

OREGON DEPARTMENT OF EDUCATION

OREGON PUBLIC CHARTER SCHOOL  
HANDBOOK



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# OREGON PUBLIC CHARTER SCHOOL HANDBOOK

## PART 1: GETTING STARTED

### WHAT IS A PUBLIC CHARTER SCHOOL?

In Oregon, a charter school is a comprehensive<sup>1</sup> public school operated by a group of parents, teachers, and/or community members as a semi-autonomous school of choice. The charter school operates under a contract or “charter” contract between the members of the charter school community and the local school district board of education. As described in later chapters, the charter school is accountable to its sponsoring district or agency. The sponsor is responsible for the oversight of the charter school as a public school. The charter school must be non-profit, nonsectarian, and non-discriminatory in its admission, enrollment, and employment practices.



Under Oregon law, individual schools within a school district may be converted to a charter school. Also under Oregon law, small school districts consisting of one school may convert the one school into a charter school.<sup>2</sup> This conversion does not change the school district into a charter district. Instead, the school district and the school district board remain a school district and a school district board as described in ORS 332, and the single school in the district is a charter school. The approval process for the one school in the district to become a charter school is the same process as a described in this handbook. Private schools, however, may not convert to charter schools.

As a school of choice, each student, parent and teacher chooses the school. School-centered semi-autonomous governance, and a clear design for how and what students will learn are the essential characteristics of a charter school. However, as a comprehensive public school, it must offer a comprehensive instructional program, a curriculum that includes all Oregon Content Standards and for high schools, courses leading to a high school diploma and diploma options. The “charter” contract defines the school goals, standards, education design, governance and operation. In some areas, such as personnel, curriculum and facilities, the charter school applicants may negotiate the degree of autonomy with the sponsoring school district. In other

<sup>1</sup> A charter school is not an elective, enrichment, or alternative education program; As a public school it must offer a comprehensive instructional program consistent with Oregon Content standards and OAR 581-022-1210 (2)

<sup>2</sup> ORS 449.046

areas, such as special education, the applicants and the school district will address their shared responsibilities. All such decisions will be reflected in the charter.

The approved proposal and contract serve as the basis for a charter between the charter school and the local school board.

There are several different types of charter schools in Oregon:

**Brick and Mortar:** Charter schools that hold their instructional program in a building are often times referred to as “brick and mortar schools”.

**Virtual:** As used in ORS Chapter 338 and the rules of the State Board of Education, “virtual charter school” means a public charter school that provides online courses. An online course is a course in which:

- (a) Instruction and content are delivered primarily on a computer using the internet, other electronic network, or other technology such as CDs or DVDs;
  - (b) The student and teacher are in different physical locations for a majority of the student’s instructional period while participating in the course;
  - (c) The online instructional activities are integral to the academic program of the school as described in its charter; and
  - (d) The student is not required to be located at the physical location of a school while participating in the course.
- (3) Notwithstanding section (2) of this rule, “virtual public charter school” does not include a public charter school that primarily serves students in a physical location. A charter school is not a virtual public charter school if the schools meet all of the following requirements:
- (a) More than 50 percent of the core courses (see core courses below) offered by the school are offered at a physical location and are not online courses;
  - (b) More than 50 percent of the total number of students attending the school are receiving instructional services at a physical location and not in an online course; and
  - (c) More than 50 percent of the minimum number of instructional hours required to be provided to students by the school under OAR 581-022-1620 during a school year are provided at a physical location and not through an online course.

**Core Courses (Virtual Charter School):**

- (A) English language arts including reading and writing;
- (B) Mathematics;
- (C) Science;

- (D) Social sciences including history, civics, geography and economics;
- (E) Physical education;
- (F) Health;
- (G) The arts;
- (H) Second languages, and
- (I) Career and technical education.

**Conversion:** Oregon law allows traditional public schools to convert to charter schools. Sometimes this is a school building within the district wishing to try something innovative and needs the flexibility afforded by becoming a charter school.

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## PURPOSE OF CHARTER SCHOOLS

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Through the authorization of public charter schools, the Oregon Legislature has created an avenue for parents, teachers, and community members to “take responsible risks to create new, innovative, more flexible ways of educating all children within the public school system.” (Oregon Revised Statutes (ORS) 338.015)

A charter school’s program must be consistent with the purposes set forth in ORS 338.015:

- Increase student learning and achievement
- Increase choices of learning opportunities for students
- Better meet individual student academic needs and interest
- Build stronger working relationships among educators, parents and other community members
- Encourage the use of different and innovative learning methods
- Provide opportunities in small learning environments for flexibility and innovation, which may be applied, if proven effective, to other public schools
- Create new professional opportunities for teachers
- Establish different forms of accountability for schools
- Create innovative measurement tools

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## A FEW FACTS ABOUT OREGON’S PUBLIC CHARTER SCHOOLS

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- 2010 marked the ten year anniversary of Oregon’s charter school law. It was originally known as Senate Bill 100 and was passed into law in May 1999.
- Oregon was the 38th state to enact a charter school law. There are currently 41 states and the District of Columbia that have charter school laws.

- Lourdes School in the Scio School District was the first Oregon charter school and opened in 1999.
- In the fall of 2011 there were 115 public charter schools in Oregon, sponsored by 71 school districts and the State Board of Education, located in 29 counties.
- Oregon charter schools have a high degree of accountability including annual reports, a municipal audit, AYP requirements, Oregon School Report Card, Oregon Assessment of Knowledge and Skills (OAKS), and regular oversight by the sponsor in a variety of areas including special education.
- Charter schools must pay and/or arrange for educational facilities out of their State School Funds.
- Oregon charter schools offer a wide range of instructional programs and grade configurations including Montessori-like, Arts and Sciences, Military Academy, Dual-Language Immersion, and International Baccalaureate.
- Historically, approximately 10-12 charter schools open in Oregon each year.
- All charter school employees belong to the Oregon Public Employees Retirement System (PERS).

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## STARTING AN OREGON PUBLIC CHARTER SCHOOL

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### A. FIRST STEPS

1. Successful charter schools fill a niche in the community. Identifying the niche will drive the school's marketing plan and ensure enough students enroll to make the financial plan viable.



2. Decide what type of charter school you would like to create to fill the niche. The focus could be the educational program or the school culture.

3. Form a small steering committee. Consider the variety of expertise and strengths each individual brings to the committee.

4. The first task for the steering committee is to write a vision and mission statement for the charter school. A vision statement defines the "big picture" and the mission statement states how you're going to accomplish that "big picture." Some charter schools have only a mission statement. The vision and mission statements should clearly communicate a message. The statements should clearly tell administrators, teachers, parents and the community what the school will look like in operational terms. Having clear vision and mission statements will help

ensure the charter school develops into the school intended by the founders and retains the same focus for the school over time.

5. Organize the workload by developing a work plan. It may be developed based on the contents needed for the charter school proposal. Use whatever structure best suits the steering committee members' expertise. Working backwards from sponsor district deadlines, such as the proposal submission deadline, should assist in creating deadlines in the work plan. Minimally, subcommittees of the steering committee should include:

- a) Data/research/phone tree,
- b) Facilities/finance, and
- c) Proposal writing.



A clear statement of mission, goals, philosophy, values and principles will serve to guide the creation and operation of the learning environment and the school community. To begin the development of a vision/mission statement, start by listing "belief statements," or phrases describing the school of your dreams. Talk about what will make your school unique and what will attract people to it. During the discussion, phrases or words will become predominant and the group should gain consensus on what will be included in the vision and mission statements. These statements should be concise and clearly communicate what the charter school will look like once it's operational. Using education "jargon" or buzz words will cloud the statement, so be careful to make the communication as jargon-free as possible.

A charter school must have a clear purpose. The charter school should be developed as the result of effective, research-based methods and strategies. Innovative strategies and proven methods for improving student achievement are developed in association with state content standards and are part of a charter school. The Oregon Content Standards and related instructional information can be found at: <http://www.ode.state.or.us/teachlearn/real/> Assessments need to be incorporated into the school's program.

The charter school proposal will include a comprehensive design for effective school functioning, including data-driven instruction, assessment, classroom management, professional development, parent involvement, and school management, that aligns with the school's curriculum, technology, faculty and finances into a performance plan. Teaching methodologies, school management and governance should be based on reliable research and effective practices.

A charter proposal also contains elements similar to a business plan. The proposal describes very clearly the school's design regarding such issues as: budget, employment practices, contracted services, governance, facilities, the comprehensive education program plan including curriculum, content standards, special education system, services for English Language Learners, and assessment of students.



The proposal development process should consist of a series of meetings, dialogues and negotiations between the applicants and appropriate district staff. In the best case scenario, most issues can be informally resolved before the official proposal is submitted to the district sponsor and the statutory review process and the timeline begin.

*Tips:*

*Meet early with district representatives to discuss requirements, formats and timelines for your proposal.*

*Refine and bring clear definition to your dream.*

*Ensure you have done your homework in regard to your academic programs. Make sure your academic programs are research-based and proven to be effective for the target population.*

*Ensure your proposal meets all state and federal laws.*

Some ideas to discuss with the steering committee might include:

- Educational philosophy
- School environment
- Discipline
- Methodology (how the curriculum will be delivered for all students)
- Size of school
- Location of school
- Anticipated student population
- A parent's role in their child's education
- Research-based, proven-to-work programs
- Services for students with disabilities
- School administration and management

## **B. CONTACT YOUR POTENTIAL SPONSOR**

In Oregon, the local school board is the most prevalent sponsor of charter schools. Early, informal discussions between the applicant and the school district representatives before the official proposal is submitted to the local board are highly encouraged. Schedule a meeting with the staff member designated by the district. Introduce your steering committee members, your vision for your school and find out if there is any information of which you need to be aware concerning the process of applying to your sponsor. Obtain a copy of the school district's policy for accepting and processing charter school proposals. The open sharing of information and ideas among all parties is essential to the process and development of a successful charter

school. The development process often consists of a series of meetings, dialogues, and negotiations between the charter applicants and the school district staff.

### **Developing Successful Sponsor Relationships**

Taking the time, effort and opportunity to develop strong relationships with their sponsoring districts reap many benefits. Communication is the key to the success of the relationship. Building a plan for this purposeful activity will assist charter schools to have smoother transitions and program implementation. The following table shows activities that develop and sustain sponsor relationships.

Developing & Sustaining Sponsor Relationships
<ul style="list-style-type: none"><li>❖ Identify key communicators list – include the charter school sponsor contact person</li><li>❖ Provide copies of information received from ODE to sponsor</li><li>❖ Schedule regular meetings – may be by phone or in person</li><li>❖ Submit required reports on time</li><li>❖ Ask for clarification of requests made</li><li>❖ Schedule annual visit as part of school calendar</li><li>❖ Share best practices – both to and from district to sponsor and sponsor to district</li><li>❖ Invite to training opportunities provided</li><li>❖ Invite district sponsor to special events and activities throughout the year</li><li>❖ Ask for the District calendar of events</li></ul>

Taking time from the beginning of the charter school process to develop this relationship will make the “tough” conversations easier to work through.

### **C. CONTACT THE OREGON DEPARTMENT OF EDUCATION (ODE)**

The Charter School Team at the Oregon Department of Education (ODE) provides technical assistance to charter schools and charter school sponsors. The team maintains contact information for all operating charter schools and developing charter schools. Information and notices are distributed through their contact information so it is important to notify ODE when you begin.

Learn everything you can about charter schools:

- Read the current federal Elementary and Secondary Education Act:  
[www.ed.gov/policy/elsec/leg/esea02/index.html](http://www.ed.gov/policy/elsec/leg/esea02/index.html)
- Read the Oregon Charter School Statutes (ORS 338) and Rules (OAR 581-020-0301--0395): [www.leg.state.or.us/ors/338.html](http://www.leg.state.or.us/ors/338.html),  
[http://arcweb.sos.state.or.us/rules/OARS\\_500/OAR\\_581/581\\_020.html](http://arcweb.sos.state.or.us/rules/OARS_500/OAR_581/581_020.html).
- Read reports and studies about charter schools. Learn factors influencing success or failure.
- Visit other charter schools and non-charter schools with the same or similar educational programs.
- Network with other charter school administrators, board members and parents.
- Make sure your charter school will rely on research-based, proven-to-be-effective programs and strategies.
- Read everything on the ODE Charter Schools website and visit each of the links for more information from other websites. [www.ode.state.or.us/go/charterschools](http://www.ode.state.or.us/go/charterschools)
- Learn about public education's responsibilities for children with disabilities and the difference between the Individuals with Disabilities Education Act (IDEA) and disabilities under Section 504 of the Rehabilitation Act of 1973.
  - <http://www.ode.state.or.us/search/results?id=146>
  - <http://www.ode.state.or.us/search/results?id=131>
- Visit other websites:
  - [http://www.osba.org/en/Services/LeftNav/Charter\\_Schools.aspx](http://www.osba.org/en/Services/LeftNav/Charter_Schools.aspx)
  - <http://www.nwceo.org/>
  - <http://charter-starters.com/>
  - <http://www.publiccharters.org/>
  - <http://www.qualitycharters.org/index.php>
  - <http://idea.ed.gov>

## D. THE CHARTER PROPOSAL PROCESS

### 1. SHARE YOUR DREAM

Hold meetings for prospective parents to learn about your school. These meetings could be held at an existing public school, public library, city council meeting room or in someone's home. At the meetings, distribute information about your school, contact information, letters of intent-to-enroll forms, website addresses or any other related material. Have samples available of the curriculum you plan to use. Make sure the steering committee members meet each of the prospective parents and are available to answer any questions.

At the meetings, provide a handout with information on the school, including the vision and mission statements, grade levels to be served, a description of the educational program and contact information. This document should look professional as it will give a first impression of your school.

Contact key members of your community to talk about your developing charter school. Talk to business leaders, neighbors of the proposed facility location, civic organizations and legislators. Provide them with written information about your school and how to contact one or two steering committee members. As often as possible, meet face to face with people rather than relying on email or the telephone.



### 2. CREATE AND SUSTAIN INTEREST

The charter school proposal requires evidence of support for the proposal. One method for collecting information on prospective students is a Letter of Intent to Enroll form. The Letter of Intent to Enroll forms may also be posted on the developing charter school's website. Before writing an enrollment policy, read the section on enrollment in Part 2.3 K

From the Letter of Intent forms, generate a database to use in creating grade level lists of potential students and a telephone tree. If email addresses are included, create a mass email distribution list for the school. Use a telephone tree, email and/or the website to keep interested parents informed on the progress of the charter school proposal. Several developing charter schools have periodically released a school newsletter to keep interested parents and staff members apprised of the charter school's progress.

Sending out media releases is an inexpensive way to disseminate information about a proposed charter school. Send out a media release for every parent information meeting that is scheduled. Include information about the proposed school, the grade levels it will serve, and provide contact information for interested parents. Be concise and succinct in writing the media release.

