

# Senate Bill 687

Sponsored by Senator FREDERICK (Pre-session filed.)

## SUMMARY

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

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

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

## A BILL FOR AN ACT

1  
2 Relating to meeting needs of certain student groups to improve academic outcomes; creating new  
3 provisions; and amending ORS 327.185 and 327.201.

4 Whereas the 2019 Student Success Act established the Student Investment Account (SIA) for the  
5 purposes of meeting students' mental or behavioral health needs and increasing academic achieve-  
6 ment for students, including reducing academic disparities for target populations; and

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

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

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

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

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

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

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

28 **SECTION 1.** ORS 327.185 is amended to read:

29 327.185. (1) As used in this section, "eligible applicant" means:

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

31 (b) Public charter schools that are not virtual public charter schools, as defined in ORS 338.005,

**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 and that have a student population of which:

2 (A) At least 35 percent of the student population is composed of students from the following  
3 student groups:

4 (i) Economically disadvantaged, as described in ORS 327.180 (2)(b)(A);

5 (ii) Racial or ethnic groups that have historically experienced academic disparities, as described  
6 in ORS 327.180 (2)(b)(B); or

7 (iii) Students with disabilities, as described in ORS 327.180 (2)(b)(C); and

8 (B) The percentage of the students from student groups identified under subparagraph (A) of this  
9 paragraph is greater than:

10 (i) The percentage of all students in the school district who are economically disadvantaged, if  
11 eligibility is determined based on the percentage of students who are economically disadvantaged;

12 (ii) The percentage of all students in the school district who are from racial or ethnic groups  
13 that have historically experienced academic disparities, if eligibility is determined based on the  
14 percentage of students who are from those racial or ethnic groups; or

15 (iii) The percentage of all students in the school district who are disabled, if eligibility is de-  
16 termined based on the percentage of students who are disabled.

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

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

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

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

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

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

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

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

36 (i) The ADMw of the public charter school may not be used in the calculation of the school  
37 district ADMw for grants distributed under ORS 327.195; and

38 (ii) The public charter school is not entitled to any grant moneys distributed under ORS 327.195.

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

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

44 (ii) The ADMw of the public charter school shall be used in the calculation of the school district  
45 ADMw for grants distributed under ORS 327.195; and

1 (iii) The public charter school is entitled to any grant moneys or services provided for in the  
2 agreement entered into under this subparagraph.

3 (5)(a) For the purpose of preparing a grant application, an eligible applicant must determine:

4 (A) Which of the allowed uses identified in ORS 327.180 (3) the eligible applicant will fund with  
5 grant moneys; and

6 (B) Which of the eligible uses identified under subparagraph (A) of this paragraph the eligible  
7 applicant will designate to meeting student mental and behavioral health needs.

8 (b) An eligible applicant shall make the determinations required under paragraph (a) of this  
9 subsection by:

10 (A) Engaging in strategic planning; and

11 (B) Considering the recommendations of the Quality Education Commission established under  
12 ORS 327.500.

13 (6)(a) The strategic planning required under subsection (5) of this section must include:

14 (A) A completed needs assessment, as described in ORS 329.095;

15 (B) An analysis of the potential academic impact, both for the students of the eligible applicant  
16 and for student groups identified in ORS 327.180 (2)(b), from the allowed uses that would be funded  
17 by grant moneys; and

18 (C) The creation of budgets for the allowed uses that would be funded by grant moneys.

19 (b) The strategic planning required under subsection (5) of this section must take into consid-  
20 eration:

21 (A) Input from the community of the eligible applicant, including school employees, students  
22 from student groups identified in ORS 327.180 (2)(b) and parents of those students; and

23 (B) Data collected by the eligible applicant to enable the eligible applicant to make equity-based  
24 decisions.

25 (7) Based on the strategic planning described in subsection (6) of this section, the eligible ap-  
26 plicant shall develop a four-year plan for the use of grant moneys. The plan must be updated every  
27 two years and must:

28 (a) Identify which allowed uses identified in ORS 327.180 (3) will be funded with grant moneys  
29 and which of those uses will be designated to meet student mental and behavioral health needs.

30 (b) Describe how the allowed uses identified under paragraph (a) of this subsection will be used  
31 to:

32 (A) Meet students' mental and behavioral health needs:

33 (i) **Generally, for all students of the school district; and**

34 (ii) **Specifically, for each category of the student groups identified in ORS 327.180 (2)(b);**

35 (B) Increase academic achievement for students of the eligible applicant; and

36 (C) Reduce academic disparities for student groups identified in ORS 327.180 (2)(b) who are  
37 served by the eligible applicant, and identify which of those student groups will benefit from the  
38 allowed uses that are being funded with grant moneys.

39 (c) Include the budgets for the allowed uses to be funded with grant moneys.

40 (d) Be approved by the governing body of the eligible applicant at an open meeting, following:

41 (A) Provision of the plan at the main office of the eligible applicant and on the eligible  
42 applicant's website;

43 (B) Oral presentation of the plan by an administrator of the eligible applicant to the governing  
44 body of the eligible applicant; and

45 (C) Opportunity for the public to comment on the plan at an open meeting.

1 (e) Be a part of the local district continuous improvement plan described in ORS 329.095, if the  
2 eligible applicant is a school district.

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

6 (a) A completed needs assessment, as described in ORS 329.095;

7 (b) The plan developed under subsection (7) of this section; and

8 (c) Budget estimates for each of the allowed uses identified in the plan developed under sub-  
9 section (7) of this section that will be funded by grant moneys.

10 **SECTION 2.** ORS 327.201 is amended to read:

11 327.201. (1)(a) Each year, each recipient of a grant from the Student Investment Account shall:

12 (A) Conduct a financial audit of the use of grant moneys that is prepared in accordance with  
13 the Municipal Audit Law; *[and]*

14 **(B) Review the grant recipient's use of grant moneys to meet students' mental and be-  
15 havioral health needs; and**

16 *[(B)]* (C) Review the grant recipient's progress toward meeting the performance growth targets  
17 in the grant agreement.

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

20 (A) Made available at the main office of the grant recipient and on the grant recipient's website.

21 (B) Presented to the governing body of the grant recipient at an open meeting, following:

22 (i) Oral presentation of the results by an administrator of the grant recipient to the governing  
23 body of the grant recipient; and

24 (ii) Opportunity for the public to comment on the results at an open meeting.

25 (C) Forwarded to the Department of Education.

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

29 (b) If a grant recipient did not use grant moneys as provided by the grant agreement, the de-  
30 partment shall:

31 (A) Collaborate with the grant recipient to identify and implement specific interventions;

32 (B) Provide technical assistance to the grant recipient as described in ORS 327.208; or

33 (C) Deduct amounts from future grant distributions.

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

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

39 (3)(a) The department shall determine each biennium if a grant recipient does not meet per-  
40 formance growth targets identified in the grant agreement.

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

42 (A) The grant recipient may submit an explanation for the reasons why the performance growth  
43 targets were not met; and

44 (B) The department may:

45 (i) Take into consideration the explanation submitted by the grant recipient;

1 (ii) Require the grant recipient to enter into a coaching program described in ORS 327.214; or

2 (iii) Direct the expenditure of grant moneys.

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

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

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

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

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