

# House Bill 2879

Sponsored by Representative PARRISH

## 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**.

Allows public charter school to change sponsorship if charter is terminated.

### A BILL FOR AN ACT

1  
2 Relating to public charter schools; creating new provisions; and amending ORS 329.838, 332.016,  
3 338.005, 338.105, 338.115, 338.155 and 338.165.

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

5 **SECTION 1. Section 2 of this 2013 Act is added to and made a part of ORS chapter 338.**

6 **SECTION 2. (1) A public charter school governing body may change sponsorship as pro-**  
7 **vided by this section if a charter for a public charter school is terminated as provided by**  
8 **ORS 338.105 (1)(a) or (b) or (5).**

9 **(2) A public charter school governing body may seek a change in sponsorship by submit-**  
10 **ting to the school district board of a school district that was not the sponsor of the public**  
11 **charter school a written proposal that includes:**

12 **(a) The charter that governed the public charter school prior to termination;**

13 **(b) Any information or notices received by the public charter school governing body re-**  
14 **lated to the termination; and**

15 **(c) Any other information requested by the school district board.**

16 **(3) Upon receipt of the information described in subsection (2) of this section, the school**  
17 **district board may evaluate the proposal and approve or disapprove the proposal using the**  
18 **criteria described in ORS 338.055 (2)(b) to (h).**

19 **(4)(a) The following decisions by a school district board that receives a proposal under**  
20 **this section are final and not subject to appeal:**

21 **(A) Whether to evaluate the proposal for a public charter school; and**

22 **(B) The approval or disapproval of the proposal for a public charter school.**

23 **(b) The process by which a school district board makes a decision described in paragraph**  
24 **(a) of this subsection is not subject to appeal.**

25 **(5) Within 60 days after receiving a proposal, the school district board must notify in**  
26 **writing the public charter school governing body whether the school district board approves**  
27 **or disapproves the proposal.**

28 **(6) A school district board that approves a proposal submitted as provided by this section**  
29 **is not bound by the terms of the charter that were in effect before the charter was termi-**  
30 **nated.**

31 **(7) If a school district board approves a proposal as provided by this section, the school**  
32 **district board shall become the sponsor of the public charter school and the public charter**

**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 school may continue to operate in its existing location under a charter entered into by the  
 2 school district board and the public charter school governing body.

3 (8) Notwithstanding a proposed effective date of termination, a public charter school may  
 4 continue to operate for 60 days after the effective date if a school district board approved a  
 5 proposal for a change in sponsorship as provided by this section prior to the proposed effec-  
 6 tive date. During the 60 days, the initial sponsor shall remain the sponsor of the public  
 7 charter school.

8 (9) A charter entered into as provided by this section is legally binding on both the  
 9 sponsor and the public charter school governing body. The sponsor and the public charter  
 10 school governing body may amend a charter by joint agreement.

11 (10) The initial period of a charter entered into as provided by this section shall be for a  
 12 length of time agreed to by the sponsor and the public charter school governing body. Re-  
 13 newals of the charter shall be subject to ORS 338.065, except that the first renewal of the  
 14 charter may be for a length of time agreed to by the sponsor and the public charter school  
 15 governing body.

16 **SECTION 3.** ORS 338.005, as amended by section 19, chapter 91, Oregon Laws 2012, is amended  
 17 to read:

18 338.005. As used in this chapter, unless the context requires otherwise:

19 (1) "Applicant" means any person or group that develops and submits a written proposal for a  
 20 public charter school to a sponsor.

21 (2) "Institution of higher education" means a community college operated under ORS chapter  
 22 341, a public university listed in ORS 352.002 or the Oregon Health and Science University.

23 (3) "Public charter school" means an elementary or secondary school offering a comprehensive  
 24 instructional program operating under a written agreement entered into between a sponsor and an  
 25 applicant and operating pursuant to this chapter.

26 (4) "Remote and necessary school district" means a school district that offers kindergarten  
 27 through grade 12 and has:

28 (a) An average daily membership (ADM), as defined in ORS 327.006, in the prior fiscal year of  
 29 less than 110; and

30 (b) A school that is located, by the nearest traveled road, more than 20 miles from the nearest  
 31 school or from a city with a population of more than 5,000.

