

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

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

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

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

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

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

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

12 On page 10, after line 15, insert:

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14 **Act (amending ORS 338.055) is repealed and ORS 338.055, as amended**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

17 “338.055. (1)(a) Upon receipt of a proposal submitted under ORS 338.045,
18 the school district board shall determine whether the proposal is complete.
19 A proposal is complete if the proposal:

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

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

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

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

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

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

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

20 **“(2)(a) When reviewing a proposal to determine whether the pro-**
21 **posal is complete, a school district board may include a review of ed-**
22 **ucational goals as provided by this subsection.**

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

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

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

30 **“(c) For the purpose of making the calculation under paragraph**

1 (b)(A) of this subsection, the school district board may not include
2 students who are not required to attend public full-time schools as
3 provided by ORS 339.030.

4 “(d) A school district board that is allowed to review proposals for
5 educational goals as provided by paragraph (b) of this subsection shall
6 annually decide whether to review proposals for educational goals. The
7 decision is valid for two years unless the school district board decides
8 after one year to no longer review proposals for educational goals.

9 “(e) If a school district board reviews proposals for educational
10 goals, the school district board must identify one or more educational
11 goals the school district board will use when reviewing proposals. The
12 identification is valid for two years, except that a school district board
13 may decide after one year to modify the educational goals. The school
14 district board shall forward a copy of the educational goals, and any
15 modifications of the educational goals, to the State Board of Educa-
16 tion.

17 “(f) A school district board that reviews proposals for educational
18 goals shall review proposals to determine whether the proposals ad-
19 vance one or more of the educational goals identified by the school
20 district board under paragraph (e) of this subsection. The school dis-
21 trict board may consider a proposal to be incomplete if the proposal
22 does not advance one or more of the educational goals.

23 “(g) Any proposal submitted to a school district board that reviews
24 proposals for educational goals must include a description of how the
25 public charter school will advance one or more of the educational
26 goals identified by the school district board under paragraph (e) of this
27 subsection. Advancement of the educational goals shall be an element
28 of the charter. Failure to make reasonable progress toward the ad-
29 vancement of an educational goal may be grounds for termination of
30 the charter. Whether a public charter school is making reasonable

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

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

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

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

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

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

17 “(d) The capability of the applicant, in terms of support and planning, to
18 specifically provide, pursuant to an approved proposal, comprehensive in-
19 structional programs to students identified by the applicant as academically
20 low achieving;

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

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

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

30 “(h) Whether there are alternative arrangements for students and for

1 teachers and other school employees who choose not to attend or who choose
2 not to be employed by the public charter school.

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

8 “[4] (6) The school district board must approve a proposal or state in
9 writing the reasons for disapproving a proposal within 30 days after the
10 public hearing held under subsection [(2)] (3) of this section.

11 “[5(a)] (7)(a) Written notice of the school district board’s action shall
12 be sent to the applicant. If the proposal is not approved:

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

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

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

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

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

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

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

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

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

5 “(d) Following a review described in paragraph (c) of this subsection, the
6 State Board of Education may:

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

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

10 “[6)(a)] (8)(a) Individual elements in a public charter school proposal
11 may be changed through the proposal and chartering process by mutual
12 agreement of the school district board and the applicant.

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

16 “(c) If the school district board and the applicant are unable to reach an
17 agreement following mediation as described in paragraph (b) of this sub-
18 section, the proposal submitted under ORS 338.045, without the change that
19 was the subject of mediation, shall be the proposal that governs the public
20 charter school and:

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

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

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

25 “[7)] (9) Before an existing public school is converted to a public charter
26 school, the proposal for the conversion must be approved by the school dis-
27 trict board of the public school.

28 “[8)] (10) Entities described in ORS 338.005 (5) may not charge any fee
29 to applicants for the proposal process.

30 “[9)] (11) Upon request by a school district, the State Board of Education

1 may grant an extension of any timeline required by this section if the district
2 has good cause for requesting the extension.

3 **“SECTION 8. If House Bill 2150 becomes law, section 2 of this 2013**
4 **Act (amending ORS 338.055) is repealed and ORS 338.055, as amended**
5 **by section 10, chapter 695, Oregon Laws 2011, and section 4, chapter**
6 **265, Oregon Laws 2013 (Enrolled House Bill 2150), is amended to read:**

7 “338.055. (1)(a) Upon receipt of a proposal submitted under ORS 338.045,
8 the school district board shall determine whether the proposal is complete.
9 A proposal is complete if the proposal:

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

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

15 “(b) The school district board shall notify an applicant within 30 days
16 after receipt of a proposal if the proposal is not complete and identify the
17 specific elements of the proposal that are not complete. The school district
18 board shall provide the applicant with a reasonable opportunity to complete
19 the proposal.

