

(Including Amendments to Resolve Conflicts)

C-Engrossed House Bill 2153

Ordered by the Senate June 28
Including House Amendments dated April 18 and June 14 and Senate
Amendments dated June 28

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Higher Education)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

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 located in school district and three or more public charter schools are located in school district.

A BILL FOR AN ACT

1
2 Relating to public charter schools; amending ORS 338.055, 338.065, 338.075 and 338.125 and section
3 12, chapter 695, Oregon Laws 2011, and section 7, chapter 265, Oregon Laws 2013 (Enrolled
4 House Bill 2150); and repealing sections 5 and 6, chapter 265, Oregon Laws 2013 (Enrolled
5 House Bill 2150).

6 **Be It Enacted by the People of the State of Oregon:**

7 **SECTION 1.** ORS 338.055 is amended to read:

8 338.055. (1) **A school district board that receives a written proposal from an applicant**
9 **seeking to establish a public charter school must conduct a public hearing and make a good**
10 **faith evaluation of the proposal as described in subsections (3) and (4) of this section unless**
11 **the provisions of subsection (2) of this section apply.**

12 (2)(a) **A school district board may place limitations on the proposals the school district**
13 **board will evaluate if:**

14 (A) **More than three percent of the students who reside in the school district are enrolled**
15 **in a public charter school located in the school district; and**

16 (B) **Three or more public charter schools are located in the school district.**

17 (b) **For the purpose of making the calculation under paragraph (a)(A) of this subsection,**
18 **the school district board shall not include students who are not required to attend public**
19 **full-time schools as provided by ORS 339.030.**

20 (c) **A school district board shall annually determine whether to place limitations on the**
21 **proposals the school district board will evaluate. The determination is valid for two years**
22 **unless the school district board decides after one year to no longer place limitations on the**
23 **proposals the school district board will consider.**

24 (d) **If a school district board places limitations on the proposals the school district board**
25 **will evaluate, the school district board must identify one or more educational goals the**

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted.
New sections are in **boldfaced** type.

1 school district board will use to evaluate proposals. The identification is valid for two years,
2 except that a school district board may decide after one year to modify the educational goals.
3 The school district board shall forward a copy of the educational goals, and any modifications
4 of the educational goals, to the State Board of Education.

5 (e) A school district board that identifies educational goals as provided by paragraph (d)
6 of this subsection may:

7 (A) Decide to evaluate only proposals that seek to advance one or more of the educa-
8 tional goals; or

9 (B) Determine how well a proposal advances one or more educational goals compared to
10 one or more other proposals submitted to the school district board.

11 (f) Any proposal submitted to a school district board that has determined to place limi-
12 tations on the proposals the school district board will evaluate must include a description
13 of how the public charter school will advance an educational goal identified by the school
14 district board. Advancement of the educational goal shall be an element of the charter.
15 Failure to make reasonable progress toward the advancement of an educational goal may be
16 grounds for termination of the charter. Whether a public charter school is making reason-
17 able progress shall be determined by the school district board.

18 (g) A proposal that is not evaluated as provided by this subsection shall be considered to
19 be not approved for the purpose of ORS 338.075.

20 [(1)] (3) Within 60 days of receipt of a proposal submitted under ORS 338.045, the school district
21 board shall hold a public hearing on the provisions of the proposal.

22 [(2)] (4) The school district board shall evaluate a proposal in good faith using the following
23 criteria:

24 (a) The demonstrated, sustainable support for the public charter school by teachers, parents,
25 students and other community members, including comments received at the public hearing held
26 under subsection [(1)] (3) of this section;

27 (b) The demonstrated financial stability of the public charter school, including the demonstrated
28 ability of the school to have a sound financial management system that is in place at the time the
29 school begins operating and that meets the requirements of ORS 338.095 (1);

30 (c) The capability of the applicant, in terms of support and planning, to provide comprehensive
31 instructional programs to students pursuant to an approved proposal;

32 (d) The capability of the applicant, in terms of support and planning, to specifically provide,
33 pursuant to an approved proposal, comprehensive instructional programs to students identified by
34 the applicant as academically low achieving;

35 (e) The extent to which the proposal addresses the information required in ORS 338.045;

36 (f) Whether the value of the public charter school is outweighed by any directly identifiable,
37 significant and adverse impact on the quality of the public education of students residing in the
38 school district in which the public charter school will be located;

39 (g) Whether there are arrangements for any necessary special education and related services for
40 children with disabilities pursuant to ORS 338.165; and

41 (h) Whether there are alternative arrangements for students and for teachers and other school
42 employees who choose not to attend or who choose not to be employed by the public charter school.

43 [(3)] (5) The school district board must approve a proposal or state in writing the reasons for
44 disapproving a proposal within 30 days after the public hearing held under subsection [(1)] (3) of this
45 section.

1 [(4)] (6) Written notice of the school district board's action shall be sent to the applicant. If the
2 proposal is not approved, the reasons for the denial and suggested remedial measures, if any, shall
3 be clearly stated in the notice sent by the school district board to the applicant. If the proposal is
4 not approved, the applicant may amend the proposal to address objections and any suggested reme-
5 dial measures and resubmit the proposal to the school district board. The school district board shall
6 approve or disapprove the resubmitted proposal within 20 days after receiving it. If the proposal is
7 not approved, the applicant may:

8 (a) Appeal the decision of the school district board to the State Board of Education as provided
9 by ORS 338.075; or

10 (b) Submit a proposal to an institution of higher education as provided by ORS 338.075.

11 [(5)] (7) Individual elements in a public charter school proposal may be changed through the
12 proposal and chartering process.

13 [(6)] (8) A proposal to convert an existing public school to a public charter school must be ap-
14 proved by the school district board of the public school.

15 [(7)] (9) Entities described in ORS 338.005 (5) may not charge any fee to applicants for the pro-
16 posal process.

17 [(8)] (10) Upon request by a school district, the State Board of Education may grant an extension
18 of any timeline required by this section if the district has good cause for requesting the extension.

19 **SECTION 2.** ORS 338.055, as amended by section 10, chapter 695, Oregon Laws 2011, is
20 amended to read:

21 338.055. (1) **A school district board that receives a written proposal from an applicant**
22 **seeking to establish a public charter school must conduct a public hearing and make a good**
23 **faith evaluation of the proposal as described in subsections (3) and (4) of this section unless**
24 **the provisions of subsection (2) of this section apply.**

25 (2)(a) **A school district board may place limitations on the proposals the school district**
26 **board will evaluate if:**

27 (A) **More than three percent of the students who reside in the school district are enrolled**
28 **in a public charter school located in the school district; and**

29 (B) **Three or more public charter schools are located in the school district.**

30 (b) **For the purpose of making the calculation under paragraph (a)(A) of this subsection,**
31 **the school district board shall not include students who are not required to attend public**
32 **full-time schools as provided by ORS 339.030.**

33 (c) **A school district board shall annually determine whether to place limitations on the**
34 **proposals the school district board will evaluate. The determination is valid for two years**
35 **unless the school district board decides after one year to no longer place limitations on the**
36 **proposals the school district board will consider.**

37 (d) **If a school district board places limitations on the proposals the school district board**
38 **will evaluate, the school district board must identify one or more educational goals the**
39 **school district board will use to evaluate proposals. The identification is valid for two years,**
40 **except that a school district board may decide after one year to modify the educational goals.**
41 **The school district board shall forward a copy of the educational goals, and any modifications**
42 **of the educational goals, to the State Board of Education.**

