



The Charter Schools Development Center Spear-heads Successful Charter School Renewal Legislation (HB 3174B)

During the 2005 Oregon Legislative Session, CSDC led a successful, collaborative effort to establish criteria, process and timelines related to the renewal of Oregon's public charter schools. CSDC would like to thank the House Education Committee, Senate Education Committee, the Oregon Department of Education, the Oregon Education Association, and the Oregon School Boards Association for their active partnership in this effort, which improves quality public education for Oregon's students.

Context

Oregon passed its public charter school law in 1999. Currently 57 public charter schools are serving Oregon students; another 13 plan to open their doors this coming fall. Charter contracts between local school district sponsors and charter schools have terms of one to five years. The majority of initial charter contracts in Oregon are for three years.

Oregon Revised Statute (ORS) Chapter 338 did not adequately address charter school renewal; its only reference to renewal was: "The charter shall be in effect for a period of not more than five years and may be renewed upon the authorization of the sponsor." (ORS 338.065). The law did not provide for the critical aspects of charter school renewal, namely: process, timeline, criteria, or term-length.

Essentially, whether or not to renew, or enter into a subsequent charter agreement, was a (subjective) option of the sponsoring district, without regard to the quality or performance of a charter school. Given the regular turn-over of district superintendents and board members, as well as other fluctuating factors within districts and communities, our charter schools were susceptible to closures based on issues other than performance.

Process to address renewal

- Oregon charter school directors and district charter school administrators identified charter school renewal as one of the key advocacy priorities, through surveys and discussions.
- The Charter Schools Development Center drafted a bill related to the renewal of public charter schools (sponsored by the House Education Committee).
- The draft became HB 3174 and SB 789 (sponsored by Senators Morrisette and [Charles] Starr).
- The Senate Education Committee heard SB 789 on March 28th; members expressed support of the bill; Chair Walker recommended moving HB 3174 through the House and for the Senate to subsequently consider the bill.
- A work-group, chaired by Representative Dallum, with representatives from the Charter Schools Development Center, Oregon School Boards Association,

Oregon Department of Education and the Oregon Education Association, worked to amend HB 3174 to ensure that all of its provisions would work well for all key stakeholders.

- Please refer to HB 3174's progression through the Legislative process at www.leg.state.or.us/cgi-bin/searchMeas.pl.

Key provisions of HB 3174

Please see www.leg.state.or.us/05reg/measpdf/hb3100.dir/hb3174.b.pdf for a full text of HB 3174B.

House Bill 3174 contains the four provisions necessary to adequately and thoroughly address charter school renewal:

1. ***CRITERIA: The renewal decision will be based largely on the program's performance in relation to the goals and objectives set forth in the charter.*** Section 338.055 of the charter law provides an extensive list of items to be included in the charter proposal, which then get transferred into the charter. Charter agreements are performance-based contracts. Education and student performance goals and fiscal, operational, and legal soundness, as required by the law and by the charter, should be the primary criteria upon which the sponsor bases renewal. If the charter school can demonstrate achievement of these goals or substantial progress toward achievement of these goals, its sponsor should renew its charter contract so that the school may continue to serve students.
2. ***PROCESS: The renewal process will be tied closely to the charter school's annual reporting and review requirements.*** Section 338.095 of the charter law requires the charter school to produce an annual performance report for the sponsor and the State Board of Education, detailing performance of the charter school and its students. Additionally, the sponsor must conduct an annual site visit and the charter school must undergo an annual financial audit. The charter school's renewal should be based on review of these items for each year. Other information should be considered in the renewal decision only if mutually agreed upon in advance by the charter school and the sponsor.
3. ***TIMELINE: Charter school renewal timeline will be adequate.*** Demonstrating and verifying compliance with charter contracts, as well as negotiating provisions for a new charter is complex and takes time. HB 3174 reflects this concept and requires that, at minimum, the charter submit a renewal request to the sponsor for consideration at least 180 days prior to contract expiration unless the parties agree to a different timeline.
4. ***TERM-LENGTH: Renewal will be for at least five years and up to ten years.*** Experience has demonstrated that effective charter school strategic planning is best accomplished in increments of not less than five years. Families should have the assurance that their students will be able to complete their education within a specific level (i.e., elementary, middle or high school) in one school, without fear of having to transfer due to school closure. Often it takes five years for a school to

build a record of demonstrated performance. Additionally, many private lenders for facilities and other sources of financing are reluctant to lend funds to charter schools if they cannot be guaranteed that the charter has five to ten years of longevity.

HB 3174 also includes a provision for appeal, in the event that a sponsor denies a charter school's renewal request. The language in HB 3174 ties closely to the language in Section 338.055 on the charter applicant's right to approval or written justification for denial and a write to an appeal to the State Board of Education and ultimately the courts.

Sample renewal of a charter school

Under HB 3174, the renewal of a public charter school would happen something like this:

Timeline/Process*

1. ABC Charter School has a charter with *District X*
2. The charter contract ends on June 30, 2006
3. By January 1st (180 days before the contract's expiration), ABC Charter School would submit a letter to *District X* requesting a renewal of the charter contract
4. Within 45 days of receiving such request, *District X* would hold a public hearing regarding the renewal request
5. Within 10 days of the hearing, *District X* would notify ABC Charter School as to their intent about renewal
6. Within 20 days of the hearing, *District X* would approve the charter renewal or state in writing the reasons for denying the renewal of the charter.
7. If the charter renewal is approved, then *District X* and ABC Charter School would negotiate a new charter within 90 days (or a later date, if mutually agreed upon)

*If the charter contract between *District X* and ABC Charter School specifies different timelines for the renewal process, such timelines would supersede those outlined in HB 3174.

Term-length

A first charter renewal would be for the same length as the initial charter; subsequent renewals would be for a minimum of five years and a maximum of ten years.

Criteria

District X would base the renewal evaluation on a review of the public charter school's annual performance reports, annual audit of accounts and annual site visit and review (as required by ORS 338.095) and any additional information mutually agreed upon by the District and charter school.

District X will base the charter renewal decision on a good faith evaluation of whether the public charter school:

- Is in compliance with this chapter and all other applicable state and federal laws;
- Is in compliance with the charter of the public charter school;

- Is meeting or working toward meeting the student performance goals and agreements
- specified in the charter or any other written agreements between the sponsor and the public
- charter school governing body;
- Is fiscally stable; and
- Is in compliance with any renewal criteria specified in the charter of the public charter school.

Appeal

1. If *District X* denies the renewal request, ABC Charter School would address the written reasons provided by *District X* and any additional measures suggested by the district and submit a revised renewal request to the District.
2. If *District X* (again) denies the renewal request, the charter school may appeal to the State Board of Education for a procedural review (i.e., whether *District X* used the process and criteria required by this bill)
3. If the State Board finds that *District X* did use the appropriate process and criteria, it will affirm *District X*'s position.
4. If the state Board finds that *District X* did not use the appropriate process and criteria, it will order the sponsor to reconsider the renewal request.
5. If *District X* still denies the charter renewal or if the State Board affirms *District X*'s decision to deny, the charter school board may seek judicial review
6. (This appeals process will not result in the State Board of Education sponsoring a charter school)

For additional information regarding HB 3174B, please contact Kaaren Heikes, CSDC's Oregon Program Director, at kheikes@chartercenter.org.