As a rule, parent information meetings should not be longer than one hour. Explain your vision for the school, introduce the steering committee and answer questions. Be extremely wary of providing too much detail about your proposed school. It may be a very clear picture in your mind, but sometimes the difference between the initial dream and the reality is vastly different. For example, instead of saying a student caught cheating on a test will receive detention, simply state the steering committee will make every effort to hire a skilled and experienced principal to fulfill the governing board's values committed to student's attaining their highest academic and character potential.

Along with the process of sharing the dream and sustaining interest, the applicant should search the prospective district's website for its vision, mission, goals and charter school policies. Often the district has additional elements that must be included in the proposal. Being familiar with the state and district requirements prior to meeting with the district personnel, makes clear the expectations of the district in sponsoring a charter school.

The proposal process should consist of a series of meetings, dialogues and negotiations between the applicants and the appropriate staff members at the potential sponsor school district. The open sharing of information and ideas between all parties is essential to the process and the development of a successful charter school. This may help in the development of a quality and successful proposal. In the best case scenario, most issues can be informally resolved before the official proposal is submitted to the sponsor and the formal review process and timeline begin. That is why it is important to build in opportunities for conversation and collaboration.

PART 2: FROM PROPOSAL TO CHARTER CONTRACT  
(PROPOSAL PROCESS)

1. THE PROCESS AND TIMELINE



When the planning and writing of the proposal is completed, submit the proposal to the district on time. Submitting to the school board generally means taking a hard copy of the proposal to the district office. The district may also request the proposal be submitted electronically.

The following is the **Proposal Process** as outlined in OAR 581-020-0301

Step	Action	Timeline
1	Developer submits proposal to local school board <b>and</b> sends a copy to ODE.	District notifies charter within 15 days regarding completeness of proposal. Proposal must be deemed complete before next step can be taken.
2	District holds a Public Hearing	Hearing must take place within 60 days of the proposal being deemed complete
3	--IF APPROVED: GO TO STEP 5	Action must be taken within 30 days of the public hearing.
	--IF DENIED: The District provides reasons for denial with suggestions for revision. 1) Developer takes no further action and the charter school process does not continue --OR-- 2) Developer submits modified proposal. Submission of proposal may be done more than once, depending on the consideration of the district.	After resubmission, the district must approve or disapprove modified proposal within 20 days.
	--IF MODIFIED PROPOSAL IS APPROVED: GO TO STEP 5	
	--IF DENIED: 1) Developer takes no further action and the charter school process does not continue --OR-- 2) Developer submits a request for a review of the decision by the Oregon Department of	

	Education/State Board of Education <b>–OR–</b> 3) Developer may submit to an **institution of higher education the same proposal submitted to the school district board or a proposal that is modified to take into consideration the characteristics of the institution of higher education.	
4	<p>-- If submitted to the State Board of Education Oregon Department of Education :</p> <p>1) Developer takes no further action and the charter school process does not continue <b>–OR–</b></p> <p>2) Developer seeks State Board of Education sponsorship. There are several steps that take place in the process. GO TO STEP 5</p> <p>--If submitted to an institution of higher education, the institution <b>may</b> evaluate the proposal.</p>	<p>A final determination of sponsorship by SBE must be made within 180 business days of receipt.</p> <p>If a decision is made to evaluate the proposal, within 60 days of receiving a proposal, the institution must approve the proposal or disapprove the proposal. The decision is not subject to an appeal.</p>
5	Proposal for sponsorship is approved by the sponsoring agency. The sponsor and developer negotiate a charter contract. Send signed copy to ODE.	

\*\*Institution of Higher Education: Any community college operated under ORS chapter 341, an institution of higher education listed in ORS 352.022 or the Oregon Health and Science University. The proposed charter school must be located within 25 miles on the nearest traveled road to the main campus of the institution of higher education.

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## 2. REQUIRED ELEMENTS OF A PUBLIC CHARTER SCHOOL PROPOSAL

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Every charter school proposal is essentially a description of how the proposed school will look once it's open. The proposal should be very specific and clear. ORS 338.045 defines the minimum information required in each charter school proposal. Furthermore, ORS 338.120 describes additional requirements for virtual public charter schools. If the sponsor provides a proposal template or guide, follow the instructions completely. Explain information in your narrative rather than directing the reader to an attachment.

#### **A. THE IDENTIFICATION OF THE APPLICANT.**

Minimally the proposal should have a listing of the names of key school founders. It would be preferred to have specific information about each person's role within the proposed school and their relevant experience or expertise they bring to the undertaking.

#### **B. THE NAME OF THE PROPOSED PUBLIC CHARTER SCHOOL.**

Prior to selecting a name for the charter school, the steering committee should consult the list of established Oregon charter schools. Avoid choosing a name already in use or a name similar to one currently used. The proposed public charter school name should be used consistently throughout the proposal.

#### **C. A DESCRIPTION OF THE PHILOSOPHY AND MISSION OF THE PUBLIC CHARTER SCHOOL.**

This is where the applicant makes the case their philosophy and mission will provide improved educational outcomes for all students and are consistent with the intent of the public charter school law. (ORS 338.015)

#### **D. A DESCRIPTION OF THE CURRICULUM OF THE PUBLIC CHARTER SCHOOL.**

The proposal should include a clearly presented curriculum framework that not only aligns with the school's mission and philosophy, but also provides information to demonstrate alignment with the state content standards. A few key factors to consider when writing this section are:

1. the research-base presented for selecting a particular curriculum;
2. a discussion of how this curriculum is not only a good match for the target student population, but how it will meet the needs of all students, particularly academically low achieving students;
3. to articulate how the school will monitor the implementation of the curriculum;
4. to provide a clear picture of how the curriculum is comprehensive and cohesive from one grade level/subject area to the next; and
5. to address how the school will provide services for different populations such as: Talented and Gifted (TAG), English Language Learners, etc.

#### **E. A DESCRIPTION OF EXPECTED RESULTS OF THE CURRICULUM AND THE VERIFIED METHODS OF MEASURING AND REPORTING OBJECTIVE RESULTS THAT WILL SHOW THE GROWTH OF KNOWLEDGE OF STUDENTS ATTENDING THE PUBLIC CHARTER SCHOOL AND ALLOW COMPARISONS WITH PUBLIC NON-CHARTER SCHOOLS.**

A charter school proposal should include a clear plan for evaluating pupil performance across the curriculum. This plan should align to state performance standards as well as the school's



pupil performance goals, and should be presented along with a clear timeline for achieving these standards/goals. A clear explanation of the types of assessments and frequency of administration should be included reflecting thoughtfulness given to tracking student progress while still preserving as much class learning time as possible. A plan for the use of data gathered through assessments should include procedures for taking corrective action (both individually and collectively) if pupil performance falls below expected standards.

A quality assessment plan should include summative (end-of-year) assessments as well as formative (more frequent, end of unit assessments) to track student skill and knowledge development. The plan will include how this data will be used to guide professional development of teachers as well as refinement of the curriculum.

When developing the assessment plan, consideration should be given to:

1. the appropriateness of your assessments to the curriculum;
2. what will serve as your baseline for student progress comparisons;
3. the inclusion of state and federal assessments to demonstrate appropriate student growth;
4. the ability of your assessment plan to allow early detection of students struggling with curriculum content; and
5. the ability of assessments to reflect the use of basic skills at grade-appropriate levels.

Be aware all Oregon public schools, including charter schools, are subject to the Oregon Assessment of Knowledge and Skills (OAKS), which is aligned with the state content standards and the English Language Proficiency Assessment (ELPA) for all students identified as non-English speakers. In addition, Oregon public schools are also held responsible for demonstrating Adequate Yearly Progress (AYP). Under the Elementary and Secondary Education Act (ESEA), all states, school districts, schools and subgroups of 20 or more students within each school are required to make AYP in different categories.

Finally, if your charter school includes high school, you will need to include how students will meet graduation requirements and how those requirements meet the standards put forth by the State Board of Education.

#### **F. THE GOVERNANCE STRUCTURE OF THE PUBLIC CHARTER SCHOOL.**

Charter school governance is extremely important to the success of a charter school. Oftentimes a proposed charter school's steering committee transitions to a governing board. The charter school proposal should describe:

1. the process involved in developing the steering committee and the individual expertise represented on the steering committee,
2. the process to appoint or elect the initial governing board,
3. how and when bylaws and policies will be adopted by the board,
4. the governance structure for the new school,

5. the nature and extent of parental and/or family involvement in governance, and
6. the amount of authority the governing board will convey to the school administrator.

While some existing Oregon charter schools have staff members on the governing board, others do not. Administrators and other employees are often ex-officio, non-voting board members. If staff members do have voting privileges there should be clear policy delineating when the board member should recuse him or herself from the vote. Any potential conflict of interest, by any board member, must be addressed through board policy and followed.

A good way to mitigate any potential issues with board members is to have the governing board adopt and use a Board Member Agreement. These agreements stipulate the qualifications, responsibilities and expected behaviors of individual board members and the governance structure. If the steering committee intends for the approved charter school's governing board to use a Board Member Agreement, it could be an appendix to the charter school proposal. Board Member Agreements should be reviewed and signed annually.

The charter school proposal should also describe the school's legal status. ORS 338.035 states charter schools must be established as a non-profit corporation in the state of Oregon and have applied to qualify as an exempt organization under section 501 (c) (3) of the Internal Revenue Code. The exception would be a "remote and necessary" charter school or a single school in a district that converts to a charter school. For additional information about incorporation please visit the Oregon Secretary of State website at: <http://www.filinginoregon.com/>.

The charter school governing board must be in compliance with:

- the Oregon Open Meetings Law (ORS 192)  
[http://www.open-oregon.com/New\\_Pages/192-610.shtml](http://www.open-oregon.com/New_Pages/192-610.shtml), and
- Public Records Act (ORS 192.410 to 192.505)  
[http://oregon.gov/OSP/SFM/docs/LEPC/Oregon\\_Public\\_Records\\_Law.pdf](http://oregon.gov/OSP/SFM/docs/LEPC/Oregon_Public_Records_Law.pdf), as well as the
- Family Educational Rights and Privacy Act (FERPA)  
<http://www.ed.gov/policy/gen/guid/fpco/ferpa/index.html>.

#### **G. THE PROJECTED ENROLLMENT INCLUDING AGES AND GRADES.**

This section will simply describe the projected enrollment ages and grades. It is important here to show intended growth or expansion of the charter school in subsequent years. It is important to note, there is a minimum of 25 students required in a charter school. If a charter school provides educational services under a cooperative agreement with other districts, to at least 25 students, without regard to the school district in which the students are residents, the charter school is in compliance with the 25 minimum number of students requirement.

#### **H. THE TARGET POPULATION OF THE STUDENTS.**

Using data, the proposal should show charter school developers understand the student populations and demographics within the district, which are likely to influence the proposed

charter school's student body and needs. There should be evidence of understanding the potential students' levels of achievement and instructional needs. The proposal should also substantiate the need in the community to serve the students being targeted. While the lottery and open enrollment requirements do not allow for choosing students to attend the proposed charter school, attention must be paid to the way the school is advertised and the barriers that may be in place for potential students and families. When presenting the proposal, developers must be prepared to discuss how the charter school will attempt to draw diverse learners into the charter school.

#### **I. A DESCRIPTION OF ANY DISTINCTIVE LEARNING OR TEACHING TECHNIQUES.**

One of the distinct attributes of a true charter school is the creative and innovative teaching strategies that are used. The proposal should clearly describe the learning/teaching techniques that will be used at the charter school – and have scientific research supporting the use of the technique as effective for the target population.

#### **J. THE LEGAL ADDRESS, FACILITIES AND PHYSICAL LOCATION, IF KNOWN.**

One of the greatest challenges to opening a new charter school is finding a suitable facility. The most important thing during the proposal process is to plan as much as possible and to clearly articulate those plans. It can be difficult to negotiate for facility space without having an approved charter. It is not necessary to have a signed formal agreement for a facility during the proposal process, but any viable options should be explained in the proposal. The proposal should:

1. explain and include reasonable space requirements,
2. describe a reasonable plan for space utilization,
3. discuss how the facility will be ready for use when the school opens, and most importantly,
4. identify the reasonable cost of the facility and reflect it in the proposed budget.

Charter schools may rent, lease, own, or otherwise finance facility space. In some cases, a school district may have an unused facility available to the charter school, and in some cases a charter school may share space with another tenant. School districts, education service districts and other public bodies, as defined in ORS 174.109, shall make available to the public lists of vacant and unused public buildings and portions of buildings that may be suitable for the operation of a public charter school. There are no facility funds available from the ODE for public charter schools (ORS 338.045).

With any facility, building permits and inspections are required. Health and safety requirements (including asbestos regulations) apply to rented or contributed facilities as well. Contact your community's planning and zoning department, as well as the facilities director for your school district for further guidance and information.

## K. A DESCRIPTION OF THE ADMISSION POLICIES AND PROPOSAL PROCEDURES.

In Oregon, charter schools are public schools of choice. Enrollment at a charter school is and must be voluntary. All students, including students with disabilities, homeless students, and students with limited English proficiency who reside in Oregon are eligible for enrollment in the charter school. Age and grade are the only enrollment criteria. After the charter school has been open for a year, preference may be given to returning students and siblings of students already enrolled in the school. There must be at least twenty-five full-time students attending the charter school. However, if a charter school provides educational services under a cooperative agreement with other districts, to at least 25 students, without regard to the school district in which the students are residents, the charter school is in compliance with the 25 minimum number of students requirement, (2011 Legislative session HB 3362).

Often charter schools are attractive options for families that have chosen home schooling in the past. Oregon law requires parents to register with an Educational Service District in their area if they intend to home school their students. However, students may not be enrolled in a charter school and also registered at the Educational Service District (ESD) as being homeschooled. Likewise, a student may not be enrolled in two public schools or two school districts at the same time.

As public schools, public charter schools must be nondiscriminatory in their enrollment and admissions requirements and timelines and must comply with federal law in these areas, just as any other public school. Regardless of the admissions process, any public charter school must promote nondiscrimination and an environment free of harassment based on an individual's race, religion, sex, sexual orientation, ethnicity, national origin, disability, the terms of an individualized education program, income level, proficiency in the English language or athletic ability. (ORS 338.125)

If the number of applications from students who reside within the school district exceeds the number of spaces available, the charter school must conduct a lottery to enroll students in an equitable process. One criticism of the charter school movement is the lack of diversity in the student populations attending public charter schools. With a random student lottery process there is no way to use a weighting system to favor any group over another. Therefore, in order to make certain the charter school has a diverse student population, developers should consider what factors may be barriers to enrollment of some underserved groups, and then put practices in place that allow students to overcome those barriers. This will ensure a more diverse pool of applicants and thus a better chance of achieving equitable representation once the enrollment procedure has taken place. If space is available, a charter school may admit students from out of district.

The proposal to the district should include clear policy statements about how the admissions procedure will work for the charter school, including specific dates and timelines.

Charter School Admission Policy should include:

- The date the application is due
- The date of the annual lottery
- Definition of returning students and siblings
- How the community will receive adequate notice about the formation of the new charter school and the enrollment and lottery process
- Any requirements for parents to reaffirm their intent to enroll on an annual basis
- What happens to names not drawn in the lottery?
- How long parents have to make a decision on whether or not their child will attend the school.

