

Public Law 105-278  
105th Congress

An Act

Oct. 22, 1998  
[H.R. 2616]

To amend title VI and X of the Elementary and Secondary Education Act of 1965 to improve and expand charter schools.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE.**

This Act may be cited as the “Charter School Expansion Act of 1998”.

**SEC. 2. INNOVATIVE CHARTER SCHOOLS.**

Title VI of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7301 et seq.) is amended—

(1) in section 6201(a) (20 U.S.C. 7331(a))—

(A) in paragraph (1)(C), by striking “and” after the semicolon;

(B) by redesignating paragraph (2) as paragraph (3); and

(C) by inserting after paragraph (1) the following:

“(2) support for planning, designing, and initial implementation of charter schools as described in part C of title X; and”;

(2) in section 6301(b) (20 U.S.C. 7351(b))—

(A) in paragraph (7), by striking “and” after the semicolon;

(B) by redesignating paragraph (8) as paragraph (9); and

(C) by inserting after paragraph (7) the following:

“(8) planning, designing, and initial implementation of charter schools as described in part C of title X; and”.

**SEC. 3. CHARTER SCHOOLS.**

(a) **PURPOSE.**—Section 10301(b) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8061(b)) is amended—

(1) in paragraph (1)—

(A) by inserting “planning, program” before “design”; and

(B) by striking “and” after the semicolon;

(2) in paragraph (2), by striking the period and inserting “; and”; and

(3) by adding at the end the following:

“(3) expanding the number of high-quality charter schools available to students across the Nation.”.

(b) **CRITERIA FOR PRIORITY TREATMENT.**—Section 10302 of such Act of 1965 (20 U.S.C. 8062) is amended—

Charter School  
Expansion Act of  
1998.  
Grants.  
20 USC 6301  
note.

(1) in subsection (c)(2)—

(A) in subparagraph (A), by striking “and” after the semicolon;

(B) in subparagraph (B), by striking the period and inserting “; and”; and

(C) by adding at the end the following:

“(C) not more than 2 years to carry out dissemination activities described in section 10304(f)(6)(B).”;

(2) by amending subsection (d) to read as follows:

“(d) LIMITATION.—A charter school may not receive—

“(1) more than one grant for activities described in subparagraphs (A) and (B) of subsection (c)(2); or

“(2) more than one grant for activities under subparagraph (C) of subsection (c)(2).”; and

(3) by adding at the end the following:

“(e) PRIORITY TREATMENT.—

“(1) IN GENERAL.—

“(A) FISCAL YEARS 1999, 2000, AND 2001.—In awarding grants under this part for any of the fiscal years 1999, 2000, and 2001 from funds appropriated under section 10311 that are in excess of \$51,000,000 for the fiscal year, the Secretary shall give priority to States to the extent that the States meet the criteria described in paragraph (2) and one or more of the criteria described in subparagraph (A), (B), or (C) of paragraph (3).

“(B) SUCCEEDING FISCAL YEARS.—In awarding grants under this part for fiscal year 2002 or any succeeding fiscal year from any funds appropriated under section 10311, the Secretary shall give priority to States to the extent that the States meet the criteria described in paragraph (2) and one or more of the criteria described in subparagraph (A), (B), or (C) of paragraph (3).

“(2) REVIEW AND EVALUATION PRIORITY CRITERIA.—The criteria referred to in paragraph (1) is that the State provides for periodic review and evaluation by the authorized public chartering agency of each charter school, at least once every 5 years unless required more frequently by State law, to determine whether the charter school is meeting the terms of the school’s charter, and is meeting or exceeding the academic performance requirements and goals for charter schools as set forth under State law or the school’s charter.

“(3) PRIORITY CRITERIA.—The criteria referred to in paragraph (1) are the following:

“(A) The State has demonstrated progress, in increasing the number of high quality charter schools that are held accountable in the terms of the schools’ charters for meeting clear and measurable objectives for the educational progress of the students attending the schools, in the period prior to the period for which a State educational agency or eligible applicant applies for a grant under this part.

