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FIRST SPECIAL SESSION-2005

Legislative Document

No. 1640

S.P. 606

In Senate, May 3, 2005

An Act To Permit Charter Schools in Maine

Reference to the Committee on Education and Cultural Affairs suggested and ordered printed.

JOY J. O'BRIEN Secretary of the Senate

Presented by Senator WESTON of Waldo. Cosponsored by Representative KAELIN of Winterport and Senators: ROSEN of Hancock, TURNER of Cumberland, Representatives: DUGAY of Cherryfield, McKENNEY of Cumberland, PIOTTI of Unity.

Be it enacted by the People of the State of Maine as follows:

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Sec. 1. 20-A MRSA §1, sub-§26, as corrected by RR 1993, c. 1, 4 §44 and amended by PL 2003, c. 545, §5, is further amended to read: 6 26. School administrative unit. "School administrative 8 unit" means the state-approved unit of school administration and includes a municipal school unit, school administrative district, 10 community school district, charter school or any other municipal quasi-municipal corporation responsible for operating or or constructing public schools, except that it does not include a 12 career and technical education region. 14 Sec. 2. 20-A MRSA §202, sub-§§16 and 17, as enacted by PL 1981, c. 693, §§5 and 8, are amended to read: 16 18 16. Other entities. Other entities authorized by the Legislature; and 20 17. Other bureaus. Any other bureau the commissioner establishes -; and 22 Sec. 3. 20-A MRSA §202, sub-§18 is enacted to read: 24 26 18. Charter schools. Charter schools. Sec. 4. 20-A MRSA c. 112 is enacted to read: 28 30 CHAPTER 112 32 CHARTER SCHOOLS 34 §2411. Charter schools authorized; pilot program established Charter schools may be established as public schools 36 pursuant to this chapter to provide varied learning environments 38 and expand existing efforts to support student learning by providing different, often small, learning settings. The charter 40 school pilot program established pursuant to section 2413, subsection 5 is authorized to provide incentives to teachers and 42 community members to establish new kinds of public schools and to seek to improve student achievement through the use of different and innovative learning methods. Local school administrative 44 units are encouraged to use the charter school pilot program to 46 offer more options to students and parents, to develop complementary programs tailored to meet student needs and to

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complementary programs tailored to meet student needs and to 48 <u>collaborate with other school administrative units to offer</u> regional programs.

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2	<u>Charter schools must meet the goals of the system of</u>
	learning results established in section 6209 and applicable
4	provisions of the federal No Child Left Behind Act of 2001, 20
	United States Code, Chapter 70. Although independent in
б	governance, charter schools are public schools and may work in
	cooperation with public schools to improve student achievement
8	and to help students meet the goals of the system of learning
	results through flexible program design, involvement of parents
10	and teachers based on their choice to participate in new learning
	communities, and varied approaches to instruction and
12	organization. Charter school programs may be focused on certain
	grade levels, themes, student learning styles or instructional
14	approaches to assist students who have a variety of learning
	needs. A charter school program may include, among other
16	approaches, career preparation, alternative approaches for
	nontraditional learners, intensive programs for disadvantaged
18	children, early childhood development, arts-based, multicultural
	and multilingual approaches, personalized learning approaches,
20	mentoring, service-learning and teacher training opportunities.
	Charter schools may provide alternative public school options for
22	children in so-called priority schools in accordance with
	provisions of the federal No Child Left Behind Act of 2001, 20
24	United States Code, Chapter 70.

26 §2412. Organizers; eligibility for application

- 28 The following entities, referred to in this chapter as "organizers," may apply for charter school status.
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 Existing schools. An existing public school may apply
 to become a charter school if 60% or more of the full-time teachers and administrators of that public school and 60% or more
 of the parents of children in that public school vote to apply for charter school status. If a local school board acting as a
 chartering authority approves the request of parents and teachers to convert an existing public school to a charter school, and the school to be converted is the only public school option for students in that school administrative unit, the conversion must
 be approved by voters in that school administrative unit.