**L. THE STATUTES AND RULES THAT APPLY TO THE SCHOOL.**

While there is some flexibility with regard to statutes that apply to charter schools, it is important to state in the proposal which statutes and rules are going to apply. This should be done through written assurances of compliance with all laws that are listed in ORS 338.115 (1), including federal laws.<sup>3</sup> The most successful proposals have copies of policies for compliance.

**M. THE STANDARDS FOR BEHAVIOR AND A DESCRIPTION OF DISCIPLINE, SUSPENSION OR EXPULSION OF STUDENTS.**

A clearly defined discipline charter school policy should be included in the proposal. Although all charter schools must meet the minimum standards for student discipline, expulsion and suspension, they don't have to fit into the traditional "box." Charter schools can have their own policies as long as the statutory minimums are met. (ORS 339.250) However, the charter school's discipline policy does not replace the discipline provisions of IDEA for eligible students. Charter school policies must address these requirements and the joint responsibilities of the district and the charter school in this area.

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<sup>3</sup> Some of the significant federal laws to be considered are: Title VI of the Civil Rights Act of 1964, prohibiting discrimination on the basis of race, color, or national origin; Title IX of the Education Amendments of 1972, prohibiting discrimination on the basis of sex; Section 504 of the Rehabilitation Act of 1973, prohibiting discrimination on the basis of disability; the Age Discrimination Act of 1975, prohibiting discrimination on the basis of age; Title II of the Americans with Disabilities Act of 1990, as amended (ADA), prohibiting discrimination on the basis of disability by public entities, including public charter schools and local educational agencies, regardless of whether they receive Federal financial assistance; Part B of the Individuals with Disabilities Education Act, requiring States to make available a free appropriate public education to children with disabilities, as does section 504 of the Rehabilitation Act. (See 34 CFR 104.33 of the Department's Regulations for Nondiscrimination on the Basis of Handicap in Programs or Activities Receiving Federal Financial Assistance, which requires a recipient of Federal financial assistance that operates a public elementary or secondary educational program or activity to provide a free, appropriate public education [FAPE] to children with disabilities.); McKinney-Vento Homeless Assistance Act, Family Educational Rights and Privacy Act (FERPA), and others addressing health and safety.

## **N. A PROPOSED BUDGET AND FINANCIAL PLAN; SOUND FINANCIAL MANAGEMENT SYSTEM.**

The budget and financial plan for the charter school must include a plan for revenues and expenditures and a plan for compliance with state and federal accounting and reporting requirements.

The proposed budget should be based on reasonable estimates reflecting choices made throughout the rest of the charter proposal. For example, enrollment projections used elsewhere in the proposal need to be the same enrollment projections used in the development of the budget. Similarly, facility, insurance and employment plans discussed in other sections of the proposal should be reflected in the budget.

The budget should demonstrate the applicant understands the sources of funding available to the charter school and the types of expenditures required to operate the charter school. Charter schools are “part of a Local Education Agency (LEA)” in Oregon and are funded from the State School Fund, General Purpose Grant through the sponsoring school district (LEA). Charter schools are not eligible to receive funding through the Alternative Education formula. The primary source of revenue is the “Average Daily Membership weighted” (ADMw). Charter schools must keep student accounting records to determine the ADMw for submission to sponsors. More information can be obtained from the ODE at <http://www.ode.state.or.us/search/page/?id=1402> under “Student Accounting Manual”.

There are several other sources of revenue, some of which are temporary or restricted and some which are dependent on factors other than enrollment. However, ADMw is the guaranteed stream of revenue which constitutes the majority of funding the charter school receives. (ORS 338.155) The amount per ADMw per child varies by resident district. ODE posts district estimates of state school funding periodically at <http://www.ode.state.or.us/search/results/?id=344> from which charter schools may obtain the projected Charter Schools Rate for their district. The district estimate web pages are organized by county and then district.

For purposes of distributing State School Funds (SSF), charter school students are considered residents of the school district in which the public charter school is located. The sponsoring school district contracts with the charter school to pay for educational services. The contracted payment must be at least:

- 80 percent of the amount of the school district’s General Purpose Grant per weighted Average Daily Membership (ADMw) for students in grades K-8, or
- 95 percent of the amount of the school district’s General Purpose Grant per ADMw for students in grades 9-12.

ODE distributes all attributable SSF to the district in which the charter school is located. The district, in turn, must establish the payment arrangements and the timely transfer of a

percentage of these funds to each charter school in the district in which students with disabilities are enrolled. Payments must be made within 10 days after a school district receives payment from the State School Fund pursuant to ORS 327.005.

The calculation of SSF addresses weighting several factors, including the poverty factor. ORS 338.157 explains the calculation of the poverty factor.<sup>4</sup> The calculation and distribution of State School Funds attributable to children with disabilities under IDEA are similar to the description above. SSF are computed according to ORS 327.013 (<http://www.leg.state.or.us/ors/327.html>).

As described above, student residency determines how ODE distributes SSF. For school purposes, including the distribution of SSF, all students enrolled in a charter school, including those with disabilities, are considered residents of the school district in which the charter school is located, regardless of parental residency.

ORS 338.165(3) specifies minimum percentages to be transferred to public charter schools for students enrolled and eligible for special education and related services; different percentages apply at different grades levels. The effect of the 11% cap on the resident district's SSF is not considered in determining these distributions.

- **Percentage of SSF for students in K-grade 8:**

The district in which the charter school is located pays the charter school 40% of its General Purpose grant per Average Daily Membership weighted (ADMw), **meaning 40% of two full weights.**

- **Percentage of SSF for students in grades 9-12:**

The district in which the charter school is located pays the charter school 47.5% of its General Purpose grant per Average Daily Membership weighted (ADMw), **meaning 47.5% of two full weights.**

- **For charter schools sponsored by the State Board of Education:**

If the State Board is the sponsor of a public charter school, the school district in which the charter school is located, shall transfer five percent of the amount of the school district's General Purpose Grant per ADMw as calculated under ORS 327.0913 to the State Board of Education for each ADMw that is attributable to a student enrolled in a public charter school who is eligible for special education and related services.

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<sup>4</sup> For purposes of calculating the weighted average daily membership (ADMw) of a public charter school, it shall be assumed the public charter school has the same percentage of children in poverty, calculated under ORS 327.013 (1)(c)(A)(v)(I), as the school district in which the public charter school is located. Based on this percentage, an additional amount shall be added to the average daily membership (ADM) of the public charter school." [2001 c.810 §6; 2009 c.698 §18]

A school district and a public charter school may negotiate an alternative distribution on a case-by-case basis.

Federal IDEA funds are distributed to the school district designated as responsible for the provision of special education and related services or a Free Appropriate Public Education (FAPE). Under 2011 legislation, the district in which a charter school is **located** is responsible for FAPE and for including charter school students with disabilities in its Special Education Child Count (SECC), regardless of parental residency. The SECC Process and Content Manual, found at the following link, contains specific directions for accurately including these students: <http://www.ode.state.or.us/search/page/?id=2964>

Other sections in this handbook discuss funding for English as a Second Language, Pregnant and Parenting Teen and poverty-based funding.

In nearly all cases, the combination of facility costs and the salaries and benefits represents close to 75% of the spending in charter schools. As such, careful attention should be paid to these two areas. In addition, other items needing financial planning include various professional services, classroom supplies and materials, general supplies and materials, liability insurance and more. Existing Oregon charter schools have a similar mission/ may be a good resource for assistance with planning for expenditures.

When submitting a charter school proposal, the applicant must include a detailed description of a financial management system – and be prepared to have the system in place when the school begins operation. The newly adopted OAR 581-021-0334 describes the requirements of a financial system to include a budget and accounting system that:

- a. Is compatible with the budget and accounting system of the sponsor of the school;
- b. Complies with the requirements of the uniform budget and accounting system adopted by the State Board of Education under OAR 581-023-0035.

In addition to budget projections, the charter school must comply with various requirements. In summary, the charter school needs to set up proper accounting procedures to safeguard its assets and to ensure accurate financial reporting of public and private funds. At the same time, it is important to be able to provide financial information in a clear and understandable format allowing charter board members and administrators to make sound financial decisions.

The ODE requirements for financial management and reporting are available in the Program Budgeting and Accounting Manual which can be found at: <http://www.ode.state.or.us/search/page/?id=1605>

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<sup>5</sup> Source: ODE Special Education Finance Q and A;  
<http://www.ode.state.or.us/data/schoolanddistrict/funding/sped/fundingqa.doc>



#### **O. THE PROPOSED CALENDAR, INCLUDING THE LENGTH OF THE SCHOOL DAY AND YEAR.**

This section of the proposal can be fairly simple. Sometimes charter school developers adopt the local school district calendar while others develop a calendar totally independent from the local district calendar. This is another instance where talking about your ideas with parent groups and prospective families in order to get some input into calendar and length of day. OAR 581-022-1620 provides information on the minimum minutes of instruction per day per grade and minimum hours per year for instruction. Developers contemplating a calendar independent of the school district in which the charter school is located, are advised to consider if services in which the district may be involved, such as special education or data reporting, will be affected by the proposed calendar differences.

#### **P. THE PROJECTED DATE THE SCHOOL WOULD BEGIN OPERATING.**

There should be a clear statement of the projected starting date for the students and the staff.

#### **Q. A DESCRIPTION OF STAFF MEMBERS AND REQUIRED QUALIFICATIONS OF TEACHERS.**

In addition to a description of the type of staff members to be employed by the school and the required qualifications of the teachers, a charter school must provide an explanation of the employment relationship between the charter school and its employees. This must include evidence of the terms and conditions of employment with affected employees and their recognized union representative, if any. Proposed employment policies must be included, such as describing hiring and termination practices.

As charter schools are, by statute, public schools, employees of charter schools are public employees. Charter schools and their employees must participate in Oregon's Public Employees' Retirement System (PERS). Additional information about PERS can be found at: <http://oregon.gov/PERS/>

There are several resources that provide more information about employment issues. Tax information is available at [www.irs.gov](http://www.irs.gov) and through the Oregon Department of Labor and Employment at <http://www.boli.state.or.us>.

Current Charter School law requires a minimum of 50% of the FTE (Full Time Equivalency) of the teaching and staff in a "brick and mortar" charter school to be licensed by the Oregon Teacher Standards and Practices Commission (ORS 338.135). If a teacher or administrator is not licensed they must register with the Teacher Standards and Practices Commission (TSPC), the teacher and administrator licensing and registration state agency. The TSPC website,

<http://www.tspc.state.or.us/> provides more information about the process for obtaining licensure or registration. All teachers must be licensed or registered through TSPC.

In a virtual charter school there has to be a plan to ensure teachers who are licensed (ORS 338.120) to teach by the TSPC, and who are highly qualified as described in the federal No Child Left Behind Act (NCLB) of 2001 teach at least 95 percent of the school's instructional hours.

The federal NCLB (formerly known as ESEA) of 2002 mandated all teachers in core academic areas meet the law's definition of "highly qualified" by the end of the 2006-07 school year. Currently, 100% of teachers must be "highly qualified" at the time of hire. While NCLB may be renamed and reauthorized, we do not anticipate changes to the core principles of highly qualified staff through the reauthorization.

Currently the core academic areas include:

- English/Language Arts (includes Reading)
- Mathematics (Basic or Advanced Mathematics)
- Science (Integrated Science, Biology, Chemistry, or Physics)
- Foreign Languages (Spanish, French and German)
- Social Sciences, includes Civics and Government, Economics, History and Geography
- Art, includes Visual Arts and Music

Charter schools are required to report all teacher licensure and registration data to the school district. The sponsoring school district is required to ensure teacher data is reported annually to ODE. Make sure to discuss with your sponsor the required reporting items and format you must adhere to.

#### **R. THE ARRANGEMENT FOR ANY SPECIAL EDUCATION AND RELATED SERVICES FOR STUDENTS WHO MAY ATTEND THE SCHOOL.**

As public schools, public charter schools must be nondiscriminatory in their enrollment, admission requirements and timelines and must comply with federal law in these areas, in the same manner as any other public school. In this section of the proposal the charter school must explain how its enrollment processes will operate for students and how the school will provide appropriate educational experiences for all students including, specifically, how the school will provide services for children with disabilities who enroll. Oregon law specifically assigns to districts the responsibility of providing FAPE to students with disabilities enrolled in charter schools located in the district. The district is responsible for the oversight of special education in all of its schools, including charter schools, and for ensuring special education services are provided and administered according to state<sup>6</sup> and federal law.<sup>7</sup> As a result, the charter school's administration and provision of special education becomes a collaborative project with the

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<sup>6</sup> <http://idea.ed.gov/explore/home>

<sup>7</sup> [http://arcweb.sos.state.or.us/pages/rules/oars\\_500/oar\\_581/581\\_015.html](http://arcweb.sos.state.or.us/pages/rules/oars_500/oar_581/581_015.html)

district and other agencies or special education service providers, and the description of the arrangements will explain these processes.

A variety of state and national resources<sup>8</sup> are available to support charter developers in understanding the fundamental principles of special education, as well as the basic sequence of identifying and providing special education for eligible children. The challenge for developers is to outline the arrangements for these activities and to anticipate the level of administrative support and involvement needed within the context of the school. Information for developers published by the National Association of State Directors of Special Education (NASDSE) stresses the need to consider special education in the original design of the charter school, rather than adding it on after the rest of the school operations have been determined.<sup>9</sup>

The proposal should clearly demonstrate the developer's understanding of the special education referral process and service model in conjunction with the proposed sponsor district. More information is available at the ODE special education web pages:

<http://www.ode.state.or.us/search/results/?id=40>

#### **S. INFORMATION ON HOW THE COMMUNITY MAY BE INVOLVED IN THE PLANNING AND THE DEVELOPMENT.**

Planning a charter school is a tremendous undertaking. The proposal needs to capture the process of how a wide range of stakeholders were involved in the planning process. Having community support and involvement is an important factor in the success of not only the proposal – but the livelihood of the charter school.

A charter school proposal should include the aggregate number of students interested in the charter school at the different grades. Individual student and family information should NOT be included in the charter school proposal. Do NOT include copies of the Letters of Intent completed by prospective parents without the permission of the individuals. Instead you may consider including a table with the different grade levels and the total number of students interested in each grade level. After the charter school is approved, the charter board will provide an application and enrollment process and determine through a non-discriminatory process which students will be attending the charter school. Also, ODE will ask, through a "boundary calculator", for verification of the schools the students would attend if the charter school was not in operation.

It may also be helpful to include letters of support from community leaders, business people or elected officials in your charter proposal. These letters should state why the individual believes a new charter school would benefit the district and community.

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<sup>8</sup> See Section 6 and Appendix 5 of this Handbook for additional information.

