

Statutory requirements for the charter contract

KRS 160.1590:

(5) "Charter contract" or "contract" means a fixed-term, renewable contract between a charter school and an authorizer that identifies the roles, powers, responsibilities, and performance expectations for each party to the contract pursuant to KRS 160.1596;

(6) "Charter school board of directors" means the independent board of a public charter school that is party to the charter contract with the authorizer and whose members have been elected or selected pursuant to the school's application;

...

(8) "Education service provider" means an education management organization, school design provider, or any other partner entity with which a public charter school contracts for educational design, implementation, or comprehensive management;

...

(12) "Public charter school" means a public school that ...

(d) Is established and operating under the terms of a charter contract between the public charter school's board of directors and its authorizer;

...

(h) Operates in pursuit of a specific set of educational objectives as defined in its charter contract; and

(i) Operates under the oversight of its authorizer in accordance with its charter contract;

KRS 160.1592:

(3) A public charter school shall: ...

(b) Be established and operate in pursuit of a specific set of educational objectives as defined in the charter contract between the school's board of directors and its authorizer;

...

(o) Operate under the oversight of its authorizer in accordance with its charter contract and application;

...

(7) (a) For purposes of ensuring compliance with this section and the charter under which it operates, a public charter school shall be administered by a public charter school board of

directors accountable to the authorizer in a manner agreed to in the charter contract, as negotiated between the public charter school applicant and the authorizer.

(b) The board of directors of a public charter school shall consist of a minimum of two (2) parents of students attending any public charter school operating under the direction of the board of directors.

(c) A member of the board of directors of a public charter school shall:

1. Not be an employee of that school or of an education service provider that provides services to the school; and

2. File full disclosure reports and identify any potential conflicts of interest, relationships with management organizations, and relationships with family members who are applying to or are employed by the public charter school or have other business dealings with the school, the management organization of the school, or any other public charter school and shall make these documents available online through the authorizer.

(8) Collectively, members of the board of directors shall possess expertise in leadership, curriculum and instruction, law, and finance.

(9) (a) A board of directors may hold one (1) or more charter contracts.

(b) Each public charter school under contract with a board of directors shall be separate and distinct from any other public charter school under contract with the board of directors.

(10) The board of directors shall be responsible for the operation of its public charter school, including but not limited to preparation of a budget, contracting for services, school curriculum, and personnel matters.

(11) The board of directors shall:

(a) Ensure that all meetings of the board are publicized in advance according to the rules governing the authorizer and are open to the public at times convenient to parents; and

(b) Require any education service provider contracted with the board to provide a monthly detailed budget to the board.

...

(20) The authorizer of a public charter school shall semiannually consider for approval a public charter school's proposed amendments to a charter contract. The authorizer may consider requests for amendments more frequently upon mutual agreement between the authorizer and the public charter school. The denial of an amendment request is appealable pursuant to KRS 160.1595.

KRS 160.1594:

(1) A public charter school authorizer shall: ...

(f) Negotiate and execute in good faith a charter contract with each public charter school it authorizes;

(g) Monitor the performance and compliance of public charter schools according to the terms of the charter contract;

...

(i) Establish and maintain policies and practices consistent with the principles and professional standards for authorizers of public charter schools, including standards relating to:

1. Organizational capacity and infrastructure;
2. Soliciting and evaluating applications;
3. Performance contracting;
4. Ongoing public charter school oversight and evaluation; and
5. Charter approval, renewal, and revocation decision making.

KRS 160.1596:

(1) ... (b) Within seventy-five (75) days of the final approval of an application, the board of directors and the authorizer shall enter into a binding charter contract that establishes the academic and operational performance expectations and measures by which the public charter school will be evaluated.

