

House Bill 3417

Sponsored by Representative HUNT (at the request of Oregon City School District)

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**.

Specifies requirements of financial management system for public charter school.

Requires district extended ADMw to be calculated separately for students in public charter school and for students in nonchartered public schools.

Removes requirement that school district transfer portion of ADMw to school district of student who is not resident.

Declares emergency, effective July 1, 2011.

A BILL FOR AN ACT

1
2 Relating to finances of public charter schools; creating new provisions; amending ORS 327.013,
3 327.297, 338.045, 338.055, 338.095, 338.120 and 338.155; and declaring an emergency.

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

5 **SECTION 1.** ORS 338.095 is amended to read:

6 338.095. (1) **The financial management system of a public charter school must include a**
7 **budget and accounting system that:**

8 (a) **Is compatible with the budget and accounting system of the sponsor of the school;**
9 **and**

10 (b) **Complies with the requirements of the uniform budget and accounting system adopted**
11 **by rule of the State Board of Education under ORS 327.511.**

12 [(1)] (2) A public charter school shall report to the sponsor and the State Board of Education
13 at least annually on the performance of the school and its students. A public charter school shall
14 disclose in its report information necessary to make a determination of compliance with the re-
15 quirements of this chapter. The sponsor or the sponsor's designee at least annually shall visit the
16 public charter school site and review the public charter school's compliance with the terms and
17 provisions of the charter.

18 [(2)] (3) The public charter school shall have an annual audit of the accounts of the public
19 charter school prepared in accordance with the Municipal Audit Law, ORS 297.405 to 297.555 and
20 297.990. After an audit, the following shall be forwarded to the sponsor, the State Board of Educa-
21 tion and the Department of Education:

22 (a) A copy of the annual audit;

23 (b) Any statements from the public charter school that show the results of all operations and
24 transactions affecting the financial status of the public charter school during the preceding annual
25 audit period for the school; and

26 (c) A balance sheet containing a summary of the assets and liabilities of the public charter
27 school as of the closing date of the preceding annual audit period for the school.

28 [(3)] (4) The State Board of Education may require public charter schools to file reports with
29 the Department of Education as necessary to enable the department to gather information on public

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 charter schools for inclusion in the Oregon Report Card issued pursuant to ORS 329.115.

2 **SECTION 2.** ORS 338.120, as amended by section 1, chapter 72, Oregon Laws 2010, is amended
3 to read:

4 338.120. (1) In addition to any other requirements of this chapter for a public charter school, a
5 virtual public charter school must have:

6 (a) A plan for academic achievement that addresses how the school will improve student learn-
7 ing and meet academic content standards required by ORS 329.045.

8 (b) Performance criteria the school will use to measure the progress of the school in meeting
9 the academic performance goals set by the school for its first five years of operation.

10 (c) A plan for implementing the proposed education program of the school by directly and sig-
11 nificantly involving parents and guardians of students enrolled in the school and involving the pro-
12 fessional employees of the school.

13 (d) A budget, business plan and governance plan for the operation of the school. [*The budget and*
14 *accounting system of the school must be compatible with the budget and accounting system of the*
15 *sponsor of the virtual public charter school and must comply with the requirements of the uniform*
16 *budget and accounting system adopted by rule of the State Board of Education under ORS 327.511.]*

17 (e) In the charter of the school, a requirement that the school:

18 (A) Monitor and track student progress and attendance; and

19 (B) Provide student assessments in a manner that ensures that an individual student is being
20 assessed and that the assessment is valid.

21 (f) Notwithstanding ORS 338.135 (7), a plan to ensure that:

22 (A) All superintendents, assistant superintendents and principals of the school are licensed to
23 administer by the Teacher Standards and Practices Commission; and

24 (B) All teachers of the school are licensed to teach by the Teacher Standards and Practices
25 Commission and are highly qualified as described in the federal No Child Left Behind Act of 2001
26 (P.L. 107-110, 115 Stat. 1425).

