



KENTUCKY PUBLIC CHARTER ACADEMY ACT

❖ SECTION 1. INTENT

- It is the intent of the General Assembly to provide an option through the establishment of the Kentucky Public Charter Academy Act for parents, teachers, and community members to create new, innovative, and more flexible ways of educating all children within the public school system and to advance a renewed commitment to the mission, goals, and diversity of public education. The purposes of the Public Charter Academies are to:
 - Encourage the use of different, high-quality models of teaching, governing, scheduling, or other aspects of schooling that meet a variety of student needs;
 - Close achievement gaps between high-performing and low-performing groups of public school students;
 - Allow public schools freedom and flexibility in exchange for exceptional levels of results-driven accountability; and
 - Increase high-quality educational opportunities within the public education system for all students, especially those at risk of academic failure.

❖ SECTION 2. DEFINITIONS

- "Applicant" means an eligible person(s), organization, or entity as defined by this statute that seeks approval from a charter academy authorizer to found a charter academy
- "Board of directors" means the governing body of a public school academy
- "Local school district" means a county or independent school district now or hereafter legally organized as a school district;
- "District board" means the board of trustees of a school district elected as the governing body of the school district;
- "State board" means the Kentucky State Board of Education;



- "Public school charter academy" means:
 - Any school converted from an existing public or private school operating within the district; or
 - Any new school or a distance-learning program which is not currently being operated by the district as a public or private school.
- "Qualified teacher" means:
 - A certified teacher, as certified by the Education Professional Standards Board under KRS 161.030 or 161.048; or
 - A person who possesses a baccalaureate or graduate degree to teach in the core academic areas; or
 - A person who has exceptional work experience in the area in which he or she is hired to teach
- "Authorizer " as used in this article means an entity or body established in Section 4 to approve a public school charter academy.

❖ SECTION 3. PUBLIC CHARTER SCHOOL ACADEMY PROHIBITIONS

- This article shall not prohibit any private person or organization from funding or providing other assistance for the establishment or operation of a charter academy school established pursuant to this article when the charter authorizer determines the funding or assistance is compatible with the mission of the district.

❖ SECTION 4. PUBLIC CHARTER ACADEMY REQUIREMENTS AND AUTHORITY

- A charter academy shall be a public, nonsectarian, nonreligious school, which operates within a school district. Tuition shall not be charged by a charter academy.
- A charter academy shall be a public school and shall be accountable to the charter authorizer for purposes of ensuring compliance with applicable laws and charter provisions and the requirements of the state constitution.



- A charter academy shall be subject to all federal and state laws and constitutional provisions prohibiting discrimination on the basis of disability, race, creed, color, gender, national origin, religion, ancestry or need for special education services. Enrollment decisions shall be made in a nondiscriminatory manner specified by the charter academy applicant in the charter academy application. Enrollment decisions shall not discriminate against at-risk students or special program students.
- A charter academy shall be administered and governed by a governing body in a manner agreed to by the charter academy applicant and the charter authorizer. A charter academy may organize as a nonprofit corporation, which shall not affect its status as a public school for any purposes under state law.
- A charter academy, as a public school, is a governmental entity. Direct leases and financial obligations of a charter academy shall not constitute debt or financial obligations of the school district unless the district board expressly assumes such obligations in writing.
- Notwithstanding the provisions of this article to the contrary, a charter academy and the charter authorizer may agree to extend the length of the charter beyond five (5) years for the purpose of enhancing the terms of any lease or financial obligation.
- A charter academy is a public school and is part of the state's system of public education. Except as provided in this section, a charter academy is exempt from all statutes and rules applicable to a school, a board, or a district, although it may elect to comply with one or more provisions of statutes or rules.
- A charter academy shall be responsible for its own operation including, but not limited to, preparation of a budget, contracting for services and personnel matters.