(c) The executed charter contract shall become the final authorization for the public charter school. The charter contract shall include:

1. The term of the contract;
2. The agreements relating to each item required under KRS 160.1592(3) and 160.1593(3)¹, as modified or supplemented during the approval process;

¹ These statutory sections are:

KRS 160.1592(3):

(3) A public charter school shall:

- (a) Be governed by a board of directors;
- (b) Be established and operate in pursuit of a specific set of educational objectives as defined in the charter contract between the school's board of directors and its authorizer;
- (c) Ensure students meet compulsory attendance requirements under KRS 158.030 and 158.100;
- (d) Hire only qualified teachers to provide student instruction;

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- (e) Ensure high school course offerings meet or exceed the minimum required under KRS 156.160 for high school graduation;
- (f) Design its education programs to meet or exceed the student performance standards adopted by the Kentucky Board of Education;
- (g) Ensure students' participation in required state assessment of student performance, as required under KRS 158.6453;
- (h) Adhere to all generally accepted accounting principles and adhere to the same financial audits, audit procedures, and audit requirements as are applied to other public schools under KRS 156.265;
- (i) Utilize the same system for reporting student information data and financial data as is utilized by other school districts across the state;
- (j) Require criminal background checks for staff and volunteers, including members of its governing board, as required of all public school employees and volunteers within the public schools specified in KRS 160.380 and 161.148;
- (k) Comply with open records and open meeting requirements under KRS Chapter 61;
- (l) Comply with purchasing requirements and limitations under KRS Chapter 45A and KRS 156.074 and 156.480, or provide to the public charter school board of directors a detailed monthly report of school purchases over ten thousand dollars (\$10,000), including but not limited to curriculum, furniture, and technology;
- (m) Provide instructional time that is at least equivalent to the student instructional year specified in KRS 158.070;
- (n) Provide data to the Kentucky Department of Education and the authorizer as required by the Kentucky Department of Education or authorizer to generate a school report card under KRS 158.6453;
- (o) Operate under the oversight of its authorizer in accordance with its charter contract and application;
- (p) As a public body corporate, have all the powers necessary for carrying out the terms of its charter contract, including the power to:
1. Receive and disburse funds for school purposes;
 2. Secure appropriate insurance and enter into contracts and leases;
 3. Contract with an education service provider, provided the board of directors of the public charter school retains oversight and authority over the school;
 4. Incur debt in reasonable anticipation of the receipt of public or private funds;
 5. Pledge, assign, or encumber its assets to be used as collateral for loans or extensions of credit;

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6. Solicit and accept any gifts or grants for school purposes, subject to applicable laws and the terms of its charter;
 7. Acquire real property for use as its facility or facilities, from public or private sources; and
 8. Employ or contract with other entities for the provision of teaching, professional, and support staff, as needed; and
- (q) Conduct an admissions lottery if capacity is insufficient to enroll all students who wish to attend the school and ensure that every student has a fair opportunity to be considered in the lottery and that the lottery is competently conducted, equitable, randomized, transparent, impartial, and in accordance with targeted student population and service community as identified in KRS 160.1593(3) so that students are accepted in a public charter school without regard to ethnicity, national origin, religion, sex, income level, disabling condition, proficiency in the English language, or academic or athletic ability.

KRS 160.1593(3):

- (3) The information provided in the application shall be consistent with this section and shall include:
- (a) A mission statement and a vision statement for the public charter school, including the targeted student population and the community the school hopes to serve;
 - (b) A description of the school's proposed academic program that is aligned with state standards, and that implements one (1) or more of the purposes described in KRS 160.1591, and the instructional methods that will support the implementation and success of the program;
 - (c) 1. The student achievement goals for the public charter school's educational program and the chosen methods of evaluating whether students have attained the skills and knowledge specified for those goals; and
2. An explanation of how the school's proposed educational program is likely to improve the achievement of traditionally underperforming students in the local school district;
 - (d) The school's plan for using external, internal, and state-required assessments to measure student progress on the performance framework as identified in KRS 160.1596, and how the school will use data to drive instruction and continued school improvement;
 - (e) The proposed governance structure of the school, including a list of members of the initial board of directors, a draft of bylaws that include the description of the qualifications, terms, and methods of appointment or election of directors, and the organizational structure of the school that clearly presents lines of authority and reporting between the board of directors, school administrators, staff, any related bodies such as advisory bodies or parent and teacher councils, and any external organizations that will play a role in managing the school;

(f) 1. Plans and timelines for student recruitment and enrollment, including policies and procedures for conducting transparent and random admission lotteries that are open to the public, and that are consistent with KRS 160.1591 and 160.1592.

