



**Legislative Bulletin.....May 9, 2014**

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**H.R. 10 - Success and Opportunity through Quality Charter Schools Act**

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**H.R. 10 - Success and Opportunity through Quality Charter Schools Act —  
(Kline- MN, R)**

**Order of Business:** [H.R. 10](#) is scheduled to be considered on May 9, 2014, under a structured [rule](#) which provides for 90 minutes of general debate equally divided and makes in order twelve amendments found at the end of this bulletin.

**Summary:** This bill reauthorizes and modernizes the charter school program under the Elementary and Secondary Education Act. It authorizes the Secretary to carry out a charter school program which supports charter school setup and replication, assists in accessing credit to acquire and renovate facilities and carry out national activities to support charter school development, dissemination of best practices and evaluation of their impact.

It specifies the general requirements of state grants are to support the startup or expansion and replication of charter schools, and ensure subgrants are distributed throughout different areas and represent a variety of educational approaches. The Secretary must award no less than three grants and wholly fund each grant without making continuation awards. In addition, midway through the grant period the state will be evaluated to ensure the entity is meeting the agreed upon uses of the funds. It is important to note, nothing in this bill prohibits the Secretary from awarding grants to states that use a weighted lottery.

States applying for grants must provide a description and objectives of their program (including how to meet the needs of students with disabilities and English learners), assurances on how the state entity will support and work with the charter school, and requests for waivers for any Federal statutory or regulatory provisions the state entity believes are necessary for the successful operation of the charter school. In addition, grants will be awarded to states on the quality of their application after taking into consideration things such as the degree of flexibility afforded by the state’s public charter school law, ambitiousness of objectives, and the quality of the strategy for assessing achievement of those objectives. Priority will be given to states entities to the extent they meet certain criteria such as: a state doesn’t impose any limitations on the

number or percentage of charter schools that may exist or the number of students who may attend, it is located in a state that ensures equitable financing as compared to traditional public schools, located in a state that uses charter schools to help improve struggling schools, and those that support at-risk students

This bill amends the facilities financing assistance program to consolidate the existing credit enhancement program and the state facilities aid program to clarify the law. This program helps charter schools access credit to obtain or renovate facilities to open the school. It is important to note that the funds made available should be used to supplement, and not supplant, State and local public funds for these activities.

Finally, this bill specifies and updates the national activities provision which allows the Secretary to operate a grant competition for charter schools wanting to open in states that did not win or compete for a state grant. It also authorizes the Secretary to give competitive grants to Charter Management Organizations with a high proportion of high-quality charter schools, those that demonstrate success in serving students who are educationally disadvantaged, haven't had a significant number of schools close and demonstrates success in working with schools identified for improvement by the State.

**Major Changes Since the Last Time This Legislation was Before the House:** The House passed [H.R. 5](#), the Student Success Act, on July 19, 2013 by a vote of [221-207](#). This bill reauthorized the Elementary and Secondary Education Act which included the Charter School Program.

In addition, the 112<sup>th</sup> Congress passed [H.R. 2218](#), the Empowering Parents through Quality Charter Schools Act. This bill passed the House with a vote of [365-54](#). It is important to note this bill differs slightly from H.R. 5, most notably by adding charter support organizations as entities eligible for state grants.

**Additional Background:** Public charter schools are publicly-funded elementary or secondary schools which are operated according to the terms of a charter or contract granted by a public chartering agency. Many times, the terms of charters provide charter school operators with increased autonomy over the operation of schools. The first charter school opened in Minnesota in 1992, following the enactment of the first state charter school law in 1991. Currently, 42 states and the District of Columbia have charter school laws which have over [6,000 schools](#) serving 2.5 million students.

Additional information provided by the Committee can be read [here](#) as well as the Committee Report [here](#).

**Committee Action:** H.R. 10 was introduced by Representative Kline on April 1, 2014, and it was referred to the House Committee on Education and Workforce. A mark-up was held on April 8, 2014, and the bill was ordered to be reported out (as amended) by a vote of [36-3](#).

