Requested by JOINT COMMITTEE ON WAYS AND MEANS

PROPOSED AMENDMENTS TO A-ENGROSSED HOUSE BILL 3198

- On page 1 of the printed A-engrossed bill, line 2, delete "327.800" and in-
- 2 sert "327.175, 327.180, 327.185, 327.190, 327.195, 327.201, 327.208, 327.214,
- 3 327.222, 327.254, 327.274, 327.362 and 327.800 and sections 2 and 3, chapter 43,
- 4 Oregon Laws 2022".
- In line 8, delete "14" and insert "8, 21 to 23, 26 and 27".
- On page 2, line 37, delete "14" and insert "8".
- On page 3, line 4, delete "9" and insert "21" and delete "11" and insert
- 8 **"23"**.
- In line 6, delete "13" and insert "26" and delete "14" and insert "27".
- In line 15, after the period insert "The grants shall be awarded from the
- 11 Student Investment Account and shall be in addition to those moneys dis-
- 12 tributed through the State School Fund.".
- In line 42, after "shall" insert "prioritize schools with the lowest rates
- of proficiency in English language arts and shall".
- On page 7, after line 9, insert:
- "SECTION 9. ORS 327.175 is amended to read:
- "327.175. (1) The Student Investment Account is established within the
- 18 Fund for Student Success.
- "(2) The Student Investment Account shall consist of:
- 20 "(a) Moneys transferred to the account from the Fund for Student Suc-
- 21 cess;

- "(b) Moneys appropriated or otherwise transferred to the account by the Legislative Assembly;
- 3 "(c) Amounts donated to the account; and
- 4 "(d) Other amounts deposited into the account from any source.
- 5 "(3) The Department of Education, on behalf of the State of Oregon, may 6 solicit and accept gifts, grants, donations and other moneys from public and 7 private sources for the Student Investment Account. Moneys received as 8 provided in this subsection shall be deposited into the Student Investment
- 9 Account.

- "(4) Moneys in the Student Investment Account are continuously appropriated to the Department of Education for the purposes of distributing the following grants:
 - "(a) Student Success Grants under ORS 327.195.
- 14 "(b) Early Literacy Success School Grants under section 5 of this 15 2023 Act.
- "SECTION 10. ORS 327.180 is amended to read:
- "327.180. (1) In addition to those moneys distributed through the State
 School Fund, the Department of Education shall award **Student Success**Grants from the Student Investment Account. Grants shall be distributed
 as provided under ORS 327.195.
- "(2) The purposes of grants distributed under ORS 327.195 shall be to:
- "(a) Meet students' mental or behavioral health needs; and
- 23 "(b) Increase academic achievement for students, including reducing aca-24 demic disparities for:
- 25 "(A) Economically disadvantaged students, as determined based on rules 26 adopted by the State Board of Education;
- "(B) Students from racial or ethnic groups that have historically experienced academic disparities, as determined under rules adopted by the State Board of Education;
- "(C) Students with disabilities;

- "(D) Students who are English language learners;
- 2 "(E) Students who are foster children, as defined in ORS 30.297;
- 3 "(F) Students who are homeless, as determined under rules adopted by the
- 4 State Board of Education; and
- 5 "(G) Any other student groups that have historically experienced aca-
- 6 demic disparities, as determined by the State Board of Education by rule.
- 7 "(3) Grant moneys received under ORS 327.195 may be used by a grant 8 recipient only for:
- 9 "(a) Increasing instructional time, which may include:
- "(A) More hours or days of instructional time;
- 11 "(B) Summer programs;
- "(C) Before-school or after-school programs; or
- "(D) Technological investments that minimize class time used for assessments administered to students.
- "(b) Addressing students' health or safety needs, which may include:
- "(A) Social-emotional learning and development;
- "(B) Student mental and behavioral health;
- 18 "(C) Improvements to teaching and learning practices or organizational 19 structures that lead to better interpersonal relationships at the school;
- 20 "(D) Student health and wellness;
- 21 "(E) Trauma-informed practices;
- 22 "(F) School health professionals and assistants; or
- 23 "(G) Facility improvements directly related to improving student health or safety.
- "(c) Reducing class sizes, which may include increasing the use of instructional assistants, by using evidence-based criteria to ensure appropriate student-teacher ratios or staff caseloads.
- 28 "(d) Expanding availability of and student participation in well-rounded 29 learning experiences, which may include:
- 30 "(A) Developmentally appropriate and culturally responsive early literacy

- 1 practices and programs in prekindergarten through third grade;
- 2 "(B) Culturally responsive practices and programs in grades six through
- 3 eight, including learning, counseling and student support that is connected
- 4 to colleges and careers;
- 5 "(C) Broadened curricular options at all grade levels, including access to:
- 6 "(i) Art, music and physical education classes;
- 7 "(ii) Science, technology, engineering and mathematics education;
- 8 "(iii) Career and technical education, including career and technical stu-
- 9 dent organization programs and payment of student fees, costs and instruc-
- 10 tors of those programs;
- "(iv) Electives that are engaging to students;
- "(v) Accelerated college credit programs, including dual credit programs,
- 13 International Baccalaureate programs and advanced placement programs;
- "(vi) Dropout prevention programs and transition supports;
- "(vii) Life skills classes; or
- "(viii) Talented and gifted programs; or
- "(D) Access to licensed educators with a library media endorsement.
- **"SECTION 11.** ORS 327.185 is amended to read:
- 19 "327.185. (1) As used in this section, 'eligible applicant' means any of the 20 following entities:
- "(a) Common school districts and union high school districts.
- 22 "(b) The Youth Corrections Education Program or the Juvenile Detention 23 Education Program.
- "(c) Public charter schools that are not virtual public charter schools, as defined in ORS 338.005, and that have a student population of which:
- 26 "(A) At least 35 percent of the student population is composed of students 27 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 **Student Success** Grant from the Student Investment Account to receive a distribution under ORS [327.190] **327.195**.
 - "(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, or located within, 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 in which the public charter school is located 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, or lo-

