

**A-Engrossed**  
**Senate Bill 819**

Ordered by the Senate April 30  
Including Senate Amendments dated April 30

Sponsored by Senator ROBLAN, Representative KOMP, Senators KRUSE, OLSEN; Representative HUFFMAN

**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.

Modifies percentage of amounts school districts must pay from State School Fund to public charter schools that are not virtual public charter schools.

Directs school district or sponsor to transfer federal, state and local moneys to public charter schools on same basis moneys are transferred to nonchartered public schools in school district.

Considers transportation costs incurred by public charter school to be same as transportation costs incurred by school district.

**Directs Secretary of State to examine at least five public charter schools to identify services provided by sponsor, determine related expenses and identify and determine amount of public revenues directly or indirectly received by sponsor for public charter schools. Requires secretary to submit summary to appropriate legislative committees by January 15, 2017.**

Declares emergency, effective July 1, 2015.

**A BILL FOR AN ACT**

1  
2 Relating to public charter schools; creating new provisions; amending ORS 327.297, 338.145, 338.155  
3 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

**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 be distributed to the school district in which the public charter school is located.

2 **(2) A school district shall enter into a contract with a public charter school that provides**  
3 **for payment to the public charter school for the provision of educational services to the**  
4 **public charter school's students.**

5 **(3) Except as provided in subsections (4) and (5) of this section and ORS 338.165, the**  
6 **payment required under subsection (2) of this section shall equal an amount per weighted**  
7 **average daily membership (ADMw) of the public charter school that is at least equal to:**

8 **(a) Ninety-five percent of the amount of the school district's General Purpose Grant per**  
9 **ADMw, as calculated under ORS 327.013, for the sponsor if the sponsor is the board of a**  
10 **school district; or**

11 **(b) Ninety-five percent of the General Purpose Grant per ADMw, as calculated under ORS**  
12 **327.013, for the school district where the public charter school is located if the sponsor is the**  
13 **State Board of Education or an institution of higher education.**

14 [(2)] **(4) A school district shall contractually establish, with any virtual public charter school**  
15 **that is sponsored by the board of the school district, payment for provision of educational services**  
16 **to the virtual public charter school's students. The payment shall equal an amount per weighted**  
17 **average daily membership (ADMw) of the virtual public charter school that is at least equal to:**

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

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

23 [(3)] **(5) A school district shall contractually establish, with any virtual public charter school**  
24 **that is sponsored by the State Board of Education or an institution of higher education and that is**  
25 **within the boundaries of the school district, payment for provision of educational services to the**  
26 **virtual public charter school's students. The payment shall equal an amount per weighted average**  
27 **daily membership (ADMw) of the virtual 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**  
29 **calculated under ORS 327.013 for students who are enrolled in kindergarten through grade eight;**  
30 **and**

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

33 [(4)] **(6) The estimated amount of each school district's General Purpose Grant per ADMw shall**  
34 **be determined each year by the Department of Education and made available to all school districts.**

35 [(5)] **(7) The school district in which the public charter school is located shall transfer an**  
36 **amount per weighted average daily membership (ADMw) of the public charter school that is equal**  
37 **to 50 percent of the amount of the school district's General Purpose Grant per ADMw as calculated**  
38 **under ORS 327.013 that is not paid to the public charter school through a contract created pursuant**  
39 **to subsection [(2) or (3)] (3), (4) or (5) of this section to:**

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

43 **(b) For a public charter school sponsored by the State Board of Education, the Department of**  
44 **Education; or**

45 **(c) For a public charter school sponsored by an institution of higher education, the institution**

1 of higher education.

2 **(8)(a) A sponsor may retain any amounts that are not paid to a public charter school as**  
3 **provided by subsection (3), (4) or (5) of this section. Any amounts retained by the sponsor**  
4 **as provided by this subsection must be used for administrative costs incurred by the sponsor**  
5 **in relation to public charter schools.**

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

8 [(7)] **(9)** A school district and a public charter school may negotiate to establish a payment for  
9 the provision of educational services to the public charter school's students that is more than the  
10 minimum [amounts] **amount** specified in subsection [(2) or] (3), (4) or (5) of this section.

11 **(10)(a) In addition to payments received by a public charter school under subsection (3),**  
12 **(4) or (5) of this section and except as provided by ORS 338.165, the public charter school is**  
13 **entitled to receive 95 percent of:**

14 **(A) Any local, state or federal moneys received by a sponsor or by the school district in**  
15 **which the public charter school is located.**

16 **(B) Any local revenues, as described in ORS 327.011, that are available to the school dis-**  
17 **trict.**

18 **(b) Moneys described in paragraph (a) of this subsection must be distributed to a public**  
19 **charter school in the same proportion that the number of students enrolled at the public**  
20 **charter school bears to the number of students enrolled at the nonchartered public schools**  
21 **in the school district.**

22 **(c) Notwithstanding paragraph (a)(B) of this subsection, a virtual public charter school**  
23 **is not entitled to receive a portion of local revenues, as described in ORS 327.011, but a school**  
24 **district may choose to distribute a portion of local revenues to the virtual public charter**  
25 **school.**

26 [(8)] **(11)** A school district shall send payment to a public charter school based on a contract  
27 negotiated under this section within 10 days after receiving payments from the State School Fund  
28 pursuant to ORS 327.095 **or after receiving moneys pursuant to subsection (10) of this**  
29 **section.**

30 [(9)(a)] **(12)(a)** A public charter school may apply for any grant that is available to school dis-  
31 tricts or nonchartered public schools from the Department of Education. The department shall con-  
32 sider the application of the public charter school in the same manner as an application from a  
33 school district or nonchartered public school.

