House Bill 3441

Sponsored by Representative MCINTIRE

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**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: Creates a state commission to sponsor and oversee public charter schools in this state. (Flesch Readability Score: 65.7).

Establishes the State Commission on Public Charter Schools. Prescribes the purposes of the commission.

A BILL FOR AN ACT 1 Relating to a state commission for public charter schools; creating new provisions; and amending 2 ORS 327.185, 327.195, 327.362, 327.825, 338.005, 338.065, 338.075, 338.105, 338.120, 338.130, 338.155 3 and 338.165. 4 Be It Enacted by the People of the State of Oregon: 5 SECTION 1. Section 2 of this 2025 Act is added to and made a part of ORS chapter 338. 6 SECTION 2. (1) The State Commission on Public Charter Schools is established. 7 (2) The purposes of the commission are to: 8 9 (a) Sponsor public charter schools in this state that the commission determines to be 10 high quality, with an emphasis on sponsoring public charter schools that are designed to expand opportunities for at-risk students; 11 12 (b) Provide high standards of accountability and oversight over public charter schools 13 sponsored as provided in paragraph (a) of this subsection; and (c) Hold accountable the governing bodies of public charter schools sponsored by the 14 commission. 15 (3) The State Commission on Public Charter Schools consists of nine members appointed 16 as follows: 17(a) Three members appointed by the Governor; 18 (b) Two members appointed by the President of the Senate; 19 20 (c) One member appointed by the Senate Minority Leader; (d) Two members appointed by the Speaker of the House of Representatives; and 21 22(e) One member appointed by the House Minority Leader. (4) The term of office of each member of the commission is two years, but a member 2324 serves at the pleasure of the appointing authority. Before the expiration of the term of a member, the appointing authority shall appoint a successor whose term begins on July 1 next 25following. A member is eligible for reappointment. If there is a vacancy for any cause, the 2627appointing authority shall make an appointment to become immediately effective for the 28 unexpired term. 29(5) The commission shall select one of its members as chairperson, for a term and with the duties and powers necessary for the performance of the function of the office as the 30 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.

commission determines. 1 2 (6) A majority of the members of the commission constitutes a quorum for the transaction of business. 3 (7) The commission shall meet at least once every three months at a time and place de-4 termined by the commission. The commission also may meet at other times and places 5 specified by the call of the chairperson or of a majority of the members of the commission. 6 (8) A member of the commission is not entitled to compensation, but is entitled to ex-7 penses as provided in ORS 292.495. 8 9 (9)(a) The commission may appoint a director to serve at the pleasure of the commission. (b) Subject to any applicable provisions of ORS chapter 240, the director may appoint 10 subordinate officers and employees of the commission, prescribe their duties and fix their 11 12 compensation. SECTION 3. Notwithstanding the term of office specified by section 2 of this 2025 Act, 13 of the members first appointed to the State Commission on Public Charter Schools: 14 15 (1) Four shall serve for terms ending June 30, 2027. 16 (2) Five shall serve for terms ending June 30, 2028. SECTION 4. ORS 338.005 is amended to read: 17 18 338.005. As used in this chapter, unless the context requires otherwise: 19 (1) "Applicant" means any person or group that develops and submits a written proposal for a public charter school to a sponsor. 20(2) "Public charter school" means an elementary or secondary school offering a comprehensive 2122instructional program operating under a written agreement entered into between a sponsor and an 23applicant and operating pursuant to this chapter. (3) "Remote and necessary school district" means a school district that offers kindergarten 24 through grade 12 and has: 25(a) An average daily membership (ADM), as defined in ORS 327.006, in the prior fiscal year of 2627less than 110; and (b) A school that is located, by the nearest traveled road, more than 20 miles from the nearest 28school or from a city with a population of more than 5,000. 2930 (4) "Sponsor" means: 31 (a) The board of the common school district or the union high school district in which the public charter school is located that has developed a written charter with an applicant to create a public 32charter school. 33 34 (b) The State Board of Education pursuant to ORS 338.075. (c) The State Commission on Public Charter Schools pursuant to ORS 338.075. 35 (5)(a) "Virtual public charter school" means a public charter school that provides online 36 37 courses. 38 (b) "Virtual public charter school" does not include a public charter school that primarily serves students in a physical location. 39 SECTION 5. ORS 338.065 is amended to read: 40 338.065. (1)(a) Upon approval of a proposal by a school district board under ORS 338.055, the 41 school district board shall become the sponsor of the public charter school. 42(b) Pursuant to ORS 338.075 [(2) or (3)], the State Board of Education or the State Commission 43 on Public Charter Schools shall become the sponsor of the public charter school. 44 (2) The sponsor and the applicant shall develop a written charter that contains the provisions 45

of the proposal that have been duly approved by the sponsor and public charter school governing body. As provided by ORS 338.055 (6), the sponsor and the applicant may agree to change elements of the proposal prior to incorporating them into the charter. The charter, when duly executed by the sponsor and the public charter school governing body, shall act as the legal authorization for the establishment of the public charter school. The charter shall be legally binding on both the sponsor and the public charter school governing body.

7 (3) The sponsor and the public charter school governing body may amend a charter by joint8 agreement.

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

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

(c) Subsequent renewals of a charter shall be for a minimum of five years but may not exceed10 years.

15 10 years.

