

STAFF MEASURE SUMMARY**House Committee On Education****Fiscal:** Fiscal impact issued**Revenue:** Revenue impact issued**Action Date:** 04/10/15**Action:** Do Pass With Amendments, Be Printed Engrossed And Be Referred To Revenue By Prior Reference.**Meeting Dates:** 02/25, 04/06, 04/10**Vote:**

Yeas: 6 - Doherty, Frederick, McLain, Piluso, Reardon, Sprenger

Nays: 1 - Hack

Exc: 2 - Barreto, Wilson

Prepared By: Richard Donovan, Committee Administrator**WHAT THE MEASURE DOES:**

Requires district extended weighted Average Daily Membership (ADMw) to be calculated by considering students in public charter schools to be students in nonchartered public schools. Allows inclusion of five percent of ADMw calculated by inclusion of students at a public charter school that has ceased operation due to termination, school closure, or non-renewal of charter. For 2015-16 school year, makes available for distribution to any school ("school") an amount of moneys ("account") as great as three percent of ADMw calculated by inclusion of students at public charter school that has ceased operation due to termination, school closure, or non-renewal of charter. Requires Oregon Department of Education (ODE) to manage distributions from account, based upon expenses of school. Requires school to report annually to ODE. Requires that any funds unexpended be returned to General Fund upon closure of account. Sunsets account in 2019. Removes provision allowing Superintendent of Public Instruction to withhold payments from State School Fund for amounts school district had received when extended ADMw for students in public charter schools and students in nonchartered public schools were calculated separately. Declares emergency, effective July 1, 2015.

ISSUES DISCUSSED:

- History of measure; goal of preventing double-counting students
- Introduced measure as addressing double-counting problem for in-district transfers only
- Amended measure as addressing double-counting problem for inter-district transfers
- Concern with specific challenges to Scio school district in wake of recent closure of Oregon Connections Academy charter school (ORCA), related re-constitution of ORCA under charter with Mill City school district
- Work done by informal work group to review potential Scio liabilities
- Survey conducted by ODE; five percent of ADMw as best estimate for closing costs faced by school districts that have previously managed charter school closure
- Specific liabilities potentially facing Scio school district; concern with message sent with increased funding

EFFECT OF COMMITTEE AMENDMENT:

Allows inclusion of five percent of the ADMw calculated by inclusion of students at public charter school that has ceased operation due to termination, school closure, or non-renewal of charter. For 2015-16 school year, makes available for distribution to any school an amount of moneys as great as three percent of ADMw calculated by inclusion of students at public charter school that has ceased operation due to termination, school closure, or non-renewal of charter this school year. Requires ODE to manage distributions from account, based upon expenses of

school. Requires school to report annually to ODE. Requires that any funds unexpended be returned to General Fund upon closure of account. Sunsets account in 2019. Removes provision allowing Superintendent of Public Instruction to withhold payments from State School Fund for amounts school district had received when extended ADMw for students in public charter schools and students in nonchartered public schools were calculated separately.

BACKGROUND:

House Bill 3417 (2011) allowed charter schools to be eligible for distributions from the State School Fund based upon the extend ADMw calculations. This has caused unintended consequences as a result of in-district transfers; students that never leave a school district are, in effect, counted twice, and the district receives that extra allocation.

House Bill 2150-A addresses potential double-counting of students due to intra-district transfers by returning the ADMw calculation to the pre-2011 status. The measure also allows a five percent ADMw payment for school districts which have undergone a charter school closure that year in order to manage closing costs associated with the charter school closure. It further allows, for the 2015-16 school year only, creation of an account totaling no more than an additional three percent ADMw that would operate as a line of credit overseen by ODE in order to address any closing costs that exceed the initial five percent of ADMw distribution.