

House Bill 3475

Sponsored by Representative KOMP

SUMMARY

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

Allows board of education of community college district to provide educational services through public charter school.

A BILL FOR AN ACT

1
2 Relating to public charter schools; amending ORS 338.005, 338.035, 338.045, 338.055, 338.065, 338.105,
3 338.115, 338.125, 338.135 and 338.155 and section 13b, chapter 691, Oregon Laws 2009.

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

5 **SECTION 1.** ORS 338.005 is amended to read:

6 338.005. As used in this chapter, unless the context requires otherwise:

7 (1) "Applicant" means:

8 (a) Any person or group that develops and submits a written proposal for a public charter
9 school to [*a sponsor*] **the board of a common school district or a union high school district.**

10 (b) **The board of education of a community college district that develops and submits a**
11 **written proposal for a public charter school to the State Board of Education.**

12 (2) "Community college district" has the meaning given that term in ORS 341.005.

13 (3) "Proposed sponsor" means:

14 (a) **The board of the common school district or union high school district in which the**
15 **public charter school will be located; or**

16 (b) **The State Board of Education, if the educational services of the public charter school**
17 **will be provided through a community college.**

18 [(2)] (4) "Public charter school" means an elementary or secondary school offering a compre-
19 hensive instructional program operating under a written agreement entered into between a sponsor
20 and an applicant and operating pursuant to this chapter.

21 [(3)] (5) "Remote and necessary school district" means a school district that offers kindergarten
22 through grade 12 and has:

23 (a) An average daily membership (ADM), as defined in ORS 327.006, in the prior fiscal year of
24 less than 110; and

25 (b) A school that is located, by the nearest traveled road, more than 20 miles from the nearest
26 school or from a city with a population of more than 5,000.

27 [(4)] (6) "Sponsor" means:

28 (a) The board of the common school district or the union high school district in which the public
29 charter school is located that has developed a written charter with an applicant to create a public
30 charter school.

31 (b) **The State Board of Education, if the educational services of the public charter school**

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 **are provided through a community college and the board of education of the community**
 2 **college district has developed a written charter with the State Board of Education.**

3 [(b)] (c) The State Board of Education pursuant to ORS 338.075.

4 [(5)(a)] (7)(a) “Virtual public charter school” means a public charter school that provides online
 5 courses.

6 (b) “Virtual public charter school” does not include a public charter school that primarily serves
 7 students in a physical location.

8 **SECTION 2.** ORS 338.035 is amended to read:

9 338.035. (1) A public charter school may be established:

10 (a) As a new public school;

11 (b) As a virtual public charter school;

12 (c) From an existing public school or a portion of the school; [or]

13 (d) From an existing alternative education program, as defined in ORS 336.615[.]; **or**

14 **(e) From an existing program provided by or otherwise affiliated with a community col-**
 15 **lege that will continue to be provided by or otherwise affiliated with the community college.**

16 (2)(a) Before a public charter school may operate as a public charter school, it must:

17 (A) Be approved by a sponsor;

18 (B) Be established as a nonprofit organization under the laws of Oregon; and

19 (C) Have applied to qualify as an exempt organization under section 501(c)(3) of the Internal
 20 Revenue Code.

21 (b) Notwithstanding paragraph (a) of this subsection, the requirements of paragraph (a)(B) and
 22 (C) of this subsection do not apply to:

23 (A) A school in a school district that is composed of only one school; [and]

24 (B) A school in a school district that is a remote and necessary school district on the date the
 25 school first begins operation as a public charter school[.]; **or**

26 **(C) A school for which the proposed sponsor is the State Board of Education and for**
 27 **which the educational services would be provided through a community college.**

28 (3) An applicant seeking to establish a public charter school shall submit a proposal pursuant
 29 to ORS 338.045 to the [school district board of the school district within which the public charter
 30 school will be located] **proposed sponsor** at least 120 days prior to the date upon which the public
 31 charter school would begin operating. [However, it is recommended that] An applicant **may** consult
 32 with the [school district board] **proposed sponsor** prior to submitting a proposal.

33 (4) An applicant **described in ORS 338.005 (1)(a)** seeking to establish a public charter school
 34 shall provide to the State Board of Education a copy of any proposal submitted to a [school district
 35 board] **proposed sponsor** under ORS 338.045 and a copy of any subsequent approval by the [school
 36 district board] **proposed sponsor**.

37 (5)(a) One or more, but not all, schools in a school district may become public charter schools.

38 (b) Notwithstanding paragraph (a) of this subsection, a school in a school district that is com-
 39 posed of only one school may become a public charter school **only if the sponsor of the public**
 40 **charter school is the school district in which the school is located.**

41 (6)(a) A school district board or the State Board of Education may not approve a public charter
 42 school proposal that authorizes the conversion of any private school that is tuition based to a public
 43 charter school.

44 (b) Notwithstanding paragraph (a) of this subsection, a school district board or the State Board
 45 of Education may authorize the conversion of an existing alternative education program, as defined

1 in ORS 336.615, to a public charter school.

2 (7) A school district board or the State Board of Education may not approve a public charter
3 school proposal that is affiliated with a nonpublic sectarian school or a religious institution.

