

Enrolled
Senate Bill 318

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CHAPTER

AN ACT

Relating to student achievement; amending ORS 327.290, 327.294, 327.297 and 334.177; and declaring an emergency.

Be It Enacted by the People of the State of Oregon:

SECTION 1. ORS 327.297 is amended to read:

327.297. (1) In addition to those moneys distributed through the State School Fund, the Department of Education shall award grants to school districts, **education service districts**, the Youth Corrections Education Program and the Juvenile Detention Education Program for activities that relate to increases in student achievement, including:

(a) **Early childhood support including establishing, maintaining or expanding quality prekindergarten programs and full-day kindergarten programs;**

[(a)] (b) **Class size reduction with an emphasis on the reduction of kindergarten through grade three class sizes;**

[(b)] (c) **Increases in instructional time including summer programs and before- and after-school programs;**

[(c)] (d) **Mentoring, teacher retention and professional development;**

[(d)] (e) **Remediation, [and] alternative learning and student retention;**

[(e)] *Early childhood support;*

(f) **Services to at-risk youth;**

[(g)] *Additional instructional materials;*

[(h)] *Curriculum and instructional support;*

[(i)] *Services for English as a second language students; and]*

(g) **Programs to improve a student achievement gap between student groups identified by culture, poverty, language and race and other student groups;**

(h) **Vocational education programs;**

(i) **Literacy programs; and**

(j) Other [*activities*] **research-based student improvement strategies** approved by the State Board of Education [*that are shown to have a relationship to increasing student achievement*].

(2)(a) Each school district, **each education service district**, the Youth Corrections Education Program and the Juvenile Detention Education Program may apply to the Department of Education for a grant.

(b) The department shall review and approve applications based on criteria established by the State Board of Education. In establishing the criteria, the State Board of Education shall consider

the recommendations of the Quality Education Commission established under Executive Order 99-16 and the recommendations of the Quality Education Commission established under ORS 327.500.

(c) The applications shall include the activities to be funded and the goals of the [school] district or program for increases in student performance. The applications shall become part of the local district improvement plan described in ORS 329.095.

(3) The Department of Education shall evaluate the annual progress of each recipient of grant funds under this section toward the performance targets established by the Quality Education Commissions [that have been funded by the Legislative Assembly]. The evaluation shall become part of the requirements of the department for assessing the effectiveness of the district under ORS 329.085, 329.095 and 329.105. The department shall ensure [school] district and program accountability by providing appropriate assistance, intervening and establishing consequences in order to support progress toward the performance targets.

(4) Each biennium the Department of Education shall **issue a** report to the Legislative Assembly on the grant program and the results of the grant program.

(5)(a) Notwithstanding ORS 338.155 (9), the Department of Education may not award a grant under this section directly to a public charter school.

(b) A school district that receives a grant under this section may transfer a portion of the grant to a public charter school based on the charter of the school or any other agreement between the school district and the public charter school.

(c) A public charter school that receives grant funds under this subsection shall use those funds for the activities specified in subsection (1) of this section.

(6)(a) The amount of each grant **for a program or school district** = the program's or school district's ADMw × (the total amount available for [the] **distribution to programs and school districts as grants** in each [distribution] fiscal year ÷ the total [statewide] ADMw **of all programs and school districts that receive a grant**).

(b) **The amount of each grant for an education service district = the education service district's ADMw × (the total amount available for distribution to education service districts as grants in each fiscal year ÷ the total ADMw of all education service districts that receive a grant).**

[b] (c) As used in this subsection[:],

[A] "ADMw" means:

[i] (A) For a school district, the extended weighted average daily membership as calculated under ORS 327.013, 338.155 (1) and 338.165 (2);

[ii] (B) For the Youth Corrections Education Program, the average daily membership as defined in ORS 327.006 multiplied by 2.0; [and]

[iii] (C) For the Juvenile Detention Education Program, the average daily membership as defined in ORS 327.006 multiplied by 1.5; **and**

(D) For an education service district, the sum of the ADMw of the component school districts of the education service district.

[B] "Total statewide ADMw" means the total extended ADMw of all school districts plus the ADMw of the Youth Corrections Education Program plus the ADMw of the Juvenile Detention Education Program.]

(7) Each [school] district or program shall deposit the grant amounts it receives under this section in a separate account, and shall apply amounts in that account to pay for activities described in the district's or program's application.

(8) The State Board of Education may adopt any rules necessary for the administration of the grant program.

SECTION 2. ORS 327.294 is amended to read:

327.294. (1) There is established the School Improvement Fund, separate and distinct from the General Fund. Interest earned by the School Improvement Fund shall be credited to the fund. [Any moneys in the fund that are not distributed by the Department of Education in any fiscal year shall be retained in the fund and may be distributed in the next fiscal year.]

(2) The moneys in the fund are continuously appropriated to the Department of Education for purposes of the grant program created by ORS 327.297.

(3) Each fiscal year, the department shall distribute:

(a) 95.25 percent of the moneys in the fund as grants to school districts, the Youth Corrections Education Program and the Juvenile Detention Education Program; and

(b) 4.75 percent of the moneys in the fund as grants to education service districts.

SECTION 3. ORS 327.290 is amended to read:

327.290. The Legislative Assembly finds that:

(1) The state has an interest in ensuring that public resources for primary and secondary schools are used to achieve the outcomes established under the Oregon Educational Act for the 21st Century in ORS chapter 329.

(2) To achieve that purpose, the School Improvement Fund is established so the state may support activities directly related to increases in student achievement while still allowing school districts **and education service districts** flexibility in determining the specific activities necessary to support students.

(3) It is the intent of the state in establishing the School Improvement Fund to link these activities to the recommendations of the Quality Education Commission established under Executive Order 99-16 and the recommendations of the Quality Education Commission established under ORS 327.500.

SECTION 4. ORS 334.177 is amended to read:

334.177. **(1)** An education service district board shall expend at least 90 percent of all amounts received from the State School Fund and at least 90 percent of all amounts considered to be local revenues of an education service district, as defined in ORS 327.019, on services or programs that have been approved by the component school districts of the education service district through the resolution process described in ORS 334.175.

(2) An education service district board shall expend 100 percent of all amounts received from the School Improvement Fund on services or programs that have been approved by the component school districts of the education service district through the resolution process described in ORS 334.175.

SECTION 5. This 2007 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2007 Act takes effect July 1, 2007.

Passed by Senate March 20, 2007

Repassed by Senate June 13, 2007

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Secretary of Senate

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President of Senate

Passed by House June 8, 2007

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Speaker of House

Received by Governor:

.....M,....., 2007

Approved:

.....M,....., 2007

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Governor

Filed in Office of Secretary of State:

.....M,....., 2007

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Secretary of State