<sup>9</sup>Primer for Charter School State Officials: Special Education Requirements and Including Students with Disabilities in Charter Schools. [www.nasdse.org/](http://www.nasdse.org/)

## **T. THE TERM OF THE CHARTER.**

According to ORS 338.065(3)(a):

*“...the initial charter shall be in effect for a period of not more than five years and shall be renewed upon the authorization of the sponsor...”*

Historically, most initial contracts in Oregon were written for a three year period. This gives the school time to establish practices and prove their viability and success prior to the first renewal. Most sponsors feel comfortable with this time period as well. Something to consider in having the initial charter for longer than three years is, student performance will not be reported through a “school report card” or Adequate Yearly Progress (AYP) until after the second and third year, respectively. Information for renewal determinations will be limited if an initial contract is for a three year period or less.

## **U. THE PLAN FOR PERFORMANCE BONDING OR INSURING THE SCHOOL.**

Charter schools must have appropriate insurance coverage. This includes workers compensation, liability insurance, and insurance for the building and its contents. Charter schools are public entities and liability is limited by the ORS 30.260 to 30.300.

The risk management office in your local school district is a very good resource for finding information about your particular insurance needs. Also, the Oregon School Boards Association (OSBA) <http://www.osba.org/> will provide information. Once insurance needs are understood, costs need to be estimated and incorporated into the proposed budget.

## **V. THE PROPOSED PLAN FOR TEACHERS, STAFF AND STUDENTS UPON THE TERMINATION OR NON-RENEWAL OF A CHARTER.**

No one wants to begin any endeavor thinking about the negative “what if’s,” but Oregon charter school law requires applicants to be proactive in thinking through what will happen to the students and staff in the event the charter undertaking fails. By having dialogue with parents and teachers, the applicants should have some ideas of the logical steps needed to ensure there is a clear understanding how the reassignment of staff and students would proceed. The plan for students should show collaboration with the local school district.

## **W. THE MANNER IN WHICH THE PROGRAM REVIEW AND FISCAL AUDIT WILL BE CONDUCTED.**

Having a plan for reviewing the school performance is important to both the charter school developer and the sponsoring district. Both parties want to be able to stand before the public and their respective constituents, to show the school is operationally sound and the positive difference made by the school in student achievement.

Each year, Oregon statute requires:

- The charter school to do an annual report of the school operations and goals to deliver to the sponsor and the Oregon Department of Education. The report should be done at the close of a school year. It should include reports on the goals and objectives in the charter proposal/contract and identify achievements and challenges for the coming year. This is often viewed as a school improvement plan, where schools identify goals and strategies to overcome challenges. The sponsoring district may have information and requirements they expect to see in the annual report so again, it is important to collaborate with them when writing the proposal. A copy of the annual report is required to be provided to the sponsor and to the Oregon Department of Education annually. This annual report is often used as one piece of information when the sponsoring entity considers a charter for renewal. (ORS 338.095)
- The charter school to perform an annual municipal audit, the results of which are to be submitted to the district and to the Oregon Department of Education each year. It is the charter school's responsibility to ensure the audit occurs in a timely fashion. The municipal audit is recommended to be due to the sponsor and ODE no later than November 1 following each year of operation. This information will be used by the sponsor when considering renewal.

In addition to the annual audit, items to be submitted to the sponsor, the State Board of Education and the Department of Education are:

- Any statements from the public charter school showing results of all operations and transactions affecting the financial status of the public charter school for the preceding annual audit period, and
- A balance sheet containing a summary of the assets and liabilities as of the closing date for the preceding annual audit period.

The district is required to do at least an annual site visit to the school. The visit is to review the charter school's compliance with the terms and provisions of the charter. Typically this visit results in a written report presented to the sponsoring board.

- Many sponsors do an evaluation of the charter school, some annually, some every two years. The evaluation is done either by an outside entity or by personnel within the school district. The evaluation contains items such as visits to the school, inspection of the financials of the school, review of student academic performance, a review of the annual report and audit provided by the charter school and other evidence available to the sponsor. Again, this evaluation becomes part of the information used for renewal.

As one can see, these documents are very important to the future viability of the charter school, so having a clearly articulated plan for annual report, audit, site visit and possible evaluation is critical.

## **X. ARRANGEMENTS FOR STUDENTS AND STAFF WHO CHOOSE NOT TO PARTICIPATE IN THE NEW CHARTER SCHOOL IF AN EXISTING PUBLIC SCHOOL IS BEING CONVERTED INTO A PUBLIC CHARTER SCHOOL.**

If an existing public school is converting to a charter school, consideration must be given to the students and staff not wishing to be part of the charter school. Some of the questions to answer are:

1. Is there another public school in the district the student may attend?
2. Will the local bargaining agreement allow a transfer of a teacher or other staff member that does not wish to be part of the charter school?
3. How will students be transported to their school of choice – or will they?

All of these questions and many more will need to be clearly spelled out if your charter school proposal involves converting an existing public school.

Once your proposal is written, you need to have it reviewed and proofread. Make certain you check for understanding, to ensure each of the required components are clearly and thoroughly addressed. Now it is time to begin the formal process with the local school district.

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### **3. PRESENTING THE PROPOSAL FOR APPROVAL**

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Successful district sponsors have identified policy and procedures regarding approval for submitted charter proposals. Deadlines often speak to when a proposal must be received by the district to determine the actual school year opening. Applicants should check with their identified sponsor district to get specific information on local policies, procedures, timelines and requirements.

**Charter School Developers:** When the proposal is submitted to the local district, a file copy must be submitted to the Oregon Department of Education.

**Local School District:** Once the local school district receives a charter proposal, it has **fifteen** working days to notify the charter school of whether the proposal is complete. Proposals minimally addressing or leaving out any of the required components are not complete and may be returned to the applicant. A proposal including, for example, a reprinting of the charter school statutes as its response to a required component, would minimally address the component and would not be complete. A proposal that addressed a required component based on an incorrect budget assumption or in a manner unsatisfactory to the local school district would be complete. The proposal must be deemed complete before a public hearing can be scheduled. A public hearing must be held within **sixty** days of the proposal being deemed complete.

The proposal must be approved or denied within **thirty** days of the public hearing.

If the proposal is approved the applicant must forward a copy of the written notice (school board minutes or a letter from the District Superintendent) indicating the school board's action of approval to the State Board of Education. The school district board is then considered the sponsor of the public charter school defined in the proposal (OAR 581-020-0311). An applicant whose proposal is approved, in cooperation with the sponsor, must prepare and execute a contract addressing, at a minimum, the information included in the proposal. The charter is the proposal and the contract together.

If the proposal is denied, a written notification is sent outlining specific reasons for denial with suggestions for revisions. If an amended proposal is submitted to the district, the resubmission must be approved or denied within 20 days of receiving the revised proposal.

If the resubmission is approved, the applicant must forward a copy of the written notice (school board minutes or a letter from the District Superintendent) indicating the school board's action of approval to the State Board of Education. In addition, if the resubmission is approved, the sponsor and applicant negotiate the contract agreement and once completed, send a copy of the signed contract to ODE.

If again denied, the applicant may request a review of the decision by the State Board of Education (SBE) under the procedure set out in OAR 581-020-0331 or may submit a proposal to an institution of higher education (Community colleges operated under ORS 341 or higher education listed in ORS 352.002 or the Oregon Health and Science University). The charter school must be located within 25 miles of the main campus of the institution of higher education, by nearest travel road.

An institution of higher education, upon receipt of a proposal after a denial by the local school district, may make the following decisions, which are not subject to appeal:

- Whether to evaluate a proposal for a charter school
- The approval or disapproval of a proposal for a charter school.

If a review request is made to the State Board of Education, the process is delegated to the Superintendent of Public Instruction and outlined in OAR 581-020-0331. At the conclusion of the administrative review process the Superintendent shall recommend in writing to the State Board to either 1) reject the proposal to have the State Board of Education sponsor the charter school or 2) agree to sponsor the charter school. The State Board of Education will consider the recommendation of the Superintendent at a public meeting and make a decision. Once approved as a state sponsored school, the Superintendent will negotiate the charter contract for approval by the State Board of Education.

If the proposal is denied by the State Board of Education, the applicant may request a judicial review. The court decision may uphold the SBE decision or may direct the State Board of Education to become the sponsor.

### **Contract Negotiations**

Once a charter school proposal has been approved by the sponsor, contract negotiation begins. The contract is based upon the approved proposal, but the two parties may agree to change some elements prior to the signing of the contract agreement. Each of the changes should be included in the final charter agreement. Since this document serves as the documentation for expectations and requirements, it is recommended the charter school administrator be provided with a copy of the contract and maintain it in the school office as part of the operational records.

Contract negotiation usually entails a series of meetings, emails and face to face discussions between sponsor and charter school representatives. It is advisable the ORS 338 statute be used as a framework for the charter development. It is wise to seek legal counsel before signing a charter school contract. Experienced charter school attorneys are familiar with the language of these contracts and can save the charter school developers from experiencing problems in the future.

Contracts of current charter schools are on file with the ODE and available for review upon request.

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## **4. WE HAVE THE CONTRACT – NOW WHAT?**

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### **OREGON DEPARTMENT OF EDUCATION REQUIREMENTS**

In order to officially open a charter school, enroll students and generate state school funds, the charter school developer must have the following documents on file with the Oregon Department of Education:

1. Charter board policy on conflict of interest and ethics;
2. Charter board policy on procurement or purchasing processes;
3. A copy of the proposal (described in the previous section) submitted to the district and approved;
4. Employer Identification Number (EIN) documentation;
5. A copy of the 501(c)(3) document; and
6. A signed copy of the charter contract.

Once all of these documents have been submitted to ODE, the next step is to apply for a School Institution Number (InstID) and be entered into the ODE Institutions Database. This is a long process and requires the charter school to take the final steps in becoming officially recognized as a public school. Currently, the process takes about a month from the time the institution paperwork is submitted before the institution number is awarded.



## **SCHOOL INSTITUTION NUMBER**

In order to apply for an InstID please visit: <http://www.ode.state.or.us/search/results/?id=219>

On that webpage there are forms for a new institution and instructions including the exact requirements for the InstID application. You will need:

1. New Institution/Institution Update Form
2. Boundary Calculator
3. District School Board and Charter School Board minutes showing approval of the new charter school.

If at some time the charter school wishes to change the:

1. school name;
2. administrator's name
3. grade configuration; or
4. location.

You will use the same forms to submit even if the information is in your contract as future plans (e.g, grade configurations, location).

Once the information is submitted to the contact person working with the Institution Database, a review of the documents will be conducted. If all documentation is complete, it is sent through two committees for approval prior to a number being submitted. Once again, you should plan on this process taking at least a month and the charter school is not a public school in Oregon until the Institution ID number is issued.

## **PREPARE FOR THE FIRST YEAR WITH THE DISTRICT**

Once the charter contract is signed, it is imperative to note all timelines and due dates within the charter. Meet with district staff to review required processes and timelines for your school so you can double check the expectations of the charter school. There are a series of required data collections in which each charter school must participate – and certain formats for submission of various reports. Ask the sponsor for a complete list of data and reports the charter school must provide. Often the sponsor will have a checklist or a calendar of the state reporting requirements. These reports and requirements are part of the agreement you have made with the district – and failure to follow through as specified may cause a delay in or even loss of your school funding.

To guide the work, check lists and rating scales should be developed. It is recommended sponsors develop such a checklist to assist their review as well as provide a framework from which the charter developers can work.

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**SPONSORS**

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In Oregon, there are a number of possible sponsoring (authorizing) entities:

1. the local school district ( 197 Oregon school districts),
2. the State Board of Education on appeal,
3. an institution of higher education (listed in ORS 352.002), including the Oregon Health and Science University after a denial by a local school district, and
4. community colleges (under ORS 341) after a denial by a local school district.

The charter school must initially seek sponsorship from the district in which the school will be geographically located. Every district should have its charter proposal deadline published. Most deadlines are between August 15 and January 1 prior to the intended year of opening. It may be helpful for applicants to check with the potential sponsor for deadlines, checklists, or policies.

The National Association of Charter School Authorizers (NACSA) is a membership association of authorizers/sponsors from around the country. NACSA has an annual conference and periodic trainings, plus a wealth of information and sample policies on its website, (<http://www.qualitycharters.org/index.php> ).

**Responsibilities**

As the sponsor, there are responsibilities stipulated in statute. These include:

- Good faith evaluation of proposals submitted
- Respond to proposals and appeals within statutory time frames
- Provide written notice of decisions made
- Negotiate a charter agreement in good faith based on the approved proposal
- Minimum of one annual visit to the charter school
- Review the charter school's compliance with terms and provisions of charter annually
- If termination is necessary follow ORS 339.105 requirements
- Receive proof of insurance from the charter school as specified in the charter

The school district in which the charter school is located must:

- Provide diplomas, modified diploma or alternative certificate to any public charter school student who meets the district's and the state's standards.
- Provide payments to the charter school within 10 days after receiving payments from the State School Fund pursuant to ORS 327.095.
- Provide special education as required by IDEA and state statute.

In addition as stated in OAR 581-023-0006, each school district shall:

- (a) Permanently maintain accounting records of student enrollment, attendance, membership, resident/nonresident status, and such other student information as may be required, for each student enrolled in regular school programs operating during the regular school year;
- (b) Designate the residency for school purposes, subject to the provisions of ORS 327.006 and 339.133 of each student enrolled in the district;
- (c) Have in operation an attendance accounting system which is adequately controlled and enables the district's chief administrator to certify in writing the accuracy of reported data;
- (d) Report enrollment, attendance, membership, and such other information as the Superintendent may require, within 15 days of the end of the collection periods. Reports for the period ending the first school day in October shall be submitted no later than November 15;
- (e) Retain daily source records of enrollment, membership and attendance for a period of no less than two years. Records, whether paper or electronic, must be maintained in an accessible format.

Successful charter school sponsors also incorporate the following into their oversight of each charter school:

- Monthly or quarterly visits to the schools to observe programs,
- Regularly scheduled meetings to communicate successes, concerns, or just to receive updates on how it is going,
- Request through the negotiated charter, quarterly financial updates showing fiscal accountability and viability,
- Provide suggested management techniques, if needed,
- Include the charter school administrator in sponsor administrative meetings,
- Include charter schools in all available and applicable funding streams,
- Showcase the charter school program at a governing board meeting – make the annual reporting requirements more than a paper document.

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## INTRODUCTION

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The charter school proposal is the foundation for the school's governance. The basis for governance is found in the charter school's vision and mission and non-profit law.

### Checklist for Establishing a Charter School

- File Articles of Incorporation and bylaws with the Oregon Secretary of State's office
- File SS-4 with the Internal Revenue Service (IRS) in order to obtain an Employer Identification Number (EIN)
- Purchase insurance for Directors and Officers (D & O)
- File for a 501(c)(3), with the IRS file form 1023 for formal recognition as a tax exempt organization

Since a charter board is a special public entity, it is recommended to request training from the Oregon Government and Ethics Commission, <http://www.oregon.gov/OGEC/index.shtml>, for further guidance about public meetings and ethics policy.

After the fundamental elements are decided, the initial charter school governing board will further refine the original vision by establishing written policies. The governance structure and roles should be clearly delineated, in writing, to avoid cross-over or micromanaging throughout the future of the school. Charter school governing boards should discuss the balance of power between the board and administration and ensure the relationship is well documented for future board members and staff.