- A charter academy may negotiate and contract with a charter authorizer, the governing body of a state college or university, or any third party for the use of a school building and grounds, the operation and maintenance thereof, and the provision of any service, activity or undertaking that the charter academy is required to perform in order to carry out the educational program described in its charter. The district at cost shall provide any services for which a charter academy contracts with a school district. The charter academy shall have standing to sue and be sued in its own name for the enforcement of any contract created pursuant to this subsection. A charter academy may own, lease or rent its space. For purposes of local zoning, land use regulation and building code compliance, a charter academy shall be deemed a nonpublic school. A charter academy may pledge, assign or encumber its assets to be used as collateral for loans or extensions of credit; provided, however, that a charter academy shall not pledge or assign monies provided, or to be provided, pursuant to section 12 of this article in connection with the purchase or construction, acquisition, reconstruction, rehabilitation or improvement of a school facility. The office of general services (or applicable state/county office designated to oversee government owned real property) shall annually publish a list of vacant and unused buildings and vacant and unused portions of buildings that are owned by the state and that may be suitable for the operation of a charter academy. Such list shall be provided to applicants for charter academies and to existing charter academies. At the request of a charter academy or a prospective applicant, a school district shall make available a list of vacant and unused school buildings and vacant and unused portions of school buildings, including private school buildings, within the school district that may be suitable for the operation of a charter academy.
- Public and private assistance to charter academies.
 - Special education programs and services shall be provided to students with a disability attending a charter academy in accordance with the individualized education program recommended by the committee or



subcommittee on special education of the student's school district of residence. The charter academy may arrange to have such services provided by such school district of residence or by the charter academy directly or by contract with another provider.

- The charter and application therefore shall set forth the manner in which students ineligible for transportation pursuant to section thirty-six hundred thirty-five of this chapter shall be transported to and from school (or applicable educational transportation service section. Any supplemental transportation provided by a charter academy shall comply with all transportation safety laws and regulations applicable to other public schools. A school district may enter into a contract for the provision of supplemental transportation services to a charter academy, and any such services shall be provided by the school district at cost.
 - Private persons and organizations are encouraged to provide funding and other assistance to the establishment or operation of charter academies.
 - The school district of residence of children attending a charter academy may, but is not required to, allow such children to participate in athletic and extra-curricular activities of the district's schools.
 - All decisions regarding the planning, location and inspection of charter academy facilities shall be made in accordance with law and as specified by contract with the district board.
- Admissions; enrollment; students.
 - A charter academy shall be nonsectarian in its programs, admission policies, employment practices, and all other operations and shall not charge tuition or fees; provided that a charter academy may require the payment of fees on the same basis and to the same extent as other public schools. A charter academy shall not discriminate against any student, employee or any other person on the basis of ethnicity, national origin, gender, or disability or any



other ground that would be unlawful if done by a school. Admission of students shall not be limited on the basis of intellectual ability, measures of achievement or aptitude, athletic ability, disability, race, creed, gender, national origin, religion, or ancestry; provided, however, that nothing in this article shall be construed to prevent the establishment of a single-sex charter academy or a charter academy designed to provide expanded learning opportunities for students at-risk of academic failure. A charter shall not be issued to any school that would be wholly or in part under the control or direction of any religious denomination, or in which any denominational tenet or doctrine would be taught.

- Any child who is qualified under the laws of this state for admission to a public school is qualified for admission to a charter academy. The school shall enroll each eligible student who submits a timely application, unless the number of applications exceeds the capacity of the grade level or building. In such cases, students shall be accepted from among applicants by a random selection process, provided, however, that an enrollment preference shall be provided to pupils returning to the charter academy in the second or any subsequent year of operation and pupils residing in the school district in which the charter academy is located, and siblings of pupils already enrolled in the charter academy.
- A charter academy shall serve one or more of the grades one through twelve, and shall limit admission to pupils within the grade levels served. Nothing herein shall prohibit a charter academy from establishing a kindergarten program.
- A student may withdraw from a charter academy at any time and enroll in a public school.