43 (e) **A school district board that identifies educational goals as provided by paragraph (d)**
44 **of this subsection may:**

45 (A) **Decide to evaluate only proposals that seek to advance one or more of the educa-**

1 **tional goals; or**

2 **(B) Determine how well a proposal advances one or more educational goals compared to**
3 **one or more other proposals submitted to the school district board.**

4 **(f) Any proposal submitted to a school district board that has determined to place limi-**
5 **tations on the proposals the school district board will evaluate must include a description**
6 **of how the public charter school will advance an educational goal identified by the school**
7 **district board. Advancement of the educational goal shall be an element of the charter.**
8 **Failure to make reasonable progress towards the advancement of an educational goal may**
9 **be grounds for termination of the charter. Whether a public charter school is making rea-**
10 **sonable progress shall be determined by the school district board.**

11 **(g) A proposal that is not evaluated as provided by this subsection shall be considered to**
12 **be not approved for the purpose of ORS 338.075.**

13 [(1)] **(3)** Within 60 days of receipt of a proposal submitted under ORS 338.045, the school district
14 board shall hold a public hearing on the provisions of the proposal.

15 [(2)] **(4)** The school district board shall evaluate a proposal in good faith using the following
16 criteria:

17 (a) The demonstrated, sustainable support for the public charter school by teachers, parents,
18 students and other community members, including comments received at the public hearing held
19 under subsection [(1)] **(3)** of this section;

20 (b) The demonstrated financial stability of the public charter school, including the demonstrated
21 ability of the school to have a sound financial management system that is in place at the time the
22 school begins operating and that meets the requirements of ORS 338.095 (1);

23 (c) The capability of the applicant, in terms of support and planning, to provide comprehensive
24 instructional programs to students pursuant to an approved proposal;

25 (d) The capability of the applicant, in terms of support and planning, to specifically provide,
26 pursuant to an approved proposal, comprehensive instructional programs to students identified by
27 the applicant as academically low achieving;

28 (e) The extent to which the proposal addresses the information required in ORS 338.045;

29 (f) Whether the value of the public charter school is outweighed by any directly identifiable,
30 significant and adverse impact on the quality of the public education of students residing in the
31 school district in which the public charter school will be located;

32 (g) Whether there are arrangements for any necessary special education and related services for
33 children with disabilities pursuant to ORS 338.165; and

34 (h) Whether there are alternative arrangements for students and for teachers and other school
35 employees who choose not to attend or who choose not to be employed by the public charter school.

36 [(3)] **(5)** The school district board must approve a proposal or state in writing the reasons for
37 disapproving a proposal within 30 days after the public hearing held under subsection [(1)] **(3)** of this
38 section.

39 [(4)] **(6)** Written notice of the school district board's action shall be sent to the applicant. If the
40 proposal is not approved, the reasons for the denial and suggested remedial measures, if any, shall
41 be clearly stated in the notice sent by the school district board to the applicant. If the proposal is
42 not approved, the applicant may amend the proposal to address objections and any suggested reme-
43 dial measures and resubmit the proposal to the school district board. The school district board shall
44 approve or disapprove the resubmitted proposal within 20 days after receiving it. If the proposal is
45 not approved, the applicant may appeal the decision of the school district board to the State Board

1 of Education.

2 [(5)] (7) Individual elements in a public charter school proposal may be changed through the
3 proposal and chartering process.

4 [(6)] (8) A proposal to convert an existing public school to a public charter school must be ap-
5 proved by the school district board of the public school.

6 [(7)] (9) Entities described in ORS 338.005 (5) may not charge any fee to applicants for the pro-
7 posal process.

8 [(8)] (10) Upon request by a school district, the State Board of Education may grant an extension
9 of any timeline required by this section if the district has good cause for requesting the extension.

10 **SECTION 3.** ORS 338.125 is amended to read:

11 338.125. (1) Student enrollment in a public charter school is voluntary.

12 (2)(a) All students who reside in the school district in which the public charter school is located
13 are eligible for enrollment in the public charter school if space is available.

14 (b) Students who do not reside in the school district in which the public charter school is lo-
15 cated are eligible for enrollment in the public charter school if space is available and subject to
16 subsection (4) of this section.

17 (c) A public charter school may not limit student enrollment based on race, religion, sex, sexual
18 orientation, ethnicity, national origin, disability, the terms of an individualized education program,
19 income level, proficiency in the English language or athletic ability.

20 (3)(a) Except as provided by paragraph (b) of this subsection, if the number of applications from
21 students who reside in the school district exceeds the capacity of a program, class, grade level or
22 building, the public charter school shall select students through an equitable lottery selection pro-
23 cess.

24 (b) After a public charter school has been in operation for one or more years, the public charter
25 school may give priority for admission to students who:

26 (A) Were enrolled in the school in the prior year;

27 (B) Have siblings who are presently enrolled in the school and who were enrolled in the school
28 in the prior year; or

29 (C) If the public charter school is a party to a cooperative agreement described in ORS 338.080,
30 reside in the school district that is the sponsor of the public charter school or in a school district
31 that is a party to the cooperative agreement.

32 (4)(a) A student who wishes to enroll in a virtual public charter school does not need the ap-
33 proval of the school district where the student is a resident before the student enrolls in the virtual
34 public charter school. If a student wishes to enroll in a virtual public charter school, the parent,
35 legal guardian or person in parental relationship with the student must provide the following notices
36 to the school district where the student is a resident:

37 (A) Intent to enroll the student in a virtual public charter school; and

38 (B) Enrollment of the student in a virtual public charter school.

39 (b)(A) Notwithstanding paragraph (a) of this subsection and ORS 339.133, if more than three
40 percent of the students who reside in a school district are enrolled in virtual public charter schools
41 that are not sponsored by the school district, a student who is a resident of the school district must
42 receive approval from the school district before enrolling in a virtual public charter school. A school
43 district is not required to give approval if more than three percent of the students who reside in the
44 school district are enrolled in virtual public charter schools that are not sponsored by the school
45 district.

1 (B) For the purpose of determining whether more than three percent of the students who reside
2 in the school district are enrolled in virtual public charter schools that are not sponsored by the
3 school district, the school district board shall [*include any students who*]:

4 (i) **Include any students who** reside in the school district, regardless of whether the students
5 are considered residents of different school districts as provided by ORS 339.133 (5); [*and*]

6 (ii) **Include any students who** are enrolled in virtual public charter schools that are not
7 sponsored by the school district[.]; **and**

8 (iii) **Not include any students who are not required to attend public full-time schools as**
9 **provided by ORS 339.030.**

10 (C) Students who reside in the school district, regardless of whether the students are considered
11 residents of different school districts as provided by ORS 339.133 (5), must receive approval from the
12 school district before enrolling in a virtual public charter school if the limit described in subpara-
13 graph (A) of this paragraph has been met.

14 (c) If the school district does not give approval under paragraph (b) of this subsection, the
15 school district must provide information to the parent, legal guardian or person in parental re-
16 lationship with the student about the right to appeal the decision to the State Board of Education
17 and other online options available to the student. If an appeal is made to the State Board of Edu-
18 cation, the board must issue a decision within 30 days of the submission of the appeal.