27 (g) A plan for maintaining student records and school records, including financial records, at a
28 designated central office of operations that is located:

29 (A) If the sponsor is a school district, within the school district that is the sponsor and as
30 specified in the charter of the school; or

31 (B) If the sponsor is the State Board of Education, at a central office located in Oregon and as
32 specified in the charter of the school.

33 (h) A plan to provide equitable access to the education program of the school by ensuring that
34 each student enrolled in the school:

35 (A) Has access to and use of computer and printer equipment as needed;

36 (B) Is offered an Internet service cost reimbursement arrangement under which the school re-
37 imbursees the parent or guardian of the student, at a rate set by the school, for the costs of obtaining
38 Internet service at the minimum connection speed required to effectively access the education pro-
39 gram provided by the school; or

40 (C) Has access to and use of computer and printer equipment and is offered Internet service cost
41 reimbursement.

42 (i) A plan to provide access to computer and printer equipment and the Internet service cost
43 reimbursement as described in paragraph (h) of this subsection by students enrolled in the school
44 who are from families that qualify as low-income under Title I of the federal Elementary and Sec-
45 ondary Education Act of 1965 (20 U.S.C. 6301 et seq.).

1 (j) A plan to conduct school-sponsored optional educational events at least six times each school
2 year at locations selected to provide convenient access to all students enrolled in the school who
3 want to participate.

4 (k) A plan to conduct meetings at least twice a week between teachers and students enrolled
5 in the school, either in person or through the use of conference calls or other technology.

6 (L) A plan to provide opportunities for face-to-face meetings between teachers and students en-
7 rolled in the school at least six times each school year.

8 (m) A plan to provide, at the time of a student's enrollment, written notice to the student's
9 resident school district and to the sponsor. Notification must be provided within 10 days after en-
10 rollment and must include:

11 (A) The name, age and address of the student; and

12 (B) The name of the school in which the student was formerly enrolled.

13 (n) A plan to provide, at the time of a student's withdrawal, written notice to the student's
14 resident school district and to the sponsor. Notification must be provided within 10 days after
15 withdrawal and must include:

16 (A) The name, age and address of the student;

17 (B) The name of the school in which the student will enroll, if known to the virtual public
18 charter school; and

19 (C) The last day on which the student was enrolled at the virtual public charter school.

20 (o) An agreement to provide a student's education records to the student's resident school dis-
21 trict or to the sponsor, upon request of the resident school district or sponsor.

22 (2) If a virtual public charter school enters into a contract with a third-party entity to provide
23 educational services for the virtual public charter school, the virtual public charter school must
24 have on file the third-party entity's budget for the provision of educational services and that budget
25 must itemize:

26 (a) The salaries of supervisory and management personnel and consultants who are providing
27 educational or related services for a public charter school in this state; and

28 (b) The annual operating expenses and profit margin of the third-party entity for providing ed-
29 ucational services to a public charter school in this state.

30 (3)(a) The sponsor or a member of the public may request access to any of the documents de-
31 scribed in subsections (1) and (2) of this section that are public records, as provided by ORS 192.410
32 to 192.505.

33 (b) Upon request by a sponsor or a member of the public, a virtual public charter school must
34 provide reasonable access to the documents described in subsections (1) and (2) of this section that
35 are public records, as provided by ORS 192.410 to 192.505. The documents may be provided elec-
36 tronically.

37 **SECTION 3. The amendments to ORS 338.095 and 338.120 by sections 1 and 2 of this 2011**
38 **Act become operative on January 1, 2012.**

39 **SECTION 4.** ORS 338.045 is amended to read:

40 338.045. (1) An applicant seeking to establish a public charter school shall submit a written
41 proposal to a school district board.

