

# Senate Bill 915

Sponsored by Senator ROBLAN, Representative HUFFMAN

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Modifies percentage of amounts school districts must pay from State School Fund to public charter schools that are not virtual public charter schools.

Directs school district or sponsor to transfer federal, state and local moneys to public charter schools on same basis moneys are transferred to nonchartered public schools in school district.

Considers transportation costs incurred by public charter school to be same as transportation costs incurred by school district.

Declares emergency, effective July 1, 2017.

## A BILL FOR AN ACT

1  
2 Relating to public charter school funding; creating new provisions; amending ORS 327.297, 338.145,  
3 338.155 and 340.073; and declaring an emergency.

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

5 **SECTION 1.** ORS 338.155 is amended to read:

6 338.155. (1)(a) Students of a public charter school shall be considered to be residents of the  
7 school district in which the public charter school is located for purposes of distribution of the State  
8 School Fund.

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

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

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

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

20 **(2) A school district shall enter into a contract with a public charter school within the**  
21 **boundaries of the school district that provides for payment to the public charter school for**  
22 **the provision of educational services to the public charter school's students.**

23 **(3) Except as provided in subsections (4) and (5) of this section and ORS 338.165, the**  
24 **payment required under subsection (2) of this section shall equal an amount per weighted**  
25 **average daily membership (ADMw) of the public charter school that is at least equal to:**

26 **(a) Ninety-five percent of the amount of the school district's General Purpose Grant per**  
27 **ADMw, as calculated under ORS 327.013, for the sponsor if the sponsor is the board of a**  
28 **school district; or**

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1           **(b) Ninety-five percent of the General Purpose Grant per ADMw, as calculated under ORS**  
 2 **327.013, for the school district where the public charter school is located if the sponsor is the**  
 3 **State Board of Education or an institution of higher education.**

4           [(2)] (4) A school district shall contractually establish, with any **virtual** public charter school  
 5 that is sponsored by the board of the school district, payment for provision of educational services  
 6 to the **virtual** public charter school’s students. The payment shall equal an amount per weighted  
 7 average daily membership (ADMw) of the **virtual** public charter school that is at least equal to:

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

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

13           [(3)] (5) A school district shall contractually establish, with any **virtual** public charter school  
 14 that is sponsored by the State Board of Education or an institution of higher education and that is  
 15 within the boundaries of the school district, payment for provision of educational services to the  
 16 **virtual** public charter school’s students. The payment shall equal an amount per weighted average  
 17 daily membership (ADMw) of the **virtual** public charter school that is at least equal to:

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

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

23           [(4)] (6) The estimated amount of each school district’s General Purpose Grant per ADMw shall  
 24 be determined each year by the Department of Education and made available to all school districts.

25           [(5)] (7) The school district in which [*the*] a public charter school **sponsored by the State**  
 26 **Board of Education or an institution of higher learning** is located shall transfer an amount per  
 27 weighted average daily membership (ADMw) of the public charter school that is equal to 50 percent  
 28 of the amount of the school district’s General Purpose Grant per ADMw as calculated under ORS  
 29 327.013 that is not paid to the public charter school through a contract created pursuant to sub-  
 30 section [(3)] (2) or (5) of this section to:

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

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

35           **(8)(a) A sponsor may retain any amounts that are not paid to a public charter school as**  
 36 **provided by subsection (3), (4) or (5) of this section. Except as provided in paragraph (b) of**  
 37 **this subsection, any amounts retained by the sponsor as provided by this subsection must**  
 38 **be used for administrative costs incurred by the sponsor in relation to public charter schools.**

39           [(6)] (b) The department may use any moneys received under this section for activities related  
 40 to public charter schools.

41           [(7)] (9) A school district and a public charter school may negotiate to establish a payment for  
 42 the provision of educational services to the public charter school’s students that is more than the  
 43 minimum [*amounts*] **amount** specified in subsection [(2) or] (3), (4) or (5) of this section.

44           **(10)(a) In addition to payments received by a public charter school under subsection (3),**  
 45 **(4) or (5) of this section and except as provided by ORS 338.165, the public charter school is**

1 entitled to receive:

2 (A) Any local, state or federal moneys that are for the benefit of the public charter  
 3 school and that are received by a sponsor or by the school district in which the public  
 4 charter school is located.

5 (B) Any local, state or federal moneys that are for the benefit of public schools in the  
 6 school district and that are received by a sponsor or by the school district in which the  
 7 public charter school is located. Moneys described in this subparagraph must be distributed  
 8 to public charter schools on the same basis that moneys are distributed to nonchartered  
 9 public schools in the school district.

10 (C) Any local revenues, as described in ORS 327.011, that are available to the nonchar-  
 11 tered public schools in the school district. Moneys described in this subparagraph must be  
 12 distributed to public charter schools based on the number of students who attend the  
 13 schools.

14 (b) Notwithstanding paragraph (a)(C) of this subsection, a virtual public charter school  
 15 is not entitled to receive a portion of local revenues, as described in ORS 327.011, but a school  
 16 district may choose to distribute a portion of local revenues to the virtual public charter  
 17 school.

