

Honorable members of the committee,

Senate Bill 767, the emergency legislation before you, seeks to limit the rights of Oregon families who desire an education suitable for their needs. This “emergency,” is in response to a charter proposal that was submitted to the Pinehurst School District by Classical Quest for Education and is an attempt to stop CQE and other future charter schools from establishing and growing brick-and-mortar in-person schools in the state of Oregon.

First, the proponents of this legislation suggest that this legislation is necessary to protect smaller school districts. On the contrary, this legislation would discourage creativity in working with smaller school districts to provide choice to families who have the fewest options. Contrary to misinformation that has been spread, we went to Pinehurst for authorization out of a genuine interest to provide a way to strengthen that district and their existing K-6 programming while at the same time providing a creative solution to their inability to educate 7-12th grade students in their district. The proposal we provided (discussed in more detail below) is overwhelmingly popular with the families in that district with school-aged children, including our Board Chair who lives in Pinehurst. She is a fourth-generation resident of Pinehurst. She is a graduate of the Pinehurst schools. She wants to protect her community school. What CQE is proposing is a solution to protect that beautiful, small district.

What this legislation is proposing would kill our ability to provide creative solutions to Pinehurst School District, to the families of children in Pinehurst, and to families throughout Jackson County.

Do not be deceived. SB 767 is an attempt, under the guise of protecting small school districts, to protect the monopoly of larger school districts and to also preserve the cash flows that larger school districts have become accustomed to at the expense of charter schools and families seeking a choice in their education. This bill would stifle and, in many districts, even prevent charter school growth for brick-and-mortar in-person options.

Under current law, charter schools once authorized can grow their model throughout the state. This allows a charter school to get authorized and then find a facility which may even be in a location of a district openly hostile to charter schools or that would charge an exorbitant fee. Districts regularly charge exorbitant fees as a price for being approved. The proposed legislation takes aim at in-person schools by requiring an in-person school sponsorship from the district where they might locate even if there is little hope of getting authorization there or must otherwise agree to unworkable fees. To close the door on Oregon families needing a brick-and-mortar option, all a school district needs to do to protect their financial interest is simply to say “no” or demand unreasonable oversight fees that would otherwise prevent a successful full in-person model such as ours. Make no mistake about it, this is about protecting the interest of the educational status-quo and not the interest of children.

CQE plans to serve scholars throughout Jackson County. As CQE began the process of obtaining a charter, we met with three districts in the county where we hoped to authorize. We preferred to locate in Pinehurst because our board chair lives there with her children and wants to make a difference in supporting her local school district as well as those children who must be bussed over 45 minutes out of district to get an education. We also spoke with the Ashland School District which clearly let us know that we were not welcome there. The Medford School District made it clear that they would be open to authorizing us but would exact from our students’ revenue the statutory maximum of 20% as a fee to

the district, even though we are a full-service educational model that requires few services limiting the scope of oversight duties.

Frankly, the 20% fee without any commensurate services is a non-starter for a full-service, in-person model such as ours that needs facilities. Sadly, it has become standard to charge such amounts in Oregon without services, even with our state constitution that requires proportional education funding and equal protection under the law for children's education. Other states cap the authorizer fee at 1% for actual services provided. It is hard to imagine anything that is proportional or equitable about such a pay-to-play fee. School districts want to keep their strangle hold on the cash flows. They do not want the funding to follow the child. It gives them great control to either hobble the school, or even prevent them from opening under the pretext of the fee.

This 20% authorizer fee is a double disadvantage to brick-and-mortar, in-person charter schools. Unlike district schools, which get separate tax-generated funding for their facilities with no effect on their per-pupil programmatic funding, charter schools must pay for their facilities out of their student program revenue. To get a facility that barely meets the needs of a full-service program, charter schools typically need to spend 15-20% of per-pupil funding. Again, that puts charter students at a whopping 35-40% disadvantage before spending a dollar directly on students' programming.