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

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

(c) Within 45 days after receiving a written renewal request from a public charter school gov erning body, the sponsor shall hold a public hearing regarding the request for renewal.

(d) Within 30 days after the public hearing, the sponsor shall approve the renewal of the charteror state in writing the reasons for denying the renewal of the charter.

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

(f) If the sponsor does not renew the charter, the public charter school governing body may address the reasons stated under paragraph (d) of this subsection and any remedial measures suggested by the sponsor and submit a revised request for renewal to the sponsor.

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

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

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

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

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

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

7 the public charter school:

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

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

10 (C) Is meeting or working toward meeting the student performance goals and agreements spec-11 ified in the charter or any other written agreements between the sponsor and the public charter 12 school governing body;

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

16 (E) Is in compliance with any renewal criteria specified in the charter of the public charter 17 school.

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

22 SECTION 6. ORS 338.075 is amended to read:

338.075. (1) If a school district board disapproves a proposal to establish a public charter school
 following reconsideration of a proposal pursuant to ORS 338.055 (5), the applicant may:

(a) Request that the State Board of Education review the decision of the school district
board[.]; or

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(b) Submit a proposal to the State Commission on Public Charter Schools.

(2)(a) If the State Board of Education reviews a decision of the school district board, as provided
by subsection (1) of this section, the State Board of Education may review the decision only to determine whether:

31 (A) The school district board used the process required by ORS 338.055 in denying the proposal;

32 (B) The proposal meets the criteria described in ORS 338.055 (3); and

33 (C) The reasons stated by the school district board for the denial are valid.

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

(A) Uphold the decision of the school district board to disapprove the proposal;

(B) Remand the proposal to the school district board for reconsideration if the school district
 board and applicant agree to the remand; or

39 (C) Consider becoming the sponsor of the public charter school if the applicant agrees to the40 sponsorship.

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

45 (4)(a) An applicant seeking sponsorship by the State Commission on Public Charter

Schools may submit to the commission the same proposal that was submitted to the school 1

2 district board under ORS 338.045 or a proposal that is modified to take into consideration the purposes of the commission. 3

(b) Upon receipt of a proposal, the commission may evaluate the proposal and may ap-4 prove or disapprove the proposal. A proposal may be approved only after considering the 5 criteria described in ORS 338.055 (3)(b) to (i) and ensuring compliance with the provisions of 6 paragraph (d) of this subsection. 7

(c)(A) The following decisions by the commission are final and not subject to appeal: 8

9 (i) Whether to evaluate a proposal for a public charter school; and

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(ii) The approval or disapproval of a proposal for a public charter school.

(B) The process by which the commission makes a decision described in subparagraph (A) 11 12 of this paragraph is not subject to appeal.

13 (d) If a public charter school is sponsored by the commission and the public charter school enters into a contract with a third-party entity to provide educational services for the 14 15 public charter school:

(A) A member of the governing body of the public charter school or the commission may 16 not be an employee of the third-party entity, be a member of the governing board of the 17 third-party entity or be any other representative of the third-party entity; 18

19 (B) An employee of the public charter school may not promote the sale or benefits of private supplemental services or classes offered by the third-party entity; and 20

(C) The educational services provided by the third-party entity must comply with state 2122standards and requirements, and any provision of the contract with the third-party entity 23that does not allow for the provision of educational services that comply with state standards and requirements is void. 24

SECTION 7. ORS 338.105 is amended to read:

338.105. (1) During the term of a charter, the sponsor may terminate the charter on any of the 2627following grounds:

(a) Failure to meet the terms of an approved charter or this chapter. 28

29(b) Failure to meet the requirements for student performance stated in the charter.

30 (c) Failure to correct a violation of a federal or state law that is described in ORS 338.115.

31 (d) Failure to maintain insurance as described in the charter.

32(e) Failure to maintain financial stability.

(f) Failure to maintain, for one or more consecutive years, a sound financial management system 33 34 described in the proposal submitted under ORS 338.045 and incorporated into the written charter under ORS 338.065. 35

(2)(a) If a charter is terminated under subsection (1) of this section, the sponsor shall notify the 36 37 public charter school governing body at least 60 days prior to the proposed effective date of the 38 termination. The notice shall state the grounds for the termination.

(b) If the grounds for termination include failure to maintain financial stability or failure to 39 maintain a sound financial management system, the sponsor and the public charter school may agree 40 to develop a plan to correct deficiencies. Under a plan to correct deficiencies: 41

(A) The public charter school may attempt to correct any deficiencies related to financial sta-42 bility or to a sound financial management system by a date identified by the sponsor, which may 43 not be less than 60 days from the date of the notice; 44