42 (2) The proposal shall include, but need not be limited to:

43 (a) The identification of the applicant;

44 (b) The name of the proposed public charter school;

45 (c) A description of the philosophy and mission of the public charter school;

- 1 (d) A description of the curriculum of the public charter school;
- 2 (e) A description of the expected results of the curriculum and the verified methods of measuring
- 3 and reporting objective results that will show the growth of knowledge of students attending the
- 4 public charter school and allow comparisons with public schools;
- 5 (f) The governance structure of the public charter school;
- 6 (g) The projected enrollment to be maintained and the ages or grades to be served;
- 7 (h) The target population of students the public charter school will be designed to serve;
- 8 (i) A description of any distinctive learning or teaching techniques to be used in the public
- 9 charter school;
- 10 (j) The legal address, facilities and physical location of the public charter school, if known;
- 11 (k) A description of admission policies and application procedures;
- 12 (L) The statutes and rules that shall apply to the public charter school;
- 13 (m) The proposed budget and financial plan for the public charter school and evidence that the
- 14 proposed budget and financial plan for the public charter school are financially sound;
- 15 (n) A description of the financial management [*systems*] **system** for the public charter school,
- 16 **an explanation of how the financial management system will meet the requirements of ORS**
- 17 **338.095 (1)** and a plan for having the financial management [*systems*] **system** in place at the time
- 18 the school begins operating;
- 19 (o) The standards for behavior and the procedures for the discipline, suspension or expulsion of
- 20 students;
- 21 (p) The proposed school calendar for the public charter school, including the length of the
- 22 school day and school year;
- 23 (q) A description of the proposed staff members and required qualifications of teachers at the
- 24 public charter school;
- 25 (r) The date upon which the public charter school would begin operating;
- 26 (s) The arrangements for any necessary special education and related services provided pursuant
- 27 to ORS 338.165 for children with disabilities who may attend the public charter school;
- 28 (t) Information on the manner in which community groups may be involved in the planning and
- 29 development process of the public charter school;
- 30 (u) The term of the charter;
- 31 (v) The plan for performance bonding or insuring the public charter school, including buildings
- 32 and liabilities;
- 33 (w) A proposed plan for the placement of public charter school teachers, other school employees
- 34 and students of the public charter school upon termination or nonrenewal of a charter;
- 35 (x) The manner in which the program review and fiscal audit will be conducted; and
- 36 (y) In the case of an existing public school being converted to charter status:
- 37 (A) The alternative arrangements for students who choose not to attend the public charter
- 38 school and for teachers and other school employees who choose not to participate in the public
- 39 charter school; and
- 40 (B) The relationship that will exist between the public charter school and its employees, in-
- 41 cluding evidence that the terms and conditions of employment have been addressed with affected
- 42 employees and their recognized representative, if any.
- 43 (3) In addition to the requirements of subsection (2) of this section, the school district board
- 44 may require any additional information the board considers relevant to the formation or operation
- 45 of a public charter school.

1 (4) At the request of the applicant, the school district board may provide technical assistance
 2 in developing the proposal for operation of the public charter school.

3 (5) School districts, education service districts and other public bodies, as defined in ORS
 4 174.109, shall make available to the public lists of vacant and unused public buildings and portions
 5 of buildings that may be suitable for the operation of a public charter school. The lists shall be
 6 provided to developing or operating public charter schools within 30 days of a written request.
 7 Nothing in this subsection requires the owner of a building on the list to sell or lease the building
 8 or any portion of the building to a public charter school or a public charter school governing body.

9 **SECTION 5.** ORS 338.055 is amended to read:

10 338.055. (1) Within 60 days of receipt of a proposal submitted under ORS 338.045, the school
 11 district board shall hold a public hearing on the provisions of the proposal.

