

**SENATE AMENDMENTS TO  
B-ENGROSSED HOUSE BILL 2153  
(INCLUDING AMENDMENTS TO RESOLVE CONFLICTS)**

By COMMITTEE ON RULES

June 28

1 On page 1 of the printed B-engrossed bill, line 2, after “338.055,” insert “338.065,”.

2 In line 3, after “2011” insert “, and section 7, chapter 265, Oregon Laws 2013 (Enrolled House  
3 Bill 2150); and repealing sections 5 and 6, chapter 265, Oregon Laws 2013 (Enrolled House Bill  
4 2150)”.

5 On page 2, delete lines 16 through 20 and insert:

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

8 On page 4, delete lines 12 through 16 and insert:

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

11 On page 10, after line 15, insert:

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13 338.055) is repealed and ORS 338.055, as amended by section 3, chapter 265, Oregon Laws 2013  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  
16 board 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  
27 subsection, the applicant may appeal the decision to the State Board of Education. The State Board  
28 of Education may review the proposal only for completeness and may determine that the proposal  
29 is:

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

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

32 **“(2)(a) When reviewing a proposal to determine whether the proposal is complete, a  
33 school district board may include a review of educational goals as provided by this sub-  
34 section.**

1       **“(b) A school district board may review a proposal for educational goals only if:**  
2       **“(A) More than three percent of the students who reside in the school district are en-**  
3 **rolled in a public charter school located in the school district; and**  
4       **“(B) Three or more public charter schools are located in the school district.**  
5       **“(c) For the purpose of making the calculation under paragraph (b)(A) of this subsection,**  
6 **the school district board may not include students who are not required to attend public**  
7 **full-time schools as provided by ORS 339.030.**  
8       **“(d) A school district board that is allowed to review proposals for educational goals as**  
9 **provided by paragraph (b) of this subsection shall annually decide whether to review pro-**  
10 **posals for educational goals. The decision is valid for two years unless the school district**  
11 **board decides after one year to no longer review proposals for educational goals.**  
12       **“(e) If a school district board reviews proposals for educational goals, the school district**  
13 **board must identify one or more educational goals the school district board will use when**  
14 **reviewing proposals. The identification is valid for two years, except that a school district**  
15 **board may decide after one year to modify the educational goals. The school district board**  
16 **shall forward a copy of the educational goals, and any modifications of the educational goals,**  
17 **to the State Board of Education.**  
18       **“(f) A school district board that reviews proposals for educational goals shall review**  
19 **proposals to determine whether the proposals advance one or more of the educational goals**  
20 **identified by the school district board under paragraph (e) of this subsection. The school**  
21 **district board may consider a proposal to be incomplete if the proposal does not advance one**  
22 **or more of the educational goals.**  
23       **“(g) Any proposal submitted to a school district board that reviews proposals for educa-**  
24 **tional goals must include a description of how the public charter school will advance one or**  
25 **more of the educational goals identified by the school district board under paragraph (e) of**  
26 **this subsection. Advancement of the educational goals shall be an element of the charter.**  
27 **Failure to make reasonable progress toward the advancement of an educational goal may be**  
28 **grounds for termination of the charter. Whether a public charter school is making reason-**  
29 **able progress shall be determined by the school district board.**  
30       **“[(2)] (3) Within 60 days after receipt of a completed proposal, the school district board shall**  
31 **hold a public hearing on the provisions of the proposal.**  
32       **“[(3)] (4) The school district board shall evaluate a proposal in good faith using the following**  
33 **criteria:**  
34       **“(a) The demonstrated, sustainable support for the public charter school by teachers, parents,**  
35 **students and other community members, including comments received at the public hearing held**  
36 **under subsection [(2)] (3) of this section;**  
37       **“(b) The demonstrated financial stability of the public charter school, including the demon-**  
38 **strated ability of the school to have a sound financial management system that is in place at the**  
39 **time the school begins operating and that meets the requirements of ORS 338.095 (1);**  
40       **“(c) The capability of the applicant, in terms of support and planning, to provide comprehensive**  
41 **instructional programs to students pursuant to an approved proposal;**  
42       **“(d) The capability of the applicant, in terms of support and planning, to specifically provide,**  
43 **pursuant to an approved proposal, comprehensive instructional programs to students identified by**  
44 **the applicant as academically low achieving;**  
45       **“(e) The adequacy of the information provided as required by ORS 338.045 (2) and (3);**

