

House Bill 2811

Sponsored by Representative PARRISH

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**.

Allows public charter school to change sponsorship if charter is terminated.

A BILL FOR AN ACT

Relating to public charter schools; creating new provisions; and amending ORS 329.838, 332.016, 338.005, 338.035, 338.105, 338.115, 338.155 and 338.165.

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

SECTION 1. Section 2 of this 2015 Act is added to and made a part of ORS chapter 338.

SECTION 2. (1) A public charter school governing body may change sponsorship as provided by this section if a charter for a public charter school is terminated as provided by ORS 338.105 (1)(a) or (b) or (5).

(2) A public charter school governing body may seek a change in sponsorship by submitting to the school district board of a school district that was not the sponsor of the public charter school a written proposal that includes:

(a) The charter that governed the public charter school prior to termination;

(b) Any information or notices received by the public charter school governing body related to the termination; and

(c) Any other information requested by the school district board.

(3) Upon receipt of the information described in subsection (2) of this section, the school district board may evaluate the proposal and approve or disapprove the proposal using the criteria described in ORS 338.055 (3)(b) to (i).

(4)(a) The following decisions by a school district board that receives a proposal under this section are final and not subject to appeal:

(A) Whether to evaluate the proposal for a public charter school; and

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

(b) The process by which a school district board makes a decision described in paragraph (a) of this subsection is not subject to appeal.

(5) Within 60 days after receiving a proposal, the school district board must notify in writing the public charter school governing body whether the school district board approves or disapproves the proposal.

(6) A school district board that approves a proposal submitted as provided by this section is not bound by the terms of the charter that were in effect before the charter was terminated.

(7) If a school district board approves a proposal as provided by this section, the school district board shall become the sponsor of the public charter school, and the public charter

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 school may continue to operate in its existing location under a charter entered into by the
 2 school district board and the public charter school governing body.

3 (8) Notwithstanding a proposed effective date of termination, a public charter school may
 4 continue to operate for 60 days after the proposed effective date if a school district board
 5 approved a proposal for a change in sponsorship as provided by this section prior to the
 6 proposed effective date. During the 60 days, the initial sponsor shall remain the sponsor of
 7 the public charter school.

8 (9) A charter entered into as provided by this section is legally binding on both the
 9 sponsor and the public charter school governing body. The sponsor and the public charter
 10 school governing body may amend a charter by joint agreement.

11 (10) The initial period of a charter entered into as provided by this section shall be for a
 12 length of time agreed to by the sponsor and the public charter school governing body. Re-
 13 newals of the charter shall be subject to ORS 338.065, except that the first renewal of the
 14 charter may be for a length of time agreed to by the sponsor and the public charter school
 15 governing body.

16 **SECTION 3.** ORS 338.005 is amended to read:

17 338.005. As used in this chapter, unless the context requires otherwise:

18 (1) “Applicant” means any person or group that develops and submits a written proposal for a
 19 public charter school to a sponsor.

20 (2) “Institution of higher education” means a community college operated under ORS chapter
 21 341, a public university listed in ORS 352.002 or the Oregon Health and Science University.

22 (3) “Public charter school” means an elementary or secondary school offering a comprehensive
 23 instructional program operating under a written agreement entered into between a sponsor and an
 24 applicant and operating pursuant to this chapter.

25 (4) “Remote and necessary school district” means a school district that offers kindergarten
 26 through grade 12 and has:

27 (a) An average daily membership (ADM), as defined in ORS 327.006, in the prior fiscal year of
 28 less than 110; and

29 (b) A school that is located, by the nearest traveled road, more than 20 miles from the nearest
 30 school or from a city with a population of more than 5,000.

31 (5) “Sponsor” means:

32 (a) The board of *[the]* a common school district or *[the]* a union high school district *[in which*
 33 *the public charter school is located]* that has developed a written charter with an applicant *[to*
 34 *create]* for a public charter school.

35 (b) The State Board of Education pursuant to ORS 338.075.

36 (c) An institution of higher education pursuant to ORS 338.075.

37 (6)(a) “Virtual public charter school” means a public charter school that provides online
 38 courses.

39 (b) “Virtual public charter school” does not include a public charter school that primarily serves
 40 students in a physical location.

41 **SECTION 4.** ORS 338.035 is amended to read:

42 338.035. (1) A public charter school may be established:

43 (a) As a new public school;

44 (b) As a virtual public charter school;

45 (c) From an existing public school or a portion of the school; or

1 (d) From an existing alternative education program, as defined in ORS 336.615.