18

19

24

25

26

- cated within, the school district the opportunity to participate in the grant application and grant agreement.
- 3 "(b)(A) A public charter school is not required to participate in the grant
- 4 application and grant agreement of a school district.
- 5 "(B) If a public charter school does not participate in a grant application 6 and grant agreement under this subsection:
- "(i) The ADMw of the public charter school may not be used in the calsculation of the school district ADMw for grants distributed under ORS 9 327.195; 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.
- 23 "(5)(a) For the purpose of preparing a grant application, an eligible ap-24 plicant must determine:
- 25 "(A) Which of the allowed uses identified in ORS 327.180 (3) the eligible 26 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

15

16

17

- 1 paragraph (a) of this subsection by:
- 2 "(A) Engaging in strategic planning; and
- 3 "(B) Considering the recommendations of the Quality Education Commis-
- 4 sion established under ORS 327.500.

14

- 5 "(6)(a) The strategic planning required under subsection (5) of this section 6 must include:
- 7 "(A) A completed needs assessment, as described in ORS 329.095;
- 8 "(B) An analysis of the potential academic impact, both for the students
- 9 of the eligible applicant and for student groups identified in ORS 327.180
- 10 (2)(b), from the allowed uses that would be funded by grant moneys; and
- 11 "(C) The creation of budgets for the allowed uses that would be funded 12 by grant moneys.
 - "(b) The strategic planning required under subsection (5) of this section must take into consideration:
- "(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
- 18 "(B) Data collected by the eligible applicant to enable the eligible appli-19 cant to make equity-based decisions.
- "(7) Based on the strategic planning described in subsection (6) of this section, the eligible applicant 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.
- 26 "(b) Describe how the allowed uses identified under paragraph (a) of this 27 subsection will be used to:
 - "(A) Meet students' mental and behavioral health needs;
- 29 "(B) Increase academic achievement for students of the eligible applicant; 30 and

- 1 "(C) Reduce academic disparities for student groups identified in ORS
- 2 327.180 (2)(b) who are served by the eligible applicant, and identify which
- 3 of those student groups will benefit from the allowed uses that are being
- 4 funded with grant moneys.
- 5 "(c) Include the budgets for the allowed uses to be funded with grant 6 moneys.
- "(d) Be approved by the governing body of the eligible applicant at an open meeting, following:
- 9 "(A) Provision of the plan at the main office of the eligible applicant and 10 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
- 13 "(C) Opportunity for the public to comment on the plan at an open 14 meeting.
- 15 "(e) Be a part of the local district continuous improvement plan described 16 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:
- 20 "(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.
- 25 **"SECTION 12.** ORS 327.190 is amended to read:
- 26 "327.190. (1) As used in this section:
- "(a) 'Disaggregated' means separated based on the student groups identified in ORS 327.180 (2)(b).
- "(b) 'Five-year completion rate' means the percentage of students who received a high school diploma, a modified diploma or an extended diploma

- 1 or who received a certificate for passing an approved high school equiv-
- 2 alency test such as the General Educational Development test (GED) within
- 3 five years of the student beginning the ninth grade.

13

14

15

16

17

18

19

20

21

22

23

24

- "(c) 'High school diploma' means a diploma that is awarded to a student upon satisfaction of the requirements prescribed by ORS 329.451 (2).
- "(d) 'Ninth-grade on-track rates' means the percentage of students who, at the end of the summer following the year the students began ninth grade, completed one quarter of the credits required for high school graduation.
- "(e) 'On-time graduation rate' means the percentage of students who received a high school diploma or a modified diploma within four years of the students beginning the ninth grade.
 - "(f) 'Regular attendance rates' means the percentage of students who are absent, as determined by Department of Education policy, for less than 10 percent of the school days for which the students are enrolled.
 - "(g) 'Third-grade reading proficiency rate' means the percentage of students in the third grade who are determined to be proficient or above in English language arts, as determined under rules adopted by the State Board of Education.
 - "(2) The Department of Education shall review all applications for **Student Success** Grants from the Student Investment Account that comply with the requirements prescribed by ORS 327.185.
 - "(3) If an application complies with the requirements of ORS 327.185, the department shall collaborate with the grant recipient to develop applicable longitudinal performance growth targets. The longitudinal performance growth targets must:
- 26 "(a) Be based on data available for longitudinal analysis;
- 27 "(b) Be developed based on guidance established by the department; and
- 28 "(c) Use the following applicable metrics:
- 29 "(A) On-time graduation rates and five-year completion rates, including:
- "(i) The overall on-time graduation rate and five-year completion rate.

- "(ii) Gaps in disaggregated on-time graduation rates and five-year completion rates.
- 3 "(B) Ninth-grade on-track rates, including:
- 4 "(i) The overall ninth-grade on-track rate.
- 5 "(ii) Gaps in disaggregated ninth-grade on-track rates.
- 6 "(C) Third-grade reading proficiency rates, including:
- 7 "(i) The overall third-grade reading proficiency rate.
- 8 "(ii) Gaps in disaggregated third-grade reading proficiency rates.
- 9 "(D) Regular attendance rates, including:
- "(i) The overall regular attendance rate.
- "(ii) Gaps in disaggregated regular attendance rates.
- "(4) In addition to the metrics identified in subsection (3) of this section,
- 13 the following may be used to develop applicable performance growth targets:
- "(a) Local metrics; and
- 15 "(b) Targets related to student mental and behavioral health needs, as 16 established by the State Board of Education by rule.
- 17 "(5) When developing performance growth targets, the department and 18 grant recipient shall:
- "(a) Review disaggregated student data;
- 20 "(b) Apply a process adopted by the department for the purpose of stra-21 tegically developing equitable policies and programs; and
- "(c) Identify which student groups identified in ORS 327.180 (2)(b) are most at risk of not meeting performance growth targets.
- "(6)(a) After developing performance growth targets, the department and grant recipient shall enter into a grant agreement. The grant agreement must include applicable performance growth targets for measuring the academic growth of the students of the grant recipient.
- 28 "(b) A grant agreement is not valid until approved by the governing body 29 of the grant recipient at an open meeting following:
- 30 "(A) Provision of the plan at the main office of the grant recipient and