20 “(c) A proposal may be disapproved if the applicant has received a rea-
21 sonable opportunity to complete the proposal and the applicant does not
22 provide a proposal that is complete.

23 “(d) If the school district board disapproves a proposal as provided by
24 paragraph (c) of this subsection, the applicant may appeal the decision to the
25 State Board of Education. The State Board of Education may review the
26 proposal only for completeness and may determine that the proposal is:

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

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

1 “(2)(a) When reviewing a proposal to determine whether the pro-
2 posal is complete, a school district board may include a review of ed-
3 ucational goals as provided by this subsection.

4 “(b) A school district board may review a proposal for educational
5 goals only if:

6 “(A) More than three percent of the students who reside in the
7 school district are enrolled in a public charter school located in the
8 school district; and

9 “(B) Three or more public charter schools are located in the school
10 district.

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

15 “(d) A school district board that is allowed to review proposals for
16 educational goals as provided by paragraph (b) of this subsection shall
17 annually decide whether to review proposals for educational goals. The
18 decision is valid for two years unless the school district board decides
19 after one year to no longer review proposals for educational goals.

20 “(e) If a school district board reviews proposals for educational
21 goals, the school district board must identify one or more educational
22 goals the school district board will use when reviewing proposals. The
23 identification is valid for two years, except that a school district board
24 may decide after one year to modify the educational goals. The school
25 district board shall forward a copy of the educational goals, and any
26 modifications of the educational goals, to the State Board of Educa-
27 tion.

28 “(f) A school district board that reviews proposals for educational
29 goals shall review proposals to determine whether the proposals ad-
30 vance one or more of the educational goals identified by the school

1 **district board under paragraph (e) of this subsection. The school dis-**
2 **trict board may consider a proposal to be incomplete if the proposal**
3 **does not advance one or more of the educational goals.**

4 **“(g) Any proposal submitted to a school district board that reviews**
5 **proposals for educational goals must include a description of how the**
6 **public charter school will advance one or more of the educational**
7 **goals identified by the school district board under paragraph (e) of this**
8 **subsection. Advancement of the educational goals shall be an element**
9 **of the charter. Failure to make reasonable progress toward the ad-**
10 **vancement of an educational goal may be grounds for termination of**
11 **the charter. Whether a public charter school is making reasonable**
12 **progress shall be determined by the school district board.**

13 **“[(2)] (3) Within 60 days after receipt of a completed proposal, the school**
14 **district board shall hold a public hearing on the provisions of the proposal.**

15 **“[(3)] (4) The school district board shall evaluate a proposal in good faith**
16 **using the following criteria:**

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

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

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

28 **“(d) The capability of the applicant, in terms of support and planning, to**
29 **specifically provide, pursuant to an approved proposal, comprehensive in-**
30 **structional programs to students identified by the applicant as academically**

1 low achieving;

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

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

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

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

14 “**(5) In addition to the criteria described in subsection (4) of this**
15 **section, a school district board that reviews proposals for educational**
16 **goals as provided by subsection (2) of this section may determine how**
17 **well a proposal advances one or more educational goals compared to**
18 **one or more other proposals submitted to the school district board.**

19 “[~~(4)~~] **(6)** The school district board must approve a proposal or state in
20 writing the reasons for disapproving a proposal within 30 days after the
21 public hearing held under subsection [~~(2)~~] **(3)** of this section.

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

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

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

30 “(b) The school district board shall approve or disapprove the resubmitted

1 proposal within 30 days after receiving it. If the proposal is not approved,
2 the applicant may appeal the decision of the school district board to the
3 State Board of Education.

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

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

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

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

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

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

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

18 “[(6)(a)] (8)(a) Individual elements in a public charter school proposal
19 may be changed through the proposal and chartering process by mutual
20 agreement of the school district board and the applicant.

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

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

29 “(A) The parties may execute the charter for the public charter school
30 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
4 school, the proposal for the conversion must be approved by the school dis-
5 trict board of the public school.

6 “[8] (10) Entities described in ORS 338.005 (5) may not charge any fee
7 to applicants for the proposal process.

8 “[9] (11) Upon request by a school district, the State Board of Education
9 may grant an extension of any timeline required by this section if the district
10 has good cause for requesting the extension.