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

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

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

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

12 “[~~(4)~~] **(6)** The school district board must approve a proposal or state in writing the reasons for  
13 disapproving a proposal within 30 days after the public hearing held under subsection [~~(2)~~] **(3)** of this  
14 section.

15 “[~~(5)(a)~~] **(7)(a)** Written notice of the school district board’s action shall be sent to the applicant.  
16 If the proposal is not approved:

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

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

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

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

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

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

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

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

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

31 “(d) Following a review described in paragraph (c) of this subsection, the State Board of Edu-  
32 cation may:

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

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

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

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

41 “(c) If the school district board and the applicant are unable to reach an agreement following  
42 mediation as described in paragraph (b) of this subsection, the proposal submitted under ORS  
43 338.045, without the change that was the subject of mediation, shall be the proposal that governs  
44 the public charter school and:

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

1 “(B) The applicant may withdraw the proposal; or  
2 “(C) The school district board may disapprove the proposal.  
3 “[7] (9) Before an existing public school is converted to a public charter school, the proposal  
4 for the conversion must be approved by the school district board of the public school.  
5 “[8] (10) Entities described in ORS 338.005 (5) may not charge any fee to applicants for the  
6 proposal process.  
7 “[9] (11) Upon request by a school district, the State Board of Education may grant an exten-  
8 sion of any timeline required by this section if the district has good cause for requesting the ex-  
9 tension.  
10 **“SECTION 8. If House Bill 2150 becomes law, section 2 of this 2013 Act (amending ORS**  
11 **338.055) is repealed and ORS 338.055, as amended by section 10, chapter 695, Oregon Laws**  
12 **2011, and section 4, chapter 265, Oregon Laws 2013 (Enrolled House Bill 2150), is amended to**  
13 **read:**  
14 “338.055. (1)(a) Upon receipt of a proposal submitted under ORS 338.045, the school district  
15 board shall determine whether the proposal is complete. A proposal is complete if the proposal:  
16 “(A) Addresses, at least minimally, each element required by ORS 338.045 (2) and (3)[.]; and  
17 “(B) **Advances one or more educational goals identified by the school district board, if**  
18 **applicable under the provisions of subsection (2) of this section.**  
19 “(b) The school district board shall notify an applicant within 30 days after receipt of a proposal  
20 if the proposal is not complete and identify the specific elements of the proposal that are not com-  
21 plete. The school district board shall provide the applicant with a reasonable opportunity to com-  
22 plete the proposal.  
23 “(c) A proposal may be disapproved if the applicant has received a reasonable opportunity to  
24 complete the proposal and the applicant does not provide a proposal that is complete.  
25 “(d) If the school district board disapproves a proposal as provided by paragraph (c) of this  
26 subsection, the applicant may appeal the decision to the State Board of Education. The State Board  
27 of Education may review the proposal only for completeness and may determine that the proposal  
28 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**  
32 **school district board may include a review of educational goals as provided by this sub-**  
33 **section.**  
34 “(b) **A school district board may review a proposal for educational goals only if:**  
35 “(A) **More than three percent of the students who reside in the school district are en-**  
36 **rolled in a public charter school located in the school district; and**  
37 “(B) **Three or more public charter schools are located in the school district.**  
38 “(c) **For the purpose of making the calculation under paragraph (b)(A) of this subsection,**  
39 **the school district board may not include students who are not required to attend public**  
40 **full-time schools as provided by ORS 339.030.**  
41 “(d) **A school district board that is allowed to review proposals for educational goals as**  
42 **provided by paragraph (b) of this subsection shall annually decide whether to review pro-**  
43 **posals for educational goals. The decision is valid for two years unless the school district**  
44 **board decides after one year to no longer review proposals for educational goals.**  
45 “(e) **If a school district board reviews proposals for educational goals, the school district**

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

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

11 “(g) Any proposal submitted to a school district board that reviews proposals for educa-  
12 tional goals must include a description of how the public charter school will advance one or  
13 more of the educational goals identified by the school district board under paragraph (e) of  
14 this subsection. Advancement of the educational goals 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 “[2] (3) Within 60 days after receipt of a completed proposal, the school district board shall  
19 hold a public hearing on the provisions of the proposal.