- on the grant recipient's website;
- 2 "(B) Oral presentation of the plan by an administrator of the grant re-
- 3 cipient to the governing body of the grant recipient; and
- 4 "(C) Opportunity for the public to comment on the plan at an open 5 meeting.
- 6 "(7) Any agreements between a public charter school and a grant recipi-7 ent that is a school district shall become part of the grant agreement.
- 8 **"SECTION 13.** ORS 327.195 is amended to read:
- "327.195. (1)(a) Except as provided by paragraph (d) of this subsection, the amount of a **Student Success** Grant awarded from the Student Investment Account = the grant recipient's ADMw × (the total amount available for distribution as **Student Success** Grants in each biennium ÷ the total ADMw of all grant recipients).
- 14 "(b) For purposes of this subsection and except as provided by paragraph
 15 (c) of this subsection, ADMw equals:
- "(A) For school districts, the ADMw as calculated under ORS 327.013, except that the additional amount allowed for students who are in poverty families, as determined under ORS 327.013 (1)(c)(A)(v)(I), shall be 0.5.
- "(B) For an educational program under the Youth Corrections Education Program or the Juvenile Detention Education Program, as provided in ORS 327.026.
- "(c) When calculating ADMw for a school district, the Department of Education shall remove from the calculation any amounts that are attributable to:
 - "(A) A virtual public charter school, as defined in ORS 338.005;
- 26 "(B) A public charter school that provided notice of the public charter 27 school's intent to apply for a grant as an eligible applicant; and
- 28 "(C) A public charter school sponsored by, or located within, the school 29 district that did not participate in the grant application or grant agreement.
- "(d) The amount of a grant distributed under this section may be adjusted

- 1 by the department to ensure that:
- "(A) A grant recipient does not receive any moneys for uses that are not allowed uses under ORS 327.180 (3).
- 4 "(B) A school district with an ADMw of 50 or less receives a minimum 5 grant amount.
- 6 "(2) The State Board of Education shall adopt any rules necessary for the 7 distribution of grants under this section, including establishing:
- 8 "(a) The minimum grant amounts under subsection (1)(d) of this section; 9 and
- "(b) Any percentages and timelines for installment payments and adjustments of those installment payments.
- "(3) A grant recipient shall deposit the grant moneys the grant recipient receives under this section into a separate account and shall apply amounts in that account as provided by the grant agreement.
- "SECTION 14. ORS 327.201 is amended to read:
- 16 "327.201. (1)(a) Each year, each recipient of a **Student Success** Grant 17 from the Student Investment Account shall:
- 18 "(A) Conduct a financial audit of the use of grant moneys that is prepared 19 in accordance with the Municipal Audit Law; and
- 20 "(B) Review the grant recipient's progress toward meeting the perform-21 ance growth targets in the grant agreement.
- 22 "(b) Results of the financial audit and progress review must be:
- 23 "(A) Made available at the main office of the grant recipient and on the 24 grant recipient's website.
- 25 "(B) Presented to the governing body of the grant recipient at an open 26 meeting, following:
- "(i) Oral presentation of the results by an administrator of the grant recipient to the governing body of the grant recipient; and
- 29 "(ii) Opportunity for the public to comment on the results at an open 30 meeting.

- "(C) Forwarded to the Department of Education.
- 2 "(2)(a) Based on information received under subsection (1) of this section,
- 3 the department shall determine each year whether grant moneys received by
- a grant recipient were used as provided by the grant agreement.
- 5 "(b) If a grant recipient did not use grant moneys as provided by the grant 6 agreement, the department shall:
- "(A) Collaborate with the grant recipient to identify and implement specific interventions;
- 9 "(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.
- 18 "(3)(a) The department shall determine each biennium if a grant recipient 19 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
- 23 "(B) The department may:

- 24 "(i) Take into consideration the explanation submitted by the grant re-25 cipient;
- 26 "(ii) Require the grant recipient to enter into a coaching program de-27 scribed in ORS 327.214; or
- 28 "(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)
- 2 of this section, the department may require a grant recipient to conduct a
- 3 financial audit on a specific funding area or multiple funding areas.
- 4 "(b) The department may establish a procedure for conducting perform-
- 5 ance audits on a random basis or based on just cause as allowed under rules
- 6 adopted by the board.

- 7 **"SECTION 15.** ORS 327.208 is amended to read:
- 8 "327.208. (1) The Department of Education shall make available technical
- 9 assistance to eligible applicants, as defined in ORS 327.185, and to recipients
- of a Student Success Grant from the Student Investment Account. The
- technical assistance shall include the provision of assistance with:
- "(a) Strategic planning for the use of grant moneys;
- 13 "(b) Developing an application for a **Student Success** Grant from the Student Investment Account;
- 15 "(c) Identifying and implementing best practices for meeting performance 16 growth targets; and
- "(d) Identifying and implementing promising practices related to a grant agreement.
 - "(2) When providing technical assistance, the department shall:
- 20 "(a) Apply a process adopted by the department to strategically develop 21 equitable policies and programs; and
- "(b) Ensure that technical assistance is based on the eligible applicant's or grant recipient's specific needs and demographics.
- "(3) For the purpose of providing technical assistance under this section, the department may enter into contracts with entities the department determines are qualified to provide the technical assistance.
 - **"SECTION 16.** ORS 327.214 is amended to read:
- "327.214. (1) The Department of Education shall establish a coaching program for recipients of a **Student Success** Grant from the Student Investment Account that do not meet the performance growth targets specified

