HB 2150-A8 (LC 414) 5/18/15 (HRL/ps)

PROPOSED AMENDMENTS TO A-ENGROSSED HOUSE BILL 2150

On page 1 of the printed A-engrossed bill, line 3, after "ORS" delete the rest of the line and insert "327.008, 327.013, 329.488 and 338.155; and declaring an emergency.".

4 Delete lines 5 through 25 and delete pages 2 through 5 and insert:

5 "SECTION 1. ORS 327.008, as amended by section 6, chapter 81, Oregon
6 Laws 2014, is amended to read:

"327.008. (1) There is established a State School Fund in the General 7 Fund. The fund shall consist of moneys appropriated by the Legislative As-8 sembly and moneys transferred from the Education Stability Fund. The State 9 School Fund is continuously appropriated to the Department of Education 10 for the purposes of ORS 327.006 to 327.077, 327.095, 327.099, 327.101, 327.125, 11 327.137, 327.348, 336.575, 336.580, 336.635, 342.173, 343.243, 343.533 and 343.961 12and sections 1 to 3, chapter 735, Oregon Laws 2013, and section 2, chapter 13 81, Oregon Laws 2014. 14

"(2) There shall be apportioned from the State School Fund to each school
district a State School Fund grant, consisting of the positive amount equal
to a general purpose grant and a facility grant and a transportation grant
and a high cost disabilities grant minus local revenue, computed as provided
in ORS 327.011 and 327.013.

"(3) For the first school year after a public charter school ceases
to operate because of dissolution or closure or because of termination
or nonrenewal of a charter, there shall be apportioned from the State

School Fund to each school district that had sponsored a public charter school that ceased to operate an amount equal to the school district's general purpose grant per extended ADMw multiplied by five percent of the ADM of the public charter school for the previous school year.

"[(3)] (4) There shall be apportioned from the State School Fund to each
education service district a State School Fund grant as calculated under ORS
327.019.

9 "[(4)] (5) All figures used in the determination of the distribution of the 10 State School Fund shall be estimates for the same year as the distribution 11 occurs, unless otherwise specified.

"[(5)] (6) Numbers of students in average daily membership used in the distribution formula shall be the numbers as of June of the year of distribution.

"[(6)] (7) A school district may not use the portion of the State School
 Fund grant that is attributable to the facility grant for capital construction
 costs.

"[(7)] (8) The total amount of the State School Fund that is distributed as facility grants may not exceed \$20 million in any biennium. If the total amount to be distributed as facility grants exceeds this limitation, the Department of Education shall prorate the amount of funds available for facility grants among those school districts that qualified for a facility grant.

"[(8)] (9) Each fiscal year, the Department of Education shall transfer to the Pediatric Nursing Facility Account established in section 5, chapter 81, Oregon Laws 2014, the amount necessary to pay the costs of educational services provided to students admitted to pediatric nursing facilities as provided in section 2, chapter 81, Oregon Laws 2014.

"[(9)] (10) Each fiscal year, the Department of Education shall transfer
the amount of \$18 million from the State School Fund to the High Cost
Disabilities Account established in ORS 327.348.

"[(10)(a)] (11)(a) Each biennium, the Department of Education shall
transfer \$33 million from the State School Fund to the Network of Quality
Teaching and Learning Fund established under ORS 342.953.

4 "(b) For the purpose of making the transfer under this subsection:

5 "(A) The total amount available for all distributions from the State 6 School Fund shall be reduced by \$5 million;

"(B) The amount distributed to school districts from the State School
Fund under this section and ORS 327.013 shall be reduced by \$14 million; and
"(C) The amount distributed to education service districts from the State
School Fund under this section and ORS 327.019 shall be reduced by \$14
million.

"(c) For each biennium, the amounts identified in paragraph (b)(B) and 12(C) of this subsection shall be adjusted by the same percentage by which the 13 amount appropriated to the State School Fund for that biennium is increased 14 or decreased compared to the preceding biennium, as determined by the De-15partment of Education after consultation with the Legislative Fiscal Officer. 16 (11) (12) Each fiscal year, the Department of Education may expend up 17 to \$550,000 from the State School Fund for the contract described in ORS 18 329.488. The amount distributed to education service districts from the State 19 School Fund under this section and ORS 327.019 shall be reduced by the 20

21 amount expended by the department under this subsection.