- A charter academy may refuse admission to any student who has been expelled or suspended from a public school until the period of suspension or expulsion from the public school has expired, consistent with the requirements of due process.

❖ SECTION 6. ELIGIBLE APPLICANTS; APPLICATIONS; SUBMISSIONS

- An application to establish a charter academy school may be submitted by teachers, parents, school administrators, community residents or any combination thereof. Such application may be filed in conjunction with a college, university, museum, educational institution, not-for-profit corporation exempt from taxation under paragraph 3 of subsection (c) of section 501 of the internal revenue code or for-profit business or corporate entity authorized to do business in Kentucky. For charter academy schools established in conjunction with a for-profit business or corporate entity, the charter academy shall specify the extent of the entity's participation in the management and operation of the school.
- The information provided on the application shall be consistent with the provisions of this article and other applicable laws, rules and regulations. Such information shall include:
 - A mission statement for the school and a description of an educational program that implements one or more of the purposes described in section 1.
 - A description of student achievement goals for the school's educational program and the chosen methods of evaluating whether and how students have attained the skills and knowledge specified for those goals. Such educational program shall meet or exceed the student performance standards adopted by the state board of education for other public schools.
 - The proposed governance structure of the school, including a list of members of the initial board of trustees, a description of the qualifications, terms and method of appointment or election of trustees, the organizational



structure of the school, and the processes to be followed by the school to promote parental and staff involvement in school governance.

- Admission policies and procedures for the school, which shall be consistent with Section 4 of this article.
- A proposed budget and fiscal plan for the school, including supporting evidence that the fiscal plan is sound and that sufficient start-up funds will be available to the charter academy.
- Requirements and procedures for programmatic and independent fiscal audits at least once annually, with such audits being comparable in scope to those required of other public schools.
- The hiring and personnel policies and procedures of the school, including the qualifications to be used in the hiring of teachers, school administrators and other school employees, and a description of staff responsibilities.
- The rules and procedures by which students may be disciplined, including but not limited to expulsion or suspension from the school, which shall be consistent with the requirements of due process and with federal laws and regulations governing the placement of students with disabilities.
- The number of students to be served by the school, which number shall be at least fifty at a single site and the minimum number of teachers to be employed at the school, which shall be at least three. Provided, however, that a charter academy may serve fewer than fifty students or employ fewer than three teachers in the school's first year of operation or if the applicant presents a compelling justification, such as the school would serve a geographically remote region (or community with a sparse population)
- Information regarding the facilities to be used by the school, including the location of the school, if known, and the means by which pupils will be transported to and from the school. 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



charter authorizer and, if applicable, the state board of education within ten business days of acquiring facilities for such school; provided, however, that the charter academy school must obtain a certificate of occupancy for such facilities prior to the date on which instruction is to commence at the school.

- A description of the ages and grade levels to be served by the school.
 - Identification and background information on all applicants and proposed members of the board of trustees.
 - The school calendar and school day schedule, which shall total at least the number of days or their equivalent as provided in KRS 158.070. of instruction time during a school year as required of other public schools.
 - Types and amounts of insurance coverage to be obtained by the school, which shall include adequate insurance for liability, property loss and the personal injury of students. The commissioner and the superintendent of instruction (or other applicable state department of instruction) may jointly promulgate regulations to implement the provisions of this paragraph.
 - The term of the proposed charter academy, which shall not exceed five years.
 - Evidence of adequate community support for and interest in the charter academy school sufficient to allow the school to reach its anticipated enrollment, and an assessment of the projected programmatic and fiscal impact of the school on other public and nonpublic schools in the area.
 - A description of the health and food services to be provided to students attending the school.
 - Methods and strategies for serving students with disabilities in compliance with all federal laws and regulations relating thereto.
- ❖ Procedures to be followed in the case of the closure or dissolution of the charter academy school, including provisions for the transfer of students and student records to the school district in which the charter academy school is located and for the



disposition of the school's assets to the school district in which the charter academy school is located or another charter academy school located within the school district.

