

Senate Bill 239

Sponsored by Senator THATCHER (at the request of Representative Kevin Mannix) (Presession 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**.

Allows post-secondary institution of education to be sponsor of public charter school.
Modifies proposal requirements for public charter school and process for reviewing proposal.
Extends length of initial and renewed charter terms.
Increases percentage of students who may enroll in virtual public charter school before approval is required for student to enroll.
Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to public charter schools; creating new provisions; amending ORS 338.005, 338.035, 338.045,
3 338.055, 338.065, 338.075, 338.105, 338.120, 338.125, 338.135, 338.155 and 338.165; and prescribing
4 an effective date.

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

6 **SECTION 1.** ORS 338.005 is amended to read:

7 338.005. As used in this chapter, unless the context requires otherwise:

8 (1) "Applicant" means any person or group that develops and submits a written proposal for a
9 public charter school to [*a sponsor*] **an entity described in subsection (5) of this section.**

10 (2) "**Post-secondary institution of education**" means a community college operated under
11 **ORS chapter 341, a public university listed in ORS 352.002 or the Oregon Health and Science**
12 **University.**

13 [(2)] (3) "Public charter school" means an elementary or secondary school offering a compre-
14 hensive instructional program operating under a written agreement entered into between a sponsor
15 and an applicant and operating pursuant to this chapter.

16 [(3)] (4) "Remote and necessary school district" means a school district that offers kindergarten
17 through grade 12 and has:

18 (a) An average daily membership (ADM), as defined in ORS 327.006, in the prior fiscal year of
19 less than 110; and

20 (b) A school that is located, by the nearest traveled road, more than 20 miles from the nearest
21 school or from a city with a population of more than 5,000.

22 [(4)] (5) "Sponsor" means:

23 (a) The board of the common school district or the union high school district in which the public
24 charter school is located that has developed a written charter with an applicant to create a public
25 charter school.

26 (b) **A post-secondary institution of education in this state.**

27 [(b)] (c) The State Board of Education pursuant to ORS 338.075.

28 [(5)(a)] (6)(a) "Virtual public charter school" means a public charter school that provides online
29 courses.

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.

(b) “Virtual public charter school” does not include a public charter school that primarily serves students in a physical location.

SECTION 2. ORS 338.035 is amended to read:

338.035. (1) A public charter school may be established:

(a) As a new public school;

(b) As a virtual public charter school;

(c) From an existing public school or a portion of the school; or

(d) From an existing alternative education program, as defined in ORS 336.615.

(2)(a) Before a public charter school may operate as a public charter school, it must:

(A) Be approved by [*a sponsor*] **an entity described in ORS 338.005 (5)**;

(B) Be established as a nonprofit organization under the laws of Oregon; and

(C) Have applied to qualify as an exempt organization under section 501(c)(3) of the Internal Revenue Code.

(b) Notwithstanding paragraph (a) of this subsection, the requirements of paragraph (a)(B) and (C) of this subsection do not apply to:

(A) A school in a school district that is composed of only one school; and

(B) A school in a school district that is a remote and necessary school district on the date the school first begins operation as a public charter school.

(3)(a) Except for a public charter school that is not required to comply with subsection (2)(a)(B) and (C) of this section as provided by subsection (2)(b) of this section[,]:

(A) A member of the school district board of the school district within which a public charter school is located may not be a voting member of the public charter school governing body.

(B) A member of the governing body of the sponsor of a public charter school may not be a voting member of the public charter school governing body.

(b) A member of the school district board of the school district within which a public charter school is located **or of the governing body of the sponsor of the public charter school** may act in an advisory capacity on the public charter school governing body.

(4) An applicant seeking to establish a public charter school shall submit a proposal pursuant to ORS 338.045 to [*the school district board of the school district within which the public charter school will be located by the date identified by the school district board. The school district board*] **an entity described in ORS 338.005 (5)(a) or (b). The entity** shall identify a date that is at least 180 days prior to the date on which the public charter school would begin operating and that provides a reasonable period of time for the [*school district board*] **entity** to complete the approval process described in ORS 338.055 and for the public charter school to begin operating by the beginning of a school year. An applicant may consult with the [*school district board*] **entity** prior to submitting a proposal, and the [*school district board*] **entity** may require an applicant to submit a letter of intent within a reasonable period of time prior to submitting a proposal.

(5) An applicant seeking to establish a public charter school shall provide to the State Board of Education a copy of any proposal submitted to [*a school district board*] **an entity described in ORS 338.005 (5)(a) or (b)** under ORS 338.045 and a copy of any subsequent approval by the [*school district board*] **entity**.

(6)(a) One or more, but not all, schools in a school district may become public charter schools.

(b) Notwithstanding paragraph (a) of this subsection, a school in a school district that is composed of only one school may become a public charter school. For a public charter school that is the only school in the school district, the public charter school and the school district may be con-

1 sidered to be a single legal entity for the purposes of this chapter if:

2 (A) The public charter school is not required to comply with subsection (2)(a)(B) and (C) of this
3 section;

4 (B) All of the members of the school district board are voting members of the public charter
5 school governing body as allowed by subsection (3)(a) of this section;

6 (C) The school district and the public charter school share employees; and

7 (D) The school district and the public charter school share assets and liabilities.

8 (7)(a) An entity described in ORS 338.005 [(4)] (5) may not approve a public charter school pro-
9 posal that authorizes the conversion of any private school that is tuition based to a public charter
10 school.

11 (b) Notwithstanding paragraph (a) of this subsection, an entity described in ORS 338.005 [(4)] (5)
12 may authorize the conversion of an existing alternative education program, as defined in ORS
13 336.615, to a public charter school.

14 (8) An entity described in ORS 338.005 [(4)] (5) may not approve a proposal for a public charter
15 school that is affiliated with a nonpublic sectarian school or a religious institution.