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

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

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

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

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

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

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

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

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

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

45 “[4] (6) The school district board must approve a proposal or state in writing the reasons for

1 disapproving a proposal within 30 days after the public hearing held under subsection [(2)] (3) of this  
2 section.

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

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

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

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

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

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

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

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

17 “(d) Following a review described in paragraph (c) of this subsection, the State Board of Edu-  
18 cation may:

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

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

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

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

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

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

32 “(B) The applicant may withdraw the proposal; or

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

34 “[(7)] (9) Before an existing public school is converted to a public charter school, the proposal  
35 for the conversion must be approved by the school district board of the public school.

36 “[8)] (10) Entities described in ORS 338.005 (5) may not charge any fee to applicants for the  
37 proposal process.

38 “[(9)] (11) Upon request by a school district, the State Board of Education may grant an exten-  
39 sion of any timeline required by this section if the district has good cause for requesting the ex-  
40 tension.

41 “**SECTION 9. If House Bill 2150 becomes law, sections 5 and 6, chapter 265, Oregon Laws**  
42 **2013 (Enrolled House Bill 2150) (both amending ORS 338.075), are repealed and ORS 338.075,**  
43 **as amended by section 29, chapter 718, Oregon Laws 2011, section 5, chapter 91, Oregon Laws**  
44 **2012, and section 5 of this 2013 Act, is amended to read:**

45 “338.075. (1) If a school district board [*does not approve*] **disapproves** a proposal to [*start*] es-

1 **tab**lish a public charter school **following reconsideration of a proposal** pursuant to ORS 338.055  
2 (7), the applicant may:

3 “(a) Request that the State Board of Education review the decision of the school district board;  
4 or

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

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

9 “(A) **The school district board used the process required by ORS 338.055 in denying the**  
10 **proposal;**

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

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

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

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

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

18 “(C) **Consider becoming the sponsor of the public charter school if the applicant agrees**  
19 **to the sponsorship.**

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

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

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

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

27 “[4) (3) An applicant may seek judicial review of an order of the State Board of Education  
28 pursuant to ORS 183.484. If the court finds that the decision of the State Board of Education is not  
29 supported by substantial evidence in the record, the court shall enter a judgment directing the State  
30 Board of Education to sponsor the public charter school.

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

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

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

40 “(B) Disapprove the proposal based on the institution’s determination that the proposal does not  
41 align with the mission of the institution of higher education.

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

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

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

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

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

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

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

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

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

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

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

22 “(D) The educational services provided by the third-party entity must comply with state stan-  
23 dards and requirements, and any provision of the contract with the third-party entity that does not  
24 allow for the provision of educational services that comply with state standards and requirements  
25 is void.

26 “**SECTION 10.** If House Bill 2150 becomes law, ORS 338.075, as amended by section 29, chapter  
27 718, Oregon Laws 2011, section 5, chapter 91, Oregon Laws 2012, and sections 5 and 9 of this 2013  
28 Act, is amended to read:

29 “338.075. (1) If a school district board disapproves a proposal to establish a public charter school  
30 following reconsideration of a proposal pursuant to ORS 338.055 (7), the applicant may[:]

31 “[*(a)*] request that the State Board of Education review the decision of the school district  
32 board[; *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 pro-  
35 vided by subsection (1)(a) of this section, the State Board of Education may review the decision only  
36 to determine whether:

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

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

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

40 “(b) Following a review described in paragraph (a) of this subsection, the State Board of Edu-  
41 cation may:

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

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

45 “(C) Consider becoming the sponsor of the public charter school if the applicant agrees to the



1 sponsorship.