- Requirements for the grant of a diploma, if the school serves the twelfth grade.
- A code of ethics for the charter academy school, setting forth for the guidance of its trustees, officers and employees the standards of conduct expected of them.
- A description of the residential facilities, if any, provided by the charter academy school.
- Any other information relevant to the issuance of a charter required by the charter authorizer.
- Authorizer entities; authorities.
 - An applicant shall submit the application to a charter academy authorizer for approval. For purposes of this article, a charter authorizing entity shall be:
 - The board of education of a school district;
 - The board of trustees of the University of Louisville; or
 - The board of trustees of the University of Kentucky.
 - Charters may be renewed, upon application, for a term of up to five years in accordance with the provisions of this article; provided, however, that a renewal application shall include:
 - A report of the progress of the charter academy school in achieving the educational objectives set forth in the charter academy.
 - A detailed financial statement that discloses the cost of administration, instruction and other spending categories for the charter academy school that will allow a comparison



of such costs to other schools, both public and private. Such statement shall be in a form prescribed by the state superintendent of public instruction.

- Copies of each of the annual reports of the charter academy school required by subdivision (b) of section 14, including the charter academy school report cards and the certified financial statements.
- Indications of parent and student satisfaction.
- Such renewal application shall be submitted to the charter academy no later than six months prior to the expiration of the charter academy; provided, however, that the charter authorizer may waive such deadline for good cause shown.

❖ SECTION 7. ISSUANCE OF CHARTER

- A charter authorizer that receives an application for approval of a charter academy school shall act on each request received prior to October first of a calendar year on or before January first of the succeeding calendar year, and a proposed charter academy between the applicant and the charter authorizer resulting from such application shall be executed on or before February first of such succeeding year. Nothing in this subdivision shall be construed to prevent a charter authorizer from receiving or acting upon an application at any time.
- An application for a charter academy school shall not be approved unless the charter authorizer finds that:
 - The charter academy described in the application meets the requirements set out in this article and all other applicable laws, rules and regulations;
 - The applicant can demonstrate the ability to operate the school in an educationally and fiscally sound manner; and



- Granting the application is likely to improve student learning and achievement and materially further the purposes set out in section 1 of this article. In reviewing applications, the charter
- Entity is encouraged to give preference to applications that demonstrate the capability to provide comprehensive learning experiences to students identified by the applicants as at risk of academic failure.
- A charter authorizer is not required to approve a charter and may require an applicant to modify or supplement an application as a condition of approval.
- Each individual applicant seeking to establish a charter academy school shall submit a full set of fingerprints to the charter authorizer for the purpose of obtaining a state and federal criminal records check. The division of criminal justice services is authorized to provide this information to the federal bureau of investigation and to perform a state and federal criminal records check on each applicant and report the results to the charter authorizer and the state superintendent of public instruction. The criminal records check shall be completed to the satisfaction of the charter authorizer prior to approval of the application. The department and the division of criminal justice services shall enter into any memoranda of agreement necessary to implement the requirements of this subdivision.
- Upon approval of an application by a charter authorizer, the applicant and charter academy shall enter into a proposed agreement allowing the applicants to organize and operate a charter academy. Such written agreement, known as the charter, shall include
 - The information required by subdivision (b) of section 5 of this article, as modified or supplemented during the approval process,
 - Any other terms or conditions required by applicable laws, rules and regulations, and any other terms or conditions, not inconsistent with law, agreed upon by the applicant and the charter authorizer.



- In addition, the charter academy shall include the specific commitments of the charter academy relating to its obligations to oversee and supervise the charter academy school.
- Within five days after entering into a proposed charter, the charter authorizer shall submit to the state superintendent of public instruction a copy of the charter, the application and supporting documentation.
- The total number of charter academies issued by a charter authorizer pursuant to this article shall not exceed twenty. The failure of anybody to issue the regulations authorized pursuant to this article shall not affect the authority of a charter authorizer to propose a charter academy to the state board of education. A conversion of an existing public or private school to a charter academy school or the renewal or extension of a charter academy shall not be counted toward the numerical limits established by this subdivision.

