

# House Bill 2772

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**.

Provides that certain grants and distributions of moneys must be awarded directly to public charter school, or must be transferred to public charter school in amount equal to general purpose grant distribution percentage or based on other agreement.

Declares emergency, effective on passage.

## A BILL FOR AN ACT

1  
2 Relating to public charter school financing; creating new provisions; amending ORS 327.297, 327.731  
3 and 338.155; 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 spon-  
25 sored by the board of the school district, payment for provision of educational services to the public  
26 charter school's students. The payment shall equal an amount per weighted average daily member-  
27 ship (ADMw) of the public charter school that is at least equal to:

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

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

3 (3) A school district shall contractually establish, with any public charter school that is spon-  
 4 sored by the State Board of Education or an institution of higher education and that is within the  
 5 boundaries of the school district, payment for provision of educational services to the public charter  
 6 school's students. The payment shall equal an amount per weighted average daily membership  
 7 (ADMw) of the public charter school that is at least equal to:

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

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

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

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

20 (a) For a public charter school sponsored by a school district, any school district in which the  
 21 parent or guardian of, or person in parental relationship to, a student of a public charter school  
 22 resides pursuant to ORS 339.133 and 339.134;

23 (b) For a public charter school sponsored by the State Board of Education, the Department of  
 24 Education; or

25 (c) For a public charter school sponsored by an institution of higher education, the institution  
 26 of higher education.

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

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

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

35 (9)(a) A public charter school may apply for any grant **or other distribution of moneys** that  
 36 is available to school districts or nonchartered public schools from the Department of Education.  
 37 The department shall consider the application of the public charter school in the same manner as  
 38 an application from a school district or nonchartered public school.

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

42 **(b) Any grant or other distribution of moneys that is made available under state law to**  
 43 **a school district based on the weighted average daily membership (ADMw) of the school**  
 44 **district shall be awarded directly to a public charter school. This paragraph does not apply**  
 45 **to:**

1 (A) Grants distributed from the State School Fund;

2 (B) Grants distributed from the School Capital Construction, Maintenance and Technol-  
3 ogy Fund;

4 (C) Grants awarded under the School District Collaboration Grant Program; or

5 (D) Funds distributed as provided by ORS 757.612.

6 **SECTION 2.** ORS 327.297, as amended by section 3, chapter 6, Oregon Laws 2014, is amended  
7 to read:

8 327.297. (1) In addition to those moneys distributed through the State School Fund, the Depart-  
9 ment of Education shall award grants to school districts, education service districts, the Youth  
10 Corrections Education Program and the Juvenile Detention Education Program for activities that  
11 relate to increases in student achievement, including:

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

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

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

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

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

20 (f) Services to at-risk youth;

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

23 (h) Vocational education programs;

24 (i) Literacy programs;

25 (j) School library programs; and

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

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

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

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

37 (3)(a) Notwithstanding ORS 338.155 (9), the Department of Education may not award a grant  
38 under this section directly to a public charter school.

39 (b) A school district that receives a grant under this section *[may]* **must** transfer a portion of  
40 the grant to a public charter school *[based on]* **equal to the percentage for the distribution of**  
41 **the general purpose grant as identified in** the charter of the school or **based on** any other  
42 agreement between the school district and the public charter school.

43 (c) A public charter school that receives grant funds under this subsection *[shall]* **must** use  
44 those funds for the activities specified in subsection (1) of this section.

45 (4)(a) The amount of each grant for a program or school district = the program's or school

1 district's ADMw  $\times$  (the total amount available for distribution to programs and school districts as  
 2 grants in each fiscal year  $\div$  the total ADMw of all programs and school districts that receive a  
 3 grant).

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

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

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

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

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

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

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

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

21 **SECTION 3.** ORS 327.297, as amended by section 9, chapter 704, Oregon Laws 2011, and section  
 22 4, chapter 6, Oregon Laws 2014, is amended to read:

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

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

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

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

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

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

35 (f) Services to at-risk youth;

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

38 (h) Vocational education programs;

39 (i) Literacy programs;

40 (j) School library programs; and

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

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

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

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

7 (3)(a) Notwithstanding ORS 338.155 (9), the Department of Education may not award a grant  
 8 under this section directly to a public charter school.

9 (b) A school district that receives a grant under this section [may] **must** transfer a portion of  
 10 the grant to a public charter school [based on] **equal to the percentage for the distribution of**  
 11 **the general purpose grant as identified in** the charter of the school or **based on** any other  
 12 agreement between the school district and the public charter school.

13 (c) A public charter school that receives grant funds under this subsection [shall] **must** use  
 14 those funds for the activities specified in subsection (1) of this section.

15 (4)(a) The amount of each grant for a program or school district = the program's or school  
 16 district's ADMw  $\times$  (the total amount available for distribution to programs and school districts as  
 17 grants in each fiscal year  $\div$  the total ADMw of all programs and school districts that receive a  
 18 grant).

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

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

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

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

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

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

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

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

36 **SECTION 4.** ORS 327.731 is amended to read:

37 327.731. (1) Subject to rules of the State Board of Education, the Superintendent of Public In-  
 38 struction shall distribute a share of moneys in the School Capital Construction, Maintenance and  
 39 Technology Fund to school districts as education project grants. The education project grants shall  
 40 be distributed in one payment each distribution year. The education project grants shall be used for  
 41 any state education project, as defined in ORS 327.700.

42 (2) Each school district's education project grant = the district's extended ADMw for the dis-  
 43 tribution year  $\times$  (the total amount available for the grants in each distribution year  $\div$  the total  
 44 statewide extended ADMw in the distribution year).

45 (3)(a) Each school district shall deposit the amounts it receives as an education project grant

1 in a separate account[, *and shall*].

2 **(b) For each public charter school located in the school district, the school district shall**  
3 **transfer a portion of the grant to the public charter school and the public charter school**  
4 **shall deposit the amounts it receives in a separate account. The amount of the portion**  
5 **transferred does not need to be based on the percentage for the distribution of the general**  
6 **purpose grant but may be based on an agreement between the school district and the public**  
7 **charter school. The agreement may specify that the moneys received by the public charter**  
8 **school under this paragraph may be used only for state education projects that involve in-**  
9 **structional training.**

10 **(c) A school district or public charter school that receives and deposits moneys as de-**  
11 **scribed in this subsection shall:**

12 **(A) Apply amounts in that account to pay for costs of state education projects [*or shall*]; or**

13 **(B) Hold amounts in that account in reserve and apply them to pay costs of future state edu-**  
14 **cation projects.**

15 **(4) School districts and public charter schools receiving education project grants from the**  
16 **School Capital Construction, Maintenance and Technology Fund shall, if so directed by the Oregon**  
17 **Department of Administrative Services, take any action specified by the Oregon Department of Ad-**  
18 **ministrative Services that is necessary to maintain the excludability of lottery bond interest from**  
19 **gross income under the United States Internal Revenue Code.**

20 **SECTION 5. The amendments to ORS 327.297, 327.731 and 338.155 by sections 1 to 4 of this**  
21 **2015 Act apply to grants or distributions made on or after the effective date of this 2015 Act.**

22 **SECTION 6. This 2015 Act being necessary for the immediate preservation of the public**  
23 **peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect**  
24 **on its passage.**

25 \_\_\_\_\_