

House Bill 2635

Sponsored by Representative KRUMMEL

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**.

Directs parent, guardian and other persons having control of resident pupil to register with school district in which pupil resides. Bases distribution of State School Fund on number of resident pupils registered with school district. Directs school districts to distribute specified minimum percentage of budget to public education providers where resident pupils receive services.

Takes effect July 1, 2002.

A BILL FOR AN ACT

1
2 Relating to school finance; creating new provisions; amending ORS 327.006, 332.405, 336.635, 338.155,
3 338.165 and 339.133; and prescribing an effective date.

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

5 **SECTION 1. Sections 2 and 3 of this 2001 Act are added to and made a part of ORS 327.006**
6 **to 327.133.**

7 **SECTION 2. (1) As used in this section, "public education provider" means:**

8 **(a) A public charter school as defined in ORS 338.005.**

9 **(b) An alternative education program as defined in ORS 336.615.**

10 **(c) A community college as defined in ORS 341.005.**

11 **(d) Another school district in which a resident pupil attends school pursuant to ORS**
12 **339.125 or 339.133.**

13 **(2) A school district shall contractually establish, with any public education provider that**
14 **is providing educational services to a resident pupil of the school district, payment for pro-**
15 **vision of educational services to resident pupils of the school district. The payment shall**
16 **equal an amount per ADMw of the public education provider that is at least equal to 80**
17 **percent of the amount of the school district's General Purpose Grant per ADMw as calcu-**
18 **lated under ORS 327.013 that is attributable to resident pupils of the school district.**

19 **SECTION 3. Prior to September 1 of each year, a parent, guardian or other person having**
20 **control of any resident pupil shall register with the school district in which the pupil will**
21 **reside on September 1. The registration shall include information about where the pupil will**
22 **be provided with educational services during the school year.**

23 **SECTION 4. ORS 327.006 is amended to read:**

24 **327.006. As used in ORS 327.006 to 327.133 and 327.731:**

25 *[(1) "Aggregate days membership" means the sum of days present and absent, according to the*
26 *rules of the State Board of Education, of all resident pupils when school is actually in session during*
27 *a certain period. The aggregate days membership of kindergarten pupils shall be calculated on the*
28 *basis of a half-day program.]*

29 **(1) "ADMw" means the weighted average daily membership as calculated under ORS**
30 **327.013.**

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 (2)(a) “Approved transportation costs” means those costs as defined by rule of the State Board
 2 of Education and is limited to those costs attributable to transporting or room and board provided
 3 in lieu of transporting;

4 (A) Elementary school students who live at least one mile from school;

5 (B) Secondary school students who live at least 1.5 miles from school;

6 (C) Any student required to be transported for health or safety reasons, according to supple-
 7 mental plans from districts that have been approved by the state board identifying students who are
 8 required to be transported for health or safety reasons, including special education;

9 (D) Preschool children with disabilities requiring transportation for early intervention services
 10 provided pursuant to ORS 343.224 and 343.533;

11 (E) Students who require payment of room and board in lieu of transportation;

12 (F) A student transported from one school or facility to another school or facility when the
 13 student attends both schools or facilities during the day or week; and

14 (G) Students participating in school-sponsored field trips that are extensions of classroom
 15 learning experiences.

16 (b) “Approved transportation costs” does not include the cost of constructing boarding school
 17 facilities.

18 (3) “Average daily membership” or “ADM” means the [*aggregate days membership of a school*
 19 *during a certain period divided by the number of days the school was actually in session during the*
 20 *same period. However, if a district school board adopts a class schedule that operates throughout the*
 21 *year for all or any schools in the district, average daily membership shall be computed by the Depart-*
 22 *ment of Education so that the resulting average daily membership will not be higher or lower than if*
 23 *the board had not adopted such schedule.] **number of resident pupils in a school district who are**
 24 **registered with the school district on September 1 of each year pursuant to section 3 of this**
 25 **2001 Act.***

26 (4) “Consumer Price Index” means the Consumer Price Index for All Urban Consumers of the
 27 Portland, Oregon, Standard Metropolitan Statistical Area, as compiled by the United States De-
 28 partment of Labor, Bureau of Labor Statistics.

