Charter schools are a growing phenomenon in American education. This legislative update provides information on the four states--Idaho, Missouri, Virginia, and Utah--that enacted charter-school laws during the 1998 legislative session, as well as information on legislative changes in other states with charter-school legislation. Charter schools are public schools that operate under a contract or charter so as to create alternatives and choice within the public-school system. The legislation passed in the states that most recently added charter schools varied, with each state having a different form of charter-school legislation. For example, in Idaho and Virginia, local school boards grant the charters. During the 1997-98 legislative session, several states changed already existing legislation. California increased its cap on charter schools and allowed charter schools to organize as nonprofit organizations. Florida created a charter-school-in-the-workplace program, and Georgia allowed the creation of new charter schools. Charter-school legislation was considered but not enacted in Indiana, Iowa, New York, Oklahoma, South Dakota, Tennessee, Vermont, and Washington. Two charts list states with charter-school legislation by year of first enactment and provide a summary of key legislative provisions of charter-school laws in four states. (RJM)
Charter School Legislation. Charter schools are a growing phenomenon in American education. The first charter school law was passed in Minnesota in 1991; the second, by California in 1992. By June 1998, 33 states and the District of Columbia had passed charter school legislation. (See Figures 1 and 2.) Four of these states (Idaho, Missouri, Virginia and Utah) passed charter school laws during the 1997–98 legislative session. Puerto Rico also has charter school legislation.

The purpose of this legislative update is to provide information on the four states that enacted charter school laws during the 1998 legislative session, as well as to provide information on legislative changes occurring in other states with charter school legislation. The report updates information in A National Study of Charter Schools (1998), which provides details on charter school legislation passed through the 1997 legislative session.

Figure 1. States with charter school legislation, June 1998

1As of June 1998, 33 states and the District of Columbia had charter school legislation

*This report was prepared by Peter Weber, a summer intern with the National Institute on Student Achievement, Curriculum, and Assessment, Office of Educational Research and Improvement, U.S. Department of Education.
What Are Charter Schools? Charter schools are public schools that operate under contract—or charter—between a public agency and groups of parents, teachers, school administrators, or others who want to create alternatives and choice within the public school system. The schools are free, open to all, and designed to be publicly accountable, as well as creative, flexible, and responsive to student and parent needs. While today there are relatively few charter schools—in June 1998, approximately 700 charter schools were operating nationwide—the charter school movement appears to be growing rapidly and is one of the major school reform efforts in the nation today.

New State Legislation. Idaho, Utah, Missouri and Virginia are the most recent states to pass charter school legislation. The provisions of the legislation vary across these states: basically, different states have different forms of charter school legislation, and these newest charter school states are no different. For example, in Idaho and Virginia, local school boards grant the charters; in Utah, charters are granted by the state board of education; and in Missouri charters may be granted by district school boards, colleges, or community colleges. Charter terms range from 3 years in Utah to 5 to 10 years in Missouri. On the other hand, all four states have the same provisions on types of schools allowed: all allow existing public schools to become charter schools, and all allow the creation of new charter schools, but none allow existing private schools to “convert” to public charter school status.

Figure 3 summarizes 10 key points in the legislation and provides an overview of selected legal features. Readers are cautioned, however, that some details of state legislation may have been simplified or omitted, and analysts interested in specific provisions are encouraged to review the state legislation.

Changes In Charter Legislation. During the 1997–98 legislative session, several states changed already existing legislation. Included among these states are:

California. California first adopted charter legislation in 1992, and made significant changes to the legislation during the 1997–98 legislative session. These changes include:

- Increasing the cap on charter schools from 100 to 250 for 1998–99; furthermore, 100 new charter schools can be added each year after 1999.
- Allowing charter schools to organize as non-profit organizations.
- Allowing charter schools to occupy unused district facilities rent-free.

In addition, California charter schools are not required to adhere to proposition 227, which prohibits more than one year of bilingual education.

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**Figure 2. States with Charter School Legislation, by Year of First Enactment**

