

## HB 4161 STAFF MEASURE SUMMARY

### House Committee On Education

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**Prepared By:** Taylor Bickel, LPRO Analyst

**Meeting Dates:** 2/14

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#### WHAT THE MEASURE DOES:

The measure increases the number of students who can attend a virtual public charter school, requires school districts to participate in open enrollment, and creates education savings accounts for students. The measure applies to school years beginning with the 2025-26 school year.

#### Detailed Summary:

##### **Virtual Public Charter Schools (Sections 1-2)**

- Increases the cap on the percentage of students who reside in a school district that can attend a virtual charter school not sponsored by the district without first receiving approval from three percent to six percent. Applies to school years beginning with the 2025-26 school year.

##### **Open Enrollment (Sections 3-6)**

- Requires school districts to participate in open enrollment. Establishes a waiver process allowing districts to request a waiver from participating in open enrollment. Outlines criteria under which the waiver may be granted. Instructs school districts to establish standards for giving consent for a student to attend a school in the district under open enrollment. Establishes a process for a person to request consent to attend a school district under open enrollment. Allows open-enrollment students to use existing bus routes and transportation services and establishes other transportation requirements. Applies to school years beginning with the 2025-26 school year.

##### **Education Savings Accounts (Section 7-10)**

- Requires the Oregon Department of Education (ODE) to develop and implement a process for establishing education savings accounts for students. Establishes the following income requirements for students seeking a distribution to an education savings account:
  - For the 2025-2026 school year, members of low-income families who qualify for free or reduced-price lunches; and
  - For the 2026-2027 school year and future school years, members of families with federal adjusted gross incomes up to \$125,000, adjusted annually.
- Establishes a process by which parents or legal guardians can request to receive distributions from an education savings account. Instructs the Department to deposit an amount equal to 80 percent of the amount a student's resident school district would have received for the student into each account for which a request is made. Instructs the Department to transfer to the student's resident school district an amount equal to 20 percent of what the district would have received for the student. Applies to school years beginning with the 2025-26 school year. Establishes allowable uses for distributions to parents or legal guardians. Requires the State Board of Education to establish accountability requirements for the use of distributions. Allows students using distributions from educational savings accounts to use existing school district bus routes.

#### ISSUES DISCUSSED:

#### EFFECT OF AMENDMENT:

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*This summary has not been adopted or officially endorsed by action of the committee.*

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No amendment.

### **BACKGROUND:**

[According to the Oregon Department of Education](#) (ODE), in the 2022-23 school year, a total of 19 public charter schools were fully or primarily virtual. In the 2022-23 school year, charter school enrollment (including both in-person and virtual charter schools) accounted for seven and one-half percent of enrolled students. Thirty-eight percent of all charter school students were enrolled in a virtual charter school, and the average enrollment of a virtual public charter school was 827 students. Currently, state law caps at three percent the number of students from any school district that can enroll in a virtual charter school not sponsored by that district.

[Section 9, chapter 718, Oregon Laws 2011](#) provided for open enrollment in Oregon. This provision sunset in 2019. Currently, under ORS 339.125, a district may, but is not required to, contract with a school district board of another district for purposes of admission of pupils in schools of the other district. Additionally, under ORS 339.133 (5)(a) an individual may attend school in a district in which they do not reside if they receive permission from both districts' boards.

Education Savings Accounts (ESAs) are private savings accounts used for a child's education expenses and managed by a parent. These accounts are limited in the types of expenses for which they can be used. According to the [Education Commission of the States](#), [Arizona](#) was the first state to establish an ESA program in 2011. Other states that have established ESA programs include [Florida](#), [Mississippi](#), [North Carolina](#), and [Tennessee](#). Many states have limitations on the students or districts who can participate in the ESA program, such as income eligibility levels.