

STATE BOARD OF EDUCATION – TOPIC SUMMARY

Topic: Charter School Asset Distribution – LEP Charter School Closure

Date: June 25, 2015

Staff/Office: Kate Pattison/Office of Educational Improvement and Innovation

Action Requested: Informational Only Adoption Later Adoption Adoption/Consent
Agenda

ISSUE BEFORE THE BOARD:

Approval for the assets from closing LEP Charter School in PPS to be disbursed to PPS first and then other charter schools in the State of Oregon.

BACKGROUND:

According to ORS 338.105, if a charter is terminated or a public charter school is dissolved, the assets of the public charter school that were purchased with public funds shall be given to the State Board of Education. The State Board of Education may disburse the assets of the public charter school to school districts or other public charter schools. However, according to Education Department General Administrative Regulations (EDGAR), any assets purchased with the federal grants must be distributed to other like federal grant sites, which would be charter schools. The Oregon Department of Education (ODE) received a list of all LEP Charter School assets purchased with public funds and will ensure distribution according to the fund source.

LEP Charter School has provided a list of assets purchased with the federal Charter School Program grant funds as the only physical assets of the public charter school. These assets must be made available to public charter schools.

ODE has a process to distribute the assets to other Oregon charter schools.

POLICY QUESTIONS:

None

STAFF RECOMMENDATION:

The Deputy Superintendent and ODE staff recommend approval of the disbursement of assets first to public charter schools sponsored by PPS, then to PPS, and then to other Oregon public charter schools.

Attachments

List of LEP Charter School assets purchased with public funds; Letter from PPS; Letter from LEP Charter School



Kristen Miles
Program Director, Charter Schools

PORTLAND PUBLIC SCHOOLS
Multiple Pathways to Graduation

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May 6, 2015

Kate Pattison
Oregon Department of Education
255 Capitol St. NE
Salem, OR 97310

Ms. Pattison –

Portland Public Schools is the sponsor of Leadership and Entrepreneurship Public Charter High School (LEP), which will close at the end of the 2014-15 school year. After closure, LEP's assets will be distributed according to ORS 338.105(6)(a). To that end, we would like to request the following:

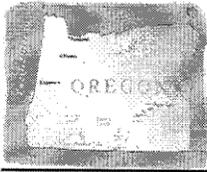
- Portland Public Schools (PPS) would like first right of refusal for any and all technology equipment that will be distributed.
- PPS is currently ensuring that LEP can remain open for the remainder of the 2014-15 school year in part by funding whatever discrepancy that exists between LEP's payroll expenses and its State School Fund allocation. We project that, by the end of the school year, we will have given LEP approximately \$200,000 in additional funding to cover payroll expenditures. We request that, should any residual funds be remaining after LEP's final payroll is paid, these funds be returned to PPS.

Please let me know if you have any questions or need any additional information.

Thank you,

Kristen Miles

Cc: LEP Charter High School
Korinna Wolfe
Sharie Lewis



Dyson Legal

Counsel to Nonprofits & Charter Schools

Deborah A. Dyson, Attorney at Law

June 4, 2014

Oregon Department of Justice
Charitable Activities Section
1515 SW 5th Ave., Suite 410
Portland, OR 97210-5451

Certified Mail: Return Receipt

Re: KOREducators #33720
Transfer of Assets of Leadership and Entrepreneurship Public Charter High School

Greetings:

KOREducators, a nonprofit public benefit corporation, operates the Leadership and Entrepreneurship Public Charter High School (known as "LEP") based on a contract entered into with the Portland Public School District. Portland Public School District and KOREducators have agreed to close LEP at the end of this school year and terminate the charter agreement between them.

Oregon Revised Statute 338.105(6) requires public charter schools to give all assets that were purchased with public funds to the State Board of Education when a charter agreement is terminated. The State Board of Education then distributes assets to other charter schools or school districts. The State Board of Education through its designee, the Department of Education, has agreed with KOREducators for this transference of assets to occur on June 26, 2015. Charter schools and Portland Public School District will be notified of the date and location to pick-up property.