(B) The proposed effective date of the termination may be extended to the date identified under 45

subparagraph (A) of this paragraph; 1 2 (C) The sponsor may withhold up to 50 percent of the moneys owed to the public charter school while the public charter school is on the plan to correct deficiencies unless the withholding would 3 create an undue hardship, as determined pursuant to rules of the State Board of Education; and 4 (D) The sponsor must hold in trust any moneys withheld under subparagraph (C) of this para-5 graph until: 6 (i) The public charter school complies with the plan to correct deficiencies, at which time the 7 public charter school is entitled to the moneys held in trust; or 8 9 (ii) The public charter school fails to comply with the plan to correct deficiencies, at which time the charter is terminated and the public charter school forfeits any claim to the moneys held in 10 trust. 11 12(c) A deadline to correct deficiencies under paragraph (b)(A) of this subsection may be extended 13 by mutual agreement of the sponsor and the public charter school. (d) The public charter school governing body may request a hearing by the sponsor in relation 14 15 to a termination of the charter or a plan to correct deficiencies. (3) A public charter school governing body may appeal a decision of a sponsor under this sec-16 tion. The appeal shall be to: 17 (a) The State Board of Education if the sponsor is an entity described in ORS 338.005 (4)(a) or 18 (c). The State Board of Education shall: 19 (A) Review only: 20(i) The grounds for termination under this section as stated by the [school district board] spon-2122sor; or 23(ii) A plan to correct deficiencies; and (B) Adopt by rule procedures to ensure a timely appeals process to prevent disruption of 24 students' education. 25(b) The circuit court pursuant to ORS 183.484 if the sponsor is the State Board of Education. 2627(4)(a) Notwithstanding subsection (2) of this section, a sponsor may terminate a charter immediately and close a public charter school if the public charter school is endangering the health or 28safety of the students enrolled in the public charter school. 2930 (b) The public charter school governing body may request a hearing from the sponsor on the 31 termination of the charter under this subsection. The sponsor shall hold a hearing within 10 days 32after receiving the request. (c) The public charter school governing body may appeal a decision of a sponsor under this 33 34 subsection to the State Board of Education. The State Board of Education shall hold a hearing 35 within 10 days after receiving the appeal request. (d) Throughout the appeals process, the public charter school shall remain closed at the dis-36 37 cretion of the sponsor unless the State Board of Education orders the sponsor to open the public 38 charter school and not terminate the charter. (5) Termination of a charter shall not abridge the public charter school's legal authority to op-39 erate as a private or nonchartered public school. 40 (6) If a charter is terminated or a public charter school is dissolved: 41 (a) The assets of the public charter school that were purchased with public funds shall be given 42 to the State Board of Education. The State Board of Education may disburse the assets of the public 43 charter school to school districts or other public charter schools. 44 (b) All student education records of the public charter school shall be transferred to the ad-45

ministrative office of the school district in which the public charter school was located. 1 2 (7) A public charter school governing body may only terminate a charter, dissolve or close a public charter school at the end of a semester. If a charter is terminated by the public charter 3 school governing body or a public charter school is closed or dissolved, the public charter school 4 governing body shall notify the sponsor at least 180 days prior to the proposed effective date of the $\mathbf{5}$ termination, closure or dissolution. 6 SECTION 8. ORS 338.120 is amended to read: 7 338.120. (1) In addition to any other requirements of this chapter for a public charter school, a 8 9 virtual public charter school must have: (a) A plan for academic achievement that addresses how the school will improve student learn-10 ing and meet academic content standards required by ORS 329.045. 11 12 (b) Performance criteria the school will use to measure the progress of the school in meeting 13 the academic performance goals set by the school for its first five years of operation. (c) A plan for implementing the proposed education program of the school by directly and sig-14 15 nificantly involving parents and guardians of students enrolled in the school and involving the pro-16 fessional employees of the school. (d) A budget, business plan and governance plan for the operation of the school. 1718 (e) In the charter of the school, a requirement that the school: (A) Monitor and track student progress and attendance; and 19 (B) Provide student assessments in a manner that ensures that an individual student is being 20assessed and that the assessment is valid. 2122(f) Notwithstanding ORS 338.135 (7), a plan to ensure that: 23(A) All superintendents, assistant superintendents and principals of the school are licensed to administer by the Teacher Standards and Practices Commission; and 2425(B) Teachers who are licensed to teach by the Teacher Standards and Practices Commission teach at least 95 percent of the school's instructional hours. 2627(g) A plan for maintaining student records and school records, including financial records, at a designated central office of operations that is located: 28(A) If the sponsor is a school district, within the school district that is the sponsor and as 2930 specified in the charter of the school; [or] 31 (B) If the sponsor is the State Board of Education, at a central office located in Oregon and as 32specified in the charter of the school[.]; or (C) If the sponsor is the State Commission on Public Charter Schools, within the school 33 34 district where the public charter school is located and as specified in the charter of the school. 35 (h) A plan to provide equitable access to the education program of the school by ensuring that 36 37 each student enrolled in the school: 38 (A) Has access to and use of computer and printer equipment as needed; (B) Is offered an Internet service cost reimbursement arrangement under which the school re-39 imburses the parent or guardian of the student, at a rate set by the school, for the costs of obtaining 40 Internet service at the minimum connection speed required to effectively access the education pro-41 gram provided by the school; or 42(C) Has access to and use of computer and printer equipment and is offered Internet service cost 43 reimbursement. 44 (i) A plan to provide access to computer and printer equipment and the Internet service cost 45

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1 reimbursement as described in paragraph (h) of this subsection by students enrolled in the school

2 who are from families that qualify as low-income under Title I of the federal Elementary and Sec-

3 ondary Education Act of 1965 (20 U.S.C. 6301 et seq.).

4 (j) A plan to conduct school-sponsored optional educational events at least six times each school 5 year at locations selected to provide convenient access to all students enrolled in the school who 6 want to participate.