32 (5) "Sponsor" means:

33 (a) The board of *[the]* a common school district or *[the]* a union high school district *[in which*  
 34 *the public charter school is located]* that has developed a written charter with an applicant *[to*  
 35 *create]* **for** a public charter school.

36 (b) The State Board of Education pursuant to ORS 338.075.

37 (c) An institution of higher education pursuant to ORS 338.075.

38 (6)(a) "Virtual public charter school" means a public charter school that provides online  
 39 courses.

40 (b) "Virtual public charter school" does not include a public charter school that primarily serves  
 41 students in a physical location.

42 **SECTION 4.** ORS 338.105 is amended to read:

43 338.105. (1) During the term of a charter, the sponsor may terminate the charter on any of the  
 44 following grounds:

45 (a) Failure to meet the terms of an approved charter or this chapter.

- 1 (b) Failure to meet the requirements for student performance stated in the charter.
- 2 (c) Failure to correct a violation of a federal or state law that is described in ORS 338.115.
- 3 (d) Failure to maintain insurance as described in the charter.
- 4 (e) Failure to maintain financial stability.
- 5 (f) Failure to maintain, for two or more consecutive years, a sound financial management system
- 6 described in the proposal submitted under ORS 338.045 and incorporated into the written charter
- 7 under ORS 338.065.

8 (2) If a charter is terminated under subsection (1) of this section, the sponsor shall notify the  
 9 public charter school governing body at least 60 days prior to the proposed effective date of the  
 10 termination. The notice shall state the grounds for the termination. The public charter school gov-  
 11 erning body may request a hearing by the sponsor.

12 (3) **When a sponsor terminates a charter as provided by subsection (1) of this section, a**  
 13 **public charter school governing body may appeal [a decision of a sponsor] the decision for the**  
 14 **termination to:**

15 (a) The state board if the sponsor is an entity described in ORS 338.005 (5)(a) or (c). The board  
 16 shall adopt by rule procedures to ensure a timely appeals process to prevent disruption of students'  
 17 education.

18 (b) The circuit court pursuant to ORS 183.484 if the sponsor is the State Board of Education.

19 (4)(a) Notwithstanding subsection (2) of this section, a sponsor may terminate a charter imme-  
 20 diately and close a public charter school if the public charter school is endangering the health or  
 21 safety of the students enrolled in the public charter school.

22 (b) The public charter school governing body may request a hearing from the sponsor on the  
 23 termination of the charter under this subsection. The sponsor shall hold a hearing within 10 days  
 24 after receiving the request.

25 (c) The public charter school governing body may appeal a decision of a sponsor under this  
 26 subsection to the State Board of Education. The State Board of Education shall hold a hearing  
 27 within 10 days after receiving the appeal request.

28 (d) Throughout the appeals process, the public charter school shall remain closed at the dis-  
 29 cretion of the sponsor unless the State Board of Education orders the sponsor to open the public  
 30 charter school and not terminate the charter.

31 (5) **During the term of a charter, the sponsor and the public charter school governing**  
 32 **body may terminate the charter by mutual agreement.**

33 [(5)] (6) Termination of a charter shall not abridge the public charter school's legal authority  
 34 to operate as a private or nonchartered public school.

35 (7) **If a charter is terminated under subsection (1)(a) or (b) or (5) of this section, the**  
 36 **public charter school governing body may seek a change in sponsorship by submitting a**  
 37 **written proposal to a school district board that was not the sponsor of the public charter**  
 38 **school as provided by section 2 of this 2013 Act.**

39 (8) **A public charter school governing body may terminate a charter or may close and**  
 40 **dissolve a public charter school. Termination or closure and dissolution may occur only at**  
 41 **the end of a semester. If the public charter school governing body decides to terminate a**  
 42 **charter or to close and dissolve a public charter school, the public charter school governing**  
 43 **body shall notify the sponsor at least 180 days prior to the proposed effective date of the**  
 44 **termination or closure and dissolution.**

45 [(6)] (9)(a) If [a charter is terminated or] a public charter school is **closed and dissolved or if**

1 **a charter is terminated and the public charter school governing body does not seek a change**  
 2 **in sponsorship as provided by section 2 of this 2013 Act within 60 days of the effective date**  
 3 **of the termination:**

4 [(a)] (A) The assets of the public charter school that were purchased with public funds shall be  
 5 given to the State Board of Education. The State Board of Education may disburse the assets of the  
 6 public charter school to school districts or other public charter schools.

