

STATE BOARD OF EDUCATION – TOPIC SUMMARY

Topic: Charter School Asset Distribution – Insight School of Oregon – Charter Option Closure

Date: June 25, 2015

Staff/Office: Kate Pattison/Office of Learning

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

ISSUE BEFORE THE BOARD:

Approval for the assets from closing Insight School of Oregon – Charter Option in the Crook County School District to be disbursed to the charter school’s governing board’s new Insight School of Oregon – Painted Hills public charter school sponsored by the Mitchell School District and scheduled to open in the fall of 2015.

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.

The Insight School of Oregon – Charter Option is a virtual public charter school sponsored by the Crook County School District. This year, the Crook County School District board voted not to renew the contract for the public charter school and the school will close this June. The charter school’s governing board of directors has since submitted an application to the Mitchell School District to start a new virtual public charter school. The Mitchell School District board has approved the application and signed a new charter contract to establish the Insight School of Oregon – Painted Hills scheduled to open in the fall of 2015.

The governing board for the virtual public charter schools has requested that the assets of the closing virtual school be transferred to the new virtual school. This request is different than requests the board has considered in the past. While there is State Board precedence for the transfer of assets when a public charter school changes sponsorship but attempts to continue the same model, serve the same students, and be much the same school just under new sponsorship, the Insight School of Oregon – Painted Hills is explicitly making the case that the new school is a different school and not a continuation of the same school under new sponsorship. They are concurrently requesting a new institution database identification number. If the school is granted a new institution ID, the accountability data (student performance and report card ratings) would not follow the school and the new sponsor and charter governing board would not be affected by the prior performance of the virtual public school closing this year. The Insight School of Oregon - Charter Option was non-renewed this year because of their low student performance and low high school graduation rates.

The Crook County School District does not have any concerns with the assets being transferred from the closing school to the new school. The Mitchell School District supports the distribution of the assets to the new school under their sponsorship.

The Oregon Department of Education (ODE) received a list of all Insight School of Oregon – Charter Option assets purchased with public funds. ODE has a process to distribute the assets.

POLICY QUESTIONS:

- Should the assets of a non-renewed or terminated charter school be transferred to a new public charter school operated by the same governing board of directors?

STAFF RECOMMENDATION:

ODE staff recommends approval of the disbursement of physical assets to the new Insight School of Oregon – Painted Hills sponsored by the Mitchell School District.

Attachments

List of assets for the Insight School of Oregon – Charter Option, Letter from ISOR-CO, Letter from ISOR-PH, Letter from Mitchell SD

June 8, 2014

Oregon State Board of Education
255 Capitol Street NE
Salem, OR 97310-0203

Board,

In April of 2015, the Crook County School Board decided not to reauthorize Insight School of Oregon Charter Option (ISORCO). We believe that is unfortunate; however, the ISORCO Board has been fortunate enough to find another authorizer and to structure a new school that will better meet the needs of children across the state of Oregon.

That new school will have a grade span of 7-12 and provide a career and technical education focus.

Per statute, upon closure of the school, the assets from ISORCO must be redistributed. The ISORCO Board recommends that the attached list of assets be allocated to the new authorizer, Mitchell School District.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard Darst". The signature is fluid and cursive, with a large initial "R" and "D".

Richard Darst
Board Chair
Insight School of Oregon Charter Option



Oregon Department of Education
Attention: Kate Pattison, Charter School Specialist
255 Capitol St NE
Salem, Oregon 97310

June 9, 2015

To whom it may concern,

We, Insight Oregon Charter at Painted Hills, authorized by Mitchell School District #55, request the attached list of assets submitted to ODE by Insight Oregon Charter Option be reassigned, Insight Oregon Charter at Painted Hills to support our students and program.

Thank you for your support of this request.

A handwritten signature in black ink, appearing to read 'JD McMahan'.

JD McMahan
541-272-0514
jdmcmahan@k12.com

MITCHELL UNIFIED SCHOOL DISTRICT No. 55

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Superintendent
Sandy Goodson
Executive Assistant

Kim Domenighini
Deputy Clerk



Board of Directors

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Peggy Lindquist,
Chair
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Oregon Department of Education
Attention: Kate Pattison, Charter School Specialist
255 Capitol St NE,
Salem, Oregon 97310

June 9, 2015

To whom it may concern,

We, the Mitchell School District #55, request the attached list of assets submitted to ODE by Insight Oregon Charter Option be reassigned to Mitchell School District #55 to support our authorization of the Insight Oregon Charter at Painted Hills.

Thank for your support of this request.

Sincerely

A handwritten signature in dark ink, appearing to read "Tim Wilson". The signature is fluid and cursive, written over a light-colored background.

Tim Wilson
Superintendent

The mission of the Mitchell School District is to empower students as effective problem solvers, lifelong learners and productive members in a global society.

From: Kostelecky, Dennis [mailto:dkostelecky@k12insightor.org]
Sent: Monday, June 15, 2015 3:30 PM
To: PATTISON Kate
Subject: FW: Balance Sheet or other financial report

Below is a statement from the school's finance manager.



Dennis Kostelecky
Head of School
(541) 823.5010 x1006 (office)
(541) 233.7861 (cell)
(541) 447.6616 (fax)

From: Chun-Hoon, Craig [mailto:cchun-hoon@k12.com]
Sent: Monday, June 15, 2015 2:39 PM
To: Kostelecky, Dennis
Cc: Mazzarella, Paul
Subject: FW: Balance Sheet or other financial report

Hi Dennis,

Per the ISOR-CO Balance Sheet as of May 31, 2015, the cash balance is **\$679k**. The accounts payable balance is **-\$976k**. These balances are not expected to change materially in June, so after liquidating the payables, there will be no remaining cash or other liquid assets.

Thanks,

Craig