

HB 3037 STAFF MEASURE SUMMARY**Carrier:** Sen. Frederick**Joint Committee On Ways and Means****Action Date:** 06/17/25**Action:** Do pass.**Senate Vote****Yeas:** 11 - Anderson, Bonham, Broadman, Campos, Frederick, Girod, Lieber, Manning Jr, McLane, Smith DB, Sollman**House Vote****Yeas:** 11 - Bowman, Breese-Iverson, Cate, Drazan, Evans, Levy E, Owens, Ruiz, Sanchez, Smith G, Valderrama**Exc:** 1 - Gomberg**Fiscal:** Has minimal fiscal impact**Revenue:** No revenue impact**Prepared By:** Wendy Gibson, Budget Analyst**Meeting Dates:** 6/12, 6/17**WHAT THE MEASURE DOES:**

This measure allows the State Board of Education to award minimum grants to school districts with less than 1,650 students unless a minimum grant amount is provided for in statute. This measure also changes eligibility requirements for the High School Graduation and College Readiness Act, Student Investment Account Grants, and Early Warning System Grants to allow additional schools or education organizations access to these grants. This measure changes the required report date for the English Language Learners Program Grant.

Detailed Summary**Grants for Small ADM School Districts (Sections 1-2)****Section 1**

Makes section 2 part of ORS chapter 327.

Section 2

Defines small ADM school district as a school district with an average daily membership (ADM) of less than 1,650 students. Defines state-funded grant as a grant awarded by the Department of Education from funds appropriated by the Legislative Assembly. Allows the State Board of Education to establish a minimum grant amount for state-funded grants when the grant amount is not specified by state law and the grant is awarded to a small ADM school district. Allows the Department of Education to modify grant applications and reporting requirements for non-competitive state-funded grants for small ADM school districts.

High School Graduation and College Readiness Act Grants (Section 3-7)**Section 3**

Defines long term care or treatment facility as an eligible day treatment program or eligible residential treatment program for which the costs of education is paid. Adds school districts or educational service districts that provide educational services to long term care or treatment facilities to the definition of a school district for the purposes of this grant program.

Section 4

Adjusts the High School Graduation and College and Career Readiness Fund apportionment to include long term care or treatment facilities.

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Section 5

Increases funding each biennium pursuant to the application process in Executive Order 14-14.

Section 6

Adjusts the funding for the 2025-2027 biennium by the same percentage by which the total funding was adjusted compared to the 2017-2019 biennium.

Section 7

Allows school districts to use up to five percent of the apportioned grant funding for administrative costs.

Early Warning System Grants (Section 8-9)

Section 8

Defines eligible recipient as a school district, the Youth Corrections Education Program, the Juvenile Detention Education Program, Oregon School for the Deaf, and the school districts or education service districts providing educational services for eligible day treatment programs and eligible residential treatment programs. Modifies the goal of the program from assisting students in graduating from high school to assisting students in receiving a high school diploma, which includes recipients of general equivalency diplomas. Modifies the grant allocation formula. Specifies the ADMw weighting of certain eligible recipients. Allows the Department of Education to adjust the grant amount to ensure that the Youth Corrections Education Program, the Juvenile Detention Education Program, eligible day treatment, and eligible residential treatment programs receive at least the minimum grant amount. Makes conforming changes.

Section 9

Applies section 8 to grants awarded on or after July 1, 2025.

Eligibility for Student Investment Account Grants (Section 10-12)

Section 10

Adds the Oregon School for the Deaf as an eligible applicant. Adds school districts or education service districts that provide educational services for eligible day treatment programs or eligible residential treatment programs as eligible applicants.

Section 11

Adjusts the Average Daily Membership (ADMw) formula for the Oregon School for the Deaf and eligible day treatment programs or eligible residential treatment programs to be calculated as the average daily membership multiplied by 2. Allows the Oregon Department of Education to ensure that eligible day treatment programs and eligible residential treatment programs receive minimum grant amounts.

Section 12

Includes the Oregon School for the Deaf and school districts or education service district that provide educational services for an eligible day treatment programs or eligible residential treatment in the distribution to education services districts from funds in the Statewide Education Initiatives Account.

Reporting Requirements for English Language Learner Program Grants (Section 13)

Section 13

Changes the date by which the Department of Education must provide the annual report to the school districts from September 1 to December 1 of each year.

Miscellaneous (Section 14-15)

Section 14

States the unit captions will not become part of state law.

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Section 15

Declares an emergency and provides an effective date of July 1, 2025.

ISSUES DISCUSSED:

- Grant distributions
- Impact on small school districts

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Grants for Small ADM School Districts

Current law provides extra funding to small and remote school districts under certain circumstances. In December 2024, [Congress](#) did not reauthorize the Secure Rural Schools and Community Self Determination Act which provides \$74 million to Oregon rural schools.

High School Graduation and College Readiness Act

In 2016, Oregon voters approved [Measure 98](#) establishing the High School Graduation and College Readiness Act. The intent of the act is to improve student progress towards graduation, increase graduation rates, and improve high school graduates' readiness for college and career. The ballot measure established a fund to establish or expand programs in dropout prevention, career and technical education and college-level education opportunities. According to the last audit from the [Secretary of State](#), from 2017 to 2023, school districts and schools spent \$125 million in Measure 98 grants each year.

Early Warning System

In 2019, [House Bill 3427 \(the Student Success Act\)](#) established the Early Warning System (EWS) grant program. The grants provide funds to high schools for helping schools identify students at risk of not graduating. For the 2023-2025 biennium, the legislature apportioned \$3.8 million to the grant program. The EWS grant program only applies to school districts and to students who are graduating from a high school.

Eligibility for Student Investment Account

In 2019, [House Bill 3427 \(the Student Success Act\)](#) established Student Investment Accounts with the goals of meeting students' mental and behavioral health needs and reducing academic disparities by student groups that historically experienced academic disparities. Eligible applicants must apply to the SIA program to receive funding.

Reporting Requirements for English Language Learner Program Grants

According to the [Oregon Department of Education](#), 10.9 percent of all Oregon Students are English language learners. Funding for the Current English learner expenditures totaled \$216,663,622. School districts are required to report data on English language learners by September 1 of each year.