“(B) The State—

“(i) provides for one authorized public chartering agency that is not a local educational agency, such as a State chartering board, for each individual or entity seeking to operate a charter school pursuant to such State law; or

“(ii) in the case of a State in which local educational agencies are the only authorized public chartering agencies, allows for an appeals process for the denial of an application for a charter school.

“(C) The State ensures that each charter school has a high degree of autonomy over the charter school’s budgets and expenditures.

“(f) AMOUNT CRITERIA.—In determining the amount of a grant to be awarded under this part to a State educational agency, the Secretary shall take into consideration the number of charter schools that are operating, or are approved to open, in the State.”.

(c) APPLICATIONS.—Section 10303 of such Act (20 U.S.C. 8063) is amended—

(1) in subsection (b)—

(A) in paragraph (1), by inserting “and” after the semicolon;

(B) by redesignating paragraph (2) as paragraph (3);

(C) by inserting after paragraph (1) the following:

“(2) describe how the State educational agency—

“(A) will inform each charter school in the State regarding—

“(i) Federal funds that the charter school is eligible to receive; and

“(ii) Federal programs in which the charter school may participate;

“(B) will ensure that each charter school in the State receives the charter school’s commensurate share of Federal education funds that are allocated by formula each year, including during the first year of operation of the charter school; and

“(C) will disseminate best or promising practices of charter schools to each local educational agency in the State; and”;

(D) in paragraph (3) (as redesignated by subparagraph (B))—

(i) in subparagraph (E), insert “planning, program” before “design”;

(ii) in subparagraph (K), by striking “and” after the semicolon;

(iii) by redesignating subparagraph (L) as subparagraph (N); and

(iv) by inserting after subparagraph (K) the following:

“(L) a description of how a charter school that is considered a local educational agency under State law, or a local educational agency in which a charter school is located, will comply with sections 613(a)(5) and 613(e)(1)(B) of the Individuals with Disabilities Education Act;

“(M) if the eligible applicant desires to use subgrant funds for dissemination activities under section 10302(c)(2)(C), a description of those activities and how those activities will involve charter schools and other public schools, local educational agencies, developers, and potential developers; and”;

(2) in subsection (c), by striking “10302(e)(1) or”; and

(3) in subsection (d)(1)—

(A) by striking “subparagraphs (A) through (L)” and inserting “subparagraphs (A) through (N)”;

(B) by striking “subparagraphs (I), (J), and (K)” and inserting “subparagraphs (J), (K), and (N)”.

(d) ADMINISTRATION.—Section 10304 of such Act (20 U.S.C. 8064) is amended—

(1) in subsection (a)—

(A) in paragraph (4), by striking “and” after the semicolon;

(B) in paragraph (5), by striking the period and inserting a semicolon; and

(C) by adding at the end the following:

“(6) the number of high quality charter schools created under this part in the State; and

“(7) in the case of State educational agencies that propose to use grant funds to support dissemination activities under section 10302(c)(2)(C), the quality of those activities and the likelihood that those activities will improve student achievement.”;

(2) in subsection (b)—

(A) in paragraph (5), by striking “and” after the semicolon;

(B) in paragraph (6), by striking the period and inserting “; and”; and

(C) by adding at the end the following:

“(7) in the case of an eligible applicant that proposes to use grant funds to support dissemination activities under section 10302(c)(2)(C), the quality of those activities and the likelihood that those activities will improve student achievement.”;

(3) in subsection (f)—

(A) in paragraph (1), by inserting before the period the following: “, except that the State educational agency may reserve not more than 10 percent of the grant funds to support dissemination activities described in paragraph (6)”;

(B) in paragraph (2), by inserting “, or to disseminate information about the charter school and successful practices in the charter school,” after “charter school”;

(C) in paragraph (5), by striking “20 percent” and inserting “10 percent”; and

(D) by adding at the end the following:

“(6) DISSEMINATION.—

“(A) IN GENERAL.—A charter school may apply for funds under this part, whether or not the charter school has applied for or received funds under this part for planning, program design, or implementation, to carry out the activities described in subparagraph (B) if the charter school has been in operation for at least 3 consecutive years and has demonstrated overall success, including—

“(i) substantial progress in improving student achievement;

“(ii) high levels of parent satisfaction; and

“(iii) the management and leadership necessary to overcome initial start-up problems and establish a thriving, financially viable charter school.

