

Senate Bill 630

Sponsored by Senator BONHAM (Pre-session filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: Allows some students to receive money to pay for a nonpublic school. (Flesch Readability Score: 67.7).

Establishes the Educational Scholarship Program for the purpose of assisting eligible students to pay for costs of attendance at certain nonpublic schools. Prescribes requirements of the program.

A BILL FOR AN ACT

1
2 Relating to scholarships for use at participating nonpublic schools.

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

4 **SECTION 1. As used in sections 1 to 9 of this 2025 Act:**

5 (1) **“Educational scholarship account” means a spending account that is:**

6 (a) **Established and administered by the State Treasurer;**

7 (b) **Directed by a parent for a scholarship recipient; and**

8 (c) **Used for tuition, school-related fees and special education service fees at a partic-**
9 **ipating nonpublic school.**

10 (2) **“Eligible student” means a student who meets the eligibility requirements to become**
11 **a scholarship recipient as prescribed by section 3 of this 2025 Act.**

12 (3) **“Low-achieving school” means a public school in this state that is in the bottom 15**
13 **percent of the schools of this state for the combined statewide summative assessment scores**
14 **for mathematics and language arts.**

15 (4) **“Parent” means an individual who is a resident of this state and who has the duty to**
16 **send a child to school as provided by ORS 339.020.**

17 (5) **“Participating nonpublic school” means a nonpublic school in this state that offers a**
18 **program of instruction for any grade from kindergarten through grade 12 and that meets the**
19 **requirements to participate in the Educational Scholarship Program as prescribed by section**
20 **8 of this 2025 Act.**

21 (6) **“Scholarship recipient” means an eligible student who has been approved to receive**
22 **a scholarship through an educational scholarship account.**

23 (7) **“School-related fee” means a fee charged by a participating nonpublic school to stu-**
24 **dents of the school for books, instructional materials, technology equipment and services,**
25 **uniforms, activities and other similar school expenses.**

26 (8) **“Special education services fee” means a fee charged by a participating nonpublic**
27 **school for special education and related services, as those terms are defined in ORS 343.035,**
28 **provided to a student who has an individualized education program, as defined in ORS**
29 **343.035.**

30 **SECTION 2. (1) The Educational Scholarship Program is established as a program in the**

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 office of the State Treasurer. The purpose of the Educational Scholarship Program is to
 2 provide scholarships to assist eligible students to pay tuition, school-related fees and special
 3 education services fees for attendance at a participating nonpublic school.

4 (2) No later than January 1 of each year, the Department of Education shall notify a
 5 school district if the school district has one or more low-achieving schools located in the
 6 school district.

7 (3) Within 15 days of receiving a notice under subsection (2) of this section, the school
 8 district shall notify the parents of students who attend or who reside within the attendance
 9 boundaries of a low-achieving school of the school's designation. The notice required to be
 10 provided to parents under this subsection must include the following information about the
 11 Educational Scholarship Program:

12 (a) A description of the program;

13 (b) Instructions for obtaining information about applying for a scholarship under the
 14 program;

15 (c) A list of schools in the school district that have been designated as a low-achieving
 16 school; and

17 (d) An description of a parent's responsibility regarding application to a participating
 18 nonpublic school if the parent seeks to enroll an eligible student in a participating nonpublic
 19 school.

20 (4) A school district required to provide a notice to parents as described in subsection (3)
 21 of this section shall provide to the State Treasurer a list of students whose parents were
 22 provided the notice. The notification shall be made in a manner and form established by the
 23 State Treasurer.

24 **SECTION 3.** (1) No later than March 1 of each year, a parent may apply to the State
 25 Treasurer for participation in the Educational Scholarship Program and to receive a schol-
 26 arship for an eligible student for the next school year.

27 (2) A student meets the eligibility requirements to be a scholarship recipient if the stu-
 28 dent:

29 (a) Is a resident of this state;

30 (b) Is eligible to attend the schools of this state as provided by ORS 339.010;

31 (c) Resides within the attendance boundary of a low-achieving school;

32 (d) Is from a household with an income that does not exceed 250 percent of the federal
 33 poverty guidelines; and

34 (e) Satisfies one of the following:

35 (A) Attends a public school in this state in the current school year;

36 (B) Received a scholarship from the Educational Scholarship Program for the current
 37 school year; or

38 (C) Will attend kindergarten for the first time in the next school year.

