

# House Bill 3286

Sponsored by Representative SPRENGER

## SUMMARY

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

Requires sponsor of public charter school or public charter school governing body to provide notice to parents of students at public charter school before taking action that could lead to closure or significant restructuring of public charter school. Specifies contents of notice. Requires impact statement related to closure or significant restructuring and public hearing.

## A BILL FOR AN ACT

1  
2 Relating to public charter schools; creating new provisions; and amending ORS 338.065 and 338.105.

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

4 **SECTION 1. Section 2 of this 2017 Act is added to and made a part of ORS chapter 338.**

5 **SECTION 2. (1) As used in this section:**

6 (a) **"Closure" means the nonrenewal or termination of a charter for a public charter**  
7 **school or the dissolution or closure of a public charter school.**

8 (b) **"Significant restructuring" means:**

9 (A) **A significant change in the curriculum of the public charter school;**

10 (B) **A significant change in the number of students who are allowed to attend the public**  
11 **charter school;**

12 (C) **A change in the grades of instruction offered at the public charter school;**

13 (D) **A change in the administration of the public charter school;**

14 (E) **A change in the membership of the public charter school governing body;**

15 (F) **A change in more than one-third of the teachers at the public charter school; or**

16 (G) **A change in the third-party entity that provides educational services for the public**  
17 **charter school under a contract.**

18 (2)(a) **If a public charter school receives a written communication from the sponsor of**  
19 **the public charter school of a proposed action that could lead to a closure or a significant**  
20 **restructuring of the public charter school, the public charter school must mail written notice**  
21 **to the parents of the students of the public charter school within five calendar days after**  
22 **receiving the written communication. The notice to the parents must include:**

23 (A) **A copy of the written communication received by the public charter school;**

24 (B) **Any reasons provided by the sponsor to support taking the proposed action; and**

25 (C) **A detailed description of the process that will occur, as provided by this section.**

26 (b) **If the public charter school governing body proposes to take an action that could lead**  
27 **to a closure or a significant restructuring of the public charter school, the public charter**  
28 **school must mail written notice to the parents of the students of the public charter school**  
29 **within five calendar days after deciding to propose to take the action. The notice to the**  
30 **parents must include:**

**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 (A) The reasons of the public charter school governing body to support taking the pro-  
2 posed action; and

3 (B) A detailed description of the process that will occur, as provided by this section.

4 (3) Within 60 calendar days after written notice is mailed to parents as described in  
5 subsection (2) of this section:

6 (a) The sponsor of the public charter school shall prepare an impact statement if the  
7 sponsor is proposing to take an action that could lead to a closure or a significant restruc-  
8 turing. The sponsor must cooperate with the public charter school governing body for the  
9 purpose of preparing the impact statement.

10 (b) The public charter school governing body shall prepare an impact statement if the  
11 public charter school governing body is proposing to take an action that could lead to a clo-  
12 sure or a significant restructuring.

13 (4) An impact statement prepared as required under subsection (3) of this section must:

14 (a) Be prepared after a survey of each parent of each student enrolled at the public  
15 charter school. The survey must be prepared in a manner that maximizes parental partic-  
16 ipation and must include parental opinion regarding:

17 (A) Whether the parent agrees that the proposed action should be taken;

18 (B) The parent's overall satisfaction level with the public charter school;

19 (C) What the parent believes will be the academic impact of the closure or significant  
20 restructuring on the student of the parent if the student returns to a nonchartered public  
21 school;

22 (D) The parent's reasons for choosing the public charter school;

23 (E) For a parent with a student receiving special education and related services, detailed  
24 information on the level of service provided by the public charter school and, if known, the  
25 level of service that would be provided at the nonchartered public school; and

26 (F) Any other issues required under the impact statement, as described in paragraph (b)  
27 of this subsection.

28 (b) Concisely describe and analyze the proposed action and the impact that the proposed  
29 action will have on the students of the public charter school, including:

30 (A) A description of the proposed action, including the reasons for the proposed action  
31 and the benefits of the proposed action;

32 (B) A review of the potential impact of the proposed action on students in the public  
33 charter school who are proficient in an area of study, or who are achieving academic growth  
34 greater than they experienced in their prior educational setting;

35 (C) If the proposed action would result in a closure, a complete review of each nonchar-  
36 tered public school that the students of the public charter school would attend;

37 (D) A review of all similar public charter schools in the state in terms of performance  
38 and at-risk populations and an analysis of any similar actions taken related to other similarly  
39 situated public charter schools;

40 (E) An analysis of the students at the public charter school who are eligible for special  
41 education and related services and how those students' needs will be met after the proposed  
42 action is taken;

43 (F) A survey of the licensed or registered teachers in the public charter school to de-  
44 termine the impact on their individual students if the proposed action is taken;

45 (G) A review of the impact on the nonchartered public schools where students will be

1 enrolled if the proposed action results in a closure;

2 (H) To the extent the proposed action is based in part or in whole upon scores on  
3 standardized assessments, a review of the participation in the assessments and any reliability  
4 issues, real or perceived, with the assessments relied upon;

5 (I) To the extent the proposed action is based in part or in whole upon a framework that  
6 measures the performance of the students of the public charter school, a full review of the  
7 framework, the process for creating the framework and trends on any aspect of the frame-  
8 work;

9 (J) An analysis of reasonable alternatives to the proposed action; and

10 (K) An analysis of ways to reduce or avoid an adverse impact on students and families  
11 of the public charter school, which shall include a separate analysis of the impact on stu-  
12 dents eligible for special education and related services.