Currently, charters can get authorized by a district then find and lease a facility. Lessors are simply unwilling to enter into a lease or even hold a facility during the arduous process it takes to get authorized. The new law would shut the door even harder on in-person schools because they would have to get authorized but then would be prevented from finding a facility in the area that might be just outside the charting district's boundaries.

This multiple burden means that charter schools struggle to survive, especially charter schools with their own facilities. It is no wonder that most in-person schools in the state of Oregon are operating out of facilities like warehouses or small office spaces, without adequate playgrounds, performing arts spaces, or sports facilities. And just to make ends meet, they must pay their teachers lower salaries. Many families, especially dual-income families and single-parent families in lower income brackets cannot choose a virtual or hybrid school. They need full-service in-person options. The current funding model is relegating those families to choose options with facilities that are simply inadequate.

One study showed that with all the extra fees and revenue districts get, Oregon charter schools operate on about 60% of the revenue of their district school counterparts. It creates a second-class citizenry to essentially say, "Sorry, your child's publicly funded education is worth 40% less than other Oregon public school children."

The proverbial elephant in the room is that if a charter school gets authorized at a more reasonable rate that would actually allow them to open a real education facility and then finds a physical location in a charter unfriendly district, it is seen as a threat to school districts that have already authorized charter schools. It threatens their ability to justify taking 20% of the revenue from the schools they have already authorized, and it sheds the shackles off of those charter schools to finally put in a full-service in-person facility to serve families and children. This is what has scared these larger districts to rush this legislation. They know we cannot operate our full model in their district at their 20% fee. Now that we might get authorized somewhere else for less than the 20% and could operate anywhere in the county,

these school districts are running to the legislature to shut us down. They are doing so under the guise that we are harming a smaller school district.

As the big districts in the valley pushed away school choice opportunities, CQE determined it had no real alternative to authorize anywhere but in the Pinehurst School District, without the "pay-to-play" fee. In fact, it was our first choice. As mentioned, the chairman of our board lives in Pinehurst with her children. She graduated from Pinehurst schools. Pinehurst is a small but mighty district. It has a small K-6 school but has to pay to have its 7-12th grade students bussed and educated in another district over 40 minutes away. CQE has proposed offering a 7-12th grade in-person option in the district. The chairman of our board wants this option for her children and for the children of her community who overwhelmingly support this option in their community. Having Pinehurst School District approve the charter responds to the needs of families in that community while at the same time stabilizing the revenue of the district. By seeking authorization from the small district of Pinehurst, CQE is linking the fate of their charter to the fate of the district. If the district were to be negatively impacted, it would negatively impact the charter. Therefore, there is a built-in desire on the part of the charter school and families to work toward the success, viability, and sustainability of this small school district.

The immediacy of the efforts to enact this bill, should be a clear signal that the educational elite have sadly put the interest of protecting a lucrative system ahead of the interest of Oregon families who wish to have a choice in their children's education and ensure that that choice is funded at a commensurate rate for services rendered by a sponsoring district.

The original intent of the Oregon charter school law is that charter schools are to be approved and that they are to be viable options throughout the state. The only loophole that exists is the loophole that large school districts have used to create an educational monopoly and deny choice to school children.

If this legislation passes, it will prevent any school authorized outside their district from making in-person school opportunities available in their district. If we want to serve families throughout Jackson County, we would be forced back to be authorized by the larger unwelcoming districts under the current pay-to-play scheme which is financially debilitating for a full-service in-person model such as ours. We will not agree to that kind of educational impact on our families nor should any legislator. Low-income families with both parents working and single-parent families, are the most in need of in-person school options, and no child should be funded at a 35-40% disadvantage for choosing an in-person education option that fits their needs.

It will take bold leadership to truly stand up for the families in Oregon, and we submit to you that we owe it to the children, to do so.

Classical Quest for Education Board – Jenna Hays, Tanner Cropper, Trevor Peterson.

Classical Quest for Education (CQE) is an Oregon non-profit public benefit corporation organization