

**Enrolled**  
**Senate Bill 1537**

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CHAPTER .....

AN ACT

Relating to payment for community college courses by school districts; and declaring an emergency.

**Be It Enacted by the People of the State of Oregon:**

**SECTION 1. Section 2 of this 2016 Act is added to and made a part of ORS 327.006 to 327.133.**

**SECTION 2. (1) As used in this section, “post-graduate scholar” means a student who:**

- (a) Has been in grades 9 through 12 for more than a total of four school years; and**
- (b) Has satisfied the requirements for a high school diploma as provided in ORS 329.451**

**(2).**

**(2) A school district may establish a program under this section to allow:**

**(a) A post-graduate scholar who satisfies the requirements of subsection (3) of this section to:**

**(A) Enroll in courses at a community college that are part of a course of study approved by the school district and that may lead to a certificate or diploma;**

**(B) Enroll in the courses described in subparagraph (A) of this paragraph for one school year after the post-graduate scholar has satisfied the requirements for a high school diploma as provided in ORS 329.451 (2); and**

**(C) Have the school district pay the costs incurred for the courses described in subparagraph (A) of this paragraph, including tuition, fees and books.**

**(b) A school district that satisfies the requirements of subsection (4) of this section to receive and expend moneys distributed from the State School Fund under ORS 327.013 for the purpose of paying the costs described in paragraph (a)(C) of this subsection.**

**(3) A post-graduate scholar qualifies to participate in a program established under this section if the post-graduate scholar:**

**(a) Has completed and submitted the Free Application for Federal Student Aid, if eligible to file the application;**

**(b) Is not eligible for a grant under the Oregon Promise program described in ORS 341.522 because of failure to earn the minimum cumulative grade point average, or submitted a complete application for a grant under the Oregon Promise program by the established deadline but did not receive a grant;**

**(c) Is not eligible for a federal aid grant that is equal to or more than the average cost of tuition and fees at a community college, as determined by the Department of Education**

after consultation with the Executive Director of the Office of Student Access and Completion; and

(d) Retains a legal residence within the boundaries of the school district through which the post-graduate scholar satisfied the requirements for a high school diploma.

(4) A school district may receive and expend moneys distributed from the State School Fund under ORS 327.013 for a program established under this section if the school district meets all of the following criteria:

(a) Has a policy for the program that is adopted by the school district board and that describes:

(A) The goals of the program, including target high school graduation rates for underserved students;

(B) Minimum requirements for grade point average, attendance and participation in regular in-person meetings with school district staff to monitor student progress;

(C) The manner by which the results of the program will be measured and monitored; and

(D) The courses of study that are approved by the school district for the purpose of this section.

(b) Enters into a written agreement with the community college that has a service area within which the school district is located.

(c) Has dedicated staff to provide support services to post-graduate scholars, including regular in-person meetings to monitor student progress that occur at least twice each month.

(d) Ensures that a majority of students from the school district who are enrolled in courses at a community college meet at least one of the criteria identified in this paragraph. The student:

(A) Is not a post-graduate scholar;

(B) Has received a modified diploma, an extended diploma or a General Educational Development (GED) certificate;

(C) Was enrolled in an alternative high school program within the preceding 12 months;

(D) Is, or will be, a first-generation graduate of high school;

(E) Is, or has been, a child in a foster home;

(F) Is, or has been, placed in a facility or an education program by a court;

(G) Is homeless;

(H) Is a parent; or

(I) Was identified as eligible for free or reduced price lunches within the preceding 12 months.

(5) Notwithstanding ORS 327.013, the weighted average daily membership assigned for each post-graduate scholar shall be adjusted as follows:

(a) By subtracting 0.25 from the average daily membership assigned for each post-graduate scholar participating in the program established under this section; and

(b) Without adding any amounts identified in ORS 327.013 (1)(c)(A).

(6) For purposes of this section, a school district may not counsel or assist a student to delay receiving a high school diploma for the purpose of participating in a school-sponsored, post-secondary education program.

(7) Nothing in this section:

(a) Prohibits a school district from receiving or expending moneys related to the education of post-graduate scholars that are not received or expended for purposes of this section, as long as the school district does not receive or expend State School Fund distributions under ORS 327.013 for those purposes.

(b) Requires a post-graduate scholar to accept or use any federal grant moneys to offset costs of tuition, fees or books incurred by a post-graduate scholar at a community college.

