

STATE BOARD OF EDUCATION – TOPIC SUMMARY

Topic: Oregon Connections Academy (ORAC) in Scio School District Closure

Date: May 21, 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 Oregon Connections Academy (ORCA) in Scio School District be disbursed to the charter school’s governing board’s new virtual public charter school sponsored by the Santiam Canyon School District.

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 Charter School Program grants must be distributed to other like federal grant sites, which would be charter schools.

The Oregon Department of Education (ODE) received a request for the assets to be transferred from the ORCA sponsored by Scio School District to the ORCA sponsored by Santiam School District where the charter school will be operating beginning in the 2015-16 school year. The assets were purchased with public funds and must be distributed to public schools, public charter schools and/or school districts. It is allowable for the assets to transfer to the newly sponsored charter school.

This is the third charter school in Oregon to successfully change school districts by applying for new sponsorship under a different district. In June 2012 and September 2013, the State Board of Education approved similar asset distributions to charter schools that changed sponsors (one of those schools was a virtual public charter school). In these situations, as with this school, the student population and charter school staff are not significantly changing.

The Scio School District has requested that the 15 fire proof file cabinets currently located within the Scio High School be distributed to the Scio School District for the retention of student records associated with the closing ORCA.

POLICY QUESTIONS:

None

STAFF RECOMMENDATION:

ODE staff recommend approval of the transfer of assets from the ORCA in Scio to the ORCA in Santiam Canyon except for the 15 fire proof file cabinets to be distributed to the Scio School District.

Attachments

Distribution request from ORCA

Distribution request from Scio SD

Letter of support from Santiam Canyon SD

ORCA Fixed Asset Listing – Exhibit A



May 7, 2015

Oregon State Board of Education
255 Capitol St., NE
Salem, OR 97310

Re: Oregon Connections Academy
Request for Transfer of Assets Pursuant to ORS 338.105(6)

Dear Board Members:

Oregon Connections Academy ("ORCA") will be ending its charter relationship with the Scio School District ("SSD") as of June 30, 2015, and commencing a new charter relationship with the Santiam Canyon School District ("SCSD") for the 2015-2016 academic school year. ORS 338.105(6) states, "if a charter is terminated or a public charter school is dissolved: (a) 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."

Given that ORCA will remain in existence and will continue to provide educational services to its nearly 4,000 students upon commencement of its new relationship with SCSD immediately upon cessation of its relationship with SSD, and to ensure that such services are not adversely impacted through the commencement of this new relationship, ORCA respectfully requests that the Oregon State Board of Education allow ORCA to retain all of its assets (*See Exhibit "A"*) purchased with public funds upon commencement of its new relationship with SCSD.

The Oregon State Board of Education has previously allowed the transfer of assets for charter schools that are transferring their operations from one sponsoring district to another sponsoring district. The State Board of Education approved such transfers in June 2012 with regard to Willamette Leadership Academy, and in September 2013 with regard to Silvies River Charter School. ORCA respectfully requests that the State Board of Education follow this precedent and allow ORCA to retain its assets upon commencement of its new charter relationship with the Santiam Canyon School District.

On behalf of the 4000 students, the educational program and services provided, we thank you for consideration of this request. If we can provide any additional information relating to this matter, we will be happy to do so.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Kröpf", is written over a horizontal line.

Jeff Kröpf, Board President
Oregon Connections Academy

Enclosures



Scio School District 95-C

38875 N.W. First Avenue
Scio, Oregon 97374

"Youth In Pursuit of Excellence"

May 1, 2015

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

RE: June 30, 2015 Dissolution of Oregon Connections Academy

Dear Members of the State Board of Education:

On July 1, 2015, Oregon Connections Academy (ORCA) intends to move its operations to the Santiam Canyon School District. The Scio School District has been the sponsoring school district for ORCA since its inception in 2005. ORCA requested a 10 year renewal of its contract with the Scio School District for a 2015-2025 term. After ORCA's renewal request was granted by the Scio School District, ORCA subsequently determined it would seek sponsorship with the Santiam Canyon School District at the end of the current ORCA/Scio School District contract term, June 30, 2015. The Scio School District believes that the parties have a valid 2015-2025 Charter Agreement pursuant to ORS 338.065(5)(e). ORCA disagrees. This action is the subject of litigation currently before the Oregon Court of Appeals.