- 1 in their grant agreements. A public charter school may participate in the
- 2 coaching program only if the public charter school received a grant directly
- 3 from the department and did not meet the performance growth targets spec-
- 4 ified in the public charter school's grant agreement.
- 5 "(2) If required by the department under ORS 327.201 to participate in a
- 6 coaching program, a grant recipient must participate in the coaching pro-
- 7 gram. Participation in the coaching program must be for at least one year,
- 8 unless the department allows for a shorter period of time. Under the pro-
- 9 gram, the department shall advise and counsel grant recipients on how to
- meet performance growth targets and shall assist grant recipients with on-
- 11 going professional development and peer collaboration.
- 12 "(3) After a grant recipient has completed the coaching program, the de-
- partment shall make available to the grant recipient ongoing technical as-
- 14 sistance as described in ORS 327.208.
- 15 "(4) For the purpose of providing the coaching program under this sec-
- 16 tion, the department may enter into contracts with entities the department
- 17 determines are qualified to provide the coaching.
 - **"SECTION 17.** ORS 327.222 is amended to read:
- 19 "327.222. (1) The Department of Education shall establish an intensive
- 20 program for school districts with the highest needs in this state.
- "(2)(a) The department shall identify and select school districts to par-
- 22 ticipate in the intensive program. The department may not select a public
- 23 charter school under this section.

- 24 "(b) A school district that agrees to participate in the intensive program
- 25 must participate in the program for at least four years.
- 26 "(3) A school district that agrees to participate in the intensive program
- 27 shall be eligible for additional funding from the Statewide Education Initi-
- 28 atives Account. The additional funding shall be based on rules adopted by
- 29 the State Board of Education and shall be calculated based on the ADMw
- of the school district, as calculated under ORS 327.195.

- "(4) A school district that agrees to participate in the intensive program 1 shall:
- "(a) Commit to regular student success plan meetings to monitor prac-3 4 tices;
- "(b) Use data to track student progress; 5

- "(c) Ensure school employees receive appropriate professional develop-6 ment and training; 7
- "(d) Create safe and inclusive learning environments; 8
- "(e) Improve school and school district practices and structures to support 9 teaching and learning; and 10
- "(f) Improve the skills of the members of the school board. 11
- "(5) For the purpose of assisting school districts participating in the in-12 tensive program, the department shall establish student success teams. Stu-13 dent success teams shall be composed of personnel with expertise in school 14 and school district improvement strategies, including the use of differen-15 tiated instruction and inclusionary practices. 16
- "(6)(a) Under the intensive program, student success teams shall: 17
- "(A) Advise and counsel school districts on how to improve performance 18 outcomes; and 19
- "(B) Develop recommendations for meeting performance growth targets. 20
- "(b) School district boards and superintendents of school districts partic-21 ipating in an intensive program must: 22
- "(A) Accept all recommendations of the student success teams related to 23 the use of Student Success Grant moneys from the Student Investment 24 Account [grant moneys] and additional funding received under this section; 25 26 and
- "(B) Consider all recommendations of the student success teams not de-27 scribed in subparagraph (A) of this paragraph. 28
- "(c) A school district that receives recommendations under this subsection 29 must issue a report that: 30

- "(A) Describes the recommendations;
- "(B) Identifies the recommendations that will be implemented and the timelines for implementing the recommendations; and
- "(C) Identifies the recommendations that will not be implemented and an explanation for why the recommendations will not be implemented.
- 6 "(d) The report required under paragraph (c) of this subsection must be:
- "(A) Made available at the school district's main office and on the school district's website; and
- 9 "(B) Distributed to the school district community, including employees 10 of the school district and families of the students of the school district.
 - **"SECTION 18.** ORS 327.362 is amended to read:
- 12 "327.362. (1) As used in this section:

15

16

17

18

- 13 "(a) 'ADMw' means weighted average daily membership, as calculated under ORS 327.013.
 - "(b) 'Eligible public charter school' means a public charter school that is not a virtual public charter school, as defined in ORS 338.005, and that has a student population of which at least 65 percent of the total student population is composed of students from the following combined student groups:
- "(A) Racial or ethnic groups that have historically experienced academic disparities, as described in ORS 327.180 (2)(b)(B); and
 - "(B) Students with disabilities, as described in ORS 327.180 (2)(b)(C).
- "(2) In addition to those moneys distributed through the State School Fund, the Department of Education shall award grants under this section to eligible public charter schools from the Statewide Education Initiatives Account.
- "(3) The amount of a grant awarded to an eligible public charter school under this section = the public charter school's ADMw × the difference between:
- "(a) The amount of the General Purpose Grant per ADMw for the school district that has contractually established payment for the provision of edu-

- 1 cational services to the public charter school's students under ORS 338.155
- 2 (2) or (3); and
- 3 "(b) The amount of the General Purpose Grant per ADMw that the public
- 4 charter school receives under a contract for the provision of educational
- 5 services to the public charter school's students under ORS 338.155 (2) or (3).
- 6 "(4) The purpose of grants distributed under this section shall be to in-
- 7 crease academic achievement, including reducing academic disparities, for:
- 8 "(a) Students from racial or ethnic groups that have historically experi-
- 9 enced academic disparities, as determined under rules adopted by the State
- 10 Board of Education; and
- "(b) Students with disabilities.
- 12 "(5) Any eligible public charter school may apply for and receive a grant
- as provided by this section. A grant application must:
- "(a) Describe how grant moneys will be used to advance the purpose de-
- scribed in subsection (4) of this section.
- "(b) Specify the supports that will be:
- "(A) Provided to students with a disability; or
- 18 "(B) Used to enhance special education and related services that are
- provided by a school district under ORS 338.165 to the students of the public
- 20 charter school.
- 21 "(c) Identify any applicable longitudinal performance growth targets for
- 22 the public charter school that have been established:
- 23 "(A) Under contract between the public charter school and the sponsor
- of the public charter school; or
- 25 "(B) By the public charter school or the school district in which the
- 26 public charter school is located for purposes of **Student Success** Grants
- 27 from the Student Investment Account, as provided by ORS 327.190.
- 28 "(d) Be submitted based on the timelines and forms prescribed by the de-
- 29 partment.
- 30 "(6)(a) If the department determines that a grant application complies

