

House Bill 2153

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 **as introduced**.

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.

Requires public charter school sponsored by State Board of Education to submit, in certain instances, request for change in sponsorship to school district board of school district in which public charter school is located.

A BILL FOR AN ACT

1
2 Relating to public charter schools; creating new provisions; and amending ORS 338.055, 338.065,
3 338.075 and 338.125 and section 12, chapter 695, Oregon Laws 2011.

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

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

6 338.055. (1) **A school district board that receives a written proposal from an applicant**
7 **seeking to establish a public charter school must conduct a public hearing and make a good**
8 **faith evaluation of the proposal as described in subsections (3) and (4) of this section unless**
9 **the provisions of subsection (2) of this section apply.**

10 (2)(a) **If more than three percent of the students who reside in a school district are en-**
11 **rolled in a public charter school located in the school district, the school district board may**
12 **place limitations on the proposals the school district board will evaluate. For the purpose of**
13 **making the calculation under this paragraph, the school district board shall not include**
14 **students who are not required to attend public full-time schools as provided by ORS 339.030.**

15 (b) **A school district board may place limitations on the proposals the school district**
16 **board will evaluate by deciding to evaluate only proposals that seek to advance one or more**
17 **educational goals identified by the school district board. When identifying educational goals,**
18 **the school district board may prescribe a maximum number of students to be served by**
19 **public charter schools in the advancement of each educational goal.**

20 (c) **A school district board shall annually determine whether to place limitations on the**
21 **proposals the school district board will evaluate, and shall identify the educational goals that**
22 **proposals for public charter schools should seek to advance. The determination and identifi-**
23 **cation are valid for one year, except that a school district board may decide at any time to**
24 **no longer place limitations on the proposals the school district board will consider. Nothing**
25 **in this paragraph prevents a school district board from identifying the same educational**
26 **goals for two or more successive years.**

27 (d) **Any proposal submitted to a school district board that has determined to place limi-**
28 **tations on the proposals the school district board will evaluate must include a description**

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 of how the public charter school will advance an educational goal identified by the school
 2 district board. Advancement of the educational goal shall be an element of the charter.
 3 Failure to make reasonable progress toward the advancement of an educational goal may be
 4 grounds for termination of the charter. Whether a public charter school is making reason-
 5 able progress shall be determined by the school district board.

6 (e) The following decisions of a school district board are final and not subject to appeal:

7 (A) The determination that a proposal does not advance an educational goal identified by
 8 the school district board; and

9 (B) The determination that the public charter school is not making reasonable progress
 10 toward the advancement of an educational goal.

11 [(1)] (3) Within 60 days of receipt of a proposal submitted under ORS 338.045, the school district
 12 board shall hold a public hearing on the provisions of the proposal.

13 [(2)] (4) The school district board shall evaluate a proposal in good faith using the following
 14 criteria:

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

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

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

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

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

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

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

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

34 [(3)] (5) The school district board must approve a proposal or state in writing the reasons for
 35 disapproving a proposal within 30 days after the public hearing held under subsection [(1)] (3) of this
 36 section.

37 [(4)] (6) Written notice of the school district board's action shall be sent to the applicant. If the
 38 proposal is not approved, the reasons for the denial and suggested remedial measures, if any, shall
 39 be clearly stated in the notice sent by the school district board to the applicant. If the proposal is
 40 not approved, the applicant may amend the proposal to address objections and any suggested reme-
 41 dial measures and resubmit the proposal to the school district board. The school district board shall
 42 approve or disapprove the resubmitted proposal within 20 days after receiving it. If the proposal is
 43 not approved, the applicant may:

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

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

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

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

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

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

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

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

(2)(a) If more than three percent of the students who reside in a school district are enrolled in a public charter school located in the school district, the school district board may place limitations on the proposals the school district board will evaluate. For the purpose of making the calculation under this paragraph, the school district board shall not include students who are not required to attend public full-time schools as provided by ORS 339.030.

(b) A school district board may place limitations on the proposals the school district board will evaluate by deciding to evaluate only proposals that seek to advance one or more educational goals identified by the school district board. When identifying educational goals, the school district board may prescribe a maximum number of students to be served by public charter schools in the advancement of each educational goal.

(c) A school district board shall annually determine whether to place limitations on the proposals the school district board will evaluate, and shall identify the educational goals that proposals for public charter schools should seek to advance. The determination and identification are valid for one year, except that a school district board may decide at any time to no longer place limitations on the proposals the school district board will consider. Nothing in this paragraph prevents a school district board from identifying the same educational goals for two or more successive years.

(d) Any proposal submitted to a school district board that has determined to place limitations on the proposals the school district board will evaluate must include a description of how the public charter school will advance an educational goal identified by the school district board. Advancement of the educational goal shall be an element of the charter. Failure to make reasonable progress towards the advancement of an educational goal may be grounds for termination of the charter. Whether a public charter school is making reasonable progress shall be determined by the school district board.