❖ **SECTION 8. HEARING BY LOCAL BOARD; PROHIBITED ACTIONS BY LOCAL BOARD; CRITERIA; COMPLIANCE WITH STATE STANDARDS; STATE BOARD REVIEW; CONTRACTUAL AUTHORITY**

- Hearing by local board; prohibited actions by local board; criteria; compliance with state standards; state board review; contractual authority.
 - Not later than thirty (30) days after receiving an application for any charter academy school, the district board shall hold a public hearing on the application, at which time the board shall consider the level of community and parental support for the application if an application for a new charter academy, or the level of teacher and parental support if an application for a converted charter academy. Following review of the application and the public hearing, if applicable, the district board shall either approve or deny the application within sixty (60) days of receipt. Approval under this article may be conditioned for purposes specified under subsection (c) of this section. In addition, the board may approve an application for the operation of a converted charter academy school only if



it determines teacher and parental support for the conversion are established. Prior to approving an application for a charter academy school under this section, the board shall approve and adopt the content and terms of the contract.

- No district board of trustees or agent of the board shall require any employee of the school district to be employed in a charter academy or any pupil enrolled in the school district to attend a charter academy. No district board or its agent shall harass, threaten, discipline, discharge, retaliate or in any manner discriminate against any district employee involved directly or indirectly with an application to establish a charter academy school as authorized under this article.
- A charter authorizer shall not discriminate against a charter academy in publicizing the district's educational options through advertising, direct mail, and availability of mailing lists or other informational activities.
- Charter academy schools shall design its educational programs to meet or exceed the student performance standards imposed by [statute] and the uniform state student content and performance standards prescribed by the state board of education under [statute], including compliance with requirements under the statewide assessment system pursuant to KRS 158.6453. A charter academy school offering instruction in the high school grades may grant diplomas to the same extent as other public schools, and such other certificates and honors as are specifically authorized by their charter academy, and in testimony thereof give suitable certificates, honors and diplomas under its seal; and every certificate and diploma so granted shall entitle the conferee to all privileges and immunities which by usage or statute are allowed for similar diplomas of corresponding grade granted by any other public school.



- Those teachers employed on a full-time basis in the charter academy school system shall be subject to the same requirements with respect to certification by the [insert state] professional teaching standards board under [insert statute] and other qualifications as any other teachers authorized to teach in [insert state] public schools.

❖ SECTION 9. APPEAL; STANDARD OF REVIEWS; PROCEDURES

- A charter applicant or any other person who wishes to appeal a decision of a district board concerning a charter academy shall provide the state board and the district board with a notice of appeal within thirty (30) days after the local board's decision. If the appeal is of a denial, nonrenewal, or revocation of a charter academy, the person bringing the appeal shall limit the grounds of the appeal to the grounds for denial specified by the district board. The notice shall include a brief statement of the reasons the charter academy applicant contends the district board's denial was in error.
- If the notice of appeal, or the motion to review by the state board, relates to a district board's decision to deny, refuse to renew, or revoke a charter or to a district board's unilateral imposition of conditions that are unacceptable to the charter academy school or the charter academy applicant, the appeal and review process shall be as follows:
 - Within sixty (60) days after receipt of the notice of appeal or the making of a motion to review by the state board and after reasonable public notice, the state board, at a public hearing which shall be held in the school district in which the proposed charter academy school has applied for a charter academy, shall review the decision of the district board and make its findings. If the state board finds that the local board's decision was contrary to the best interests of the pupils, school district or community, the state board shall remand such decision to the district board with written instructions for reconsideration thereof. The instructions shall include specific recommendations concerning the matters requiring reconsideration;