- 42 2. New schools. An application for a new charter school may be proposed by a school board, by a nonprofit, nonsectarian
 44 organization or by a group of 10 or more citizens. An existing nonprofit, nonsectarian school may apply to eligible chartering
 46 authorities under section 2413 to become a charter school.
- 48 §2413. Chartering authorities

Eligible chartering authorities. The organizers may
 apply to and the school may be granted a charter by:

- 4 <u>A. A school board; or</u>
- B. An officially recognized unit of the University of Maine System or one of its universities, the Maine Community
 College System or one of its colleges or the Maine Maritime Academy.
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For purposes of this chapter, unless the context otherwise
 indicates, "chartering authority" means one of the entities in paragraphs A and B.

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2. Approval by chartering authority. A school may not 16 operate as a charter school unless approved by a chartering authority. A charter must be approved for a renewable 5-year 18 term, with a major review for compliance with the terms of the charter prior to each renewal. A charter may be approved for a 20 school beginning with one or more grades from preschool to high school, including alternative secondary programs for students 22 requiring basic literacy training up to 20 years of age. A school board may approve the conversion of an existing public 24 school to a charter school only in its own jurisdiction. Only one school board may be the chartering authority for a charter 26 school that is a regional collaboration between 2 or more school administrative units.

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3. Approval criteria. A school board or an officially recognized unit of a public postsecondary education institution 30 that wishes to be a chartering authority shall establish criteria 32 for approval and a time frame for applications to start a charter school. Criteria established by a chartering authority must 34 include, but are not limited to, statement of purpose, size, scope, funding, goals and outcomes, governance and operational structure, accountability, the manner in which the charter school 36 will complement the school administrative unit's existing educational program and the extent to which sufficient public 38 interest has been demonstrated to warrant the establishment of the charter school. If a proposal for a charter school meets the 40 criteria established by a chartering authority, the charter school is presumed to be eligible for authorization. 42

- 44 **4. Oversight.** A chartering authority is responsible for:
- A. Establishing a process for receiving and reviewing applications for charter schools on an annual or semiannual
 basis, taking into account the deadlines required by the United States Department of Education for applications for
 the federal charter school grant program. A decision on a

charter school application must be made within 90 days of
 receipt of the application and conveyed in writing to the applicant. A decision may grant approval or conditional
 approval, request resubmission or reject the application and must include written reasons for the decisions;

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B.Monitoring the operations of each charter school to8which the chartering authority has granted a charter,
including an annual site visit and requiring an annual10report, periodic financial reports and periodic enrollment
reports, and including a major review prior to renewal of12each 5-year contract;

14C. Ensuring that each charter school to which the
chartering authority has granted a charter complies with
applicable laws and the charter, including provisions of the
system of learning results established in section 6209 and
1818the federal No Child Left Behind Act of 2001, 20 United
States Code, Chapter 70, and that the charter school follows
2020generally accepted accounting principles as required by
state law or as necessary for the school to be eligible to
2222receive federal assistance;

 24 D. Monitoring the progress of each charter school to which the chartering authority has granted a charter in meeting
 26 student academic expectations specified in the charter; and

 E. Placing a charter school on probation if there is evidence that the school is not performing according to its
 charter. A school must be given 30 days' notice before being placed on probation, and the chartering authority
 shall hold a public hearing within 30 days of placing a school on probation.

The chartering authority may require a charter school to which the chartering authority has granted a charter to produce any book, record, paper or document the chartering authority determines necessary for carrying out its functions under this chapter.

5. Pilot program; repeal. The charter school program
 42 begins with a 10-year pilot phase.

A. During the pilot phase the following limits apply: (1) No more than 20 charter schools statewide may be approved during the pilot phase; and (2) A charter school may not enroll more than 20% of a school administrative unit's public school students per