13 (5) An impact statement prepared as provided by subsection (4) of this section must be  
14 mailed to the parents of all students of the public charter school and must be made readily  
15 available at the public charter school and at the district office of the school district in which  
16 the public charter school is located.

17 (6)(a) Within 60 calendar days, but no sooner than within 15 calendar days, after an im-  
18 pact statement is mailed as provided by subsection (5) of this section, the sponsor that is  
19 proposing to take an action that could lead to a closure or a significant restructuring or a  
20 public charter school that is proposing to take an action that could lead to a closure or to  
21 a significant restructuring must hold a public hearing.

22 (b) The public hearing must provide an opportunity for interested parents, administra-  
23 tors, teachers, school staff and community members to present testimony on the findings in  
24 the impact statement. Interested parties must be allowed to present expert testimony.

25 (c) If the sponsor proposes to take an action that could lead to a closure or to a signif-  
26 icant restructuring, the public charter school governing body must be allowed the opportu-  
27 nity to present a school improvement plan for consideration to be adopted in lieu of the  
28 closure or the significant restructuring.

29 (7)(a) Final action for a closure or a significant restructuring cannot be taken until 30  
30 calendar days after the public hearing described in subsection (6) of this section.

31 (b) Notwithstanding paragraph (a) of this subsection, final action for a closure or a sig-  
32 nificant restructuring may occur immediately after the public hearing if the public charter  
33 school is endangering the health or safety of the students enrolled in the public charter  
34 school.

35 (c) Final action, as described in paragraph (a) of this subsection, may occur only after  
36 an open meeting of the sponsor or the public charter school governing board.

37 **SECTION 3.** ORS 338.105 is amended to read:

38 338.105. (1) During the term of a charter, the sponsor may terminate the charter on any of the  
39 following grounds:

- 40 (a) Failure to meet the terms of an approved charter or this chapter.
- 41 (b) Failure to meet the requirements for student performance stated in the charter.
- 42 (c) Failure to correct a violation of a federal or state law that is described in ORS 338.115.
- 43 (d) Failure to maintain insurance as described in the charter.
- 44 (e) Failure to maintain financial stability.
- 45 (f) Failure to maintain, for one or more consecutive years, a sound financial management system

1 described in the proposal submitted under ORS 338.045 and incorporated into the written charter  
2 under ORS 338.065.

3 [(2)(a)] **(2)** If a charter is terminated under subsection (1) of this section, the sponsor shall notify  
4 the public charter school governing body at least [60] **95** days prior to the proposed effective date  
5 of the termination. The notice shall state the grounds for the termination **and shall be considered**  
6 **the written communication for the purpose of section 2 (2)(a) of this 2017 Act.**

7 [(b) *If the grounds for termination include failure to maintain financial stability or failure to*  
8 *maintain a sound financial management system, the sponsor and the public charter school may agree*  
9 *to develop a plan to correct deficiencies. Under a plan to correct deficiencies:]*

10 [(A) *The public charter school may attempt to correct any deficiencies related to financial stability*  
11 *or to a sound financial management system by a date identified by the sponsor, which may not be less*  
12 *than 60 days from the date of the notice;]*

13 [(B) *The proposed effective date of the termination may be extended to the date identified under*  
14 *subparagraph (A) of this paragraph;]*

15 [(C) *The sponsor may withhold up to 50 percent of the moneys owed to the public charter school*  
16 *while the public charter school is on the plan to correct deficiencies unless the withholding would cre-*  
17 *ate an undue hardship, as determined pursuant to rules of the State Board of Education; and]*

18 [(D) *The sponsor must hold in trust any moneys withheld under subparagraph (C) of this para-*  
19 *graph until;]*

20 [(i) *The public charter school complies with the plan to correct deficiencies, at which time the public*  
21 *charter school is entitled to the moneys held in trust; or]*

22 [(ii) *The public charter school fails to comply with the plan to correct deficiencies, at which time*  
23 *the charter is terminated and the public charter school forfeits any claim to the moneys held in trust.]*

24 [(c) *A deadline to correct deficiencies under paragraph (b)(A) of this subsection may be extended*  
25 *by mutual agreement of the sponsor and the public charter school.]*

26 [(d) *The public charter school governing body may request a hearing by the sponsor in relation to*  
27 *a termination of the charter or a plan to correct deficiencies.]*

