

House Bill 2422

Sponsored by Representative PARRISH; Representative NEARMAN (Presession 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) All amounts to be distributed from the State School Fund for public charter schools shall
10 first be distributed to the school district in which the public charter school is located.

11 (c) For the purpose of determining the amounts to be distributed to a school district from the
12 State School Fund for a public charter school, the district extended ADMw described in ORS 327.013
13 shall be calculated:

14 (A) Except as provided by subparagraph (B) of this paragraph, as though the students enrolled
15 at a public charter school are students enrolled at the public schools of the school district in which
16 the public charter school is located.

17 (B) By not including any portion of the ADM of the public charter school for the previous school
18 year if the public charter school ceased to operate because of dissolution or closure or because of
19 termination or nonrenewal of a charter.

20 (2) A school district shall contractually establish, with any public charter school that is spon-
21 sored by the board of the school district, payment for provision of educational services to the public
22 charter school's students. The payment shall equal an amount per weighted average daily member-
23 ship (ADMw) of the public charter school that is at least equal to:

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

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

29 (3) A school district shall contractually establish, with any public charter school that is spon-
30 sored by the State Board of Education or an institution of higher education and that is within the

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 boundaries of the school district, payment for provision of educational services to the public charter
 2 school's students. The payment shall equal an amount per weighted average daily membership
 3 (ADMw) of the public charter school that is at least equal to:

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

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

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

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

16 (a) For a public charter school sponsored by the State Board of Education, the Department of
 17 Education; or

18 (b) For a public charter school sponsored by an institution of higher education, the institution
 19 of higher education.

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

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

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

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

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

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

39 **(A) Grants distributed from the State School Fund;**

40 **(B) Grants distributed from the School Capital Construction, Maintenance and Technol-**
 41 **ogy Fund;**

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

43 **(D) Funds distributed as provided by ORS 757.612.**

44 **SECTION 2.** ORS 327.297 is amended to read:

45 327.297. (1) In addition to those moneys distributed through the State School Fund, the Depart-

1 ment of Education shall award grants to school districts, education service districts, the Youth
 2 Corrections Education Program and the Juvenile Detention Education Program for activities that
 3 relate to increases in student achievement, including:

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

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

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

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

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

12 (f) Services to at-risk youth;

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

15 (h) Vocational education programs;

16 (i) Literacy programs;

17 (j) School library programs; and

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

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

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

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

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

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

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

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

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

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

45 (A) For a school district, the extended weighted average daily membership as calculated under

1 ORS 327.013, 338.155 (1) and 338.165 (2);

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

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

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

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

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

13 **SECTION 3.** ORS 327.731 is amended to read:

14 327.731. (1) Subject to rules of the State Board of Education, the Superintendent of Public In-
15 struction shall distribute a share of moneys in the School Capital Construction, Maintenance and
16 Technology Fund to school districts as education project grants. The education project grants shall
17 be distributed in one payment each distribution year. The education project grants shall be used for
18 any state education project, as defined in ORS 327.700.

19 (2) Each school district's education project grant = the district's extended ADMw for the dis-
20 tribution year × (the total amount available for the grants in each distribution year ÷ the total
21 statewide extended ADMw in the distribution year).

22 (3)(a) Each school district shall deposit the amounts it receives as an education project grant
23 in a separate account[, *and shall*].

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

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

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

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

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

42 **SECTION 4. The amendments to ORS 327.297, 327.731 and 338.155 by sections 1 to 3 of this**
43 **2017 Act apply to grants or distributions made on or after the effective date of this 2017 Act.**

44 **SECTION 5. This 2017 Act being necessary for the immediate preservation of the public**
45 **peace, health and safety, an emergency is declared to exist, and this 2017 Act takes effect**

1 **on its passage.**

2