7 (k) A plan to conduct meetings at least twice a week between teachers and students enrolled
8 in the school, either in person or through the use of conference calls or other technology.

9 (L) A plan to provide opportunities for face-to-face meetings between teachers and students en-10 rolled in the school at least six times each school year.

(m) A plan to provide, at the time of a student's enrollment, written notice to the sponsor and,
if different, to the school district where the student is a resident. Notification must be provided
within 10 days after enrollment and must include:

14 (A) The name, age and address of the student; and

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(B) The name of the school in which the student was formerly enrolled.

(n) A plan to provide, at the time of a student's withdrawal for a reason other than graduation
from high school, written notice to the sponsor and, if different, to the school district where the
student is a resident. Notification must be provided within 10 days after withdrawal and must include:

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(A) The name, age and address of the student;

(B) The reason the student no longer is enrolled and, if applicable, the name of the school inwhich the student will enroll, if known to the virtual public charter school; and

23 (C) The last day on which the student was enrolled at the virtual public charter school.

(o) An agreement to provide a student's education records to the student's resident school district or to the sponsor, upon request of the resident school district or sponsor.

26 (2) For a virtual public charter school:

(a) A person who is a member of the school district board for the sponsor of the virtual publiccharter school may not be:

29 (A) An employee of the virtual public charter school;

30 (B) A member of the governing body of the virtual public charter school; or

31 (C) An employee or other representative of any third-party entity with which the virtual public 32 charter school has entered into a contract to provide educational services.

(b) A person who is a member of the governing body of the virtual public charter school may
not be an employee of a third-party entity with which the virtual public charter school has entered,
or intends to enter, into a contract to provide educational services.

(3) If a virtual public charter school enters into a contract with a third-party entity to provide
 educational services for the virtual public charter school:

(a) No employee or member of the governing board of the third-party entity may attend an
executive session of the school district board of the school district that is the sponsor of the virtual
public charter school;

(b) An employee of the virtual public charter school may not promote the sale or benefits of
 private supplemental services or classes offered by the third-party entity;

43 (c) The educational services provided by the third-party entity must be consistent with state
44 standards and requirements, and must be changed on the same timelines that changes are imposed
45 on the nonvirtual public charter schools of this state; and

1 (d) The virtual public charter school must have on file the third-party entity's budget for the 2 provision of educational services and that budget must itemize:

3 (A) The salaries of supervisory and management personnel and consultants who are providing
4 educational or related services for a public charter school in this state; and

5 (B) The annual operating expenses and profit margin of the third-party entity for providing ed-6 ucational services to a public charter school in this state.

7 (4)(a) The sponsor or a member of the public may request access to any of the documents de8 scribed in subsections (1) and (3)(d) of this section that are public records, as provided by ORS
9 192.311 to 192.478.

10 (b) Upon request by a sponsor or a member of the public, a virtual public charter school must 11 provide reasonable access to the documents described in subsections (1) and (3)(d) of this section 12 that are public records, as provided by ORS 192.311 to 192.478. The documents may be provided 13 electronically.

14 **SECTION 9.** ORS 338.130 is amended to read:

15 338.130. (1) As used in this section:

16 (a) "Nonsponsoring school district board" means the school district board that:

17 (A) Is the school district board of the school district in which a public charter school is oper-

18 ating, or proposes to operate, a school or a tutoring or testing facility; and

19 (B) Is not the sponsor of the public charter school.

20 (b) "Nonvirtual public charter school" means a public charter school that:

21 (A) Is not a virtual public charter school; and

(B) Is not sponsored by the State Board of Education or by the State Commission on Public
 Charter Schools.

24 (c) "Sponsoring school district" is the school district of the sponsor of a public charter school.

(2) If a public charter school is a nonvirtual public charter school, the governing body of thenonvirtual public charter school:

(a) Except as provided by paragraph (c) of this subsection, may operate a school that is not located in the sponsoring school district only if the governing body has received written permission
from the nonsponsoring school district board. The governing body must receive written permission
under this paragraph prior to the first day on which students will attend classes at the school.

(b) Except as provided by paragraph (d) of this subsection, may operate a tutoring or testing facility that is not located in the sponsoring school district only if the governing body has received written permission from the nonsponsoring school district board. The governing body must receive written permission under this paragraph prior to the first day the students will receive tutoring or testing at the facility.

(c) May operate a school that is not located in the sponsoring school district and without com plying with the requirements of paragraph (a) of this subsection only if:

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(A) For a school that began operating prior to June 6, 2023;

39 (i) The location of the school has not changed since June 6, 2023; and

40 (ii) Written notification is provided to the nonsponsoring school district board each time the 41 charter for the public charter school is renewed.

