PRESIDING OFFICER: (SENATOR DUDY CZ)
Senator Obama.

SENATOR OBAMA:
Okay. So, if I'm understanding this correctly then, they don't have to appeal as a matter of right. In fact, they will have to have shown that the local school council provided them with satisfactory ratings and suddenly there was a shift and they decided to go another direction. Is that correct?

PRESIDING OFFICER: (SENATOR DUDY CZ)
Senator Berman.

SENATOR BERMAN:
That's correct. And they must also have had satisfactory ratings from the Central Board, as well as their local school—local school council.

PRESIDING OFFICER: (SENATOR DUDY CZ)
Senator Obama.

SENATOR OBAMA:
Okay. Now, in these situations, which I—presumably are going to be fairly rare, where there's been a satisfactory rating but then the local school council determines that they don't want to renew a contract, under those circumstances, it then goes to an independent arbitrator. Is that correct?

PRESIDING OFFICER: (SENATOR DUDY CZ)
Senator Berman.

SENATOR BERMAN:
Yes.

PRESIDING OFFICER: (SENATOR DUDY CZ)
Senator Obama.

SENATOR OBAMA:
The—the standard by which the arbitrator is supposed to determine whether or not they were fairly—whether their contact—contract should have been renewed or not, my understanding is that the standard is an arbitrary and capricious standard. Is that correct?
PRESIDING OFFICER: (SENATOR DUDYCZ)
    Senator Berman.

SENATOR BERMAN:
    Yes.

PRESIDING OFFICER: (SENATOR DUDYCZ)
    Senator Obama.

SENATOR OBAMA:
    Just—just—last question, then to pin this down. Under the arbitrary and capricious
standard, my understanding, at least, of that term of art in—in legal practice is that there must be
no reasonable reason why the—the local school council decided not to renew the contract. Is
that correct?

PRESIDING OFFICER: (SENATOR DUDYCZ)
    Senator Berman.

SENATOR BERMAN:
    Yes, and let me give you a specific example of—of what we discussed in putting this
language in. Let us say that we have a principal who has gotten satisfactory ratings from its local
school council and from downtown—the Central Board—but the—the academic achievement,
the academic attendance, the movement of the school isn't what the local school council wants it
to be and they've got an applicant who they think, based upon their record at another school, or
another school district even, can really come in and do some great things. They've got to prove
that, but that would show that their decision not to renew, in favor of somebody new, is not
arbitrary and capricious.

PRESIDING OFFICER: (SENATOR DUDYCZ)
    Senator Obama.

SENATOR OBAMA:
    Last point, then this is not a question but just a—a statement to make sure that I
understand what Senator Berman is saying. For those of you who follow basketball, let me use an
analogy: George Karle was the coach of the Seattle SuperSonics. They always had a winning
record every year, but they never actually won a championship, and, finally, Seattle got rid of
him. In this situation, if you've got a principal who's done an okay job but, at some point, the
local school council determines, “You know what? We think that there's another candidate who
can take us to the next level”, under that standard, as long as they can document that it was a
reasonable choice, then that is going to be okay. Is that an appropriate summary, then, of what
you’re saying, Senator Berman?

PRESIDING OFFICER: (SENATOR DUDYCZ)
    Senator Berman.
SENATOR BERMAN:
Yes.

PRESIDING OFFICER: (SENATOR DUDYCZ)
Senator Obama.

SENATOR OBAMA:
Thank you very much for my—the indulgence of—of all these questions. I appreciate the work that you guys have done. I plan to support the bill.