"[(12)] (13) Each biennium, the Department of Education may expend up to \$350,000 from the State School Fund to provide administration of and support for the development of talented and gifted education under ORS 343.404.

"[(13)] (14) Each biennium, the Department of Education may expend up to \$150,000 from the State School Fund for the administration of a program to increase the number of speech-language pathologists and speech-language pathology assistants under ORS 348.394 to 348.406.

³⁰ "[(14)] (15) Each fiscal year, the Department of Education shall transfer

the amount of \$2.5 million from the State School Fund to the Small School
 District Supplement Fund established in section 3, chapter 735, Oregon Laws
 2013.

"SECTION 2. ORS 327.008, as amended by section 7, chapter 735, Oregon 4 Laws 2013, and section 7, chapter 81, Oregon Laws 2014, is amended to read: $\mathbf{5}$ "327.008. (1) There is established a State School Fund in the General 6 Fund. The fund shall consist of moneys appropriated by the Legislative As-7 sembly and moneys transferred from the Education Stability Fund. The State 8 School Fund is continuously appropriated to the Department of Education 9 for the purposes of ORS 327.006 to 327.077, 327.095, 327.099, 327.101, 327.125, 10 327.137, 327.348, 336.575, 336.580, 336.635, 342.173, 343.243, 343.533 and 343.961 11 and section 2, chapter 81, Oregon Laws 2014. 12

"(2) There shall be apportioned from the State School Fund to each school
district a State School Fund grant, consisting of the positive amount equal
to a general purpose grant and a facility grant and a transportation grant
and a high cost disabilities grant minus local revenue, computed as provided
in ORS 327.011 and 327.013.

"(3) For the first school year after a public charter school ceases 18 to operate because of dissolution or closure or because of termination 19 or nonrenewal of a charter, there shall be apportioned from the State 20School Fund to each school district that had sponsored a public char-21ter school that ceased to operate an amount equal to the school 22district's general purpose grant per extended ADMw multiplied by five 23percent of the ADM of the public charter school for the previous 24school year. 25

"[(3)] (4) There shall be apportioned from the State School Fund to each
education service district a State School Fund grant as calculated under ORS
327.019.

²⁹ "[(4)] (5) All figures used in the determination of the distribution of the ³⁰ State School Fund shall be estimates for the same year as the distribution 1 occurs, unless otherwise specified.

2 "[(5)] (6) Numbers of students in average daily membership used in the 3 distribution formula shall be the numbers as of June of the year of distrib-4 ution.

"[(6)] (7) A school district may not use the portion of the State School
Fund grant that is attributable to the facility grant for capital construction
costs.

8 "[(7)] (8) The total amount of the State School Fund that is distributed 9 as facility grants may not exceed \$20 million in any biennium. If the total 10 amount to be distributed as facility grants exceeds this limitation, the De-11 partment of Education shall prorate the amount of funds available for facil-12 ity grants among those school districts that qualified for a facility grant.

"[(8)] (9) Each fiscal year, the Department of Education shall transfer to the Pediatric Nursing Facility Account established in section 5, chapter 81, Oregon Laws 2014, the amount necessary to pay the costs of educational services provided to students admitted to pediatric nursing facilities as provided in section 2, chapter 81, Oregon Laws 2014.

"[(9)] (10) Each fiscal year, the Department of Education shall transfer
the amount of \$18 million from the State School Fund to the High Cost
Disabilities Account established in ORS 327.348.

"[(10)(a)] (11)(a) Each biennium, the Department of Education shall
transfer \$33 million from the State School Fund to the Network of Quality
Teaching and Learning Fund established under ORS 342.953.

²⁴ "(b) For the purpose of making the transfer under this subsection:

"(A) The total amount available for all distributions from the State
School Fund shall be reduced by \$5 million;

"(B) The amount distributed to school districts from the State School
Fund under this section and ORS 327.013 shall be reduced by \$14 million; and
"(C) The amount distributed to education service districts from the State
School Fund under this section and ORS 327.019 shall be reduced by \$14

1 million.

"(c) For each biennium, the amounts identified in paragraph (b)(B) and (C) of this subsection shall be adjusted by the same percentage by which the amount appropriated to the State School Fund for that biennium is increased or decreased compared to the preceding biennium, as determined by the Department of Education after consultation with the Legislative Fiscal Officer.