	grade level unless a school board acting as the
2	chartering authority approves a different percentage
	for students residing in the school administrative
4	unit. This provision does not apply to conversions of
	existing public schools and public school programs.
6	
	B. To enforce the limits set out in paragraph A, the
8	commissioner shall:
10	(1) Register the charters granted by all chartering
	authorities in chronological order by date of
12	approval. Each chartering authority shall forward to
	the commissioner a copy of its official approval letter
14	for each charter school it authorizes within 10 days of
	such approval; and
16	
	(2) Once the cap of 20 charters is reached, the
18	commissioner may not accept further registrations and
2.0	no further charter schools may be chartered until June
20	<u>30, 2016.</u>
22	This subsection is perceled two 20, 2016
<i>L L</i>	This subsection is repealed June 30, 2016.
24	§2414. Charter school students; eligibility; application
44	Jeans, charter school students, engineerty, application
26	1. Eligibility . Any student residing in this State is
26	1. Eligibility. Any student residing in this State is eligible to apply to a charter school. A charter school may not
26 28	eligible to apply to a charter school. A charter school may not
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28 30 32 34 36 38 40 42 44	 eligible to apply to a charter school. A charter school may not discriminate on the basis of color, race, national origin, religion, sex, income level, proficiency in the English language or physical ability. The school shall enroll an applicant who submits an application prior to deadline, unless the number of applications exceeds the capacity of a program, class, grade level or building. In that case, applicants must be chosen through a lottery that ensures random selection. 2. Application. Each charter school shall adopt an application process in accordance with this subsection. A. The application process may not include requirements regarding previous academic achievement, intellectual aptitude, sexual orientation or curricular or extracurricular ability. Existing public schools that convert to charter schools may give preference to siblings of

- enrolled under preferences allowed by this paragraph may not exceed 20% of the total number of students.
- 4 <u>C. Applicants may not be denied admission on the basis of</u> any physical or mental disability, handicap or condition.
- D. A school board acting as a chartering authority may
 8 require a charter school that it approves to give admission
 preference to children of residents in that school
 10 administrative unit.

12 §2415. Requirements for charter schools

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- 1. Organization. A charter school shall operate as a 14 public instrumentality under a charter granted by an eligible 16 chartering authority. The charter school must be governed by its own board of trustees and shall operate as an independent agency consistent with the provisions of this chapter. The governing 18 board of trustees is responsible for the operation of the charter school, including, but not limited to, its finances: the hiring 20 of the principal, teachers and staff; and the academic and 22 extracurricular programs. A charter school may secure services from another public body, nonprofit organization, private organization or individual, but a charter school may not contract 24 with a for-profit education management organization for 26 whole-school management_services.
- 28 **<u>2. Education program.</u>** A charter school shall establish an education program that includes one or more of the following:
 - A. Prekindergarten;
 - B. Any grade or grades from kindergarten to grade 12;
- C. Residential education; and
- D. Adult, community, continuing and career and technical education programs for residents up to 20 years of age in need of basic literacy or specialized education services.
- 3. Nonsectarian. A charter school may not be affiliated
 42 with a private sectarian school or religious institution. The school must be nonsectarian in its programs, admission policies,
 44 employment practices and all other operations.
- 46 4. Home school; Internet. Charter schools may not be used as a method of providing education or generating revenue for
 48 students who are being home schooled. Charter schools may not offer programs that require or permit students to take more than
 50 25% of their studies on-line.

2	5. Admission. A charter school shall admit students as
	provided in section 2414.
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	6. Accountability. A charter school is accountable to its
6	chartering authority for its performance as provided in the
	charter agreement pursuant to section 2416. Charter schools must
8	work to achieve the goals of the system of learning results
	established in section 6209 and administer state assessments or
10	equivalent assessments required of public schools as part of
	state academic standards. These assessments must be commensurate
12	with the charter school's mission and objectives.
14	7. Tuition. A charter school may not charge tuition or
	fees beyond those allowed in a regular public kindergarten to
16	grade 12 program, except that a charter school offering a
	residential component may charge a fee for room and board and, if
18	a fee is charged, shall offer assistance to families needing
	scholarships for room and board fees.
20	
	8. State and local reguirements. A charter school shall
22	meet all applicable state and local health, safety and civil
	<u>rights requirements.</u>
24	
	9. No discrimination. A charter school may not
26	discriminate on the basis of color, race, national origin,
	religion, sex, income level, proficiency in the English language
28	or physical ability.
30	10. Finances. A charter school's board of trustees, not
	the director or chief financial officer of the charter school,
32	shall contract for an annual financial audit by a certified
	<u>public accountant in accordance with generally accepted</u>
34	accounting principles. The audit must examine the validity and
	integrity of data reported to the State for revenue purposes,
36	including the enrollment and internal controls of the charter
	<u>school</u> .
38	
	11. Conflicts of interest. Charter school boards of
40	trustees are governed by this subsection.
40	A. A member of a charter school board of trustees may not
42	A. A member of a charter school board of trustees may not serve as a member of the board of directors or as an
44	employee or agent of or a contractor with a for-profit
	entity with whom the charter school contracts, directly or
4 6	indirectly, for professional services, goods or facilities.
4.0	B. A member of a charter school board of trustees that
48	serves as a member of a board of trustees or an employee or
50	agent of or a contractor with a nonprofit entity with whom
50	ayone of of a contractor with a nonprofite entry with whom