42 (B) For a school that began operating after June 6, 2023, and prior to January 1, 2024:

(i) The governing body operating the school had entered into a charter for a public charter
 school in the sponsoring school district prior to January 1, 2023;

45 (ii) The school district in which the school will be located is adjacent to the sponsoring school

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district; and 1 2 (iii) Written notification is provided to the nonsponsoring school district board: 3 (I) Prior to the first day the students will attend classes at the school; and (II) Each time the charter for the public charter school is renewed. 4 (d) May operate a tutoring or testing facility that is not located in the sponsoring school district 5 and without complying with the requirements of paragraph (b) of this subsection only if: 6 (A) The public charter school began operating as a public charter school prior to January 1, 7 2023; and 8 9 (B) Written notification is provided to the nonsponsoring school district board each time the charter for the public charter school is renewed. 10 11 (3) If a public charter school is a virtual public charter school, the governing body: 12(a) May not operate a school in a school district that is not the sponsoring school district. 13 (b) May operate administrative offices in a nonsponsoring school district only after the governing body provides written notification to the nonsponsoring school district board: 14 15 (A) Prior to the first day the administrative offices are open; and (B) Each time the charter for the public charter school is renewed. 16 (c) May operate a tutoring or testing facility that is not located in the sponsoring school district 17 only if the governing body provides written notification to the nonsponsoring school district board: 18 19 (A) Prior to the first day the students will receive tutoring or testing at the facility for a facility 20that began operating after June 6, 2023; and (B) Each time the charter for the public charter school is renewed. 2122(4) If a public charter school is sponsored by the State Board of Education or the State Commission on Public Charter Schools, the governing body of the public charter school may not op-23erate a school or a testing or tutoring facility that is not located in the school district specified by 2425the school's charter. (5) If the governing body of a public charter school does not comply with the provisions of this 2627section, the nonsponsoring school district board may file a complaint with the Superintendent of Public Instruction. Upon receipt of a complaint, the superintendent shall schedule a contested case 28hearing pursuant to ORS 183.413 to 183.470. Upon a determination that the governing body did not 2930 comply with the requirements of this section, the superintendent may withhold State School Fund 31 moneys otherwise due to the public charter school under ORS 338.155. The superintendent shall withhold moneys until the governing body is in compliance or until some other date determined by 32the superintendent. 33 34 SECTION 10. ORS 338.155 is amended to read: 338.155. (1)(a) Students of a public charter school shall be considered to be residents of the 35

37 School Fund.

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

school district in which the public charter school is located for purposes of distribution of the State

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

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

1 (B) By not including any portion of the ADM of the public charter school for the previous school 2 year if the public charter school ceased to operate because of dissolution or closure or because of 3 termination or nonrenewal of a charter.

4 (C) By calculating the current school year's ADMw separately for a virtual public charter 5 school and for the school district if the school district, without consideration of the ADM of the 6 virtual public charter school, had a decrease in ADM or ADMw compared to the previous school 7 year.

8 (2) A school district shall contractually establish, with any public charter school that is spon-9 sored by the board of the school district, payment for provision of educational services to the public 10 charter school's students. The payment shall equal an amount per weighted average daily member-11 ship (ADMw) of the public charter school that is at least equal to:

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

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

(3) A school district shall contractually establish, with any public charter school that is sponsored by the State Board of Education or the State Commission on Public Charter Schools and that is within the boundaries of the school district, payment for provision of educational services to the public charter school's students. The payment shall equal an amount per weighted average daily membership (ADMw) of the public charter school that is at least equal to:

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

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

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

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

(6) The department may use any moneys received under this section for activities related topublic charter schools.

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

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

42 (9)(a) A public charter school may apply for any grant that is available to school districts or 43 nonchartered public schools from the Department of Education. The department shall consider the 44 application of the public charter school in the same manner as an application from a school district 45 or nonchartered public school.

[11]

1 (b) The department shall award any grant that is available to school districts based solely on 2 the weighted average daily membership (ADMw) of the school district directly to the public charter 3 school. This paragraph does not apply to any grant from the State School Fund.

4 **SECTION 11.** ORS 338.165 is amended to read:

5 338.165. (1)(a) The school district in which a public charter school is located shall identify, lo-6 cate and evaluate students enrolled in the public charter school to determine which students may 7 be in need of special education and related services.

8

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

9 (A) Shall receive funding from the State School Fund as provided by this section for students 10 who are eligible for special education and related services and who are enrolled in the public 11 charter school; and

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

(c) Students who are eligible for special education and related services shall be considered students of the school district in which the public charter school is located for purposes of data collection and reporting.

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

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

(b) 47.5 percent of the amount of the General Purpose Grant per ADMw for the school district
in which the public charter school is located, as calculated under ORS 327.013, for students who are
enrolled in grades 9 through 12.

(3) If the State Board of Education or the State Commission on Public Charter Schools is
the sponsor of a public charter school, the school district in which the public charter school is located, for each ADMw that is attributable to a student enrolled in a public charter school who is
eligible for special education and related services, shall transfer five percent of the amount of the
school district's General Purpose Grant per ADMw as calculated under ORS 327.013 to the State
Board of Education or the State Commission on Public Charter Schools.

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

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

39 **SECTION 12.** ORS 327.185 is amended to read:

40 327.185. (1) As used in this section, "eligible applicant" means any of the following entities:

41 (a) Common school districts and union high school districts.

42 (b) The Youth Corrections Education Program or the Juvenile Detention Education Program.