39 (3) A student meets the eligibility requirements to be a scholarship recipient in subse-
 40 quent school years if the student meets the criteria identified in subsection (2) of this sec-
 41 tion, except the requirements prescribed by subsection (2)(c) and (d) of this section.

42 (4)(a) No later than April 1, the State Treasurer shall notify a parent whether an appli-
 43 cation for a scholarship has been approved and a scholarship will be awarded for an eligible
 44 student for the next school year. An application for a scholarship must be approved by the
 45 State Treasurer if the student meets the eligibility requirements to be a scholarship recipient

1 as provided by subsection (2) or (3) of this section.

2 (b) Except as provided by paragraph (c) of this subsection, scholarships shall be awarded
3 based on the order that applications were received by the State Treasurer and based on the
4 amount of money available in the Educational Scholarship Fund.

5 (c) The State Treasurer shall give priority for approving applications to eligible students
6 who were scholarship recipients for the current school year.

7 (5) A parent is responsible for submitting an application to a participating nonpublic
8 school for enrollment of an eligible student, including any application fees. A parent may
9 submit an application before receiving notification by the State Treasurer that a scholarship
10 has been awarded.

11 (6) No later than June 1, a participating nonpublic school shall provide to the State
12 Treasurer:

13 (a) The names of the scholarship recipients who have accepted an offer of enrollment for
14 the next school year; and

15 (b) The amounts to be charged to scholarship recipients for tuition, school-related fees
16 and special education services fees.

17 (7) The State Treasurer shall establish a waiting list for eligible students with approved
18 applications who were not awarded a scholarship due to a lack of money in the Educational
19 Scholarship Fund. If, after July 1, additional moneys are available in the Educational Schol-
20 arship Fund for scholarships, the State Treasurer may award scholarships to eligible stu-
21 dents based on the order that applications for the scholarships were received.

22 **SECTION 4.** (1) Upon receipt of written confirmation from a participating nonpublic
23 charter school under section 3 of this 2025 Act that a scholarship recipient has accepted an
24 offer of enrollment, the State Treasurer shall enter into or renew an agreement with the
25 parent for the distribution of a scholarship.

26 (2) The agreement entered into under subsection (1) of this section shall require the fol-
27 lowing:

28 (a) The scholarship recipient shall enroll in the participating nonpublic school for the
29 school year for which the agreement applies;

30 (b) The State Treasurer shall deposit a sum of money, determined as provided by section
31 5 (2) of this 2025 Act, into an educational scholarship account on behalf of the scholarship
32 recipient;

33 (c) The parent may direct the use of the money in the educational scholarship account
34 only as provided under section 5 (5) of this 2025 Act; and

35 (d) The parent shall notify the State Treasurer if the scholarship recipient no longer re-
36 sides in this state or if the scholarship recipient withdraws or is forced to withdraw from the
37 participating nonpublic school within 15 days of the change of residence or withdrawal.

38 (3)(a) Except as otherwise provided under paragraph (b) or (c) of this subsection, an
39 agreement entered into under subsection (1) of this section is valid for one school year.

40 (b) An agreement entered into subsection (1) of this section may be terminated at any
41 time by the parent for any reason.

42 (c) An agreement entered into under subsection (1) of this section shall be terminated
43 by the State Treasurer for the following reasons:

44 (A) The parent is found to have engaged in fraudulent misuse of the educational schol-
45 arship account. If a parent is found to have engaged in fraudulent misuse of the educational

1 scholarship account, the scholarship recipient shall be ineligible for future participation in
 2 the Educational Scholarship Program. The parent may appeal the State Treasurer's decision
 3 regarding termination and student eligibility within 30 days of issuance of the decision. The
 4 appeal shall be heard as a contested case hearing under ORS chapter 183.

5 (B) The scholarship recipient no longer resides in this state.

6 (C) The scholarship recipient withdraws or is forced to withdraw from a participating
 7 nonpublic school prior to the end of the school year.

8 (4) If an agreement is terminated early under subsection (3) of this section, the following
 9 apply:

10 (a) All available moneys in the educational scholarship account shall revert to the Edu-
 11 cational Scholarship Fund.

12 (b) The participating nonpublic school shall repay to the State Treasurer for deposit into
 13 the Educational Scholarship Fund the full amount of the scholarship payment, reduced on a
 14 pro rata basis by the tuition, school-related fees and special education services fees owed for
 15 the portion of the school year in which the scholarship recipient was enrolled.