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

16 “338.075. (1) If a school district board [*does not approve*] **disapproves** a
17 proposal to [*start*] **establish** a public charter school **following reconsider-**
18 **ation of a proposal** pursuant to ORS 338.055 (7), the applicant may:

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

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

22 **“(2)(a) If the State Board of Education reviews a decision of the**
23 **school district board, as provided by subsection (1)(a) of this section,**
24 **the State Board of Education may review the decision only to deter-**
25 **mine whether:**

26 **“(A) The school district board used the process required by ORS**
27 **338.055 in denying the proposal;**

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

30 **“(C) The reasons stated by the school district board for the denial**

1 are valid.

2 “(b) Following a review described in paragraph (a) of this sub-
3 section, the State Board of Education may:

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

6 “(B) Remand the proposal to the school district board for reconsid-
7 eration if the school district board and applicant agree to the remand;
8 or

9 “(C) Consider becoming the sponsor of the public charter school if
10 the applicant agrees to the sponsorship.

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

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

14 “[b) If the school district board does not accept the revisions to the pro-
15 posal and the applicant agrees to the sponsorship, may become the sponsor of
16 the public charter school.]

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

21 “[4)] (3) An applicant may seek judicial review of an order of the State
22 Board of Education pursuant to ORS 183.484. If the court finds that the de-
23 cision of the State Board of Education is not supported by substantial evi-
24 dence in the record, the court shall enter a judgment directing the State
25 Board of Education to sponsor the public charter school.

26 “[5)(a)] (4)(a) An applicant seeking sponsorship by an institution of
27 higher education may submit to the institution of higher education the same
28 proposal that was submitted to the school district board under ORS 338.045
29 or a proposal that is modified to take into consideration the characteristics
30 of the institution of higher education evaluating the proposal under this

1 subsection.

2 “(b) An institution of higher education may evaluate a proposal upon re-
3 ceipt. If the institution of higher education evaluates the proposal, the in-
4 stitution of higher education shall:

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

9 “(B) Disapprove the proposal based on the institution’s determination that
10 the proposal does not align with the mission of the institution of higher ed-
11 ucation.

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

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

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

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

19 “(d) If an institution of higher education evaluates a proposal, the insti-
20 tution of higher education must approve the proposal or, if disapproving the
21 proposal, state in writing the reasons for disapproving the proposal within
22 60 days after receiving the proposal.

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

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

30 “(g) If a public charter school has a sponsor that is an institution of

1 higher education and the public charter school enters into a contract with
2 a third-party entity to provide educational services for the public charter
3 school:

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

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

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

13 “(D) The educational services provided by the third-party entity must
14 comply with state standards and requirements, and any provision of the
15 contract with the third-party entity that does not allow for the provision of
16 educational services that comply with state standards and requirements is
17 void.

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

21 “338.075. (1) If a school district board disapproves a proposal to establish
22 a public charter school following reconsideration of a proposal pursuant to
23 ORS 338.055 (7), the applicant may[:]

24 “[*a*] request that the State Board of Education review the decision of the
25 school district board[; *or*]

26 “[*b*] *Submit a proposal to an institution of higher education*].

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

30 “(A) The school district board used the process required by ORS 338.055

1 in denying the proposal;

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

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

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

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

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

11 “(C) Consider becoming the sponsor of the public charter school if the
12 applicant agrees to the sponsorship.

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

18 “[4)(a) *An applicant seeking sponsorship by an institution of higher edu-*
19 *cation may submit to the institution of higher education the same proposal that*
20 *was submitted to the school district board under ORS 338.045 or a proposal*
21 *that is modified to take into consideration the characteristics of the institution*
22 *of higher education evaluating the proposal under this subsection.]*

23 “[b) *An institution of higher education may evaluate a proposal upon re-*
24 *ceipt. If the institution of higher education evaluates the proposal, the institu-*
25 *tion of higher education shall:]*

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

30 “[B) *Disapprove the proposal based on the institution’s determination that*

1 *the proposal does not align with the mission of the institution of higher edu-*
2 *cation.]*

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

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

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

8 “[(B) *The process by which an institution of higher education makes a de-*
9 *cision described in subparagraph (A) of this paragraph is not subject to ap-*
10 *peal.]*

11 “[(d) *If an institution of higher education evaluates a proposal, the insti-*
12 *tution of higher education must approve the proposal or, if disapproving the*
13 *proposal, state in writing the reasons for disapproving the proposal within 60*
14 *days after receiving the proposal.]*

