

SB 278 STAFF MEASURE SUMMARY

Carrier: Rep. Neron

House Committee On Revenue**Action Date:** 06/23/23**Action:** Do Pass.**Vote:** 6-0-1-0**Yeas:** 6 - Levy B, Marsh, Nathanson, Nguyen D, Smith G, Walters**Exc:** 1 - Reschke**Fiscal:** Has minimal fiscal impact**Revenue:** Revenue impact issued**Prepared By:** Dae Baek, Senior Economist**Meeting Dates:** 6/22, 6/23**WHAT THE MEASURE DOES:**

Modifies calculation methods of the current year's weighted average daily membership (ADMw) when a virtual public charter school-sponsoring school district has a decrease in ADMw as compared to the previous school year. First applies to the 2022-23 State School Fund distributions. Takes effect on passage.

ISSUES DISCUSSED:

- SB 743 (2021) and an unintended consequence on a school district sponsoring a virtual public charter school
- Ensuring funding stability for brick and mortar schools of a school district that sponsors a virtual public charter school
- No financial impact of changes in the measure on a virtual charter school
- Case of North Bend School District whose ADM increase couple with an ADMw decline prevented the school district from qualifying for the benefit of an extended ADMw under current law

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

ORS 327.013 (1)(c) states that the [school] district extended ADMw = ADMw [of the current year] or ADMw of the prior year, whichever is greater. The use of the extended ADMw ensures funding stability for school districts, especially in the case of declining ADMw.

This bill changes the way the weighted average daily membership, or ADMw, is measured for brick and mortar schools of a school district that sponsors a virtual school. It first applies to the 2022-23 State School Fund distributions. This bill is an effort to ensure funding stability for brick and mortar schools of a school district that sponsors a virtual public charter school.

Under current law, brick and mortar schools of a virtual school sponsoring school district qualify for an extended ADMw when the average daily membership (ADM) declines in the current school year regardless of what's happening to the virtual school enrollment and the associated ADMw.

A case arises where brick and mortar schools of a virtual school-sponsoring school district may not qualify for an extended ADMw when they face a slight increase in ADM but a decline in ADMw. This situation is addressed in this measure so that such school district continues to qualify for an extended ADMw calculation for brick and mortar schools of the district when either ADM or ADMw of brick and mortar schools of the district decreases.

While this measure changes the way the extended ADMw is calculated for a virtual public charter school-sponsoring school district, it does neither add to nor subtract from the formula revenue available for distribution to school districts.