**Outside Groups:** Letters of support provided by the committee:

[Autism National Committee](#)  
[Breakthrough Schools](#)  
[Business Roundtable](#)  
[Chamber of Commerce](#)  
[Charter Management Organizations Coalition](#)  
[Chiefs for Change](#)  
[Consortium for Citizens with Disabilities](#)  
[Council of Chief State School Officers](#)  
[Council for Exceptional Children](#)  
[Council of Parent Attorneys and Advocates](#)  
[Foundation for Excellence in Education](#)  
[National Alliance for Public Charter Schools](#)  
[National Association of Charter School Authorizers](#)  
[National Association of State Directors of Special Education](#)  
[National Center for Learning Disabilities](#)  
[National Center for Special Education in Charter Schools](#)  
[National Council of La Raza](#)  
[The Arc](#)  
[The Education Trust](#)

**Administration Position:** No statement of administration policy is available at this time.

**Cost to Taxpayers:** [CBO](#) estimates that implementing the bill would cost \$1.0 billion over the 2015-2019 period, assuming appropriation of the authorized amounts. Enacting the bill would have no impact on direct spending or revenues; therefore, pay-go procedures do not apply.

**Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?:** H.R. 10 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

**Does the Bill Delegate Any Legislative Authority to the Executive Branch?:** No.

**Does the Bill Contain Any Earmarks/Limited Tax Benefits/Limited Tariff Benefits?:** No.

**Constitutional Authority:** According to the sponsor, “Congress has the power to enact this legislation pursuant to the following: Article I, section 8 of the Constitution of the United States.” Read the statement [here](#).

**Amendments Made in Order:** Each will be debated for 10 minutes.

**Kline (MN) #20:** Managers Amendment – Technical corrections are made to the underlying text.

**Cassidy (LA) #23-** Requires GAO no later than three years after enactment to examine if the funds authorized for administrative costs are appropriate, and if not, the GAO will make recommendations on the appropriate reservation of funding for such costs.

**Castor (FL) #14** – Requires the Secretary of Education to develop and enforce conflict of interest guidelines for all charter schools receiving federal assistance. This includes the disclosures of any person affiliated with the charter school that has a financial interest in the school.

**Moore (WI) #1** - Reserves no less than 2 percent of such funds for oversight, which would include the investigation of fraud, waste, mismanagement and misconduct of public funds (federal, state and local) as well as private funds used by chartered schools.

**Bass (CA), Marino (PA), McDermott (WA), Bachmann (MN) #17** - Inserts “including eliminating any barriers to enrollment for foster youth or unaccompanied homeless youth” as a student population that charter schools will work with to promote and retain.

**Messer (IN) #5** - Requires state entities applying for Charter School Program grant funds to explain how they will work with eligible applicants within the state to encourage the opening, replication, and expansion of secondary charter schools.

**Grayson (FL), Clarke (NY), Wilson (FL) #2** – Includes in the assurances that student retention rates will be included in the assessment of annual performance data.

**Jackson Lee #9** – In a state entity’s grant application, included in the description of the program, this amendment requires charter schools and local education agencies serving charter schools to post on their websites materials regarding charter school student recruitment, student orientation, enrollment criteria, student discipline policies, behavior codes and parent contract requirements, including any financial obligations.

**Wilson (FL), Davis (IL), Duckworth (IL), Grayson (FL), McKinley (WV), Fudge (OH) #12** - Specifies the state entity will ensure that each charter school makes publically available information to help parents make informed decisions about the education options available for their children. This includes information such as the educational program, student support services and annual performance and enrollment data.

**Langevine (RI), Thompson (PA) # 13** - Adds comprehensive career counseling to the criteria that the Secretary will take into account when prioritizing grants to Local Education Agency.

**Bonamici (OR) - #15** - Clarifies the reporting requirements of State entities by asking State entities to include, to the extent known, whether efforts to share best and promising practices between charter schools and other schools led to the adoption and implementation of best practices by such other public schools.

**Sanchez (CA) #25** - Requires State entities to report on how they have worked with funded charter schools to foster community involvement.

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