- Within thirty (30) days following the remand of a decision to the district board and after reasonable public notice, the district board, at a public hearing, shall reconsider its decision and make a final decision;
- If the district board's final decision is still to deny, refuse to renew or revoke a charter academy or to unilaterally impose conditions unacceptable to the charter academy school or the charter academy applicant, a second notice of appeal may be filed with the state board within thirty (30) days following such final decision;
- Within thirty (30) days following receipt of the second notice of appeal or the making of a motion for a second review by the state board and after reasonable public notice, the state board, at a public hearing, shall determine whether the final decision of the district board was contrary to the best interests of the pupils, school district or community. If such a finding is made, the state board shall remand the final decision to the local board with instructions to approve the charter application. The decision of the state board may require changes to the contract to be executed by the charter academy school and the school district.

❖ **SECTION 10. COMPLIANCE WITH THE CHARTER; PARTICIPATION IN RETIREMENT SYSTEM**

- A charter academy school approved pursuant to this article shall comply with the provisions set forth in its charter academy application.
- Teachers and employees in a public school academy shall participate in the Kentucky Teachers' Retirement System and the Kentucky Retirement System. The academy shall remit to the retirement systems the employer contributions required by law for participating employers. Teachers and other certified personnel shall make the employee contributions to the Kentucky Teachers' Retirement System under KRS 161.540 and 161.560. Classified employees shall make the employee contributions to the Kentucky Retirement System under KRS 61.543.



- Every public school academy employee shall be provided the health and life insurance and other benefit programs extended to other public school employees, unless the employee waives participation.
- A person who is employed in a public school academy shall accrue service credit in the same manner, as do other public employees.

❖ **SECTION 11. CHARTER ACADEMY ORGANIZATION; OVERSIGHT**

- Organization and legal status.
 - Upon the approval of a charter by a charter authorizer, the state board of education shall incorporate the charter academy as an education corporation for a term not to exceed five years. Such certificate of incorporation shall not modify or limit any terms of the charter approved by the state board of education. Upon approval of an application to renew a charter, the state board of education shall extend the certificate of incorporation for a term not to exceed five years. Upon termination or nonrenewal of the charter of a charter academy pursuant to section 13 of this article, the certificate of incorporation of the charter academy shall be revoked by the state board of education, in compliance with the notice and hearing requirements of such section 13 of this article. It shall be the duty of the trustees of the charter academy to obtain federal tax-exempt status no later than one year following approval of a charter academy school by the state board of education. For purposes of this article, "certificate of incorporation" shall mean the provisional charter issued by the state board of education to form the charter academy as an educational corporation.
 - An education corporation organized to operate a charter academy school shall have all corporate powers necessary and desirable for carrying out a charter academy school program in accordance with the provisions of this article, other applicable laws and regulations and the terms of the charter academy, including all of the powers



of an education corporation formed to operate an elementary or secondary school and those powers granted under the provisions of the not-for-profit corporation law that are made applicable to charter academy schools.

- A charter academy shall be deemed an independent and autonomous public school, except as otherwise provided in this article. The charter authorizer and the state board of education shall be deemed to be the public agents authorized to supervise and oversee the charter academy.
- The powers granted to a charter academy under this article constitute the performance of essential public purposes and governmental purposes of this state. A charter academy school shall be exempt to the same extent as other public schools from all taxation, fees, assessments or special ad valorem levies on its earnings and its property, including property leased by the charter academy school. Instruments of conveyance to or from a charter academy school and any bonds or notes issued by a charter academy school, together with the income therefrom, shall at all times be exempt from taxation.
- A charter academy shall not have the power to levy taxes or to acquire property by eminent domain.
- The board of trustees of the charter academy shall have final authority for policy and operational decisions of the school. Nothing herein shall prohibit the board of trustees of a charter academy from delegating decision-making authority to officers and employees of the school in accordance with the provisions of the charter academy.
- Notwithstanding any provision of law to the contrary, no civil liability shall attach to any charter authorizer, the state board of education, or to any of their members or employees, individually or collectively, for any acts or omissions of the charter academy. Neither the local school district, the charter authorizer nor the state shall be liable for the debts or financial obligations of a charter academy school or any person or corporate entity who operates a charter academy school.