2 (2)(a) Before a public charter school may operate as a public charter school, it must:

3 (A) Be approved by a sponsor;

4 (B) Be established as a nonprofit organization under the laws of Oregon; and

5 (C) Have applied to qualify as an exempt organization under section 501(c)(3) of the Internal
6 Revenue Code.

7 (b) Notwithstanding paragraph (a) of this subsection, the requirements of paragraph (a)(B) and
8 (C) of this subsection do not apply to:

9 (A) A school in a school district that is composed of only one school; and

10 (B) A school in a school district that is a remote and necessary school district on the date the
11 school first begins operation as a public charter school.

12 (3)(a) Except for a public charter school that is not required to comply with subsection (2)(a)(B)
13 and (C) of this section as provided by subsection (2)(b) of this section, a [*member of the school district*
14 *board of the school district within which a public charter school is located*] **person** may not be a
15 voting member of [*the*] **a public charter school governing body[.] if the person is:**

16 (A) **A member of the school district board of the school district within which the public**
17 **charter school is located; or**

18 (B) **A member of the governing body of the sponsor or proposed sponsor of the public**
19 **charter school.**

20 (b) A [*member of the school district board of the school district within which a public charter*
21 *school is located*] **person who is prohibited from being a voting member of a public charter**
22 **school governing body as provided by paragraph (a) of this subsection** may act in an advisory
23 capacity [*on*] **to** the public charter school governing body.

24 (4) An applicant seeking to establish a public charter school shall submit a proposal pursuant
25 to ORS 338.045 to the school district board of the school district within which the public charter
26 school will be located by the date identified by the school district board. The school district board
27 shall identify a date that is at least 180 days prior to the date on which the public charter school
28 would begin operating and that provides a reasonable period of time for the school district board
29 to complete the approval process described in ORS 338.055 and for the public charter school to begin
30 operating by the beginning of a school year. An applicant may consult with the school district board
31 prior to submitting a proposal, and the school district board may require an applicant to submit a
32 letter of intent within a reasonable period of time prior to submitting a proposal.

33 (5) An applicant seeking to establish a public charter school shall provide to the State Board
34 of Education a copy of any proposal submitted to a school district board under ORS 338.045 and a
35 copy of any subsequent approval by the school district board.

36 (6)(a) One or more, but not all, schools in a school district may become public charter schools.

37 (b) Notwithstanding paragraph (a) of this subsection, a school in a school district that is com-
38 posed of only one school may become a public charter school.

39 (7)(a) An entity described in ORS 338.005 (5) may not approve a public charter school proposal
40 that authorizes the conversion of any private school that is tuition based to a public charter school.

41 (b) Notwithstanding paragraph (a) of this subsection, an entity described in ORS 338.005 (5) may
42 authorize the conversion of an existing alternative education program, as defined in ORS 336.615,
43 to a public charter school.

44 (8) An entity described in ORS 338.005 (5) may not approve a proposal for a public charter
45 school that is affiliated with a nonpublic sectarian school or a religious institution.

SECTION 5. 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 following grounds:

- (a) Failure to meet the terms of an approved charter or this chapter.
- (b) Failure to meet the requirements for student performance stated in the charter.
- (c) Failure to correct a violation of a federal or state law that is described in ORS 338.115.
- (d) Failure to maintain insurance as described in the charter.
- (e) Failure to maintain financial stability.
- (f) Failure to maintain, for one or more consecutive years, a sound financial management system described in the proposal submitted under ORS 338.045 and incorporated into the written charter under ORS 338.065.

(2)(a) If a charter is terminated under subsection (1) of this section, the sponsor shall notify the public charter school governing body at least 60 days prior to the proposed effective date of the 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 maintain a sound financial management system, the sponsor and the public charter school may agree to develop a plan to correct deficiencies. Under a plan to correct deficiencies:

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

(B) The proposed effective date of the termination may be extended to the date identified under subparagraph (A) of this paragraph;

(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 create an undue hardship, as determined pursuant to rules of the State Board of Education; and

(D) The sponsor must hold in trust any moneys withheld under subparagraph (C) of this paragraph until:

(i) The public charter school complies with the plan to correct deficiencies, at which time the public charter school is entitled to the moneys held in trust; or

(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 trust.

(c) A deadline to correct deficiencies under paragraph (b)(A) of this subsection may be extended 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 to a termination of the charter or a plan to correct deficiencies.