KOREducators recognizes that your office has jurisdiction over the transference of assets of a public benefit corporation when this transfer is substantially all of its property, and it is not in the usual or regular course of its activities. (ORS 65.534(7)). In this situation, the public benefit corporation is required to give your office 20 days notice.

KOREducators has other assets, but the assets for LEP purchased with public funds are a majority of its assets. KOREducators requests that this letter be considered the 20-day notice to your office under ORS 65.534(7). KOREducators is in the process of putting together a list of assets to provide to the Oregon Department of Education. We would be glad to submit this list to your office as soon as this is available. KOREducators is collaborating with Portland Public School District in this process of transferring LEP's property.

If you have any questions or concerns, please contact me as KOREducators' legal counsel. We'd appreciate an acknowledgement from your office of this transfer.

Sincerely,

A handwritten signature in black ink, appearing to read "Deborah A. Dyson".

Deborah A. Dyson
Attorney at Law

-----Original Message-----

From: Deborah Dyson [mailto:deborah@dysonlegal.com]
Sent: Monday, June 15, 2015 12:17 PM
To: PATTISON Kate
Cc: Kristen Miles; Berger, Gary; Michael Hyder; HUNT Cindy L
Subject: LEP__Assets Purchased with Public Funds

Dear Kate:

Attached is the list of assets that were purchased with public funds by KOREducators for Leadership and Entrepreneurship Public Charter High School ("LEP"). These assets were all purchased from the start-up and implementation federal grant funds awarded by ODE. We have no assets that were purchased with other public funds, including state school funds or other federal or state grants.

KOREducators is giving these assets to the State Board of Education based on the termination of the charter contract and charter school to comply with ORS 338.105(6)(a). KOREducators is collaborating with Portland Public School District in this process of termination.

We would appreciate distribution of these assets to occur prior to the expiration of the lease on June 30. The June 26, 2015 date previously discussed works for us.

If you need any additional information, please let me know.

Thank you for your assistance through-out this process.

Best regards.

Deborah Dyson
Legal Counsel, KOREducators

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LEP Asset Inventory	Purchased with Federal Charter School Program Grant Funds	6/15/2015
Item	Description	Qty
Computer Desktop	Dell Optiplex 740 AMDX2 Full Tower 2Gig Ram No Hard Drive	86
Computer Desktop	HP dc7800 SFF 2Gig Ram No Hard Drive	9
Computer Desktop	Dell Optiplex 755 Full Tower 2Gig Ram No Hard Drive	6
Computer Desktop	Dell Optiplex 755 SFF 2Gig Ram No Hard Drive	28
Computer Desktop	ENU Dual Core Computer 2Gig Ram No Hard Drive	14
Computer Mouse	USB Optical	143
Computer Keyboard	Dell/Logitech USB	143
Computer Laptop	Dell D630 2GB Ram 80G HD Centrino Dual Core	15
Computer Laptop	Toshiba L500 2Gig Ram	2
Computer Monitor	Dell 1504FP DVI/VGA 15"	101
Document Camera	Elmo Visual Presenter - TT-02S/1/OETC (12-26-2007,)	1
Hard Drives	SATA 80-160 GB	30
Laptop Cart	Herman Miller Laptop 20 unit (8-4-06)	2
Laptop Cart	Anthro Laptop storage cart-20 unit/1/OETC (12-1-2007)	1
Laser Printer B/W	HP Laserjet P2015dn Printer/6/OETC (8-8-2007,)	7
Laser Printer B/W	HP LaserJet 4000	1
Laser Printer B/W	HP LaserJet 4300	1
Laser Printer Color	HP Color LaserJet 3800n	1
Laser Printer Color	HP Color LaserJet CP6015x	1
Network Switch	NetGear 48 port ProSafe POE switch/1/CDW (7-24-2007,)	2
Network Switch	NetGear 48 port switch/1/CDW (7-24-2007,)	1
Network Switch	Misc 10/100 8,16,24 Port	6
Phone Voip	9133i Aastra speaker phone (8-16-2007,)	19
Projector LCD	Hitachi CP-X* 3,200 lumen 1024 x 768, VGA	6
Projector LED	LG DLP WXGA 500 PB63U R LED	3
Server	Server/2/Penguin Computing (7-17-06)	2
Server	Silicon Mechanics Rackform nServ A266 (8-2-2007,)	2
Server Rack	36U 4 Post Open Frame Rack	1
Wifi AP	Wireless Aruba AP-61 APs	4
Wifi Controller	Aruba AP Controller	1
Wifi Router	Netgear b/g/n	2
Wifi AP	Netgear g band	1
Keyboard tray	Bretford	
Centrifuge		1
Metal cabinet storage	4 shelf, 36x18x78in	1
Computer desk	47x30	1
Caferteria tables	fold in half on wheels, (2) @ 127x30 (2) 119x30	4
Lockers	metal with vented doors, 2 stack, combo locks	49
Student tables	Bretford Quatro 60x24	59