2	the charter school contracts, directly or indirectly, for professional services, goods or facilities shall disclose
4	all potential conflicts to the chartering authority.
6	12. Indemnification. The board of trustees shall indemnify the trustees, officers, teaching staff and employees affiliated with the charter school and shall purchase and maintain insurance
8	to indemnify any such person to the extent provided in Title 13-B, section 714.
10	12 Oran meetings Decords and meetings of a shorten
12	13. Open meetings. Records and meetings of a charter school's board of trustees are subject to the public records and proceedings provisions of Title 1, chapter 13.
14	§2416. Charter agreement
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18	Major issues involving the operation of a charter school must be considered and addressed in advance of the opening of the charter school and written into the charter agreement, which must
20	be signed by the charter school's board of trustees and the chartering authority.
22	1. Special education. Before a charter is granted by the
24	eligible chartering authority pursuant to section 2413, a charter school must have in place a policy to comply with the policies
26	adopted by the state board and with federal regulations relating to the education of children with special needs. The manner in
28	which the charter school delivers those services may be innovative, and its services may be integrated into the services
30	provided for all students.
32	2. Written agreement on issues. The board of trustees of the charter school and the chartering authority shall establish a
34	written agreement on the following issues and incorporate the agreement into the charter:
36	
38	A. The education program, including the charter school's mission, the students to be served, the student ages and grade span to be included and the focus of the curriculum;
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42	B. The outcomes to be achieved and the method of measurement that will be used, including how the charter school will meet any state-required outcomes such as the
44	system of learning results established in section 6209;
46	C. Procedures for the admission and dismissal of students;
48	D. The ways by which the charter school will try to achieve a racial and ethnic balance reflective of the community it
50	serves;

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2	E. The manner in which the charter school will comply with
4	<u>state and federal requirements for the education of children</u> with special needs, including the delivery of appropriate
6	<u>special education services and any innovative delivery</u> systems;
8	F. The manner in which financial audits will be conducted;
10	G. The qualifications required of the teachers in addition to those required under section 2418; and
12	
14	H. The management and administration of the charter school.
16	3. Addendum to charter. The charter school shall include as an addendum to the charter document a plan covering the following items before the school begins operating:
18	A. The governance structure of the charter school;
20	
22	B. In the case of an existing public school converting to a charter school, alternative arrangements for current students who choose not to attend the charter school and for
24	current teachers who choose not to teach in the charter school after conversion;
26	
28	C. The learning methods to be used;
30	D. Any distinctive learning techniques to be employed;
	E. A draft of a 2-year financial plan showing anticipated
32	enrollment and anticipated revenues and expenses and a description of the system of internal financial controls;
34	F. How the charter school will be insured;
36	G. The facilities to be used and their location; and
38	
40	<u>H. The arrangements for covering teachers and other staff</u> for health, retirement and other employee benefits.
42	§2417. Review, renewal or termination of the charter agreement
44	1. Major review: renewal. Prior to renewal of each 5-year term, the chartering authority shall conduct a major review of
46	the operations and achievements of each of its charter schools.
	At least 6 months prior to the end of each 5-year term of a

be renewed. The renewal process must include at least one public 2 hearing. 4 2. Termination. During the term of the charter agreement or during the 5-year renewal review pursuant to subsection 1, the chartering authority may act to terminate the agreement on any of б the following grounds: 8 A. Failure to meet the requirements for student performance 10 stated in the agreement; 12 B. Failure to meet generally accepted standards of fiscal management; 14 C. Violation of laws; or 16 D. Other good cause shown. 18 A termination is effective only at the end of a school year, 20 unless continued operation of the charter school presents a clear and immediate threat to health and safety of students or 22 personnel. 24 3. Notice of termination. At least 60 days before terminating a charter, the chartering authority shall notify the 26 board of trustees of the charter school of the proposed action in writing. The notice must state the grounds for the proposed action in reasonable detail and that the charter school board of 28 trustees may request in writing an informal hearing before the chartering authority within 14 days of receiving the notice. 30 32 4. Appeal. The charter school may appeal the chartering authority's decision to terminate the charter to the commissioner 34 for review of procedural issues. 5. Dissolution of charter school. When a charter is 36 terminated, the charter school must dispose of its assets according to a plan agreed upon with its chartering authority. 38 6. Disposition of students upon dissolution. If an 40 agreement is terminated, the charter school staff shall assist 42 its students to find other appropriate education placements. §2418. Teachers 44 46 1. Selection. The charter school shall select its teachers. 48 2. Certification. At least 50% of the teaching staff of a charter school must hold an appropriate teaching certificate and must meet the highly qualified standards for teachers in 50