19 (5) Within 10 days of a student's enrollment in a public charter school, the public charter school
20 shall provide written notice of the student's enrollment to the school district in which the public
21 charter school is located if the student does not reside in the school district where the public
22 charter school is located.

23 (6) Within 10 days of receiving the notice described in subsection (5) of this section, the school
24 district in which the public charter school is located shall provide to the student's parent, legal
25 guardian or person in parental relationship written information about:

26 (a) The school district's responsibility to identify, locate and evaluate students enrolled in the
27 public charter school to determine which students may be in need of special education and related
28 services as provided by ORS 338.165; and

29 (b) The methods by which the school district may be contacted to answer questions or provide
30 information related to special education and related services.

31 (7) When a student described in subsection (5) of this section withdraws from a public charter
32 school for a reason other than graduation from high school, the school district in which the public
33 charter school is located shall:

34 (a) Provide to the school district in which the student resides written notice that the student
35 has withdrawn.

36 (b) Provide to the student's parent, legal guardian or person in parental relationship written
37 information about:

38 (A) The responsibility of the school district in which the student resides to identify, locate and
39 evaluate students who reside in the school district to determine which students may be in need of
40 special education and related services as provided by ORS 338.165; and

41 (B) The methods by which the school district in which the student resides may be contacted to
42 answer questions or provide information related to special education and related services.

43 (8)(a) If a student described in subsection (5) of this section enrolls in a public charter school
44 and has an individualized education program, the school district in which the public charter school
45 is located must implement the individualized education program and follow the terms of the indi-

1 individualized education program until a new individualized education program is developed.

2 (b) If a student described in subsection (5) of this section withdraws from a public charter school
3 and has an individualized education program, the school district in which the student resides must
4 implement the individualized education program and follow the terms of the individualized education
5 program until a new individualized education program is developed.

6 (9) When a virtual public charter school enrolls a student or a student no longer is enrolled in
7 a virtual public charter school, the virtual public charter school shall provide the written notices
8 described in ORS 338.120 (1)(m) and (n) to the school district where the student is a resident.

9 (10) A public charter school may conduct fund-raising activities but may not require a student
10 to participate in fund-raising activities as a condition of admission to the public charter school.

11 **SECTION 4.** Section 12, chapter 695, Oregon Laws 2011, as amended by section 30, chapter 718,
12 Oregon Laws 2011, is amended to read:

13 **Sec. 12.** [(1) *The amendments to ORS 338.055 and 338.075 by section 10, chapter 695, Oregon Laws*
14 *2011 (Enrolled House Bill 3645), and section 29 of this 2011 Act become operative on July 1, 2017.*]

15 (1) **The amendments to ORS 338.075 by section 29, chapter 718, Oregon Laws 2011, become**
16 **operative on the effective date of this 2013 Act.**

17 (2) **The amendments to ORS 338.075 by section 6 of this 2013 Act become operative on**
18 **July 1, 2017.**

19 (3) **The amendments to ORS 338.055 by section 10, chapter 695, Oregon Laws 2011, become**
20 **operative on July 1, 2017.**

21 [(2)] (4) Nothing in the amendments to ORS 338.055 and 338.075 by section 10, chapter 695,
22 Oregon Laws 2011 [*Enrolled House Bill 3645*], and section 29 of this 2011 Act] **and section 6 of this**
23 **2013 Act** affects the ability of an institution of higher education to continue to sponsor a public
24 charter school if the institution of higher education became the sponsor of the public charter school
25 prior to July 1, 2017.

26 **SECTION 5.** ORS 338.075, as amended by section 29, chapter 718, Oregon Laws 2011, and sec-
27 tion 5, chapter 91, Oregon Laws 2012, is amended to read:

28 338.075. (1) If a school district board does not approve a proposal to start a public charter
29 school pursuant to ORS 338.055, the applicant may:

30 (a) Request that the State Board of Education review the decision of the school district
31 board[.]; **or**

32 (b) **Submit a proposal to an institution of higher education.**

33 (2) Upon receipt of a request for review, the State Board of Education:

34 (a) May recommend to the applicant and school district board revisions to the proposal.

35 (b) If the school district board does not accept the revisions to the proposal and the applicant
36 agrees to the sponsorship, may become the sponsor of the public charter school.

37 (3) Upon receipt of a request for review, in addition to actions described in subsection (2) of this
38 section and at any time during the review process, the State Board of Education may reject a pro-
39 posal to start a public charter school if the school fails to meet the requirements of this chapter.

40 (4) An applicant may seek judicial review of an order of the State Board of Education pursuant
41 to ORS 183.484. If the court finds that the decision of the State Board of Education is not supported
42 by substantial evidence in the record, the court shall enter a judgment directing the State Board
43 of Education to sponsor the public charter school.

44 (5)(a) **An applicant seeking sponsorship by an institution of higher education may submit**
45 **to the institution of higher education the same proposal that was submitted to the school**

1 **district board under ORS 338.045 or a proposal that is modified to take into consideration the**
2 **characteristics of the institution of higher education evaluating the proposal under this**
3 **subsection.**

4 **(b) An institution of higher education may evaluate a proposal upon receipt. If the insti-**
5 **tution of higher education evaluates the proposal, the institution of higher education shall:**

6 **(A) Approve or disapprove the proposal using the criteria described in ORS 338.055 (4)(b)**
7 **to (h) and approve the proposal only if the institution of higher education may become a**
8 **sponsor as provided by paragraphs (e) and (f) of this subsection; or**

9 **(B) Disapprove the proposal based on the institution's determination that the proposal**
10 **does not align with the mission of the institution of higher education.**

11 **(c)(A) The following decisions by an institution of higher education are final and not**
12 **subject to appeal:**

13 **(i) Whether to evaluate a proposal for a public charter school; and**

14 **(ii) The approval or disapproval of a proposal for a public charter school.**

15 **(B) The process by which an institution of higher education makes a decision described**
16 **in subparagraph (A) of this paragraph is not subject to appeal.**

17 **(d) If an institution of higher education evaluates a proposal, the institution of higher**
18 **education must approve the proposal or, if disapproving the proposal, state in writing the**
19 **reasons for disapproving the proposal within 60 days after receiving the proposal.**

20 *[(5)(a)]* **(e) An institution of higher education may [sponsor a public charter school] approve a**
21 **proposal evaluated under this subsection only if[.]**

22 *[(A)]* the main campus of the institution of higher education is located within 25 miles of the
23 proposed public charter school, based on the nearest traveled road[; and]

24 *[(B) The institution of higher education first became a sponsor of the public charter school prior*
25 *to July 1, 2017].*

26 *[(b)]* **(f) An institution of higher education may [sponsor] become a sponsor of** only one public
27 charter school in this state, regardless of the number of campuses or locations of the institution of
28 higher education.