16 (c) The participating nonpublic school may not require a parent to reimburse the par-
 17 ticipating nonpublic school for the amount of the scholarship returned to the State Treas-
 18 urer under paragraph (b) of this subsection.

19 (5)(a) An agreement entered into under subsection (1) of this section may be renewed for
 20 subsequent school years for the same student upon application to the State Treasurer and
 21 approval as provided by section 3 of this 2025 Act.

22 (b) A parent may enter into separate agreements under subsection (1) of this section for
 23 each child of the parent who is a scholarship recipient.

24 (6) Upon entering into an agreement under subsection (1) of this section, the State
 25 Treasurer shall provide the parent with:

26 (a) A written explanation of the authorized uses of the money in the educational schol-
 27 arship account; and

28 (b) A notice that students who are a child with a disability, as defined in ORS 343.035,
 29 and who participate in the Educational Scholarship Program are considered parentally placed
 30 children with disabilities under 20 U.S.C. 1412 and are entitled to the rights of parentally
 31 placed private school children under 20 U.S.C. 33.

32 **SECTION 5.** (1) If an agreement is entered into under section 4 of this 2025 Act, the State
 33 Treasurer shall establish an educational scholarship account for the scholarship recipient.
 34 The educational scholarship account shall be administered by the State Treasurer in ac-
 35 cordance with this section.

36 (2) Upon establishment of an educational scholarship account, the State Treasurer shall
 37 make a deposit for the applicable school year in the educational scholarship account in an
 38 amount that equals:

39 (a) The general purpose grant per ADM, as calculated under ORS 327.013, for the school
 40 district in which the student resides; and

41 (b) Any additional amounts that are attributable to the student under ORS 327.013
 42 (1)(c)(A)(i), (ii) or (v).

43 (3) The State Treasurer shall deposit money for each scholarship recipient into an edu-
 44 cational scholarship account on a schedule determined by the State Treasurer.

45 (4) A parent may direct payments from the educational scholarship to a participating

1 nonpublic school on behalf of the scholarship recipient by an electronic money transfer sys-
2 tem.

3 (5) Money deposited into an educational scholarship account may be used only to pay for
4 the following qualified education expenses incurred by or associated with the scholarship
5 recipient at a participating nonpublic school:

6 (a) Tuition;

7 (b) School-related fees; and

8 (c) Special education services fees.

9 (6) A participating nonpublic school that receives a payment for qualified education ex-
10 penses described in subsection (5) of this section may not refund, rebate or otherwise di-
11 rectly share any portion of the payment with the parent who made the payment.

12 **SECTION 6.** (1) The Educational Scholarship Fund is established in the State Treasury,
13 separate and distinct from the General Fund. Interest earned by the Educational Scholarship
14 Fund shall be credited the fund.

15 (2) Moneys in the Educational Scholarship Fund are continuously appropriated to the
16 State Treasurer for the purpose of awarding scholarships as provided by sections 1 to 9 of
17 this 2025 Act.

18 (3) The Educational Scholarship Fund shall consist of:

19 (a) Moneys appropriated or otherwise transferred by the Legislative Assembly; and

20 (b) Other amounts deposited into the fund from any source.

21 (4) The State Treasurer may accept gifts, grants or contributions from any source,
22 whether public or private, for deposit in the Educational Scholarship Fund.

23 **SECTION 7.** (1) For the purpose of administering the Educational Scholarship Program
24 under sections 1 to 9 of this 2025 Act, the State Treasurer shall:

25 (a) Develop guidelines, in consultation with the Department of Education, as necessary
26 for the administration of sections 1 to 9 of this 2025 Act.

27 (b) Make payments to educational scholarship accounts as provided by sections 1 to 9 of
28 this 2025 Act.

29 (c) Develop a system that enables a parent to direct payments to a participating non-
30 public school in accordance with sections 1 to 9 of this 2025 Act.

31 (d) Develop a process by which a nonpublic school may inform the State Treasurer of the
32 nonpublic school's interest to participate in the Educational Scholarship Program and dem-
33 onstrate compliance with the requirements of section 8 of this 2025 Act.

34 (e) Ensure that eligible students and their parents are informed annually of the partic-
35 ipating nonpublic schools in the Educational Scholarship Program by posting a list of par-
36 ticipating nonpublic school on the State Treasurer's website by March 1 of each year.

