

A-Engrossed
Senate Bill 1538

Ordered by the Senate February 11
Including Senate Amendments dated February 11

Sponsored by Senators HASS, KRUSE (at the request of Portland Public Schools) (Pre-session filed.)

SUMMARY

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

Allows school district board to place limitations on proposals for public charter schools that board will evaluate if specified percentage of students of school district are enrolled in public charter schools and specified number of public charter schools are located in school district.

[Modifies method for calculating whether student needs school district approval to enroll in virtual public charter school.]

Allows public charter school to give priority for admission to specified students.
Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to public charter schools; creating new provisions; amending ORS 338.055, 338.065, 338.075
3 and 338.125; and declaring an emergency.

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

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

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

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

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

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

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

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

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

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

25 (A) **More than three percent of the students who reside in the school district are enrolled**

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 in a public charter school that is located in the school district and that is not a virtual public
2 charter school; and

3 (B) Three or more public charter schools, excluding virtual public charter schools, are
4 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 may decide whether to review proposals for ed-
10 ucational goals. The decision is valid for two years unless the school district board decides
11 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 propo-
19 sals 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 hold
31 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 demonstrated
38 ability of the school to have a sound financial management system that is in place at the time the
39 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 for
5 children with disabilities pursuant to ORS 338.165;

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 and

9 (i) The prior history, if any, of the applicant in operating a public charter school or in providing
10 educational services.

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

15 [(4)] (6) The school district board must approve a proposal or state in writing the reasons for
16 disapproving a proposal within 30 days after the public hearing held under subsection [(2)] (3) of this
17 section.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

44 (c) If the school district board and the applicant are unable to reach an agreement following
45 mediation as described in paragraph (b) of this subsection, the proposal submitted under ORS

1 338.045, without the change that was the subject of mediation, shall be the proposal that governs
2 the public charter school and:

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

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

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

6 [(7)] (9) Before an existing public school is converted to a public charter school, the proposal
7 for the conversion must be approved by the school district board of the public school.

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

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

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

14 338.055. (1)(a) Upon receipt of a proposal submitted under ORS 338.045, the school district board
15 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 sub-
26 section, the applicant may appeal the decision to the State Board of Education. The State Board of
27 Education may review the proposal only for completeness and may determine that the proposal is:

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

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

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

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

33 (A) **More than three percent of the students who reside in the school district are enrolled**
34 **in a public charter school that is located in the school district and that is not a virtual public**
35 **charter school; and**

36 (B) **Three or more public charter schools, excluding virtual public charter schools, are**
37 **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 may decide whether to review proposals for ed-**
43 **ucational goals. The decision is valid for two years unless the school district board decides**
44 **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 pro-**
7 **posals 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 hold**
19 **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 demonstrated**
26 **ability of the school to have a sound financial management system that is in place at the time the**
27 **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 for**
38 **children with disabilities pursuant to ORS 338.165;**

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 **and**

42 (i) **The prior history, if any, of the applicant in operating a public charter school or in providing**
43 **educational services.**

44 (5) **In addition to the criteria described in subsection (4) of this section, a school district**
45 **board that reviews proposals for educational goals as provided by subsection (2) of this sec-**

1 **tion may determine how well a proposal advances one or more educational goals compared**
2 **to any other proposals submitted to the school district board.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

30 (c) If the school district board and the applicant are unable to reach an agreement following
31 mediation as described in paragraph (b) of this subsection, the proposal submitted under ORS
32 338.045, without the change that was the subject of mediation, shall be the proposal that governs
33 the public charter school and:

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

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

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

37 [(7)] (9) Before an existing public school is converted to a public charter school, the proposal
38 for the conversion must be approved by the school district board of the public school.

39 [(8)] (10) Entities described in ORS 338.005 (5) may not charge any fee to applicants for the
40 proposal process.

41 [(9)] (11) Upon request by a school district, the State Board of Education may grant an extension
42 of any timeline required by this section if the district has good cause for requesting the extension.

43 **SECTION 3. (1) The amendments to ORS 338.055 by sections 1 and 2 of this 2014 Act be-**
44 **come operative January 1, 2015.**

45 **(2) The amendments to ORS 338.055 by sections 1 and 2 of this 2014 Act apply to proposals**

1 **received on or after January 1, 2015.**

2 **SECTION 4.** ORS 338.125 is amended to read:

3 338.125. (1) Student enrollment in a public charter school is voluntary.

