

# DRAFT

## SUMMARY

Modifies percentage of amounts school districts must distribute from State School Fund to public charter schools that are not virtual public charter schools.

Directs school district or sponsor to transfer certain federal, state and local moneys to public charter schools on same basis moneys are transferred to nonchartered public schools in school district.

Considers transportation costs incurred by public charter school to be same as transportation costs incurred by school district.

Takes effect July 1, 2016.

## A BILL FOR AN ACT

Relating to funding of public charter schools; creating new provisions; amending ORS 327.297, 338.145, 338.155 and 340.073; and prescribing an effective date.

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

**SECTION 1.** 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 school district in which the public charter school is located for purposes of distribution of the State School Fund.

(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.

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

(A) Except as provided by subparagraph (B) 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.

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

**(2) A school district shall enter into a contract with a public charter school that provides for payment to the public charter school for the provision of educational services to the public charter school's students. The contract must include the distribution of moneys that are:**

**(a) Based on weighted average daily membership, as provided by this section, ORS 338.165 or other law; and**

**(b) Required to be distributed to public charter schools under subsection (10) of this section, ORS 327.297 or 338.145 or other law.**

**(3) For a public charter school that is not a virtual public charter school, the payment required under subsection (2) of this section shall equal an amount per weighted average daily membership (ADMw) of the public charter school that is at least equal to:**

**(a) Ninety-five percent of the amount of the school district's General Purpose Grant per ADMw, as calculated under ORS 327.013, for the sponsor if the sponsor is the board of a school district; or**

**(b) Ninety-five percent of the General Purpose Grant per ADMw, as calculated under ORS 327.013, for the school district in which the public charter school is located if the sponsor is the State Board of Education or an institution of higher education.**

*[(2)] (4) [A school district shall contractually establish, with any] For a public charter school that is a virtual public charter school and that is sponsored by the board of the school district, [payment for provision of educational services to the public charter school's students.] the payment required under subsection (2) of this section shall equal an amount per weighted*

average daily membership (ADMw) of the **virtual** 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)] **(5)** *[A school district shall contractually establish, with any]* **For a** public charter school that is **a virtual public charter school, that is** sponsored by the State Board of Education or an institution of higher education 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 **required under subsection (2) of this section** shall equal an amount per weighted average daily membership (ADMw) of the **virtual** 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)] **(6)** 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)] **(7)** 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), **(4) or (5)** of this section to:

1 (a) For a public charter school sponsored by the State Board of Educa-  
2 tion, the Department of Education; or

3 (b) For a public charter school sponsored by an institution of higher ed-  
4 ucation, the institution of higher education.

5 **(8)(a) A sponsor may retain any amounts that are not paid to a**  
6 **public charter school as provided by subsection (3), (4) or (5) of this**  
7 **section. Any amounts retained by the sponsor as provided by this**  
8 **subsection must be used for administrative costs incurred by the**  
9 **sponsor in relation to public charter schools.**

10 **[(6)] (b) The Department of Education** may use any moneys received  
11 under this section for activities related to public charter schools.

12 **[(7)] (9)** A school district and a public charter school may negotiate to  
13 establish a payment for the provision of educational services to the public  
14 charter school's students that is more than the minimum [*amounts*] **amount**  
15 specified in subsection **[(2) or] (3), (4) or (5)** of this section.

16 **(10)(a) A public charter school is entitled to receive the following**  
17 **moneys:**

18 **(A) Any local, state or federal moneys that are for the benefit of**  
19 **the public charter school and that are received by a sponsor or by the**  
20 **school district in which the public charter school is located.**

21 **(B) Any local, state or federal moneys that are for the benefit of**  
22 **public schools in the school district and that are received by a sponsor**  
23 **or by the school district in which the public charter school is located.**  
24 **Moneys described in this subparagraph must be distributed to public**  
25 **charter schools:**

26 **(i) On the same basis that moneys are distributed to nonchartered**  
27 **public schools in the school district.**

28 **(ii) Unless prohibited by the terms under which the moneys are re-**  
29 **ceived.**

30 **(b) Notwithstanding paragraph (a) of this subsection:**

31 **(A) A public charter school is not entitled to receive moneys de-**

scribed in paragraph (a) of this subsection if the moneys already have been distributed to the public charter school as required under subsection (3), (4) or (5) of this section, ORS 327.297, 338.145 or 338.165 or any other law.

(B) A virtual public charter school is not entitled to receive moneys described in paragraph (a) of this subsection, but a sponsor or school district may choose to distribute all or a portion of the moneys described in paragraph (a) of this subsection to the virtual public charter school.

[(8)] (11) 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 or after receiving moneys pursuant to subsection (10) of this section.

[(9)(a)] (12)(a) A public charter school may apply for any grant that is available to school districts or nonchartered public schools from the Department of Education. The department shall consider the application of the public charter school in the same manner as an application from a school district or nonchartered public school.