(e) The following decisions of a school district board are final and not subject to appeal:

(A) The determination that a proposal does not advance an educational goal identified by the school district board; and

(B) The determination that the public charter school is not making reasonable progress towards the advancement of an educational goal.

[(1)] (3) Within 60 days of receipt of a proposal submitted under ORS 338.045, the school district

1 board shall hold a public hearing on the provisions of the proposal.

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

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

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

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

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

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

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

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

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

23 [(3)] (5) The school district board must approve a proposal or state in writing the reasons for
24 disapproving a proposal within 30 days after the public hearing held under subsection [(1)] (3) of this
25 section.

26 [(4)] (6) Written notice of the school district board's action shall be sent to the applicant. If the
27 proposal is not approved, the reasons for the denial and suggested remedial measures, if any, shall
28 be clearly stated in the notice sent by the school district board to the applicant. If the proposal is
29 not approved, the applicant may amend the proposal to address objections and any suggested reme-
30 dial measures and resubmit the proposal to the school district board. The school district board shall
31 approve or disapprove the resubmitted proposal within 20 days after receiving it. If the proposal is
32 not approved, the applicant may appeal the decision of the school district board to the State Board
33 of Education.

34 [(5)] (7) Individual elements in a public charter school proposal may be changed through the
35 proposal and chartering process.

36 [(6)] (8) A proposal to convert an existing public school to a public charter school must be ap-
37 proved by the school district board of the public school.

38 [(7)] (9) Entities described in ORS 338.005 (5) may not charge any fee to applicants for the pro-
39 posal process.

40 [(8)] (10) Upon request by a school district, the State Board of Education may grant an extension
41 of any timeline required by this section if the district has good cause for requesting the extension.

42 **SECTION 3.** ORS 338.065 is amended to read:

43 338.065. (1)(a) Upon approval of a proposal by a school district board under ORS 338.055, the
44 school district board shall become the sponsor of the public charter school.

45 (b) Pursuant to ORS 338.075 (2) or (4), the State Board of Education shall become the sponsor

1 of the public charter school.

2 (c) Pursuant to ORS 338.075 (5), the institution of higher education shall become the sponsor of
 3 the public charter school.

4 (2) The sponsor and the applicant shall develop a written charter that contains the provisions
 5 of the proposal that have been duly approved by the sponsor and public charter school governing
 6 body. The sponsor and the applicant may agree to change elements of the proposal prior to incor-
 7 porating them into the charter or exclude elements of the proposal from the charter. The charter,
 8 when duly executed by the sponsor and the public charter school governing body, shall act as the
 9 legal authorization for the establishment of the public charter school. The charter shall be legally
 10 binding on both the sponsor and the public charter school governing body.

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

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

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

16 (c) Subsequent renewals of a charter shall be for a minimum of five years but may not exceed
 17 10 years.

18 **(d) Notwithstanding the term of a charter, the public charter school governing body of**
 19 **a public charter school sponsored by the State Board of Education may submit a request for**
 20 **a change in sponsorship to the school district board of the school district in which the public**
 21 **charter school is located. A request may be submitted any time after the public charter**
 22 **school has been in operation for one year, but may be submitted only once every 12 months.**
 23 **The school district board shall review the request as though the charter is being renewed**
 24 **and shall follow the process described in subsection (6)(c) to (f) of this section. Any decision**
 25 **by the school district board under this paragraph is final and not subject to review. The**
 26 **charter with the State Board of Education shall terminate upon the effective date of a**
 27 **charter entered into with a school district.**

28 **(5)(a) At least one year prior to the expiration of a charter that is sponsored by the State**
 29 **Board of Education, the public charter school governing body shall submit a request for a**
 30 **change in sponsorship to the school district board of the school district in which the public**
 31 **charter school is located. The school district board shall review the request as though the**
 32 **charter is being renewed and shall follow the process described in subsection (6)(c) to (f) of**
 33 **this section. Any decision by the school district board under this paragraph is final and not**
 34 **subject to review. The charter with the State Board of Education shall terminate upon the**
 35 **effective date of a charter entered into with a school district.**

36 **(b) If a school district board does not approve a request for a change of sponsorship, the**
 37 **governing body of a public charter school may seek renewal of the charter as provided by**
 38 **subsection (6) of this section.**

39 [(5)(a)] **(6)(a)** The renewal of a charter shall use the process required by this [section] **sub-**
 40 **section.**

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

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

45 (d) Within 10 days after the public hearing, the sponsor shall notify the public charter school

1 governing body of the sponsor's intent about the renewal of the charter.

2 (e) Within 20 days after the public hearing, the sponsor shall approve the renewal of the charter
 3 or state in writing the reasons for denying the renewal of the charter.

4 (f) If the sponsor approves the renewal of the charter, the sponsor and the public charter school
 5 governing body shall negotiate a new charter within 90 days after the date on which the sponsor
 6 approved the renewal of the charter unless the sponsor and the public charter school governing
 7 body agree to an extension of the time period.