4 **SECTION 3.** ORS 338.045 is amended to read:

5 338.045. (1) An applicant seeking to establish a public charter school shall submit a written
6 proposal to a [*school district board*] **proposed sponsor.**

7 (2) The proposal shall include, but need not be limited to:

8 (a) The identification of the applicant;

9 (b) The name of the proposed public charter school;

10 (c) A description of the philosophy and mission of the public charter school;

11 (d) A description of the curriculum of the public charter school;

12 (e) A description of the expected results of the curriculum and the verified methods of measuring
13 and reporting objective results that will show the growth of knowledge of students attending the
14 public charter school and allow comparisons with public schools;

15 (f) The governance structure of the public charter school;

16 (g) The projected enrollment to be maintained and the ages or grades to be served;

17 (h) The target population of students the public charter school will be designed to serve;

18 (i) A description of any distinctive learning or teaching techniques to be used in the public
19 charter school;

20 (j) The legal address, facilities and physical location of the public charter school, if known;

21 (k) A description of admission policies and application procedures;

22 (L) The statutes and rules that shall apply to the public charter school;

23 (m) The proposed budget and financial plan for the public charter school and evidence that the
24 proposed budget and financial plan for the public charter school are financially sound;

25 (n) A description of the financial management systems for the public charter school and a plan
26 for having the financial management systems in place at the time the school begins operating;

27 (o) The standards for behavior and the procedures for the discipline, suspension or expulsion of
28 students;

29 (p) The proposed school calendar for the public charter school, including the length of the
30 school day and school year;

31 (q) A description of the proposed staff members and required qualifications of teachers at the
32 public charter school;

33 (r) The date upon which the public charter school would begin operating;

34 (s) The arrangements for any necessary special education and related services provided pursuant
35 to ORS 338.165 for children with disabilities who may attend the public charter school;

36 (t) Information on the manner in which community groups may be involved in the planning and
37 development process of the public charter school;

38 (u) The term of the charter;

39 (v) The plan for performance bonding or insuring the public charter school, including buildings
40 and liabilities;

41 (w) A proposed plan for the placement of public charter school teachers, other school employees
42 and students of the public charter school upon termination or nonrenewal of a charter;

43 (x) The manner in which the program review and fiscal audit will be conducted; [*and*]

44 (y) **In the case of a public charter school for which the proposed sponsor is the State**
45 **Board of Education and for which the educational services would be provided through a**

1 **community college, a description of the relationship between the school and the community**
 2 **college as described in ORS 338.035 (1)(e) and an explanation of the services that the com-**
 3 **munity college would provide to the public charter school; and**

4 [(y)] (z) In the case of an existing public school being converted to charter status:

5 (A) The alternative arrangements for students who choose not to attend the public charter
 6 school and for teachers and other school employees who choose not to participate in the public
 7 charter school; and

8 (B) The relationship that will exist between the public charter school and its employees, in-
 9 cluding evidence that the terms and conditions of employment have been addressed with affected
 10 employees and their recognized representative, if any.

11 (3) In addition to the requirements of subsection (2) of this section, the [school district board]
 12 **proposed sponsor** may require any additional information the [board] **proposed sponsor** considers
 13 relevant to the formation or operation of a public charter school.

14 (4) At the request of the applicant, the [school district board] **proposed sponsor** may provide
 15 technical assistance in developing the proposal for operation of the public charter school.

16 (5) School districts, **community college districts**, education service districts and other public
 17 bodies, as defined in ORS 174.109, shall make available to the public lists of vacant and unused
 18 public buildings and portions of buildings that may be suitable for the operation of a public charter
 19 school. The lists shall be provided to developing or operating public charter schools within 30 days
 20 of a written request. Nothing in this subsection requires the owner of a building on the list to sell
 21 or lease the building or any portion of the building to a public charter school or a public charter
 22 school governing body.

23 **SECTION 4.** ORS 338.055 is amended to read:

24 338.055. (1) Within 60 days of receipt of a proposal submitted under ORS 338.045, the [school
 25 district board] **proposed sponsor** shall hold a public hearing on the provisions of the proposal.

26 (2) The [school district board] **proposed sponsor** shall evaluate a proposal in good faith using
 27 the following criteria:

28 (a) The demonstrated, sustainable support for the public charter school by teachers, parents,
 29 students and other community members, including comments received at the public hearing held
 30 under subsection (1) of this section;

31 (b) The demonstrated financial stability of the public charter school, including the demonstrated
 32 ability of the school to have a sound financial management system in place at the time the school
 33 begins operating;

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

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

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

40 (f) Whether the value of the public charter school is outweighed by any directly identifiable,
 41 significant and adverse impact on the quality of the public education of students residing:

42 (A) In the school district in which the public charter school will be located; or

43 (B) **In any school district that is part of the community college district of the community**
 44 **college, if the State Board of Education is the proposed sponsor and the educational services**
 45 **of the public charter school would be provided through a community college;**