29 (5) “Kindergarten” means a kindergarten program that conforms to the standards and rules
 30 adopted by the State Board of Education.

31 (6) “Net operating expenditures” means the sum of expenditures of a school district in
 32 kindergarten through grade 12 for administration, instruction, attendance and health services, op-
 33 eration of plant, maintenance of plant, fixed charges and tuition for resident students attending in
 34 another district, as determined in accordance with the rules of the State Board of Education, but
 35 net operating expenditures does not include transportation, food service, student body activities,
 36 community services, capital outlay, debt service or expenses incurred for nonresident students.

37 (7) [(a)] “Resident pupil” means any pupil:

38 [(A)] (a) [*Whose legal school residence is within the boundaries of a school district reporting the*
 39 *pupil, if] **Who is considered to be a resident for school purposes under ORS 339.133;***

40 (b) **Who** the district is legally responsible for [*the education of the pupil, except that “resident*
 41 *pupil” does not include a pupil who pays tuition or for whom the parent pays tuition or for whom the*
 42 *district does not pay tuition for placement outside the district;] **educating;** or*

43 [(B) *Whose legal residence is not within the boundaries of the district reporting the pupil but at-*
 44 *tends school in the district with the written consent of the affected school district boards.]*

45 [(b) *A pupil shall not be considered to be a resident pupil under paragraph (a)(A) of this subsection*

1 *if the pupil is attending school in another school district pursuant to a contract under ORS 339.125*
 2 *and in the prior year was considered to be a resident pupil in another school district under paragraph*
 3 *(a)(B) of this subsection. The pupil shall continue to be considered a resident of another school district*
 4 *under paragraph (a)(B) of this subsection.]*

5 *[(c) A pupil shall not be considered to be a resident pupil under paragraph (a)(B) of this subsection*
 6 *if the pupil is attending school in a school district pursuant to an agreement with another school dis-*
 7 *trict under ORS 339.133 and in the prior year was considered to be a resident pupil under paragraph*
 8 *(a)(A) of this subsection because the pupil was attending school in another school district pursuant to*
 9 *a contract under ORS 339.125. The pupil shall continue to be considered a resident pupil under par-*
 10 *agraph (a)(A) of this subsection.]*

11 *[(d) (c) ["Resident pupil" includes a pupil] Who is admitted to a school district under ORS*
 12 *339.115 (7).*

13 (8) "Standard school" means a school meeting the standards set by the rules of the State Board
 14 of Education.

15 (9) "Tax" and "taxes" includes all taxes on property, excluding exempt bonded indebtedness, as
 16 those terms are defined in ORS 310.140.

17 **SECTION 5.** ORS 332.405 is amended to read:

18 332.405. (1) The district school board shall provide transportation for pupils or combinations of
 19 pupils and other persons to and from school-related activities where required by law or when con-
 20 sidered advisable by the board.

21 (2) The board may furnish board and room for pupils in lieu of transportation when reasonable
 22 board and room can be provided at equal or less expense than transportation. The board may also
 23 provide board and room in a facility that existed on July 1, 1998, or a replacement facility for that
 24 facility, for pupils attending a district school through an interdistrict agreement described in ORS
 25 [327.006 (7)(a)(B)] **339.133** or through a power of attorney authorized under ORS 109.056 (2). This
 26 subsection does not apply to a pupil who attends a district school through a power of attorney and
 27 who is a foreign exchange student enrolled in a school under a cultural exchange program.

28 (3) The transportation costs or expenses for board and room shall be paid from funds available
 29 to the district for that purpose.

30 (4) The district school board may expend district funds to improve or provide for pedestrian fa-
 31 cilities off district property if the board finds that the expenditure reduces transportation costs of
 32 the district and enhances the safety of pupils going to and from schools of the district.

