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**HB 2258: Oregon Career Technical Education Student Leadership Foundation**

**Purpose:**

HB 2258 adds “statewide nonprofit organizations promoting student leadership in career and technical education” to the list of entities that may receive CTE grant funds. By adding this language, the bill permits the Oregon Department of Education to contract with the Oregon Career Technical Education Student Leadership Foundation for the purpose of distributing CTE grant funds to chartered student organizations in schools across Oregon.

**Background:**

For several decades the Oregon Legislature has provided financial support for State Board of Education chartered Career and Technical Student Organizations (“chartered student organizations”) through grant in aid to the Oregon Department of Education.

The chartered students organizations, usually referred to as CTSOs, are student leadership organizations that are chartered by the State Board of Education. The Department of Education has approved six student organizations; The Foundation is currently working to grow the number of organizations to eight. Here is a list of the student organizations that are officially chartered or are in development:

- DECA – Emerging Leaders & Entrepreneurs
- FBLA – Future Business Leaders of America
- FCCLA – Family, Career and Community Leaders of America
- FFA – An Association of Agriculture Education Students
- FNRL – Future Natural Resource Leaders
- HOSA – Future Health Professionals
- SkillsUSA –Engineering and Industrial Education
- TSA – Technology Student Organization

Historically, the grant in aid for the chartered student organizations was administered as a contract with the Willamette Education Service District. Willamette Education Service District housed the executive directors of the six chartered student organizations on site in what was known as the Student Leadership Development Center. The Student Leadership Development Center coordinated statewide activities of the chartered student organizations.

Over time, the size of the grant in aid diminished and it was no longer financially feasible for Willamette Education Service District to support the Student Leadership Development Center. The Oregon Department of Education had to find a different way to support the chartered student organizations with the appropriated funds.

In 2011, the Oregon Career Technical Education Student Leadership Foundation was created to continue the work of supporting the chartered student organizations. The Foundation's Board is comprised of representatives of each of the chartered student organizations. The Foundation contracts with a service provider who then provides operations and financial services to all of the chartered student organizations with an economy of scale, greatly lowering operational costs, while improving leadership training for the state officers of all organizations.

In 2015, the Oregon Legislature passed HB 3072, an umbrella bill for many of the Legislature's Career Technical Education investments. In HB 3072, the legislature made clear that nonprofits were not eligible to receive the state grant funds for the programs that fell under HB 3072's umbrella. One impact of this decision was The Oregon Department of Education was no longer able to contract with the Foundation for the purpose of supporting the chartered student organizations. Instead, Department staff administered small grants to 250 individual schools' student organizations each year. And school districts and teachers had to deal with the more time-consuming state electronic grant management system, which generally deals with much larger-sized grants.

**Proposed language – why the Department used the term “statewide:”**

House Bill 3072 brought together under one umbrella bill many of the legislature's CTE investments, including the investment in the chartered student organizations. As noted above, HB 3072 included a list of entities that are eligible to receive the various state CTE grant funds. That list applies to all of the CTE investments under HB 3072, not just the specific investment the legislature has historically made in chartered student organizations.

HB 2258 is a very narrow proposal that would allow the Oregon Department of Education to contract with the Foundation for the purpose of distributing the grant in aid to chartered student organizations while still maintaining the Legislature's decision to exclude nonprofits generally from the other CTE investments. The language that is in the proposed bill is drafted very narrowly to essentially identify the role the Foundation now plays without calling the Foundation out by name. This is important for three reasons. First, if the bill were to call the Foundation out by name, that would preclude another comparable organization, if one should arise, from participating in the distribution of grant funds. Second, if the Foundation ever changed its name (as it did in 2011), the Department of Education would be required to go back to the Legislature to amend the statute. Finally, it is important that the term statewide is included because the grants are to be distributed to student organizations across the state, and the entity that the Department of Education contracts with to do that work should be a statewide entity.

**Fiscal Impact:**

There is no fiscal impact on the Department of Education.

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