16 **SECTION 3.** ORS 338.045 is amended to read:

17 338.045. (1) An applicant seeking to establish a public charter school shall submit a written
18 proposal to [*a school district board*] **an entity described in ORS 338.005 (5)(a) or (b).**

19 (2) The proposal shall include, but need not be limited to:

20 (a) The identification of the applicant;

21 (b) The name of the proposed public charter school;

22 (c) A description of the philosophy and mission of the public charter school;

23 (d) A description of the curriculum of the public charter school;

24 (e) A description of the expected results of the curriculum and the verified methods of measuring
25 and reporting objective results that will show the growth of knowledge of students attending the
26 public charter school and allow comparisons with public schools;

27 (f) The governance structure of the public charter school;

28 (g) The projected enrollment to be maintained and the ages or grades to be served;

29 (h) The target population of students the public charter school will be designed to serve;

30 (i) A description of any distinctive learning or teaching techniques to be used in the public
31 charter school;

32 (j) The legal address, facilities and physical location of the public charter school, if known;

33 (k) A description of admission policies and application procedures;

34 (L) The statutes and rules that shall apply to the public charter school;

35 (m) The proposed budget and financial plan for the public charter school and evidence that the
36 proposed budget and financial plan for the public charter school are financially sound;

37 (n) A description of the financial management system for the public charter school, an explana-
38 tion of how the financial management system will meet the requirements of ORS 338.095 (1) and a
39 plan for having the financial management system in place at the time the school begins operating;

40 (o) The standards for behavior and the procedures for the discipline, suspension or expulsion of
41 students;

42 (p) The proposed school calendar for the public charter school, including the length of the
43 school day and school year;

44 (q) A description of the proposed staff members and required qualifications of teachers at the
45 public charter school;

1 (r) The date upon which the public charter school would begin operating;

2 (s) The arrangements for any necessary special education and related services provided pursuant
3 to ORS 338.165 for children with disabilities who may attend the public charter school;

4 (t) Information on the manner in which community groups may be involved in the planning and
5 development process of the public charter school;

6 (u) The term of the charter;

7 (v) The plan for performance bonding or insuring the public charter school, including buildings
8 and liabilities;

9 (w) A proposed plan for the placement of public charter school teachers, other school employees
10 and students of the public charter school upon termination or nonrenewal of a charter;

11 (x) The manner in which the program review and fiscal audit will be conducted; and

12 (y) In the case of an existing public school being converted to charter status:

13 (A) The alternative arrangements for students who choose not to attend the public charter
14 school and for teachers and other school employees who choose not to participate in the public
15 charter school; and

16 (B) The relationship that will exist between the public charter school and its employees, in-
17 cluding evidence that the terms and conditions of employment have been addressed with affected
18 employees and their recognized representative, if any.

19 (3) In addition to the requirements of subsection (2) of this section, [:]

20 [(a) *The school district board may require any additional information the board considers relevant*
21 *to the formation or operation of a public charter school.*]

22 [(b)] each member of a proposed public charter school governing body must provide an ac-
23 knowledgment of understanding related to the standards of conduct and the liabilities of a director
24 of a nonprofit organization, as those standards and liabilities are described in ORS chapter 65, if the
25 public charter school is organized as required by ORS 338.035 (2)(a)(B) and (C).

26 (4) At the request of the applicant, the [*school district board*] **entity described in ORS 338.005**
27 **(5)(a) or (b)** may provide technical assistance in developing the proposal for operation of the public
28 charter school.

29 (5) School districts, education service districts and other public bodies, as defined in ORS
30 174.109, shall make available to the public lists of vacant and unused public buildings and portions
31 of buildings that may be suitable for the operation of a public charter school. The lists shall be
32 provided to developing or operating public charter schools within 30 days of a written request.
33 Nothing in this subsection requires the owner of a building on the list to sell or lease the building
34 or any portion of the building to a public charter school or a public charter school governing body.

35 **SECTION 4.** ORS 338.055 is amended to read:

36 338.055. (1)(a) Upon receipt of a proposal submitted under ORS 338.045, the [*school district*
37 *board*] **entity described in ORS 338.005 (5)(a) or (b)** shall determine whether the proposal is com-
38 plete. A proposal is complete if the proposal addresses, at least minimally, each element required
39 by ORS 338.045 (2) and (3).

40 (b) The [*school district board*] **entity** shall notify an applicant within [30] **10 business** days after
41 receipt of a proposal if the proposal is not complete and identify the specific elements of the pro-
42 posal that are not complete. The [*school district board*] **entity** shall provide the applicant with a
43 reasonable opportunity to complete the proposal. **If the entity fails to notify the applicant that**
44 **the proposal is not complete within 10 business days after receipt of the proposal, the pro-**
45 **posal shall be considered complete.**

1 (c) A proposal may be disapproved if the applicant has received a reasonable opportunity to
2 complete the proposal and the applicant does not provide a proposal that is complete.

3 (d) If the [*school district board*] **entity** disapproves a proposal as provided by paragraph (c) of
4 this subsection, the applicant may appeal the decision to the State Board of Education. The State
5 Board of Education may review the proposal only for completeness and may determine that the
6 proposal is:

7 (A) Not complete and uphold the decision of the [*school district board*] **entity**; or

8 (B) Complete and remand the proposal to the [*school district board*] **entity** for consideration.

9 (2) Within 60 days after receipt of a completed proposal, the [*school district board*] **entity** shall
10 hold a public hearing on the provisions of the proposal.

11 (3) The [*school district board*] **entity** shall evaluate a proposal in good faith using the following
12 criteria:

13 [*(a) The demonstrated, sustainable support for the public charter school by teachers, parents, stu-*
14 *dents and other community members, including comments received at the public hearing held under*
15 *subsection (2) of this section;*]

16 (a) **Evidence that the proposed public charter school has sufficient enrollment demand**
17 **to meet the school's enrollment projections and financial plan;**

18 (b) The [*demonstrated financial stability of*] **likelihood that the public charter school will be fi-**
19 **nancially sustainable**, including the demonstrated [*ability of the school to have a*] **knowledge of**
20 sound financial management [*system that is in place at the time the school begins operating and that*
21 *meets the requirements of ORS 338.095 (1)*] **systems by the applicant;**

22 (c) The capability of the applicant, in terms of support and planning, to provide comprehensive
23 instructional programs to students pursuant to an approved proposal;

24 (d) The capability of the applicant, in terms of support and planning, to specifically provide,
25 pursuant to an approved proposal, comprehensive instructional programs to students identified by
26 the applicant as academically low achieving;

27 (e) The adequacy of the information provided as required by ORS 338.045 (2) and (3);

28 [*(f) Whether the value of the public charter school is outweighed by any directly identifiable, sig-*
29 *nificant and adverse impact on the quality of the public education of students residing in the school*
30 *district in which the public charter school will be located;*]

31 [(g)] (f) Whether there are arrangements for any necessary special education and related ser-
32 vices for children with disabilities pursuant to ORS 338.165;

33 [(h)] (g) **In the case of a proposal for the conversion of an existing public school to a**
34 **public charter school**, whether there are alternative arrangements for students and for teachers
35 and other school employees who choose not to attend or who choose not to be employed by the
36 public charter school; and

37 [(i)] (h) The prior history, if any, of the applicant in operating a public charter school or in
38 providing educational services.

