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# MEMORANDUM

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**To:** Members of the Education Subcommittee

**From:** Doug Wilson, Legislative Fiscal Office  
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**Date:** February 22, 2016

**Subject:** SB 1537 Work Session Recommendations

## **Background Information**

SB 1537-A establishes criteria by which school districts may establish post-graduate scholar programs which receive and expend State School Fund moneys for certain students who have satisfied requirements for a high school diploma. The bill defines and establishes parameters for what is sometimes referred to as 5th year programs. The bill creates a formal program for students who have completed four years of high school and have completed diploma requirements. These students can remain in high school for one more year and attend community college for college credit. Community college courses must be approved by the district and may lead to a certificate or diploma. Students must seek federal student aid to participate and the student is ineligible for the program if the student is eligible for student aid equal to or more than the average cost of tuition.

Districts may choose to establish a post-graduate scholar program if the district meets certain requirements, including adopting a policy for the program, target inclusion of underserved students, describes achievement targets for participating students, describes monitoring and program measurement, enters into an agreement with the local community college, has dedicated staff for the program, and has staff visit and monitor student progress. The bill precludes creation or continuation of 5th year programs that are not post-graduate scholar programs. The bill precludes adding or extending bus routes to accommodate post-graduate scholars. A June 30, 2021 sunset date is set for the program.

The Department of Education (ODE), with input from the Higher Education Coordinating Commission (HECC), must compile information from existing data bases and convey that information to districts including number of participants and students who have completed a full school year. ODE must report by November 2018 (one time report) to the Legislature on program information and recommendations regarding the program. Technical assistance to districts are also a responsibility of the state agencies. HECC must also compile information collected from community colleges that details the costs incurred and amounts received by the colleges in connection with post-graduate programs. The HECC must report by November 2018 (one-time report).

The State School Fund resources distributed for participating students are reduced over time starting in the 2016-17 school year at 100% of normal distribution, reducing to 85% in 2017-18, and 75% for 2018-19 and beyond. No additional weights may be added for these students.

ODE estimates that the fiscal impact of this bill is \$82,102 General Fund and staffing resources equivalent to 0.48 FTE. The agency plans to use temporary staff or existing staff to complete these functions. ODE's responsibilities include compiling and reporting information from existing data bases for districts and legislative reporting, drafting any rules required resulting from the bill, provide technical assistance to districts, and modify the distribution models for the State School Fund. There is no impact on the total amount in the State School Fund from this bill, but the distribution between districts may change as a result of this bill. HECC's fiscal impact at this point is minimal but costs could occur if they find collecting the data required by the bill is more difficult than assumed.

**Recommended Changes to the Bill:**

The -A13 amendment provides an \$82,102 General Fund appropriation to the Oregon Department of Education for its data, technical assistance, State School Fund distribution modeling, and other costs resulting from the bill. The amendment also clarifies language relating to the eligibility of students for the post-graduate scholars program in relation to the Oregon Promise program.

The Legislative Fiscal Office recommends the –A13 amendment to the bill.

*Sen./Rep. \_\_\_\_\_ moves the –A13 amendment to SB 1537.*

**SB 1537 Final Subcommittee Action:**

***Final Motion:***

*Sen./Rep. \_\_\_\_\_ moves SB 1537 to the full committee as amended with a “do pass” recommendation.*

**Carriers:**

Full: \_\_\_\_\_

Senate: \_\_\_\_\_

House: \_\_\_\_\_