(3) When a sponsor terminates a charter as provided by subsection (1) of this section, a public charter school governing body may appeal [a decision of a sponsor under this section. The appeal shall be] the decision of the termination to:

- (a) The State Board of Education if the sponsor is an entity described in ORS 338.005 (5)(a) or
- (c). The State Board of Education shall:

- (A) Review only:
 - (i) The grounds for termination under this section as stated by the school district board; or
 - (ii) A plan to correct deficiencies; and
- (B) Adopt by rule procedures to ensure a timely appeals process to prevent disruption of

1 students' education.

2 (b) The circuit court pursuant to ORS 183.484 if the sponsor is the State Board of Education.

3 (4)(a) Notwithstanding subsection (2) of this section, a sponsor may terminate a charter imme-
4 diately and close a public charter school if the public charter school is endangering the health or
5 safety of the students enrolled in the public charter school.

6 (b) The public charter school governing body may request a hearing from the sponsor on the
7 termination of the charter under this subsection. The sponsor shall hold a hearing within 10 days
8 after receiving the request.

9 (c) The public charter school governing body may appeal a decision of a sponsor under this
10 subsection to the State Board of Education. The State Board of Education shall hold a hearing
11 within 10 days after receiving the appeal request.

12 (d) Throughout the appeals process, the public charter school shall remain closed at the dis-
13 cretion of the sponsor unless the State Board of Education orders the sponsor to open the public
14 charter school and not terminate the charter.

15 **(5) During the term of a charter, the sponsor and the public charter school governing**
16 **body may terminate the charter by mutual agreement.**

17 [(5)] (6) Termination of a charter shall not abridge the public charter school's legal authority
18 to operate as a private or nonchartered public school.

19 **(7) If a charter is terminated under subsection (1)(a) or (b) or (5) of this section, the**
20 **public charter school governing body may:**

21 **(A) Seek a change in sponsorship by submitting a written proposal to a school district**
22 **board that was not the sponsor of the public charter school as provided by section 2 of this**
23 **2015 Act; or**

24 **(B) Close and dissolve the school as provided by subsection (9)(a) of this section.**

25 **(8) A public charter school governing body may terminate a charter or may close and**
26 **dissolve a public charter school. Termination or closure and dissolution may occur only at**
27 **the end of a semester. If the public charter school governing body decides to terminate a**
28 **charter or to close and dissolve a public charter school, the public charter school governing**
29 **body shall notify the sponsor at least 180 days prior to the proposed effective date of the**
30 **termination or closure and dissolution.**

31 [(6)] **(9)(a) [If a charter is terminated or a public charter school is dissolved:] If a public charter**
32 **school is closed and dissolved or if a charter is terminated and the public charter school**
33 **governing body does not seek a change in sponsorship as provided by section 2 of this 2015**
34 **Act within 60 days of the effective date of the termination:**

35 [(a)] **(A)** The assets of the public charter school that were purchased with public funds shall be
36 given to the State Board of Education. The State Board of Education may disburse the assets of the
37 public charter school to school districts or other public charter schools.

38 [(b)] **(B)** All student education records of the public charter school shall be transferred to the
39 administrative office of the school district in which the public charter school was located.

40 **(b) If the public charter school governing body seeks a change in sponsorship as provided**
41 **by section 2 of this 2015 Act within 60 days of the effective date of the termination or clo-**
42 **sure, the assets and student education records of the public charter school shall remain with**
43 **the public charter school. If a new charter is not entered into within 60 days of the effective**
44 **date of the termination or closure, the assets shall be disbursed, and student education re-**
45 **records shall be transferred, as provided by paragraph (a) of this subsection.**

1 *[(7) A public charter school governing body may only terminate a charter, dissolve or close a public*
 2 *charter school at the end of a semester. If a charter is terminated by the public charter school gov-*
 3 *erning body or a public charter school is closed or dissolved, the public charter school governing body*
 4 *shall notify the sponsor at least 180 days prior to the proposed effective date of the termination, closure*
 5 *or dissolution.]*

6 **SECTION 6.** ORS 338.115 is amended to read:

7 338.115. (1) Statutes and rules that apply only to school district boards, school districts or other
 8 public schools do not apply to public charter schools. However, the following laws do apply to public
 9 charter schools:

- 10 (a) Federal law;
- 11 (b) ORS 30.260 to 30.300 (tort claims);
- 12 (c) ORS 192.410 to 192.505 (public records law);
- 13 (d) ORS 192.610 to 192.690 (public meetings law);
- 14 (e) ORS chapters 279A, 279B and 279C (Public Contracting Code);
- 15 (f) ORS 297.405 to 297.555 and 297.990 (Municipal Audit Law);
- 16 (g) ORS 326.565, 326.575 and 326.580 (student records);
- 17 (h) ORS 181.534, 326.603, 326.607, 342.223 and 342.232 (criminal records checks);
- 18 (i) ORS 329.045 (academic content standards and instruction);
- 19 (j) ORS 329.451 (high school diploma, modified diploma, extended diploma and alternative cer-
- 20 tificate);
- 21 (k) The statewide assessment system developed by the Department of Education for mathematics,
- 22 science and English under ORS 329.485 (2);
- 23 (L) ORS 337.150 (textbooks);
- 24 (m) ORS 339.119 (consideration for educational services);
- 25 (n) ORS 339.141, 339.147 and 339.155 (tuition and fees);
- 26 (o) ORS 339.250 (9) (prohibition on infliction of corporal punishment);
- 27 (p) ORS 339.326 (notice concerning students subject to juvenile court petitions);
- 28 (q) ORS 339.370, 339.372, 339.388 and 339.400 (reporting of abuse and sexual conduct and training
- 29 on prevention and identification of abuse and sexual conduct);
- 30 (r) ORS chapter 657 (Employment Department Law);
- 31 (s) ORS 659.850, 659.855 and 659.860 (discrimination);
- 32 (t) Any statute or rule that establishes requirements for instructional time provided by a school
- 33 during each day or during a year;
- 34 (u) Statutes and rules that expressly apply to public charter schools;
- 35 (v) Statutes and rules that apply to a special government body, as defined in ORS 174.117, or a
- 36 public body, as defined in ORS 174.109;
- 37 (w) Health and safety statutes and rules;
- 38 (x) Any statute or rule that is listed in the charter;
- 39 (y) ORS 336.840 (use of personal electronic devices); and
- 40 (z) This chapter.

41 (2) Notwithstanding subsection (1) of this section, a charter may specify that statutes and rules
 42 that apply only to school district boards, school districts and other public schools may apply to a
 43 public charter school.

44 (3) If a statute or rule applies to a public charter school, then the terms “school district” and
 45 “public school” include public charter school as those terms are used in that statute or rule.

1 (4) A public charter school may not violate the Establishment Clause of the First Amendment
 2 to the United States Constitution or section 5, Article I of the Oregon Constitution, or be religion
 3 based.

4 (5)(a) A public charter school shall maintain an active enrollment of at least 25 students.

5 (b) For a public charter school that provides educational services under a cooperative agree-
 6 ment described in ORS 338.080, the public charter school is in compliance with the requirements of
 7 this subsection if the public charter school provides educational services under the cooperative
 8 agreement to at least 25 students, without regard to the school districts in which the students are
 9 residents.

10 (6) A public charter school may sue or be sued as a separate legal entity.

11 (7) The sponsor, members of the governing board of the sponsor acting in their official capacities
 12 and employees of a sponsor acting in their official capacities are immune from civil liability with
 13 respect to all activities related to a public charter school within the scope of their duties or em-
 14 ployment.

15 (8) A public charter school may enter into contracts and may lease facilities and services from
 16 a school district, education service district, public university listed in ORS 352.002, other govern-
 17 mental unit or any person or legal entity.

18 (9) A public charter school may not levy taxes or issue bonds under which the public incurs li-
 19 ability.

20 (10) A public charter school may receive and accept gifts, grants and donations from any source
 21 for expenditure to carry out the lawful functions of the school.

22 (11)(a) The school district in which the public charter school is located shall offer a high school
 23 diploma, a modified diploma, an extended diploma or an alternative certificate to any public charter
 24 school student who meets the district's and state's standards for a high school diploma, a modified
 25 diploma, an extended diploma or an alternative certificate.

26 **(b) Notwithstanding paragraph (a) of this subsection, if the sponsorship of a public**
 27 **charter school was changed as provided by section 2 of this 2015 Act, the school district that**
 28 **is the sponsor of the public charter school shall offer a high school diploma, a modified di-**
 29 **ploma, an extended diploma or an alternative certificate to any public charter school student**
 30 **who meets the district's and state's standards for a high school diploma, a modified diploma,**
 31 **an extended diploma or an alternative certificate.**

32 (12) A high school diploma, a modified diploma, an extended diploma or an alternative certificate
 33 issued by a public charter school grants to the holder the same rights and privileges as a high
 34 school diploma, a modified diploma, an extended diploma or an alternative certificate issued by a
 35 nonchartered public school.