12 (2) The school district board shall evaluate a proposal in good faith using the following criteria:

13 (a) The demonstrated, sustainable support for the public charter school by teachers, parents,
 14 students and other community members, including comments received at the public hearing held
 15 under subsection (1) of this section;

16 (b) The demonstrated financial stability of the public charter school, including the demonstrated
 17 ability of the school to have a sound financial management system **that is** in place at the time the
 18 school begins operating **and that meets the requirements of ORS 338.095 (1)**;

19 (c) The capability of the applicant, in terms of support and planning, to provide comprehensive
 20 instructional programs to students pursuant to an approved proposal;

21 (d) The capability of the applicant, in terms of support and planning, to specifically provide,
 22 pursuant to an approved proposal, comprehensive instructional programs to students identified by
 23 the applicant as academically low achieving;

24 (e) The extent to which the proposal addresses the information required in ORS 338.045;

25 (f) Whether the value of the public charter school is outweighed by any directly identifiable,
 26 significant and adverse impact on the quality of the public education of students residing in the
 27 school district in which the public charter school will be located;

28 (g) Whether there are arrangements for any necessary special education and related services for
 29 children with disabilities pursuant to ORS 338.165; and

30 (h) Whether there are alternative arrangements for students and for teachers and other school
 31 employees who choose not to attend or who choose not to be employed by the public charter school.

32 (3) The school district board must approve a proposal or state in writing the reasons for disap-
 33 proving a proposal within 30 days after the public hearing held under subsection (1) of this section.

34 (4) Written notice of the school district board's action shall be sent to the applicant. If the
 35 proposal is not approved, the reasons for the denial and suggested remedial measures, if any, shall
 36 be clearly stated in the notice sent by the school district board to the applicant. If the proposal is
 37 not approved, the applicant may amend the proposal to address objections and any suggested reme-
 38 dial measures and resubmit the proposal to the school district board. The school district board shall
 39 approve or disapprove the resubmitted proposal within 20 days after receiving it. If the proposal is
 40 not approved, the applicant may appeal the decision of the school district board to the State Board
 41 of Education.

42 (5) Individual elements in a public charter school proposal may be changed through the proposal
 43 and chartering process.

44 (6) A proposal to convert an existing public school to a public charter school must be approved
 45 by the school district board of the public school.

1 (7) The school district board or the State Board of Education shall not charge any fee to appli-
 2 cants for the proposal process.

3 (8) Upon request by a school district, the State Board of Education may grant an extension of
 4 any timeline required by this section if the district has good cause for requesting the extension.

5 **SECTION 6. The amendments to ORS 338.045 and 338.055 by sections 4 and 5 of this 2011**
 6 **Act become operative on January 1, 2012, and apply to proposals submitted on or after Jan-**
 7 **uary 1, 2012.**

8 **SECTION 7.** ORS 338.155 is amended to read:

9 338.155. (1)(a) Students of a public charter school shall be considered to be residents of the
 10 school district in which the public charter school is located for purposes of distribution of the State
 11 School Fund.

12 **(b)(A) For the purpose of determining the amounts to be distributed from the State**
 13 **School Fund to a school district in which a public charter school is located, the district ex-**
 14 **tended ADMw described in ORS 327.013 shall be determined by:**

15 **(i) Separately calculating the extended ADMw for students at the public charter school**
 16 **and the extended ADMw for students at nonchartered public schools in the school district;**
 17 **and**

18 **(ii) Adding the extended ADMw for students at the public charter school and the ex-**
 19 **tended ADMw for students at nonchartered public schools in the school district.**

20 **(B) Except as provided in subparagraph (A) of this paragraph:**

21 **(i) All other calculations made under ORS 327.013 shall be made as though the students**
 22 **enrolled at a public charter school were students enrolled at the public schools in the school**
 23 **district in which the public charter school is located; and**

24 **(ii) All references to the district extended ADMw shall be based on the calculation made**
 25 **under subparagraph (A)(ii) of this paragraph.**

26 **(C) All amounts to be distributed from the State School Fund to public charter schools**
 27 **shall first be distributed to the school district in which the public charter school is located.**

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

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

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

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

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

45 (b) Ninety-five percent of the amount of the school district's General Purpose Grant per ADMw

1 as calculated under ORS 327.013 for students who are enrolled in grades 9 through 12.