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

that are not sponsored by the State Commission on Public Charter Schools and that have a
 student population of which:

(A) At least 35 percent of the student population is composed of students from the following 1 2 student groups: 3 (i) Economically disadvantaged, as described in ORS 327.180 (2)(b)(A); (ii) Racial or ethnic groups that have historically experienced academic disparities, as described 4 in ORS 327.180 (2)(b)(B); or 5 (iii) Students with disabilities, as described in ORS 327.180 (2)(b)(C); and 6 (B) The percentage of the students from student groups identified under subparagraph (A) of this 7 paragraph is greater than or equal to: 8 9 (i) The percentage of all students in the school district who are economically disadvantaged, if eligibility is determined based on the percentage of students who are economically disadvantaged; 10 (ii) The percentage of all students in the school district who are from racial or ethnic groups 11 12 that have historically experienced academic disparities, if eligibility is determined based on the 13 percentage of students who are from those racial or ethnic groups; or (iii) The percentage of all students in the school district who are disabled, if eligibility is de-14 15 termined based on the percentage of students who are disabled. 16(2)(a) Eligible applicants may apply for a grant from the Student Investment Account to receive a distribution under ORS 327.190. 1718 (b) Notwithstanding ORS 338.155 (9), a public charter school that is not an eligible applicant may not apply for a grant under this section. 19 20(3) Prior to preparing a grant application, an eligible applicant must: (a) If the eligible applicant is a school district, determine whether the school district will allow 2122public charter schools sponsored by, or located within, the school district to participate in the grant 23application and the grant agreement. (b) If the eligible applicant is a public charter school, determine whether the public charter 24school intends to apply for a grant and provide notice of that intent to the school district in which 25the public charter school is located and to the Department of Education. 2627(4)(a) If an eligible applicant is a school district and decides to include public charter schools in the grant application and grant agreement, the school district must provide all public charter 28schools sponsored by, or located within, the school district the opportunity to participate in the 2930 grant application and grant agreement. 31 (b)(A) A public charter school is not required to participate in the grant application and grant agreement of a school district. 32(B) If a public charter school does not participate in a grant application and grant agreement 33 34 under this subsection: 35 (i) The ADMw of the public charter school may not be used in the calculation of the school district ADMw for grants distributed under ORS 327.195; and 36 37 (ii) The public charter school is not entitled to any grant moneys distributed under ORS 327.195. 38 (C) If a public charter school participates in a grant application and grant agreement under this subsection: 39 (i) The public charter school and school district shall enter into an agreement for the distrib-40 ution of moneys or the provision of services, including any accountability measures required of the 41 public charter school by the school district; 42(ii) The ADMw of the public charter school shall be used in the calculation of the school district 43 ADMw for grants distributed under ORS 327.195; and 44

45 (iii) The public charter school is entitled to any grant moneys or services provided for in the

agreement entered into under this subparagraph. 1 2 (5)(a) For the purpose of preparing a grant application, an eligible applicant must determine: (A) Which of the allowed uses identified in ORS 327.180 (3) the eligible applicant will fund with 3 4 grant moneys; and (B) Which of the eligible uses identified under subparagraph (A) of this paragraph the eligible 5 applicant will designate to meeting student mental and behavioral health needs. 6 (b) An eligible applicant shall make the determinations required under paragraph (a) of this 7 subsection by: 8 9 (A) Engaging in strategic planning; and (B) Considering the recommendations of the Quality Education Commission established under 10 ORS 327.500 and recommendations from the advisory groups formed by the Department of Education 11 12 for the purposes of the statewide education plans developed and implemented by the department. 13 (6)(a) The strategic planning required under subsection (5) of this section must include: (A) A completed needs assessment, as described in ORS 329.095; 14 15 (B) An analysis of the potential academic impact, both for the students of the eligible applicant and for student groups identified in ORS 327.180 (2)(b), from the allowed uses that would be funded 16 17 by grant moneys; and 18 (C) The creation of budgets for the allowed uses that would be funded by grant moneys. (b) The strategic planning required under subsection (5) of this section must take into consid-19 eration: 20(A) Input from the community of the eligible applicant, including school employees, students 2122from 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 decisions. 24(7) Based on the strategic planning described in subsection (6) of this section, the eligible ap-25plicant shall develop a four-year plan for the use of grant moneys. The plan must be updated every 2627two years and must: (a) Identify which allowed uses identified in ORS 327.180 (3) will be funded with grant moneys 28and which of those uses will be designated to meet student mental and behavioral health needs. 29(b) Describe how the allowed uses identified under paragraph (a) of this subsection will be used 30 31 to: (A) Meet students' mental and behavioral health needs; 32(B) Increase academic achievement for students of the eligible applicant; and 33 34 (C) Reduce academic disparities for student groups identified in ORS 327.180 (2)(b) who are served by the eligible applicant, and identify which of those student groups will benefit from the 35 allowed uses that are being funded with grant moneys. 36 37 (c) Include the budgets for the allowed uses to be funded with grant moneys. 38 (d) Be approved by the governing body of the eligible applicant at an open meeting, following: (A) Provision of the plan at the main office of the eligible applicant and on the eligible 39 applicant's website; 40 (B) Oral presentation of the plan by an administrator of the eligible applicant to the governing 41 body of the eligible applicant; and 42 (C) Opportunity for the public to comment on the plan at an open meeting. 43 (e) Be a part of the local district continuous improvement plan described in ORS 329.095, if the 44 eligible applicant is a school district. 45