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

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

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

12 (3)(a) Except as provided by [*paragraph (b)*] **paragraphs (b) and (c)** of this subsection, if the
13 number of applications from students who reside in the school district exceeds the capacity of a
14 program, class, grade level or building, the public charter school shall select students through an
15 equitable lottery selection process.

16 **(b) For any year of operation of a public charter school, the public charter school may**
17 **give priority for admission to students who have historically been underserved due to race**
18 **or ethnicity, students in low-income households or English language learner students. The**
19 **public charter school may not give priority under this paragraph for more than 50 percent**
20 **of the openings available at the public charter school for the school year. A public charter**
21 **school that gives priority to students under this paragraph shall report on usage of the pri-**
22 **ority to the school district that sponsors the public charter school.**

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

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

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

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

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

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

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

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

45 (B) For the purpose of determining whether more than three percent of the students who reside

1 in the school district are enrolled in virtual public charter schools that are not sponsored by the
2 school district, the school district board shall include any students who:

3 (i) Reside in the school district, regardless of whether the students are considered residents of
4 different school districts as provided by ORS 339.133 (5); and

5 (ii) Are enrolled in virtual public charter schools that are not sponsored by the school district.

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 5.** ORS 338.065 is amended to read:

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

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

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

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

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

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

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

26 (c) Subsequent renewals of a charter shall be for a minimum of five years but may not exceed
27 10 years.

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

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

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

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

35 (e) If the sponsor approves the renewal of the charter, the sponsor and the public charter school
36 governing body shall negotiate a new charter within 90 days after the date on which the sponsor
37 approved the renewal of the charter unless the sponsor and the public charter school governing
38 body agree to an extension of the time period. Notwithstanding the time period specified in the
39 charter, an expiring charter shall remain in effect until a new charter is negotiated.

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

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

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

5 (b) If the state board finds that the sponsor used the process required by this section in denying
6 the request for renewal, the state board shall affirm the decision of the sponsor. A public charter
7 school governing body may seek judicial review of an order of the state board pursuant to ORS
8 183.484.

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

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

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

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

22 (A) Is in compliance with this chapter and all other applicable state and 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 and agreements spec-
25 ified in the charter or any other written agreements between the sponsor and the public charter
26 school governing body;

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

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

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

36 **SECTION 6.** ORS 338.075 is amended to read:

37 338.075. (1) If a school district board disapproves a proposal to establish a public charter school
38 following reconsideration of a proposal pursuant to ORS 338.055 [(5)] (7), the applicant may:

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

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

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

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

1 (B) The proposal meets the criteria described in ORS 338.055 [(3)] (4); and

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

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

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

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

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

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

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

18 (b) Upon receipt of a proposal, an institution of higher education may evaluate the proposal. The
19 institution of higher education shall:

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

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

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

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

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

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

31 (d) Within 60 days after receiving a proposal, the institution of higher education must approve
32 the proposal or, if disapproving the proposal, state in writing the reasons for disapproving the pro-
33 posal.

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

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

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

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

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

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

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

8 **SECTION 7.** ORS 338.075, as amended by section 29, chapter 718, Oregon Laws 2011, is
9 amended to read:

10 338.075. (1) If a school district board disapproves a proposal to establish a public charter school
11 following reconsideration of a proposal pursuant to ORS 338.055 [(5)] (7), the applicant may request
12 that the State Board of Education review the decision of the school district board.

13 (2)(a) If the State Board of Education reviews a decision of the school district board, as provided
14 by subsection (1) of this section, the State Board of Education may review the decision only to de-
15 termine whether:

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

17 (B) The proposal meets the criteria described in ORS 338.055 [(3)] (4); and

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

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

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

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

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

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

30 (4)(a) An institution of higher education may sponsor a public charter school only if:

31 (A) The main campus of the institution of higher education is located within 25 miles of the
32 proposed public charter school, based on the nearest traveled road; and

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

35 (b) An institution of higher education may sponsor only one public charter school in this state,
36 regardless of the number of campuses or locations of the institution of higher education.

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

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

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

45 (C) An employee of the public charter school may not promote the sale or benefits of private

1 supplemental services or classes offered by the third-party entity; and

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

5 **SECTION 8. The amendments to ORS 338.065 and 338.075 by sections 5 to 7 of this 2014**
6 **Act become operative January 1, 2015.**

7 **SECTION 9. This 2014 Act being necessary for the immediate preservation of the public**
8 **peace, health and safety, an emergency is declared to exist, and this 2014 Act takes effect**
9 **on its passage.**

10