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

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

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

8 (4) Written notice of the [*school district board's*] action **of the proposed sponsor** shall be sent
 9 to the applicant. If the proposal is not approved, the reasons for the denial and suggested remedial
 10 measures, if any, shall be clearly stated in the notice sent by the [*school district board*] **proposed**
 11 **sponsor** to the applicant. If the proposal is not approved, the applicant may amend the proposal to
 12 address objections and any suggested remedial measures and resubmit the proposal to the [*school*
 13 *district board*] **proposed sponsor**. The [*school district board*] **proposed sponsor** shall approve or
 14 disapprove the resubmitted proposal within 20 days after receiving it. If the **resubmitted** proposal
 15 is not approved, the applicant may appeal the decision of the [*school district board to the State Board*
 16 *of Education.*] **proposed sponsor to:**

17 (a) **The State Board of Education if the proposed sponsor is a school district board; or**

18 (b) **The circuit court pursuant to ORS 183.484 if the proposed sponsor is the State Board**
 19 **of Education. If the court finds that the decision of the State Board of Education is not**
 20 **supported by substantial evidence in the record, the court shall enter a judgment directing**
 21 **the State Board of Education to sponsor the public charter school.**

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

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

26 (7) The school district board or the State Board of Education [*shall*] **may** not charge any fee to
 27 applicants for the proposal process.

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

31 **SECTION 5.** ORS 338.065 is amended to read:

32 338.065. (1) Upon approval of a proposal by a [*school district board*] **proposed sponsor** under
 33 ORS 338.055, the [*school district board*] **proposed sponsor** shall become the sponsor of the public
 34 charter school. The sponsor and **the** applicant shall develop a written charter that contains the
 35 provisions of the proposal that have been duly approved by the sponsor and public charter school
 36 governing body. The sponsor and the applicant may agree to change elements of the proposal prior
 37 to incorporating them into the charter or exclude elements of the proposal from the charter. The
 38 charter, when duly executed by the sponsor and the public charter school governing body, shall act
 39 as the legal authorization for the establishment of the public charter school. The charter shall be
 40 legally binding on both the sponsor and the public charter school governing body.

41 (2) The sponsor and the public charter school governing body may amend a charter by joint
 42 agreement.

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

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

1 (c) Subsequent renewals of a charter shall be for a minimum of five years but may not exceed
 2 10 years.

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

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

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

8 (d) Within 10 days after the public hearing, the sponsor shall notify the public charter school
 9 governing body of the sponsor's intent about the renewal of the charter.

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

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

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

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

22 (5)(a) If the sponsor does not renew the charter based on the revised request for renewal sub-
 23 mitted under subsection (4)(g) of this section, the public charter school governing body may appeal
 24 the decision of the sponsor:

25 (A) To the State Board of Education for a review of whether *[the sponsor]* **a sponsor that is**
 26 **a school district board** used the process required by this section in denying the renewal of the
 27 charter[.]; **or**

28 (B) **As provided by paragraph (e) of this subsection if the sponsor is the State Board of**
 29 **Education.**

30 (b) If the **State Board of Education** finds that *[the sponsor]* **a school district board** used the
 31 process required by this section in denying the request for renewal, the **State Board of Education**
 32 shall affirm the decision of the *[sponsor]* **school district board**. A public charter school governing
 33 body may seek judicial review of an order of the **State Board of Education** pursuant to ORS
 34 183.484.

35 (c) If the **State Board of Education** finds that the *[sponsor]* **school district board** did not use
 36 the process required by this section in denying the request for renewal, the **State Board of Edu-**
 37 **cation** shall order the *[sponsor]* **school district board** to reconsider the request for renewal.

38 (d) If after reconsideration pursuant to paragraph (c) of this subsection the *[sponsor]* **school**
 39 **district board** does not renew the charter, the public charter school governing body may seek ju-
 40 dicial review of an order of the *[sponsor]* **school district board** pursuant to ORS 183.484.

41 (e) If the **State Board of Education** is the sponsor of a public charter school and the board does
 42 not renew the charter based on the revised request for renewal submitted under subsection (4)(g)
 43 of this section, the public charter school governing body may seek judicial review of an order of the
 44 board pursuant to ORS 183.484 for a review of whether the board used the process required by this
 45 section in denying the request for renewal.

1 (6)(a) The sponsor shall base the charter renewal decision on a good faith evaluation of whether
 2 the public charter school:

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

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

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

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

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

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

17 **SECTION 6.** ORS 338.105 is amended to read:

18 338.105. (1) During the term of a charter, the sponsor may terminate the charter on any of the
 19 following grounds:

20 (a) Failure to meet the terms of an approved charter or this chapter.

21 (b) Failure to meet the requirements for student performance stated in the charter.

22 (c) Failure to correct a violation of a federal or state law that is described in ORS 338.115.

23 (d) Failure to maintain insurance as described in the charter.

24 (e) Failure to maintain financial stability.

25 (2) If a charter is terminated under subsection (1) of this section, the sponsor shall notify the
 26 public charter school governing body at least 60 days prior to the proposed effective date of the
 27 termination. The notice shall state the grounds for the termination. The public charter school gov-
 28 erning body may request a hearing by the sponsor.

29 (3) A public charter school governing body may appeal [*any*] **a** decision of a sponsor [*that is*]
 30 **to:**

31 (a) [*A school district board to*] The State Board of Education **if the sponsor is a school district**
 32 **board.** The State Board of Education shall adopt by rule procedures to ensure a timely appeals
 33 process to prevent disruption of students' education.