LEP Asset Inventory	Purchased with Federal Charter School Program Grant Funds	6/15/2015
Item	Description	Qty
	Bretford Quatro w/ casters 60x24	39
Computer desk		
	30x37	2
	30.5x23.5	1
	46x29.5 wood	1
	48x22	1
	46.5x17.5	2
	59x29.5 wood no drawers	1
Science tables & lab		
	24x41	1
Student Chairs-adult	Maestro stack- black	97
	Maestro stack- cayenne	110
	Maestro chair jack-4 wheels	2
	ReAlign task chair- intensive	10
	ReAlign task chair- basic	2
	Maestro poly stack, Matix-green cloth	32
	Virco 3000, science	29
	Student desk w/ attached chair	119
	Wooden stackable	17
	Metal chair, gray fabric	17
	Blue cloth chair w/ black arms	8
Tables	Connect reception table	
	Diversified science table 47.5x30	2
	Folding table 42x29	1
	60x24	7
	47.5x30 crome legs wood top	1
Work Station	65x30 cherry wood desk two drawers	3
	Global-principal	1
	66x30 wood desk, 4 drawers	1
	61x30 wood and metal, 5 drawers	1
File Cabinet	fire proof- 4 drawer lateral, black	1
	fire proof- 4 drawer, black	1
	4 drawer lateral, black	1
	2 drawer lateral, wood	1
	classroom- 2 drawer, black	8
	classroom- 2 drawer, white	2
	classroom- 4 drawer, white	5
	classroom- 2 drawer, gray	1
	classroom- 4 drawer, gray	2
	classroom- 2 drawer, yellow	1
Entry/hallway furniture	Black cushion chairs w/ arm	11
	3 seat sofa	2
	small fold top writing desk, wood	1
Refrigerator		1
Electric Range	single element	5

LEP Asset Inventory	Purchased with Federal Charter School Program Grant Funds	6/15/2015
Item	Description	Qty
Corning Hot Plate	single element	1
Projector Screen	97x72in hanging	1
Speakers	ELAN 15x6	2
Storage Cabinet	4 door, 72x36x24, black	1
Podium	45x28x20	1
Metal Shelf	87.5x36 four shelves	2
Fire extinguisher		
Trash can	50 gal. plastic round	1
	40x24 plastic	13
	50 gal. plastic square	1
Metal Shelf	52x36, four shelves	2
	47x34 3 shelf	1
	52.5x31x21 2 doors	1
Paper shredder	Fellows 125C	1
Overhead projector		1
SMART board	nonfunctional, dry erase use	1
Dry erase board	97x48	10
	48x36	1
Hallway Bench	74x18.5	5
	106x18	1
Office desk	60x36 with rounded edge	1
	60x36 with L 45x20	3
	credenza 60x25 w/ 4drawers 2 doors	2
	60x30 5 drawer	1
Storage Cabinet	72x50x24, black, 6 doors	3
	2 door, orange 82.5x36x13.5	2
	84x20x29 black one door	1
	76x24x17 solid wood finish 3 shelf 2 doors	1
	36x31.5x19.5 solid wood on 4 coasters	2
	59x20.5x14.5 wood finish	1
	84x36x22 wood, 3 shelf 2 doors	1
	41x42x18 metal 3 drawer	1
Door mats		4
Bulletin Board	97x48	3
	36x24	6
	48x41	1
	47x35	2