29 *[(c)]* **(g) If a public charter school has a sponsor that is an institution of higher education and**
30 **the public charter school enters into a contract with a third-party entity to provide educational**
31 **services for the public charter school:**

32 **(A) A member of the governing body of the public charter school or the governing body of the**
33 **sponsor may not be an employee of the third-party entity, be a member of the governing board of**
34 **the third-party entity or be any other representative of the third-party entity;**

35 **(B) An employee or a member of the governing board of the third-party entity may not attend**
36 **an executive session of the sponsor;**

37 **(C) An employee of the public charter school may not promote the sale or benefits of private**
38 **supplemental services or classes offered by the third-party entity; and**

39 **(D) The educational services provided by the third-party entity must comply with state standards**
40 **and requirements, and any provision of the contract with the third-party entity that does not allow**
41 **for the provision of educational services that comply with state standards and requirements is void.**

42 **SECTION 6. ORS 338.075, as amended by section 29, chapter 718, Oregon Laws 2011, section**
43 **5, chapter 91, Oregon Laws 2012, and section 5 of this 2013 Act, is amended to read:**

44 **338.075. (1) If a school district board does not approve a proposal to start a public charter**
45 **school pursuant to ORS 338.055, the applicant may[.]**

1 [(a)] request that the State Board of Education review the decision of the school district
2 board[; or]

3 [(b) *Submit a proposal to an institution of higher education.*]

4 (2) Upon receipt of a request for review, the State Board of Education:

5 (a) May recommend to the applicant and school district board revisions to the proposal.

6 (b) If the school district board does not accept the revisions to the proposal and the applicant
7 agrees to the sponsorship, may become the sponsor of the public charter school.

8 (3) Upon receipt of a request for review, in addition to actions described in subsection (2) of this
9 section and at any time during the review process, the State Board of Education may reject a pro-
10 posal to start a public charter school if the school fails to meet the requirements of this chapter.

11 (4) An applicant may seek judicial review of an order of the State Board of Education pursuant
12 to ORS 183.484. If the court finds that the decision of the State Board of Education is not supported
13 by substantial evidence in the record, the court shall enter a judgment directing the State Board
14 of Education to sponsor the public charter school.

15 [(5)(a) *An applicant seeking sponsorship by an institution of higher education may submit to the*
16 *institution of higher education the same proposal that was submitted to the school district board under*
17 *ORS 338.045 or a proposal that is modified to take into consideration the characteristics of the insti-*
18 *tution of higher education evaluating the proposal under this subsection.*]

19 [(b) *An institution of higher education may evaluate a proposal upon receipt. If the institution of*
20 *higher education evaluates the proposal, the institution of higher education shall:*]

21 [(A) *Approve or disapprove the proposal using the criteria described in ORS 338.055 (4)(b) to (h)*
22 *and approve the proposal only if the institution of higher education may become a sponsor as provided*
23 *by paragraphs (e) and (f) of this subsection; or]*

24 [(B) *Disapprove the proposal based on the institution's determination that the proposal does not*
25 *align with the mission of the institution of higher education.*]

26 [(c)(A) *The following decisions by an institution of higher education are final and not subject to*
27 *appeal:*]

28 [(i) *Whether to evaluate a proposal for a public charter school; and]*

29 [(ii) *The approval or disapproval of a proposal for a public charter school.*]

30 [(B) *The process by which an institution of higher education makes a decision described in sub-*
31 *paragraph (A) of this paragraph is not subject to appeal.*]

32 [(d) *If an institution of higher education evaluates a proposal, the institution of higher education*
33 *must approve the proposal or, if disapproving the proposal, state in writing the reasons for disap-*
34 *proving the proposal within 60 days after receiving the proposal.*]

35 [(e)] **(5)(a)** An institution of higher education may [approve a proposal evaluated under this sub-
36 section] **sponsor a public charter school** only if:

37 **(A)** The main campus of the institution of higher education is located within 25 miles of the
38 proposed public charter school, based on the nearest traveled road[.]; **and**

39 **(B) The institution of higher education first became a sponsor of the public charter**
40 **school prior to July 1, 2017.**

41 [(f)] **(b)** An institution of higher education may [become a sponsor of] **sponsor** only one public
42 charter school in this state, regardless of the number of campuses or locations of the institution of
43 higher education.

44 [(g)] **(c)** If a public charter school has a sponsor that is an institution of higher education and
45 the public charter school enters into a contract with a third-party entity to provide educational

1 services for the public charter school:

2 (A) A member of the governing body of the public charter school or the governing body of the
3 sponsor may not be an employee of the third-party entity, be a member of the governing board of
4 the third-party entity or be any other representative of the third-party entity;

5 (B) An employee or a member of the governing board of the third-party entity may not attend
6 an executive session of the sponsor;

7 (C) An employee of the public charter school may not promote the sale or benefits of private
8 supplemental services or classes offered by the third-party entity; and

9 (D) The educational services provided by the third-party entity must comply with state standards
10 and requirements, and any provision of the contract with the third-party entity that does not allow
11 for the provision of educational services that comply with state standards and requirements is void.

12 **SECTION 7. If House Bill 2150 becomes law, section 1 of this 2013 Act (amending ORS**
13 **338.055) is repealed and ORS 338.055, as amended by section 3, chapter 265, Oregon Laws 2013**
14 **(Enrolled House Bill 2150), is amended to read:**

15 338.055. (1)(a) Upon receipt of a proposal submitted under ORS 338.045, the school district board
16 shall determine whether the proposal is complete. A proposal is complete if the proposal:

17 (A) Addresses, at least minimally, each element required by ORS 338.045 (2) and (3)[.]; and

18 (B) **Advances one or more educational goals identified by the school district board, if**
19 **applicable under the provisions of subsection (2) of this section.**

20 (b) The school district board shall notify an applicant within 30 days after receipt of a proposal
21 if the proposal is not complete and identify the specific elements of the proposal that are not com-
22 plete. The school district board shall provide the applicant with a reasonable opportunity to com-
23 plete the proposal.

24 (c) A proposal may be disapproved if the applicant has received a reasonable opportunity to
25 complete the proposal and the applicant does not provide a proposal that is complete.

26 (d) If the school district board disapproves a proposal as provided by paragraph (c) of this sub-
27 section, the applicant may appeal the decision to the State Board of Education. The State Board of
28 Education may review the proposal only for completeness and may determine that the proposal is:

29 (A) Not complete and uphold the decision of the school district board; or

30 (B) Complete and remand the proposal to the school district board for consideration.

31 **(2)(a) When reviewing a proposal to determine whether the proposal is complete, a school**
32 **district board may include a review of educational goals as provided by this subsection.**

33 **(b) A school district board may review a proposal for educational goals only if:**

34 **(A) More than three percent of the students who reside in the school district are enrolled**
35 **in a public charter school located in the school district; and**

36 **(B) Three or more public charter schools are located in the school district.**

37 **(c) For the purpose of making the calculation under paragraph (b)(A) of this subsection,**
38 **the school district board may not include students who are not required to attend public**
39 **full-time schools as provided by ORS 339.030.**

40 **(d) A school district board that is allowed to review proposals for educational goals as**
41 **provided by paragraph (b) of this subsection shall annually decide whether to review pro-**
42 **posals for educational goals. The decision is valid for two years unless the school district**
43 **board decides after one year to no longer review proposals for educational goals.**

44 **(e) If a school district board reviews proposals for educational goals, the school district**
45 **board must identify one or more educational goals the school district board will use when**

1 reviewing proposals. The identification is valid for two years, except that a school district
2 board may decide after one year to modify the educational goals. The school district board
3 shall forward a copy of the educational goals, and any modifications of the educational goals,
4 to the State Board of Education.

5 (f) A school district board that reviews proposals for educational goals shall review pro-
6 posals to determine whether the proposals advance one or more of the educational goals
7 identified by the school district board under paragraph (e) of this subsection. The school
8 district board may consider a proposal to be incomplete if the proposal does not advance one
9 or more of the educational goals.