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

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

39 (b) The public charter school governing body may request a hearing from the sponsor on the
 40 termination of the charter under this subsection. The sponsor shall hold a hearing within 10 days
 41 after receiving the request.

42 (c) **If the sponsor is a school district board,** the public charter school governing body may
 43 appeal a decision of a sponsor under this subsection to the State Board of Education. The State
 44 Board of Education shall hold a hearing within 10 days after receiving the appeal request.

45 (d) [*Throughout the appeals process,*] **Except as provided by paragraph (e) of this subsection,**

1 the public charter school shall remain closed **throughout the appeal process** at the discretion of
 2 the sponsor [*unless*].

3 (e) The State Board of Education [*orders the sponsor*] **may order a sponsor that is a school**
 4 **district board** to open the public charter school and not terminate the charter.

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

7 (6) If a charter is terminated or a public charter school is dissolved, the assets of the public
 8 charter school that were purchased with public funds shall be given to the State Board of Education.
 9 The State Board of Education may disburse the assets of the public charter school to school
 10 districts, **community college districts** or other public charter schools.

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

16 **SECTION 7.** ORS 338.105, as amended by section 12, chapter 691, Oregon Laws 2009, is
 17 amended to read:

18 338.105. (1) During the term of a charter, the sponsor may terminate the charter on any of the
 19 following grounds:

20 (a) Failure to meet the terms of an approved charter or this chapter.

21 (b) Failure to meet the requirements for student performance stated in the charter.

22 (c) Failure to correct a violation of a federal or state law that is described in ORS 338.115.

23 (d) Failure to maintain insurance as described in the charter.

24 (e) Failure to maintain financial stability.

25 (f) Failure to maintain, for two or more consecutive years, a sound financial management system
 26 described in the proposal submitted under ORS 338.045 and incorporated into the written charter
 27 under ORS 338.065.

28 (2) If a charter is terminated under subsection (1) of this section, the sponsor shall notify the
 29 public charter school governing body at least 60 days prior to the proposed effective date of the
 30 termination. The notice shall state the grounds for the termination. The public charter school gov-
 31 erning body may request a hearing by the sponsor.

32 (3) A public charter school governing body may appeal [*any*] **a** decision of a sponsor [*that is*]
 33 **to:**

34 (a) [*A school district board to*] The State Board of Education **if the sponsor is a school district**
 35 **board**. The State Board of Education shall adopt by rule procedures to ensure a timely appeals
 36 process to prevent disruption of students' education.

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

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

42 (b) The public charter school governing body may request a hearing from the sponsor on the
 43 termination of the charter under this subsection. The sponsor shall hold a hearing within 10 days
 44 after receiving the request.

45 (c) **If the sponsor is a school district board**, the public charter school governing body may

1 appeal a decision of a sponsor under this subsection to the State Board of Education. The State
 2 Board of Education shall hold a hearing within 10 days after receiving the appeal request.

3 (d) *[Throughout the appeals process,]* **Except as provided by paragraph (e) of this subsection,**
 4 the public charter school shall remain closed **throughout the appeal process** at the discretion of
 5 the sponsor *[unless]*.

6 (e) The State Board of Education *[orders the sponsor]* **may order a sponsor that is a school**
 7 **district board** to open the public charter school and not terminate the charter.

8 (5) Termination of a charter *[shall]* **does** not abridge the public charter school’s legal authority
 9 to operate as a private or nonchartered public school.

10 (6) If a charter is terminated or a public charter school is dissolved, the assets of the public
 11 charter school that were purchased with public funds shall be given to the State Board of Education.
 12 The State Board of Education may disburse the assets of the public charter school to school
 13 districts, **community college districts** or other public charter schools.

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

19 **SECTION 8.** ORS 338.115, as amended by section 2, chapter 53, Oregon Laws 2010, is amended
 20 to read:

21 338.115. (1) Statutes and rules that apply to school district boards, **boards of education of**
 22 **community college districts**, school districts, **community college districts** or other public
 23 schools do not apply to public charter schools. However, the following laws do apply to public
 24 charter schools:

- 25 (a) Federal law;
- 26 (b) ORS 192.410 to 192.505 (public records law);
- 27 (c) ORS 192.610 to 192.690 (public meetings law);
- 28 (d) ORS 297.405 to 297.555 and 297.990 (Municipal Audit Law);
- 29 (e) ORS 181.534, 326.603, 326.607, 342.223 and 342.232 (criminal records checks);
- 30 (f) ORS 337.150 (textbooks);
- 31 (g) ORS 339.141, 339.147 and 339.155 (tuition and fees);
- 32 (h) ORS 659.850, 659.855 and 659.860 (discrimination);
- 33 (i) ORS 30.260 to 30.300 (tort claims);
- 34 (j) Health and safety statutes and rules;
- 35 (k) Any statute or rule that is listed in the charter;
- 36 (L) The statewide assessment system developed by the Department of Education for mathemat-
 37 ics, science and English under ORS 329.485 (2), **unless:**
 - 38 (i) **The State Board of Education is the sponsor of the school;**
 - 39 (ii) **The educational services of the school are provided by a community college; and**
 - 40 (iii) **The school complies with assessment requirements identified by the Department of**
 41 **Community Colleges and Workforce Development;**
- 42 (m) ORS 329.045 (academic content standards and instruction);
- 43 (n) Any statute or rule that establishes requirements for instructional time provided by a school
 44 during each day or during a year;
- 45 (o) ORS 339.250 (12) (prohibition on infliction of corporal punishment);