2. An application shall demonstrate a plan to recruit at least one hundred (100) students, unless the application is focused on serving special needs or at-risk students;

(g) A proposed five (5) year budget, including the start-up year and projections for four (4) additional years with clearly stated assumptions;

(h) Draft fiscal and internal control policies for the public charter school;

(i) Requirements and procedures for programmatic audits and assessments at least once annually, with audits and assessments being comparable in scope to those required of noncharter public schools;

(j) A draft handbook that outlines the personnel policies of the public charter school, including the criteria to be used in the hiring of qualified teachers, school administrators, and other school employees, a description of staff responsibilities, and the school's plan to evaluate personnel on an annual basis;

(k) A draft of the policies and procedures by which students may be disciplined, including students with disabilities, which shall be consistent with the requirements of due process and with state and federal laws and regulations governing the placement of students with disabilities;

(l) A description of the facilities to be used by the public charter school, including the location of the school, if known, and how the facility supports the implementation of the school's academic program. If the facilities to be used by the proposed school are not known at the time the application is submitted, the applicant shall notify the authorizer within ten (10) business days of acquiring facilities for the school. The school shall obtain certification of occupancy for the facilities at least thirty (30) days prior to the first student instructional day;

(m) The proposed ages and grade levels to be served by the public charter school, including the planned, minimum, and maximum enrollment per grade per year;

(n) The school calendar and school day schedule, which shall total at least the equivalent to the student instructional year specified in KRS 158.070;

(o) Types and amounts of insurance coverage to be obtained by the public charter school, which shall include adequate insurance for liability, property loss, and the personal injury of students comparable to other schools within the local school district operated by the local school board;

(p) A description of the health and food services to be provided to students attending the school;

(q) Procedures to be followed in the case of the closure or dissolution of the public charter school, including provisions for the transfer of students and student records to the local school district in which the public charter school is located or to another charter school located within the local school district and an assurance and agreement to payment of net assets or equity, after payment of debts as specified in KRS 160.1598;

3. The rights and duties of each party;
4. The administrative relationship between the authorizer and the public charter school;
5. The allocation of state, local, and federal funds, and the schedule to disburse funds to the public charter school by the authorizer;
6. The process the authorizer will use to provide ongoing oversight, including a process to conduct annual site visits;
7. The specific commitments of the public charter school authorizer relating to its obligations to oversee, monitor the progress of, and supervise the public charter school;
8. The process and criteria the authorizer will use to annually monitor and evaluate the overall academic, operating, and fiscal conditions of the public charter school, including the process the authorizer will use to oversee the correction of any deficiencies found in the annual review;
9. The process for revision or amendment to the terms of the charter contract agreed to by the authorizer and the board of directors of the public charter school;
10. The process agreed to by the authorizer and the board of directors of the public charter school that identifies how disputes between the authorizer and the board will be handled; and
11. Any other terms and conditions agreed to by the authorizer and the board of directors, including pre-opening conditions. Reasonable conditions shall not include enrollment caps or operational requirements that place undue constraints on a public charter school or are contradictory to the provisions of KRS 160.1590 to 160.1599 and 161.141. Such conditions,

(r) A code of ethics for the school setting forth the standards of conduct expected of its board of directors, officers, and employees;

(s) Plans for recruiting and developing staff;

(t) A staffing chart for the school's first year and a staffing chart for the term of the charter;

(u) A plan for parental and community involvement in the school, including the role of parents in the administration and governance of the school;

(v) The public charter school's plan for identifying and successfully serving students with disabilities, students who are English language learners, bilingual students, and students who are academically behind and gifted, including but not limited to the school's plan for compliance with all applicable federal and state laws and regulations;

(w) A description of cocurricular and extracurricular programs and how they will be funded and delivered;

(x) The process by which the school will resolve any disputes with the authorizer; and

(y) A detailed start-up plan, including financing, tasks, timelines, and individuals responsible for carrying out the plan.

even when incorporated in a charter contract, shall be considered unilaterally imposed conditions.

