
- b.* Failed to meet or make sufficient progress toward the performance expectations set forth in the charter school contract.
- c.* Failed to meet generally accepted standards of fiscal management.
- d.* Violated a provision of law from which the charter school was not exempted.

19.13(11) *Contract revocation and nonrenewal standards and procedures.* The state board shall develop charter school contract revocation and nonrenewal standards and procedures that do all of the following:

- a.* Provide the charter school with a timely notice of the possibility of revocation or nonrenewal and of the reasons therefor.
- b.* Allow the charter school a reasonable period of time in which to prepare a response to any notice received.
- c.* Provide the charter school an opportunity to submit documents and give testimony challenging the decision to revoke the charter school contract or the decision to not renew the contract.
- d.* Allow the charter school the opportunity to hire legal representation and to call witnesses.
- e.* Permit the audio or video recording of such proceedings described in paragraphs “c” and “d”.
- f.* Require a final decision to be conveyed in writing to the charter school.

19.13(12) A decision to revoke or to not renew a charter school contract shall be by resolution of the state board and shall clearly state the reasons for the revocation or nonrenewal.

19.13(13) Expedited renewal. If a charter school has been evaluated and graded to be in the exceptional category on the attendance center rankings, or the highest rated category under a succeeding evaluation system, under the evaluation and grading required under Code section 256E.9, subsection 5, for the immediately preceding two school years, and the charter school is in compliance with the current charter school contract and all provisions of this chapter, the charter school's application renewal under subsection 8 shall be renewed for an additional period of time equal to the length of the original charter school contract or the most recent renewal of the contract, whichever is longer, unless the state board provides written notice to the charter school of the state board's rejection of the expedited renewal within sixty days of the filing of the application. The state board shall not reject an expedited renewal application unless the state board finds exceptional circumstances for the rejection or seeks material changes to the charter school contract.

281—19.14(256E) Procedures for charter school closure — student enrollment.

19.14(1) Prior to any charter school closure decision, the state board shall develop a charter school closure protocol to ensure timely notice to parents and guardians, provide for the orderly transition of students and student records to new schools, and to provide proper disposition of school funds, property, and assets in accordance with the requirements of this chapter. The protocol shall specify required actions and timelines and identify responsible parties for each such action.

19.14(2) In the event of a charter school closure, the assets of the charter school shall be used first to satisfy outstanding payroll obligations for employees of the school, then to creditors of the school, then to the public school district in which the charter school operated, if applicable, and then to the state general fund. If the assets of the charter school are insufficient to

pay all obligations of the charter school, the prioritization of the distribution of assets shall be consistent with this subsection and otherwise determined by the district court.

281—19.15(256E) Reports

19.15(1) *Annual report.* Each charter school shall prepare and file an annual report with the department. The department shall prescribe by rule the required contents of the report, but each such report shall include information regarding student achievement, including annual academic growth and proficiency, graduation rates, and financial performance and sustainability. The reports are public records and the examination, publication, and dissemination of the reports are governed by the provisions of chapter 22. The annual report is due to the department October 1 and shall include data for the prior school year. Required content includes:

- (1) The charter school's mission statement, including a vision statement and goals, as well as data measuring goal attainment;
- (2) Student demographics, disaggregated by grade level and protected characteristics;
- (3) Attendance statistics and dropout rate (average daily attendance, dropout rate, student mobility);
- (4) Graduation data, including 4-year and 5-year graduation rates, credit accrual, and number of students on track for graduation;
- (5) Student achievement, including annual academic growth and proficiency, including Iowa Statewide Assessment of Student Progress (ISASP) data, other assessment data, and aggregate assessment test scores;
- (6) Financial performance, including projections of financial stability;
- (7) The number and qualifications of teachers and administrators; and

(8) Sustainability data, including enrollment trends, staff satisfaction, and parent and student satisfaction.

19.15(2) *Annual financial report.* Each charter school shall submit a Certified Annual Report consistent with the requirements of chapter 281—99(257). The annual financial report is due to the department by September 15.

19.15(3) *Report to general assembly.* The state board shall prepare and file with the general assembly by December 1, annually, a comprehensive report with findings and recommendations relating to the charter school program in the state and whether the charter school program under this chapter is meeting the goals and purposes of the program. The report also shall contain, for each charter school, a copy of the charter school's mission statement, attendance statistics and dropout rate, aggregate assessment test scores, projections of financial stability, and the number and qualifications of teachers and administrators.

281—19.16(256E) Operation of existing charter schools. Charter schools established pursuant to Code chapter 256F and Iowa Administrative Code chapter 281—68(256F) prior to July 1, 2021, shall continue to operate pursuant to those chapters and shall not be subject to the requirements of this chapter and of Code chapter 256E.

These rules are intended to implement Iowa Code chapter 256E as amended by 2021 Iowa Acts, House File 813, as amended by 2021 Iowa Acts, House File 847.

ITEM 2. Adopt the following **new** rule(s) 281—68.16(256F):

281—68.16(256F) Transition — operation of existing charter schools. The state board shall not approve a new charter school under this chapter and Code chapter 256F on or after July 1,

2021. Charter schools established pursuant to this chapter and Code chapter 256F, prior to July 1, 2021, shall continue to operate pursuant to those chapters and shall not be subject to the requirements of Code chapter 256E or chapter 281—19(256E).