- The charter authorizer shall oversee each school approved by such entity, and may visit, examine into and inspect any charter academy, including the records of such school, under its oversight and report its findings to the state superintendent of education. Oversight by a charter authorizer and the state board of education shall be sufficient to ensure that the charter academy school is in compliance with all applicable laws, regulations and charter provisions.
- *For district-granted charter academies, each district board granting a charter pursuant to this article shall annually report to the state board on each charter academy operating within the district, compliance with the provisions of the charter and shall assure the state board that students attending the charter academy school are receiving an education consistent with the educational opportunities available to all students within the school district.

❖ SECTION 12. CHARTER ACADEMIES; EMPLOYEE OPTIONS

- During the first year that a teacher employed by a school district is employed by a charter academy school, the teacher shall be considered to be on a one (1) year leave of absence from the school district. The leave of absence shall commence on the first day of services for the charter academy school. Upon the request of the teacher, the one (1) year leave of absence shall be renewed for up to two (2) additional one (1) year periods upon the mutual agreement of the teacher and the school district. At the end of three (3) years, the relationship between the teacher and the school district shall be determined by the school district and the district shall provide notice to the teacher of the relationship.
- The employment status of school district employees employed by the charter academy who seek to return to employment with non-charter academy schools in the school district shall be negotiated and included in the charter contract.



- An employee of a charter academy shall be an employee of the governing board of the charter academy school and not an employee of local school districts in which the charter academy is located, and may enter into a collective bargaining agreement that is separate from the school district's bargaining agreement.

❖ **SECTION 13. STUDENTS COUNTED AMONG DISTRICT A.D.M.; DETERMINATION OF CHARTER ACADEMY SCHOOL FUNDING**

- The school district shall also pay directly to the charter academy school any federal or state aid attributable to a student with a disability attending charter academy school in proportion to the level of services for such student with a disability that the charter academy school provides directly or indirectly.
- A local school board shall distribute funds directly to a public school academy located in its district in an amount equal to the per pupil funding based on the average daily attendance and add-on funds that are allotted under the Support Education Excellence in Kentucky program pursuant to this chapter and any other categorical funds that are allocated to schools based on a per pupil basis or in lump sum grants. Other state, local, and school district funds shall be distributed to an academy by using the same formulas and allocation processes as is used to distribute funds to any other school under its authority. All state and local funding shall be distributed monthly by the local board to the academy beginning July 1 following the approval of the academy's application. The local board shall continue to disburse funds to the academy for the duration of its contract and for the duration of any subsequent renewals.
- During the year of the charter academy's operation, as received and to the extent allowed by federal law, a local board of education shall distribute federal funds to the academy on the basis of the number of special characteristics of the students attending the academy.



- Notwithstanding subsection (b) of this section, the proportionate share of state and federal resources generated by students with disabilities attending a public school academy and funds generated under other federal or state categorical aid programs by students attending an academy or staff serving them shall be directed to the local board of education for distribution to the academy serving students eligible for the aid pursuant to state and federal law.
- A charter academy shall be eligible for federal and state competitive grants and shall not be excluded from opportunity to participate as an independent educational entity as long as the available grants align with the grade levels included in the charter academy and the other criteria established for the respective grants.
- All awards, grants, or gifts collected by a charter academy shall be retained by the academy.
- The board of directors of a public school academy may accept gifts, donations, or grants of any kind made to the academy and expend or use the gifts, donations, or grants in accordance with the conditions prescribed by the donor.
- A gift or donation shall not be required for admission.
- A gift, donation, or grant shall not be accepted by the board of directors if subject to a condition that is contrary to law or contrary to the terms of the contract between the charter academy and the governing body.
- All gifts, donations, or grants shall be reported to the charter authorizer in the academy's annual audit report.

