



May 2004
Volume 2, Issue 1

Inside this Brief

- **Background**
- **Oregon Law**
- **Federal Assistance**
- **Charter Schools in Oregon**
- **Staff and Agency Contacts**

Legislative Committee Services
State Capitol Building
Salem, Oregon 97301
(503) 986-1813

Background Brief on...

Charter Schools

Prepared by: Jan McComb

Background

The term "charter school" refers to a type of public school that is largely exempt from state and local regulations. The "charter" refers to an agreement between the school's board and its sponsor (usually the school district), and describes how the school will be operated, what will be taught, and how success will be measured. If the terms of the charter are not met, the sponsor may close the school.

Proponents of charter schools cite the potential for greater innovation, parental involvement, and accountability. Skeptics see the potential for mismanagement, student upheaval through school closures, and greater financial costs for the district.

As of November 2003, there were over 2,700 charter schools in 40 states, Puerto Rico, and the District of Columbia serving 685,000 students. Arizona has the most charter schools (464), followed by California (428), Texas (221), Michigan (196), and Florida (227). Four states have enacted charter school laws but have opened no schools. Most advocates see a connection between the number of schools opened and the "strength" of the law—the fewer number of hurdles set before those who wish to start a school, the stronger the law is.

Oregon Law

Oregon's charter school law (Senate Bill 100, 1999) was vigorously debated and passed both the House and Senate by narrow margins. The law contains a number of components.

Charter School Proposals - Oregon law allows any entity to propose creating a charter school.

Sponsorship - Oregon law gives local school boards the right of first refusal to sponsor a charter school. If, after negotiation, the local board declines to sponsor, the school proponents may appeal that decision to the State Board of Education. If, after additional negotiation, the local district continues to decline sponsorship, the State Board may choose to sponsor the school.

Students – Charter schools must be voluntary and open to all students, with preference given to district students. If the number of applications exceeds the school's capacity, then students are chosen by lottery. Once a school has been in operation a year,

preference may be given to students enrolled the prior year and siblings of students.

Teachers – Oregon law requires at least half a charter school's teaching and administrative staff be fully licensed. Oregon law allows, but does not require, charter school employees to collectively bargain. Employees may bargain as part of the larger school district, if the school district is their sponsor, or as their own separate unit.

Conversion – Existing public schools may convert to charter status, but private schools may not. A private school that wishes to become a public charter school must dissolve and reformulate itself, with students applying to the school or chosen by lottery.

Statewide Funding – K-8 charter schools, if sponsored by their district, must receive at least 80 percent of the district's General Purpose Grant per weighted average daily membership (ADMw) and high schools must receive 90 percent. If the charter school is sponsored by the State Board of Education, a K-8 school shall be funded at 90 percent of the ADMw of the district in which the school is located, and a high school at 95 percent.

Special Education – A student who is eligible for special education services remains the responsibility of the student's resident school district, although services may be provided by the charter school by contractual arrangement.

Appeals – If a school district disapproves a charter proposal, the applicants may submit a substantially similar proposal to the ESD. A charter school may appeal any decision of its sponsor to the State Board of Education, except those decisions involving the daily operations of the school. An applicant may seek judicial review of an order of the State Board of Education; review is limited to whether the decision of the State Board was arbitrary and capricious.

Federal Assistance

The federal government's Public Charter Schools Program provides grants for the planning, design, and initial implementation of charter schools, through states' departments of education.

Oregon received \$9 million in federal grants for 1999-02, \$10 million in federal grant funds in 2002-

04 and expect another \$5 million for 2004-05. The grant funds are intended to assist charter schools in meeting planning needs and implementation needs, for a total of 36 months of federal funding.

Each school is eligible for a planning grant up to \$50,000 (Year 1), an implementation grant up to \$150,000 (Year 2), and a continued implementation grant up to \$150,000 (Year 3).

Charter Schools in Oregon

As of March 2004, 48 charter schools had opened in Oregon, and six have closed. Two schools, rejected by their local school district, have been sponsored by the State Board of Education.

Charter schools have not been renewed by their local districts primarily due to financial instability and failing to meet their academic goals. Two schools closed because they did not have the minimum 25 students required by law.

The department anticipates 9-15 new charter schools opening in the 2004-05 school year.

The department finds three types of public charter schools:

- Schools with a specific curriculum or method of instruction (e.g. Montessori, Waldorf, foreign language focus), and are generally elementary schools;
- Schools that target at-risk students and are mostly middle and high schools; and
- Schools created by their communities to avoid closure due to district budget reductions.

Like other public schools, charter schools receive report cards and must meet federal *No Child Left Behind* requirements. In terms of academic achievement, most charter schools perform as well or better than regular district schools.

Staff and Agency Contacts

Joni Gilles Oregon Department of Education
 503-378-3600 x 2276

Jan McComb Legislative Committee Services
 503-986-1635