

House Bill 3397

Sponsored by Representative KOMP; Representative SPRENGER, Senators MORSE, VERGER

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**.

Requires school districts to pay to public charter school amount per public charter school's ADMw that is at least equal to 95 percent of amount of school district's General Purpose Grant per ADMw and at least 95 percent of amounts received by school district from certain federal and state sources.

Declares emergency, effective July 1, 2011.

A BILL FOR AN ACT

1
2 Relating to financing of public charter schools; creating new provisions; amending ORS 327.297,
3 338.155 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) Students of a public charter school shall be considered to be residents of the school
7 district in which the public charter school is located for purposes of distribution of the State School
8 Fund.

9 (2) A school district shall contractually establish, with any public charter school that is spon-
10 sored by the board of the school district, payment for provision of educational services to the public
11 charter school's students. The payment shall equal an amount per weighted average daily member-
12 ship (ADMw) of the public charter school that is at least equal to[:]

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

16 [*(b) Ninety-five]* **95** percent of the amount of the school district's General Purpose Grant per
17 ADMw as calculated under ORS 327.013 [*for students who are enrolled in grades 9 through 12].*

18 (3) A school district shall contractually establish, with any public charter school that is spon-
19 sored by the State Board of Education and within the boundaries of the school district, payment for
20 provision of educational services to the public charter school's students. The payment shall equal
21 an amount per weighted average daily membership (ADMw) of the public charter school that is at
22 least equal to[:]

23 [*(a) Ninety percent of the amount of the school district's General Purpose Grant per ADMw as*
24 *calculated under ORS 327.013 for students who are enrolled in kindergarten through grade eight;*
25 *and]*

26 [*(b) Ninety-five]* **95** percent of the amount of the school district's General Purpose Grant per
27 ADMw as calculated under ORS 327.013 [*for students who are enrolled in grades 9 through 12].*

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

30 [*(5) The school district in which the public charter school is located shall transfer an amount per*

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 *weighted average daily membership (ADMw) of the public charter school that is equal to 50 percent*
 2 *of the amount of the school district's General Purpose Grant per ADMw as calculated under ORS*
 3 *327.013 that is not paid to the public charter school through a contract created pursuant to subsections*
 4 *(2) or (3) of this section to:]*

5 *[(a) Any school district in which the parent or guardian of or person in parental relationship to*
 6 *a student of a public charter school resides pursuant to ORS 339.133 and 339.134; or]*

7 *[(b) The Department of Education if the State Board of Education is the sponsor of the public*
 8 *charter school.]*

9 *[(6) The department may use any money received under this section for activities related to public*
 10 *charter schools.]*

11 **(5) In addition to payments received by a public charter school under subsection (2) or**
 12 **(3) of this section, the public charter school shall receive other state or federal moneys re-**
 13 **ceived by a school district as follows:**

14 **(a) If the state or federal moneys are distributed to the schools of the school district**
 15 **based on calculations involving the number of students enrolled at a school or based on the**
 16 **characteristics of the students of a school, at least 95 percent of the total amount calculated**
 17 **to be due to the public charter school shall be distributed to the public charter school.**

18 **(b) If the state or federal moneys are received by the school district for a specific public**
 19 **charter school or for the public charter schools of the school district, at least 95 percent of**
 20 **the total amount received by the school district for those purposes shall be distributed to the**
 21 **specific public charter school or to the public charter schools.**

22 **(6) If a school district retains any moneys under this section, all moneys retained must**
 23 **used for administrative costs incurred by the school district in relation to public charter**
 24 **schools.**

25 (7) A school district and a public charter school may negotiate to establish a payment for the
 26 provision of educational services to the public charter school's students that is more than the min-
 27 imum amounts specified in subsection (2) or (3) of this section.

28 (8) A school district shall send payment to a public charter school based on a contract negoti-
 29 ated under this section within 10 days after receiving payments from the State School Fund pursuant
 30 to ORS 327.095 **or after receiving moneys pursuant to subsection (5) of this section.**

31 (9)(a) A public charter school may apply for any grant that is available to school districts or
 32 nonchartered public schools from the Department of Education. The department shall consider the
 33 application of the public charter school in the same manner as an application from a school district
 34 or nonchartered public school.

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

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

39 327.297. (1) In addition to those moneys distributed through the State School Fund, the Depart-
 40 ment of Education shall award grants to school districts, education service districts, the Youth
 41 Corrections Education Program and the Juvenile Detention Education Program for activities that
 42 relate to increases in student achievement, including:

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

45 (b) Class size reduction with an emphasis on the reduction of kindergarten through grade three

1 class sizes;

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

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

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

6 (f) Services to at-risk youth;

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

9 (h) Vocational education programs;

10 (i) Literacy programs;

11 (j) School library programs; and

12 (k) Other research-based student improvement strategies approved by the State Board of Edu-
13 cation.

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

17 (b) The department shall review and approve applications based on criteria established by the
18 State Board of Education. In establishing the criteria, the State Board of Education shall consider
19 the recommendations of the Quality Education Commission established under ORS 327.500.

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

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

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

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

33 (b) A school district that receives a grant **for a public charter school** under this section
34 *[may]* **shall** transfer *[a portion]* **at least 95 percent** of the grant to *[a]* **the** public charter school
35 based on the charter of the school or any other agreement between the school district and the public
36 charter school.

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

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

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

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

2 (A) For a school district, the extended weighted average daily membership as calculated under
3 ORS 327.013, 338.155 (1) and 338.165 (3);

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

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

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

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

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

15 **SECTION 3. The amendments to ORS 327.297 and 338.155 by sections 1 and 2 of this 2011**
16 **Act apply to State School Fund distributions and other distributions of moneys to school**
17 **districts commencing with the 2011-2012 distributions.**

18 **SECTION 4.** ORS 340.073 is amended to read:

19 340.073. (1) A public charter school may elect to participate in the Expanded Options Program
20 by amending its charter under ORS 338.065.

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

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

27 **SECTION 5. This 2011 Act being necessary for the immediate preservation of the public**
28 **peace, health and safety, an emergency is declared to exist, and this 2011 Act takes effect**
29 **July 1, 2011.**

30