“(B) ACTIVITIES.—A charter school described in subparagraph (A) may use funds reserved under paragraph

(1) to assist other schools in adapting the charter school's program (or certain aspects of the charter school's program), or to disseminate information about the charter school, through such activities as—

“(i) assisting other individuals with the planning and start-up of one or more new public schools, including charter schools, that are independent of the assisting charter school and the assisting charter school's developers, and that agree to be held to at least as high a level of accountability as the assisting charter school;

“(ii) developing partnerships with other public schools, including charter schools, designed to improve student performance in each of the schools participating in the partnership;

“(iii) developing curriculum materials, assessments, and other materials that promote increased student achievement and are based on successful practices within the assisting charter school; and

“(iv) conducting evaluations and developing materials that document the successful practices of the assisting charter school and that are designed to improve student performance in other schools.”

(f) NATIONAL ACTIVITIES.—Section 10305 of such Act (20 U.S.C. 8065) is amended to read as follows:

**“SEC. 10305. NATIONAL ACTIVITIES.**

“(a) IN GENERAL.—The Secretary shall reserve for each fiscal year the greater of 5 percent or \$5,000,000 of the amount appropriated to carry out this part, except that in no fiscal year shall the total amount so reserved exceed \$8,000,000, to carry out the following activities:

“(1) To provide charter schools, either directly or through State educational agencies, with—

“(A) information regarding—

“(i) Federal funds that charter schools are eligible to receive; and

“(ii) other Federal programs in which charter schools may participate; and

“(B) assistance in applying for Federal education funds that are allocated by formula, including assistance with filing deadlines and submission of applications.

“(2) To provide for the completion of the 4-year national study (which began in 1995) of charter schools.

“(3) To provide for other evaluations or studies that include the evaluation of the impact of charter schools on student achievement, including information regarding—

“(A) students attending charter schools reported on the basis of race, age, disability, gender, limited English proficiency, and previous enrollment in public school; and

“(B) the professional qualifications of teachers within a charter school and the turnover of the teaching force.

“(4) To provide—

“(A) information to applicants for assistance under this part;

“(B) assistance to applicants for assistance under this part with the preparation of applications under section 10303;

“(C) assistance in the planning and startup of charter schools;

“(D) training and technical assistance to existing charter schools; and

“(E) for the dissemination to other public schools of best or promising practices in charter schools.

“(5) To provide (including through the use of one or more contracts that use a competitive bidding process) for the collection of information regarding the financial resources available to charter schools, including access to private capital, and to widely disseminate to charter schools any such relevant information and model descriptions of successful programs.

“(b) CONSTRUCTION.—Nothing in this section shall be construed to require charter schools to collect any data described in subsection (a).”

(g) COMMENSURATE TREATMENT; RECORDS TRANSFER; PAPERWORK REDUCTION.—Part C of title X of such Act (20 U.S.C. 8061 et seq.) is amended—

(1) by redesignating sections 10306 and 10307 as sections 10310 and 10311, respectively; and

(2) by inserting after section 10305 the following:

“SEC. 10306. FEDERAL FORMULA ALLOCATION DURING FIRST YEAR AND FOR SUCCESSIVE ENROLLMENT EXPANSIONS. 20 USC 8065a.

“(a) IN GENERAL.—For purposes of the allocation to schools by the States or their agencies of funds under part A of title I, and any other Federal funds which the Secretary allocates to States on a formula basis, the Secretary and each State educational agency shall take such measures not later than 6 months after the date of the enactment of the Charter School Expansion Act of 1998 as are necessary to ensure that every charter school receives the Federal funding for which the charter school is eligible not later than 5 months after the charter school first opens, notwithstanding the fact that the identity and characteristics of the students enrolling in that charter school are not fully and completely determined until that charter school actually opens. The measures similarly shall ensure that every charter school expanding its enrollment in any subsequent year of operation receives the Federal funding for which the charter school is eligible not later than 5 months after such expansion. Deadline.

