

REVENUE: No revenue impact

FISCAL: Fiscal statement issued

Action: Do Pass as Amended and Be Printed Engrossed

Vote: 5 - 0 - 0

Yeas: Kruse, Metsger, Morse, Westlund, Walker

Nays: 0

Exc.: 0

Prepared By: Dana Richardson, Administrator

Meeting Dates: 1/18, 2/6

WHAT THE MEASURE DOES: Requires public charter schools operated by school districts to be nonprofit organizations. Requires all new or existing public charter schools that are operated by schools districts meet this requirement if they open or renew charters after July 1, 2007. Exempts one-school districts. Declares emergency, takes effect July 1, 2007.

ISSUES DISCUSSED:

- Requiring two separate entities to execute a charter
- Amount of effort required to create a nonprofit organization
- Grandfathering of existing charters
- Impact on one-school districts
- Application to IRS for exempt status

EFFECT OF COMMITTEE AMENDMENT: Exempts one-school districts from the requirement to qualify as nonprofit organization. Extends requirement that charter schools operated by school districts qualify as a nonprofit to all other charter schools that open or renew their charters after July 1, 2007.

BACKGROUND: A charter school is a public school that operates under a written agreement, a charter, that outlines student performance goals and the educational services of the school. Charter schools operate independently of most laws and rules that govern public school. Charter school law requires that charter schools be recognized by the Internal Revenue Service as an exempt organization under section 501(c)(3) of the Internal Revenue Code. This bill would apply that requirement to previously exempted charter schools that are operated by a school district unless they are a one-school district.