7 [(b)] (B) All student education records of the public charter school shall be transferred to the  
 8 administrative office of the school district in which the public charter school was located.

9 **(b) If the public charter school governing body seeks a change in sponsorship as provided**  
 10 **by section 2 of this 2013 Act within 60 days of the effective date of the termination or clo-**  
 11 **sure, the assets and student education records of the public charter school shall remain with**  
 12 **the public charter school. If a new charter is not entered into within 60 days of the effective**  
 13 **date of the termination or closure, the assets and student education records shall be dis-**  
 14 **persed as provided by paragraph (a) of this subsection.**

15 [(7) A public charter school governing body may only terminate a charter, dissolve or close a public  
 16 charter school at the end of a semester. If a charter is terminated by the public charter school gov-  
 17 erning body or a public charter school is closed or dissolved, the public charter school governing body  
 18 shall notify the sponsor at least 180 days prior to the proposed effective date of the termination, closure  
 19 or dissolution.]

20 **SECTION 5.** ORS 338.115, as amended by section 9, chapter 92, Oregon Laws 2012, is amended  
 21 to read:

22 338.115. (1) Statutes and rules that apply to school district boards, school districts or other  
 23 public schools do not apply to public charter schools. However, the following laws do apply to public  
 24 charter schools:

- 25 (a) Federal law;
- 26 (b) ORS 30.260 to 30.300 (tort claims);
- 27 (c) ORS 192.410 to 192.505 (public records law);
- 28 (d) ORS 192.610 to 192.690 (public meetings law);
- 29 (e) ORS 297.405 to 297.555 and 297.990 (Municipal Audit Law);
- 30 (f) ORS 326.565, 326.575 and 326.580 (student records);
- 31 (g) ORS 181.534, 326.603, 326.607, 342.223 and 342.232 (criminal records checks);
- 32 (h) ORS 329.045 (academic content standards and instruction);
- 33 (i) ORS 329.451 (high school diploma, modified diploma, extended diploma and alternative cer-  
 34 tificate);
- 35 (j) The statewide assessment system developed by the Department of Education for mathematics,  
 36 science and English under ORS 329.485 (2);
- 37 (k) ORS 337.150 (textbooks);
- 38 (L) ORS 339.141, 339.147 and 339.155 (tuition and fees);
- 39 (m) ORS 339.250 (12) (prohibition on infliction of corporal punishment);
- 40 (n) ORS 339.326 (notice concerning students subject to juvenile court petitions);
- 41 (o) ORS 339.370, 339.372, 339.388 and 339.400 (reporting of abuse and sexual conduct and training  
 42 on prevention and identification of abuse and sexual conduct);
- 43 (p) ORS chapter 657 (Employment Department Law);
- 44 (q) ORS 659.850, 659.855 and 659.860 (discrimination);
- 45 (r) Any statute or rule that establishes requirements for instructional time provided by a school

1 during each day or during a year;

2 (s) Health and safety statutes and rules;

3 (t) Any statute or rule that is listed in the charter;

4 (u) ORS 339.119 (consideration for educational services); and

5 (v) This chapter.

6 (2) Notwithstanding subsection (1) of this section, a charter may specify that statutes and rules  
7 that apply to school district boards, school districts and other public schools may apply to a public  
8 charter school.

9 (3) If a statute or rule applies to a public charter school, then the terms “school district” and  
10 “public school” include public charter school as those terms are used in that statute or rule.

11 (4) A public charter school may not violate the Establishment Clause of the First Amendment  
12 to the United States Constitution or section 5, Article I of the Oregon Constitution, or be religion  
13 based.

14 (5)(a) A public charter school shall maintain an active enrollment of at least 25 students.

15 (b) For a public charter school that provides educational services under a cooperative agree-  
16 ment described in ORS 338.080, the public charter school is in compliance with the requirements of  
17 this subsection if the public charter school provides educational services under the cooperative  
18 agreement to at least 25 students, without regard to the school districts in which the students are  
19 residents.

