

House Bill 2771

Sponsored by Representative PARRISH (Pre-session filed.)

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, 2015.

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)(a) Students of a public charter school shall be considered to be residents of the
7 school district in which the public charter school is located for purposes of distribution of the State
8 School Fund.

9 (b)(A) For the purpose of determining the amounts to be distributed from the State School Fund
10 to a school district in which a public charter school is located, the district extended ADMw de-
11 scribed in ORS 327.013 shall be determined by:

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

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

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

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

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

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

24 (2) A school district shall [*contractually establish, with any public charter school that is sponsored*
25 *by the board of the school district, payment for*] **enter into a contract with the sponsor that pro-**
26 **vides for payment to the public charter school for the** provision of educational services to the
27 public charter school's students. The payment shall equal an amount per weighted average daily
28 membership (ADMw) of the public charter school that is [*at least*] equal to:

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 **(a) The amount of the General Purpose Grant per ADMw, as calculated under ORS**
 2 **327.013, for the sponsor if the sponsor is a school district; or**

3 **(b) The amount of the General Purpose Grant per ADMw, as calculated under ORS**
 4 **327.013, for the school district where the public charter school is located if the sponsor is the**
 5 **State Board of Education or an institution of higher education.**

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

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

11 *[(3) A school district shall contractually establish, with any public charter school that is sponsored*
 12 *by the State Board of Education or an institution of higher education and that is within the boundaries*
 13 *of the school district, payment for provision of educational services to the public charter school's stu-*
 14 *dents. The payment shall equal an amount per weighted average daily membership (ADMw) of the*
 15 *public charter school that is at least equal to:]*

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

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

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

23 *[(5) The school district in which the public charter school is located shall transfer an amount per*
 24 *weighted average daily membership (ADMw) of the public charter school that is equal to 50 percent*
 25 *of the amount of the school district's General Purpose Grant per ADMw as calculated under ORS*
 26 *327.013 that is not paid to the public charter school through a contract created pursuant to subsection*
 27 *(2) or (3) of this section to:]*

28 *[(a) For a public charter school sponsored by a school district, any school district in which the*
 29 *parent or guardian of, or person in parental relationship to, a student of a public charter school resides*
 30 *pursuant to ORS 339.133 and 339.134;]*

31 *[(b) For a public charter school sponsored by the State Board of Education, the Department of*
 32 *Education; or]*

33 *[(c) For a public charter school sponsored by an institution of higher education, the institution of*
 34 *higher education.]*

35 *[(6) The department may use any moneys received under this section for activities related to public*
 36 *charter schools.]*

37 *[(7)]* **(3)** A school district and a public charter school may negotiate to establish a payment for
 38 the provision of educational services to the public charter school's students that is more than the
 39 *[minimum amounts specified in subsection (2) or (3)]* **amount specified in subsection (2)** of this
 40 section.

41 **(4) In addition to payments received by a public charter school under subsection (2) of**
 42 **this section, the public charter school is entitled to receive any moneys received by a school**
 43 **district for the benefit of the public charter school.**

44 *[(8)]* **(5)** A school district shall send payment to a public charter school based on a contract
 45 negotiated under this section within 10 days after receiving payments from the State School Fund

1 pursuant to ORS 327.095 **or after receiving moneys pursuant to subsection (4) of this section.**

2 [(9)(a)] **(6)(a)** A public charter school may apply for any grant that is available to school dis-
3 tricts or nonchartered public schools from the Department of Education. The department shall con-
4 sider the application of the public charter school in the same manner as an application from a
5 school district or nonchartered public school.

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

9 **SECTION 2. The amendments to ORS 338.155 by section 1 of this 2015 Act apply to con-**
10 **tracts entered into or renewed by a sponsor and public charter school on or after the effec-**
11 **tive date of this 2015 Act.**

12 **SECTION 3.** ORS 327.297, as amended by section 3, chapter 6, Oregon Laws 2014, is amended
13 to read:

14 327.297. (1) In addition to those moneys distributed through the State School Fund, the Depart-
15 ment of Education shall award grants to school districts, education service districts, the Youth
16 Corrections Education Program and the Juvenile Detention Education Program for activities that
17 relate to increases in student achievement, including:

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

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

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

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

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

26 (f) Services to at-risk youth;

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

29 (h) Vocational education programs;

30 (i) Literacy programs;

31 (j) School library programs; and

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

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

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

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

43 (3)(a) Notwithstanding ORS 338.155 [(9)] **(6)**, the Department of Education may not award a
44 grant under this section directly to a public charter school.