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

4 *[(5) The school district in which the public charter school is located shall transfer an amount per*
 5 *weighted average daily membership (ADMw) of the public charter school that is equal to 50 percent*
 6 *of the amount of the school district's General Purpose Grant per ADMw as calculated under ORS*
 7 *327.013 that is not paid to the public charter school through a contract created pursuant to subsections*
 8 *(2) or (3) of this section to:]*

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

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

13 [(6)] (5) The department may use any money received under this section for activities related
 14 to public charter schools.

15 [(7)] (6) A school district and a public charter school may negotiate to establish a payment for
 16 the provision of educational services to the public charter school's students that is more than the
 17 minimum amounts specified in subsection (2) or (3) of this section.

18 [(8)] (7) A school district shall send payment to a public charter school based on a contract
 19 negotiated under this section within 10 days after receiving payments from the State School Fund
 20 pursuant to ORS 327.095.

21 [(9)(a)] (8)(a) A public charter school may apply for any grant that is available to school dis-
 22 tricts or nonchartered public schools from the Department of Education. The department shall con-
 23 sider the application of the public charter school in the same manner as an application from a
 24 school district or nonchartered public school.

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

28 **SECTION 8.** ORS 327.013 is amended to read:

29 327.013. The State School Fund distributions for school districts include the following grants:

30 (1) General Purpose Grant = Funding Percentage × Target Grant × District extended ADMw.
 31 For the purpose of the calculation made under this subsection:

32 (a) The funding percentage shall be calculated by the Superintendent of Public Instruction to
 33 distribute as nearly as practicable the total sum of money available for distribution.

34 (b) Target Grant = Statewide Target per ADMw Grant + Teacher Experience Factor. For the
 35 purpose of the calculation made under this paragraph:

36 (A) Statewide Target per ADMw Grant = \$4,500.

37 (B) Teacher Experience Factor = \$25 × {District average teacher experience – statewide av-
 38 erage teacher experience}. As used in this subparagraph, "average teacher experience" means the
 39 average, in years, of teaching experience of licensed teachers as reported to the Department of Ed-
 40 ucation.

41 (c) District extended ADMw = ADMw or ADMw of the prior year, whichever is greater. **The**
 42 **calculation of the district extended ADMw must be made as provided by ORS 338.155 (1)(b)**
 43 **if a public charter school is located in the school district.** For the purpose of this paragraph:

44 (A) Weighted average daily membership or ADMw = average daily membership + an additional
 45 amount computed as follows:

1 (i) 1.0 for each student in average daily membership eligible for special education as a child with
 2 a disability under ORS 343.035, which may not exceed 11 percent of the district's ADM without re-
 3 view and approval by the Department of Education. Children with disabilities eligible for special
 4 education in adult local correctional facilities, as defined in ORS 169.005, or adult regional
 5 correctional facilities, as defined in ORS 169.620, may not be included in the calculation made under
 6 this sub-subparagraph.

7 (ii) 0.5 for each student in average daily membership eligible for and enrolled in an English as
 8 a second language program under ORS 336.079.

9 (iii) 0.2 for each student in average daily membership enrolled in a union high school district
 10 or in an area of a unified school district where the district is only responsible for educating students
 11 in grades 9 through 12 in that area.

12 (iv) -0.1 for each student in average daily membership enrolled in an elementary district oper-
 13 ating kindergarten through grade six or kindergarten through grade eight or in an area of a unified
 14 school district where the district is only responsible for educating students in kindergarten through
 15 grade eight.

