

A-Engrossed
House Bill 2150

Ordered by the House April 14
Including House Amendments dated April 14

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Revenue)

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.

Requires district extended ADMw to be calculated by considering students in public charter schools to be students in nonchartered public schools. **Provides exception when public charter school ceases to operate.**

[Allows Superintendent of Public Instruction to withhold payments from State School Fund for amounts school district had received when extended ADMw for students in public charter schools and students in nonchartered public schools were calculated separately.]

Declares emergency, effective July 1, 2015.

A BILL FOR AN ACT

1
2 Relating to State School Fund distributions for public charter schools; creating new provisions;
3 amending ORS 327.013 and 338.155; and declaring an emergency.

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

5 **SECTION 1.** ORS 338.155 is amended to read:

6 338.155. (1)(a) Students of a public charter school shall be considered to be residents of the
7 school district in which the public charter school is located for purposes of distribution of the State
8 School Fund.

9 *[(b)(A) For the purpose of determining the amounts to be distributed from the State School Fund*
10 *to a school district in which a public charter school is located, the district extended ADMw described*
11 *in ORS 327.013 shall be determined by:]*

12 *[(i) Separately calculating the extended ADMw for students at the public charter school and the*
13 *extended ADMw for students at nonchartered public schools in the school district; and]*

14 *[(ii) Adding the extended ADMw for students at the public charter school and the extended ADMw*
15 *for students at nonchartered public schools in the school district.]*

16 *[(B) Except as provided in subparagraph (A) of this paragraph:]*

17 *[(i) All other calculations made under ORS 327.013 shall be made as though the students enrolled*
18 *at a public charter school were students enrolled at the public schools in the school district in which*
19 *the public charter school is located; and]*

20 *[(ii) All references to the district extended ADMw shall be based on the calculation made under*
21 *subparagraph (A)(ii) of this paragraph.]*

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

24 **(c) For the purpose of determining the amounts to be distributed to a school district**
25 **from the State School Fund for a public charter school, the district extended ADMw de-**

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 **scribed in ORS 327.013 shall be calculated:**

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

5 **(B) By including only five percent of the portion of the ADM attributable to the students**
6 **who had been enrolled during the previous school year at a public charter school that has**
7 **ceased to operate because of dissolution or closure or because of termination or nonrenewal**
8 **of a charter.**

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

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

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

18 (3) A school district shall contractually establish, with any public charter school that is spon-
19 sored by the State Board of Education or an institution of higher education and that is within the
20 boundaries of the school district, payment for provision of educational services to the public charter
21 school's students. The payment shall equal an amount per weighted average daily membership
22 (ADMw) of the public charter school that is at least equal to:

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

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

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

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

35 (a) For a public charter school sponsored by a school district, any school district in which the
36 parent or guardian of, or person in parental relationship to, a student of a public charter school
37 resides pursuant to ORS 339.133 and 339.134;

38 (b) For a public charter school sponsored by the State Board of Education, the Department of
39 Education; or

40 (c) For a public charter school sponsored by an institution of higher education, the institution
41 of higher education.

42 (6) The department may use any moneys received under this section for activities related to
43 public charter schools.

44 (7) A school district and a public charter school may negotiate to establish a payment for the
45 provision of educational services to the public charter school's students that is more than the min-

imum 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.

(9)(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. (1) In addition to amounts distributed to a public charter school as provided by ORS 338.155 and for the 2015-2016 school year only, an additional amount shall be available for distribution to a school district that had been the sponsor of a public charter school that operated during the 2014-2015 school year and that ceased to operate following the 2014-2015 school year because of dissolution or closure or because of termination or nonrenewal of a charter.

(2) The additional amount provided under subsection (1) of this section shall be based on the district extended ADMw, described in ORS 327.013, which shall be calculated by including only three percent of the portion of the ADM attributable to the students who had been enrolled during the previous school year at the public charter school.

(3) The Department of Education shall set aside the additional amount provided under subsection (1) of this section for distribution to the school district described in subsection (1) of this section. The amount shall be distributed to the school district upon a showing by the school district of expenses incurred related to the public charter school that ceased to operate. The department shall prescribe any requirements related to a distribution under this section.

(4)(a) For the 2015-2016 school year, the school district described in subsection (1) of this section shall file with the department quarterly reports that describe expenses incurred by the school district related to a public charter school that ceased to operate.

(b) For the 2016-2017, 2017-2018 and 2018-2019 school years, the school district described in subsection (1) of this section shall file with the department annual reports that describe expenses incurred by the school district related to a public charter school that ceased to operate.

(c) The department shall prescribe any requirements for reports filed under this subsection.

SECTION 3. (1) Section 2 of this 2015 Act is repealed on July 1, 2019.

(2) Any amounts not distributed as provided by section 2 of this 2015 Act by July 1, 2019, shall be transferred to the General Fund.