18 [(8)] (11) A school district shall send payment to a public charter school based on a contract  
 19 negotiated under this section within 10 days after receiving payments from the State School Fund  
 20 pursuant to ORS 327.095 or after receiving moneys pursuant to subsection (10) of this  
 21 section.

22 [(9)(a)] (12)(a) A public charter school may apply for any grant that is available to school dis-  
 23 tricts or nonchartered public schools from the Department of Education. The department shall con-  
 24 sider the application of the public charter school in the same manner as an application from a  
 25 school district or nonchartered public school.

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

29 **SECTION 2. The amendments to ORS 338.155 by section 1 of this 2017 Act apply to mon-**  
 30 **neys received by a school district or sponsor on or after the effective date of this 2017 Act.**

31 **SECTION 3.** ORS 327.297 is amended to read:

32 327.297. (1) In addition to those moneys distributed through the State School Fund, the Depart-  
 33 ment of Education shall award grants to school districts, education service districts, the Youth  
 34 Corrections Education Program and the Juvenile Detention Education Program for activities that  
 35 relate to increases in student achievement, including:

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

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

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

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

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

44 (f) Services to at-risk youth;

45 (g) Programs to improve a student achievement gap between student groups identified by cul-

1 ture, poverty, language and race and other student groups;

2 (h) Vocational education programs;

3 (i) Literacy programs;

4 (j) School library programs; and

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

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

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

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

16 (3)(a) Notwithstanding ORS 338.155 [(9)] (12), the Department of Education may not award a  
17 grant under this section directly to a public charter school.

18 (b) A school district that receives a grant **for a public charter school** under this section  
19 [may] **shall** transfer a portion of the grant to [a] **the** public charter school based on the **criteria**  
20 **used to transfer grants to any nonchartered public charter school in the school district or**  
21 **based on the** charter of the school or any other agreement between the school district and the  
22 public charter school.

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

25 (4)(a) The amount of each grant for a program or school district = the program's or school  
26 district's ADMw  $\times$  (the total amount available for distribution to programs and school districts as  
27 grants in each fiscal year  $\div$  the total ADMw of all programs and school districts that receive a  
28 grant).

29 (b) The amount of each grant for an education service district = the education service district's  
30 ADMw  $\times$  (the total amount available for distribution to education service districts as grants in  
31 each fiscal year  $\div$  the total ADMw of all education service districts that receive a grant).

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

33 (A) For a school district, the extended weighted average daily membership as calculated under  
34 ORS 327.013, 338.155 (1) and 338.165 (2);

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

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

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

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

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

**SECTION 4.** ORS 338.145 is amended to read:

338.145. (1) The public charter school shall be responsible for providing transportation to students who reside within the school district and who attend the public charter school. The public charter school may negotiate with a school district for the provision of transportation to students attending the public charter school.

(2) Notwithstanding subsection (1) of this section, the school district within which the public charter school is located shall be responsible for the transportation of students attending the public charter school pursuant to ORS 327.043 in the same manner as students attending nonchartered public schools if the student is a resident of the school district. *[However,]* A school district may not be required to add or extend existing bus routes or other transportation services pursuant to this subsection.

(3) Students who attend public charter schools and who reside outside of the school district may use existing bus routes and transportation services of the school district in which a public charter school is located.

(4)(a) Any transportation costs incurred by a school district under this section shall be considered approved transportation costs for purposes of ORS 327.013 in the same manner as transportation costs incurred by the school district for transporting students who attend nonchartered public schools are considered approved transportation costs for purposes of ORS 327.013.

**(b) Any transportation costs incurred by a public charter school for providing transportation to students who reside within the school district and who attend the public charter school shall be considered approved transportation costs for purposes of ORS 327.013 in the same manner as transportation costs incurred by a school district for transporting students are considered approved transportation costs for purposes of ORS 327.013. A school district shall pay the public charter school the total amount received by the school district for transportation costs incurred by the public charter school within 10 days after the school district receives the amount.**

**SECTION 5. The amendments to ORS 327.297, 338.145 and 338.155 by sections 1, 3 and 4 of this 2017 Act apply to State School Fund distributions and other distributions of moneys made to school districts commencing with the 2017-2018 distributions.**

**SECTION 6.** ORS 340.073 is amended to read:

340.073. (1) A public charter school may elect to participate in the Expanded Options Program by amending its charter under ORS 338.065.

(2) Actual instructional costs associated with participating eligible students shall be negotiated and paid directly to the eligible post-secondary institution by the public charter school.

(3) The participating public charter school may not require funding from the sponsor of the school for payment of Expanded Options Program costs that is in addition to funding that already has been contractually established pursuant to ORS 338.155 [(2)(b) or (3)(b)] **(3), (4) or (5)** or 338.165 (2)(b).

**SECTION 7. This 2017 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2017 Act takes effect July 1, 2017.**