37 (f) At such time and in such form and manner as may be directed by the State Treasurer,
38 request and receive information and data from a public school, a school district, a partic-
39 ipating nonpublic school or an applicant, as determined to be necessary by the State Treas-
40 urer for the purposes of sections 1 to 9 of this 2025 Act.

41 (2) The State Treasurer may enter into a contract with a public or private entity for the
42 purpose of administering the Educational Scholarship Program established by sections 1 to
43 9 of this 2025 Act.

44 (3) The State Treasurer may adopt rules that provide for the conducting of random au-
45 dits of educational scholarship accounts for fraudulent misuse.

1 **SECTION 8.** (1) A nonpublic school may indicate an interest to participate in the Educa-
 2 tional Scholarship Program by notifying the State Treasurer by a date and in a manner and
 3 form established by the State Treasurer.

4 (2) To be eligible to participate in the Educational Scholarship Program, a nonpublic
 5 school must include certification that the nonpublic school:

- 6 (a) Is a nonprofit organization registered in this state; and
- 7 (b) Complies with the nondiscrimination policies specified in ORS 659.850.

8 (3) A participating nonpublic school may not charge a scholarship recipient tuition,
 9 student-related fees or special education services fees that are higher than the amounts
 10 charged to a student who is not a scholarship recipient.

11 (4) Each participating nonpublic school shall report to the Department of Education in
 12 a manner and form determined by the State Treasurer information regarding scholarship
 13 recipients enrolled in the participating nonpublic school as follows:

- 14 (a) The number of scholarship recipients who enrolled or disenrolled;
- 15 (b) The number and percentage of scholarship recipients who have regular attendance;
- 16 (c) The number and percentage of scholarship recipients who have chronic absenteeism;
- 17 (d) The academic progress of scholarship recipients, as measured by advancement to the
 18 next grade level; and
- 19 (e) The number and percentage of scholarship recipients who are expected to graduate
 20 on time or within five years of beginning the ninth grade.
- 21 (f) The number of dual enrollment course credits earned by scholarship recipients.

22 (5) A nonpublic school may be prohibited from participation in the Educational Schol-
 23 arship Program if the State Treasurer finds that the nonpublic school has:

- 24 (a) Routinely failed to comply with the requirements established in this section; or
- 25 (b) Failed to provide a scholarship recipient with the educational services funded by the
 26 scholarship recipient's educational scholarship account.

27 (6) If the State Treasurer prohibits a nonpublic school from participating in the Educa-
 28 tional Scholarship Program, the State Treasurer shall, after any appeal is concluded and the
 29 decision is upheld after a contested case hearing, post the decision on the State Treasurer's
 30 website.

31 (7) A nonpublic school that participates in the Educational Scholarship Program shall be
 32 autonomous and is not an agent of the State Treasurer, the Department of Education or the
 33 State of Oregon. The State Treasurer, the department and other state agencies may not
 34 regulate the educational program of a participating nonpublic school that accepts money
 35 from a scholarship recipient beyond what is necessary to administer the Educational Schol-
 36 arship Program.

37 **SECTION 9.** (1) No later than March 1 of each year, the State Treasurer, in consultation
 38 with the Department of Education, shall prepare and submit to the committees of the Leg-
 39 islative Assembly related to education an annual report on the Educational Scholarship
 40 Program.

41 (2) The report required under this section shall include the following information for the
 42 previous school year:

- 43 (a) The total number of applications received for the program.
- 44 (b) The total number of applications received for the program, by school district.
- 45 (c) The total number of applications approved for the program.

1 (d) The total number of applications approved for the program, by school district.

2 (e) The total number of educational scholarship accounts terminated early.

3 (f) The total number of educational scholarship accounts investigated for fraudulent
4 misuse.

5 (g) The total number of scholarships awarded to students attending any grade from
6 kindergarten through grade eight.

7 (h) The total number of scholarships awarded to students attending any grade from grade
8 9 through 12.

9 (i) The total dollar amount of scholarships awarded.

10 (j) The total number of applications not approved due to lack of funding.

11 (k) The cost of administration of the program.

12 **SECTION 10.** Notwithstanding the report date specified in section 9 of this 2025 Act, the
13 first report required under section 9 of this 2025 Act must be submitted no later than March
14 1, 2028, and must provide information regarding the 2026-2027 school year.

15