SECTION 4. ORS 327.013 is amended to read:

327.013. The State School Fund distributions for school districts include the following grants:

(1) General Purpose Grant = Funding Percentage × Target Grant × District extended ADMw.
For the purpose of the calculation made under this subsection:

(a) The funding percentage shall be calculated by the Superintendent of Public Instruction to distribute as nearly as practicable the total sum of money available for distribution.

1 (b) Target Grant = Statewide Target per ADMw Grant + Teacher Experience Factor. For the
2 purpose of the calculation made under this paragraph:

3 (A) Statewide Target per ADMw Grant = \$4,500.

4 (B) Teacher Experience Factor = $\$25 \times \{\text{District average teacher experience} - \text{statewide av-}$
5 $\text{erage teacher experience}\}$. As used in this subparagraph, “average teacher experience” means the
6 average, in years, of teaching experience of licensed teachers as reported to the Department of Ed-
7 ucation.

8 (c) District extended ADMw = ADMw or ADMw of the prior year, whichever is greater. The
9 calculation of the district extended ADMw must be made as provided by ORS 338.155 [(1)(b)] if a
10 public charter school is located in the school district. For the purpose of this paragraph:

11 (A) Weighted average daily membership or ADMw = average daily membership + an additional
12 amount computed as follows:

13 (i) 1.0 for each student in average daily membership eligible for special education as a child with
14 a disability under ORS 343.035, which may not exceed 11 percent of the district’s ADM without re-
15 view and approval by the Department of Education. Children with disabilities eligible for special
16 education in adult local correctional facilities, as defined in ORS 169.005, or adult regional
17 correctional facilities, as defined in ORS 169.620, may not be included in the calculation made under
18 this sub-subparagraph.

19 (ii) 0.5 for each student in average daily membership eligible for and enrolled in an English as
20 a second language program under ORS 336.079.

21 (iii) 0.2 for each student in average daily membership enrolled in a union high school district
22 or in an area of a unified school district where the district is only responsible for educating students
23 in grades 9 through 12 in that area.

24 (iv) -0.1 for each student in average daily membership enrolled in an elementary district oper-
25 ating kindergarten through grade six or kindergarten through grade eight or in an area of a unified
26 school district where the district is only responsible for educating students in kindergarten through
27 grade eight.

28 (v) 0.25 times the sum of the following:

29 (I) The number of students who are in average daily membership and who are also in poverty
30 families, as determined by the Department of Education based on rules adopted by the State Board
31 of Education that incorporate poverty data published by the United States Census Bureau, student
32 data provided by school districts and other data identified by the board;

33 (II) The number of children in foster homes in the district as determined by the report of the
34 Department of Human Services to the United States Department of Education, “Annual Statistical
35 Report on Children in Foster Homes and Children in Families Receiving AFDC Payments in Excess
36 of the Poverty Income Level,” or its successor, for October 31 of the year prior to the year of dis-
37 tribution; and

38 (III) The number of children in the district in state-recognized facilities for neglected and de-
39 linquent children, based on information from the Department of Human Services for October 31 of
40 the year prior to the year of distribution.

41 (vi) The amount determined under ORS 327.077 for each remote small elementary school and for
42 each small high school in the district.

43 (B) All numbers of children used for the computation in this paragraph must reflect any district
44 consolidations that have occurred since the numbers were compiled.

45 (C) The total additional weight that shall be assigned to any student in average daily member-

1 ship in a district, exclusive of students described in subparagraph (A)(v) and (vi) of this paragraph,
2 may not exceed 2.0.

3 (2) High cost disabilities grant = the total amount received by a school district under ORS
4 327.348 for providing special education and related services to resident pupils with disabilities.

5 (3)(a) Transportation grant equals:

6 (A) 70 percent of approved transportation costs for those school districts ranked below the 80th
7 percentile under paragraph (b) of this subsection.

8 (B) 80 percent of approved transportation costs for those school districts ranked in or above the
9 80th percentile but below the 90th percentile under paragraph (b) of this subsection.

10 (C) 90 percent of approved transportation costs for those school districts ranked in or above the
11 90th percentile under paragraph (b) of this subsection.

12 (b) Each fiscal year, the Department of Education shall rank school districts based on the ap-
13 proved transportation costs per ADM of each school district, ranking the school district with the
14 highest approved transportation costs per ADM at the top of the order.

15 (4)(a) Facility Grant = 8 percent of total construction costs of new school buildings.

16 (b) A school district shall receive a Facility Grant in the distribution year that a new school
17 building is first used.

18 (c) As used in this subsection:

19 (A) "New school building" includes new school buildings, structures added onto existing school
20 buildings and premanufactured structures added to a school district if those buildings or structures
21 are to be used for instructing students.

22 (B) "Construction costs" does not include costs for land acquisition.

23 **SECTION 5. The amendments to ORS 327.013 and 338.155 by sections 1 and 4 of this 2015**
24 **Act apply to State School Fund distributions commencing with the 2015-2016 distributions.**

25 **SECTION 6. This 2015 Act being necessary for the immediate preservation of the public**
26 **peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect**
27 **July 1, 2015.**

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