10 (g) Any proposal submitted to a school district board that reviews proposals for educa-
11 tional goals must include a description of how the public charter school will advance one or
12 more of the educational goals identified by the school district board under paragraph (e) of
13 this subsection. Advancement of the educational goals shall be an element of the charter.
14 Failure to make reasonable progress toward the advancement of an educational goal may be
15 grounds for termination of the charter. Whether a public charter school is making reason-
16 able progress shall be determined by the school district board.

17 [(2)] (3) Within 60 days after receipt of a completed proposal, the school district board shall hold
18 a public hearing on the provisions of the proposal.

19 [(3)] (4) The school district board shall evaluate a proposal in good faith using the following
20 criteria:

21 (a) The demonstrated, sustainable support for the public charter school by teachers, parents,
22 students and other community members, including comments received at the public hearing held
23 under subsection [(2)] (3) of this section;

24 (b) The demonstrated financial stability of the public charter school, including the demonstrated
25 ability of the school to have a sound financial management system that is in place at the time the
26 school begins operating and that meets the requirements of ORS 338.095 (1);

27 (c) The capability of the applicant, in terms of support and planning, to provide comprehensive
28 instructional programs to students pursuant to an approved proposal;

29 (d) The capability of the applicant, in terms of support and planning, to specifically provide,
30 pursuant to an approved proposal, comprehensive instructional programs to students identified by
31 the applicant as academically low achieving;

32 (e) The adequacy of the information provided as required by ORS 338.045 (2) and (3);

33 (f) Whether the value of the public charter school is outweighed by any directly identifiable,
34 significant and adverse impact on the quality of the public education of students residing in the
35 school district in which the public charter school will be located;

36 (g) Whether there are arrangements for any necessary special education and related services for
37 children with disabilities pursuant to ORS 338.165; and

38 (h) Whether there are alternative arrangements for students and for teachers and other school
39 employees who choose not to attend or who choose not to be employed by the public charter school.

40 (5) In addition to the criteria described in subsection (4) of this section, a school district
41 board that reviews proposals for educational goals as provided by subsection (2) of this sec-
42 tion may determine how well a proposal advances one or more educational goals compared
43 to one or more other proposals submitted to the school district board.

44 [(4)] (6) The school district board must approve a proposal or state in writing the reasons for
45 disapproving a proposal within 30 days after the public hearing held under subsection [(2)] (3) of this

1 section.

2 [(5)(a)] (7)(a) Written notice of the school district board's action shall be sent to the applicant.

3 If the proposal is not approved:

4 (A) The reasons for the denial and suggested remedial measures, if any, shall be clearly stated
5 in the notice sent by the school district board to the applicant; and

6 (B) The applicant may amend the proposal to address objections and any suggested remedial
7 measures and resubmit the proposal to the school district board.

8 (b) The school district board shall approve or disapprove the resubmitted proposal within 30
9 days after receiving it. If the proposal is not approved, the applicant may:

10 (A) Appeal the decision of the school district board to the State Board of Education as provided
11 by ORS 338.075; or

12 (B) Submit a proposal to an institution of higher education as provided by ORS 338.075.

13 (c) When the State Board of Education receives an appeal under this subsection, the board may
14 review the resubmitted proposal only to determine whether:

15 (A) The school district board used the process required by this section in denying the proposal;

16 (B) The proposal meets the criteria described in subsection [(3)] (4) of this section; and

17 (C) The reasons stated by the school district board for the denial are valid.

18 (d) Following a review described in paragraph (c) of this subsection, the State Board of Educa-
19 tion may:

20 (A) Uphold the decision of the school district board to disapprove the proposal; or

21 (B) Remand the proposal to the school district board for reconsideration.

22 [(6)(a)] (8)(a) Individual elements in a public charter school proposal may be changed through
23 the proposal and chartering process by mutual agreement of the school district board and the ap-
24 plicant.

25 (b) If the school district board and the applicant are unable to agree on a change during the
26 proposal or chartering process, the school district board or the applicant may request mediation by
27 the State Board of Education.

28 (c) If the school district board and the applicant are unable to reach an agreement following
29 mediation as described in paragraph (b) of this subsection, the proposal submitted under ORS
30 338.045, without the change that was the subject of mediation, shall be the proposal that governs
31 the public charter school and:

32 (A) The parties may execute the charter for the public charter school based on the proposal;

33 (B) The applicant may withdraw the proposal; or

34 (C) The school district board may disapprove the proposal.

35 [(7)] (9) Before an existing public school is converted to a public charter school, the proposal
36 for the conversion must be approved by the school district board of the public school.

37 [(8)] (10) Entities described in ORS 338.005 (5) may not charge any fee to applicants for the
38 proposal process.

39 [(9)] (11) Upon request by a school district, the State Board of Education may grant an extension
40 of any timeline required by this section if the district has good cause for requesting the extension.

41 **SECTION 8. If House Bill 2150 becomes law, section 2 of this 2013 Act (amending ORS**
42 **338.055) is repealed and ORS 338.055, as amended by section 10, chapter 695, Oregon Laws**
43 **2011, and section 4, chapter 265, Oregon Laws 2013 (Enrolled House Bill 2150), is amended to**
44 **read:**

45 338.055. (1)(a) Upon receipt of a proposal submitted under ORS 338.045, the school district board

1 shall determine whether the proposal is complete. A proposal is complete if the proposal:

2 **(A) Addresses, at least minimally, each element required by ORS 338.045 (2) and (3)[.]; and**

3 **(B) Advances one or more educational goals identified by the school district board, if**
4 **applicable under the provisions of subsection (2) of this section.**

5 (b) The school district board shall notify an applicant within 30 days after receipt of a proposal
6 if the proposal is not complete and identify the specific elements of the proposal that are not com-
7 plete. The school district board shall provide the applicant with a reasonable opportunity to com-
8 plete the proposal.

9 (c) A proposal may be disapproved if the applicant has received a reasonable opportunity to
10 complete the proposal and the applicant does not provide a proposal that is complete.

11 (d) If the school district board disapproves a proposal as provided by paragraph (c) of this sub-
12 section, the applicant may appeal the decision to the State Board of Education. The State Board of
13 Education may review the proposal only for completeness and may determine that the proposal is:

14 (A) Not complete and uphold the decision of the school district board; or

15 (B) Complete and remand the proposal to the school district board for consideration.