28 [(3) *A public charter school governing body may appeal a decision of a sponsor under this section.*  
29 *The appeal shall be to:]*

30 [(a) *The State Board of Education if the sponsor is an entity described in ORS 338.005 (5)(a) or*  
31 *(c). The State Board of Education shall.]*

32 [(A) *Review only;]*

33 [(i) *The grounds for termination under this section as stated by the school district board; or]*

34 [(ii) *A plan to correct deficiencies; and]*

35 [(B) *Adopt by rule procedures to ensure a timely appeals process to prevent disruption of students'*  
36 *education.]*

37 [(b) *The circuit court pursuant to ORS 183.484 if the sponsor is the State Board of Education.]*

38 [(4)(a) *Notwithstanding subsection (2) of this section, a sponsor may terminate a charter imme-*  
39 *diately and close a public charter school if the public charter school is endangering the health or safety*  
40 *of the students enrolled in the public charter school.]*

41 [(b) *The public charter school governing body may request a hearing from the sponsor on the ter-*  
42 *mination of the charter under this subsection. The sponsor shall hold a hearing within 10 days after*  
43 *receiving the request.]*

44 [(c) *The public charter school governing body may appeal a decision of a sponsor under this sub-*  
45 *section to the State Board of Education. The State Board of Education shall hold a hearing within 10*

1 *days after receiving the appeal request.]*

2 *[(d) Throughout the appeals process, the public charter school shall remain closed at the discretion*  
3 *of the sponsor unless the State Board of Education orders the sponsor to open the public charter school*  
4 *and not terminate the charter.]*

5 *[(5)]* (3) Termination of a charter shall not abridge the public charter school's legal authority  
6 to operate as a private or nonchartered public school.

7 *[(6)]* (4) If a charter is terminated or a public charter school is dissolved:

8 (a) The assets of the public charter school that were purchased with public funds shall be given  
9 to the State Board of Education. The State Board of Education may disburse the assets of the public  
10 charter school to school districts or other public charter schools.

11 (b) All student education records of the public charter school shall be transferred to the ad-  
12 ministrative office of the school district in which the public charter school was located.

13 *[(7) A public charter school governing body may only terminate a charter, dissolve or close a public*  
14 *charter school at the end of a semester. If a charter is terminated by the public charter school gov-*  
15 *erning body or a public charter school is closed or dissolved, the public charter school governing body*  
16 *shall notify the sponsor at least 180 days prior to the proposed effective date of the termination, closure*  
17 *or dissolution.]*

18 **SECTION 4.** ORS 338.065 is amended to read:

19 338.065. (1)(a) Upon approval of a proposal by a school district board under ORS 338.055, the  
20 school district board shall become the sponsor of the public charter school.

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

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

25 (2) The sponsor and the applicant shall develop a written charter that contains the provisions  
26 of the proposal that have been duly approved by the sponsor and public charter school governing  
27 body. As provided by ORS 338.055 (6), the sponsor and the applicant may agree to change elements  
28 of the proposal prior to incorporating them into the charter. The charter, when duly executed by  
29 the sponsor and the public charter school governing body, shall act as the legal authorization for  
30 the establishment of the public charter school. The charter shall be legally binding on both the  
31 sponsor and the public charter school governing body.

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

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

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

37 (c) Subsequent renewals of a charter shall be for a minimum of five years but may not exceed  
38 10 years.

39 (5)(a) The renewal of a charter shall use the process required by this section **and the**  
40 **nonrenewal of a charter shall use the process required by section 2 of this 2017 Act.**

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

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

45 (d) Within 30 days after the public hearing, the sponsor shall approve the renewal of the charter

1 or state in writing the reasons for denying the renewal of the charter. **The statement in writing**  
 2 **that describes the reasons for denying the renewal of the charter shall be considered the**  
 3 **written communication for the purpose of section 2 (2)(a) of this 2017 Act.**

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

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 suggested*  
 11 *by the sponsor and submit a revised request for renewal to the sponsor*] **and the sponsor must follow**  
 12 **the process prescribed by section 2 of this 2017 Act.**

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

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

20 [(b) *If the state board finds that the sponsor used the process required by this section in denying*  
 21 *the request for renewal, the state board shall affirm the decision of the sponsor. A public charter*  
 22 *school governing body may seek judicial review of an order of the state board pursuant to ORS*  
 23 *183.484.*]

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

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

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

35 [(8)(a)] **(6)(a)** The sponsor shall base the charter renewal decision on a good faith evaluation of  
 36 whether the public charter school:

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

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

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

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

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

1 school.

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

6 **SECTION 5. Section 2 of this 2017 Act and the amendments to ORS 338.065 and 338.105**  
7 **by sections 3 and 4 of this 2017 Act apply to actions taken on or after the effective date of**  
8 **this 2017 Act that could lead to a closure of a public charter school or a significant restruc-**  
9 **turing of a public charter school.**

10