

Senate Bill 881

Sponsored by COMMITTEE ON FINANCE AND REVENUE

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Adjusts calculations of aggregate days membership for purpose of calculating distributions of State School Fund to public charter schools that offer online courses.

Declares emergency, effective July 1, 2009.

A BILL FOR AN ACT

1
2 Relating to school finance for public charter schools; creating new provisions; amending ORS
3 327.297, 338.155, 338.165 and 340.073; and declaring an emergency.

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

5 **SECTION 1.** ORS 338.155 is amended to read:

6 338.155. (1) **For purposes of distribution of the State School Fund**, students of a public
7 charter school:

8 (a) Shall be considered to be residents of the school district in which the public charter school
9 is located [*for purposes of distribution of the State School Fund.*]; **and**

10 (b) **Except as provided in subsection (2) of this section, shall be counted in the same**
11 **manner as are students in a school that is not a public charter school for the purpose of**
12 **calculating aggregate days membership, as defined in ORS 327.006.**

13 (2)(a) **The aggregate days membership of a public charter school that provides a program**
14 **of instruction by online courses shall be multiplied by a weight as follows:**

15 (A) **0.4 if the program of instruction by online courses is delivered to a student who:**

16 (i) **Is not considered a resident of the school district that is the sponsor for the public**
17 **charter school; or**

18 (ii) **Is considered a resident of the school district that is the sponsor for the public**
19 **charter school and the public charter school does not ensure that the student has the op-**
20 **portunity to regularly interact with a licensed or registered teacher at a physical location**
21 **regarding the program of instruction; or**

22 (B) **0.8 if the program of instruction by online courses is delivered to a student who is**
23 **considered a resident of the school district that is the sponsor for the public charter school**
24 **and the public charter school ensures that the student has the opportunity to regularly**
25 **interact with a licensed or registered teacher at a physical location regarding the program**
26 **of instruction.**

27 (b) **The calculations described in paragraph (a) of this subsection are not required if a**
28 **student receives instruction by an online course that constitutes only one course subject for**
29 **the student and that is provided in conjunction with a program at a school that has a phys-**
30 **ical location that the student attends.**

31 [(2)] (3) **A school district shall contractually establish, with any public charter school that is**

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted.
New sections are in **boldfaced** type.

1 sponsored by the board of the school district, payment for provision of educational services to the
 2 public charter school's students. The payment shall equal an amount per weighted average daily
 3 membership (ADMw) of the public charter school that is at least equal to:

4 (a) Eighty percent of the amount of the school district's General Purpose Grant per ADMw as
 5 calculated under ORS 327.013 for students who are enrolled in kindergarten through grade eight;
 6 and

7 (b) Ninety-five percent of the amount of the school district's General Purpose Grant per ADMw
 8 as calculated under ORS 327.013 for students who are enrolled in grades 9 through 12.

9 ~~[(3)]~~ (4) A school district shall contractually establish, with any public charter school that is
 10 sponsored by the State Board of Education and within the boundaries of the school district, payment
 11 for provision of educational services to the public charter school's students. The payment shall equal
 12 an amount per weighted average daily membership (ADMw) of the public charter school that is at
 13 least equal to:

14 (a) Ninety percent of the amount of the school district's General Purpose Grant per ADMw as
 15 calculated under ORS 327.013 for students who are enrolled in kindergarten through grade eight;
 16 and

17 (b) Ninety-five percent of the amount of the school district's General Purpose Grant per ADMw
 18 as calculated under ORS 327.013 for students who are enrolled in grades 9 through 12.

19 ~~[(4)]~~ (5) The estimated amount of each school district's General Purpose Grant per ADMw shall
 20 be determined each year by the Department of Education and made available to all school districts.