"[(11)] (12) Each fiscal year, the Department of Education may expend up
to \$550,000 from the State School Fund for the contract described in ORS
329.488. The amount distributed to education service districts from the State
School Fund under this section and ORS 327.019 shall be reduced by the
amount expended by the department under this subsection.

"[(12)] (13) Each biennium, the Department of Education may expend up to \$350,000 from the State School Fund to provide administration of and support for the development of talented and gifted education under ORS 343.404.

"[(13)] (14) Each biennium, the Department of Education may expend up to \$150,000 from the State School Fund for the administration of a program to increase the number of speech-language pathologists and speech-language pathology assistants under ORS 348.394 to 348.406.

"SECTION 3. (1) In addition to amounts distributed to a school 20district in relation to a public charter school under ORS 327.008 (3) and 21for the 2015-2016 school year only, an additional amount shall be set 22aside and made available for distribution to a school district that had 23been the sponsor of a public charter school that operated during the 242014-2015 school year and that ceased to operate following the 2014-2015 25school year because of dissolution or closure or because of termination 26or nonrenewal of a charter. 27

"(2) The additional amount described in subsection (1) of this sec tion shall be equal to the school district's general purpose grant per
 extended ADMw multiplied by three percent of the ADM of the public

1 charter school for the previous school year.

2 "(3) The Department of Education shall set aside the additional 3 amount described in subsection (1) of this section for distribution to 4 the school district under subsection (1) of this section. The amount 5 shall be distributed to the school district upon a showing by the school 6 district of expenses incurred related to the public charter school that 7 ceased to operate. The department shall prescribe any requirements 8 related to a distribution under this section.

9 "(4)(a) For the 2015-2016 school year, the school district described 10 in subsection (1) of this section shall file with the department quar-11 terly reports that describe expenses incurred by the school district 12 related to a public charter school that ceased to operate.

"(b) For the 2016-2017, 2017-2018 and 2018-2019 school years, the school district described in subsection (1) of this section shall file with the department annual reports that describe expenses incurred by the school district related to a public charter school that ceased to operate.

"(c) The department shall prescribe any requirements for reports
 filed under this subsection.

²⁰ "<u>SECTION 4.</u> (1) Section 3 of this 2015 Act is repealed on July 1, ²¹ 2019.

"(2) Any amounts not distributed under section 3 of this 2015 Act
by July 1, 2019, shall be transferred to the General Fund.

²⁴ "SECTION 5. ORS 338.155 is amended to read:

"338.155. (1)(a) Students of a public charter school shall be considered to
be residents of the school district in which the public charter school is located for purposes of distribution of the State School Fund.

²⁸ "[(b)(A) For the purpose of determining the amounts to be distributed from ²⁹ the State School Fund to a school district in which a public charter school is ³⁰ located, the district extended ADMw described in ORS 327.013 shall be de-

1 *termined by:*]

"[(i) Separately calculating the extended ADMw for students at the public
charter school and the extended ADMw for students at nonchartered public
schools in the school district; and]

5 "[(*ii*) Adding the extended ADMw for students at the public charter school 6 and the extended ADMw for students at nonchartered public schools in the 7 school district.]

8 "[(B) Except as provided in subparagraph (A) of this paragraph:]

9 "[(i) All other calculations made under ORS 327.013 shall be made as 10 though the students enrolled at a public charter school were students enrolled 11 at the public schools in the school district in which the public charter school 12 is located; and]

"[(ii) All references to the district extended ADMw shall be based on the
 calculation made under subparagraph (A)(ii) of this paragraph.]

"[(C)] (b) All amounts to be distributed from the State School Fund [to]
for public charter schools shall first be distributed to the school district in
which the public charter school is located.

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

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

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

30 "(2) A school district shall contractually establish, with any public char-

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

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

8 "(b) Ninety-five percent of the amount of the school district's General 9 Purpose Grant per ADMw as calculated under ORS 327.013 for students who 10 are enrolled in grades 9 through 12.