- with the requirements prescribed under this section, the department shall enter into a grant agreement with the eligible public charter school.
- 3 "(b) A grant agreement must include longitudinal performance growth
- 4 targets for the public charter school. If the grant application identified lon-
- 5 gitudinal performance growth targets, those targets shall be included in the
- 6 grant agreement. If the grant application did not identify longitudinal per-
- 7 formance growth targets, the public charter school shall collaborate with the
- 8 department to develop longitudinal performance growth targets. Longitudi-
- 9 nal performance growth targets must:

17

18

19

20

- "(A) Be based on data available for longitudinal analysis; and
- "(B) Use the following applicable metrics:
- "(i) Third-grade reading proficiency rates, as defined in ORS 327.190;
- "(ii) Regular attendance rates, as defined in ORS 327.190; and
- "(iii) Any other metrics identified by the department in collaboration with the public charter school.
 - "(7) After the department and the public charter school have entered into a grant agreement, the department shall award a grant to the public charter school in the amount calculated under subsection (3) of this section. A grant recipient shall deposit grant moneys received under this section into a separate account and shall apply the amounts in that account as provided by the grant agreement.
- 22 "(8)(a) Each year, each grant recipient must submit to the department a 23 description of:
- "(A) How grant moneys received under this section were used to advance the purpose described in subsection (4) of this section and to meet performance growth targets in the grant agreement; and
- 27 "(B) Progress made by the grant recipient toward meeting the perform-28 ance growth targets in the grant agreement.
- 29 "(b) A grant recipient shall provide the information required under this 30 subsection based on the timelines and forms prescribed by the department.

- 1 To the greatest extent practicable, the department shall accept the informa-
- 2 tion described in this subsection in the manner that it is made available by
- a public charter school to the sponsor of the public charter school.
- 4 "(9) To the greatest extent practicable, any requirements prescribed by
- 5 the department or the board under this section in relation to an application,
- a grant agreement or the submission of information under subsection (8) of
- 7 this section shall reduce any redundancies between a grant awarded under
- 8 this section and a Student Success Grant awarded from the Student In-
- 9 vestment Account. Reduction in redundancies includes accepting for the
- 10 purposes of grants awarded under this section any applicable forms or in-
- 11 formation submitted by the public charter school to the department or a
- 12 school district for the purposes of a **Student Success** Grant awarded from
- 13 the Student Investment Account.
- 14 "(10) A public charter school and a school district may not consider
- 15 moneys received by the public charter school under this section when es-
- tablishing payment for the provision of educational services to the public
- charter school's students under ORS 338.155 (2) or (3).
- "(11) Prior to November 1 of each odd-numbered year, the department
- 19 shall submit to the appropriate interim legislative committees a report re-
- 20 lated to the grants awarded under this section. The report must describe:
- 21 "(a) The public charter schools that applied for the grants and the public
- 22 charter schools that received the grants;
- 23 "(b) The longitudinal performance growth targets included in grant
- agreements, as provided by subsection (6)(b) of this section; and
- 25 "(c) Progress made toward meeting longitudinal performance growth tar-
- gets, as reported under subsection (8)(a) of this section.
- 27 "(12) The State Board of Education shall adopt any rules necessary for
- 28 the distribution of grants under this section.
- "SECTION 19. Section 2, chapter 43, Oregon Laws 2022, is amended to
- 30 read:

- "**Sec. 2.** (1) As used in this section:
- 2 "(a) 'ADMw' means the weighted average daily membership of a school
- 3 district, as calculated under ORS 327.013 (1)(c)(A), minus any ADMw attrib-
- 4 utable to a virtual public charter school, as defined in ORS 338.005.
- 5 "(b) 'District ADM' means the average daily membership, as defined in
- 6 ORS 327.006, for a school district, minus any ADM attributable to a virtual
- 7 public charter school, as defined in ORS 338.005.
- 8 "(c) 'District extended ADMw' means the ADMw or ADMw of the prior
- 9 year, whichever is greater.
- "(d) '2020 wildfires' includes all wildfires that were identified in an exec-
- 11 utive order issued by the Governor in accordance with the Emergency
- 12 Conflagration Act under ORS 476.510 to 476.610 between August 1 and Sep-
- 13 tember 30, 2020.

- "(2) In addition to distributions made from the State School Fund, [and]
- 15 distributions made for Student Success Grants from the Student In-
- vestment Account and apportionments made from the High School Gradu-
- ation and College and Career Readiness Fund, the Department of Education
- shall award grants each school year to wildfire-impacted school districts as
- 19 provided by this section.
- 20 "(3) A school district may apply for a grant under this section if:
- "(a) The district ADM, as compared to the district ADM for the 2019-2020
- 22 school year, decreased for any school year occurring after the 2019-2020
- 23 school year; and
- 24 "(b) The school district can demonstrate that one or more of the following
- 25 occurred:
- 26 "(A) One or more school buildings of the school district were damaged
- 27 as the result of the 2020 wildfires and that damage resulted in students being
- 28 displaced from the building or the building being closed to students;
- 29 "(B) Housing within the boundaries of the school district was damaged
- as a result of the 2020 wildfires and that damage resulted in students being