1 (p) ORS 339.370, 339.372, 339.388 and 339.400 (reporting of child abuse and training on pre-
2 vention and identification of child abuse);

3 (q) ORS 329.451 (high school diploma, modified diploma, extended diploma and alternative cer-
4 tificate) **or, if the school is sponsored by the State Board of Education and the educational**
5 **services of the school are provided by a community college, any standards related to the is-**
6 **suance of a high school diploma by an authorized community college;**

7 (r) ORS chapter 657 (Employment Department Law);

8 (s) ORS 339.326;

9 (t) Section 1, chapter 53, Oregon Laws 2010 (consideration for educational services); and

10 (u) This chapter.

11 (2) Notwithstanding subsection (1) of this section, a charter may specify that statutes and rules
12 that apply to school district boards, **boards of education of community college districts**, school
13 districts, **community college districts** and other public schools may apply to a public charter
14 school.

15 (3) If a statute or rule applies to a public charter school, then the terms “school district” and
16 “public school” include public charter school as those terms are used in that statute or rule.

17 (4) A public charter school may not violate the Establishment Clause of the First Amendment
18 to the United States Constitution or section 5, Article I of the Oregon Constitution, or be religion
19 based.

20 (5) A public charter school shall maintain an active enrollment of at least 25 students.

21 (6) A public charter school may sue or be sued as a separate legal entity.

22 (7) The sponsor, members of the governing board of the sponsor acting in their official capacities
23 and employees of a sponsor acting in their official capacities are immune from civil liability with
24 respect to all activities related to a public charter school within the scope of their duties or em-
25 ployment.

26 (8) A public charter school may enter into contracts and may lease facilities and services from
27 a school district, **a community college district**, an education service district, a state institution
28 of higher education, *[other]* a governmental unit or any person or legal entity.

29 (9) A public charter school may not levy taxes or issue bonds under which the public incurs li-
30 ability.

31 (10) A public charter school may receive and accept gifts, grants and donations from any source
32 for expenditure to carry out the lawful functions of the school.

33 (11)(a) **Except as provided in paragraph (b) of this subsection**, the school district in which
34 the public charter school is located shall offer a high school diploma, a modified diploma, an ex-
35 tended diploma or an alternative certificate to any public charter school student who meets the
36 district’s and state’s standards for a high school diploma, a modified diploma, an extended diploma
37 or an alternative certificate.

38 **(b) For a public charter school that is sponsored by the State Board of Education and for**
39 **which the educational services of the school are provided by a community college, the com-**
40 **munity college shall offer a high school diploma to any student of the school who meets the**
41 **requirements for a high school diploma that the community college is authorized to issue.**

42 (12) A high school diploma, a modified diploma, an extended diploma or an alternative certificate
43 issued by a public charter school grants to the holder the same rights and privileges as a high
44 school diploma, a modified diploma, an extended diploma or an alternative certificate issued by a
45 nonchartered public school.

1 (13) Prior to beginning operation, the public charter school shall show proof of insurance to the
 2 sponsor as specified in the charter.

3 (14) A public charter school may receive services from an education service district in the same
 4 manner as a nonchartered public school in the school district in which the public charter school is
 5 located.

6 **SECTION 9.** ORS 338.115, as amended by section 7, chapter 839, Oregon Laws 2007, section 12,
 7 chapter 50, Oregon Laws 2008, section 4, chapter 618, Oregon Laws 2009, and section 3, chapter 53,
 8 Oregon Laws 2010, is amended to read:

9 338.115. (1) Statutes and rules that apply to school district boards, **boards of education of**
 10 **community college districts**, school districts, **community college districts** or other public
 11 schools do not apply to public charter schools. However, the following laws do apply to public
 12 charter schools:

- 13 (a) Federal law;
- 14 (b) ORS 192.410 to 192.505 (public records law);
- 15 (c) ORS 192.610 to 192.690 (public meetings law);
- 16 (d) ORS 297.405 to 297.555 and 297.990 (Municipal Audit Law);
- 17 (e) ORS 181.534, 326.603, 326.607, 342.223 and 342.232 (criminal records checks);
- 18 (f) ORS 337.150 (textbooks);
- 19 (g) ORS 339.141, 339.147 and 339.155 (tuition and fees);
- 20 (h) ORS 659.850, 659.855 and 659.860 (discrimination);
- 21 (i) ORS 30.260 to 30.300 (tort claims);
- 22 (j) Health and safety statutes and rules;
- 23 (k) Any statute or rule that is listed in the charter;
- 24 (L) The statewide assessment system developed by the Department of Education for mathemat-
 25 ics, science and English under ORS 329.485 (2), **unless:**
 - 26 (i) **The State Board of Education is the sponsor of the school;**
 - 27 (ii) **The educational services of the school are provided by a community college; and**
 - 28 (iii) **The school complies with assessment requirements identified by the Department of**
 29 **Community Colleges and Workforce Development;**
- 30 (m) ORS 329.045 (academic content standards and instruction);
- 31 (n) ORS 329.496 (physical education);
- 32 (o) Any statute or rule that establishes requirements for instructional time provided by a school
 33 during each day or during a year;
- 34 (p) ORS 339.250 (12) (prohibition on infliction of corporal punishment);
- 35 (q) ORS 339.370, 339.372, 339.388 and 339.400 (reporting of child abuse and training on pre-
 36 vention and identification of child abuse);
- 37 (r) ORS 329.451 (high school diploma, modified diploma, extended diploma and alternative cer-
 38 tificate) **or, if the school is sponsored by the State Board of Education and the educational**
 39 **services of the school are provided by a community college, any standards related to the is-**
 40 **suance of a high school diploma by an authorized community college;**
- 41 (s) ORS chapter 657 (Employment Department Law);
- 42 (t) ORS 339.326;
- 43 (u) Section 1, chapter 53, Oregon Laws 2010 (consideration for educational services); and
- 44 (v) This chapter.

45 (2) Notwithstanding subsection (1) of this section, a charter may specify that statutes and rules

1 that apply to school district boards, **boards of education of community college districts**, school
 2 districts, **community college districts** and other public schools may apply to a public charter
 3 school.

4 (3) If a statute or rule applies to a public charter school, then the terms “school district” and
 5 “public school” include public charter school as those terms are used in that statute or rule.

6 (4) A public charter school may not violate the Establishment Clause of the First Amendment
 7 to the United States Constitution or section 5, Article I of the Oregon Constitution, or be religion
 8 based.

9 (5) A public charter school shall maintain an active enrollment of at least 25 students.

10 (6) A public charter school may sue or be sued as a separate legal entity.

11 (7) The sponsor, members of the governing board of the sponsor acting in their official capacities
 12 and employees of a sponsor acting in their official capacities are immune from civil liability with
 13 respect to all activities related to a public charter school within the scope of their duties or em-
 14 ployment.

15 (8) A public charter school may enter into contracts and may lease facilities and services from
 16 a school district, **a community college district**, an education service district, a state institution
 17 of higher education, *[other]* a governmental unit or any person or legal entity.

18 (9) A public charter school may not levy taxes or issue bonds under which the public incurs li-
 19 ability.

20 (10) A public charter school may receive and accept gifts, grants and donations from any source
 21 for expenditure to carry out the lawful functions of the school.

22 (11)(a) **Except as provided in paragraph (b) of this subsection**, the school district in which
 23 the public charter school is located shall offer a high school diploma, a modified diploma, an ex-
 24 tended diploma or an alternative certificate to any public charter school student who meets the
 25 district’s and state’s standards for a high school diploma, a modified diploma, an extended diploma
 26 or an alternative certificate.

27 **(b) For a public charter school that is sponsored by the State Board of Education and for**
 28 **which the educational services of the school are provided by a community college, the com-**
 29 **munity college shall offer a high school diploma to any student of the school who meets the**
 30 **requirements for a high school diploma that the community college is authorized to issue.**

31 (12) A high school diploma, a modified diploma, an extended diploma or an alternative certificate
 32 issued by a public charter school grants to the holder the same rights and privileges as a high
 33 school diploma, a modified diploma, an extended diploma or an alternative certificate issued by a
 34 nonchartered public school.

35 (13) Prior to beginning operation, the public charter school shall show proof of insurance to the
 36 sponsor as specified in the charter.

37 (14) A public charter school may receive services from an education service district in the same
 38 manner as a nonchartered public school in the school district in which the public charter school is
 39 located.

40 **SECTION 10.** ORS 338.125 is amended to read:

41 338.125. (1)(a) Student enrollment in a public charter school shall be voluntary.

42 **(b) Enrollment at a public charter school is available to:**

43 **(A)** All students who reside within the school district *[where]* **in which** the public charter school
 44 is located *[are eligible for enrollment at a public charter school.]*, **if the sponsor is a school district**
 45 **board or the State Board of Education pursuant to ORS 338.075; or**

1 **(B) All students who reside within a community college district and who meet the en-**
 2 **rollment requirements for the public charter school established by the board of education**
 3 **of the community college, if the sponsor is the State Board of Education and the educational**
 4 **services of the school are provided through a community college district.**

5 (c) If the number of applications from students who reside within the school district **or com-**
 6 **munity college district** exceeds the capacity of a program, class, grade level or building, the public
 7 charter school shall select students through an equitable lottery selection process. However, after
 8 a public charter school has been in operation for one or more years, the public charter school may
 9 give priority for admission to students:

10 [(a)] **(A)** Who were enrolled in the school in the prior year; or

11 [(b)] **(B)** Who have siblings who are presently enrolled in the school and who were enrolled in
 12 the school in the prior year.

13 (2)(a) If space is available, a public charter school may admit students who do not reside in the
 14 school district **or community college district** in which the public charter school is located.