39 (4) The [*school district board*] **entity** must approve a proposal or state in writing the reasons for
40 disapproving a proposal within 30 days after the public hearing held under subsection (2) of this
41 section.

42 (5)(a) Written notice of the [*school district board's*] **entity's** action shall be sent to the applicant.
43 If the proposal is not approved:

44 (A) The reasons for the denial and suggested remedial measures, if any, shall be clearly stated
45 in the notice sent by the [*school district board*] **entity** to the applicant; and

1 (B) The applicant may amend the proposal to address objections and any suggested remedial
2 measures and resubmit the proposal to the [school district board] **entity**.

3 (b) The [school district board] **entity** shall approve or disapprove the resubmitted proposal
4 within 30 days after receiving it. If the proposal is not approved, the applicant may appeal the de-
5 cision of the [school district board] **entity** to the State Board of Education.

6 (c) When the State Board of Education receives an appeal under this subsection, the board may
7 review the resubmitted proposal only to determine whether:

8 (A) The [school district board] **entity** used the process required by this section in denying the
9 proposal;

10 (B) The proposal meets the criteria described in subsection (3) of this section; and

11 (C) The reasons stated by the [school district board] **entity** for the denial are [valid] **based on**
12 **a reasonable evaluation of the criteria established in this section.**

13 (d) Following a review described in paragraph (c) of this subsection, the State Board of Educa-
14 tion may:

15 (A) Uphold the decision of the [school district board] **entity** to disapprove the proposal; or

16 [(B) Remand the proposal to the school district board for reconsideration.]

17 **(B) Offer the proposal to a post-secondary institution of education for approval.**

18 [(6)(a) Individual elements in a public charter school proposal may be changed through the pro-
19 posal and chartering process by mutual agreement of the school district board and the applicant.]

20 [(b) If the school district board and the applicant are unable to agree on a change during the
21 proposal or chartering process, the school district board or the applicant may request mediation by the
22 State Board of Education.]

23 [(c) If the school district board and the applicant are unable to reach an agreement following me-
24 diation as described in paragraph (b) of this subsection, the proposal submitted under ORS 338.045,
25 without the change that was the subject of mediation, shall be the proposal that governs the public
26 charter school and:]

27 [(A) The parties may execute the charter for the public charter school based on the proposal;]

28 [(B) The applicant may withdraw the proposal; or]

29 [(C) The school district board may disapprove the proposal.]

30 [(7)] (6) Before an existing public school is converted to a public charter school, the proposal
31 for the conversion must be approved by the school district board of the public school.

32 [(8)] (7) Entities described in ORS 338.005 [(4)] (5) may not charge any fee to applicants for the
33 proposal process.

34 [(9)] (8) Upon request by a school district, the State Board of Education may grant an extension
35 of any timeline required by this section if the district has good cause for requesting the extension.

36 **SECTION 5.** ORS 338.065 is amended to read:

37 338.065. (1)(a) Upon approval of a proposal by [a school district board] **an entity described in**
38 **ORS 338.005 (5)(a) or (b)** under ORS 338.055, the [school district board] **entity** shall become the
39 sponsor of the public charter school.

40 (b) Pursuant to ORS 338.075 [(2) or (3)], the State Board of Education shall become the sponsor
41 of the public charter school.

42 (2) The sponsor and the applicant shall develop a written charter that contains the provisions
43 of the proposal that have been duly approved by the sponsor and public charter school governing
44 body. [As provided by ORS 338.055 (6),] The sponsor and the applicant may agree to change elements
45 of the proposal prior to incorporating them into the charter. **The sponsor may not require ele-**

1 **ments in the written charter that are not explicitly stated in the approved charter proposal.**

2 The charter, when duly executed by the sponsor and the public charter school governing body, shall
3 act as the legal authorization for the establishment of the public charter school. The charter shall
4 be legally binding on both the sponsor and the public charter school governing body.

5 (3) The sponsor and the public charter school governing body may amend a charter by joint
6 agreement.

7 (4)(a) The initial charter shall be in effect for a period of not [*more than five*] **less than 10** years
8 and shall be renewed upon the authorization of the sponsor using the process established under this
9 section.

10 (b) The first renewal of a charter shall be for the same time period as the initial charter.

11 (c) Subsequent renewals of a charter shall be for a minimum of [*five years but may not exceed*]
12 10 years.

13 (5)(a) The renewal of a charter shall use the process required by this section.

14 (b) The public charter school governing body shall submit a written renewal request to the
15 sponsor for consideration at least 180 days prior to the expiration of the charter.

16 **(c) A public charter school that is in compliance with the terms of the charter and that**
17 **has not been notified by the sponsor of a potential breach of the charter shall be renewed.**

18 **(d) For a public charter school that has been notified by the sponsor of a potential breach**
19 **of the charter contract, the sponsor shall:**

20 [*(c)*] **(A)** Within 45 days after receiving a written renewal request from a public charter school
21 governing body, [*the sponsor shall*] hold a public hearing regarding the request for renewal.

22 [*(d)*] **(B)** Within 30 days after the public hearing, [*the sponsor shall*] approve the renewal of the
23 charter or state in writing the reasons for denying the renewal of the charter.

24 (e) If the sponsor approves the renewal of the charter, the sponsor and the public charter school
25 governing body shall negotiate a new charter within 90 days after the date on which the sponsor
26 approved the renewal of the charter unless the sponsor and the public charter school governing
27 body agree to an extension of the time period. Notwithstanding the time period specified in the
28 charter, an expiring charter shall remain in effect until a new charter is negotiated.

29 (f) If the sponsor does not renew the charter, the public charter school governing body may
30 address the reasons stated under paragraph [*(d)*] **(d)(B)** of this subsection and any remedial meas-
31 ures suggested by the sponsor and submit a revised request for renewal to the sponsor.