A healthy balance of power is a governing board focused on "big picture" decisions, strategic planning, policy development, and enhancing the future of the school. This allows the school administrator the freedom to manage daily operations and staff. The best way to achieve a healthy balance is for board members to discuss what their role is and is not.

Providing written job descriptions and role responsibilities would give clear definition to employees. This is especially important to have defined when hiring the school's first administrator.



A critical objective for the charter board in the first year is to establish the school culture. Charter boards often define their school's vision and mission on a day to day basis. Rather than making policy day-to-day; the board should consider policy development that describes their values on a broader basis. Good communication between the charter board and the school administrator is especially important. It assists both parties in learning where their

roles overlap and are separate. Clear expectations understood by all will strengthen the operation of the school.

Developing a strategic plan is an excellent vehicle to implement the vision and mission. This is created with input from key stakeholders to the entire board. The strategic plan provides direction to the administrator on key priorities. Written documentation can also lead to a sense of trust and rapport among all parties.

## ESTABLISHING CHARTER SCHOOL GOVERNANCE

Quite often the “steering committee” or a significant portion of the steering committee evolves into the founding board. The founding charter board is established once the charter is approved. There is a significant change in the charter board’s role once the administrator is hired and the school is operational.

It is common for founding boards to have difficulty transferring their focus from leading the school through implementing the vision. Some techniques to mitigate this problem are:

- Don’t discuss the charter school when driving the carpool. Keep conversation with other parents light and don’t discuss school business.
- Limit board meetings to one a month (the less time the board is physically together, the less they can officially act).
- Individual board members should separate their roles by speaking about the different “hats” they wear, such as parent volunteer.
- If a quorum of board members is together at any time, it may constitute a board meeting, so make sure you talk to the other board members about attending functions.

It is extremely important to establish correct principles for board operations such as adhering to the open meetings law. Diligence to govern with transparency builds respect and trust within the school community.

Development Stage	Type of Governance	Governance Functions
<u>Planning</u>  Pre-charter approval: during the charter school proposal process	Steering committee (usually a small number of people involved)	<ul style="list-style-type: none"><li>* Less formal decision-making process</li><li>* Carries out all school design decisions &amp; daily operations</li><li>* Establishes core policies</li></ul>

Development Stage	Type of Governance	Governance Functions
		* Conducts managerial duties
<u>Pre-operation</u> Charter approved, contract negotiation phase through opening day	Steering Committee transitions to Board of Directors  (number of people involved may increase or decrease depending on number of steering committee members)	* Establishes board policies * Writes employees handbook, parent/student handbook, etc., * Conducts managerial duties
<u>Operating Charter  School (1-3 years)</u>	Board of Directors  (founders step down, member turnover on board, staff assumes day- to-day operations)	* Establishes school culture & norms * Ensures adequate resources * Documents policy decisions
<u>Mature (3+ years)</u>	Board of Directors  (regular turnover of board members, operating subcommittees, program refined)	* Oversee educational program & financial operations * Trains new members * Addresses facility expansion needs * Renews the charter

The first step is to establish, in writing, the charter school's governance structure and reporting lines. Whenever possible, have one person report to the governing board and have an individual report to one boss. More than one person reporting to the board or an individual reporting to more than one boss makes communication more difficult. Once the structure is established, document roles and responsibilities for the lead administrator and the governing board.

The initial governing board will establish the tone for future board meetings by deciding how meetings will be conducted and how staff, parents or community members approach the board with issues. Whether the meeting is structured and the board uses Roberts Rules of Order or the board makes decisions by consensus, charter school governing boards must

document their meetings in written minutes. The atmosphere and tone of a board meeting can be formal or informal, based on the philosophy of each school's board.

Once school founders have signed the charter contract, the charter school is officially a public body and subject to certain meeting notifications and public record requirements. However, it is good practice to operate with transparency to the public before it is legally required. Founding committee meetings should notify interested parents and community members of their meetings and make a written record of those meetings available to the public.

**Characteristics of an Effective Charter School Governing Board**

1. Passionate, unwavering belief in the charter school's mission and core values.
2. A firm understanding of the charter promises and a clear, consistent way to measure them.
3. Clarity of collective vision-where the school is and where it wants to be in the future.
4. Focus on results.
5. Clarity of roles and responsibilities of the full board, individual members and committees.
6. The right structure in terms of board size, composition, committees and officers.
7. Board meetings focused on strategic issues, not just reporting.
8. Clear understanding of the difference between governance and management.
9. A school leader who has the time to assist in the creation of effective governance.
10. A strong partnership between the board and the school leader, which is built on mutual trust and respect.

Source: Authorizer Issue Brief, National Association of Charter School Authorizers, September 2005

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## DUTIES OF THE INDIVIDUAL BOARD MEMBERS

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Each charter school governing board should define, in writing, what their legal responsibilities and general expectations are. Boards generally do this through board policy.

Each new board member should be provided a notebook with a copy of the original charter proposal, the charter contract, bylaws and any other document important to the charter school. Every board member should be familiar with these documents.

**Charter School Board Notebooks** contain:

- The charter school's vision and mission statements
- The school's strategic plan
- A list of the year's schedule board meetings, including agenda of items routinely addressed listed under each month
- A roster of all board members, including the contact information
- The current year's operating budget
- Monthly tabs for monthly board packets (agenda, previous meetings' minutes, financial statements, reports, background information or other material)
- Other documents important to the school such as the School Improvement Plan, school reports submitted to the district, enrollment reports.

As a member of a public entity board, the charter school governing board members have fiduciary responsibilities. They are to:

- Attend and participate in scheduled charter board meetings.
- Periodically review and understand the charter school's corporate documents such as the charter contract, bylaws, Articles of Incorporation, governing board policies, financial reports, facility financing agreements, and any other important documents.
- Prepare for board meetings and vote responsibly, having considered both sides of a discussion (without partiality if a parent of a student in the charter school).
- Ensure compliance with all federal, state and local laws. Delegating authority or responsibilities to the charter school administrator does not relieve the board of the ultimate responsibility.
- Follow the conflict of interest policy prohibiting board members from doing anything allowing them to profit personally or indirectly due to their position on the charter school board. Board members finding themselves in a potential conflict of interest should disclose the possible conflict and recuse him/herself from voting on related matters. According to ORS 244.020 (12), "Potential conflict of interest" means any action or any decision or recommendation by a person acting in a capacity as a public



official, the effect of which could be to the private pecuniary benefit or detriment of the person or the person's relative, or a business with which the person or the person's relative is associated..."

- Adhere to the charter school's central mission without inserting their own personal agenda. This is especially important after the school's founders are no longer involved. Founding boards should document the school's core beliefs, or elements of the charter school that should remain consistent over time.

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## DUTIES OF THE GOVERNING BOARD

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The charter school governing board has power only when a quorum is present in a properly noticed meeting. Individual board members do not have individual authority unless specifically delegated a responsibility or task by the full board. Even the board President or Chair should not act on behalf of the board without proper authorization.

Board members should ensure each member has an equal voice in the discussion or decision before the board. Mutual respect should be exercised. It is good for the board to have a discussion about how they will make decisions. For instance, it would be good for all decisions to be made in alignment with the charter school vision and mission statements.

### **Board Functions/Responsibilities**

- Protect the legal interests of the charter school
- Determine the vision/mission and set policy
- Exercise sound, legal and ethical practices and policies
- Manage liabilities wisely (purchase Board insurance, find out what you don't know and seek legal counsel when necessary)
- Advocate good external relations with the community, school district, media, neighbors, parents and students
- Hire and evaluate the administrator
- Practice strategic planning
- Ensure adequate resources and manage them effectively
- Assess the organization's performance
- Evaluate itself

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## GOVERNING THROUGH POLICY

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Policies give detail to the original vision of the charter school. Where and how these policies are recorded varies, but the charter board should make sure they are in writing and widely available. Each charter school governing board should have set of board policies providing a record of their decisions for staff and future boards. Policies provide for continuity over time. Whether the charter school board is for the only school in the school district or for a charter school within a large school district, policies must be adopted. The charter board conveys their values and beliefs through written policies.

Each governing charter board needs to make a clear distinction between governance and management, especially when writing policies. Board policies are the responsibility of the board while administrative procedures are the responsibility of the school's lead administrator. Board policy should not delve into detail. Such detail should be reserved for administrative procedures.

Certain policies are a necessity. For instance, every school should have a non-discrimination policy. A basic list of policies essential for all charter schools is:

1. Legal policies, such as school safety, liability/risk, conflicts of interest, and confidentiality.
2. Internal board policies; for example, more detail than the bylaws provide in regard to election, term limits, etc., of board members.
3. Policy on how the board will adopt policies, for instance holding two hearings before final adoption.
4. Financial policies, such as internal audits, signature authority and maximum spending level without board approval (procurement).
5. Enrollment policies, such as timelines for applications and the lottery.
6. Instructional program policies, such as the type of methodology used to deliver the curriculum instructional beliefs, and assessment beliefs.
7. Facilities, such as how and when the community can use the facilities.
8. Personnel policies, such as how many hours a part-time employee must work in order to be included in benefits.
9. Parent and student policies, such as student rights, how a parent (community member) can get something on the board's meeting agenda and student conduct.

The first step is to have a policy for how the governing charter board will consider policy adoption. This often involves a two-step process, meaning the board will consider it on first reading and take action on the second reading. Policy consideration or adoption should only be at regular meetings. Many charter school sponsors require a charter school governing board to submit recently approved policies to them. It is typical for a sponsor to have a window of time in which to review charter school governing board policy before they are automatically accepted by the sponsor.

Many policies are in the charter application, such as enrollment, conduct code, instructional philosophy, etc. The charter school board should first identify a format for their policies. Although many school districts use a coding system, many charter schools choose to use an easy-to-understand system such as using a number. Identify categories the policies will fall under and begin drafting policies for consideration by the full board.

Charter school board policies should be easily accessible to the public. Board policies can be on the school's website and/or available in the school office. Policies should be easy to read and available to all school staff. The process should be clear enough for a parent or community member wishing to propose or amend policy to understand.

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## BOARD DEVELOPMENT & TRAINING

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Strong charter school boards have members with a variety of expertise and skills. If certain expertise (e.g., legal, business management) is lacking, include contracting with a third party and/or recruiting an individual with that expertise. Board development is a continual process and varies according to the charter school's size. Some charter school boards have subcommittees to identify, recruit and train potential board members. In smaller schools it is typically the board president/chair who identifies an individual for future service on the charter board.

Governing board training is a continual process. New board members should be trained in certain essential topics within the first few months of being added to the board.



### New Board Member "First Steps"

- Training about open meeting and open records law
- Reading the charter proposal, charter contract, bylaws and other important corporate documents
- Training on the fiduciary responsibilities of board members
- Training on Robert's Rules of Order, if needed

Identify specific training that will help develop a strong working relationship with each board member. Bringing individuals together who have a common purpose is a great first step, but it is necessary to determine the process to harness the individual strengths of the board.

Board development includes learning how to work with the charter school administrator. Charter schools are notorious for administrator turn-over and oftentimes the turn-over is caused by problems developing between the board and administrator. Maintaining open lines of communication and a rapport built on trust are essential, especially for the Board President/Chair and the administrator's relationship.

## PART 5: ESTABLISHING BUSINESS OPERATIONS

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### INTRODUCTION

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Charter schools are both an educational institution and a business. As a public entity, several individuals are involved in the financial and business operations of a charter school in order to ensure accountability and necessary checks and balances. The charter school governing board has the ultimate responsibility for business operations.

The governing charter board adopts a budget, conducts long-range planning and approves major expenditures. Generally the board gives day-to-day direction to the board treasurer and school staff through policies.

The board treasurer is the individual designated by the board to oversee financial and business operations for the charter school. Depending on the size of the charter school, oversight may include conducting quarterly or monthly audits, preparing grant applications and reports, chairing the Finance Committee, or signing checks.

Recent legislation put a higher emphasis on financial management and sound fiscal operations. In Oregon, the primary reason for closure of charter schools is failure to remain financially solvent. Many charter school leaders have a background in education, but not in business and therefore don't establish operations with high quality business practices. Especially when charter schools are financing their facility, it is imperative leaders do not overextend the organization.

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### ESTABLISHING A BUSINESS OFFICE

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Establishing a business office can take many different forms, depending on certain characteristics of the charter school, such as size, location, and contract stipulations with the sponsor. One of three basic structures are in place in most Oregon charter schools, 1) the school hires a full-time business manager to run the business office, or 2) the school contracts with the sponsor to provide most business services and hires a staff member to carry out certain day-to-day functions at the school, or 3) the school contracts with a private business services provider and hires a staff member to carry out certain day-to-day functions at the school.

Regardless of the structure, the business office will need to be able to put into practice certain essential functions. First of all, the business office will need to set up an accounting system to handle:

- cash management,
- purchasing/accounts payable,

- accounts receivable,
- payroll, and
- tracking of fixed assets.

The office should also be responsible for establishing and following procedures to implement the financial policies of the school. Finally, the office should be able to develop and manage the school's budget from year to year. The product of the accounting system should be regular, timely, and accurate financial reports for management and for the sponsor. In Oregon, the financial management system must include a budget and accounting system that is compatible with the budget and accounting system of the sponsor of the school and comply with the requirement of the uniform budget and accounting system adopted by the State Board of Education under OAR 581-023-0035. The governing the budgeting and accounting systems for schools and the school systems of accounts are contained in Part 2 of the Program Budgeting and Accounting Manual (PBAM). The PBAM may be found at:

<http://www.ode.state.or.us/search/page/?=1605>

Once a decision is made with regard to the structure of the business office, the school should put together a list of duties a person(s) must put into operation for the business office. Once the list is compiled, qualifications are determined and recruitment begins. When looking for someone to execute the business functions of a charter school, other existing charter schools are often the best source of information. Sample job descriptions vary greatly, but other charter schools with similar business office structures are typically very helpful. At a minimum, the school needs to have a person with business/accounting knowledge and ability to understand public school accounting requirements.

In addition to other charter schools, other resources can be helpful in recruiting and providing professional development opportunities for the school's business needs. The sponsor and OASBO (Oregon Association of School Business Officers) can be two useful organizations. Information about OASBO can be found at: <http://www.oasbo.com/>

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## FINANCIAL ACCOUNTABILITY

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A charter school must be financially responsible. The school is financially accountable to the parents of the school, its sponsor, the state, the federal government, and the general public. From a financial standpoint, accountability is communicated through different types of financial reports. For those reports to be reliable, an appropriate set of internal and external controls must be in place.

The business office should establish procedures to properly carry out board policies. The procedures established should ensure proper controls by adhering to the concept of segregation of duties. This means no one person should ever be able to carry out a financial transaction from

beginning to end. Ideally, there should be a minimum of three people who need to be involved for any transaction to take place. Procedures should be established for each of the areas discussed above: cash management, purchasing/accounts payable, accounts receivable, payroll, and tracking of fixed assets.