15 (b) Notwithstanding paragraph (a) of this subsection, if a public charter school offers any online
 16 courses as part of the curriculum of the school, then 50 percent or more of the students who attend
 17 the public charter school must reside in:

18 **(A)** The school district in which the public charter school is located, **if the sponsor is a school**
 19 **district board or the State Board of Education pursuant to ORS 338.075; or**

20 **(B)** **The community college district in which the public charter school is located, if the**
 21 **sponsor is the State Board of Education and the educational services of the school are pro-**
 22 **vided through a community college.**

23 (3) A public charter school may not limit student admission based on race, religion, sex, sexual
 24 orientation, ethnicity, national origin, disability, income level, proficiency in the English language
 25 or athletic ability, but may limit admission to students within a given age group or grade level.

26 (4) A public charter school may conduct fund-raising activities. However, a public charter school
 27 may not require a student to participate in fund-raising activities as a condition of admission to the
 28 public charter school.

29 **SECTION 11.** ORS 338.135 is amended to read:

30 338.135. (1) Employee assignment to a public charter school shall be voluntary. **The public**
 31 **charter school governing body shall control the selection of employees at the public charter**
 32 **school.**

33 (2)(a) A public charter school or the sponsor of the public charter school is considered the em-
 34 ployer of any employees of the public charter school. [*If a school district board is not the sponsor*
 35 *of the public charter school, the school district board*]

36 **(b) A school district board** may not be **considered** the employer of the employees of the public
 37 charter school and [*the school district board*] may not collectively bargain with the employees of the
 38 public charter school **if the school district board is not the sponsor of the public charter**
 39 **school.** [*The public charter school governing body shall control the selection of employees at the public*
 40 *charter school.*]

41 (c) **If a public charter school is sponsored by the State Board of Education and the edu-**
 42 **ational services of the public charter school are provided through a community college, the**
 43 **board of education of the community college district may not be considered the employer of**
 44 **the employees of the public charter school and may not collectively bargain with the em-**
 45 **ployees of the public charter school.**

1 **[(b)] (d)** If a virtual public charter school or the sponsor of a virtual public charter school con-
 2 tracts with a for-profit entity to provide educational services through the virtual public charter
 3 school, the for-profit entity may not be the employer of any employees of the virtual public charter
 4 school.

5 **(3)(a)** *[The school district board of the school district within which the public charter school is*
 6 *located]* **If a school district board is the sponsor of a public charter school and an employee**
 7 **of the school district chooses to work for the public charter school, the school district board**
 8 shall grant a leave of absence to *[any]* **the** employee *[who chooses to work in the public charter*
 9 *school]*.

10 **(b)** **If the educational services of a public charter school are provided through a com-**
 11 **munity college and an employee of the community college chooses to work for the public**
 12 **charter school, the board of education of the community college district shall grant a leave**
 13 **of absence to the employee.**

14 **(c)** The length and terms of *[the]* a leave of absence **granted under this subsection** shall be
 15 set by negotiated agreement or by board policy. However, the length of the leave of absence may
 16 not be less than two years unless:

17 **[(a)] (A)** The charter of the public charter school is terminated or the public charter school is
 18 dissolved or closed during the leave of absence; or

19 **[(b)] (B)** The employee and the school district board **or the board of education of the com-**
 20 **munity college district** have mutually agreed to a different length of time.

21 **(4)** An employee of a public charter school *[operating within a school district]* who is granted a
 22 leave of absence *[from the school district and]* **as provided by subsection (3) of this section and**
 23 **who** returns to employment with the school district **or community college district** shall retain
 24 seniority and benefits as an employee pursuant to the terms of the leave of absence.
 25 Notwithstanding ORS 243.650 to 243.782, a school district **or community college district** that was
 26 the employer of an employee of a public charter school not operating within the school district **or**
 27 **community college district** may make provisions for the return of the employee to employment
 28 with the school district **or community college district**.

29 **(5)** For purposes of ORS chapters 238 and 238A, a public charter school shall be considered a
 30 public employer and as such shall participate in the Public Employees Retirement System.

31 **(6)** For teacher licensing, employment experience in public charter schools shall be considered
 32 equivalent to experience in public schools **if the public charter school is sponsored by a school**
 33 **district board or by the State Board of Education pursuant to ORS 338.075.**

34 **(7)(a)** **For a public charter school sponsored by a school district or the State Board of**
 35 **Education pursuant to ORS 338.075:**

36 **[(7)(a)] (A)** Any person employed as an administrator in a public charter school shall be licensed
 37 or registered to administer by the Teacher Standards and Practices Commission.

38 **[(b)] (B)** Any person employed as a teacher in a public charter school shall be licensed or reg-
 39 istered to teach by the commission.

40 **[(c)] (C)** Notwithstanding *[paragraph (a) or (b) of this subsection]* **subparagraph (A) or (B) of**
 41 **this paragraph**, at least one-half of the total full-time equivalent (FTE) teaching and administrative
 42 staff at the public charter school *[shall]* **must** be licensed by the commission pursuant to ORS
 43 342.135, 342.136, 342.138 or 342.140.