21 ~~[(5)]~~ (6) The school district in which the public charter school is located shall transfer an
 22 amount per weighted average daily membership (ADMw) of the public charter school that is equal
 23 to 50 percent of the amount of the school district's General Purpose Grant per ADMw as calculated
 24 under ORS 327.013 that is not paid to the public charter school through a contract created pursuant
 25 to ~~[subsections (2) or (3)]~~ **subsection (3) or (4)** of this section to:

26 (a) Any school district in which the parent or guardian of or person in parental relationship to
 27 a student of a public charter school resides pursuant to ORS 339.133 and 339.134; or

28 (b) The Department of Education if the State Board of Education is the sponsor of the public
 29 charter school.

30 ~~[(6)]~~ (7) The department may use any money received under this section for activities related
 31 to public charter schools.

32 ~~[(7)]~~ (8) A school district and a public charter school may negotiate to establish a payment for
 33 the provision of educational services to the public charter school's students that is more than the
 34 minimum amounts specified in subsection ~~[(2) or]~~ (3) **or (4)** of this section.

35 ~~[(8)]~~ (9) A school district shall send payment to a public charter school based on a contract
 36 negotiated under this section within 10 days after receiving payments from the State School Fund
 37 pursuant to ORS 327.095.

38 ~~[(9)(a)]~~ (10)(a) A public charter school may apply for any grant that is available to school dis-
 39 tricts or nonchartered public schools from the Department of Education. The department shall con-
 40 sider the application of the public charter school in the same manner as an application from a
 41 school district or nonchartered public school.

42 (b) The department shall award any grant that is available to school districts based solely on
 43 the weighted average daily membership (ADMw) of the school district directly to the public charter
 44 school. This paragraph does not apply to any grant from the State School Fund.

45 **SECTION 2. The amendments to ORS 338.155 by section 1 of this 2009 Act apply to State**

1 **School Fund distributions occurring in fiscal years beginning on or after July 1, 2009.**

2 **SECTION 3.** ORS 327.297 is amended to read:

3 327.297. (1) In addition to those moneys distributed through the State School Fund, the Depart-
4 ment of Education shall award grants to school districts, education service districts, the Youth
5 Corrections Education Program and the Juvenile Detention Education Program for activities that
6 relate to increases in student achievement, including:

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

9 (b) Class size reduction with an emphasis on the reduction of kindergarten through grade three
10 class sizes;

11 (c) Increases in instructional time including summer programs and before- and after-school pro-
12 grams;

13 (d) Mentoring, teacher retention and professional development;

14 (e) Remediation, alternative learning and student retention;

15 (f) Services to at-risk youth;

16 (g) Programs to improve a student achievement gap between student groups identified by cul-
17 ture, poverty, language and race and other student groups;

18 (h) Vocational education programs;

19 (i) Literacy programs; and

20 (j) Other research-based student improvement strategies approved by the State Board of Educa-
21 tion.

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

25 (b) The department shall review and approve applications based on criteria established by the
26 State Board of Education. In establishing the criteria, the State Board of Education shall consider
27 the recommendations of the Quality Education Commission established under Executive Order 99-16
28 and the recommendations of the Quality Education Commission established under ORS 327.500.

29 (c) The applications shall include the activities to be funded and the goals of the district or
30 program for increases in student performance. The applications shall become part of the local dis-
31 trict continuous improvement plan described in ORS 329.095.

32 (3) The Department of Education shall evaluate the annual progress of each recipient of grant
33 funds under this section toward the performance targets established by the Quality Education
34 Commissions. The evaluation shall become part of the requirements of the department for assessing
35 the effectiveness of the district under ORS 329.085, 329.095 and 329.105. The department shall ensure
36 district and program accountability by providing appropriate assistance, intervening and establish-
37 ing consequences in order to support progress toward the performance targets.

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

40 (5)(a) Notwithstanding ORS 338.155 [(9)] (10), the Department of Education may not award a
41 grant under this section directly to a public charter school.

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

45 (c) A public charter school that receives grant funds under this subsection shall use those funds

1 for the activities specified in subsection (1) of this section.