A sound accounting system leads to reliable financial reports. As mentioned previously, the newly adopted OAR 581-020-0334 further defines the financial system that must be in place. Charter schools are required and must know how to report financial information in several regulatory ways. Schools are required to meet financial reporting requirements by their sponsor. The charter contract should outline the number, types and due dates of financial reports the charter school needs to prepare for the sponsor. In addition to this reporting, the school may need to provide financial reports to grantors, bankers, bondholders or other entities the school may interact with over its existence.

Just as important as being able to produce required financial information to other entities, the business office needs to provide reliable financial information to the board and administration of the school. This information should be formally presented monthly (quarterly at a minimum) and should be timely, accurate and easy to understand. Regular management financial reports should include a balance sheet, a statement of income and expenditures vs. budget, and particularly in early years of the organization, cash flow projections.

At the end of each fiscal year, an independent audit firm performs a municipal audit of the charter school. The financial auditors examine the school's financial statements and issue an opinion on their accuracy. This requirement is the best way to measure whether the school's management can rely on the financial information it receives. It is the school's responsibility to contract for the audit prior to the end of each fiscal year and to bear the cost. Audit arrangements must be made with the independent auditor and will include communicating expectations for the contract, report and timing of the audit. After an audit is complete, copies are forwarded to the sponsor, the State Board of Education, the Oregon Department of Education and the Secretary of State.



Finally, the charter school is accountable financially through its budget development and management process. The school's budget should reflect the mission of the school. Most of the budget will consist of salaries/benefits for staff and building costs. The school should always keep the balance between these two items in mind.

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## PERSONNEL

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Given personnel costs are by far the largest part of a charter school's budget and given the type and quality of personnel has a direct impact on the success of the school, a high level of importance should be placed on this area. The nature of charter schools allows for innovation

and different approaches in many areas, including organizational structure. The structure of the staff is dependent upon:

- the mission of the school, the population served,
- the type of academic program offered,
- the desired class size,
- the nature of the relationship with the sponsor, and
- the location of the school.

As with every other aspect of the school, personnel decisions should support the mission of the school.

Regardless of the school's structure, there are common functions that must be put into practice and staffed. The first and most critical single hire is the lead administrator. Regardless of the position title, Principal, Director, Administrator, Headmaster, or Executive Director, it is vitally important to hire a leader who understands and embraces the school's mission. The importance of finding the right fit for the school in this position can't be overstated.

Obviously, teachers are the largest percentage of any school staff. Prior to employment, all charter school teachers and administrators in Oregon must be licensed or registered by the Teacher Standards and Practices Commission (TSPC). All teachers must be highly qualified as defined in the federal No Child Left Behind Act prior to employment. In a brick and mortar school, 50% of the total full-time equivalent (FTE) teaching and administrative staff must be licensed (ORS 338.135 (7) (c)). In a virtual school, teachers who are licensed and highly qualified to teach must teach at least 95% of the school's instructional hours.

In addition to the administrator and teachers, schools need to make sure they are adequately staffed (or contracted) to handle business operations, support teachers in the classroom, maintain both the inside and outside of the facility, and provide services as necessary based on the school's characteristics. Other positions could include library and nutrition staff, technology support, playground supervision, athletic director, coaches, and nurses.

Finally, when planning for staffing, the school should have a clear understanding of its compensation philosophy. Like so many other charter school issues, this is unique to each school but it should support the school's mission. There is a great deal of flexibility how compensation plans are established. Some schools begin by trying to match their local school district's pay scale, some set up their own pay schedules, and some operate more like a business without a set pay scale. Some schools choose to incorporate performance pay into their model, either through bonuses, merit increases, or both. Again, the best source of information about ways to do compensation is an existing charter school with the same philosophy.



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## HUMAN RELATIONS

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The nature of the relationship, between the charter school and the employees, needs to be clearly defined. In addition, the school must establish policies and procedures for dealing with human resources issues.

Generally, there should be procedures in place for pre-employment, employment, and termination of employment of all staff. First, the school should have a plan for recruitment of staff. Secondly, the school should have a plan and process in place for hiring new employees. This includes interviewing, checking references, doing background checks and finger printing, and making offers of employment. Existing charter schools with similar characteristics are the best sources of practice information about recruiting practices.

Once employees are hired, the school is responsible for following all applicable federal laws, including the Americans with Disabilities Act (ADA), the Fair Labor Standards Act (FLSA), the Family Medical Leave Act (FMLA), and others. In addition, the school must establish payroll procedures and follow all federal and state laws governing payroll and payroll taxes. Finally, the school should have a plan in place for offering and administering employee benefits, including health insurance. In addition to other information provided in the guide, independent insurance brokers and other human resources consultants can provide valuable assistance in this area.

Finally, the school needs to have procedures in place for lay off or termination of an employee. For example, the school must comply with COBRA requirements for former employees who exercise their option to maintain health insurance coverage under COBRA. The school also should have procedures in place for beginning termination proceedings with an employee. In this area, an attorney with charter school experience may need to be consulted.

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## TRANSPORTATION

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According to ORS 338.145 transportation services are the responsibility of the charter school. There are basically three transportation options for charter schools. One option is the use the district's existing transportation routes to provide transportation services to students, keeping in mind routes do not need to be added or additional routes created to accommodate charter school students. This should be discussed with the district representatives during the proposal process.



Another option is for the charter school to contract with the school district in which the charter school is located. All transportation costs paid by the charter school to the school district is not

considered revenue, therefore the school district may claim the entire cost for reimbursement from the state transportation funds.

The third option would be for the charter school to contract with an outside provider of transportation services.

Remember any small vehicles or school buses owned and operated by a charter school, a school district or those under contract must meet safety and operating standards. For more information on these requirements contact the Pupil Transportation office at ODE or visit this webpage: <http://www.ode.state.or.us/search/results/?id=182> .

#### School Nutrition Services

Federal Child Nutrition Programs in a public school must operate in accordance with the sponsoring school district's agreement with the Oregon Department of Education. Most school districts work under an agreement with the Oregon Department of Education to sponsor the Federal Child Nutrition Programs, the National School Lunch Program and the School Breakfast Program.

It is not mandatory for a charter school or school district to operate a Federal Child Nutrition program. Additionally, it is not mandatory for a school district that sponsors a Federal Child Nutrition Program to offer the program in all of its schools, including public charter schools.

A public charter school may operate its own nutrition program without federal reimbursements, in which case there are no State and Federal program requirements. The school's decision to provide nutritious meals to students will have a profound effect on the achievement of the learning goals established for its students. The connection between nutritionally sound meals and the ability to learn has been demonstrated in many recent studies and the Federal Child Nutrition programs are designed with this in mind. Any alternate nutrition program should be designed and monitored carefully to ensure the students' nutritional needs are being met.

For more information on Federal Child Nutrition Programs in public charter schools contact the Oregon Department of Education Child Nutrition specialist. Additional information can be found at: [http://www.uscharterschools.org/cs/fs/view/uscs\\_pr/26](http://www.uscharterschools.org/cs/fs/view/uscs_pr/26).

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## **FACILITY AND FACILITY FINANCING**

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The applicants are responsible for locating a site for the school. This could be an existing school district building, a vacant building or space in a cooperating institution such as a college or a store front. Finding sites for schools can be difficult and creative solutions may be needed. The cost of maintenance, cleaning, utilities, insurance, etc. must be reflected in the budget

negotiated in the charter agreement. Additionally, the charter school needs to consider ADA (Americans With Disabilities Act) and Section 504 accessibility compliance issues and insurance arrangements for the property.



All public school buildings must meet all health and safety codes of the county and/or city. Building permits and inspections are required. Building and occupancy codes may vary from county to county and city to city, always check into the regulations at your location. To find out more information on the specifics of the Americans with Disabilities Act and school building requirements, contact the Building Codes Divisions at the State of Oregon. Additionally, charter schools need to be aware of the federal requirements regarding asbestos management in facilities used as school buildings. This information is available from the regional EPA office in Seattle, WA; <http://www.epa.gov/asbestos/pubs/aherarequirements.pdf>. Financing a facility remains one of the most difficult obstacles a charter school faces, particularly early in its development. There is no one solution that works for all schools, but with the growth of charter schools over the years, landlords, real estate groups, lenders and others have increased their understanding of the nature of charter schools. While there is increased awareness, it is still difficult to secure facility financing to suit the needs of individual schools.

Generally, schools take a two-stage approach to financing facilities. First a school must take care of its short-term needs. This typically involves finding and existing building to renovate and lease or finding a piece of land on which to place temporary units. In either case, a school must find a way to finance the upfront costs of preparing the facility/land to be used as a school. It can be difficult to find start-up money that can be used for facilities. One solution to dealing with the start-up cost issue is negotiating a lease including the cost of renovation and can be paid over the term of the lease.

While securing a short-term facilities solution, the school should keep in mind its long-term needs. The board and administration should strive to strike a balance between the desire for a perfect facility immediately and the need to save money for a permanent facility in the future. Once the school establishes a solid financial base, it can take advantage of other, more favorable financing arrangements. When entering into a long-term financing arrangement for its facility, a school should make sure the facility will meet its long-term needs. In this stage, schools typically purchase the facility they have been leasing, build a new facility on their current site, build a new facility on a new site, or purchase another existing facility and renovate it to be used as a school.

Just as with short-term facility financing, there are several ways charter schools might finance permanent facilities. Schools may enter into conventional financing arrangements directly with lenders or may choose to enter into lease-purchase arrangements with facility owners.

While there are typical ways to plan for facility needs and to finance those needs, there is no one right way for all schools. New avenues open up as charter schools continue to grow. Residential developers, commercial developers, and educational management organizations all bring their

resources with them and provide avenues for some charter schools to improve their facility situation. Finding the right facility and financing depends on several factors including school size, probability of the school's success, type of program offered, financial priorities of the school, individuals or companies involved with the school, sponsor involvement and, as with all real estate issues, location.

Regardless of the unique combination of factors, the school should always consider both the short and long term financial ramifications of any financing arrangement. While the school may be able to take advantage of individual skills within the school community, the school should not overlook qualified professional individuals or firm to assist with facility financing needs. Once again, charter schools in your area are great places to check for recommendations.

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CHARTER SCHOOLS AND SPECIAL EDUCATION

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*"Improving educational results for children with disabilities is an essential element of our national policy of ensuring equality of opportunity, full participation, independent living, and economic self-sufficiency for individuals with disabilities." Findings of Congress, Public Law 108-446. Section 601(c)(1) of the Individuals with Disabilities Education Act*

**What is IDEA?**

The Individuals with Disabilities Education Act, as amended in 2004 (IDEA 2004-PL 108-446), is a federal law governing special education services and federal funding for eligible infants, toddlers, children, and youth with disabilities across the country. The original law was enacted in 1975, a time when most children with disabilities were excluded public school. Today, children and youth, ages 3-21, with disabilities receive special education and related services under IDEA, Part B. Infants and toddlers, ages birth to three (3) with disabilities, and their families receive early intervention services under IDEA Part C. In Oregon in the past year, IDEA funds helped support the education of almost 83,000 children with disabilities in the past year. For more information about IDEA see the following U.S. Department of Education website: <http://idea.ed.gov>

**Which Students Are Eligible for Special Education Services?**

Children with disabilities are a diverse group, and not every child with a disability is eligible for special education services. IDEA includes only children who have been evaluated according to IDEA's requirements and identified as having one of the following disabilities:

- Intellectual disability
- Hearing impairment (including deafness)
- Speech or language impairment
- Visual impairment (including blindness)
- Emotional disturbance
- Orthopedic impairment
- Autism
- Traumatic brain injury
- Other health impairment
- Specific learning disability
- Deaf-blindness; and
- Multiple disabilities
- Developmental Delay<sup>10</sup>

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<sup>10</sup> Developmental Delay is included subject to state law; Oregon does not include this category for school-age children.

For explanations and information about these disabilities, see: the following website:

<http://nichcy.org/disability/categories/>

Children with disabilities who are not eligible under IDEA may be eligible under civil rights laws, such as Section 504 of the Rehabilitation Act of 1973, commonly referred to as Section 504, or the Americans with Disabilities Act (ADA). Services and accommodations provided under these laws are considered part of general education and not special education. These same federal laws also prohibit discrimination on the basis of disability. For these reasons, charter schools may not adopt practices that screen out children with disabilities or otherwise treat children with disabilities differently than children without disabilities. Extensive information about civil rights laws and resources for schools and families may be found on the ODE website at: <http://www.ode.state.or.us/search/results?id=131>

### **Charter School Legal Status and Special Education Responsibility**

As described in Chapter 1, Oregon law<sup>11</sup> identifies charter schools, including virtual charter schools, as public schools typically authorized, or sponsored, by Oregon public school districts.<sup>12</sup> Although each charter school has its own governing board, Oregon charter schools are not totally independent school districts. As a result, Oregon charter schools are considered “schools of the district” under IDEA. Additionally, Oregon law assigns districts the responsibility of providing FAPE to students with disabilities enrolled in charter schools in district. These districts are responsible for oversight of special education programs and services, including those in its charter schools, and for ensuring that services are provided and administered according to state<sup>13</sup> and federal law.<sup>14</sup>

As a result, charter schools must typically provide general education services in consultation and collaboration with the school district. Managing and providing special education services may also include other agencies such as Educational Service Districts (ESD) and regional programs.<sup>15</sup> The procedural safeguards, decision-making processes, and other requirements of IDEA applying to students with disabilities in typical Oregon public schools also apply to students with disabilities enrolled in charter schools. For this reason, Oregon has very few special education laws or rules just for charter schools. OAR 581-015-2075 “Charter Schools” is an exception. It was recently revised to include changes enacted the 2011 Oregon legislature.<sup>16</sup>

Under OAR 581-015-2075 when a child with an Individual Education Program (IEP) enrolls in a charter school, the district, in consultation with the parent, must provide a free appropriate public education (including comparable services) until the district adopts the existing IEP or develops a new IEP. Enrollment in the charter school is not considered a change in placement.

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<sup>11</sup> ORS Chapter 338 – Public Charter Schools

<sup>12</sup> In limited circumstances, Oregon law also permits the State Board of Education and institutions of higher education to be sponsors.

<sup>13</sup> [http://arcweb.sos.state.or.us/pages/rules/oars\\_500/oar\\_581/581\\_015.html](http://arcweb.sos.state.or.us/pages/rules/oars_500/oar_581/581_015.html)

<sup>14</sup> <http://idea.ed.gov/explore/home>

<sup>15</sup> [http://arcweb.sos.state.or.us/pages/rules/oars\\_500/oar\\_581/581\\_015.html](http://arcweb.sos.state.or.us/pages/rules/oars_500/oar_581/581_015.html)

<sup>16</sup> See Appendix for OAR 581-015-2075 Charter Schools and OAR 581-015- Transfer Students

OAR 581-015-2075 reflects records requests and notifications required by the 2011 charter school legislation. However, schools enrolling a child with an IEP may not delay their attendance while they request, and wait to receive, student education records.