20 (6) A public charter school may sue or be sued as a separate legal entity.

21 (7) The sponsor, members of the governing board of the sponsor acting in their official capacities  
22 and employees of a sponsor acting in their official capacities are immune from civil liability with  
23 respect to all activities related to a public charter school within the scope of their duties or em-  
24 ployment.

25 (8) A public charter school may enter into contracts and may lease facilities and services from  
26 a school district, education service district, public university listed in ORS 352.002, other govern-  
27 mental unit or any person or legal entity.

28 (9) A public charter school may not levy taxes or issue bonds under which the public incurs li-  
29 ability.

30 (10) A public charter school may receive and accept gifts, grants and donations from any source  
31 for expenditure to carry out the lawful functions of the school.

32 (11)(a) The school district in which the public charter school is located shall offer a high school  
33 diploma, a modified diploma, an extended diploma or an alternative certificate to any public charter  
34 school student who meets the district’s and state’s standards for a high school diploma, a modified  
35 diploma, an extended diploma or an alternative certificate.

36 **(b) Notwithstanding paragraph (a) of this subsection, if the sponsorship of a public**  
37 **charter school was changed as provided by section 2 of this 2013 Act, the school district that**  
38 **is the sponsor of the public charter school shall offer a high school diploma, a modified di-**  
39 **ploma, an extended diploma or an alternative certificate to any public charter school student**  
40 **who meets the district’s and state’s standards for a high school diploma, a modified diploma,**  
41 **an extended diploma or an alternative certificate.**

42 (12) A high school diploma, a modified diploma, an extended diploma or an alternative certificate  
43 issued by a public charter school grants to the holder the same rights and privileges as a high  
44 school diploma, a modified diploma, an extended diploma or an alternative certificate issued by a  
45 nonchartered public school.

1 (13) Prior to beginning operation, the public charter school shall show proof of insurance to the  
2 sponsor as specified in the charter.

3 (14) A public charter school may receive services from an education service district in the same  
4 manner as a nonchartered public school in the school district in which the public charter school is  
5 located.

6 **SECTION 6.** ORS 338.115, as amended by section 7, chapter 839, Oregon Laws 2007, section 12,  
7 chapter 50, Oregon Laws 2008, section 4, chapter 618, Oregon Laws 2009, section 3, chapter 53,  
8 Oregon Laws 2010, section 3, chapter 94, Oregon Laws 2011, section 118, chapter 637, Oregon Laws  
9 2011, section 5, chapter 682, Oregon Laws 2011, and section 10, chapter 92, Oregon Laws 2012, is  
10 amended to read:

11 338.115. (1) Statutes and rules that apply to school district boards, school districts or other  
12 public schools do not apply to public charter schools. However, the following laws do apply to public  
13 charter schools:

- 14 (a) Federal law;
- 15 (b) ORS 30.260 to 30.300 (tort claims);
- 16 (c) ORS 192.410 to 192.505 (public records law);
- 17 (d) ORS 192.610 to 192.690 (public meetings law);
- 18 (e) ORS 297.405 to 297.555 and 297.990 (Municipal Audit Law);
- 19 (f) ORS 326.565, 326.575 and 326.580 (student records);
- 20 (g) ORS 181.534, 326.603, 326.607, 342.223 and 342.232 (criminal records checks);
- 21 (h) ORS 329.045 (academic content standards and instruction);
- 22 (i) ORS 329.451 (high school diploma, modified diploma, extended diploma and alternative cer-  
23 tificate);
- 24 (j) ORS 329.496 (physical education);
- 25 (k) The statewide assessment system developed by the Department of Education for mathematics,  
26 science and English under ORS 329.485 (2);
- 27 (L) ORS 337.150 (textbooks);
- 28 (m) ORS 339.141, 339.147 and 339.155 (tuition and fees);
- 29 (n) ORS 339.250 (12) (prohibition on infliction of corporal punishment);
- 30 (o) ORS 339.326 (notice concerning students subject to juvenile court petitions);
- 31 (p) ORS 339.370, 339.372, 339.388 and 339.400 (reporting of abuse and sexual conduct and training  
32 on prevention and identification of abuse and sexual conduct);
- 33 (q) ORS chapter 657 (Employment Department Law);
- 34 (r) ORS 659.850, 659.855 and 659.860 (discrimination);
- 35 (s) Any statute or rule that establishes requirements for instructional time provided by a school  
36 during each day or during a year;
- 37 (t) Health and safety statutes and rules;
- 38 (u) Any statute or rule that is listed in the charter;
- 39 (v) ORS 339.119 (consideration for educational services); and
- 40 (w) This chapter.

