Senate Bill 687

Sponsored by Senator FREDERICK (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.

Requires school district applying for grant from Student Investment Account to specify how mental and behavioral health needs of certain students will be met with moneys from grant.

Requires review of use of grant moneys to meet students’ mental and behavioral health needs.

A BILL FOR AN ACT

Relating to meeting needs of certain student groups to improve academic outcomes; creating new provisions; and amending ORS 327.185 and 327.201.

Whereas the 2019 Student Success Act established the Student Investment Account (SIA) for the purposes of meeting students’ mental or behavioral health needs and increasing academic achievement for students, including reducing academic disparities for target populations; and

Whereas one of those target populations is students who are homeless; and

Whereas an analysis of applications submitted by school districts in 2020 for SIA grants found that, although there were at least 100 homeless students identified during the 2018-2019 school year, only four school districts planned to allocate SIA funds specifically toward homeless student services and only two school districts planned to use SIA funds for increasing staff capacity of homeless liaisons, whose sole responsibility under the McKinney-Vento Homeless Assistance Act is to support the education of homeless students; and

Whereas Oregon’s homeless student high school graduation rate of 60 percent is lower than the graduation rates of all other groups tracked by the Department of Education, including special education students (66 percent), students of underserved races or ethnicities (78 percent) and students who are English language learners during high school (66 percent); and

Whereas research shows that 50 percent of homeless youth suffer from mental disorders, which is a rate that is three times the average, but only nine percent of homeless youth have accessed mental health services; and

Whereas the COVID-19 crisis has increased the urgency for school districts to assist homeless students, given that homeless students are at greater risk of disease and hospitalization linked to COVID-19; and

Whereas progress to address the mental and behavioral health needs of homeless students and to close the academic achievement gap between housed and homeless students will not be realized without intentional planning and the application of well-researched best practices; now, therefore,

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

SECTION 1. ORS 327.185 is amended to read:

327.185. (1) As used in this section, “eligible applicant” means:

(a) Common school districts and union high school districts; and

(b) Public charter schools that are not virtual public charter schools, as defined in ORS 338.005,
and that have a student population of which:

(A) At least 35 percent of the student population is composed of students from the following student groups:
   (i) Economically disadvantaged, as described in ORS 327.180 (2)(b)(A);
   (ii) Racial or ethnic groups that have historically experienced academic disparities, as described in ORS 327.180 (2)(b)(B); or
   (iii) Students with disabilities, as described in ORS 327.180 (2)(b)(C); and

(B) The percentage of the students from student groups identified under subparagraph (A) of this paragraph is greater than:
   (i) The percentage of all students in the school district who are economically disadvantaged, if eligibility is determined based on the percentage of students who are economically disadvantaged;
   (ii) The percentage of all students in the school district who are from racial or ethnic groups that have historically experienced academic disparities, if eligibility is determined based on the percentage of students who are from those racial or ethnic groups; or
   (iii) The percentage of all students in the school district who are disabled, if eligibility is determined based on the percentage of students who are disabled.

(2)(a) Eligible applicants may apply for a grant from the Student Investment Account to receive a distribution under ORS 327.190.

(b) Notwithstanding ORS 338.155 (9), a public charter school that is not an eligible applicant may not apply for a grant under this section.

(3) Prior to preparing a grant application, an eligible applicant must:

(a) If the eligible applicant is a school district, determine whether the school district will allow public charter schools sponsored by the school district to participate in the grant application and the grant agreement.

(b) If the eligible applicant is a public charter school, determine whether the public charter school intends to apply for a grant and provide notice of that intent to the school district that is the sponsor of the public charter school and to the Department of Education.

(4)(a) If an eligible applicant is a school district and decides to include public charter schools in the grant application and grant agreement, the school district must provide all public charter schools sponsored by the school district the opportunity to participate in the grant application and grant agreement.

(b)(A) A public charter school is not required to participate in the grant application and grant agreement of a school district.

(B) If a public charter school does not participate in a grant application and grant agreement under this subsection:

(i) The ADMw of the public charter school may not be used in the calculation of the school district ADMw for grants distributed under ORS 327.195; and
(ii) The public charter school is not entitled to any grant moneys distributed under ORS 327.195.

(C) If a public charter school participates in a grant application and grant agreement under this subsection:

(i) The public charter school and school district shall enter into an agreement for the distribution of moneys or the provision of services, including any accountability measures required of the public charter school by the school district;

(ii) The ADMw of the public charter school shall be used in the calculation of the school district ADMw for grants distributed under ORS 327.195; and
(iii) The public charter school is entitled to any grant moneys or services provided for in the
agreement entered into under this subparagraph.

(5)(a) For the purpose of preparing a grant application, an eligible applicant must determine:
(A) Which of the allowed uses identified in ORS 327.180 (3) the eligible applicant will fund with
grant moneys; and
(B) Which of the eligible uses identified under subparagraph (A) of this paragraph the eligible
applicant will designate to meeting student mental and behavioral health needs.
(b) An eligible applicant shall make the determinations required under paragraph (a) of this
subsection by:
(A) Engaging in strategic planning; and
(B) Considering the recommendations of the Quality Education Commission established under
ORS 327.500.