The district must serve children with disabilities attending the charter school in the same manner as it serves children with disabilities in its other schools, including providing supplementary and related services on site at the charter school to the same extent as it provides those services on site at its other schools. Additionally, if the district provides federal IDEA funds to its other schools, it must include the charter school(s) in this distribution.<sup>17</sup>

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<sup>17</sup> In Oregon, very few districts distribute IDEA funds directly to schools.

## PART 7: STUDENT ACADEMIC ACHIEVEMENT

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### ACADEMIC PROGRESS

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The No Child Left Behind Act (NCLB) requires the annual determination of whether schools, districts, and states have made adequate yearly progress (AYP) toward the goal of having all students meet rigorous state academic standards by the 2013-2014 school year. Each year, the performance of all students in the school and district, as well as subgroups of students, is measured against annual performance targets.

In addition, to the Federal and state determinations, local districts have a responsibility to hold charter schools accountable to the terms of the charter or contract. Within each contract are academic goals to which the charter school has responsibility. Within three months of receiving OAKS student performance results, charter school staff and charter board should complete a school improvement plan using state and local data. The implementation of the plan should begin soon as possible. The plan should:

1. Incorporate scientifically based research strategies that strengthen the core academic program.
2. Identify actions with the greatest likelihood of improving student achievement, assisting students who have not yet met state standards.
3. Address the professional development needs of instructional staff.
4. Address the specifically identified teaching and learning needs and academic problems of low-achieving students within the school.
5. Include strategies to promote effective parental involvement.

Each subsequent year, the improvement plan should be shared with the sponsoring district, as a “living document” for student learning.

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### SCHOOL IMPROVEMENT PLAN

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The first plan in place is the charter proposal. However, after the school opens, a planning team should be formed to develop a school improvement plan.

A living, dynamic school improvement plan (SIP) is a tool school leaders and staff should use to guide their actions and make decisions. An effective SIP is updated regularly to reflect actual practices and used as a means of monitoring and evaluating progress. Charter schools are free to design their own planning process or select a pre-designed process such as Baldrige, Deming or other research based planning models. Whatever approach is used, it is important it



contain the basic elements of self-evaluation, goals and strategies, budgeted action plan and evaluation. Additionally, it is critical that every member of the SIP team understands and supports the planning process.

Once a SIP team is identified, the school solicits input from the school community and engages in a comprehensive self-evaluation to determine the priority concerns including an analysis of the underlying causes for those concerns. An improvement plan should be designed to include all stakeholders to ensure all students, regardless of race, ethnicity, gender, income status, special education eligibility or English language proficiency, show continuous academic improvement, attain high standards and develop as life-long learners. The planning process accomplishes this task in several ways. First, improvement planning is an on-going process driven by student needs. Second, it ensures planning is comprehensive. Third, the planning process allows integration of ideas and leverage of funding sources to make sure the improvement plan is fully implemented. Fourth, the plan provides a means of staying on course throughout implementation of improvement strategies.

Once data is reviewed and priorities are identified, overall improvement goals are written to address the priority concerns. This is followed by the identification of evidence-based strategies/activities required for the school to achieve its improvement goals. Finally, the school looks across funding streams to determine how to best leverage funding opportunities in order to support successful implementation of the activities.

**Strategic Planning:** A school improvement plan should answer the questions:

- Where are we now in helping students learn?
- What are our needs?
- Where do we want to be?
- How are we going to get there?
- How will we know when we get there?

#### **Data collection and analysis**

Charter schools should obtain data using both quantitative and qualitative methods. Quantitative methods entail collecting and analyzing numerical and statistical data to provide a precise objective picture of performance. Qualitative methods allow schools to determine stakeholders' perceptions and opinions through surveys, interviews, focus groups and other tools. Qualitative data collection tools may be developed by the school or are available for purchase from a variety of sources.

The planning team will review data on the makeup of the student body and determine which students are most in need of different and/or additional instruction and support to meet state learning standards. The team will prioritize which groups of students it will focus on in the current planning process. It may decide the needs of the whole student body are great enough that the plan should target all students as a group. If so, next determine whether any subgroups of students will need additional assistance beyond what will be planned for all students. When

the team has identified the specific skills and knowledge their students lack, it will determine why students have been unable to master these skills. It can think critically about the learning experiences students receive in the school and identify potential barriers to their learning.

- Working with each of the charter school's student learning goals individually, the team will brainstorm a number of possible causes affecting students' ability to master the skill(s). The team will organize the causes into categories according to whether the goals pertain specifically to the student learning goals, affect a content area as a whole, or affect student learning across multiple content areas.
- Once the team has brainstormed causes for every student learning goal, it will consolidate similar causes across the various student learning goals and across student groups.
- Finally, the team will prioritize which causes it will address and look for evidence to verify its hypotheses that these causes exist.

### **Strategies to support growth**

The planning team will identify the strategies already in place helping the school achieve its improvement objectives. For each strategy, the team will gauge how thoroughly it has been implemented and how effective it has been improving student achievement. The team will then determine what modifications may be needed in order to make the strategies more effective and whether any ineffective strategies should be discontinued.

The last piece to identifying strategies is to consider whether there are additional strategies needed in order to support the student learning experiences described in the improvement objectives. Charter schools should direct their energy primarily toward changing what is within their control.

### **Action plan**

This part of the improvement plan answers the questions:

- How are we going to get there?
- How will we know when we get there?

Action plans show in detail with concise statements under each school improvement goal, what measurable steps will be taken. An action plan is developed for each goal stating:

- The goal
- Evidence of Implementation (Outcomes)
- Impact (the evaluation of effectiveness of the strategy in producing the desired change)
- Strategy, program, practice to be implemented
- The person(s) responsible for implementation
- A timeline for implementation
- The cost of the implementation
- The resource(s) to be used to implement the action

The action plan may include any staff training needed in order to implement a new strategy or process. It should also include needed resources and supports. Be specific enough about what is to be done; include who is responsible for each component and timelines for completion, to avoid misunderstandings.

The planning team needs to have a clear idea of all available resources for implementation of the plan. State, local, federal and community resources should all be considered and coordinated in supporting the strategies. The planning team must also understand the purposes for which each funding source can be used. Competitive grants to meet particular needs may be available; however, do not make plans based on a competitive grant applied for during the current school year. There are no award guarantees for competitive grants, regardless of the source.

### **Evaluation of Actions**

Embedded in the Action Plan should be the evaluation. The Evidence of Implementation (Outcomes) and the Impact (the evaluation of effectiveness of the strategy in producing the desired change) are the two pieces of the Action Plan giving the charter school information and data about the success of the applied strategy. Evidence of Implementation is the data results showing the fidelity of implementation of the strategy, while the Impact data shows if the strategy is resulting in desired performance.

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## **ACCOUNTABILITY IN CHARTER SCHOOLS**

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### **State testing**

The statewide assessment system, currently called OAKS (Oregon Assessment of Knowledge and Skills), cannot be waived according to the statute. All students in a charter school must participate in state assessment in the same manner as those in traditional public schools. Arrangements for the testing are generally made through the sponsoring school district. Each school district has a "testing coordinator" responsible for oversight of the OAKS testing process. The District test coordinator and the District Special Education Director can assist in ensuring appropriate arrangements for students with disabilities.

### **Diploma (ORS 338.115)**

A charter school awarding or issuing a high school diploma, including a modified, extended or alternative certificate, awarded from a charter school, grants the same rights and privileges as a high school diploma, including a modified, extended or alternative certificate awarded by a non-chartered school. It is the sponsoring school district's responsibility to determine at the time of the proposal if the charter school will be providing a comprehensive high school

education that will result in the issuing of a diploma. The school district shall offer a high school diploma, including a modified, extended or alternative certificate to any public charter school student meeting the district's and state's standards for a high school diploma, including a modified, extended or alternative certificate. Developers proposing charter high schools will want to consult ODE and district resources about appropriately addressing these issues for students with disabilities and their families.

#### **Data Collection/Submissions**

ODE collects statistical information used to describe and assess the condition of education in Oregon public schools. Public charter schools must participate in this data collection every year, providing data to the ODE on students, staff and school characteristics.

Data is reported through the "District Website" via surveys and uploads. This website <http://district.ode.state.or.us> is where all collections and due dates are listed. Charter school operators will obtain a user name and password from their sponsor in order to access the site. Often times, data is provided to the sponsor for a single upload from the district. The manner in which data collections and reporting occurs should be agreed upon between the charter school and the district sponsor.

## PART 8: ANNUAL REQUIREMENTS

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### ANNUAL FINANCIAL REPORTING

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The following documents are required as part of the annual financial reporting requirements as defined in OAR 581-021-0335:

1. Municipal Audit – a public charter school shall have an annual audit of the accounts of the public charter school prepared in accordance with the Oregon Municipal Audit Law. An original copy of the audit report shall be submitted to the sponsoring district. Two original copies of the audit report shall be submitted to ODE. One copy will be turned in to the audit division at the Department; the second copy will remain in the charter school file.
2. An electronic copy of any balance sheet containing a summary of the assets and liabilities of the public charter school and related operating budget documents as of the closing date of the preceding annual audit period for the school.

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### ANNUAL REPORT

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Each year the charter school is required to prepare and submit an annual report. Again, one copy must be provided to the sponsor and a second copy submitted to the Oregon Department of Education. According to ORS 338.095, the report shall include information on the performance of the school and its students. The report must contain sufficient information to make a determination of compliance with the requirements of the charter contract.

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### ANNUAL VISIT

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At least annually the sponsor or sponsor's designee shall visit the public charter school site and review the schools compliance with the terms and provisions of the charter. There are many good models available to conduct systematic visits and reviews to strengthen the partnership between the sponsoring district and the charter school staff. Contact ODE staff for assistance and recommendations.

## PART 9: THE CHARTER SCHOOL RENEWAL PROCESS

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### CONTRACT RENEWAL BEGINS ON DAY ONE!

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The authority to operate a charter school is granted through a limited-term, renewable contract. Contract renewal is not automatic – it must be earned through strong academic results and operational effectiveness. Good schools should be cultivated and poor ones shut down. This is one of the definitive functions of a charter school authorizer.

**Major factors impacting renewal decisions:** An authorizer approves a charter school application, enters into a charter contract with the school's governing body, monitors the school's performance over the charter term, and scrutinizes the school's academic and operational record near the end of the term. The authorizer then determines whether the school has met the terms of the charter contract. Quality authorizers assess each school on the following primary factors:

- Academic performance
- Fiscal performance
- Governance effectiveness
- Leadership and instructional quality
- Compliance with the terms of its charter contract and
- applicable laws and regulations
- Mission fulfillment

They may also consider other factors such as:

- Parental and community support
- Significant positive or negative trends in performance, operations, and/or governance.

According to ORS 338.065 there are five factors required for consideration in the renewal decision. The sponsor bases the renewal decision on a good faith evaluation of whether the charter school is:

- In compliance with the chapter and all other applicable state and federal laws
- In compliance with the charter of the public charter schools
- Is meeting or working toward meeting the student performance goals and agreement specified in the charter or any other written agreement between the sponsor and other public charter school governing body;
- Is fiscally stable and evidence that a sound financial management system described in the proposal submitted under ORS 338.045 and incorporated into the written charter was used; and
- Is in compliance with any renewal criteria specified in the previous charter, if any.

The sponsor must base the evaluation described above, primarily 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 other information mutually agreed upon by the public charter school governing body and the sponsor.

**The imperative of setting the terms of accountability early:** Though sometimes sponsors extend the goal setting into the first year of a charter's life to allow the accountability plan to reflect the school's student population, all of the leading charter sponsors stress the importance of early agreement on the terms of accountability. Thus, the renewal process needs to begin immediately after the charter contract is signed. The charter school needs to use the contract as the road map to what the sponsor will be reviewing. Charter schools need to identify and prepare the reports to show the performance of the school.

**The power of self-reviews & site visits:** While standard reporting requirements yield a core of data, many sponsors have also begun asking schools to engage in detailed self-reviews. Many sponsors are also conducting more than the one annual required site visits to schools. These practices serve a developmental purpose, providing a wealth of information schools can use to improve performance, at the same time as they generate information sponsors can use in decision-making.

**The benefits of a transparent system:** By opening up data and processes to scrutiny by a range of actors - from school officials and policymakers to parents and the general public - sponsors and charter schools serve a number of purposes. They ensure school leaders understand the terms of their accountability, making it less likely they will be blindsided by the process. They mitigate the effects of political influence and they empower parents and other community members to play a role in the process by providing them with information about how schools are doing.

## Appendices

- Appendix 1: The Flow of State School Fund money to Charter Schools
- Appendix 2: ESEA—High Qualified Staff
- Appendix 3: Oregon Public Charter Schools Frequently Asked Questions
- Appendix 4: Oregon Public Charter Schools & Students with Disabilities Frequently Asked Questions
- Appendix 5: Charter Application Process



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## APPENDIX 1

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### **The Flow of State School Fund Money to Charter Schools** (ORS 338.155)

For a K-8 enrolled student and **not** on an IEP, the district in which the charter school is located pays the charter school at least 80 percent of its General Purpose Grant per ADMw (95 percent for a grade 9-12 student).

For a K-8 enrolled student with an **IEP**, the district in which the charter school is located pays the charter school at least 40 percent of its **total** General Purpose Grant per ADMw (47.5 percent for a grade 9-12 student).

## APPENDIX 2

### Highly Qualified Public Charter School Teacher

Licensed and Registered Teachers must be Highly Qualified to teach in the following core academic areas:

- € English/Language Arts (includes Reading)
- € Mathematics (Basic or Advanced Mathematics)
- € Science (Integrated Science, Biology, Chemistry, or Physics)
- € Foreign Languages (Spanish, French and German)
- € Social Sciences, includes Civics and Government, Economics, History and Geography
- € Art, includes Visual Arts and Music

<b>Charter School Teacher</b>	<b>Licensed</b>	<b>Registered</b>
		Must have a bachelor's degree -AND-
<b>Elementary Classroom Teacher</b> A teacher in a self-contained classroom grades PreK-8. OAR 584-100-0006	Must meet the highly qualified teacher definition in OAR 584-100-0011 (New to the Profession) or OAR 584-100-0016 (Not New to the Profession).	Demonstrate subject matter competency by passing the Oregon Educator Licensure Assessment – ORELA. OAR 584-100-0091
<b>Middle Level Teacher</b> A teacher teaching in a departmentalized structure grades 7-8. OAR 584-100-0006  <b>Secondary Teacher</b> A teacher teaching in a departmentalized structure grades 9-12. OAR 584-100-0006	Must meet the highly qualified teacher definition in OAR 584-100-0021 (New to the Profession) or 584-100-0026 (Not New to the profession).	Have evidence of the following: a) A passing score on the appropriate state test in the subject area; OR b) An undergraduate major in the subject area; OR c) A graduate degree in the subject area; OR d) Coursework equivalent to an undergraduate major in the subject area.