41 (2) Notwithstanding subsection (1) of this section, a charter may specify that statutes and rules  
42 that apply to school district boards, school districts and other public schools may apply to a public  
43 charter school.

44 (3) If a statute or rule applies to a public charter school, then the terms "school district" and  
45 "public school" include public charter school as those terms are used in that statute or rule.

1 (4) A public charter school may not violate the Establishment Clause of the First Amendment  
 2 to the United States Constitution or section 5, Article I of the Oregon Constitution, or be religion  
 3 based.

4 (5)(a) A public charter school shall maintain an active enrollment of at least 25 students.

5 (b) For a public charter school that provides educational services under a cooperative agree-  
 6 ment described in ORS 338.080, the public charter school is in compliance with the requirements of  
 7 this subsection if the public charter school provides educational services under the cooperative  
 8 agreement to at least 25 students, without regard to the school districts in which the students are  
 9 residents.

10 (6) A public charter school may sue or be sued as a separate legal entity.

11 (7) The sponsor, members of the governing board of the sponsor acting in their official capacities  
 12 and employees of a sponsor acting in their official capacities are immune from civil liability with  
 13 respect to all activities related to a public charter school within the scope of their duties or em-  
 14 ployment.

15 (8) A public charter school may enter into contracts and may lease facilities and services from  
 16 a school district, education service district, public university listed in ORS 352.002, other govern-  
 17 mental unit or any person or legal entity.

18 (9) A public charter school may not levy taxes or issue bonds under which the public incurs li-  
 19 ability.

20 (10) A public charter school may receive and accept gifts, grants and donations from any source  
 21 for expenditure to carry out the lawful functions of the school.

22 (11)(a) The school district in which the public charter school is located shall offer a high school  
 23 diploma, a modified diploma, an extended diploma or an alternative certificate to any public charter  
 24 school student who meets the district's and state's standards for a high school diploma, a modified  
 25 diploma, an extended diploma or an alternative certificate.

26 **(b) Notwithstanding paragraph (a) of this subsection, if the sponsorship of a public**  
 27 **charter school was changed as provided by section 2 of this 2013 Act, the school district that**  
 28 **is the sponsor of the public charter school shall offer a high school diploma, a modified di-**  
 29 **ploma, an extended diploma or an alternative certificate to any public charter school student**  
 30 **who meets the district's and state's standards for a high school diploma, a modified diploma,**  
 31 **an extended diploma or an alternative certificate.**

32 (12) A high school diploma, a modified diploma, an extended diploma or an alternative certificate  
 33 issued by a public charter school grants to the holder the same rights and privileges as a high  
 34 school diploma, a modified diploma, an extended diploma or an alternative certificate issued by a  
 35 nonchartered public school.

36 (13) Prior to beginning operation, the public charter school shall show proof of insurance to the  
 37 sponsor as specified in the charter.

38 (14) A public charter school may receive services from an education service district in the same  
 39 manner as a nonchartered public school in the school district in which the public charter school is  
 40 located.

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

42 338.155. (1)(a) Students of a public charter school shall be considered to be residents of the  
 43 school district in which the public charter school is located for purposes of distribution of the State  
 44 School Fund.

45 (b)(A) For the purpose of determining the amounts to be distributed from the State School Fund

1 to a school district in which a public charter school is located, the district extended ADMw de-  
 2 scribed in ORS 327.013 shall be determined by:

3 (i) Separately calculating the extended ADMw for students at the public charter school and the  
 4 extended ADMw for students at nonchartered public schools in the school district; and

5 (ii) Adding the extended ADMw for students at the public charter school and the extended  
 6 ADMw for students at nonchartered public schools in the school district.