16 (v) 0.25 times the sum of the following:

17 (I) The number of children 5 to 17 years of age in poverty families in the district, as determined
 18 by the Department of Education from a report of the United States Department of Education based
 19 on the most recent federal decennial census, as adjusted by the school district's proportion of stu-
 20 dents in the county receiving free or reduced price lunches under the United States Department of
 21 Agriculture's current Income Eligibility Guidelines if the number is higher than the number deter-
 22 mined from census data and only if the school district had an average daily membership of 2,500 or
 23 less for the 1995-1996 school year, and as further adjusted by the number of students in average
 24 daily membership in June of the year of distribution divided by number of students in average daily
 25 membership in the district, or its predecessors, in June of the year of the most recent federal
 26 decennial census;

27 (II) The number of children in foster homes in the district as determined by the report of the
 28 Department of Human Services to the United States Department of Education, "Annual Statistical
 29 Report on Children in Foster Homes and Children in Families Receiving AFDC Payments in Excess
 30 of the Poverty Income Level," or its successor, for October 31 of the year prior to the year of dis-
 31 tribution; and

32 (III) The number of children in the district in state-recognized facilities for neglected and de-
 33 linquent children, based on information from the Department of Human Services for October 31 of
 34 the year prior to the year of distribution.

35 (vi) The amount determined under ORS 327.077 for each remote small elementary school and for
 36 each small high school in the district.

37 (B) All numbers of children used for the computation in this paragraph must reflect any district
 38 consolidations that have occurred since the numbers were compiled.

39 (C) The total additional weight that shall be assigned to any student in average daily member-
 40 ship in a district, exclusive of students described in subparagraph (A)(v) and (vi) of this paragraph,
 41 may not exceed 2.0.

42 (2) High cost disabilities grant = the total amount received by a school district under ORS
 43 327.348 for providing special education and related services to resident pupils with disabilities.

44 (3)(a) Transportation grant equals:

45 (A) 70 percent of approved transportation costs for those school districts ranked below the 80th

1 percentile under paragraph (b) of this subsection.

2 (B) 80 percent of approved transportation costs for those school districts ranked in or above the
3 80th percentile but below the 90th percentile under paragraph (b) of this subsection.

4 (C) 90 percent of approved transportation costs for those school districts ranked in or above the
5 90th percentile under paragraph (b) of this subsection.

6 (b) Each fiscal year, the Department of Education shall rank school districts based on the ap-
7 proved transportation costs per ADM of each school district, ranking the school district with the
8 highest approved transportation costs per ADM at the top of the order.

9 (4)(a) Facility Grant = 8 percent of total construction costs of new school buildings.

10 (b) A school district shall receive a Facility Grant in the distribution year that a new school
11 building is first used.

12 (c) As used in this subsection:

13 (A) "New school building" includes new school buildings, structures added onto existing school
14 buildings and premanufactured structures added to a school district if those buildings or structures
15 are to be used for instructing students.

16 (B) "Construction costs" does not include costs for land acquisition.

17 **SECTION 9. The amendments to ORS 327.013 and 338.155 by sections 7 and 8 of this 2011**
18 **Act apply to State School Fund distributions commencing with the 2011-2012 distribution.**

19 **SECTION 10.** ORS 327.297 is amended to read:

20 327.297. (1) In addition to those moneys distributed through the State School Fund, the Depart-
21 ment of Education shall award grants to school districts, education service districts, the Youth
22 Corrections Education Program and the Juvenile Detention Education Program for activities that
23 relate to increases in student achievement, including:

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

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

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

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

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

32 (f) Services to at-risk youth;

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

35 (h) Vocational education programs;

36 (i) Literacy programs;

37 (j) School library programs; and

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

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

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

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

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

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

12 (5)(a) Notwithstanding ORS 338.155 [(9)] (8), the Department of Education may not award a
 13 grant under this section directly to a public charter school.

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

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

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

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

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

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

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

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

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

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

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

40 **SECTION 11. This 2011 Act being necessary for the immediate preservation of the public**
 41 **peace, health and safety, an emergency is declared to exist, and this 2011 Act takes effect**
 42 **on July 1, 2011.**