- 1 displaced from the school district; or
- 2 "(C) Any other circumstances identified by the State Board of Education
- 3 by rule as being directly related to the 2020 wildfires and causing a decrease
- 4 in the district ADM.
- 5 "(4)(a) Except as provided by subsection (5) of this section, the amount
- 6 of a grant awarded under this section shall equal the greater of the sum
- 7 calculated under paragraph (b) or (c) of this subsection.
- 8 "(b) The following shall be added to determine the difference in amounts
- 9 distributed to a school district based on ADMw:
- "(A) The difference between the following, in relation to distributions
- 11 from the State School Fund under ORS 327.013:
- "(i) The amount that would have been distributed to the school district
- 13 for the current school year from the State School Fund under ORS 327.013,
- as calculated based on the district extended ADMw for the 2019-2020 school
- 15 year; and
- "(ii) The amount actually distributed to the school district for the current
- 17 school year from the State School Fund under ORS 327.013, as calculated
- based on the district extended ADMw for the current school year;
- 19 "(B) The difference between the following, in relation to distributions
- 20 from the Student Investment Account under ORS 327.195:
- "(i) The amount that would have been distributed to the school district
- 22 for the current school year from the Student Investment Account under ORS
- 327.195, as calculated based on the district extended ADMw for the 2019-2020
- 24 school year; and
- "(ii) The amount actually distributed to the school district for the current
- 26 school year from the Student Investment Account under ORS 327.195, as
- 27 calculated based on the district extended ADMw for the current school year;
- 28 and
- 29 "(C) The difference between the following, in relation to apportionments
- 30 from the High School Graduation and College and Career Readiness Fund

- 1 under ORS 327.859:
- 2 "(i) The amount that would have been apportioned to the school district
- 3 for the current school year from the High School Graduation and College
- 4 and Career Readiness Fund under ORS 327.859, as calculated based on the
- 5 district extended ADMw for the 2019-2020 school year; and
- 6 "(ii) The amount actually apportioned to the school district for the cur-
- 7 rent school year from the High School Graduation and College and Career
- 8 Readiness Fund under ORS 327.859, as calculated based on the district ex-
- 9 tended ADMw for the current school year.
- "(c) The following shall be added to determine the difference in amounts distributed to a school district based on district ADM:
- "(A) The difference between the following, in relation to distributions from the State School Fund under ORS 327.013:
- "(i) The amount that would have been distributed to the school district
- 15 for the current school year from the State School Fund under ORS 327.013,
- as calculated based on the district ADM for the 2019-2020 school year; and
- "(ii) The amount actually distributed to the school district for the current
- school year from the State School Fund under ORS 327.013, as calculated
- 19 based on the district ADM for the current school year;
- "(B) The difference between the following, in relation to distributions
- 21 from the Student Investment Account under ORS 327.195:
- "(i) The amount that would have been distributed to the school district
- 23 for the current school year from the Student Investment Account under ORS
- 24 327.195, as calculated based on the district ADM for the 2019-2020 school
- 25 year; and
- 26 "(ii) The amount actually distributed to the school district for the current
- 27 school year from the Student Investment Account under ORS 327.195, as
- 28 calculated based on the district ADM for the current school year; and
- 29 "(C) The difference between the following, in relation to apportionments
- 30 from the High School Graduation and College and Career Readiness Fund

- 1 under ORS 327.859:
- 2 "(i) The amount that would have been apportioned to the school district
- 3 for the current school year from the High School Graduation and College
- 4 and Career Readiness Fund under ORS 327.859, as calculated based on the
- 5 district ADM for the 2019-2020 school year; and
- 6 "(ii) The amount actually apportioned to the school district for the cur-
- 7 rent school year from the High School Graduation and College and Career
- 8 Readiness Fund under ORS 327.859, as calculated based on the district ADM
- 9 for the current school year.
- 10 "(5) The department may prorate the amount of a grant calculated under
- subsection (4) of this section if the department finds, based on rules adopted
- by the State Board of Education, that only a portion of the decrease in dis-
- 13 trict ADM, as compared to the 2019-2020 school year, is attributable to the
- 14 2020 wildfires.
- "(6) A school district may qualify for a grant under this section only for
- school years in which the district ADM for the current school year is less
- than the district ADM for the 2019-2020 school year.
- 18 "(7)(a) The department shall award grants under this section from moneys
- 19 available in the School Stabilization Subaccount for Wildfire-impacted
- 20 School Districts established under section 4 [of this 2022 Act], chapter 43,

Oregon Laws 2022.

- "(b) When awarding a grant, the department shall identify the portion of
- 23 the grant that is attributable to:
- "(A) Distributions from the State School Fund under ORS 327.013;
- 25 "(B) Distributions from the Student Investment Account under ORS
- 26 327.195; and

- 27 "(C) Apportionments from the High School Graduation and College and
- 28 Career Readiness Fund under ORS 327.859.
- "(c) A school district that receives a grant under this section shall use
- 30 the portions of the grant for the purposes for which the portions were in-