32 (g) Notwithstanding paragraphs (b) to (f) of this subsection, a sponsor and a public charter
33 school governing body may agree in the charter of the school to a timeline for renewing the charter
34 that is different from the timeline required by paragraphs (b) to (f) of this subsection.

35 (6)(a) If the sponsor does not renew the charter based on the revised request for renewal sub-
36 mitted under subsection (5)(f) of this section, the public charter school governing body may appeal
37 the decision of the sponsor to the State Board of Education for a review of whether the sponsor used
38 the process required by this section in denying the renewal of the charter.

39 (b) If the state board finds that the sponsor used the process required by this section in denying
40 the request for renewal, the state board shall affirm the decision of the sponsor. A public charter
41 school governing body may seek judicial review of an order of the state board pursuant to ORS
42 183.484.

43 (c) If the state board finds that the sponsor did not use the process required by this section in
44 denying the request for renewal, the state board shall order the sponsor to reconsider the request
45 for renewal.

1 (d) If after reconsideration pursuant to paragraph (c) of this subsection the sponsor does not
 2 renew the charter, the public charter school governing body may seek judicial review of an order
 3 of the sponsor pursuant to ORS 183.484.

4 (7) If the State Board of Education is the sponsor of a public charter school and the state board
 5 does not renew the charter based on the revised request for renewal submitted under subsection
 6 (5)(f) of this section, the public charter school governing body may seek judicial review of an order
 7 of the state board pursuant to ORS 183.484 for a review of whether the state board used the process
 8 required by this section in denying the request for renewal.

9 (8)(a) The sponsor shall base the charter renewal decision on a good faith evaluation of whether
 10 the public charter school:

11 (A) Is in compliance with this chapter and all other applicable state and federal laws;

12 (B) Is in compliance with the charter of the public charter school;

13 (C) Is meeting or working toward meeting the student performance goals and agreements spec-
 14 ified in the charter or any other written agreements between the sponsor and the public charter
 15 school governing body;

16 (D) Is fiscally stable and has used the sound financial management system described in the
 17 proposal submitted under ORS 338.045 and incorporated into the written charter under this section;
 18 and

19 (E) Is in compliance with any renewal criteria specified in the charter of the public charter
 20 school.

21 (b) The sponsor shall base the renewal evaluation described in paragraph (a) of this subsection
 22 primarily on a review of the public charter school's annual performance reports, annual audit of
 23 accounts and annual site visit and review as required by ORS 338.095 and any other information
 24 mutually agreed upon by the public charter school governing body and the sponsor.

25 **SECTION 6. The amendments to ORS 338.065 by section 5 of this 2023 Act apply to**
 26 **charters entered into or renewed on or after the effective date of this 2023 Act.**

27 **SECTION 7.** ORS 338.075 is amended to read:

28 338.075. [(1)] If a school district board disapproves a proposal to establish a public charter
 29 school following reconsideration of a proposal pursuant to ORS 338.055 (5) **and no post-secondary**
 30 **institution of education decides to approve the proposal**, the applicant may request that the
 31 State Board of Education [*review the decision of the school district board.*] **become the sponsor. The**
 32 **State Board of Education may become a sponsor only if the applicant agrees to the spon-**
 33 **sorship.**

34 [(2)(a) *If the State Board of Education reviews a decision of the school district board, as provided*
 35 *by subsection (1) of this section, the State Board of Education may review the decision only to deter-*
 36 *mine whether:]*

37 [(A) *The school district board used the process required by ORS 338.055 in denying the*
 38 *proposal;*]

39 [(B) *The proposal meets the criteria described in ORS 338.055 (3); and]*

40 [(C) *The reasons stated by the school district board for the denial are valid.*]

41 [(b) *Following a review described in paragraph (a) of this subsection, the State Board of Education*
 42 *may:*]

43 [(A) *Uphold the decision of the school district board to disapprove the proposal;*]

44 [(B) *Remand the proposal to the school district board for reconsideration if the school district*
 45 *board and applicant agree to the remand; or]*

1 *[(C) Consider becoming the sponsor of the public charter school if the applicant agrees to the*
 2 *sponsorship.]*

3 *[(3) An applicant may seek judicial review of an order of the State Board of Education pursuant*
 4 *to ORS 183.484. If the court finds that the decision of the State Board of Education is not supported*
 5 *by substantial evidence in the record, the court shall enter a judgment directing the State Board of*
 6 *Education to sponsor the public charter school.]*

7 **SECTION 8.** ORS 338.105 is amended to read:

8 338.105. (1) During the term of a charter, the sponsor may terminate the charter on any of the
 9 following grounds:

- 10 (a) Failure to meet the terms of an approved charter or this chapter.
- 11 (b) Failure to meet the requirements for student performance stated in the charter.
- 12 (c) Failure to correct a violation of a federal or state law that is described in ORS 338.115.
- 13 (d) Failure to maintain insurance as described in the charter.
- 14 (e) Failure to maintain financial stability.
- 15 (f) Failure to maintain, for one or more consecutive years, a sound financial management system
 16 described in the proposal submitted under ORS 338.045 and incorporated into the written charter
 17 under ORS 338.065.

18 (2)(a) If a charter is terminated under subsection (1) of this section, the sponsor shall notify the
 19 public charter school governing body at least 60 days prior to the proposed effective date of the
 20 termination. The notice shall state the grounds for the termination.

21 (b) If the grounds for termination include failure to maintain financial stability or failure to
 22 maintain a sound financial management system, the sponsor and the public charter school may agree
 23 to develop a plan to correct deficiencies. Under a plan to correct deficiencies:

24 (A) The public charter school may attempt to correct any deficiencies related to financial sta-
 25 bility or to a sound financial management system by a date identified by the sponsor, which may
 26 not be less than 60 days from the date of the notice;

27 (B) The proposed effective date of the termination may be extended to the date identified under
 28 subparagraph (A) of this paragraph;

29 (C) The sponsor may withhold up to 50 percent of the moneys owed to the public charter school
 30 while the public charter school is on the plan to correct deficiencies unless the withholding would
 31 create an undue hardship, as determined pursuant to rules of the State Board of Education; and

32 (D) The sponsor must hold in trust any moneys withheld under subparagraph (C) of this para-
 33 graph until:

34 (i) The public charter school complies with the plan to correct deficiencies, at which time the
 35 public charter school is entitled to the moneys held in trust; or

36 (ii) The public charter school fails to comply with the plan to correct deficiencies, at which time
 37 the charter is terminated and the public charter school forfeits any claim to the moneys held in
 38 trust.