(8) To apply for a grant, an eligible applicant must submit an application every two years in a 1 2 format and according to timelines prescribed by the Department of Education. The application must 3 include: (a) A completed needs assessment, as described in ORS 329.095; 4 5 (b) The plan developed under subsection (7) of this section; and (c) Budget estimates for each of the allowed uses identified in the plan developed under sub-6 section (7) of this section that will be funded by grant moneys. 7 SECTION 13. ORS 327.195 is amended to read: 8 9 327.195. (1)(a) Except as provided by paragraph (d) of this subsection, the amount of a grant awarded from the Student Investment Account = the grant recipient's $ADMw \times$ (the total amount 10 available for distribution as grants in each biennium ÷ the total ADMw of all grant recipients). 11 12(b) For purposes of this subsection and except as provided by paragraph (c) of this subsection, 13 ADMw equals: (A) For school districts, the ADMw as calculated under ORS 327.013, except that the additional 14 15 amount allowed for students who are in poverty families, as determined under ORS 327.013 (1)(c)(A)(v)(I), shall be 0.5. 16 (B) For an educational program under the Youth Corrections Education Program or the Juvenile 17 18 Detention Education Program, as provided in ORS 327.026. 19 (c) When calculating ADMw for a school district, the Department of Education shall remove 20from the calculation any amounts that are attributable to: (A) A virtual public charter school, as defined in ORS 338.005, or a public charter school 2122sponsored by the State Commission on Public Charter Schools; 23(B) A public charter school that provided notice of the public charter school's intent to apply for a grant as an eligible applicant; and 2425(C) A public charter school sponsored by, or located within, the school district that did not 26participate in the grant application or grant agreement. 27(d) The amount of a grant distributed under this section may be adjusted by the department to ensure that: 28(A) A grant recipient does not receive any moneys for uses that are not allowed uses under ORS 2930 327.180 (3). 31 (B) A school district with an ADMw of 50 or less receives a minimum grant amount. (C) Each site of the Youth Corrections Education Program and the Juvenile Detention Educa-32tion Program receives a grant amount that is no less than the minimum grant amount provided to 33 34 a school district under subparagraph (B) of this paragraph. 35 (2) The State Board of Education shall adopt any rules necessary for the distribution of grants 36 under this section, including establishing: 37 (a) The minimum grant amounts under subsection (1)(d) of this section; and 38 (b) Any percentages and timelines for installment payments and adjustments of those installment payments. 39 (3) A grant recipient shall deposit the grant moneys the grant recipient receives under this 40 section into a separate account and shall apply amounts in that account as provided by the grant 41 agreement. 42 SECTION 14. ORS 327.362 is amended to read: 43 327.362. (1) As used in this section: 44 (a) "ADMw" means weighted average daily membership, as calculated under ORS 327.013. 45

(b) "Eligible public charter school" means a public charter school that is not a virtual public 1 2 charter school, as defined in ORS 338.005, that is not sponsored by the State Commission on **Public Charter Schools** and that has a student population of which at least 65 percent of the total 3 student population is composed of students from the following combined student groups: 4 (A) Racial or ethnic groups that have historically experienced academic disparities, as described 5 in ORS 327.180 (2)(b)(B); and 6 (B) Students with disabilities, as described in ORS 327.180 (2)(b)(C). 7 (2) In addition to those moneys distributed through the State School Fund, the Department of 8 9 Education shall award grants under this section to eligible public charter schools from the Statewide Education Initiatives Account. 10 (3) The amount of a grant awarded to an eligible public charter school under this section = the 11 12 public charter school's $ADMw \times the$ difference between: 13 (a) The amount of the General Purpose Grant per ADMw for the school district that has contractually established payment for the provision of educational services to the public charter 14 15 school's students under ORS 338.155 (2) or (3); and 16 (b) The amount of the General Purpose Grant per ADMw that the public charter school receives under a contract for the provision of educational services to the public charter school's students 17 18 under ORS 338.155 (2) or (3). 19 (4) The purpose of grants distributed under this section shall be to increase academic achieve-20ment, including reducing academic disparities, for: (a) Students from racial or ethnic groups that have historically experienced academic disparities, 2122as determined under rules adopted by the State Board of Education; and 23(b) Students with disabilities. (5) Any eligible public charter school may apply for and receive a grant as provided by this 24section. A grant application must: 25(a) Describe how grant moneys will be used to advance the purpose described in subsection (4) 2627of this section. (b) Specify the supports that will be: 28(A) Provided to students with a disability; or 2930 (B) Used to enhance special education and related services that are provided by a school district 31 under ORS 338.165 to the students of the public charter school. (c) Identify any applicable longitudinal performance growth targets for the public charter school 32that have been established: 33 34 (A) Under contract between the public charter school and the sponsor of the public charter school; or 35 (B) By the public charter school or the school district in which the public charter school is lo-36 37 cated for purposes of grants from the Student Investment Account, as provided by ORS 327.190. 38 (d) Be submitted based on the timelines and forms prescribed by the department. (6)(a) If the department determines that a grant application complies with the requirements 39 prescribed under this section, the department shall enter into a grant agreement with the eligible 40 public charter school. 41 (b) A grant agreement must include longitudinal performance growth targets for the public 42charter school. If the grant application identified longitudinal performance growth targets, those 43 targets shall be included in the grant agreement. If the grant application did not identify longitudi-44 nal performance growth targets, the public charter school shall collaborate with the department to 45

1 develop longitudinal performance growth targets. Longitudinal performance growth targets must:

2 (A) Be based on data available for longitudinal analysis; and

3 (B) Use the following applicable metrics:

4 (i) Third-grade reading proficiency rates, as defined in ORS 327.190;

5 (ii) Regular attendance rates, as defined in ORS 327.190; and

6 (iii) Any other metrics identified by the department in collaboration with the public charter 7 school.

