**A** **BILL**

TO AMEND SECTION 59‑40‑40, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO DEFINITIONS IN REGARD TO CHARTER SCHOOLS, SO AS TO REVISE THE DEFINITION OF A “SPONSOR”; TO AMEND SECTION 59‑40‑55, RELATING TO SPONSOR POWERS AND THE RETENTION OF FUNDS, SO AS TO PROVIDE THAT PUBLIC OR INDEPENDENT INSTITUTIONS OF HIGHER LEARNING ARE NOT PERMITTED TO RETAIN AN ADMINISTRATIVE FEE, AND TO PROVIDE THAT THE COST OF ANY SERVICE DELIVERED TO THE CHARTER SCHOOL BY A PUBLIC OR INDEPENDENT INSTITUTION OF HIGHER LEARNING MUST BE AT ITS DIRECT COSTS INCLUDING THOSE FOR ADMINISTERING AND OVERSEEING CHARTER SCHOOL FUNDS; AND TO AMEND SECTION 59‑40‑150 RELATING TO THE DUTIES OF THE DEPARTMENT OF EDUCATION IN REGARD TO CHARTER SCHOOLS, SO AS TO REQUIRE THE DEPARTMENT TO ESTABLISH A CHARTER SCHOOL PAGE ON THE DEPARTMENT’S INTERNET WEBSITE WHICH INCLUDES SPECIFIC INFORMATION REGARDING CHARTER SCHOOLS.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Section 59‑40‑40(4) of the 1976 Code is amended to read:

“(4) “Sponsor” means the South Carolina Public Charter School District Board of Trustees, the local school board of trustees in which the charter school is to be located, as provided by law, a public institution of higher learning as defined in Section 59‑103‑5, or an independent institution of higher learning as defined in Section 59‑113‑50, from which the charter school applicant requested its charter and which granted approval for the charter school’s existence. Only those public or independent institutions of higher learning, as defined in this subsection, who register with the South Carolina Department of Education may serve as charter school sponsors, and the department shall maintain a directory of those institutions. Public or independent institutions of higher learning shall sponsor no more than three charter schools. The sponsor of a charter school is the charter school’s Local Education Agency (LEA) and a charter school is a school within that LEA. The sponsor retains responsibility for special education and shall ensure that students enrolled in its charter schools are served in a manner consistent with LEA obligations under applicable federal, state, and local law.”

SECTION 2. Section 59‑40‑55(C) of the 1976 Code is amended to read:

“(C) The South Carolina Public Charter School District may retain no more than two percent of the total state appropriations for each charter school it authorizes to cover the costs for overseeing its charter schools. Public or independent institutions of higher learning are not permitted to retain an administrative fee. The sponsor’s administrative fee does not include costs incurred in delivering services that a charter school may purchase at its discretion from the sponsor. The cost of any service delivered to the charter school by a public or independent institution of higher learning must be at its direct costs including those for administering and overseeing charter school funds. The sponsor’s fee is not applicable to federal money or grants received by the charter school. The sponsor shall use its funding provided pursuant to this section exclusively for the purpose of fulfilling sponsor obligations in accordance with this chapter.”

SECTION 3. Section 59‑40‑150 of the 1976 Code is amended to read:

“Section 59-40-150. (A) The Department of Education shall disseminate information to the public, directly and through sponsors, on how to form and operate a charter school and how to utilize the offerings of a charter school.

(B) At least annually, the department shall provide upon request a directory of all charter schools authorized under this chapter with information concerning the educational goals of each charter school, the success of each charter school in meeting its educational goals, and procedures to apply for admission to each charter school.

(C) The department shall ~~bear the cost of complying with this section~~ establish a charter school page on the department’s Internet website that includes information on the following:

(1) the financial audits of every charter school as required by Section 59‑40‑50(B)(3) and the annual reports of every charter school as described in Section 59‑40‑140(H);

(2) all approved charter sponsors, including the sponsors’ processes for the following:

(i) monitoring approved charter schools at regular intervals;

(ii) establishing minimum standards for renewing a charter school or not renewing a charter school;

(iii) processes and standards for charter school closure, including the transfer of academic records to other schools and other charter sponsors;

(iv) all pending applications for a charter school;

(v) all approved applications for a charter school; and

(vi) all rejected applications for a charter school.

(3) a charter school sponsor’s annual report, compiled by the sponsor on a report template with compliance guidelines developed by the department. The annual report template for charter school sponsors shall include at minimum:

(i) results of all state standardized testing for each sponsored charter school;

(ii) student growth and improvement data for each sponsored charter school;

(iii) attendance and mobility rates for each sponsored charter school;

(iv) graduation rates, if appropriate, for each sponsored charter school; and

(v) student enrollment data for each sponsored charter school, including the number of students enrolled and the number of students expelled.

(4) status of the sponsor’s charter schools, identifying each of the sponsored charter schools that are in the following categories:

(i) approved but not yet open;

(ii) open and operating;

(iii) closed or having a charter that was not renewed, including: the year closed or not renewed; and the reason for the closure or nonrenewal; and

(iv) the status of each open and operating charter school and if it is on track for charter renewal at the end of the charter school’s current approved term.

(5) names of the sponsor’s board members or ultimate decision making body;

(6) a report summarizing the total amount of administrative fees collected by the sponsor and how the fees were expended, if applicable; and

(7) total amount of other fees or funds not included in the report under item (6) received by the sponsor from a charter school and how the fees or funds were expended.

(D) The department shall bear the cost of complying with this section.”

SECTION 4. This act takes effect upon approval by the Governor.

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