8 (g) If the sponsor does not renew the charter, the public charter school governing body may
 9 address the reasons stated under paragraph (e) of this subsection and any remedial measures sug-
 10 gested by the sponsor and submit a revised request for renewal to the sponsor.

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

14 [(6)(a)] **(7)(a)** If the sponsor does not renew the charter based on the revised request for renewal
 15 submitted under subsection [(5)(g)] **(6)(g)** of this section, the public charter school governing body
 16 may appeal the decision of the sponsor to the State Board of Education for a review of whether the
 17 sponsor used the process required by this section in denying the renewal of the charter.

18 (b) If the state board finds that the sponsor used the process required by this section in denying
 19 the request for renewal, the state board shall affirm the decision of the sponsor. A public charter
 20 school governing body may seek judicial review of an order of the state board pursuant to ORS
 21 183.484.

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

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

28 [(7)] **(8)** If the State Board of Education is the sponsor of a public charter school and the state
 29 board does not renew the charter based on the revised request for renewal submitted under sub-
 30 section [(5)(g)] **(6)(g)** of this section, the public charter school governing body may seek judicial re-
 31 view of an order of the state board pursuant to ORS 183.484 for a review of whether the state board
 32 used the process required by this section in denying the request for renewal.

33 [(8)(a)] **(9)(a)** The sponsor shall base the charter renewal decision on a good faith evaluation of
 34 whether the public charter school:

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

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

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

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

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

45 (b) The sponsor shall base the renewal evaluation described in paragraph (a) of this subsection

1 primarily on a review of the public charter school’s annual performance reports, annual audit of
 2 accounts and annual site visit and review as required by ORS 338.095 and any other information
 3 mutually agreed upon by the public charter school governing body and the sponsor.

4 **SECTION 4. The amendments to ORS 338.065 by section 3 of this 2013 Act apply to**
 5 **charters that expire on or after January 1, 2015.**

6 **SECTION 5.** ORS 338.125 is amended to read:

7 338.125. (1) Student enrollment in a public charter school is voluntary.

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

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

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

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

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

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

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

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

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

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

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

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

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

45 (i) **Include any students who** reside in the school district, regardless of whether the students

1 are considered residents of different school districts as provided by ORS 339.133 (5); *[and]*

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

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

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

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

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

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

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

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

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

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

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

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

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

39 (8)(a) If a student described in subsection (5) of this section enrolls in a public charter school
40 and has an individualized education program, the school district in which the public charter school
41 is located must implement the individualized education program and follow the terms of the indi-
42 vidualized education program until a new individualized education program is developed.

43 (b) If a student described in subsection (5) of this section withdraws from a public charter school
44 and has an individualized education program, the school district in which the student resides must
45 implement the individualized education program and follow the terms of the individualized education

1 program until a new individualized education program is developed.

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

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

7 **SECTION 6.** Section 12, chapter 695, Oregon Laws 2011, as amended by section 30, chapter 718,
8 Oregon Laws 2011, is amended to read:

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

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

13 **(2) The amendments to ORS 338.075 by section 8 of this 2013 Act become operative on**
14 **July 1, 2017.**

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

17 [(2)] **(4) Nothing in the amendments to ORS 338.055 and 338.075 by section 10, chapter 695,**
18 **Oregon Laws 2011 [(Enrolled House Bill 3645), and section 29 of this 2011 Act] and section 8 of this**
19 **2013 Act affects the ability of an institution of higher education to continue to sponsor a public**
20 **charter school if the institution of higher education became the sponsor of the public charter school**
21 **prior to July 1, 2017.**

22 **SECTION 7.** ORS 338.075, as amended by section 29, chapter 718, Oregon Laws 2011, and sec-
23 tion 5, chapter 91, Oregon Laws 2012, is amended to read:

24 338.075. (1) If a school district board does not approve a proposal to start a public charter
25 school pursuant to ORS 338.055, the applicant may:

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

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

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

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

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

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

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

40 **(5)(a) An applicant seeking sponsorship by an institution of higher education may submit**
41 **to the institution of higher education the same proposal that was submitted to the school**
42 **district board under ORS 338.045 or a proposal that is modified to take into consideration the**
43 **characteristics of the institution of higher education evaluating the proposal under this**
44 **subsection.**

45 **(b) An institution of higher education may evaluate a proposal upon receipt. If the insti-**

1 **tution of higher education evaluates the proposal, the institution of higher education shall:**

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

5 **(B) Disapprove the proposal based on the institution’s determination that the proposal**
 6 **does not align with the mission of the institution of higher education.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

38 **SECTION 8. ORS 338.075, as amended by section 29, chapter 718, Oregon Laws 2011, section**
 39 **5, chapter 91, Oregon Laws 2012, and section 7 of this 2013 Act, is amended to read:**

40 **338.075. (1) If a school district board does not approve a proposal to start a public charter**
 41 **school pursuant to ORS 338.055, the applicant may[.]**

42 *[(a)]* request that the State Board of Education review the decision of the school district
 43 board[; or]

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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