(d) 1. The performance provisions within a charter contract shall be based on a performance framework that sets forth the academic and operational performance indicators, measures, and metrics to be used by the authorizer to evaluate each public charter school. The performance framework shall include at a minimum indicators, measures, and metrics for:

- a. Student academic proficiency;
- b. Student academic growth;
- c. Achievement gaps in both student proficiency and student growth between student subgroups, including race, sex, socioeconomic status, and areas of exceptionality;
- d. Student attendance;
- e. Student suspensions;
- f. Student withdrawals;
- g. Student exits;
- h. Recurrent enrollment from year to year;
- i. College or career readiness at the end of grade twelve (12);
- j. Financial performance and sustainability; and
- k. Board of directors' performance and stewardship, including compliance with all applicable statutes, administrative regulations, and terms of the charter contract.

2. The performance framework shall allow the inclusion of additional rigorous, valid, and reliable indicators proposed by a public charter school to augment external evaluations of its performance. The proposed indicators shall be consistent with the purposes of KRS 160.1590 to 160.1599 and 161.141 and shall be negotiated with the authorizer.

3. The performance framework shall require the disaggregation of student performance data by subgroups, including race, sex, socioeconomic status, and areas of exceptionality.

4. The authorizer shall be responsible for collecting, analyzing, and reporting to the state board all state-required assessment and achievement data for each public charter school it oversees.

(e) Annual student achievement performance targets shall be set, in accordance with the state accountability system, by each public charter school in conjunction with its authorizer, and those measures shall be designed to help each school meet applicable federal, state, and authorizer goals.

(f) The charter contract shall be signed by the chair of the governing board of the authorizer and the chair of the board of directors of the public charter school. An approved charter application shall not serve as a charter contract for the public charter school.

(g) No public charter school may commence operations without a charter contract executed according to this section and approved in an open meeting of the governing board of the authorizer.

KRS 160.1597:

(1) Upon the approval of a charter contract by a public charter school authorizer, the applicant shall be permitted to operate a public charter school for a term of five (5) years.

(2) The board of directors of the public charter school shall negotiate and execute a charter contract with the governing body of the authorizer.

...

(6) The board of directors of the public charter school shall have final authority over policy and operational decisions of the public charter school, although the decision-making authority may be delegated to the administrators and staff of the school in accordance with the provisions of the charter contract.

KRS 160.1598

(1) A charter contract may be renewed by the authorizer for a term of duration of five (5) years, although the authorizer may vary the term to as few as three (3) years. Any variation in the public charter school's term must be solely based on the performance, demonstrated capacities, and particular circumstances of a public charter school. Authorizers may grant renewal with specific conditions for necessary improvements to a public charter school, but may not impose conditions inconsistent with KRS 160.1590 to 160.1599.

(5) In making charter application, renewal, or other appealable decisions, an authorizer shall:

(a) Make its decision within established timeframes. Any failure of the authorizer to act on a charter application, renewal, or other appealable decision shall be deemed a denial of the requested action and thereafter be subject to appeal;

(b) Base its decision on evidence of the public charter school's performance over the term of the charter contract in accordance with the performance framework required in the charter contract;

(c) Ensure that data used in making renewal decisions is available to the public charter school and the public; and

(d) Provide a public report summarizing the evidence basis for each decision.

(6) A charter contract may not be renewed if the authorizer determines that the public charter school has:

(a) Committed a material violation of any of the terms, conditions, standards, or procedures required under KRS 160.1590 to 160.1599 and 161.141 or the charter contract, and has persistently failed to correct the violation after fair and specific notice from the authorizer;

(b) Failed to meet or make significant progress toward the performance expectations identified in the charter contract;

(c) Failed to meet generally accepted standards of fiscal management, and has failed to correct the violation after fair and specific notice from the authorizer; or

(d) Substantially violated any material provision of law from which the public charter school was not exempted and has failed to correct the violation after fair and specific notice from the authorizer.

(7) An authorizer may take immediate action to revoke a charter contract if a violation threatens the health and safety of the students of the public charter school.