33 **SECTION 6.** ORS 336.635 is amended to read:

34 336.635. (1) When necessary to meet a student's educational needs and interests, the parent or
 35 guardian with the approval of the resident district and the attending district may enroll the student
 36 in one of the proposed appropriate and accessible public alternative programs or the private alter-
 37 native programs of instruction or instruction combined with counseling registered with the Depart-
 38 ment of Education. If the child is determined to be eligible for special education under ORS 343.221
 39 to 343.236 and 343.261 to 343.295, the program must be approved by the Department of Education
 40 prior to the placement of the student in the program. A student enrolled pursuant to this subsection
 41 or enrolled in an alternative program on or after July 1, 1995, because the student's educational
 42 needs and interests are best met through participation in such a program shall be considered en-
 43 rolled in the schools of the district for purposes of the distribution of the State School Fund.

44 (2) The [alternate] **alternative** program in which the student enrolls with the districts' approval
 45 shall notify the school district in which the student or the student's parents or legal guardian, if

1 any, resided at the time the student enrolled of the child's enrollment and may bill the school dis-
 2 trict for tuition. The billing may be made annually or at the end of each term or semester of the
 3 [alternate] **alternative** program. [For each full-time equivalent student enrolled in the alternative edu-
 4 cation program, as defined in ORS 336.615, the school district shall pay the actual cost of the program
 5 or an amount at least equivalent to 80 percent of the district's estimated current year's average per
 6 student net operating expenditure, whichever is lesser, in accordance with rules adopted by the State
 7 Board of Education.] **The school district shall contractually establish, with the alternative**
 8 **program, payment for provision of educational services to students enrolled in the alterna-**
 9 **tive program. The payment shall be made pursuant to section 2 of this 2001 Act.** The
 10 [alternate] **alternative** program shall be accountable for the expenditures of all State School Fund
 11 and other local school support moneys, providing the school district with an annual statement of
 12 such expenditures.

13 (3) A private alternative program that is registered with the Department of Education is not
 14 required to employ only licensed teachers or administrators. Teachers and administrators in such
 15 private programs shall not be considered employees of any district for purposes of ORS 342.173.

16 (4) A school district is not required to provide a public alternative program if there are public
 17 or private alternative programs that are appropriate and accessible to the student to which a stu-
 18 dent can be referred.

19 (5) Any Oregon teaching license is valid for teaching all subjects and grade levels in an alter-
 20 native education program operated by a school district or education service district.

21 **SECTION 7.** ORS 338.155 is amended to read:

22 338.155. (1) Students of a public charter school shall be considered to be residents of the school
 23 district in which the public charter school is located for purposes of distribution of the State School
 24 Fund.

25 (2) A school district shall contractually establish, with any public charter school that is spon-
 26 sored by the board of the school district, payment for provision of educational services to the public
 27 charter school's students. The payment shall [equal an amount per weighted average daily member-
 28 ship (ADMw) of the public charter school that is at least equal to:] **be made pursuant to section 2**
 29 **of this 2001 Act.**

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

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

35 (3) A school district shall contractually establish, with any public charter school that is spon-
 36 sored by the State Board of Education and within the boundaries of the school district, payment for
 37 provision of educational services to the public charter school's students. The payment shall [equal
 38 an amount per weighted average daily membership (ADMw) of the public charter school that is at least
 39 equal to:] **be made pursuant to section 2 of this 2001 Act.**

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

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

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

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

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

7 (a) Any school district in which the parent or guardian of or person in parental relationship to
 8 a student of a public charter school resides pursuant to ORS 339.133 and 339.134; or

9 (b) The Department of Education if the State Board of Education is the sponsor of the public
 10 charter school.

11 (6) The department may use any money received under this section for activities related to
 12 public charter schools.

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

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

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

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

26 **SECTION 8.** ORS 338.165 is amended to read:

27 338.165. (1) Notwithstanding ORS 338.155 (1), for purposes of this section, the "resident school
 28 district" of a student who is eligible for special education and related services shall be the school
 29 district in which the student's parent or guardian or person in parental relationship to the student
 30 reside pursuant to ORS 339.133 and 339.134.