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

37 **SECTION 2. The amendments to ORS 338.155 by section 1 of this 2015 Act apply to con-**  
38 **tracts entered into or renewed by a sponsor and public charter school prior to, on or after**  
39 **the effective date of this 2015 Act.**

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

42 327.297. (1) In addition to those moneys distributed through the State School Fund, the Depart-  
43 ment of Education shall award grants to school districts, education service districts, the Youth  
44 Corrections Education Program and the Juvenile Detention Education Program for activities that  
45 relate to increases in student achievement, including:

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

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

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

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

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

9 (f) Services to at-risk youth;

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

12 (h) Vocational education programs;

13 (i) Literacy programs;

14 (j) School library programs; and

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

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

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

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

26 (3)(a) Notwithstanding ORS 338.155 [(9)] (12), the Department of Education may not award a  
27 grant under this section directly to a public charter school.

28 (b) A school district that receives a grant **for a public charter school** under this section  
29 [may] **shall** transfer a portion of the grant to [a] **the** public charter school based on the **criteria**  
30 **used to transfer grants to any nonchartered public school in the school district or based on**  
31 **the** charter of the school or any other agreement between the school district and the public charter  
32 school.

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

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

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

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

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

45 (B) For the Youth Corrections Education Program, the extended weighted average daily mem-

1 bership as calculated under ORS 327.026;

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

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

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

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

11 **SECTION 4.** ORS 327.297, as amended by section 9, chapter 704, Oregon Laws 2011, and section  
12 4, chapter 6, Oregon Laws 2014, is amended to read:

13 327.297. (1) In addition to those moneys distributed through the State School Fund, the Depart-  
14 ment of Education shall award grants to school districts, education service districts, the Youth  
15 Corrections Education Program and the Juvenile Detention Education Program for activities that  
16 relate to increases in student achievement, including:

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

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

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

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

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

25 (f) Services to at-risk youth;

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

28 (h) Vocational education programs;

29 (i) Literacy programs;

30 (j) School library programs; and

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

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

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

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

42 (3)(a) Notwithstanding ORS 338.155 [(9)] (12), the Department of Education may not award a  
43 grant under this section directly to a public charter school.

44 (b) A school district that receives a grant **for a public charter school** under this section  
45 [may] **shall** transfer a portion of the grant to [a] **the** public charter school based on the **criteria**

1 **used to transfer grants to any nonchartered public school in the school district or based on**  
 2 **the** charter of the school or any other agreement between the school district and the public charter  
 3 school.

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

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

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

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

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

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

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

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

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

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

27 **SECTION 5.** ORS 338.145 is amended to read:

28 338.145. (1) The public charter school shall be responsible for providing transportation to stu-  
 29 dents who reside within the school district and who attend the public charter school. The public  
 30 charter school may negotiate with a school district for the provision of transportation to students  
 31 attending the public charter school.

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

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

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

45 **(b) Any transportation costs incurred by a public charter school for providing transpor-**

1 tation to students who reside within the school district and who attend the public charter  
2 school shall be considered approved transportation costs for purposes of ORS 327.013 in the  
3 same manner as transportation costs incurred by a school district for transporting students  
4 are considered approved transportation costs for purposes of ORS 327.013. A school district  
5 shall pay the public charter school the total amount received by the school district for  
6 transportation costs incurred by the public charter school within 10 days after the school  
7 district receives the amount.

8 **SECTION 6.** The amendments to ORS 327.297, 338.145 and 338.155 by sections 1 and 3 to  
9 5 of this 2015 Act apply to State School Fund distributions and other distributions of moneys  
10 made to school districts commencing with the 2015-2016 distributions.

11 **SECTION 7.** ORS 340.073 is amended to read:

12 340.073. (1) A public charter school may elect to participate in the Expanded Options Program  
13 by amending its charter under ORS 338.065.

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

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

20 **SECTION 8.** (1) The Secretary of State shall conduct an examination of at least five  
21 public charter schools in this state.

22 (2) The examination shall be used to:

23 (a) Identify the services provided by the sponsor and by the public charter school relating  
24 to the operation of the public charter school;

25 (b) Determine the expenses related to the provision of the services identified in para-  
26 graph (a) of this subsection; and

27 (c) Identify and determine the amount of all public revenues directly or indirectly re-  
28 ceived by a sponsor for public charter schools.

29 (3) For the purpose of the examination described in subsection (2) of this section, the  
30 Secretary of State may enter into a contract with an organization that:

31 (a) Is based in this state;

32 (b) Specializes in the evaluation of public schools in this state, including public charter  
33 schools; and

34 (c) Is capable of providing an objective and unbiased analysis of the issues identified in  
35 subsection (2) of this section.

36 (4) The Secretary of State shall submit to the appropriate legislative committees related  
37 to education a summary of the examination described in subsection (2) of this section. The  
38 report must be submitted no later than January 15, 2017.

39 **SECTION 9.** Section 8 of this 2015 Act is repealed on December 31, 2017.

40 **SECTION 10.** In addition to and not in lieu of any other appropriation, there is appro-  
41 priated to the Secretary of State, for the biennium beginning July 1, 2015, out of the General  
42 Fund, the amount of \$55,000, which shall be expended for purposes of conducting the exam-  
43 ination described in section 8 of this 2015 Act.

44 **SECTION 11.** This 2015 Act being necessary for the immediate preservation of the public  
45 peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect

1 **July 1, 2015.**

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