

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action: Do Pass as Amended and Be Printed Engrossed

Vote: 4 - 0 - 1

Yeas: Beyer, Kruse, Roblan, Hass

Nays: 0

Exc.: Knopp

Prepared By: Richard Donovan, Administrator

Meeting Dates: 4/30, 5/16, 5/21

WHAT THE MEASURE DOES: Allows sponsor to terminate charter of public charter school for failure of school to have audit prepared or failure to forward audit information. Requires school district sponsoring charter school to include information in annual audit to Oregon Department of Education (ODE) as part of audit report for school district, and allows ODE to withhold State School Fund payments if information is not submitted. Allows sponsor to terminate charter for failure to maintain sound financial system, and to develop plan to correct deficiencies with sponsor. Requires school district board to consider prior history of applicant in operating a public charter school or providing educational services when considering proposal for charter school. Removes prohibition on virtual public charter schools related to employment of persons employed by for-profit entity, under specified conditions. Indicates methods by which governing body of virtual public charter school and executive of for-profit entity may classify persons seeking employment

ISSUES DISCUSSED:

- All Prep Charter School
- Meaning of term “sound financial system”
- Addition of “enforcement mechanism”
- Similar mechanism to existing public schools
- Protections that exist for charters
- Background and purpose for legislation
- 5 year sunset under current amendments for review purposes

EFFECT OF COMMITTEE AMENDMENT: Specifies Audit Report requirements, details process for termination of charter, resolves potential conflict with existing legislation. Removes prohibition on virtual public charter schools related to employment of persons employed by for-profit entity, under specified conditions. Indicates methods by which governing body of virtual public charter school and executive of for-profit entity may classify persons seeking employment

BACKGROUND: A charter school can be immediately terminated if the health and safety of students are at risk. A charter school may also be terminated for failing to meet the terms of an approved charter, failing to meet the requirements for student performance, failing to correct a violation of a federal or state law that is described in ORS 338.115, failing to maintain insurance as described in the charter, or failing to maintain financial stability. According to the Oregon Department of Education, between 1999 and 2006, Oregon saw seventy-eight charter schools open and sixteen subsequently close either through termination of the contract or non-renewal. During the 2005-06 school year, two charter schools were terminated and three others were not renewed at the end of their contract by the authorizers. The sixteen charter school closures represent 20 percent of all Oregon charter schools. Nationally, charter schools have an 11percent closure rate. The two most prevalent reasons for charter school closure in Oregon are financial instability and enrollment issues.

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This summary has not been adopted or officially endorsed by action of the committee.