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

**SECTION 2. The amendments to ORS 338.155 by section 1 of this 2016 Act apply to contracts entered into or renewed by a sponsor and a public charter school before, on or after the effective date of this 2016 Act.**

**SECTION 3.** ORS 327.297 is amended to read:

327.297. (1) In addition to those moneys distributed through the State School Fund, the Department of Education shall award grants to school districts, education service districts, the Youth Corrections Education Program and the Juvenile Detention Education Program for activities that re-

late to increases in student achievement, including:

(a) Early childhood support including establishing, maintaining or expanding quality prekindergarten programs;

(b) Class size reduction with an emphasis on the reduction of kindergarten through grade three class sizes;

(c) Increases in instructional time including summer programs and before- and after-school programs;

(d) Mentoring, teacher retention and professional development;

(e) Remediation, alternative learning and student retention;

(f) Services to at-risk youth;

(g) Programs to improve a student achievement gap between student groups identified by culture, poverty, language and race and other student groups;

(h) Vocational education programs;

(i) Literacy programs;

(j) School library programs; and

(k) Other research-based student improvement strategies approved by the State Board of Education.

(2)(a) Each school district, each education service district, the Youth Corrections Education Program and the Juvenile Detention Education Program may apply to the Department of Education for a grant.

(b) The department shall review and approve applications based on criteria established by the State Board of Education. In establishing the criteria, the State Board of Education shall consider the recommendations of the Quality Education Commission established under ORS 327.500.

(c) The applications shall include the activities to be funded and the goals of the district or program for increases in student performance. The applications shall become part of the local district continuous improvement plan described in ORS 329.095.

(3)(a) Notwithstanding ORS 338.155 [(9)] **(12)**, the Department of Education may not award a grant under this section directly to a public charter

school.

(b) A school district that receives a grant **for a public charter school** under this section *[may]* **shall** transfer a portion of the grant to *[a]*:

(A) A public charter school **that is not a virtual public charter school** based on the **criteria used to transfer grants to any nonchartered public school in the school district or based on the** charter of the school or any other agreement between the school district and the public charter school.

(B) A virtual public charter school based on the charter of the school or any other agreement between the school district and the virtual public charter school.

(c) A public charter school that receives grant funds under this subsection *[shall]* **must** use those funds for the activities specified in subsection (1) of this section.

(4)(a) The amount of each grant for a program or school district = the program's or school district's ADMw  $\times$  (the total amount available for distribution to programs and school districts as grants in each fiscal year  $\div$  the total ADMw of all programs and school districts that receive a grant).

(b) The amount of each grant for an education service district = the education service district's ADMw  $\times$  (the total amount available for distribution to education service districts as grants in each fiscal year  $\div$  the total ADMw of all education service districts that receive a grant).

(c) As used in this subsection, "ADMw" means:

(A) For a school district, the extended weighted average daily membership as calculated under ORS 327.013, 338.155 (1) and 338.165 (2);

(B) For the Youth Corrections Education Program, the extended weighted average daily membership as calculated under ORS 327.026;

(C) For the Juvenile Detention Education Program, the extended weighted average daily membership as calculated under ORS 327.026; and

(D) For an education service district, the sum of the ADMw of the school districts located within the territory of the education service district.

(5) Each district or program shall deposit the grant amounts it receives

under this section in a separate account, and shall apply amounts in that account to pay for activities described in the district's or program's application.

(6) The State Board of Education may adopt any rules necessary for the administration of the grant program.

**SECTION 4.** ORS 338.145 is amended to read:

338.145. (1) The public charter school shall be responsible for providing transportation to students who reside within the school district and who attend the public charter school. The public charter school may negotiate with a school district for the provision of transportation to students attending the public charter school.

(2) Notwithstanding subsection (1) of this section, the school district within which the public charter school is located shall be responsible for the transportation of students attending the public charter school pursuant to ORS 327.043 in the same manner as students attending nonchartered public schools if the student is a resident of the school district. *[However,]* A school district may not be required to add or extend existing bus routes or other transportation services pursuant to this subsection.

(3) Students who attend public charter schools and who reside outside of the school district may use existing bus routes and transportation services of the school district in which a public charter school is located.

(4)(a) Any transportation costs incurred by a school district under this section shall be considered approved transportation costs for purposes of ORS 327.013 in the same manner as transportation costs incurred by the school district for transporting students who attend nonchartered public schools are considered approved transportation costs for purposes of ORS 327.013.

**(b) Any transportation costs incurred by a public charter school for providing transportation to students who reside within the school district and who attend the public charter school shall be considered approved transportation costs for purposes of ORS 327.013 in the same**



1 manner as transportation costs incurred by a school district for  
2 transporting students are considered approved transportation costs for  
3 purposes of ORS 327.013. A school district shall pay the public charter  
4 school the total amount received by the school district for transpor-  
5 tation costs incurred by the public charter school within 10 days after  
6 the school district receives the amount.

7 **SECTION 5.** The amendments to ORS 327.297, 338.145 and 338.155 by  
8 sections 1, 3 and 4 of this 2016 Act apply to State School Fund dis-  
9 tributions and other distributions of moneys made to school districts  
10 commencing with the 2016-2017 distributions.

11 **SECTION 6.** ORS 340.073 is amended to read:

12 340.073. (1) A public charter school may elect to participate in the Ex-  
13 panded Options Program by amending its charter under ORS 338.065.

14 (2) Actual instructional costs associated with participating eligible stu-  
15 dents shall be negotiated and paid directly to the eligible post-secondary in-  
16 stitution by the public charter school.

17 (3) The participating public charter school may not require funding from  
18 the sponsor of the school for payment of Expanded Options Program costs  
19 that is in addition to funding that already has been contractually established  
20 pursuant to ORS 338.155 [(2)(b) or (3)(b)] **(3), (4) or (5)** or 338.165 (2)(b).

21 **SECTION 7.** This 2016 Act takes effect July 1, 2016.