## APPENDIX 3

### Oregon Public Charter School Frequently Asked Questions

*(Please note: Negotiations between the charter school and school district will further determine many of these issues.)*

**1. Who may sponsor (authorize) a public charter school? (ORS 338.005)**

The primary entity is the local school district where the school will be located. It is recommended a working relationship with the school district be established during the planning stages. If the local school district denies the proposal, the developer may request an evaluation/consideration for sponsorship by either:

- (a) a public institution of higher education, including the Oregon Health and Sciences University or a community college; or
- (b) the State Board of Education.

**2. What is the process for applying to become a public charter school? (ORS 338.055)**

A written proposal must be submitted to the local school board for review. A copy of the proposal must be submitted to the Oregon Department of Education at the same time as to the local school board. A checklist of items that must be included in the proposal, according to the state law, is available under "Requirements for a Public Charter School Application." ORS 338.045 lists the elements required to be in the proposal. However, school districts, as authorizers, may also have additional specific requirements as well. The school district has 15 days after the receipt of the proposal to inform the charter school whether or not the application is complete.

**3. What is the timeline once the proposal has been deemed complete? (ORS 338.055)**

The school board has 60 days to hold a public hearing. The proposal must be approved or denied within 30 days after the public hearing.

**4. How will the district decide if my proposal is acceptable?**

School districts often use committees to examine the proposal and consider the elements listed in ORS 338.045 and the criteria in ORS 338.055, as well as any local criteria. The committee often forwards a recommendation to the District Superintendent and the local school board to determine if they will sponsor the charter school. For example, districts may use local criteria to determine if short term and long term fiscal stability is in evidence.

**5. What happens once the proposal has been approved? (ORS 338.065)**

Once the proposal has been approved, the public charter school applicant and the sponsoring school district develop a written charter agreement.

**6. What happens if the proposal is denied? (ORS 338.065)**

The school board must provide written reasons for the denial and suggest remedial measures. The applicant can resubmit a revised proposal. The school board has 20 days after receiving the resubmitted proposal to either approve or deny.

**7. What happens if the resubmitted proposal is still not approved?  
(ORS 338.065 & ORS 338.075)**

If the resubmitted proposal is not approved, the applicant can do one of three things:

- nothing further
- appeal the decision to the State Board of Education
- submit the proposal to an institution of higher education, including the Oregon Health and Science University, or a community college.
  - The institution of higher education, including Oregon Health and Science University, or a community college decisions are final and are not subject to appeal. They will make decisions whether to evaluate a proposal for a charter school and either approve or disapprove a proposal for a charter school

**8. May a developer apply directly to an institution of higher education or a community college?**

No, a proposal must be submitted to the local school district in which the charter school wishes to be located and denied by that local school district board prior to applying to any other entity.

**9. Must the institution of higher education evaluate a proposal?**

No.

**10. Where does the charter school need to be located to apply to an institution of higher education?**

The charter school must be located with 25 miles, by nearest travel road, of the main campus of the institution of higher education.

**11. If the institution of higher education doesn't evaluate the proposal, can the decision of "no evaluation" or denial be appealed to the State Board of Education**

No.

**12. May a religious or tuition-based private school apply to be a public charter school? (ORS 338.035)**

No, a tuition-based or religious affiliated school may not convert to a public charter school. The law allows for only new public schools, schools within schools or existing alternative educational programs to apply for public charter school status.

**13. How do I find out about available facilities? (ORS 338.045)**

It is helpful to have a liaison with the district as they may have suggestions about facilities. The local ESD can, to the extent it is available, provide information of vacant, under-utilized or unused private and public buildings.

**14. Who pays for the building?**

This can be negotiated between the applicant and the sponsor and is stipulated in the charter agreement. The charter school may rent, lease or buy a building as a non-profit board

- 15. Do public charter school teachers and administrators need to be licensed to teach or administer in a brick and mortar charter school by the Teacher Standards and Practices Commission (TSPC) (ORS 338.135)**



At least fifty percent of the total FTE (full time equivalency) in a brick and mortar charter school must be licensed teachers and/or administrators prior to employment. The other fifty percent must be registered by the TSPC prior to employment.

- 16. Do virtual public charter school teachers and administrators need to be licensed by the Teacher Standards and Practices Commission (TSPC)? (ORS 338.135)**

A virtual charter school must have a plan to ensure all superintendents, assistant superintendents and principals of the school are licensed to administer by the TSPC; and teachers who are licensed to teach by the TSPC teach at least 95% of the school's instructional hours.

- 17. Do all public charter school teachers (brick and mortar and virtual) have to be Highly Qualified (HQ) as described in the federal No Child Left Behind Act of 2001 by the Federal law**

Yes, all teachers prior to being employed as a teacher must be Highly Qualified as described in the No Child Left Behind Act of 2001.

- 18. How many students must be enrolled in a public charter school? (ORS 338.115)**

The public charter school must maintain an active enrollment of minimum of twenty-five students unless the school has a cooperative agreement.

- 19. How many students must be enrolled in a charter school that provides educational services under a cooperative agreement?**

The charter school is in compliance with the requirement of minimum enrollment if the charter school provides educational services under the cooperative agreement to at least 25 students, without regard to the school district in which the students are residents.

- 20. May a charter school count a home schooler as a part of its membership?**

No, a student may only have one status. If a student is registered as home schooler, then the home schooling rules apply to that student.

- 21. May a charter school receive any ADMw for a home schooler who attends part of one-half of the school day?**

Yes. Anything less than  $\frac{1}{2}$  time can be counted on the PT/Special Form under "shared time" and the commensurate amount of funding will follow this student.

- 22. May a charter school count two  $\frac{1}{2}$  day home schoolers as one full time registered student as part of the 25 minimum membership?**

No. A home schooler has the status of a home schooler and cannot be a member of a charter school for the purpose of counting towards minimum membership. A student may only



have one status at a time and a student who has registered as a home schooler has self-decided his/her status.

**23. The Charter Handbook states a minimum of 25 students is required to operate a charter school. Do any or all of these students have to be full time?**

Yes. A charter school needs a minimum of 25 full time students to operate. .

**24. May a public charter school limit the admission of certain students? (ORS 338.125)**

No. The law clearly states that admission based on race, religion, sex, sexual orientation, ethnicity, national origin, disability, the terms of an individualized education program, income level, proficiency in the English language or athletic ability is prohibited. The only qualifications for admission are grade or age.

**25. May priority be given to certain students? (ORS 338.125)**

A charter school may give preference to students enrolled the previous year and to their siblings.

**26. What happens if more students want to attend the school than there is space available? (ORS 338.125)**

An equitable lottery system must be established.

**27. May an out-of-district student attend a public charter school? (ORS 338.125)**

Yes, but only if there is space available.

**28. Must special education service be provided in public charter schools? (ORS 338.165)**

Yes. Special education services must be provided. The school district in which the public charter school is located is responsible for the provision of special education and related services (FAPE). The charter between the school and its sponsor must address how the administrative and instructional systems for providing these services will operate. IDEA requires districts to serve children with disabilities attending charter school in the same manner as the district serves children with disabilities in its other schools.<sup>18</sup>

More information can be found in this handbook and at the following websites:

<http://www.nichcy.org/Laws/IDEA/Pages/Default.aspx>

National Dissemination Center for Children with Disabilities (NICHCY)

<http://www.ode.state.or.us/search/results/?id=319>

(ODE: IDEA – Practice)

<http://www.ode.state.or.us/search/results/?id=40>

(ODE: special education)

**29. Are public charter schools required to administer the state and local assessments? (ORS 338.115)**

Yes, all State assessments are required. <http://www.ode.state.or.us/search/results/?id=169>

**30. How does a charter school receive assessment materials?**

The school district in which the charter school is located is responsible for providing testing information and materials to the charter school.

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<sup>18</sup> 343 CFR §300.209(b)(1)

**31. May the charter school offer on-line courses? (ORS 338.125)**

Yes.

**32. Does the district add any money to the charter school ADMw for adjusting the number of students in poverty? (ORS 338.157)**

For purposes of the weighted average daily membership (ADMw), the district assumes the public charter school has the same percentage of children in poverty families as the school district. Based on this percentage, the district adds an additional amount to the ADM.

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## APPENDIX 4

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### Charter School Resources

- ❖ **Oregon Revised Statute (ORS Chapter 338)**  
<http://www.leg.state.or.us/ors/338.html>
- ❖ **Oregon Administrative Rules**  
<http://www.ode.state.or.us/policy/state/laws/lawsandlicensure.aspx>
- ❖ **No Child Left Behind**  
<http://www2.ed.gov/nclb/landing.jhtml>
- ❖ **National Charter School Resource Center**  
<http://www.charterschoolcenter.org/>
- ❖ **Guidance on Federal Programs**  
<http://www.charterschoolcenter.org/priority-areas>
- ❖ **Applying Civil Rights Laws to Public Charter Schools**  
[www.uscharterschools.org/pdf/fr/civil\\_rights.pdf](http://www.uscharterschools.org/pdf/fr/civil_rights.pdf)
- ❖ **Oregon School Board Association**  
[http://www.osba.org/en/Services/LeftNav/Charter\\_Schools.aspx](http://www.osba.org/en/Services/LeftNav/Charter_Schools.aspx)
- ❖ **Northwest Center for Education Options**  
<http://www.nwceo.org/>
- ❖ **Charter Starters**  
<http://charter-starters.com/>
- ❖ **National Alliance for Public Charter Schools**  
<http://www.publiccharters.org/>
- ❖ **National Association for Charter School Authorizers**  
<http://www.qualitycharters.org/index.php>



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## APPENDIX 5

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### Federal Laws

- ❖ **Age Discrimination - in Employment Act:** generally prohibits employers from discriminating on the basis of age in the hiring, termination, benefits, or other terms and conditions of employment of individuals over 40 years of age. This act applies to public schools and employers who employ 20 or more employees. 29 U.S.C. §§621- 634. Information: Equal Employment Opportunity Commission 202-663-4900.
- ❖ **Americans with Disabilities Act:** prohibits discrimination by an employer who employs 15 or more workers against a qualified individual with a disability. 42 U.S.C. § 12101-12213. [www.ed.gov/about/offices/list/ocr/index.html?src=mr](http://www.ed.gov/about/offices/list/ocr/index.html?src=mr)
- ❖ **Bilingual Education Act:** prohibits federally assisted education programs from excluding a student on the basis of a surname or language minority status. 20 U.S.C. §7401 et. seq. Information: U.S. Department of Education 202-205-5576.
- ❖ **Boy Scouts of America Equal Access Act:** no public school that provides an opportunity for one or more outside youth or community groups to meet on school premises or in school facilities before or after school hours shall deny equal access or a fair opportunity to meet to, or discriminate against, any group official affiliated with the Boy Scouts of America, or any other youth group listed in Title 36 of the United States Code as a patriotic society. <http://www.ed.gov/policy/rights/guid/ocr/boyscouts.html>
- ❖ **Charter School Expansion Act of 1998:** requires school districts to ensure that every charter school receives the Federal funding for which it is eligible not later than five months after the charter school first opens. 20 U.S.C. § 10306.
- ❖ **Equal Pay Act:** prohibits employers from paying wages to employees of one sex at rates of pay less than the rates they pay employees of the opposite sex for work requiring equal skill, effort, and responsibility, and which is performed under similar working conditions. 29 U.S.C. §206(d). Information: Wage and Hour Administrator of the U.S. Department of Labor 1-866-4USWAGE. (Request referral to regional office.)
- ❖ **Fair Labor Standards Act:** establishes minimum wage, overtime pay, equal pay, record keeping, and child labor standards for employees who are within the coverage of the FLSA and who are not exempt from specific provisions. 29 U.S.C. §201 *et seq.* (1988). Information: Wage and Hour Administrator of the U.S. Department of Labor 1-866-4USWAGE. (Request referral to regional office.)

- ❖ **Family and Medical Leave Act:** requires employers with 50 or more workers in a 75-mile radius to provide eligible employees up to 12 work weeks of leave in a 12 month period when the leave is required for (1) birth, adoption or foster care placement, (2) care for a sick spouse or parent, or (3) a personal serious health condition. 29 U.S.C. § 2611 *et. seq.* [www.dol.gov](http://www.dol.gov)
- ❖ **Family Educational and Privacy Rights Act:** confers upon students (and their parents) rights of notice, access, amendment and confidentiality with regard to their educational records maintained by a school that received federal financial assistance. 20 U.S.C. § 1232g. Information: Family Policy Compliance Office, U.S. Department of Education 202-260-3887. <http://www.ed.gov/policy/gen/reg/ferpa/rights.html>
- ❖ **Individuals with Disabilities Education Act:** requires schools receiving federal financial assistance to provide a free and appropriate education to children with disabilities. 20 U.S.C. §1400, *et. seq.* Information: Office of Special Education Programs, U.S. Department of Education 202-205-9056.
- ❖ **Immigration Reform and Control Act of 1986:** creates civil and criminal sanctions for employers who fail to properly verify the employment eligibility of all workers hired after November 6, 1986. 8 U.S.C. §§1324a and 1324b (1988). Information: contact local Immigration & Naturalization Service. (Request information regarding Form I-9.)
- ❖ **No Child Left Behind Act:** the reauthorization of the Elementary and Secondary Education Act, which contains provisions for defining a “highly qualified” teacher, testing and reporting requirements for states, and all of the federal education programs. [www.ed.gov](http://www.ed.gov)
- ❖ **Occupational Health and Safety Act of 1970:** regulates health and safety in the workplace, including handling and disposal of materials that may contain blood-borne pathogens. 29 U.S.C. §651 *et. seq.* (1993). Information: Occupational Health and Safety Administration, U.S. Department of Labor 1-800-321-6742.
- ❖ **Omnibus Transportation Employee Testing Act of 1991:** requires to conduct pre-employment/ pre-duty, reasonable suspicion, random and post-accident alcohol and controlled substances testing of each applicant for employment or employee who is required to obtain a commercial driver's license. 49 U.S.C. §2717. Information: Department of Transportation Office of Drug Enforcement and Program Compliance 202-366-3784.

- ❖ **Rehabilitation Act of 1973:** (Section 504) prohibits recipients of federal funds from discriminating against an individual on the basis of disability. 29 U.S.C. §§700 *et. seq.* (1994). Information: Office of Special Education Programs, U.S. Department of Education 202-2059056.
- ❖ **Title VI of the Civil Rights Act of 1964:** as interpreted by the U.S. Supreme Court in *Lau v. Nichols*, 414 U.S. 563 (1974) and the United States Court of Appeals for the 5th Circuit in *Castaneda v. Pickard*, 648 F.2d 989 (5\* Cir. 1981), requires public schools to provide any alternative language programs necessary to ensure that national origin minority students with limited-English proficiency have meaningful access to education programs. 42 U.S.C. §2000d *et. seq.* (1993). Information: Office of Civil Rights, U.S. Department of Education 202-205-5413.
- ❖ **Title VII of the Civil Rights Act of 1964:** forbids employers who have 15 or more employees to discriminate against individuals in all areas of the employment
- ❖ **Title IX of the Education Amendments of 1972:** prohibits gender-based discrimination by an educational institution that receives federal financial assistance. 20 U.S.C. 1681 Information: Office of Civil Rights, U.S. Department of Education 202-205-5413

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