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<tbody>
<tr>
<td>Minnesota</td>
<td>California</td>
<td>Colorado</td>
<td>Georgia</td>
<td>Massachusetts</td>
<td>Michigan</td>
<td>New Mexico</td>
<td>Wisconsin</td>
<td>Alaska</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Feature</th>
<th>Idaho</th>
<th>Missouri</th>
<th>Utah</th>
<th>Virginia</th>
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<tbody>
<tr>
<td>1. Who can grant charters</td>
<td>Board of Trustees of school district with appeals to the state board of education</td>
<td>Charters are granted by sponsors (district school boards, public four-year universities or colleges, community colleges) with review by the state board of education. Denials by sponsors may be appealed to the state board</td>
<td>State Board of Education; decisions are final subject to judicial review</td>
<td>Local school board; no appeals process</td>
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<tr>
<td>2. Types of charter schools allowed</td>
<td>Newly created schools and public school conversions</td>
<td>Newly created schools and public school conversions</td>
<td>Newly created schools and public school conversions</td>
<td>Newly created schools and public school conversions</td>
</tr>
<tr>
<td>3. Number of charter schools</td>
<td>Not more than 12 per year for first five years with additional restrictions with regard to region and school district</td>
<td>No specific limit; however, maximum of five percent of school buildings currently in use for instructional purposes in a district may be converted to charter schools and schools may only be in St. Louis and Kansas City</td>
<td>Eight schools</td>
<td>Not more than 10% of the number of schools in a school division or two schools, whichever is greater</td>
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<td>4. Waivers of state laws for charter schools</td>
<td>Most state laws are waived with the exception of teacher certification requirements</td>
<td>Most state laws waived</td>
<td>May apply to state board of education for waivers of state education laws</td>
<td>Some state laws waived, but charter schools must adhere to “Standards of Quality”</td>
</tr>
<tr>
<td>5. Regulations on staff for charter schools</td>
<td>Teachers must be certified or qualify for a waiver</td>
<td>Twenty percent of a charter school’s instructional staff may be uncertified. Former district employees may remain employees of the district</td>
<td>Must be certified or qualify for alternative certification</td>
<td>Charter school staff shall be employees of the local school board</td>
</tr>
<tr>
<td>6. Funding and finance of charter schools</td>
<td>Funding goes through the State Department of Education and local school district</td>
<td>Funding goes through district</td>
<td>Funding goes through district</td>
<td>Funding goes through the local school board</td>
</tr>
<tr>
<td>7. Accountability: Duration of charter term</td>
<td>Five years</td>
<td>Five to ten years</td>
<td>Three years</td>
<td>Not more than three years</td>
</tr>
<tr>
<td>8. Accountability: Student assessment</td>
<td>Charter must contain school’s student education standards and method of measurement</td>
<td>Charter must contain a description of the pupil performance standards and a method to measure pupil progress toward the pupil academic standards</td>
<td>Charter must contain a description of the curriculum and methods of assessment</td>
<td>Charter must contain goals and educational objectives of the school, which must meet or exceed “Standards of Learning”</td>
</tr>
<tr>
<td>9. Accountability: grounds for revoking a charter</td>
<td>Violation of law, violation of charter, violation of generally accepted accounting standards, failure to submit required reports</td>
<td>Breach of charter, failure to meet academic performance standards set out in charter, failure to meet generally accepted standards of fiscal management, violation of law</td>
<td>Failure to meet generally accepted standards of fiscal management, violation of law, failure to meet student performance requirements stated in the charter, other good cause</td>
<td>Generally accepted standards of fiscal management, violation of charter, not deemed to be in the interest of the public or students to continue operations, failure to make reasonable progress toward achievement of content standards or student performance standards</td>
</tr>
<tr>
<td>10. Accountability: Charter renewal process</td>
<td>Same as application process</td>
<td>Not specified</td>
<td>Same as application process</td>
<td>Renewals must contain a report on charter school progress towards goods and standards plus a financial statement</td>
</tr>
</tbody>
</table>

1In all four states charter schools must be nonsectarian with regard to programs, operations, affiliations, admission policies, and employment. Charter schools must meet all applicable state and local health, safety, and civil rights requirements. In none of these four states can charter schools charge tuition.
Colorado. Colorado, which first adopted charter legislation in 1993, made various legislative changes during the 1997–98 legislative session, including:

- Passing legislation to continue charter school legislation beyond the initial five-year limit.
- Allowing the Colorado Postsecondary Educational Facilities Authority to assist charter schools with securing bonds.

Florida. Florida first passed charter school legislation in 1996. Changes during the 1997–98 legislative session include:

- Increasing per district cap on charter schools.
- Approving $5 million from the Public Education Capital Outlay and Debt Service fund to be used for charter schools.
- Creating a charter school in the workplace program.

Georgia. Under Georgia's 1993 charter school legislation only existing public schools were allowed to become charter schools. With the adoption of 1998 legislation, newly created charter schools as well as public conversion schools are allowed.

Other Legislative Activity. Both Maryland and Maine have created task forces to advise their legislatures on charter laws. In Maine, a report was submitted but had not been acted on as of June 1998. The Maryland task force plans to report by the end of 1998. South Dakota, Nebraska and Tennessee all had interim study committees of charter schools.

Attempts to enact charter legislation failed in several states during the 1997–98 legislative session. New Mexico did not pass a bill to raise the cap on charter schools and to allow newly created charter schools. Charter school legislation was considered but not enacted in Indiana, Iowa, New York, Oklahoma, South Dakota, Tennessee, Vermont and Washington.

Where Can I Get More Information? For information on the national research studies:

Student Achievement Institute
U.S. Department of Education
Office of Educational Research and Improvement
555 New Jersey Ave., NW, Room 510
Washington, DC 20208–5573
Attn: Judith Anderson (202–219–2039 or judith_anderson@ed.gov)

For information on the grant and model development programs:

U.S. Department of Education
Office of Elementary and Secondary Education
600 Independence Ave. SW
Portals 4500
Washington, DC 20202–6140
Attn: John Fiegel (202–260–2671 or john_fiegel@ed.gov)

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