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Senate Education & Workforce Development Committee
April 30, 2013
Testimony on House Bill 2150

Chair Hass and members of the committee, for the record I am Cindy Hunt, Government and Legal Affairs Manager for the Oregon Department of Education. I am here today to testify on HB 2150 A-engrossed.

HB 2150 is a re-write of a 2011 bill, SB 255 which passed Senate unanimously. The bill is the result of a collaborative process that included a diverse group of education stakeholders. It adds clarity and improves legal processes relating to public charter schools.

Oregon's charter school law is now 14 years old. Since the law's adoption, Oregon has seen a steady growth in its charter schools each year. Today Oregon has 123 charter schools with new schools opening each year.

The Department of Education appreciates the Oregon School Boards Association for convening the 2011 charter school workgroup to review Oregon's charter school laws. We also appreciate the participation of, and collaborative approach taken, by other workgroup members in providing information to the workgroup and making recommendations to improve Oregon's charter school laws.

HB 2150, which is the product of that 2011 workgroup, addresses many of the issues that have arisen as the charter law has matured in Oregon. The amendments to current law that are in HB 2150 are the result of the unanimous consent of the committee members.

The bill does the following:

- It prohibits a local school district board member from being a voting member of the public charter school. This helps create a bright line of responsibility between the two legally separate entities.
- It exempts charter schools that are not required to be formed as nonprofit corporations from the annual audit requirement. The sponsor districts of these schools are still required to complete annual audits.
- It gives the local board more flexibility to set a date for which the proposal must be submitted from 120 days to 180 days prior to the date on which the public school would open. The current four months has not proven to be adequate time for the board to negotiate with the charter school proponents on the detail of the contract.
- Requires charter school board members to acknowledge the standards of conduct and the liabilities of a director of a nonprofit organization. There have been occasions when directors did not seem to understand their fiduciary responsibilities to the nonprofit.

- Clarifies the process to be used when an incomplete proposal is submitted to the local school board. This addresses the problems that sometimes arise when the parties do not agree as to the proposal's completeness. The school board must identify what aspects are missing.
- If an incomplete proposal is denied by a local school district, the applicant may still appeal the decision to the State Board of Education, but the board would review only for completeness and either uphold the decision of the local board or find it complete and remand the issue back to the local school board.
- If a school district and a charter proponent are unable to agree on a change during initial discussion, mediation could be provided by the state.
- The bill distinguishes between an appeal to the state board following a denial by a local board and a sponsorship request of the state board. Current law muddles the two and the new language clarifies the steps that help all those involved.
- It also clarifies what version of the application would be the version presented to the State Board of Education for sponsorship. Now there is some confusion regarding if it is the initial version, the last version that negotiated with the local board, or some version in between.
- Allows the state board upon appeal to uphold decision of school district, remand the proposal to district for reconsideration or consider becoming the sponsor.
- Clarifies that in reviewing an appeal of a termination, the state reviews only the grounds for termination stated by the local school board.
- Clarifies which laws cannot be waived for charter schools such as the public contracting law, the prohibition against charging tuition, statutes and rules that expressly apply to charter schools, and those that apply to public entities.

The workgroup also discussed other issues relating to charter schools not contained in HB 2150. After the work group adjourned, ODE continued to work with members of the work group, district sponsors, and charter schools to address some of these issues. For example, the work group discussed the trend of small single-school districts converting their school to a charter school and the issues that are specific to these types of schools. In 2011, ODE partnered with the Umatilla Morrow Education Service District and OSBA to provide a seminar specifically for these types of charter schools in the northeastern corner of our state. In 2012, ODE conducted six webinars with charter schools and sponsors districts on such topics as public meetings, public records, PERS, special education, audits and educator licensure. In February, 2013, ODE convened a one day virtual charter school summit so that the schools and sponsor districts could share best practices and areas of concern. ODE has also presents annually at OSBA and COSA conferences on charter schools.

I'm happy to answer any questions about the bill or the process used to develop it.