



PORTLAND PUBLIC SCHOOLS

OFFICE OF SCHOOL PERFORMANCE

501 North Dixon Street / Portland, OR 97227

Telephone: (503) 916-5437

Date: March 9, 2021

To: School Board

From: Korinna Wolfe, Area Senior Director, Multiple Pathways to Graduation
Tara O'Neil, Director, Charter Schools

Subject: Charter School Renewal Recommendation for Opal Charter School

BACKGROUND

Opal Charter School opened in 2001 as the first charter school in Portland Public Schools. Opal School operates as a program of the Portland Children's Museum, currently serving 89 students in grades K-5. The school's instructional program is guided by the work of early childhood educators in Reggio Emilia, Italy, neuroscience research, and constructivist practices. The Opal School, through its association with the Museum Center for Learning, operates as a research lab and professional development hub for educators worldwide, who take part in Opal's Summer Symposium and Visitation Days during the school year.

Opal Charter School is in its 20th year of operation, having successfully applied for charter renewals in 2006 and 2011. The school is currently operating under a five-to-ten-year "flexible" agreement which has been extended annually to reach the statutory 10th year limit, and will terminate on June 30, 2021.

Opal Charter School formally submitted an Application for Renewal of its charter with the District on January 2, 2021 per ORS 338.065(5)(b). On February 13, 2021, the Board Charter Schools and Alternative Programs Committee held a public hearing in consideration of Opal's renewal request, as per ORS 338.065(5)(c). Per ORS 338.065(4)(c), this renewal term "shall be for a minimum of five years but may not exceed 10 years." Opal has requested a ten-year renewal of its charter.

The staff recommendation is based on information gathered from annual site visits, the renewal hearing, Opal's Annual Performance Framework and Report, and other information obtained during the renewal period.

RELATED POLICIES/BEST PRACTICES

Charter school renewals are governed by ORS 338.065, OAR 581-026-0400 and Board Policy 6.70.010-P. The sponsor must base the renewal evaluation primarily on a good faith review of the public charter school's annual performance reports, annual audit of accounts, and annual site visit and review. The criteria a school district board must use to determine whether or not to renew a charter school are listed in ORS 338.065(8)(a-b) and are as follows:

Whether the public charter school:

A. Is in compliance with this chapter and all other state and federal laws: The criteria are met. Opal Charter School has not been out of compliance with ORS 338 or any other applicable state or federal laws during the current charter term.

B. Is in compliance with the charter of the public charter school. The criteria are met. Opal is implementing its educational program as described in its charter.

C. Is meeting or working toward meeting the student performance goals and agreements specified in the charter or any other written agreements between the sponsor and the public charter school governing body. The criteria are met. Opal has met or is working toward meeting the student performance goals during the term of its current charter.

D. Is fiscally stable and has used the sound financial management system described in the proposal submitted under ORS 338.045 and incorporated into the written charter under this section. The criteria are met. The school has received clean audits every year of the current charter term, is timely with financial deliverables, and has maintained financial stability through the current contract term.

E. Is in compliance with any renewal criteria specific in the charter of the public charter school. The criteria are met.

ANALYSIS OF SITUATION

Implications of approving recommendation to renew charter school: Staff will begin negotiating new contract per Board Resolution instructions.

Implications of declining recommendation to renew charter school: The charter with Opal School will expire on June 30, 2021, and barring further action, the school will close. The charter school may appeal the PPS Board decision to the State Board of Education for review (ORS 338.065(6)(a)).

FISCAL IMPACT

As per ORS 338.155(2)(a), charter schools serving grades K-8 receive a minimum of 80% of the per-student State School Fund allocation. Additional weights to this allocation include those for poverty (based on census data), for students qualifying for ESL services, and for students qualifying for teen parent services.

Opal School's financial stability is due in part to its relationship with the Portland Children's Museum, which leases its building at essentially no cost, allowing Opal School to operate with very low facilities costs. That lease will expire during the term of the next charter, and Opal has requested an enrollment capacity increase from 92 to 250 to allow the school an economy of scale and flexibility to search for a new facility. This increase, if approved, is planned to be phased in over the span of the new charter contract. Opal is projected to enroll 92 students in grades K-5 in the 2021-22 school year, and is projected to receive \$642,804 in State School Funds at current enrollment (assuming 80% of current Charter Schools Rate per-student allocation of \$8,734). See table below for possible scenarios for a phased-in increased enrollment and the associated yearly fiscal impact.