accordance with the provisions of the federal No Child Left
 Behind Act of 2001, 20 United States Code, Chapter 70.

- 3. Right to organize. Teachers at a charter school may choose to bargain collectively or form a professional group in
 accordance with this subsection.
- A. Teachers who are employees of the charter school have the same rights as other teachers in public education to organize and bargain collectively. Bargaining units at the charter school must be separate from other bargaining units,
 such as a district bargaining unit. Staff at noncharter public schools converting to charter schools have a right to employment benefits as stated in applicable collective bargaining agreements or they may vote to be represented in alternative ways.
- B. A teacher may choose to be part of a professional group that operates the instructional program under an agreement
 with the charter school, forming a partnership or producer cooperative that the teachers collectively own.

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 4. Leave: seniority. Teachers in a public school may take
 24 leave to teach in a charter school. A school district must grant service credit to those teachers for teaching experience at a
 26 charter school, as long as their service at a charter school is reasonably comparable to service in their public school. Any
 28 such teacher may apply for a leave of absence in renewable one-year terms, up to a maximum of 2 years.

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5. Retirement. A charter school may establish a retirement
32 plan or plans for employees. Teachers enrolled in the Maine
State Retirement System who take leave to teach in a charter
34 school may continue their participation in the Maine State
Retirement System while on such leave. If a charter school
36 chooses to set up a plan with the Maine State Retirement System,
the charter school may establish a participating local district
38 plan with the Maine State Retirement System.

40 §2419. Revenue provisions

 42 1. Operating funds. All state and local operating funds follow each student to the charter school attended by the
 44 student. For each charter school student, the school administrative unit in which the student resides must forward the
 46 per-pupil allocation to the charter school attended by the student as follows.

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A. The per-pupil allocation amounts must be based on the same per-pupil rates as described in section 15676,

subsection 1 that are provided for subsidizable pupils who reside in the school administrative unit and who are educated at public expense for the current fiscal year.

B. For each fiscal year, which runs from July 1st to June 30th, allocations must be made in 4 guarterly payments on September 1st, December 1st, March 1st and June 1st.

C. The September payment under paragraph B must be based on the number of students enrolled or anticipated to be enrolled in the charter school at the opening of school for that school year, which cannot exceed the maximum enrollment approved in the charter agreement for that year unless a waiver is obtained from the chartering authority.

16D. If the number of students calculated under paragraph C
is higher or lower than the number of students in the
following February of the school year, adjustments are to be
made in the March payment under paragraph B, with 50% of the
annual per pupil allocation to be added for additional
students or subtracted if the total number of students is
lower.

 24 2. Other subsidizable costs. Public charter schools are entitled to receive state funds for other subsidizable costs as
 26 described in section 15681-A on a per-pupil basis, on the same schedule as listed in subsection 1, for transportation,
 28 vocational education and special education costs. Public charter schools may contract or cooperate with public schools for such
 30 services.

 32 3. Special education costs. Public charter schools are entitled to receive state funding for the special education costs
 34 as described in section 15681-A, subsection 2 and as described in section 15689-A, subsections 1 and 2 on the same basis as schools
 36 in a school administrative unit.

 4. Other sources of funding. A charter school may receive other state and federal aid, grants and revenue through its
 chartering authority, or through the State in the case of Title I of the federal Elementary and Secondary Education Act of 1965, 20
 United States Code, Section 6301 et seq. and similar programs. A charter school may be considered a local education agency for
 purposes of applying for competitive federal grants. The charter school may receive gifts and grants from private sources in
 whatever manner is available to school administrative units.