"(3) A school district shall contractually establish, with any public charter school that is sponsored by the State Board of Education or an institution of higher education and that is within the boundaries of the school district, payment for provision of educational services to the public charter school's students. The payment shall equal an amount per weighted average daily membership (ADMw) of the public charter school that is at least equal to:

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

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

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

"(5) The school district in which the public charter school is located shall transfer an amount per weighted average daily membership (ADMw) of the public charter school that is equal to 50 percent of the amount of the school district's General Purpose Grant per ADMw as calculated under ORS 327.013 that is not paid to the public charter school through a contract created
pursuant to subsection (2) or (3) of this section to:

"(a) For a public charter school sponsored by a school district, any school
district in which the parent or guardian of, or person in parental relationship to, a student of a public charter school resides pursuant to ORS 339.133
and 339.134;

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

9 "(c) For a public charter school sponsored by an institution of higher 10 education, the institution of higher education.

11 "(6) The department may use any moneys received under this section for 12 activities related to public charter schools.

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

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

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

25 "(b) The department shall award any grant that is available to school 26 districts based solely on the weighted average daily membership (ADMw) of 27 the school district directly to the public charter school. This paragraph does 28 not apply to any grant from the State School Fund.

²⁹ "<u>SECTION 6.</u> The amendments to ORS 327.008 and 338.155 by ³⁰ sections 1, 2 and 5 of this 2015 Act apply to State School Fund dis1 tributions commencing with the 2015-2016 school year distributions.

² **"SECTION 7.** ORS 327.013 is amended to read:

3 "327.013. The State School Fund distributions for school districts include
4 the following grants:

"(1) General Purpose Grant = Funding Percentage × Target Grant ×
District extended ADMw. For the purpose of the calculation made under this
subsection:

8 "(a) The funding percentage shall be calculated by the Superintendent of 9 Public Instruction to distribute as nearly as practicable the total sum of 10 money available for distribution.

"(b) Target Grant = Statewide Target per ADMw Grant + Teacher Experience Factor. For the purpose of the calculation made under this paragraph:

14 "(A) Statewide Target per ADMw Grant = \$4,500.

"(B) Teacher Experience Factor = $$25 \times {\text{District average teacher expe}}$ 15rience - statewide average teacher experience}. As used in this subpara-16 graph, 'average teacher experience' means the average, in years, of teaching 17 experience of licensed teachers as reported to the Department of Education. 18 "(c) District extended ADMw = ADMw or ADMw of the prior year, 19 whichever is greater. The calculation of the district extended ADMw must 20be made as provided by ORS 338.155 [(1)(b)] if a public charter school is lo-21cated in the school district. For the purpose of this paragraph: 22

"(A) Weighted average daily membership or ADMw = average daily
 membership + an additional amount computed as follows:

"(i) 1.0 for each student in average daily membership eligible for special education as a child with a disability under ORS 343.035, which may not exceed 11 percent of the district's ADM without review and approval by the Department of Education. Children with disabilities eligible for special education in adult local correctional facilities, as defined in ORS 169.005, or adult regional correctional facilities, as defined in ORS 169.620, may not be

1 included in the calculation made under this sub-subparagraph.

"(ii) 0.5 for each student in average daily membership eligible for and
enrolled in an English as a second language program under ORS 336.079.

"(iii) 0.2 for each student in average daily membership enrolled in a union
high school district or in an area of a unified school district where the district is only responsible for educating students in grades 9 through 12 in that
area.

8 "(iv) -0.1 for each student in average daily membership enrolled in an 9 elementary district operating kindergarten through grade six or kindergarten 10 through grade eight or in an area of a unified school district where the dis-11 trict is only responsible for educating students in kindergarten through 12 grade eight.

13 "(v) 0.25 times the sum of the following:

"(I) The number of students who are in average daily membership and who are also in poverty families, as determined by the Department of Education based on rules adopted by the State Board of Education that incorporate poverty data published by the United States Census Bureau, student data provided by school districts and other data identified by the board;

"(II) The number of children in foster homes in the district as determined by the report of the Department of Human Services to the United States Department of Education, 'Annual Statistical Report on Children in Foster Homes and Children in Families Receiving AFDC Payments in Excess of the Poverty Income Level,' or its successor, for October 31 of the year prior to the year of distribution; and

²⁵ "(III) The number of children in the district in state-recognized facilities ²⁶ for neglected and delinquent children, based on information from the De-²⁷ partment of Human Services for October 31 of the year prior to the year of ²⁸ distribution.

29 "(vi) The amount determined under ORS 327.077 for each remote small30 elementary school and for each small high school in the district.

"(B) All numbers of children used for the computation in this paragraph
must reflect any district consolidations that have occurred since the numbers
were compiled.