16 **(2)(a) When reviewing a proposal to determine whether the proposal is complete, a school**
17 **district board may include a review of educational goals as provided by this subsection.**

18 **(b) A school district board may review a proposal for educational goals only if:**

19 **(A) More than three percent of the students who reside in the school district are enrolled**
20 **in a public charter school located in the school district; and**

21 **(B) Three or more public charter schools are located in the school district.**

22 **(c) For the purpose of making the calculation under paragraph (b)(A) of this subsection,**
23 **the school district board may not include students who are not required to attend public**
24 **full-time schools as provided by ORS 339.030.**

25 **(d) A school district board that is allowed to review proposals for educational goals as**
26 **provided by paragraph (b) of this subsection shall annually decide whether to review pro-**
27 **posals for educational goals. The decision is valid for two years unless the school district**
28 **board decides after one year to no longer review proposals for educational goals.**

29 **(e) If a school district board reviews proposals for educational goals, the school district**
30 **board must identify one or more educational goals the school district board will use when**
31 **reviewing proposals. The identification is valid for two years, except that a school district**
32 **board may decide after one year to modify the educational goals. The school district board**
33 **shall forward a copy of the educational goals, and any modifications of the educational goals,**
34 **to the State Board of Education.**

35 **(f) A school district board that reviews proposals for educational goals shall review pro-**
36 **posals to determine whether the proposals advance one or more of the educational goals**
37 **identified by the school district board under paragraph (e) of this subsection. The school**
38 **district board may consider a proposal to be incomplete if the proposal does not advance one**
39 **or more of the educational goals.**

40 **(g) Any proposal submitted to a school district board that reviews proposals for educa-**
41 **tional goals must include a description of how the public charter school will advance one or**
42 **more of the educational goals identified by the school district board under paragraph (e) of**
43 **this subsection. Advancement of the educational goals shall be an element of the charter.**
44 **Failure to make reasonable progress toward the advancement of an educational goal may be**
45 **grounds for termination of the charter. Whether a public charter school is making reason-**

1 **able progress shall be determined by the school district board.**

2 [(2)] (3) Within 60 days after receipt of a completed proposal, the school district board shall hold
3 a public hearing on the provisions of the proposal.

4 [(3)] (4) The school district board shall evaluate a proposal in good faith using the following
5 criteria:

6 (a) The demonstrated, sustainable support for the public charter school by teachers, parents,
7 students and other community members, including comments received at the public hearing held
8 under subsection [(2)] (3) of this section;

9 (b) The demonstrated financial stability of the public charter school, including the demonstrated
10 ability of the school to have a sound financial management system that is in place at the time the
11 school begins operating and that meets the requirements of ORS 338.095 (1);

12 (c) The capability of the applicant, in terms of support and planning, to provide comprehensive
13 instructional programs to students pursuant to an approved proposal;

14 (d) The capability of the applicant, in terms of support and planning, to specifically provide,
15 pursuant to an approved proposal, comprehensive instructional programs to students identified by
16 the applicant as academically low achieving;

17 (e) The adequacy of the information provided as required by ORS 338.045 (2) and (3);

18 (f) Whether the value of the public charter school is outweighed by any directly identifiable,
19 significant and adverse impact on the quality of the public education of students residing in the
20 school district in which the public charter school will be located;

21 (g) Whether there are arrangements for any necessary special education and related services for
22 children with disabilities pursuant to ORS 338.165; and

23 (h) Whether there are alternative arrangements for students and for teachers and other school
24 employees who choose not to attend or who choose not to be employed by the public charter school.

25 **(5) In addition to the criteria described in subsection (4) of this section, a school district
26 board that reviews proposals for educational goals as provided by subsection (2) of this sec-
27 tion may determine how well a proposal advances one or more educational goals compared
28 to one or more other proposals submitted to the school district board.**

29 [(4)] (6) The school district board must approve a proposal or state in writing the reasons for
30 disapproving a proposal within 30 days after the public hearing held under subsection [(2)] (3) of this
31 section.

32 [(5)(a)] (7)(a) Written notice of the school district board's action shall be sent to the applicant.
33 If the proposal is not approved:

34 (A) The reasons for the denial and suggested remedial measures, if any, shall be clearly stated
35 in the notice sent by the school district board to the applicant; and

36 (B) The applicant may amend the proposal to address objections and any suggested remedial
37 measures and resubmit the proposal to the school district board.

38 (b) The school district board shall approve or disapprove the resubmitted proposal within 30
39 days after receiving it. If the proposal is not approved, the applicant may appeal the decision of the
40 school district board to the State Board of Education.

41 (c) When the State Board of Education receives an appeal under this subsection, the board may
42 review the resubmitted proposal only to determine whether:

43 (A) The school district board used the process required by this section in denying the proposal;

44 (B) The proposal meets the criteria described in subsection [(3)] (4) of this section; and

45 (C) The reasons stated by the school district board for the denial are valid.

1 (d) Following a review described in paragraph (c) of this subsection, the State Board of Educa-
2 tion may:

3 (A) Uphold the decision of the school district board to disapprove the proposal; or

4 (B) Remand the proposal to the school district board for reconsideration.

5 [(6)(a)] **(8)(a)** Individual elements in a public charter school proposal may be changed through
6 the proposal and chartering process by mutual agreement of the school district board and the ap-
7 plicant.

8 (b) If the school district board and the applicant are unable to agree on a change during the
9 proposal or chartering process, the school district board or the applicant may request mediation by
10 the State Board of Education.

11 (c) If the school district board and the applicant are unable to reach an agreement following
12 mediation as described in paragraph (b) of this subsection, the proposal submitted under ORS
13 338.045, without the change that was the subject of mediation, shall be the proposal that governs
14 the public charter school and:

15 (A) The parties may execute the charter for the public charter school based on the proposal;

16 (B) The applicant may withdraw the proposal; or

17 (C) The school district board may disapprove the proposal.

18 [(7)] **(9)** Before an existing public school is converted to a public charter school, the proposal
19 for the conversion must be approved by the school district board of the public school.

20 [(8)] **(10)** Entities described in ORS 338.005 (5) may not charge any fee to applicants for the
21 proposal process.

22 [(9)] **(11)** Upon request by a school district, the State Board of Education may grant an extension
23 of any timeline required by this section if the district has good cause for requesting the extension.

24 **SECTION 9. If House Bill 2150 becomes law, sections 5 and 6, chapter 265, Oregon Laws**
25 **2013 (Enrolled House Bill 2150) (both amending ORS 338.075), are repealed and ORS 338.075,**
26 **as amended by section 29, chapter 718, Oregon Laws 2011, section 5, chapter 91, Oregon Laws**
27 **2012, and section 5 of this 2013 Act, is amended to read:**

28 338.075. (1) If a school district board [*does not approve*] **disapproves** a proposal to [*start*] **es-**
29 **tablish** a public charter school **following reconsideration of a proposal** pursuant to ORS 338.055
30 **(7)**, the applicant may:

31 (a) Request that the State Board of Education review the decision of the school district board;
32 or

33 (b) Submit a proposal to an institution of higher education.

34 **(2)(a) If the State Board of Education reviews a decision of the school district board, as**
35 **provided by subsection (1)(a) of this section, the State Board of Education may review the**
36 **decision only to determine whether:**

37 **(A) The school district board used the process required by ORS 338.055 in denying the**
38 **proposal;**

39 **(B) The proposal meets the criteria described in ORS 338.055 (4); and**

40 **(C) The reasons stated by the school district board for the denial are valid.**

41 **(b) Following a review described in paragraph (a) of this subsection, the State Board of**
42 **Education may:**

43 **(A) Uphold the decision of the school district board to disapprove the proposal;**

44 **(B) Remand the proposal to the school district board for reconsideration if the school**
45 **district board and applicant agree to the remand; or**

1 **(C) Consider becoming the sponsor of the public charter school if the applicant agrees**
2 **to the sponsorship.**

3 *[(2) Upon receipt of a request for review, the State Board of Education:]*

4 *[(a) May recommend to the applicant and school district board revisions to the proposal.]*

5 *[(b) If the school district board does not accept the revisions to the proposal and the applicant*
6 *agrees to the sponsorship, may become the sponsor of the public charter school.]*

7 *[(3) Upon receipt of a request for review, in addition to actions described in subsection (2) of this*
8 *section and at any time during the review process, the State Board of Education may reject a proposal*
9 *to start a public charter school if the school fails to meet the requirements of this chapter.]*

10 **[(4)] (3)** An applicant may seek judicial review of an order of the State Board of Education
11 pursuant to ORS 183.484. If the court finds that the decision of the State Board of Education is not
12 supported by substantial evidence in the record, the court shall enter a judgment directing the State
13 Board of Education to sponsor the public charter school.

