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Background Brief on ...

# Charter Schools

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## 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 2006, there were over 3,500 charter schools in 40 states, Puerto Rico, and the District of Columbia, serving over one million students. Arizona has the most charter schools (464), followed by California (428), Florida (227), Texas (221), and Michigan (196). 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 of Education 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 for a year preference

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

*Teachers* – Oregon law requires at least half of 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 Education Service District (**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.

Since 1999, Oregon has received a total of \$30 million in federal grants. 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 November 2006, 73 charter schools have opened in Oregon, and sixteen have closed. Two schools, rejected by their local school district, have been sponsored by the State Board of Education. The charter of one of these schools was not renewed in 2005.

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

The department anticipates 10 new charter schools opening in the 2007-08 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), which are generally elementary schools
- Schools that target at-risk students, which are mostly middle and high schools
- 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.

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