“(b) ADJUSTMENT AND LATE OPENINGS.—

“(1) IN GENERAL.—The measures described in subsection (a) shall include provision for appropriate adjustments, through recovery of funds or reduction of payments for the succeeding year, in cases where payments made to a charter school on the basis of estimated or projected enrollment data exceed the amounts that the school is eligible to receive on the basis of actual or final enrollment data.

“(2) RULE.—For charter schools that first open after November 1 of any academic year, the State, in accordance with guidance provided by the Secretary and applicable Federal statutes and regulations, shall ensure that such charter schools that are eligible for the funds described in subsection (a) for

such academic year have a full and fair opportunity to receive those funds during the charter schools' first year of operation.

20 USC 8065b.

**"SEC. 10307. SOLICITATION OF INPUT FROM CHARTER SCHOOL OPERATORS.**

"To the extent practicable, the Secretary shall ensure that administrators, teachers, and other individuals directly involved in the operation of charter schools are consulted in the development of any rules or regulations required to implement this part, as well as in the development of any rules or regulations relevant to charter schools that are required to implement part A of title I, the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.), or any other program administered by the Secretary that provides education funds to charter schools or regulates the activities of charter schools.

20 USC 8065c.

**"SEC. 10308. RECORDS TRANSFER.**

"State educational agencies and local educational agencies, to the extent practicable, shall ensure that a student's records and, if applicable, a student's individualized education program as defined in section 602(11) of the Individuals with Disabilities Education Act (20 U.S.C. 1401(11)), are transferred to a charter school upon the transfer of the student to the charter school, and to another public school upon the transfer of the student from a charter school to another public school, in accordance with applicable State law.

20 USC 8065d.

**"SEC. 10309. PAPERWORK REDUCTION.**

"To the extent practicable, the Secretary and each authorized public chartering agency shall ensure that implementation of this part results in a minimum of paperwork for any eligible applicant or charter school."

(h) PART C DEFINITIONS.—Section 10310(1) of such Act (as redesignated by subsection (e)(1)) (20 U.S.C. 8066(1)) is amended—

(1) in subparagraph (A), by striking "an enabling statute" and inserting "a specific State statute authorizing the granting of charters to schools";

(2) in subparagraph (H), by inserting "is a school to which parents choose to send their children, and that" before "admits";

(3) in subparagraph (J), by striking "and" after the semicolon;

(4) in subparagraph (K), by striking the period and inserting "; and"; and

(5) by adding at the end the following:

"(L) has a written performance contract with the authorized public chartering agency in the State that includes a description of how student performance will be measured in charter schools pursuant to State assessments that are required of other schools and pursuant to any other assessments mutually agreeable to the authorized public chartering agency and the charter school."

(i) AUTHORIZATION OF APPROPRIATIONS.—Section 10311 of such Act (as redesignated by subsection (e)(1)) (20 U.S.C. 8067) is amended by striking "\$15,000,000 for fiscal year 1995" and inserting "\$100,000,000 for fiscal year 1999".

(j) TITLE XIV DEFINITIONS.—Section 14101 of such Act (20 U.S.C. 8801) is amended—

(1) in paragraph (14), by inserting “, including a public elementary charter school,” after “residential school”; and

(2) in paragraph (25), by inserting “, including a public secondary charter school,” after “residential school”.

(k) CONFORMING AMENDMENT.—The matter preceding paragraph (1) of section 10304(e) of such Act (20 U.S.C. 8064(e)) is amended by striking “10306(1)” and inserting “10310(1)”.

Approved October 22, 1998.

---

**LEGISLATIVE HISTORY—H.R. 2616 (S. 1380):**

HOUSE REPORTS: No. 105-321 (Comm. on Education and the Workforce).

SENATE REPORTS: No. 105-301 accompanying S. 1380 (Comm. on Labor and Human Resources).

**CONGRESSIONAL RECORD:**

Vol. 143 (1997): Nov. 4, 7, considered and passed House.

Vol. 144 (1998): Oct. 8, considered and passed Senate, amended.

Oct. 9, 10, House concurred in Senate amendment.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 34 (1998):

Oct. 22, Presidential statement.