31 (2) For students who attend public charter schools and are eligible for special education and
 32 related services[.],

33 [(a)] the resident school district of the student shall be responsible for providing any required
 34 special education and related services to the student[; and]

35 [(b) Amounts from the State School Fund for those students shall be distributed through the resi-
 36 dent school district pursuant to this section].

37 [(3) Notwithstanding ORS 338.155 (2), a resident school district of a student who is eligible for
 38 special education and related services shall contractually establish, with any public charter school in
 39 which the student is enrolled, payment for provision of special education and related services to the
 40 student. If a student is enrolled in a public charter school and is eligible for special education and
 41 related services an additional amount shall be added to the ADM of the public charter school as de-
 42 scribed in ORS 327.013 (7)(a)(A). The payment per ADMw in the public charter school that is attrib-
 43 utable to the student who is eligible for special education and related services shall equal an amount
 44 that is at least equal to:]

45 [(a) 40 percent of the amount of the school district's General Purpose Grant per ADMw as calcu-

1 *lated under ORS 327.013 for students who are enrolled in kindergarten through grade eight; and]*

2 *[(b) 47.5 percent of the amount of the school district's General Purpose Grant per ADMw as cal-*
 3 *culated under ORS 327.013 for students who are enrolled in grades 9 through 12.]*

4 *[(4) If the resident school district is not the sponsor of a public charter school, the resident school*
 5 *district for each ADMw that is attributable to a student enrolled in a public charter school who is el-*
 6 *igible for special education and related services shall transfer five percent of the amount of the school*
 7 *district's General Purpose Grant per ADMw as calculated under ORS 327.013 to the sponsor of the*
 8 *public charter school.]*

9 *[(5) Notwithstanding subsection (3) of this section, a school district and a public charter school*
 10 *may negotiate on a case-by-case basis for an alternative distribution of funds other than the distribution*
 11 *prescribed by subsection (3) of this section.]*

12 **SECTION 9.** ORS 339.133 is amended to read:

13 339.133. (1) Except as provided in subsection (3)[,] **or** (4) [*or (6)*] of this section, children between
 14 the ages of 4 and 18 shall be considered resident for school purposes in the school district in which
 15 their parents, guardians or persons in parental relationship to them reside.

16 (2) Nonemancipated individuals between the ages of 4 and 18 living outside the geographic area
 17 of the school district for such reasons as attending college, military service, hospital confinement
 18 or employment away from home shall be considered resident in the district in which their parents,
 19 guardians or persons in parental relationship to them reside.

20 (3) Those individuals considered legally emancipated from their parents shall be considered
 21 resident in the district in which they actually reside, irrespective of the residence of their parents,
 22 guardians or persons in parental relationship.

23 (4) Children placed by public or private agencies who are living in substitute care programs li-
 24 censed, certified or approved shall be considered resident in the school district in which they reside
 25 by placement of the public or private agency.

26 (5) Persons living temporarily in a school district for the primary purpose of attending a district
 27 school shall not be considered legally resident of the district in which they are living temporarily,
 28 but shall be considered resident in the district in which they, their parents, guardians or persons in
 29 parental relationship to them maintain residency.

30 (6) [*Except as provided in ORS 327.006 (7) and 335.090, persons*] **A person** whose legal residence
 31 is not within the district [*but who*] **may** attend school in the district with the written consent of the
 32 affected district school boards [*shall be considered to be residents of the district in which the person*
 33 *attends school for purposes of the receipt by that district of State School Fund moneys for the*
 34 *person*].

35 (7) For the purposes of subsection (4) of this section, "substitute care program" means family
 36 foster care, family group home care, parole foster care, family shelter care, adolescent shelter care
 37 and professional group care.

38 **SECTION 10.** Sections 1 to 3 of this 2001 Act and the amendments to ORS 327.006, 332.405,
 39 336.635, 338.155, 338.165 and 339.133 by sections 4 to 9 of this 2001 Act first apply to the
 40 2002-2003 school year.

41 **SECTION 11.** This 2001 Act takes effect on July 1, 2002.

42