39 (c) A deadline to correct deficiencies under paragraph (b)(A) of this subsection may be extended
 40 by mutual agreement of the sponsor and the public charter school.

41 (d) The public charter school governing body may request a hearing by the sponsor in relation
 42 to a termination of the charter or a plan to correct deficiencies.

43 (3) A public charter school governing body may appeal a decision of a sponsor under this sec-
 44 tion. The appeal shall be to:

- 45 (a) The State Board of Education if the sponsor is an entity described in ORS 338.005 [(4)(a)]

1 **(5)(a) or (b).** The State Board of Education shall:

2 (A) Review only:

3 (i) The grounds for termination under this section as stated by the *[school district board]* **spon-**
4 **sor;** or

5 (ii) A plan to correct deficiencies; and

6 (B) Adopt by rule procedures to ensure a timely appeals process to prevent disruption of
7 students' education.

8 (b) The circuit court pursuant to ORS 183.484 if the sponsor is the State Board of Education.

9 (4)(a) Notwithstanding subsection (2) of this section, a sponsor may terminate a charter imme-
10 diately and close a public charter school if the public charter school is endangering the health or
11 safety of the students enrolled in the public charter school.

12 (b) The public charter school governing body may request a hearing from the sponsor on the
13 termination of the charter under this subsection. The sponsor shall hold a hearing within 10 days
14 after receiving the request.

15 (c) The public charter school governing body may appeal a decision of a sponsor under this
16 subsection to the State Board of Education. The State Board of Education shall hold a hearing
17 within 10 days after receiving the appeal request.

18 (d) Throughout the appeals process, the public charter school shall remain closed at the dis-
19 cretion of the sponsor unless the State Board of Education orders the sponsor to open the public
20 charter school and not terminate the charter.

21 (5) Termination of a charter shall not abridge the public charter school's legal authority to op-
22 erate as a private or nonchartered public school.

23 (6) If a charter is terminated or a public charter school is dissolved:

24 (a) The assets of the public charter school that were purchased with public funds shall be given
25 to the State Board of Education. The State Board of Education may disburse the assets of the public
26 charter school to school districts or other public charter schools.

27 (b) All student education records of the public charter school shall be transferred to the ad-
28 ministrative office of the school district in which the public charter school was located.

29 (7) A public charter school governing body may only terminate a charter, dissolve or close a
30 public charter school at the end of a semester. If a charter is terminated by the public charter
31 school governing body or a public charter school is closed or dissolved, the public charter school
32 governing body shall notify the sponsor at least 180 days prior to the proposed effective date of the
33 termination, closure or dissolution.

34 **SECTION 9.** ORS 338.120 is amended to read:

35 338.120. (1) In addition to any other requirements of this chapter for a public charter school, a
36 virtual public charter school must have:

37 (a) A plan for academic achievement that addresses how the school will improve student learn-
38 ing and meet academic content standards required by ORS 329.045.

39 (b) Performance criteria the school will use to measure the progress of the school in meeting
40 the academic performance goals set by the school for its first five years of operation.

41 (c) A plan for implementing the proposed education program of the school by directly and sig-
42 nificantly involving parents and guardians of students enrolled in the school and involving the pro-
43 fessional employees of the school.

44 (d) A budget, business plan and governance plan for the operation of the school.

45 (e) In the charter of the school, a requirement that the school:

- 1 (A) Monitor and track student progress and attendance; and
- 2 (B) Provide student assessments in a manner that ensures that an individual student is being
- 3 assessed and that the assessment is valid.
- 4 (f) Notwithstanding ORS 338.135 (7), a plan to ensure that:
- 5 (A) All superintendents, assistant superintendents and principals of the school are licensed to
- 6 administer by the Teacher Standards and Practices Commission; and
- 7 (B) Teachers who are licensed to teach by the Teacher Standards and Practices Commission
- 8 teach at least 95 percent of the school's instructional hours.
- 9 (g) A plan for maintaining student records and school records, including financial records, at a
- 10 designated central office of operations that is located:
- 11 (A) If the sponsor is a school district, within the school district that is the sponsor and as
- 12 specified in the charter of the school; [*or*]
- 13 **(B) If the sponsor is a post-secondary institution of education, at an office located in**
- 14 **Oregon and as specified in the charter of the school; or**
- 15 [*B*] (C) If the sponsor is the State Board of Education, at a central office located in Oregon
- 16 and as specified in the charter of the school.
- 17 (h) A plan to provide equitable access to the education program of the school by ensuring that
- 18 each student enrolled in the school:
- 19 (A) Has access to and use of computer and printer equipment as needed;
- 20 (B) Is offered an Internet service cost reimbursement arrangement under which the school re-
- 21 imbursees the parent or guardian of the student, at a rate set by the school, for the costs of obtaining
- 22 Internet service at the minimum connection speed required to effectively access the education pro-
- 23 gram provided by the school; or
- 24 (C) Has access to and use of computer and printer equipment and is offered Internet service cost
- 25 reimbursement.
- 26 (i) A plan to provide access to computer and printer equipment and the Internet service cost
- 27 reimbursement as described in paragraph (h) of this subsection by students enrolled in the school
- 28 who are from families that qualify as low-income under Title I of the federal Elementary and Sec-
- 29 ondary Education Act of 1965 (20 U.S.C. 6301 et seq.).
- 30 (j) A plan to conduct school-sponsored optional educational events at least six times each school
- 31 year at locations selected to provide convenient access to all students enrolled in the school who
- 32 want to participate.
- 33 (k) A plan to conduct meetings at least twice a week between teachers and students enrolled
- 34 in the school, either in person or through the use of conference calls or other technology.
- 35 (L) A plan to provide opportunities for face-to-face meetings between teachers and students en-
- 36 rolled in the school at least six times each school year.
- 37 (m) A plan to provide, at the time of a student's enrollment, written notice to the sponsor and,
- 38 if different, to the school district where the student is a resident. Notification must be provided
- 39 within 10 days after enrollment and must include:
- 40 (A) The name, age and address of the student; and
- 41 (B) The name of the school in which the student was formerly enrolled.
- 42 (n) A plan to provide, at the time of a student's withdrawal for a reason other than graduation
- 43 from high school, written notice to the sponsor and, if different, to the school district where the
- 44 student is a resident. Notification must be provided within 10 days after withdrawal and must in-
- 45 clude:

- 1 (A) The name, age and address of the student;
- 2 (B) The reason the student no longer is enrolled and, if applicable, the name of the school in
- 3 which the student will enroll, if known to the virtual public charter school; and
- 4 (C) The last day on which the student was enrolled at the virtual public charter school.
- 5 (o) An agreement to provide a student's education records to the student's resident school dis-
- 6 trict or to the sponsor, upon request of the resident school district or sponsor.
- 7 (2) For a virtual public charter school:
- 8 (a) A person who is a member of the *[school district board]* **governing body** for the sponsor of
- 9 the virtual public charter school may not be:
- 10 (A) An employee of the virtual public charter school;
- 11 (B) A member of the governing body of the virtual public charter school; or
- 12 (C) An employee or other representative of any third-party entity with which the virtual public
- 13 charter school has entered into a contract to provide educational services.
- 14 (b) A person who is a member of the governing body of the virtual public charter school may
- 15 not be an employee of a third-party entity with which the virtual public charter school has entered,
- 16 or intends to enter, into a contract to provide educational services.
- 17 (3) If a virtual public charter school enters into a contract with a third-party entity to provide
- 18 educational services for the virtual public charter school:
- 19 (a) No employee or member of the governing board of the third-party entity may attend an
- 20 executive session of the *[school district board of the school district that is]* **governing body of** the
- 21 sponsor of the virtual public charter school;
- 22 (b) An employee of the virtual public charter school may not promote the sale or benefits of
- 23 private supplemental services or classes offered by the third-party entity;
- 24 (c) The educational services provided by the third-party entity must be consistent with state
- 25 standards and requirements, and must be changed on the same timelines that changes are imposed
- 26 on the nonvirtual public charter schools of this state; and
- 27 (d) The virtual public charter school must have on file the third-party entity's budget for the
- 28 provision of educational services and that budget must itemize:
- 29 (A) The salaries of supervisory and management personnel and consultants who are providing
- 30 educational or related services for a public charter school in this state; and
- 31 (B) The annual operating expenses and profit margin of the third-party entity for providing ed-
- 32 ucational services to a public charter school in this state.
- 33 (4)(a) The sponsor or a member of the public may request access to any of the documents de-
- 34 scribed in subsections (1) and (3)(d) of this section that are public records, as provided by ORS
- 35 192.311 to 192.478.
- 36 (b) Upon request by a sponsor or a member of the public, a virtual public charter school must
- 37 provide reasonable access to the documents described in subsections (1) and (3)(d) of this section
- 38 that are public records, as provided by ORS 192.311 to 192.478. The documents may be provided
- 39 electronically.
- 40 **SECTION 10.** ORS 338.125 is amended to read:
- 41 338.125. (1) Student enrollment in a public charter school is voluntary.
- 42 (2)(a) All students who reside in the school district in which the public charter school is located
- 43 are eligible for enrollment in the public charter school if space is available.
- 44 (b) Students who do not reside in the school district in which the public charter school is lo-
- 45 cated are eligible for enrollment in the public charter school if space is available and subject to

1 subsection (4) of this section.

2 (c) A public charter school may not limit student enrollment based on race, religion, sex, sexual
3 orientation, gender identity, ethnicity, national origin, disability, the terms of an individualized ed-
4 ucation program, income level, proficiency in the English language or athletic ability. A public
5 charter school may implement a weighted lottery that favors historically underserved students as
6 provided by subsection (3)(a) of this section.

7 (3)(a) Except as provided by paragraphs (b) and (c) of this subsection, if the number of applica-
8 tions from students exceeds the capacity of a program, class, grade level or building, the public
9 charter school shall select students through an equitable lottery selection process. For the purpose
10 of ameliorating the impact of discrimination against historically underserved students, an equitable
11 lottery selection process may include weights that favor historically underserved students. As used
12 in this paragraph, "historically underserved students" are students who are at risk because of any
13 combination of their race, sex, sexual orientation, gender identity, ethnicity, disability, income level,
14 proficiency in the English language, socioeconomic status or geographic location.

15 (b)(A) A public charter school may give priority for admission to students who reside within the
16 attendance boundaries that were in effect at the time a school district closed a nonchartered public
17 school if:

18 (i) The public charter school began to operate not more than two years after the nonchartered
19 public school was closed;

20 (ii) The school district that closed the nonchartered public school is the sponsor of the public
21 charter school;

22 (iii) The public charter school is physically located within the attendance boundaries of the
23 closed nonchartered public school; and

24 (iv) The school district board, through board action, approved the public charter school giving
25 priority as described in this paragraph.

26 (B) Nothing in this paragraph requires an amendment to a charter. A school district board may
27 take an action described in subparagraph (A)(iv) of this paragraph at any time during the term of
28 a charter.

29 (c) After a public charter school has been in operation for one or more years, the public charter
30 school may give priority for admission to students who:

31 (A) Were enrolled in the prior year in the public charter school;

32 (B) Were enrolled in a public preschool or prekindergarten program operated by the public
33 charter school;

34 (C) Have siblings who are presently enrolled in the school and who were enrolled in the school
35 in the prior year;

36 (D) Are at risk because the student has an economic or academic disadvantage that requires
37 special services or assistance, including students who:

38 (i) Are from economically disadvantaged families;

39 (ii) Are identified as having special educational needs;

40 (iii) Are limited in proficiency in the English language;

41 (iv) Are at risk of dropping out of high school; or

42 (v) Do not meet minimum standards of academic proficiency; or

43 (E) If the public charter school is a party to a cooperative agreement described in ORS 338.080,
44 reside in the school district that is the sponsor of the public charter school or in a school district
45 that is a party to the cooperative agreement.

1 (4)(a) A student who wishes to enroll in a virtual public charter school does not need the ap-
 2 proval of the school district where the student is a resident before the student enrolls in the virtual
 3 public charter school. If a student wishes to enroll in a virtual public charter school, the parent,
 4 legal guardian or person in parental relationship with the student must provide the following notices
 5 to the school district where the student is a resident:

6 (A) Intent to enroll the student in a virtual public charter school; and

7 (B) Enrollment of the student in a virtual public charter school.