- 48 **5. No taxing or bonding authority.** A charter school may not levy taxes or issue bonds secured by tax revenues.
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 6. Facilities. Charter schools may be provided access to
 2 surplus public space as it becomes available from the State or any political subdivision of the State. A school administrative
 4 unit may make unused buildings available to charter schools at reasonable rents.

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§2420. Exemption from education laws and rules

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Exemption from state and local education laws and
 rules. Except as provided in this chapter and its charter, a charter school is exempt from all statutes and rules applicable
 to a school, a school board or a school district, although it may elect to comply with one or more provisions of statutes or
 rules. School administrative units may not interpret this subsection to reduce their obligation to provide education for
 their residents.

 18 <u>2. Categorical education funding.</u> A charter school is exempt from the restrictions normally associated with any state-funded categorical education funding program.

22 §2421. Leased space

 A school administrative unit may lease space or sell services to a charter school. A charter school may lease space
 from another public body, nonprofit organization, private organization or individual.

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§2422. Transportation

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A charter school is entitled to receive a per-pupil32allocation for transportation costs as part of its funds for
other subsidizable costs as described in section 15681-A,34subsection 3. A charter school shall offer transportation,
whether through agreements with local school districts or other

- 36 <u>arrangements.</u>
- 38 §2423. Initial costs

 A chartering authority may authorize a charter school before the applicant has secured space, equipment or personnel if the
 applicant indicates authorization is necessary for it to raise working capital.

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§2424. Information and technical assistance

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The department shall support the charter school pilot 48 program established in section 2411 and disseminate information to the public directly and through chartering authorities on how 50 to form and operate a charter school and on how to enroll in charter schools once they are created. The department may
provide assistance and guidance to school boards and other
potential organizers to develop effective authorization and
oversight procedures. The department shall apply for assistance
from the federal charter school grant program on behalf of
potential and actual charter schools in the State. If the
department does not apply for assistance from the federal charter
school grant program in the year following the effective date of
this section, a charter school may apply on its own behalf.

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Sec. 5. Maine State Retirement System. The Maine State Retirement System shall review the laws governing participating local districts' retirement plans and shall submit emergency legislation no later than November 28, 2005 to the Second Regular Session of the 122nd Legislature to propose changes necessary to fully implement this Act.

18 Sec. 6. Review. The Commissioner of Education, with assistance from the State Board of Education, shall conduct a review of charter schools created under the Maine Revised 20 Statutes, Title 20-A, chapter 112 4 years after the effective 22 date of this Act. The commissioner shall submit a report and any recommendations to the joint standing committee of the 24 Legislature having jurisdiction over education and cultural affairs by December 15th of the following year.

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SUMMARY

30 This bill allows certain educational bodies to approve the establishment of charter schools, a new type of public school, to 32 be a part of the State's program of public education. The charter school pilot program established under this bill permits 34 up to 20 charter schools to be authorized during a 10-year pilot phase. A charter school must be approved for a renewable 5-year 36 term, with a major review of the operations and achievements of the charter school prior to renewal.

Charter schools may be conversions of existing public 40 schools or school administrative units, new schools or existing nonprofit, nonsectarian schools that convert to charter status. 42 A chartering authority may be a local school board or an officially recognized unit of the University of Maine System or 44 one of its universities, the Maine Community College System or one of its colleges or the Maine Maritime Academy.

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Charter schools are created to offer students and parents more education options to meet the diversity of learning needs of Maine's children. Charter schools are open to all students equally, though they may specialize in serving a particular age group, a specific geographic area or a student population with
specific needs. A charter school may not be affiliated with a religious institution and must be nonsectarian in its programs,
practices and policies.

At least 50% of the charter school's teaching staff must hold appropriate teaching certificates. Teachers in charter
 8 schools are employees of the charter school and have the right to organize and bargain collectively in a separate unit or may
 10 choose to operate the charter school themselves as partners or members of a cooperative.

Charter schools will be funded by per-pupil allocations from 14 state and local sources based on the essential programs and services model of school funding. The state and local per-pupil 16 payments will be sent to each charter school or other public school chosen for each child. Funds for operating costs, 18 transportation costs, vocational costs and special education costs will follow each child to the public charter school chosen.

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