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

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

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

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

15 (2) A school district shall contractually establish, with any public charter school that is spon-  
 16 sored by the board of the school district **and that is within the boundaries of the school**  
 17 **district**, payment for provision of educational services to the public charter school's students. The  
 18 payment shall equal an amount per weighted average daily membership (ADMw) of the public  
 19 charter school that is at least equal to:

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

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

25 (3) A school district shall contractually establish, with any public charter school that is spon-  
 26 sored by the State Board of Education, **a school district board as provided by section 2 of this**  
 27 **2013 Act** or an institution of higher education and that is within the boundaries of the school dis-  
 28 trict, payment for provision of educational services to the public charter school's students. The  
 29 payment shall equal an amount per weighted average daily membership (ADMw) of the public  
 30 charter school that is at least equal to:

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

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

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

38 (5) The school district in which the public charter school is located shall transfer an amount  
 39 per weighted average daily membership (ADMw) of the public charter school that is equal to 50  
 40 percent of the amount of the school district's General Purpose Grant per ADMw as calculated under  
 41 ORS 327.013 that is not paid to the public charter school through a contract created pursuant to  
 42 subsection (2) or (3) of this section to:

43 (a) For a public charter school sponsored by a school district **board**, any school district in which  
 44 the parent or guardian of, or person in parental relationship to, a student of a public charter school  
 45 resides pursuant to ORS 339.133 and 339.134;



1       **(b) For a public charter school sponsored by a school district board as provided by section**  
 2       **2 of this 2013 Act, the school district board that is the sponsor;**

3       [(b)] (c) For a public charter school sponsored by the State Board of Education, the Department  
 4 of Education; or

5       [(c)] (d) For a public charter school sponsored by an institution of higher education, the insti-  
 6 tution of higher education.

7       (6) The department may use any moneys received under this section for activities related to  
 8 public charter schools.

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

12       (8) A school district shall send payment to a public charter school based on a contract negoti-  
 13 ated under this section within 10 days after receiving payments from the State School Fund pursuant  
 14 to ORS 327.095.

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

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

22       **SECTION 8.** ORS 338.165 is amended to read:

23       338.165. (1)(a) The school district in which a public charter school is located shall identify, lo-  
 24 cate and evaluate students enrolled in the public charter school to determine which students may  
 25 be in need of special education and related services.

26       (b) The school district in which a public charter school is located:

27       (A) Shall receive funding from the State School Fund as provided by this section for students  
 28 who are eligible for special education and related services and who are enrolled in the public  
 29 charter school; and

30       (B) Is eligible to receive high cost disabilities grants as provided by ORS 327.348 for students  
 31 who are enrolled in the public charter school.

32       (c) Students who are eligible for special education and related services shall be considered stu-  
 33 dents of the school district in which the public charter school is located for purposes of data col-  
 34 lection and reporting.

35       (2) If a student is enrolled in a public charter school and is eligible for special education and  
 36 related services, an additional amount shall be added to the ADM of the public charter school as  
 37 described in ORS 327.013 (1)(c)(A)(i). The payment per ADMw in the public charter school that is  
 38 attributable to the student who is eligible for special education and related services shall equal an  
 39 amount that is at least equal to:

40       (a) 40 percent of the amount of the General Purpose Grant per ADMw for the school district in  
 41 which the public charter school is located, as calculated under ORS 327.013, for students who are  
 42 enrolled in kindergarten through grade eight; and

43       (b) 47.5 percent of the amount of the General Purpose Grant per ADMw for the school district  
 44 in which the public charter school is located, as calculated under ORS 327.013, for students who are  
 45 enrolled in grades 9 through 12.

1        *[(3) If the State Board of Education is the sponsor of a public charter school, the school district*  
 2 *in which the public charter school is located, for each ADMw that is attributable to a student enrolled*  
 3 *in a public charter school who is eligible for special education and related services, shall transfer five*  
 4 *percent of the amount of the school district's General Purpose Grant per ADMw as calculated under*  
 5 *ORS 327.013 to the State Board of Education.]*

6        [(4)] (3) Notwithstanding subsection (2) of this section, a school district and a public charter  
 7 school may negotiate on a case-by-case basis for an alternative distribution of funds other than the  
 8 distribution prescribed by subsection (2) of this section.