8 (b)(A) Notwithstanding paragraph (a) of this subsection and ORS 339.133, if more than *[three]*
 9 **six** percent of the students who reside in a school district are enrolled in virtual public charter
 10 schools that are not sponsored by the school district, a student who is a resident of the school dis-
 11 trict must receive approval from the school district before enrolling in a virtual public charter
 12 school. A school district is not required to give approval if more than *[three]* **six** percent of the
 13 students who reside in the school district are enrolled in virtual public charter schools that are not
 14 sponsored by the school district. **If a student enrolled in a virtual public charter school that is**
 15 **not sponsored by the school district becomes no longer enrolled, the school district must**
 16 **allow another student to take that student's place.**

17 (B) For the purpose of determining whether more than *[three]* **six** percent of the students who
 18 reside in the school district are enrolled in virtual public charter schools that are not sponsored by
 19 the school district, the school district *[board]* shall include any students who:

20 (i) Reside in the school district, regardless of whether the students are considered residents of
 21 different school districts as provided by ORS 339.133 (5); and

22 (ii) Are enrolled in virtual public charter schools that are not sponsored by the school district.

23 (C) Students who reside in the school district, regardless of whether the students are considered
 24 residents of different school districts as provided by ORS 339.133 (5), must receive approval from the
 25 school district before enrolling in a virtual public charter school if the limit described in subpara-
 26 graph (A) of this paragraph has been met.

27 (c) If the school district does not give approval under paragraph (b) of this subsection, the
 28 school district must provide information to the parent, legal guardian or person in parental re-
 29 lationship with the student about the right to appeal the decision to the State Board of Education
 30 and other online options available to the student. If an appeal is made to the State Board of Edu-
 31 cation, the **state** board must issue a decision within 30 days of the submission of the appeal.

32 (5) Within 10 days of a student's enrollment in a public charter school, the public charter school
 33 shall provide written notice of the student's enrollment to the school district in which the public
 34 charter school is located if the student does not reside in the school district where the public
 35 charter school is located.

36 (6) Within 10 days of receiving the notice described in subsection (5) of this section, the school
 37 district in which the public charter school is located shall provide to the student's parent, legal
 38 guardian or person in parental relationship written information about:

39 (a) The school district's responsibility to identify, locate and evaluate students enrolled in the
 40 public charter school to determine which students may be in need of special education and related
 41 services as provided by ORS 338.165; and

42 (b) The methods by which the school district may be contacted to answer questions or provide
 43 information related to special education and related services.

44 (7) When a student described in subsection (5) of this section withdraws from a public charter
 45 school for a reason other than graduation from high school, the school district in which the public

1 charter school is located shall:

2 (a) Provide to the school district in which the student resides written notice that the student
3 has withdrawn.

4 (b) Provide to the student’s parent, legal guardian or person in parental relationship written
5 information about:

6 (A) The responsibility of the school district in which the student resides to identify, locate and
7 evaluate students who reside in the school district to determine which students may be in need of
8 special education and related services as provided by ORS 338.165; and

9 (B) The methods by which the school district in which the student resides may be contacted to
10 answer questions or provide information related to special education and related services.

11 (8)(a) If a student described in subsection (5) of this section enrolls in a public charter school
12 and has an individualized education program, the school district in which the public charter school
13 is located must implement the individualized education program and follow the terms of the indi-
14 vidualized education program until a new individualized education program is developed.

15 (b) If a student described in subsection (5) of this section withdraws from a public charter school
16 and has an individualized education program, the school district in which the student resides must
17 implement the individualized education program and follow the terms of the individualized education
18 program until a new individualized education program is developed.

19 (9) When a virtual public charter school enrolls a student or a student no longer is enrolled in
20 a virtual public charter school, the virtual public charter school shall provide the written notices
21 described in ORS 338.120 (1)(m) and (n) to the school district where the student is a resident.

22 (10) A public charter school may conduct fund-raising activities but may not require a student
23 to participate in fund-raising activities as a condition of admission to the public charter school.

24 **SECTION 11.** ORS 338.135, as amended by section 29, chapter 81, Oregon Laws 2022, is
25 amended to read:

26 338.135. (1) Employee assignment to a public charter school shall be voluntary.

27 (2)(a) A public charter school or the sponsor of the public charter school is considered the em-
28 ployer of any employees of the public charter school. If a school district board is not the sponsor
29 of the public charter school, the school district board may not be the employer of the employees of
30 the public charter school and the school district board may not collectively bargain with the em-
31 ployees of the public charter school. The public charter school governing body shall control the
32 selection of employees at the public charter school.

33 (b) If a virtual public charter school or the sponsor of a virtual public charter school contracts
34 with a for-profit entity to provide educational services through the virtual public charter school, the
35 for-profit entity may not be the employer of any employees of the virtual public charter school un-
36 less:

37 (A) The employee is an administrator who does not have any teaching responsibilities; and

38 (B) Both the executive officer of the sponsor and the public charter school governing body ap-
39 prove employment by the for-profit entity. The executive officer or governing body may choose to
40 grant approval under this subparagraph:

41 (i) For all employees of the for-profit entity who meet the description in subparagraph (A) of this
42 paragraph;

43 (ii) Based on the job categories of the employees who meet the description in subparagraph (A)
44 of this paragraph; or

45 (iii) On a case-by-case basis for each employee who meets the description in subparagraph (A)

1 of this paragraph.

2 (3) The school district board of the school district within which the public charter school is lo-
3 cated shall grant a leave of absence to any employee who chooses to work in the public charter
4 school. The length and terms of the leave of absence shall be set by negotiated agreement or by
5 board policy. However, the length of the leave of absence may not be less than two years unless:

6 (a) The charter of the public charter school is terminated or the public charter school is dis-
7 solved or closed during the leave of absence; or

8 (b) The employee and the school district board have mutually agreed to a different length of
9 time.

10 (4) An employee of a public charter school operating within a school district who is granted a
11 leave of absence from the school district and returns to employment with the school district shall
12 retain seniority and benefits as an employee pursuant to the terms of the leave of absence.
13 Notwithstanding ORS 243.650 to 243.809, a school district that was the employer of an employee of
14 a public charter school not operating within the school district may make provisions for the return
15 of the employee to employment with the school district.

16 (5)(a) For purposes of ORS chapters 238 and 238A, a public charter school shall be considered
17 a public employer and as such shall participate in the Public Employees Retirement System.