(c) Requires a school district to add or extend existing bus routes or other transportation services for post-graduate scholars. Any transportation costs incurred by a school district to add or extend existing bus routes or other transportation services are not considered approved transportation costs for the purposes of ORS 327.013. Nothing in this paragraph prohibits post-graduate scholars from using existing bus routes or transportation services provided by the school district.

(8) Notwithstanding subsection (3) of this section, a post-graduate scholar may not accept or use any federal grant moneys to offset costs of tuition, fees or books incurred by a post-graduate scholar at a community college.

(9) A school district may receive or expend moneys distributed from the State School Fund under ORS 327.013 for post-graduate scholars who enroll in courses at a community college only if the post-graduate scholars are enrolled in the courses as part of a program established under this section.

**SECTION 3.** Section 2 of this 2016 Act applies to State School Fund distributions commencing with the 2016-2017 distributions.

**SECTION 4.** Notwithstanding section 2 (5)(a) of this 2016 Act, the weighted average daily membership assigned for each post-graduate scholar shall be adjusted as follows:

(1) For the 2016-2017 school year, no subtraction shall be made.

(2) For the 2017-2018 school year, by subtracting 0.15.

**SECTION 5.** No later than November 1, 2018, the Department of Education shall:

(1) Provide a report to the interim legislative committees on education that includes:

(a) The amount of moneys received by school districts from the State School Fund under ORS 327.013 for post-graduate scholars participating in a program established under section 2 of this 2016 Act.

(b) Subject to data available to the department, the number of post-graduate scholars for whom school districts received moneys from the State School Fund under ORS 327.013 for each of the preceding school years.

(2) Make recommendations for legislation to establish an equitable, sustainable and appropriate permanent funding mechanism for post-graduate scholar programs. The recommendations must consider:

(a) Input from school districts that have implemented, are implementing or are planning to implement a post-graduate scholar program.

(b) Input from the Higher Education Coordinating Commission.

(c) The amount of moneys received by all school districts from the State School Fund under ORS 327.013 for post-graduate scholars participating in a program established under section 2 of this 2016 Act.

(d) The appropriate amount, if any, to be calculated for each post-graduate scholar participating in a program established under section 2 of this 2016 Act for purposes of calculating weighted average daily membership for State School Fund distributions under ORS 327.013.

(e) Consideration of appropriate funding sources that are separate from the State School Fund for post-graduate scholar programs. The consideration must include:

(A) Methods by which funds would be distributed to school districts;

(B) The stability and sustainability of funding sources that would be used to support at-risk students who are not eligible for the Oregon Promise program established under ORS 341.522 because of failure to earn the minimum cumulative grade point average; and

(C) The estimated cost required to establish and administer alternative funding sources.

(3) Provide a report to each school district that established a program under section 2 of this 2016 Act. The report shall include the following information for the 2016-2017 and 2017-2018 school years:

(a) The number of post-graduate scholars enrolled at the school district who participated in the program;

(b) The number of post-graduate scholars enrolled at the school district who completed a full year in the program; and

(c) The percentage of post-graduate scholars enrolled at the school district who participated in the program and enrolled in a second school year at a post-secondary institution of education after completing the program.

**SECTION 6.** Section 5 of this 2016 Act is repealed on December 31, 2018.

**SECTION 7.** No later than November 1, 2018, the Higher Education Coordinating Commission shall make a report to the interim legislative committees on education that includes the costs incurred by community colleges and the amounts received by community colleges for post-graduate scholars who participated in a program established under section 2 of this 2016 Act. Community colleges shall cooperate with the commission for the purpose of making the report required by this section.

**SECTION 8.** Notwithstanding any other provision of law, the General Fund appropriation made to the Department of Education by section 1 (1), chapter 759, Oregon Laws 2015, for the biennium beginning July 1, 2015, for operations, is increased by \$82,102.

**SECTION 9.** Section 2 of this 2016 Act is repealed on June 30, 2021.

**SECTION 10.** This 2016 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2016 Act takes effect on its passage.

Passed by Senate February 26, 2016

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Lori L. Brocker, Secretary of Senate

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Peter Courtney, President of Senate

Passed by House March 2, 2016

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Tina Kotek, Speaker of House

Received by Governor:

.....M.,....., 2016

Approved:

.....M.,....., 2016

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Kate Brown, Governor

Filed in Office of Secretary of State:

.....M.,....., 2016

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Jeanne P. Atkins, Secretary of State