14 **[(5)(a)] (4)(a)** An applicant seeking sponsorship by an institution of higher education may submit
15 to the institution of higher education the same proposal that was submitted to the school district
16 board under ORS 338.045 or a proposal that is modified to take into consideration the character-
17 istics of the institution of higher education evaluating the proposal under this subsection.

18 (b) An institution of higher education may evaluate a proposal upon receipt. If the institution
19 of higher education evaluates the proposal, the institution of higher education shall:

20 (A) Approve or disapprove the proposal using the criteria described in ORS 338.055 (4)(b) to (h)
21 and approve the proposal only if the institution of higher education may become a sponsor as pro-
22 vided by paragraphs (e) and (f) of this subsection; or

23 (B) Disapprove the proposal based on the institution's determination that the proposal does not
24 align with the mission of the institution of higher education.

25 (c)(A) The following decisions by an institution of higher education are final and not subject to
26 appeal:

27 (i) Whether to evaluate a proposal for a public charter school; and

28 (ii) The approval or disapproval of a proposal for a public charter school.

29 (B) The process by which an institution of higher education makes a decision described in sub-
30 paragraph (A) of this paragraph is not subject to appeal.

31 (d) If an institution of higher education evaluates a proposal, the institution of higher education
32 must approve the proposal or, if disapproving the proposal, state in writing the reasons for disap-
33 proving the proposal within 60 days after receiving the proposal.

34 (e) An institution of higher education may approve a proposal evaluated under this subsection
35 only if the main campus of the institution of higher education is located within 25 miles of the
36 proposed public charter school, based on the nearest traveled road.

37 (f) An institution of higher education may become a sponsor of only one public charter school
38 in this state, regardless of the number of campuses or locations of the institution of higher educa-
39 tion.

40 (g) If a public charter school has a sponsor that is an institution of higher education and the
41 public charter school enters into a contract with a third-party entity to provide educational services
42 for the public charter school:

43 (A) A member of the governing body of the public charter school or the governing body of the
44 sponsor may not be an employee of the third-party entity, be a member of the governing board of
45 the third-party entity or be any other representative of the third-party entity;

1 (B) An employee or a member of the governing board of the third-party entity may not attend
2 an executive session of the sponsor;

3 (C) An employee of the public charter school may not promote the sale or benefits of private
4 supplemental services or classes offered by the third-party entity; and

5 (D) The educational services provided by the third-party entity must comply with state standards
6 and requirements, and any provision of the contract with the third-party entity that does not allow
7 for the provision of educational services that comply with state standards and requirements is void.

8 **SECTION 10.** If House Bill 2150 becomes law, ORS 338.075, as amended by section 29, chapter
9 718, Oregon Laws 2011, section 5, chapter 91, Oregon Laws 2012, and sections 5 and 9 of this 2013
10 Act, is amended to read:

11 338.075. (1) If a school district board disapproves a proposal to establish a public charter school
12 following reconsideration of a proposal pursuant to ORS 338.055 (7), the applicant may[:]

13 [(a)] request that the State Board of Education review the decision of the school district
14 board[; or]

15 [(b) *Submit a proposal to an institution of higher education.*]

16 (2)(a) If the State Board of Education reviews a decision of the school district board, as provided
17 by subsection (1)(a) of this section, the State Board of Education may review the decision only to
18 determine whether:

19 (A) The school district board used the process required by ORS 338.055 in denying the proposal;

20 (B) The proposal meets the criteria described in ORS 338.055 (4); and

21 (C) The reasons stated by the school district board for the denial are valid.

22 (b) Following a review described in paragraph (a) of this subsection, the State Board of Educa-
23 tion may:

24 (A) Uphold the decision of the school district board to disapprove the proposal;

25 (B) Remand the proposal to the school district board for reconsideration if the school district
26 board and applicant agree to the remand; or

27 (C) Consider becoming the sponsor of the public charter school if the applicant agrees to the
28 sponsorship.

29 (3) An applicant may seek judicial review of an order of the State Board of Education pursuant
30 to ORS 183.484. If the court finds that the decision of the State Board of Education is not supported
31 by substantial evidence in the record, the court shall enter a judgment directing the State Board
32 of Education to sponsor the public charter school.

33 [(4)(a) *An applicant seeking sponsorship by an institution of higher education may submit to the*
34 *institution of higher education the same proposal that was submitted to the school district board under*
35 *ORS 338.045 or a proposal that is modified to take into consideration the characteristics of the insti-*
36 *tution of higher education evaluating the proposal under this subsection.*]

37 [(b) *An institution of higher education may evaluate a proposal upon receipt. If the institution of*
38 *higher education evaluates the proposal, the institution of higher education shall:*]

39 [(A) *Approve or disapprove the proposal using the criteria described in ORS 338.055 (4)(b) to (h)*
40 *and approve the proposal only if the institution of higher education may become a sponsor as provided*
41 *by paragraphs (e) and (f) of this subsection; or]*

42 [(B) *Disapprove the proposal based on the institution's determination that the proposal does not*
43 *align with the mission of the institution of higher education.*]

44 [(c)(A) *The following decisions by an institution of higher education are final and not subject to*
45 *appeal:*]

1 [(i) Whether to evaluate a proposal for a public charter school; and]

2 [(ii) The approval or disapproval of a proposal for a public charter school.]

3 [(B) The process by which an institution of higher education makes a decision described in sub-
4 paragraph (A) of this paragraph is not subject to appeal.]

5 [(d) If an institution of higher education evaluates a proposal, the institution of higher education
6 must approve the proposal or, if disapproving the proposal, state in writing the reasons for disap-
7 proving the proposal within 60 days after receiving the proposal.]

8 [(e)] **(4)(a)** An institution of higher education may [approve a proposal evaluated under this sub-
9 section] **sponsor a public charter school** only if:

10 **(A)** The main campus of the institution of higher education is located within 25 miles of the
11 proposed public charter school, based on the nearest traveled road[.]; **and**

12 **(B) The institution of higher education first became a sponsor of the public charter
13 school prior to July 1, 2017.**

14 [(f)] **(b)** An institution of higher education may [become a sponsor of] **sponsor** only one public
15 charter school in this state, regardless of the number of campuses or locations of the institution of
16 higher education.

17 [(g)] **(c)** If a public charter school has a sponsor that is an institution of higher education and
18 the public charter school enters into a contract with a third-party entity to provide educational
19 services for the public charter school:

20 **(A)** A member of the governing body of the public charter school or the governing body of the
21 sponsor may not be an employee of the third-party entity, be a member of the governing board of
22 the third-party entity or be any other representative of the third-party entity;

23 **(B)** An employee or a member of the governing board of the third-party entity may not attend
24 an executive session of the sponsor;

25 **(C)** An employee of the public charter school may not promote the sale or benefits of private
26 supplemental services or classes offered by the third-party entity; and

27 **(D)** The educational services provided by the third-party entity must comply with state standards
28 and requirements, and any provision of the contract with the third-party entity that does not allow
29 for the provision of educational services that comply with state standards and requirements is void.