18 (b) For purposes of determining the salary paid to an active member of the Public Employees
19 Retirement System under ORS 238A.005 (17) during the period between August 29, 2003, and January
20 1, 2020, remuneration paid to a member in return for services to a public charter school is deemed
21 includable in the member's taxable income under Oregon law during a period of continuous em-
22 ployment with any public charter school if:

23 (A) The member was hired in a qualifying position by any public charter school on or after
24 August 29, 2003;

25 (B) The member was informed in writing by the public charter school during the period of con-
26 tinuous employment that the member was eligible to participate in the Public Employees Retirement
27 System and the public charter school made contributions to the system on the member's behalf;

28 (C) The remuneration was, or would have been if the member were an Oregon resident,
29 includable in the member's taxable income under Oregon law during the period of continuous em-
30 ployment; and

31 (D) The member resided and performed services in the United States during the period of con-
32 tinuous employment.

33 (c) As used in this subsection, "continuous employment" means employment with a public char-
34 ter school that is not interrupted by a period of more than 30 consecutive calendar days.

35 (6) For teacher licensing, employment experience in public charter schools shall be considered
36 equivalent to experience in public schools.

37 (7)(a) Any person employed as an administrator in a public charter school shall be licensed or
38 registered to administer by the Teacher Standards and Practices Commission.

39 (b) Any person employed as a teacher in a public charter school shall be licensed or registered
40 to teach by the commission.

41 (c) Notwithstanding paragraph (a) or (b) of this subsection, at least one-half of the total full-time
42 equivalent (FTE) teaching and administrative staff at the public charter school shall be licensed by
43 the commission pursuant to ORS 342.125.

44 (8) Notwithstanding ORS 243.650, a public charter school shall be considered a school district
45 for purposes of ORS 243.650 to 243.809. An employee of a public charter school may be a member

1 of a labor organization or organize with other employees to bargain collectively. Bargaining units
 2 at the public charter school may be separate from other bargaining units of the sponsor or of the
 3 school district in which the public charter school is located. Employees of a public charter school
 4 may be part of the bargaining units of the sponsor or of the school district in which the public
 5 charter school is located.

6 (9) An entity described in ORS 338.005 [(4)] (5) may not waive the right to sponsor a public
 7 charter school in a collective bargaining agreement.

8 **SECTION 12.** ORS 338.155 is amended to read:

9 338.155. (1)(a) Students of a public charter school shall be considered to be residents of the
 10 school district in which the public charter school is located for purposes of distribution of the State
 11 School Fund.

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

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

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

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

23 (C) By calculating the current school year's ADMw separately for a virtual public charter
 24 school and for the school district if the school district, without consideration of the ADM of the
 25 virtual public charter school, had a decrease in ADM compared to the previous school year.

26 (2) A school district shall contractually establish, with any public charter school that is spon-
 27 sored by the board of the school district, payment for provision of educational services to the public
 28 charter school's students. The payment shall equal an amount per weighted average daily member-
 29 ship (ADMw) of the public charter school that is at least equal to:

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

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

35 (3) A school district shall contractually establish, with any public charter school that is spon-
 36 sored by a **post-secondary institution of education** or the State Board of Education and that is
 37 within the boundaries of the school district, payment for provision of educational services to the
 38 public charter school's students. The payment shall equal an amount per weighted average daily
 39 membership (ADMw) of the public charter school that is at least equal to:

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

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

45 (4) The estimated amount of each school district's General Purpose Grant per ADMw shall be

1 determined each year by the Department of Education and made available to all school districts.

2 (5) The school district in which the public charter school is located shall transfer an amount
 3 per weighted average daily membership (ADMw) of the public charter school that is equal to 50
 4 percent of the amount of the school district's General Purpose Grant per ADMw as calculated under
 5 ORS 327.013 that is not paid to the public charter school through a contract created pursuant to
 6 subsection (3) of this section to the **post-secondary institution of education or the** Department
 7 of Education.

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

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

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

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

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

23 **SECTION 13.** ORS 338.165 is amended to read:

24 338.165. (1)(a) The school district in which a public charter school is located shall identify, lo-
 25 cate and evaluate students enrolled in the public charter school to determine which students may
 26 be in need of special education and related services.

27 (b) The school district in which a public charter school is located:

28 (A) Shall receive funding from the State School Fund as provided by this section for students
 29 who are eligible for special education and related services and who are enrolled in the public
 30 charter school; and

31 (B) Is eligible to receive high cost disabilities grants as provided by ORS 327.348 for students
 32 who are enrolled in the public charter school.

33 (c) Students who are eligible for special education and related services shall be considered stu-
 34 dents of the school district in which the public charter school is located for purposes of data col-
 35 lection and reporting.

36 (2) If a student is enrolled in a public charter school and is eligible for special education and
 37 related services, an additional amount shall be added to the ADM of the public charter school as
 38 described in ORS 327.013 (1)(c)(A)(i). The payment per ADMw in the public charter school that is
 39 attributable to the student who is eligible for special education and related services shall equal an
 40 amount that is at least equal to:

41 (a) 40 percent of the amount of the General Purpose Grant per ADMw for the school district in
 42 which the public charter school is located, as calculated under ORS 327.013, for students who are
 43 enrolled in kindergarten through grade eight; and

44 (b) 47.5 percent of the amount of the General Purpose Grant per ADMw for the school district
 45 in which the public charter school is located, as calculated under ORS 327.013, for students who are

1 enrolled in grades 9 through 12.

2 (3) If a **post-secondary institution of education** or the State Board of Education is the spon-
3 sor of a public charter school, the school district in which the public charter school is located, for
4 each ADMw that is attributable to a student enrolled in a public charter school who is eligible for
5 special education and related services, shall transfer five percent of the amount of the school
6 district's General Purpose Grant per ADMw as calculated under ORS 327.013 to the State Board of
7 Education.

8 (4) Notwithstanding subsection (2) of this section, a school district and a public charter school
9 may negotiate on a case-by-case basis for an alternative distribution of funds other than the dis-
10 tribution prescribed by subsection (2) of this section.

11 (5) Payments under this section must be made within 10 days after a school district receives
12 payment from the State School Fund pursuant to ORS 327.095.

13 **SECTION 14. This 2023 Act takes effect on the 91st day after the date on which the 2023**
14 **regular session of the Eighty-second Legislative Assembly adjourns sine die.**

15