(6)(a) The strategic planning required under subsection (5) of this section must include:
(A) A completed needs assessment, as described in ORS 329.095;
(B) An analysis of the potential academic impact, both for the students of the eligible applicant
and for student groups identified in ORS 327.180 (2)(b), from the allowed uses that would be funded
by grant moneys; and
(C) The creation of budgets for the allowed uses that would be funded by grant moneys.
(b) The strategic planning required under subsection (5) of this section must take into consid-
eration:
(A) Input from the community of the eligible applicant, including school employees, students
from student groups identified in ORS 327.180 (2)(b) and parents of those students; and
(B) Data collected by the eligible applicant to enable the eligible applicant to make equity-based
decisions.

(7) Based on the strategic planning described in subsection (6) of this section, the eligible ap-
plicant shall develop a four-year plan for the use of grant moneys. The plan must be updated every
two years and must:
(a) Identify which allowed uses identified in ORS 327.180 (3) will be funded with grant moneys
and which of those uses will be designated to meet student mental and behavioral health needs.
(b) Describe how the allowed uses identified under paragraph (a) of this subsection will be used
to:
(A) Meet students’ mental and behavioral health needs:
(i) Generally, for all students of the school district; and
(ii) Specifically, for each category of the student groups identified in ORS 327.180 (2)(b);
(B) Increase academic achievement for students of the eligible applicant; and
(C) Reduce academic disparities for student groups identified in ORS 327.180 (2)(b) who are
served by the eligible applicant, and identify which of those student groups will benefit from the
allowed uses that are being funded with grant moneys.
(c) Include the budgets for the allowed uses to be funded with grant moneys.
(d) Be approved by the governing body of the eligible applicant at an open meeting, following:
(A) Provision of the plan at the main office of the eligible applicant and on the eligible
applicant’s website;
(B) Oral presentation of the plan by an administrator of the eligible applicant to the governing
body of the eligible applicant; and
(C) Opportunity for the public to comment on the plan at an open meeting.
(e) Be a part of the local district continuous improvement plan described in ORS 329.095, if the eligible applicant is a school district.

(8) To apply for a grant, an eligible applicant must submit an application every two years in a format and according to timelines prescribed by the Department of Education. The application must include:

(a) A completed needs assessment, as described in ORS 329.095;
(b) The plan developed under subsection (7) of this section; and
(c) Budget estimates for each of the allowed uses identified in the plan developed under subsection (7) of this section that will be funded by grant moneys.

SECTION 2. ORS 327.201 is amended to read:

ORS 327.201. (1)(a) Each year, each recipient of a grant from the Student Investment Account shall:

(A) Conduct a financial audit of the use of grant moneys that is prepared in accordance with the Municipal Audit Law; and
(B) Review the grant recipient’s use of grant moneys to meet students’ mental and behavioral health needs; and

(C) Review the grant recipient’s progress toward meeting the performance growth targets in the grant agreement.

(b) Results of the financial audit, mental and behavioral health review and progress review must be:

(A) Made available at the main office of the grant recipient and on the grant recipient’s website.
(B) Presented to the governing body of the grant recipient at an open meeting, following:
   (i) Oral presentation of the results by an administrator of the grant recipient to the governing body of the grant recipient; and
   (ii) Opportunity for the public to comment on the results at an open meeting.
(C) Forwarded to the Department of Education.

(2)(a) Based on information received under subsection (1) of this section, the department shall determine each year whether grant moneys received by a grant recipient were used as provided by the grant agreement.

(b) If a grant recipient did not use grant moneys as provided by the grant agreement, the department shall:

(A) Collaborate with the grant recipient to identify and implement specific interventions;
(B) Provide technical assistance to the grant recipient as described in ORS 327.208; or
(C) Deduct amounts from future grant distributions.

(c) If amounts are to be deducted from future grant distributions under paragraph (b)(C) of this subsection, the grant recipient may appeal to the State Board of Education for review as provided by the board by rule.

(d) If a grant recipient fails to commit to spending all available grant moneys, the department may deduct amounts not committed from future grant distributions.

(3)(a) The department shall determine each biennium if a grant recipient does not meet performance growth targets identified in the grant agreement.

(b) If a grant recipient does not meet the performance growth targets:

(A) The grant recipient may submit an explanation for the reasons why the performance growth targets were not met; and
(B) The department may:
   (i) Take into consideration the explanation submitted by the grant recipient;
(ii) Require the grant recipient to enter into a coaching program described in ORS 327.214; or
(iii) Direct the expenditure of grant moneys.

(4) Each grant recipient must conduct a performance review every four years, as required by
standards adopted by the board by rule.

(5)(a) Based on a review of the information received under subsection (1) of this section, the
department may require a grant recipient to conduct a financial audit on a specific funding area or
multiple funding areas.

(b) The department may establish a procedure for conducting performance audits on a random
basis or based on just cause as allowed under rules adopted by the board.

SECTION 3. The amendments to ORS 327.185 and 327.201 by sections 1 and 2 of this 2021
Act first apply to grants for the 2022-2023 school year.