30 **SECTION 11. If House Bill 2150 becomes law, section 4 of this 2013 Act (amending section**
31 **12, chapter 695, Oregon Laws 2011) is repealed and section 12, chapter 695, Oregon Laws 2011,**
32 **as amended by section 30, chapter 718, Oregon Laws 2011, is amended to read:**

33 **Sec. 12.** [(1) The amendments to ORS 338.055 and 338.075 by section 10, chapter 695, Oregon Laws
34 2011 (Enrolled House Bill 3645), and section 29 of this 2011 Act become operative on July 1, 2017.]

35 **(1) The amendments to ORS 338.075 by section 29, chapter 718, Oregon Laws 2011, become**
36 **operative on the effective date of this 2013 Act.**

37 **(2) The amendments to ORS 338.075 by section 10 of this 2013 Act become operative on**
38 **July 1, 2017.**

39 **(3) The amendments to ORS 338.055 by section 10, chapter 695, Oregon Laws 2011, become**
40 **operative on July 1, 2017.**

41 [(2)] **(4)** Nothing in the amendments to ORS 338.055 and 338.075 by section 10, chapter 695,
42 Oregon Laws 2011 [(Enrolled House Bill 3645), and section 29 of this 2011 Act] **and section 10 of**
43 **this 2013 Act** affects the ability of an institution of higher education to continue to sponsor a public
44 charter school if the institution of higher education became the sponsor of the public charter school
45 prior to July 1, 2017.

1 **SECTION 12.** If House Bill 2150 becomes law, ORS 338.065, as amended by section 8, chapter
2 265, Oregon Laws 2013 (Enrolled House Bill 2150), is amended to read:

3 338.065. (1)(a) Upon approval of a proposal by a school district board under ORS 338.055, the
4 school district board shall become the sponsor of the public charter school.

5 (b) Pursuant to ORS 338.075 (2) or (3), the State Board of Education shall become the sponsor
6 of the public charter school.

7 (c) Pursuant to ORS 338.075 (4), the institution of higher education shall become the sponsor of
8 the public charter school.

9 (2) The sponsor and the applicant shall develop a written charter that contains the provisions
10 of the proposal that have been duly approved by the sponsor and public charter school governing
11 body. As provided by ORS 338.055 [(6)] (8), the sponsor and the applicant may agree to change ele-
12 ments of the proposal prior to incorporating them into the charter. The charter, when duly executed
13 by the sponsor and the public charter school governing body, shall act as the legal authorization for
14 the establishment of the public charter school. The charter shall be legally binding on both the
15 sponsor and the public charter school governing body.

16 (3) The sponsor and the public charter school governing body may amend a charter by joint
17 agreement.

18 (4)(a) The initial charter shall be in effect for a period of not more than five years and shall be
19 renewed upon the authorization of the sponsor using the process established under this section.

20 (b) The first renewal of a charter shall be for the same time period as the initial charter.

21 (c) Subsequent renewals of a charter shall be for a minimum of five years but may not exceed
22 10 years.

23 (5)(a) The renewal of a charter shall use the process required by this section.

24 (b) The public charter school governing body shall submit a written renewal request to the
25 sponsor for consideration at least 180 days prior to the expiration of the charter.

26 (c) Within 45 days after receiving a written renewal request from a public charter school gov-
27 erning body, the sponsor shall hold a public hearing regarding the request for renewal.

28 (d) Within 30 days after the public hearing, the sponsor shall approve the renewal of the charter
29 or state in writing the reasons for denying the renewal of the charter.

30 (e) If the sponsor approves the renewal of the charter, the sponsor and the public charter school
31 governing body shall negotiate a new charter within 90 days after the date on which the sponsor
32 approved the renewal of the charter unless the sponsor and the public charter school governing
33 body agree to an extension of the time period.

34 (f) If the sponsor does not renew the charter, the public charter school governing body may
35 address the reasons stated under paragraph (d) of this subsection and any remedial measures sug-
36 gested by the sponsor and submit a revised request for renewal to the sponsor.

37 (g) Notwithstanding paragraphs (b) to (f) of this subsection, a sponsor and a public charter
38 school governing body may agree in the charter of the school to a timeline for renewing the charter
39 that is different from the timeline required by paragraphs (b) to (f) of this subsection.

40 (6)(a) If the sponsor does not renew the charter based on the revised request for renewal sub-
41 mitted under subsection (5)(f) of this section, the public charter school governing body may appeal
42 the decision of the sponsor to the State Board of Education for a review of whether the sponsor used
43 the process required by this section in denying the renewal of the charter.

44 (b) If the state board finds that the sponsor used the process required by this section in denying
45 the request for renewal, the state board shall affirm the decision of the sponsor. A public charter

1 school governing body may seek judicial review of an order of the state board pursuant to ORS
2 183.484.

3 (c) If the state board finds that the sponsor did not use the process required by this section in
4 denying the request for renewal, the state board shall order the sponsor to reconsider the request
5 for renewal.

6 (d) If after reconsideration pursuant to paragraph (c) of this subsection the sponsor does not
7 renew the charter, the public charter school governing body may seek judicial review of an order
8 of the sponsor pursuant to ORS 183.484.

9 (7) If the State Board of Education is the sponsor of a public charter school and the state board
10 does not renew the charter based on the revised request for renewal submitted under subsection
11 (5)(f) of this section, the public charter school governing body may seek judicial review of an order
12 of the state board pursuant to ORS 183.484 for a review of whether the state board used the process
13 required by this section in denying the request for renewal.

14 (8)(a) The sponsor shall base the charter renewal decision on a good faith evaluation of whether
15 the public charter school:

16 (A) Is in compliance with this chapter and all other applicable state and federal laws;

17 (B) Is in compliance with the charter of the public charter school;

18 (C) Is meeting or working toward meeting the student performance goals and agreements spec-
19 ified in the charter or any other written agreements between the sponsor and the public charter
20 school governing body;

21 (D) Is fiscally stable and has used the sound financial management system described in the
22 proposal submitted under ORS 338.045 and incorporated into the written charter under this section;
23 and

24 (E) Is in compliance with any renewal criteria specified in the charter of the public charter
25 school.

26 (b) The sponsor shall base the renewal evaluation described in paragraph (a) of this subsection
27 primarily on a review of the public charter school's annual performance reports, annual audit of
28 accounts and annual site visit and review as required by ORS 338.095 and any other information
29 mutually agreed upon by the public charter school governing body and the sponsor.

30 **SECTION 13.** If House Bill 2150 becomes law, section 7, chapter 265, Oregon Laws 2013 (En-
31 rolled House Bill 2150), is amended to read:

32 **Sec. 7.** The amendments to ORS 338.035[,] and 338.045[, 338.055 and 338.075 by sections 1 to 6
33 of this 2011 Act] by sections 1 and 2, chapter 265, Oregon Laws 2013 (Enrolled House Bill 2150)
34 and to ORS 338.055 and 338.075 by sections 7 to 10 of this 2013 Act first apply to proposals re-
35 ceived on or after the effective date of this 2013 Act.

36