

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2153 A

Seventy-Seventh Oregon Legislative Assembly – 2013 Regular Session
Legislative Fiscal Office

***Only Impacts on Original or Engrossed
Versions are Considered Official***

Prepared by: Tim Walker
Reviewed by: Doug Wilson
Date: 04/15/2013

Measure Description:

Allows school district board to place limitations on proposals for public charter schools that board will evaluate if specified percentage of students of school district are enrolled in public charter schools.

Government Unit(s) Affected:

Department of Education, Local Education Agencies, School Districts

Summary of Expenditure Impact:

See Analysis.

Local Government Mandate:

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

Analysis: This bill allows school district boards to place limitations on public charter school proposals under certain circumstances. In additions, a public charter school sponsored by the State Board of education may request a change of sponsorship to a school district board in which the public charter school is located.

Under current law, public charter school sponsors may withhold a percentage of the ADMw to cover administrative costs. In the case of elementary schools the percentage is 20% and in the case of high schools the percentage is 5%. If the State Board of Education is the sponsor, they can keep 10% of the ADMw in the case of both elementary and high schools. The State Board of Education currently sponsors four charter schools. If these four schools were to request local sponsorship, it could result in approximately \$219,000 decrease in revenue (most likely starting in 2015-17) to the Oregon Department of Education (ODE). This would result in a reduction of two positions (2.00 FTE) that support the charter school program. This would leave school districts without charter school support from ODE. It is not clear at this point; when or if, any of the state sponsored public charter schools would request a change to their sponsorship.

PRELIMINARY STAFF MEASURE SUMMARY**CARRIER:**

House Committee on Education

REVENUE: No revenue impact**FISCAL: Fiscal statement issued****SUBSEQUENT REFERRAL TO: None****Action:****Vote:****Yeas:****Nays:****Exc.:****Prepared By:** Rick Berkobien, Administrator**Meeting Dates:** 3/22, 4/12

WHAT THE MEASURE DOES: Allows school district board to place limitations on the number of proposals for public charter schools it will evaluate if more than three percent of students who reside in the district are enrolled in charter schools. Specifies when calculating three percent, school district board will not include students who are not required to attend school full-time. Requires school district board to determine whether to place limitations on proposals on an annual basis. Requires “advancement of educational goal” to be an element of charter, included in a proposal, and grounds for termination if reasonable progress is not made. Specifies school district board’s determination of whether a proposal for charter advances educational goal and whether reasonable progress towards advancement of educational goal is a final decision not subject to appeal. Requires public charter school sponsored by State Board of Education to submit request for change of sponsorship to school district board in district where charter school is located in specified circumstances.

ISSUES DISCUSSED:

EFFECT OF COMMITTEE AMENDMENT: (Proposed -3 amendment) Requires district school board that receives written proposal from an applicant seeking to establish public charter school to conduct public hearing and make good faith evaluation. Allows limitation to be placed on number of evaluations if more than three percent of students in district are enrolled in public charter school; and there are three or more charter schools in district.

BACKGROUND: Any person, or group of persons, may apply to be a public charter school. The potential sponsor reviews the charter proposal, in accordance with ORS 338.055. If approved, a charter contract is executed by the authorizer and the governing board of the charter school. The charter school governing board may contract with a for-profit organization for services; however, the charter school board must retain control of governmental functions, and a for-profit may not be party to a public charter school contract. Oregon’s charter school law prohibits private school conversion. ORS 338.045 defines the minimum information required in each charter school proposal.