2 (6)(a) The amount of each grant for a program or school district = the program's or school
3 district's ADMw \times (the total amount available for distribution to programs and school districts as
4 grants in each fiscal year \div the total ADMw of all programs and school districts that receive a
5 grant).

6 (b) The amount of each grant for an education service district = the education service district's
7 ADMw \times (the total amount available for distribution to education service districts as grants in
8 each fiscal year \div the total ADMw of all education service districts that receive a grant).

9 (c) As used in this subsection, "ADMw" means:

10 (A) For a school district, the extended weighted average daily membership as calculated under
11 ORS 327.013, 338.155 (1) **or** (2) and 338.165 (2);

12 (B) For the Youth Corrections Education Program, the average daily membership as defined in
13 ORS 327.006 multiplied by 2.0;

14 (C) For the Juvenile Detention Education Program, the average daily membership as defined in
15 ORS 327.006 multiplied by 1.5; and

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

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

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

23 **SECTION 4.** ORS 338.165 is amended to read:

24 338.165. (1) Notwithstanding ORS 338.155 (1), for purposes of this section, the "resident school
25 district" of a student who is eligible for special education and related services shall be the school
26 district in which the student's parent or guardian or person in parental relationship to the student
27 resides pursuant to ORS 339.133 and 339.134.

28 (2) For students who attend public charter schools and are eligible for special education and
29 related services:

30 (a) The resident school district of the student shall be responsible for providing any required
31 special education and related services to the student; and

32 (b) Amounts from the State School Fund for those students shall be distributed through the
33 resident school district pursuant to this section.

34 (3) Notwithstanding ORS 338.155 [(2)] (3), a resident school district of a student who is eligible
35 for special education and related services shall contractually establish, with any public charter
36 school in which the student is enrolled, payment for provision of special education and related ser-
37 vices to the student. If a student is enrolled in a public charter school and is eligible for special
38 education and related services an additional amount shall be added to the ADM of the public char-
39 ter school as described in ORS 327.013 (7)(a)(A). The payment per ADMw in the public charter
40 school that is attributable to the student who is eligible for special education and related services
41 shall equal an amount that is at least equal to:

42 (a) 40 percent of the amount of the school district's General Purpose Grant per ADMw as cal-
43 culated under ORS 327.013 for students who are enrolled in kindergarten through grade eight; and

44 (b) 47.5 percent of the amount of the school district's General Purpose Grant per ADMw as
45 calculated under ORS 327.013 for students who are enrolled in grades 9 through 12.

1 (4) If the resident school district is not the sponsor of a public charter school, the resident
2 school district for each ADMw that is attributable to a student enrolled in a public charter school
3 who is eligible for special education and related services shall transfer five percent of the amount
4 of the school district's General Purpose Grant per ADMw as calculated under ORS 327.013 to the
5 sponsor of the public charter school.

6 (5) Notwithstanding subsection (3) of this section, a school district and a public charter school
7 may negotiate on a case-by-case basis for an alternative distribution of funds other than the dis-
8 tribution prescribed by subsection (3) of this section.

9 **SECTION 5.** ORS 340.073 is amended to read:

10 340.073. (1) A public charter school may elect to participate in the Expanded Options Program
11 by amending its charter under ORS 338.065.

12 (2) Actual instructional costs associated with participating eligible students shall be negotiated
13 and paid directly to the eligible post-secondary institution by the public charter school.

14 (3) The participating public charter school may not require funding from the sponsor of the
15 school for payment of Expanded Options Program costs that is in addition to funding that already
16 has been contractually established pursuant to ORS 338.155 [(2)(b) or] (3)(b) **or (4)(b)** or 338.165
17 (3)(b).

18 **SECTION 6. This 2009 Act being necessary for the immediate preservation of the public**
19 **peace, health and safety, an emergency is declared to exist, and this 2009 Act takes effect**
20 **July 1, 2009.**

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