"(C) The total additional weight that shall be assigned to any student in
average daily membership in a district, exclusive of students described in
subparagraph (A)(v) and (vi) of this paragraph, may not exceed 2.0.

"(2) High cost disabilities grant = the total amount received by a school
district under ORS 327.348 for providing special education and related services to resident pupils with disabilities.

10 "(3)(a) Transportation grant equals:

"(A) 70 percent of approved transportation costs for those school districts ranked below the 80th percentile under paragraph (b) of this subsection.

"(B) 80 percent of approved transportation costs for those school districts
 ranked in or above the 80th percentile but below the 90th percentile under
 paragraph (b) of this subsection.

"(C) 90 percent of approved transportation costs for those school districts
ranked in or above the 90th percentile under paragraph (b) of this subsection.
"(b) Each fiscal year, the Department of Education shall rank school
districts based on the approved transportation costs per ADM of each school
district, ranking the school district with the highest approved transportation
costs per ADM at the top of the order.

"(4)(a) Facility Grant = 8 percent of total construction costs of new
 school buildings.

"(b) A school district shall receive a Facility Grant in the distribution
year that a new school building is first used.

²⁶ "(c) As used in this subsection:

"(A) 'New school building' includes new school buildings, structures added onto existing school buildings and premanufactured structures added to a school district if those buildings or structures are to be used for instructing students.

1 "(B) 'Construction costs' does not include costs for land acquisition.

2 "SECTION 8. ORS 329.488, as amended by section 10, chapter 81, Oregon
3 Laws 2014, is amended to read:

"329.488. (1) The Department of Education shall contract with a nonprofit entity to administer a nationally normed assessment, in collaboration with the department, to all students in grade 10 who are enrolled in a public school. The purpose of the assessment is to predict the success of students on, and provide practice for students taking, college entrance exams.

9 "(2) The department shall base the selection of the contractor under sub-10 section (1) of this section on all of the following criteria:

"(a) The contractor must be able to provide to the department statewidedata containing the results of the assessment;

13 "(b) The contractor shall provide an assessment that:

"(A) Identifies students with high potential to excel in advanced place ment (AP) or other honors courses based on a research-based correlation of
 scores on the grade 10 assessment to advanced placement examinations;

17 "(B) Examines students in mathematics, reading and writing; and

"(C) Provides results that can be used by Oregon's higher education in stitutions to recruit students to attend college;

"(c) The contractor must be able to supply schools with an item-by-item
 analysis of student performance on the assessment; and

"(d) The contractor must be able to make available to each student taking
the assessment a free career assessment and online exploration of colleges
and career opportunities.

²⁵ "(3)(a) In lieu of using the contractor selected by the department under ²⁶ subsection (1) of this section, a school district may apply to the department ²⁷ for a waiver to allow the district to enter into a contract with a different ²⁸ nonprofit entity for the purpose of administering a nationally normed as-²⁹ sessment to all students in grade 10 who are enrolled in the public schools ³⁰ operated by the district. The department shall grant the waiver if:

1 "(A) The district had entered into a contract with the entity for the 2 2007-2008 school year to administer a grade 10 assessment;

"(B) The entity, in coordination with the district, administered a grade
10 assessment during the 2007-2008 school year;

5 "(C) For the most recent school year in which the entity administered a 6 grade 10 assessment, the entity met the criteria set forth in subsection (2) 7 of this section as in effect for the school year in which the entity adminis-8 tered the assessment; and

9 "(D) The entity plans to meet the criteria set forth in subsection (2) of 10 this section as in effect for the school year for which the school district 11 seeks a waiver.

12 "(b) A waiver granted by the department under this subsection:

13 "(A) Is valid for one school year; and

14 "(B) May be renewed each school year.

"(c) The department shall reimburse a school district for the cost of assessments allowed under this subsection from funds available to the department under ORS 327.008 [(11)] (12).

¹⁸ "(4) Notwithstanding subsections (1) and (3) of this section:

"(a) The department may, under rules adopted by the State Board of Ed ucation, waive the assessment for specific groups of students; and

"(b) Upon request from a student who is enrolled in a public school operated by a school district or the parent or guardian of the student, the school district shall waive the assessment for the student.

"<u>SECTION 9.</u> This 2015 Act being necessary for the immediate
 preservation of the public peace, health and safety, an emergency is
 declared to exist, and this 2015 Act takes effect July 1, 2015.".

27