8 (7) After the department and the public charter school have entered into a grant agreement, the 9 department shall award a grant to the public charter school in the amount calculated under sub-10 section (3) of this section. A grant recipient shall deposit grant moneys received under this section 11 into a separate account and shall apply the amounts in that account as provided by the grant 12 agreement.

13 (8)(a) Each year, each grant recipient must submit to the department a description of:

(A) How grant moneys received under this section were used to advance the purpose described
in subsection (4) of this section and to meet performance growth targets in the grant agreement; and
(B) Progress made by the grant recipient toward meeting the performance growth targets in the
grant agreement.

(b) A grant recipient shall provide the information required under this subsection based on the timelines and forms prescribed by the department. To the greatest extent practicable, the department shall accept the information described in this subsection in the manner that it is made available by a public charter school to the sponsor of the public charter school.

(9) To the greatest extent practicable, any requirements prescribed by the department or the board under this section in relation to an application, a grant agreement or the submission of information under subsection (8) of this section shall reduce any redundancies between a grant awarded under this section and a grant awarded from the Student Investment Account. Reduction in redundancies includes accepting for the purposes of grants awarded under this section any applicable forms or information submitted by the public charter school to the department or a school district for the purposes of a grant awarded from the Student Investment Account.

(10) A public charter school and a school district may not consider moneys received by the public charter school under this section when establishing payment for the provision of educational services to the public charter school's students under ORS 338.155 (2) or (3).

(11) Prior to February 1 of each year, the department shall submit to the appropriate interim
 legislative committees a report related to the grants awarded under this section. The report must
 describe:

(a) The public charter schools that applied for the grants and the public charter schools that
 received the grants;

(b) The longitudinal performance growth targets included in grant agreements, as provided by
 subsection (6)(b) of this section; and

(c) Progress made toward meeting longitudinal performance growth targets, as reported under
 subsection (8)(a) of this section.

(12) The State Board of Education shall adopt any rules necessary for the distribution of grantsunder this section.

43 **SECTION 15.** ORS 327.825 is amended to read:

44 327.825. As used in ORS 327.825 to 327.845:

45 (1) "Early elementary grades" means any grade from prekindergarten through grade three.

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1	(2) "Elementary school" means a school of a school district, or a public charter school, with
2	students in early elementary grades.
3	(3) "High-dosage tutoring" means one-on-one tutoring or tutoring in small groups, as determined
4	by rule of the State Board of Education, that:
5	(a) Is provided in addition to daily instruction;
6	(b) Is provided two or more times each week over at least a 10-week period; and
7	(c) Uses a research-aligned tutoring model that is administered in a culturally responsive man-
8	ner and that is combined with the training necessary for tutors to implement the model effectively.
9	(4) "Prekindergarten" means a preschool or prekindergarten program that is:
10	(a) Provided by a school district or public charter school; or
11	(b) Delivered in partnership between a school district and another organization.
12	(5) "Preschool" means a high-quality program that serves children at least three years of age
13	but not older than five years of age.
14	(6) "Public charter school" means a public charter school that:
15	(a) Is established under ORS chapter 338; and
16	(b) Is not a virtual public charter school, as defined in ORS 338.005, or is not sponsored by
17	the State Commission on Public Charter Schools.
18	(7) "Qualified tutor" means an individual who is trained to implement a program providing
19	high-dosage tutoring.
20	(8) "Research-aligned literacy strategies" means strategies that:
21	(a) Are literacy focused;
22	(b) Are culturally responsive and relevant to diverse learners;
23	(c) Are based on long-term research derived from the science of reading and writing; and
24	(d) Apply instructional practices that are developmentally appropriate and specifically designed
25	for students with disabilities and students who are English language learners.
26	(9) "Science of reading and writing" means:
27	(a) The convergence of findings from research on reading and writing processes, development
28	and instruction; and
29	(b) The teaching of phonemic awareness, phonics, fluency, vocabulary and comprehension
30	through explicit and systematic instruction that can be differentiated to meet the needs of individual
31	learners through developmentally appropriate practices.
32	(10) "Student groups that have historically experienced academic disparities" means:
33	(a) Economically disadvantaged students, as determined under rules adopted by the State Board
34	of Education;
35	(b) Students from racial or ethnic groups that have historically experienced academic disparities,
36	as determined under rules adopted by the State Board of Education;
37	(c) Students with disabilities;
38	(d) Students who are English language learners;
39	(e) Students who are foster children, as defined in ORS 30.297;
40	(f) Students who are homeless, as determined under rules adopted by the State Board of Edu-
41	cation;
42	(g) Students who attend an elementary school that:
43	(A) Is identified for comprehensive support and improvement or for targeted support and im-
44	provement under the federal Every Student Succeeds Act (P.L. 114-95, 129 Stat. 1802); or
45	(B) Qualifies for assistance under Title I of the federal Elementary and Secondary Education

1 Act of 1965; or

- 2 (h) Any other student groups that have historically experienced academic disparities, as deter-
- 3 mined under rules adopted by the State Board of Education by rule.
- 4