9        [(5)] (4) Payments under this section must be made within 10 days after a school district receives  
 10 payment from the State School Fund pursuant to ORS 327.095.

11        **SECTION 9.** ORS 332.016 is amended to read:

12        332.016. (1) A person who is an employee of a school district may not serve as a member of the  
 13 district school board for the district by which the employee is employed.

14        (2) A person who is an employee of a public charter school may not serve as a member of the  
 15 district school board of the district:

16        (a) In which the public charter school that employs the person is located[.]; or

17        (b) **That is the sponsor of the public charter school, as provided by section 2 of this 2013**  
 18 **Act.**

19        (3) *[Notwithstanding subsection (1) or (2) of this section, a person who is an employee of a school*  
 20 *district or a public charter school may serve as a member of the district school board for the district*  
 21 *by which the employee is employed or the district in which the public charter school that employs the*  
 22 *person is located]* **The prohibitions described in subsections (1) and (2) of this section do not**  
 23 **apply if:**

24        (a) The person is employed by the district or public charter school as a substitute school bus  
 25 driver; and

26        (b) The district has an average daily membership (ADM), as defined in ORS 327.006, of 50 or  
 27 less.

28        (4) A district school board member who was eligible to serve on a district school board under  
 29 subsection (3) of this section at the beginning of the member's term of office may continue to serve  
 30 on the board for the remainder of the member's term of office regardless of any change to the ADM  
 31 of the district.

32        **SECTION 10.** ORS 329.838 is amended to read:

33        329.838. (1) The School District Collaboration Grant Program is established to provide funding  
 34 for school districts to improve student achievement through the voluntary collaboration of teachers  
 35 and administrators to design and implement new approaches to:

36        (a) Career pathways for teachers and administrators;

37        (b) Evaluation processes for teachers and administrators;

38        (c) Compensation models for teachers and administrators; and

39        (d) Enhanced professional development opportunities for teachers and administrators.

40        (2)(a) The Department of Education shall administer the grant program established by this sec-  
 41 tion and may provide technical expertise to school districts applying for or receiving a grant under  
 42 this section.

43        (b) For the purpose of providing technical expertise, the department may enter into contracts  
 44 with nonprofit entities that have experience in designing and implementing approaches that are  
 45 similar to the approaches described in subsection (1) of this section.

1 (c) The department may expend no more than five percent of the amount appropriated to the  
2 department for the grant program to pay for the administrative costs incurred by the department  
3 under this section, including any costs related to contracts described in paragraph (b) of this sub-  
4 section.

5 (3) Each school district may apply to the department for a grant under this section. Prior to  
6 applying for a grant, the school district must receive the approval to apply for the grant from:

7 (a) The exclusive bargaining representative for the teachers of the school district or, if the  
8 teachers are not represented by an exclusive bargaining representative, from the teachers of the  
9 school district;

10 (b) The chairperson of the school district board; and

11 (c) The superintendent of the school district.

12 (4)(a) Funding for the grant program established by this section shall be provided through the  
13 School District Collaboration Grant Account established by ORS 329.839.

14 (b) For the purpose of a grant awarded under this section:

15 (A) Grant Amount = School district ADMw  $\times$  (the total amount available for distribution  
16 during a fiscal year through the School District Collaboration Grant Program  $\div$  the total ADMw  
17 of the school districts that receive a grant for the fiscal year through the School District Collab-  
18 oration Grant Program).

19 (B) ADMw shall be calculated as provided by ORS 327.013, 338.155 (1) and 338.165 [(3)] (2).

20 (c) Moneys received by a school district under this section must be separately accounted for and  
21 may be used only to provide funding for the purposes described in the application submitted by the  
22 school district.

23 (5) The department shall accumulate, evaluate and publish student achievement results of school  
24 districts receiving grants under this section to determine the effectiveness of the approaches imple-  
25 mented by the school districts under the grant program.

26 (6)(a) Except as provided by paragraph (b) of this subsection, the State Board of Education may  
27 adopt any rules necessary for the implementation of the grant program established by this section.

28 (b) The board may not adopt any rules that establish statewide standards for the design and  
29 implementation of the approaches described in subsection (1) of this section.

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