45 (b) A school district that receives a grant under this section [may] **shall** transfer a portion of

1 the grant to a public charter school based on:

2 **(A) The criteria used to transfer grants to any other public school in the school district;**
 3 **or**

4 **(B) The charter of the school or any other agreement between the school district and the public**
 5 **charter school.**

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

8 (4)(a) The amount of each grant for a program or school district = the program’s or school
 9 district’s ADMw × (the total amount available for distribution to programs and school districts as
 10 grants in each fiscal year ÷ the total ADMw of all programs and school districts that receive a
 11 grant).

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

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

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

18 (B) For the Youth Corrections Education Program, the extended weighted average daily mem-
 19 bership as calculated under ORS 327.026;

20 (C) For the Juvenile Detention Education Program, the extended weighted average daily mem-
 21 bership as calculated under ORS 327.026; and

22 (D) For an education service district, the sum of the ADMw of the school districts located
 23 within the territory of the education service district.

24 (5) Each district or program shall deposit the grant amounts it receives under this section in a
 25 separate account, and shall apply amounts in that account to pay for activities described in the
 26 district’s or program’s application.

27 (6) The State Board of Education may adopt any rules necessary for the administration of the
 28 grant program.

29 **SECTION 4.** ORS 327.297, as amended by section 9, chapter 704, Oregon Laws 2011, and section
 30 4, chapter 6, Oregon Laws 2014, is amended to read:

31 327.297. (1) In addition to those moneys distributed through the State School Fund, the Depart-
 32 ment of Education shall award grants to school districts, education service districts, the Youth
 33 Corrections Education Program and the Juvenile Detention Education Program for activities that
 34 relate to increases in student achievement, including:

35 (a) Early childhood support including establishing, maintaining or expanding quality
 36 prekindergarten programs;

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

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

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

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

43 (f) Services to at-risk youth;

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

1 (h) Vocational education programs;
 2 (i) Literacy programs;
 3 (j) School library programs; and
 4 (k) Other research-based student improvement strategies approved by the State Board of Edu-
 5 cation.

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

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

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

15 (3)(a) Notwithstanding ORS 338.155 [(9)] **(6)**, the Department of Education may not award a
 16 grant under this section directly to a public charter school.

17 (b) A school district that receives a grant under this section [*may*] **shall** transfer a portion of
 18 the grant to a public charter school based on:

19 **(A) The criteria used to transfer grants to any other public school in the school district;**
 20 **or**

21 **(B) The charter of the school or any other agreement between the school district and the public**
 22 **charter school.**

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

25 (4)(a) The amount of each grant for a program or school district = the program's or school
 26 district's ADMw × (the total amount available for distribution to programs and school districts as
 27 grants in each fiscal year ÷ the total ADMw of all programs and school districts that receive a
 28 grant).

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

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

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

35 (B) For the Youth Corrections Education Program, the extended weighted average daily mem-
 36 bership as calculated under ORS 327.026;

37 (C) For the Juvenile Detention Education Program, the extended weighted average daily mem-
 38 bership as calculated under ORS 327.026; and

39 (D) For an education service district, the sum of the ADMw of the school districts located
 40 within the territory of the education service district.

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

44 (6) The State Board of Education may adopt any rules necessary for the administration of the
 45 grant program.

SECTION 5. 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 6. The amendments to ORS 327.297 and 338.145 by sections 3, 4 and 5 of this 2015 Act apply to State School Fund distributions and other distributions of moneys to school districts commencing with the 2015-2016 distributions.

SECTION 7. ORS 340.073 is amended to read:

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

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

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

SECTION 8. This 2015 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect July 1, 2015.