Phase in 2022-23	2021-22		2022-23		2023-24		2024-25		2025-26		2026-27		2027-28		2028-29		2029-30		2030-31	
	Enr #	\$\$*	Enr #	\$\$	Enr #	\$\$	Enr #	\$\$	Enr #	\$\$	Enr #	\$\$	Enr #	\$\$	Enr #	\$\$	Enr #	\$\$	Enr #	\$\$
Increase to 250	92	\$642,804	100	\$698,700	150	\$1,048,050	180	\$1,257,660	200	\$1,397,400	220	\$1,537,140	240	\$1,676,880	250	\$1,746,750	250	\$1,746,750	250	\$1,746,750
Remain at 92	92	\$642,804	92	\$642,804	92	\$642,804	92	\$642,804	92	\$642,804	92	\$642,804	92	\$642,804	92	\$642,804	92	\$642,804	92	\$642,804
Total Difference		\$0		\$55,896		\$405,246		\$614,856		\$754,596		\$894,336		\$1,034,076		\$1,103,946		\$1,103,946		\$1,103,946
Phase in 2025-26	Enr #	\$\$	Enr #	\$\$	Enr #	\$\$	Enr #	\$\$	Enr #	\$\$	Enr #	\$\$	Enr #	\$\$	Enr #	\$\$	Enr #	\$\$	Enr #	\$\$
Increase to 250	92	\$642,804	92	\$642,804	92	\$642,804	92	\$642,804	150	\$1,048,050	180	\$1,257,660	200	\$1,397,400	220	\$1,537,140	240	\$1,676,880	250	\$1,746,750
Remain at 92	92	\$642,804	92	\$642,804	92	\$642,804	92	\$642,804	92	\$642,804	92	\$642,804	92	\$642,804	92	\$642,804	92	\$642,804	92	\$642,804
Total Difference		\$0		\$0		\$0		\$0		\$405,246		\$614,856		\$754,596		\$894,336		\$1,034,076		\$1,103,946
*per-student funds calculated at 80% of current charter schools rate of \$8734 (\$6987/student)																				

The chart shows fiscal impacts of two example scenarios under which Opal Charter School may choose to increase enrollment; there are many other options, including not growing to the full 250 enrollment if the school decides is not needed. The first scenario in the chart shows enrollment increases beginning in 2022-23 with gradual increases yearly until 2028-29, when full enrollment is reached; the second is beginning in 2025-26 with sharper increases until full enrollment in 2030-31 (the final year of the new charter contract). Opal Charter School reports that full enrollment of 250 may not be required, depending on size and cost of a new location. The flexibility to increase enrollment *up to 250* as needed to meet financial obligations of a new facility, if and when one is found, is essential for Opal School’s continued planning for fiscal sustainability. In any and all scenarios Opal School is required to continue to work closely with the Charter Office and Multiple Pathways to Graduation leadership, who will continue to update the Superintendent and Charter Schools and Alternative Programs Board Committee as plans for enrollment increases develop.

COMMUNITY ENGAGEMENT (IF APPLICABLE)

Opal Charter School submitted its renewal application according to statutory timelines. District staff completed an annual performance review, and submitted this to Opal for input and response. District staff has performed multiple school site visits, including meetings with school staff, students, and parents. On February 11, 2021, the Board Charter Schools Committee held the required public hearing where public comment was submitted in support of renewal.

Opal Charter School has been reviewed on an annual basis by staff in three major areas: academic, organizational, and financial. Staff has determined that Opal is meeting statutory and contractual requirements.

TIMELINE FOR IMPLEMENTATION / EVALUATION

The Board is scheduled to discuss Opal’s renewal at its meeting on March 9, 2021, with a vote scheduled at the same meeting.

If the renewal request is approved, staff will begin negotiating the new contract with Opal per instructions of the Board Resolution. The current contract expires on June 30, 2021.

BOARD OPTIONS WITH ANALYSIS

Results of a yes vote: the Board will direct staff to negotiate a ten-year charter agreement per the terms of the Resolution.

Results of a no vote: the charter contract will expire effective June 30, 2021, and barring further action the school will close. The charter school may appeal the decision of the PPS Board to the State Board of Education for review (ORS 338.065(6)(a)).

CONNECTION TO BOARD GOALS

Board goals for Third Grade Reading growth and Fifth Grade Mathematics growth are connected to achievement standards for K-5 charter schools. Charter schools must meet District average achievement for the same populations, as reported on the Oregon Report Card and the Charter Schools Annual Performance Framework and Report.

STAFF RECOMMENDATION

Staff recommends that the contract with Opal Charter School be renewed for a ten-year term, to expire on June 30, 2031.

As a member of the PPS Executive Leadership Team, I have reviewed this staff report.

 KC (Initials)

ATTACHMENTS

- A. Resolution to Renew Charter Agreement with Opal Charter School
- B. Opal School 2019-20 Annual Performance Framework and Report
- C. Opal School 2019-20 Oregon School Profile
- D. Opal School Charter Renewal Application