Notwithstanding this background, the Scio School District understands that ORCA has entered into a Charter Agreement with the Santiam Canyon School District effective July 1, 2015 and ORCA believes its Charter Agreement with Scio School District terminates on June 30, 2015. If this is the case, ORS 338.105(6) and Section 18.6 of the Charter Agreement require that the assets of ORCA that were purchased with public funds be given to the State Board of Education. The State Board of Education may then disburse the assets of the ORCA to school districts or other public charter schools. Also by function of the law and contract, upon termination of the contract, all student education records of ORCA must be transferred to the Scio School District.

The majority of ORCA's student records are already housed in a climate controlled room at the Scio High School in fire-proof file cabinets, purchased by ORCA with public funds. There are 15 file cabinets at the Scio High School and each file cabinet cost approximately \$1,800 to replace. In an effort to minimize the expenditure of public funds and the additional staff time in moving and reorganizing files, which will increase the costs to dissolve ORCA and potentially increase the burden on the state school fund, the Scio School District respectfully requests that the State Board of Education disburse the fire-proof file cabinets, that are currently located at Scio High School, to the Scio School District on July 1, 2015 pursuant to ORS 338.105(6).

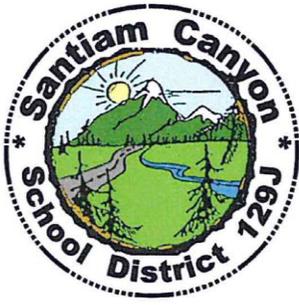
Sincerely,

A handwritten signature in blue ink that reads "Gary Tempel". The signature is fluid and cursive.

Gary Tempel

CC: Kate Pattison

Centennial Elementary 503-394-3265 • Middle School 503-394-3271
High School 503-394-3276 • District Office 503-394-3261 • Fax 503-394-3920



Santiam Canyon School District 129J

150 SW Evergreen St.
Post Office Box 197
Mill City, Oregon 97360
Office (503) 897-2321

Todd Miller, Superintendent
Jackie Olsen, Business Manager
Alexis Winn, Payroll
Nichole Cooper, AP & Administrative Secretary

February 12, 2015

Oregon State Board of Education
255 Capitol St., NE
Salem, OR 97310

Dear Chairman Henry and Members of the Board,

The purpose of this letter is to show support for the Oregon Connections Academy (ORCA) waiver request for a transfer of assets as part of the move from Scio School District to their new sponsor, Santiam Canyon School District.

The transfer of assets is in the best interest of students in Oregon. Our goal is to make this transition for families enrolled at ORCA to be as seamless as possible. This includes the transfer of assets to ensure that the same level of support and resources are available for these students and families who are in need of an innovative virtual option for schooling.

We respectfully request your approval of this waiver to ensure that thousands of students and families continue with the excellent service, support, and learning opportunities that ORCA has provided to them under a previous sponsor. We are confident that this move is in the best interest of students and look forward to working with you to ensure a seamless transition.

Sincerely,

Todd Miller
Superintendent
Santiam Canyon School District

Cc: J. Kropf, R. Moore, K. Pattison

Santiam Canyon School District does not discriminate on the basis of race, religion, color, national origin, disability, marital status, sexual orientation, sex or age in providing or access to benefits of education services, activities and programs in accordance with Title VI, Title VII, Title IX and other civil rights or discrimination issues, Section 504 of the Rehabilitation Act of 1973, as amended; and the American with Disabilities Act.

The following has been designated to coordinate compliance with these legal requirements and may be contacted at the Santiam Canyon School District office for additional information and/or compliance issues, Title II Coordinator, Title IX Coordinator and Section 504 Coordinator: Director of Special Programs, 150 SW Evergreen St./PO Box 197, Mill City, OR 97360, (503) 897-2321