- 1 tended, including:
- 2 "(A) Using the portion of the grant attributable to distributions from the
- 3 Student Investment Account in a manner that is consistent with how the
- 4 school district uses other distributions from the account; and
- 5 "(B) Using the portion of the grant attributable to apportionments from
- 6 the High School Graduation and College and Career Readiness Fund in a
- 7 manner that is consistent with how the school district uses other appor-
- 8 tionments from the fund.
- 9 "(8) The State Board of Education shall adopt any rules necessary for the
- 10 administration of this section, including adopting a reporting requirement
- to ensure compliance with the provisions of subsection (7)(c) of this section.
- "SECTION 20. Section 3, chapter 43, Oregon Laws 2022, is amended to
- 13 read:
- "Sec. 3. (1) Section 2 [of this 2022 Act], chapter 43, Oregon Laws 2022,
- applies to State School Fund [and] distributions, Student Success Grant
- distributions from the Student Investment Account [distributions and to]
- 17 and High School Graduation and College and Career Readiness Fund ap-
- 18 portionments made for the 2021-2022, 2022-2023, 2023-2024 and 2024-2025 school
- 19 years.
- 20 "(2) The Department of Education shall award grants under section 2 [of
- 21 this 2022 Act], chapter 43, Oregon Laws 2022, to qualifying school districts
- 22 for the 2021-2022, 2022-2023, 2023-2024 and 2024-2025 school years.".
- In line 13, delete "9" and insert "21".
- In line 32, delete "10" and insert "22" and delete "9" and insert "21".
- In line 33, delete "9" and insert "21".
- In line 35, delete "11" and insert "23".
- In line 43, delete "9" and insert "21".
- Delete lines 44 and 45.
- On page 8, delete lines 1 and 2 and insert:
- "SECTION 24. ORS 327.274, as amended by section 29, chapter 27, Oregon

- 1 Laws 2022, is amended to read:
- "327.274. (1) The Department of Education and the Early Learning Divi-
- 3 sion shall use moneys in the Early Learning Account to provide funding for
- 4 early learning programs in a manner consistent with a statewide early
- 5 learning system plan overseen by the Early Learning Council. Early learning
- 6 programs that may receive moneys from the Early Learning Account include:
- "(a) The Birth Through Five Literacy Plan established by section
 21 of this 2023 Act;
- 9 "[(a)] (b) Early childhood special education or early intervention services, 10 as provided by ORS 343.475;
- "[(b)] (c) Relief nurseries;
- "[(c)] (d) Programs funded by the Early Childhood Equity Fund;
- "[(d)] (e) The Oregon prekindergarten program and other public preschool programs established under ORS 329.170 to 329.200, by increasing:
- 15 "(A) The total number of spaces for children served by the programs; or
- "(B) Existing spaces for full-day programs from half-day programs;
- "[(e)] (f) Professional development for early childhood educators; and
- "[(f)] (g) Early Head Start programs.
- "(2) In addition to the uses identified in subsection (1) of this section,
 moneys in the Early Learning Account may be used for:
- "(a) Staffing needs of the Early Learning Division for the purpose of implementing this section.
- 23 "(b) Costs incurred by the division in conducting the biennial evaluation 24 of programs that receive grants under ORS 417.782.
- 25 "(3) The State Board of Education and the Early Learning Council shall 26 adopt rules necessary for the distribution of moneys under this section.
- "SECTION 25. ORS 327.274, as amended by section 21, chapter 631, Oregon Laws 2021, and section 30, chapter 27, Oregon Laws 2022, is amended to read:
- 30 "327.274. (1) The Department of Early Learning and Care shall use moneys

- 1 in the Early Learning Account to provide funding for early learning pro-
- 2 grams in a manner consistent with a statewide early learning system plan
- 3 overseen by the Early Learning Council. Early learning programs that may
- 4 receive moneys from the Early Learning Account include:

"(a) The Birth Through Five Literacy Plan established by section 21 of this 2023 Act;

- 7 "[(a)] (b) Early childhood special education or early intervention services,
- 8 as provided by ORS 343.475;
- 9 "[(b)] (c) Relief nurseries;
- "[(c)] (d) Programs funded by the Early Childhood Equity Fund;
- "[(d)] (e) The Oregon prekindergarten program and other public preschool
- programs established under ORS 329.170 to 329.200, by increasing:
- "(A) The total number of spaces for children served by the programs; or
- "(B) Existing spaces for full-day programs from half-day programs;
- "[(e)] (f) Professional development for early childhood educators; and
- "[(f)] (g) Early Head Start programs.
- "(2) In addition to the uses identified in subsection (1) of this section,
- 18 moneys in the Early Learning Account may be used for:
- "(a) Staffing needs of the Department of Early Learning and Care for the
- 20 purpose of implementing this section.
- 21 "(b) Costs incurred by the department in conducting the biennial evalu-
- 22 ation of programs that receive grants under ORS 417.782.
- 23 "(3) The Early Learning Council shall adopt rules necessary for the dis-
- 24 tribution of moneys under this section.".
- In line 6, delete "13" and insert "26".
- In line 32, delete "14" and insert "27".
- In line 41, delete "13" and insert "26".
- Delete lines 42 through 45 and insert:
- 29 **"SECTION 28.** ORS 327.254 is amended to read:
- 30 "327.254. (1) The Department of Education shall use moneys in the State-

- 1 wide Education Initiatives Account to provide funding for statewide educa-
- 2 tion initiatives, including:
- 3 "(a) Funding the Early Literacy Success Community Grant program
- 4 established by section 26 of this 2023 Act;
- 5 "[(a)] (b) Funding the High School Graduation and College and Career
- 6 Readiness Act at the levels prescribed by ORS 327.856;
- 7 "[(b)] (c) Expanding school breakfast and lunch programs;
- 8 "[(c)] (d) Operating youth reengagement programs or providing youth re-
- 9 engagement services;
- "[(d)] (e) Establishing and maintaining the Statewide School Safety and
- 11 Prevention System under ORS 339.341;
- "[(e)] (f) Developing and providing statewide equity initiatives, including
- the Black or African-American education plan developed under ORS 329.841,
- the American Indian or Alaska Native education plan developed under ORS
- 329.843, the Latino or Hispanic education plan developed under ORS 329.845
- or any similar education plan identified by the department;
- "[(f)] (g) Providing summer learning programs at schools that are con-
- sidered high poverty under Title I of the federal Elementary and Secondary
- 19 Education Act of 1965;
- 20 "[(g)] (h) Funding early warning systems to assist students in graduating
- 21 from high school, as described in ORS 327.367;
- "[(h)] (i) Developing and implementing professional development programs
- 23 and training programs, including programs that increase educator diversity
- 24 and retain diverse educators;
- 25 "[(i)] (j) Planning for increased transparency and accountability in the
- 26 public education system of this state;
- "[(j)] (k) Providing additional funding to school districts participating in
- 28 the intensive program under ORS 327.222;
- "[(k)] (L) Providing technical assistance, including costs incurred for:
- "(A) The coaching program described in ORS 327.214; and