44 **(b)** **For a public charter school sponsored by the State Board of Education and for which**
 45 **the educational services are provided through a community college, any person employed as**

1 **a teacher or administrator in the public charter school must meet the standards prescribed**
 2 **by the community college.**

3 (8) Notwithstanding ORS 243.650, a public charter school [*shall be*] **is** considered a school dis-
 4 trict for purposes of ORS 243.650 to 243.782. An employee of a public charter school may be a
 5 member of a labor organization or organize with other employees to bargain collectively. Bargaining
 6 units at the public charter school may be separate from other bargaining units of the sponsor or of
 7 the school district in which the public charter school is located. Employees of a public charter
 8 school may be part of the bargaining units of the sponsor or of the school district in which the
 9 public charter school is located.

10 (9) A school district or the State Board of Education may not waive the right to sponsor a public
 11 charter school in a collective bargaining agreement.

12 **SECTION 12.** ORS 338.155 is amended to read:

13 338.155. (1) Students of a public charter school shall be considered to be residents of the school
 14 district in which the public charter school is located for purposes of distribution of the State School
 15 Fund.

16 (2) A school district shall contractually establish, with any public charter school that is spon-
 17 sored by the board of the school district, **or by the State Board of Education for a school that**
 18 **has educational services provided through a community college and is within the boundaries**
 19 **of the school district**, payment for provision of educational services to the public charter school's
 20 students. The payment shall equal an amount per weighted average daily membership (ADMw) of the
 21 public charter school that is at least equal to:

22 (a) Eighty percent of the amount of the school district's General Purpose Grant per ADMw as
 23 calculated under ORS 327.013 for students who are enrolled in kindergarten through grade eight;
 24 and

25 (b) Ninety-five percent of the amount of the school district's General Purpose Grant per ADMw
 26 as calculated under ORS 327.013 for students who are enrolled in grades 9 through 12.

27 (3) A school district shall contractually establish, with any public charter school that is spon-
 28 sored by the State Board of Education **pursuant to ORS 338.075** and **is** within the boundaries of
 29 the school district, payment for provision of educational services to the public charter school's stu-
 30 dents. The payment shall equal an amount per weighted average daily membership (ADMw) of the
 31 public charter school that is at least equal to:

32 (a) Ninety percent of the amount of the school district's General Purpose Grant per ADMw as
 33 calculated under ORS 327.013 for students who are enrolled in kindergarten through grade eight;
 34 and

35 (b) Ninety-five percent of the amount of the school district's General Purpose Grant per ADMw
 36 as calculated under ORS 327.013 for students who are enrolled in grades 9 through 12.

37 (4) The estimated amount of each school district's General Purpose Grant per ADMw shall
 38 [*be*]:

39 (a) **Be** determined each year by the Department of Education; [*and*]

40 (b) **Be** made available to all school districts[.]; **and**

41 (c) **For a public charter school that is sponsored by the State Board of Education and for**
 42 **which educational services are provided by a community college, take into account an ex-**
 43 **tended schedule that may be provided by the school.**

44 (5) The school district in which the public charter school is located shall transfer an amount
 45 per weighted average daily membership (ADMw) of the public charter school that is equal to 50

1 percent of the amount of the school district’s General Purpose Grant per ADMw as calculated under
 2 ORS 327.013 that is not paid to the public charter school through a contract created pursuant to
 3 subsections (2) or (3) of this section to:

4 (a) Any school district in which the parent or guardian of or person in parental relationship to
 5 a student of a public charter school resides pursuant to ORS 339.133 and 339.134; or

6 (b) The Department of Education if the State Board of Education is the sponsor of the public
 7 charter school.

8 (6) The department may use any [money] **moneys** received under this section for activities re-
 9 lated to public charter schools.

10 (7) A school district **or a community college district** and a public charter school may negoti-
 11 ate to establish a payment for the provision of educational services to the public charter school’s
 12 students that is more than the minimum amounts specified in subsection (2) or (3) of this section.

13 (8) A school district shall send payment to a public charter school based on a contract negoti-
 14 ated under this section within 10 days after receiving payments from the State School Fund pursuant
 15 to ORS 327.095.

16 (9)(a) A public charter school may apply for any grant that is available to school districts or
 17 nonchartered public schools from the Department of Education. The department shall consider the
 18 application of the public charter school in the same manner as an application from a school district
 19 or nonchartered public school.

20 (b) The department shall award any grant that is available to school districts based solely on
 21 the weighted average daily membership (ADMw) of the school district directly to the public charter
 22 school. This paragraph does not apply to any grant from the State School Fund.

23 **SECTION 13.** Section 13b, chapter 691, Oregon Laws 2009, is amended to read:

24 **Sec. 13b.** (1) Except as provided in subsection (2) of this section, ORS 338.135 [(2)(b)] **(2)(d)** ap-
 25 plies to all virtual public charter schools operating in this state prior to, on or after [*the effective*
 26 *date of this 2009 Act*] **July 14, 2009.**

27 (2) ORS 338.135 [(2)(b)] **(2)(d)** does not apply if a virtual public charter school or sponsor of a
 28 virtual public charter school entered into a contract with a for-profit entity prior to [*the effective*
 29 *date of this 2009 Act*] **July 14, 2009**, and the contract provided for the employment of employees of
 30 the virtual public charter school by the for-profit entity. A contract described in this subsection may
 31 not be extended or renewed.

32