

# House Bill 3551

Sponsored by Representative PARRISH; Representatives CONGER, MCLANE, WEIDNER, WINGARD, Senator OLSEN

## 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 sponsor of public charter school to pay school amount per ADMw that is equal to amount received by sponsoring school district or by school district where public charter school is located. Directs school district to transfer grants to public charter school based on criteria school district uses to transfer grants to other public schools in school district. Considers transportation costs incurred by public charter school to be same as transportation costs incurred by school district.

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,  
3 338.145, 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 sponsored*  
10 *by the board of the school district, payment for*] **enter into a contract with the sponsor that pro-**  
11 **vides for payment to the charter school for the** provision of educational services to the public  
12 charter school's students. The payment shall equal an amount per weighted average daily member-  
13 ship (ADMw) of the public charter school that is [*at least*] equal to:

14 (a) **The amount of the General Purpose Grant per ADMw, as calculated under ORS**  
15 **327.013, for the sponsor if the sponsor is a school district; or**

16 (b) **The amount of the General Purpose Grant per ADMw, as calculated under ORS**  
17 **327.013, for the school district where the public charter school is located if the sponsor is the**  
18 **State Board of Education.**

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

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

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

28 [*(a) Ninety percent of the amount of the school district's General Purpose Grant per ADMw as*

**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 *calculated under ORS 327.013 for students who are enrolled in kindergarten through grade eight;*  
 2 *and]*

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

5 *[(4)]* **(3)** The estimated amount of each school district's General Purpose Grant per ADMw shall  
 6 be determined each year by the Department of Education and made available to all school districts.

7 *[(5) The school district in which the public charter school is located shall transfer an amount per*  
 8 *weighted average daily membership (ADMw) of the public charter school that is equal to 50 percent*  
 9 *of the amount of the school district's General Purpose Grant per ADMw as calculated under ORS*  
 10 *327.013 that is not paid to the public charter school through a contract created pursuant to subsections*  
 11 *(2) or (3) of this section to:]*

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

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

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

18 *[(7)]* **(4)** A school district and a public charter school may negotiate to establish a payment for  
 19 the provision of educational services to the public charter school's students that is more than the  
 20 *[minimum amounts specified in subsection (2) or (3)]* **amount specified in subsection (2)** of this  
 21 section.

22 **(5) In addition to payments received by a public charter school under subsection (2) of**  
 23 **this section, the public charter school is entitled to receive any amounts of moneys received**  
 24 **by a school district for the benefit of the public charter school.**

25 *[(8)]* **(6)** A school district shall send payment to a public charter school based on a contract  
 26 negotiated under this section within 10 days after receiving payments from the State School Fund  
 27 pursuant to ORS 327.095 **or after receiving moneys pursuant to subsection (5) of this section.**

28 *[(9)(a)]* **(7)(a)** A public charter school may apply for any grant that is available to school dis-  
 29 tricts or nonchartered public schools from the Department of Education. The department shall con-  
 30 sider the application of the public charter school in the same manner as an application from a  
 31 school district or nonchartered public school.

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

35 **SECTION 2. The amendments to ORS 338.155 by section 1 of this 2011 Act apply to con-**  
 36 **tracts entered into or renewed by a sponsor and public charter school on or after the effec-**  
 37 **tive date of this 2011 Act.**

38 **SECTION 3.** 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)] (7), The Department of Education may not award a  
32 grant under this section directly to a public charter school.

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

(c) As used in this subsection, “ADMw” means:

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

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

(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.

(7) Each 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 4.** ORS 338.145 is amended to read:

338.145. (1) The public charter school shall be responsible for providing transportation to students who reside within the school district and who attend the public charter school. The public charter school may negotiate with a school district for the provision of transportation to students attending the public charter school.

(2) Notwithstanding subsection (1) of this section, the school district within which the public charter school is located shall be responsible for the transportation of students attending the public charter school pursuant to ORS 327.043 in the same manner as students attending nonchartered public schools if the student is a resident of the school district. However, a school district may not be required to add or extend existing bus routes or other transportation services pursuant to this subsection.

(3) Students who attend public charter schools and who reside outside of the school district may use existing bus routes and transportation services of the school district in which a public charter school is located.

(4)(a) Any transportation costs incurred by a school district under this section shall be considered approved transportation costs for purposes of ORS 327.013 in the same manner as transportation costs incurred by the school district for transporting students who attend nonchartered public schools are considered approved transportation costs for purposes of ORS 327.013.

**(b) Any transportation costs incurred by a public charter school for providing transportation to students who reside within the school district and who attend the public charter school shall be considered approved transportation costs for purposes of ORS 327.013 in the same manner as transportation costs incurred by a school district for transporting students are considered approved transportation costs for purposes of ORS 327.013. A school district shall pay the public charter school the total amount received by the school district for transportation costs incurred by the public charter school within 10 days after the school district receives the amount.**

**SECTION 5. The amendments to ORS 327.297 and 338.145 by sections 3 and 4 of this 2011 Act apply to State School Fund distributions and other distributions of moneys to school districts commencing with the 2011-2012 distributions.**

**SECTION 6.** ORS 340.073 is amended to read:

340.073. (1) A public charter school may elect to participate in the Expanded Options Program

1 by amending its charter under ORS 338.065.

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

4 (3) The participating public charter school may not require funding from the sponsor of the  
5 school for payment of Expanded Options Program costs that is in addition to funding that already  
6 has been contractually established pursuant to [*ORS 338.155 (2)(b) or (3)(b)*] **ORS 338.155 (2)** or  
7 338.165 (3)(b).

8 **SECTION 7. This 2011 Act being necessary for the immediate preservation of the public**  
9 **peace, health and safety, an emergency is declared to exist, and this 2011 Act takes effect**  
10 **July 1, 2011.**

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