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

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

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

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

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

29 “(A) A member of the governing body of the public charter school or the
30 governing body of the sponsor may not be an employee of the third-party

1 entity, be a member of the governing board of the third-party entity or be
2 any other representative of the third-party entity;

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

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

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

13 **“SECTION 11. If House Bill 2150 becomes law, section 4 of this 2013**
14 **Act (amending section 12, chapter 695, Oregon Laws 2011) is repealed**
15 **and section 12, chapter 695, Oregon Laws 2011, as amended by section**
16 **30, chapter 718, Oregon Laws 2011, is amended to read:**

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

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

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

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

27 **“[(2)] (4) Nothing in the amendments to ORS 338.055 and 338.075 by sec-**
28 **tion 10, chapter 695, Oregon Laws 2011 [(Enrolled House Bill 3645), and sec-**
29 **tion 29 of this 2011 Act] and section 10 of this 2013 Act affects the ability**
30 **of an institution of higher education to continue to sponsor a public charter**

1 school if the institution of higher education became the sponsor of the public
2 charter school prior to July 1, 2017.

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

6 “338.065. (1)(a) Upon approval of a proposal by a school district board
7 under ORS 338.055, the school district board shall become the sponsor of the
8 public charter school.

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

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

13 “(2) The sponsor and the applicant shall develop a written charter that
14 contains the provisions of the proposal that have been duly approved by the
15 sponsor and public charter school governing body. As provided by ORS
16 338.055 [(6)] (8), the sponsor and the applicant may agree to change elements
17 of the proposal prior to incorporating them into the charter. The charter,
18 when duly executed by the sponsor and the public charter school governing
19 body, shall act as the legal authorization for the establishment of the public
20 charter school. The charter shall be legally binding on both the sponsor and
21 the public charter school governing body.

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

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

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

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

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

3 “(b) The public charter school governing body shall submit a written re-
4 newal request to the sponsor for consideration at least 180 days prior to the
5 expiration of the charter.

6 “(c) Within 45 days after receiving a written renewal request from a
7 public charter school governing body, the sponsor shall hold a public hearing
8 regarding the request for renewal.

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

12 “(e) If the sponsor approves the renewal of the charter, the sponsor and
13 the public charter school governing body shall negotiate a new charter
14 within 90 days after the date on which the sponsor approved the renewal of
15 the charter unless the sponsor and the public charter school governing body
16 agree to an extension of the time period.

17 “(f) If the sponsor does not renew the charter, the public charter school
18 governing body may address the reasons stated under paragraph (d) of this
19 subsection and any remedial measures suggested by the sponsor and submit
20 a revised request for renewal to the sponsor.

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

25 “(6)(a) If the sponsor does not renew the charter based on the revised
26 request for renewal submitted under subsection (5)(f) of this section, the
27 public charter school governing body may appeal the decision of the sponsor
28 to the State Board of Education for a review of whether the sponsor used
29 the process required by this section in denying the renewal of the charter.

30 “(b) If the state board finds that the sponsor used the process required

1 by this section in denying the request for renewal, the state board shall af-
2 firm the decision of the sponsor. A public charter school governing body
3 may seek judicial review of an order of the state board pursuant to ORS
4 183.484.

5 “(c) If the state board finds that the sponsor did not use the process re-
6 quired by this section in denying the request for renewal, the state board
7 shall order the sponsor to reconsider the request for renewal.

8 “(d) If after reconsideration pursuant to paragraph (c) of this subsection
9 the sponsor does not renew the charter, the public charter school governing
10 body may seek judicial review of an order of the sponsor pursuant to ORS
11 183.484.

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

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

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

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

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

27 “(D) Is fiscally stable and has used the sound financial management sys-
28 tem described in the proposal submitted under ORS 338.045 and incorporated
29 into the written charter under this section; and

30 “(E) Is in compliance with any renewal criteria specified in the charter

1 of the public charter school.

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

7 **“SECTION 13.** If House Bill 2150 becomes law, section 7, chapter 265,
8 Oregon Laws 2013 (Enrolled House Bill 2150), is amended to read:

9 **“Sec. 7.** The amendments to ORS 338.035[,] **and** 338.045[, *338.055 and*
10 *338.075 by sections 1 to 6 of this 2011 Act*] **by sections 1 and 2, chapter 265,**
11 **Oregon Laws 2013 (Enrolled House Bill 2150) and to ORS 338.055 and**
12 **338.075 by sections 7 to 10 of this 2013 Act** first apply to proposals received
13 on or after the effective date of this 2013 Act.”.

14