❖ SECTION 14. CAUSES FOR REVOCATION OR TERMINATION

- The charter academy authorizer may terminate a charter upon any of the following grounds:
- When a charter academy's outcome on student assessment measures adopted by the state board of education falls below the level that would allow the state superintendent of public instruction to revoke the registration of another public school, and student achievement on such measures has not shown improvement over the preceding three school years:
 - Serious violations of law;



- Material and substantial violation of the charter academy, including fiscal mismanagement; or
 - When the charter academy authorizer makes a determination that the charter academy demonstrates a practice and pattern of egregious and intentional violations of the civil service law involving interference with or discrimination against employee rights.
- Notice of intent to revoke a charter shall be provided to the board of trustees of a charter academy at least thirty days prior to the effective date of the proposed revocation. Such notice shall include a statement of reasons for the proposed revocation. The charter academy shall be allowed at least thirty days to correct the problems associated with the proposed revocation. Prior to revocation of the charter, a charter academy shall be provided an opportunity to be heard, consistent with the requirements of due process. Upon the termination of a charter, the charter academy shall proceed with dissolution pursuant to the procedures of the charter and direction of the charter authorizer and the state board of education.
 - In addition, the charter authorizer or the state board of education may place a charter academy on probationary status to allow the implementation of a remedial action plan. The failure of a charter academy to comply with the terms and conditions of a remedial action plan may result in summary revocation of the school's charter.
 - Any individual or group may bring a complaint to the board of trustees of a charter academy alleging a violation of the provisions of this article, the charter, or any other provision of law relating to the management or operation of the charter academy. If, after presentation of the complaint to the board of trustees of a charter academy, the individual or group determines that such board has not adequately addressed the complaint, they may present that complaint to the charter authorizer, which shall investigate and respond. If, after presentation of the complaint to the charter authorizer, the individual or group determines that the charter authorizer has not adequately addressed the complaint, they may present



that complaint to the state board of education, which shall investigate and respond. The charter academy entity and the state board of education shall have the power and the duty to issue appropriate remedial orders to charter academy schools under their jurisdiction to effectuate the provisions of this section.

- The regulatory power of the state board of education and the state superintendent of public instruction shall not extend to charter academies except as otherwise specifically provided in this article.

❖ SECTION 15. NOTICE; REVIEW AND ASSESSMENT

- The state board of education shall distribute information announcing the availability of the charter academy process described in this article to each local school district and public postsecondary educational institution. At each significant stage of the chartering process, the charter authorizer shall provide appropriate notification to the school district in which the charter academy is located and to public and nonpublic schools in the same geographic area as the proposed charter academy.
- Each charter academy shall submit to the charter authorizer and to the state superintendent of public instruction an annual report. Such report shall be issued no later than the first day of August of each year for the preceding school year. The annual report shall be in such form as shall be prescribed by the state superintendent of public instruction and shall include at least the following components:
 - A charter academy school report card, which shall include measures of the comparative academic and fiscal performance of the school, as prescribed by the state superintendent of public instruction in regulations adopted for such purpose. Such measures shall include, but not be limited to, graduation rates, dropout rates, performance of students on standardized tests, college entry rates, total spending per pupil and administrative spending per pupil.



- Discussion of the progress made towards achievement of the goals set forth in the charter academy.
- A certified financial statement setting forth, by appropriate categories, the revenues and expenditures for the preceding school year, including a copy of the most recent independent fiscal audit of the school.
- The state board of education shall report annually to the governor, the temporary president of the senate, and the speaker of the assembly the following information:
 - The number, distribution, and a brief description of new charter academies established during the preceding year;
 - The current and projected programmatic and fiscal impact of charter academies on the delivery of services by the public school system;
 - The academic progress of students attending charter academies, as measured against comparable public and nonpublic schools wherever practicable; and
 - Any other information regarding charter academies that the state superintendent of public instruction deems necessary.