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

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

10 “[*(b) An institution of higher education may evaluate a proposal upon receipt. If the institution of  
11 higher education evaluates the proposal, the institution of higher education shall.*]

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

15 “[*(B) Disapprove the proposal based on the institution’s determination that the proposal does not  
16 align with the mission of the institution of higher education.*]

17 “[*(c)(A) The following decisions by an institution of higher education are final and not subject to  
18 appeal.*]

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

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

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

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

26 “[*(e) (4)(a) An institution of higher education may [approve a proposal evaluated under this  
27 subsection] sponsor a public charter school only if:*

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

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

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

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

38 “[*(A) A member of the governing body of the public charter school or the governing body of the  
39 sponsor may not be an employee of the third-party entity, be a member of the governing board of  
40 the third-party entity or be any other representative of the third-party entity;*

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

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

45 “[*(D) The educational services provided by the third-party entity must comply with state stan-*

1 dards and requirements, and any provision of the contract with the third-party entity that does not  
2 allow for the provision of educational services that comply with state standards and requirements  
3 is void.

4 **“SECTION 11. If House Bill 2150 becomes law, section 4 of this 2013 Act (amending sec-**  
5 **tion 12, chapter 695, Oregon Laws 2011) is repealed and section 12, chapter 695, Oregon Laws**  
6 **2011, as amended by section 30, chapter 718, Oregon Laws 2011, is amended to read:**

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

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

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

14 **“(3) The amendments to ORS 338.055 by section 10, chapter 695, Oregon Laws 2011, be-**  
15 **come operative on July 1, 2017.**

16 **“[(2)] (4) Nothing in the amendments to ORS 338.055 and 338.075 by section 10, chapter 695,**  
17 **Oregon Laws 2011 [(Enrolled House Bill 3645), and section 29 of this 2011 Act] and section 10 of**  
18 **this 2013 Act affects the ability of an institution of higher education to continue to sponsor a public**  
19 **charter school if the institution of higher education became the sponsor of the public charter school**  
20 **prior to July 1, 2017.**

21 **“SECTION 12. If House Bill 2150 becomes law, ORS 338.065, as amended by section 8, chapter**  
22 **265, Oregon Laws 2013 (Enrolled House Bill 2150), is amended to read:**

23 **“338.065. (1)(a) Upon approval of a proposal by a school district board under ORS 338.055, the**  
24 **school district board shall become the sponsor of the public charter school.**

25 **“(b) Pursuant to ORS 338.075 (2) or (3), the State Board of Education shall become the sponsor**  
26 **of the public charter school.**

27 **“(c) Pursuant to ORS 338.075 (4), the institution of higher education shall become the sponsor**  
28 **of the public charter school.**

29 **“(2) The sponsor and the applicant shall develop a written charter that contains the provisions**  
30 **of the proposal that have been duly approved by the sponsor and public charter school governing**  
31 **body. As provided by ORS 338.055 [(6)] (8), the sponsor and the applicant may agree to change ele-**  
32 **ments of the proposal prior to incorporating them into the charter. The charter, when duly executed**  
33 **by the sponsor and the public charter school governing body, shall act as the legal authorization for**  
34 **the establishment of the public charter school. The charter shall be legally binding on both the**  
35 **sponsor and the public charter school governing body.**

36 **“(3) The sponsor and the public charter school governing body may amend a charter by joint**  
37 **agreement.**

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

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

41 **“(c) Subsequent renewals of a charter shall be for a minimum of five years but may not exceed**  
42 **10 years.**

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

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

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

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

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

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

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

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

19 “(b) If the state board finds that the sponsor used the process required by this section in denying  
20 the request for renewal, the state board shall affirm the decision of the sponsor. A public charter  
21 school governing body may seek judicial review of an order of the state board pursuant to ORS  
22 183.484.

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

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

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

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

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

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

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

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

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

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

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

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

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