- "(B) The intensive program described in ORS 327.222, including costs for student success teams;
- 3 "[(L)] (m) Funding public charter schools, as described in ORS 327.362;
- "[(m)] (n) Funding education service districts, as described in subsection

 (2) of this section; and
- "[(n)] (o) Funding costs incurred by the department in implementing this section and ORS 327.175 to 327.235 and 327.274.
- "(2)(a) The amount of a distribution to an education service district under this section shall be made as provided by paragraph (b) of this subsection after calculating the following for each education service district:
 - "(A) One percent of the total amount available for distribution to education service districts in each biennium.
 - "(B) The education service district's ADMw × (the total amount available for distribution to education service districts in each biennium ÷ the total ADMw of all education service districts that receive a distribution).
 - "(b) The amount of the distribution to an education service district shall be the greater of the amounts calculated under paragraph (a) of this subsection, except that, for distributions made as provided by paragraph (a)(B) of this subsection, the total amount available for distribution to education service districts shall be the amount remaining after any distributions required under paragraph (a)(A) of this subsection have been made.
 - "(c) For purposes of this subsection, ADMw equals the ADMw as calculated under ORS 327.013, except that the additional amount allowed for students who are in poverty families, as determined under ORS 327.013 (1)(c)(A)(v)(I), shall be 0.5.
- "(d) An education service district shall use moneys received under this section as provided by a plan developed by the school districts located within the education service district. A school district that declines to participate in the development of the plan or that has withdrawn from an education service district as provided by ORS 334.015 is not entitled to any moneys

12

13

14

15

16

17

18

19

20

21

22

23

24

- distributed to the education service district under this subsection.
 - "(e) A plan developed under this subsection must:
- "(A) Align with and support school districts in meeting the performance growth targets of the school districts developing the plan;
- "(B) Include the provision of technical assistance to school districts in developing, implementing and reviewing a plan for receiving a **Student**7 **Success** Grant from the Student Investment Account;
- 8 "(C) Provide for coordination with the department in administering and 9 providing technical assistance to school districts, including coordinating any 10 coaching programs established under ORS 327.214; and
 - "(D) Be adopted and amended as provided for local service plans under ORS 334.175 and approved by the department.
 - "(f) Each education service district must submit an annual report to the department that:
 - "(A) Describes how the education service district spent moneys received under this subsection; and
 - "(B) Includes an evaluation of the education service district's compliance with the plan from the superintendent of each school district that participated in the development of the plan.
 - "(3) The State Board of Education shall adopt rules necessary for the distribution of moneys under this section.

2

11

12

13

14

15

16

17

18

19

20

21

"EARLY LITERACY FUNDING

24

25

26

27

28

29

30

"SECTION 29. Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 10, chapter ____, Oregon Laws 2023 (Enrolled House Bill 5014), for the biennium beginning July 1, 2023, as the maximum limit for payment of grants-in-aid, program costs and purchased services by the Department of Education from the Student Investment Account established under ORS 327.175

is increased by \$115,671,759 for Early Literacy Success School Grants.

"SECTION 30. Notwithstanding any other law limiting expenditures, the amount of \$1 is established for the biennium beginning July 1, 2023, as the maximum limit for payment of expenses for operations, grants-in-aid, program costs and purchased services by the Depart-ment of Early Learning and Care from corporate activity tax funds transferred from the Early Learning Account by the Department of Education for grants distributed from the Birth Through Five Literacy Fund.

"SECTION 31. Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 4 (1), chapter ____, Oregon Laws 2023 (Enrolled House Bill 5013), for the biennium beginning July 1, 2023, as the maximum limit for payment of expenses for operations, grants-in-aid, program costs and purchased services by the Department of Early Learning and Care from corporate activity tax funds transferred from the Early Learning Account by the Department of Education, for operations, is increased by \$687,692, for administration of the Birth Through Five Literacy Plan.

"SECTION 32. Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 12, chapter _____, Oregon Laws 2023 (Enrolled House Bill 5014), for the biennium beginning July 1, 2023, as the maximum limit for payment of expenses by the Department of Education for a transfer of corporate activities tax funds from the Early Learning Account established under ORS 327.269 to the Department of Early Learning and Care is increased by \$687,693, for administration of the Birth Through Five Literacy Plan.

"SECTION 33. Notwithstanding any other law limiting expenditures, the amount of \$1 is established for the biennium beginning July 1, 2023, as the maximum limit for payments of grants-in-aid, program costs and purchased services by the Department of Education from the

- 1 Statewide Education Initiatives Account established under ORS 327.250
- 2 for grants distributed from the Early Literacy Success Community
- **3 Grant Fund.**
- 4 "SECTION 34. Notwithstanding any other law limiting expenditures,
- 5 the limitation on expenditures established by section 14, chapter ____,
- 6 Oregon Laws 2023 (Enrolled House Bill 5014), for the biennium begin-
- 7 ning July 1, 2023, as the maximum limit for payment of expenses by
- 8 the Department of Education from the Statewide Education Initiatives
- 9 Account established under ORS 327.250, for operations, is increased by
- 10 \$4,328,241 for administration of the Early Literacy Success School
- 11 Grant program and the Early Literacy Success Community Grant
- 12 program.".
- On page 9, line 3, delete "16" and insert "35".
- In line 4, delete "17" and insert "36".
- In line 42, delete "18" and insert "37".
- In line 45, delete "19" and insert "38".