House Bill 2 moves to Senate, two new bills duplicate – and add to – potential harms to school district sponsors and their community schools

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In our February 18 Community School Alert, we called attention to the impact of House Bill 2 on school districts and the community schools they sponsor. Since then, an amended version of the bill (Substitute House Bill 2) was passed by the House and has moved on to the Senate. The two aspects of the bill that were the focus of our February Alert – the prohibition on sales of goods and services from sponsor to community school and the elimination of the current exemption from roll-up of performance data from at-risk conversion schools to district sponsors – are both unchanged in the substitute bill, with one exception: only the data of conversion school students who are entitled to attend school in the sponsor district will roll up to the district.

Meanwhile, two new community school bills were introduced on April 15, one in the Senate and one in the House (SB 148 and HB 156). The new bills duplicate, and at times exacerbate, many of the problems created by Sub. HB 2.

Like Sub. HB 2, the new bills require the roll-up of performance data for all conversion schools, expressly including at-risk schools. But under the new bills, even the data of students who come to the school from outside the sponsor district will roll up to the district. This could significantly increase the harm to the district. Also, whereas Sub. HB 2

delays the roll-up for at-risk schools until July 1, 2016, the new bills have no such delay.

Additionally, the new bills, like Sub. HB 2, prohibit the sale of goods and services from a sponsor to its community school. As in HB 2, the resulting problems are compounded by the fact that the prohibition extends to individuals and entities associated with the sponsor, including independent contractors of the sponsor.

The new bills also limit the express authority currently in statute for a community school contract to provide for payments from the school to the sponsor (subject only to a 3% cap on payments for oversight and monitoring). As amended, the statute would require that all amounts paid to the sponsor pursuant to the provision be used solely for monitoring, oversight and technical assistance.

As is true of Sub. HB 2, the two new bills have many other provisions of consequence to school district sponsors and their community schools. In terms of timing, SB 148 and Sub. HB 2 are both scheduled for a second hearing in the Education Subcommittee of the Senate Finance Committee on Wednesday, April 22.

As we did in our prior Alert, we are again suggesting that districts adversely affected by these bills consider communicating their concerns to legislators as soon as possible. Districts might also consider taking steps now to protect their interests in the event that one or more of these bills is enacted. In particular, since the prohibition on a sponsor's sale of goods and services to a sponsored community school does not affect existing contracts, school districts and their sponsored community schools should review now whether they have such contracts in place and whether the scope and/or duration of the contracts should be extended.

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