36 (13) Prior to beginning operation, the public charter school shall show proof of insurance to the
 37 sponsor as specified in the charter.

38 (14) A public charter school may receive services from an education service district in the same
 39 manner as a nonchartered public school in the school district in which the public charter school is
 40 located.

41 **SECTION 7.** ORS 338.115, as amended by section 7, chapter 839, Oregon Laws 2007, and section
 42 12, chapter 50, Oregon Laws 2008, is amended to read:

43 338.115. (1) Statutes and rules that apply only to school district boards, school districts or other
 44 public schools do not apply to public charter schools. However, the following laws do apply to public
 45 charter schools:

- 1 (a) Federal law;
- 2 (b) ORS 30.260 to 30.300 (tort claims);
- 3 (c) ORS 192.410 to 192.505 (public records law);
- 4 (d) ORS 192.610 to 192.690 (public meetings law);
- 5 (e) ORS chapters 279A, 279B and 279C (Public Contracting Code);
- 6 (f) ORS 297.405 to 297.555 and 297.990 (Municipal Audit Law);
- 7 (g) ORS 326.565, 326.575 and 326.580 (student records);
- 8 (h) ORS 181.534, 326.603, 326.607, 342.223 and 342.232 (criminal records checks);
- 9 (i) ORS 329.045 (academic content standards and instruction);
- 10 (j) ORS 329.451 (high school diploma, modified diploma, extended diploma and alternative cer-
- 11 tificate);
- 12 (k) ORS 329.496 (physical education);
- 13 (L) The statewide assessment system developed by the Department of Education for mathemat-
- 14 ics, science and English under ORS 329.485 (2);
- 15 (m) ORS 337.150 (textbooks);
- 16 (n) ORS 339.119 (consideration for educational services);
- 17 (o) ORS 339.141, 339.147 and 339.155 (tuition and fees);
- 18 (p) ORS 339.250 (9) (prohibition on infliction of corporal punishment);
- 19 (q) ORS 339.326 (notice concerning students subject to juvenile court petitions);
- 20 (r) ORS 339.370, 339.372, 339.388 and 339.400 (reporting of abuse and sexual conduct and training
- 21 on prevention and identification of abuse and sexual conduct);
- 22 (s) ORS chapter 657 (Employment Department Law);
- 23 (t) ORS 659.850, 659.855 and 659.860 (discrimination);
- 24 (u) Any statute or rule that establishes requirements for instructional time provided by a school
- 25 during each day or during a year;
- 26 (v) Statutes and rules that expressly apply to public charter schools;
- 27 (w) Statutes and rules that apply to a special government body, as defined in ORS 174.117, or
- 28 a public body, as defined in ORS 174.109;
- 29 (x) Health and safety statutes and rules;
- 30 (y) Any statute or rule that is listed in the charter;
- 31 (z) ORS 336.840 (use of personal electronic devices); and
- 32 (aa) This chapter.
- 33 (2) Notwithstanding subsection (1) of this section, a charter may specify that statutes and rules
- 34 that apply only to school district boards, school districts and other public schools may apply to a
- 35 public charter school.
- 36 (3) If a statute or rule applies to a public charter school, then the terms “school district” and
- 37 “public school” include public charter school as those terms are used in that statute or rule.
- 38 (4) A public charter school may not violate the Establishment Clause of the First Amendment
- 39 to the United States Constitution or section 5, Article I of the Oregon Constitution, or be religion
- 40 based.
- 41 (5)(a) A public charter school shall maintain an active enrollment of at least 25 students.
- 42 (b) For a public charter school that provides educational services under a cooperative agree-
- 43 ment described in ORS 338.080, the public charter school is in compliance with the requirements of
- 44 this subsection if the public charter school provides educational services under the cooperative
- 45 agreement to at least 25 students, without regard to the school districts in which the students are

1 residents.

2 (6) A public charter school may sue or be sued as a separate legal entity.

3 (7) The sponsor, members of the governing board of the sponsor acting in their official capacities
4 and employees of a sponsor acting in their official capacities are immune from civil liability with
5 respect to all activities related to a public charter school within the scope of their duties or em-
6 ployment.

7 (8) A public charter school may enter into contracts and may lease facilities and services from
8 a school district, education service district, public university listed in ORS 352.002, other govern-
9 mental unit or any person or legal entity.

10 (9) A public charter school may not levy taxes or issue bonds under which the public incurs li-
11 ability.

12 (10) A public charter school may receive and accept gifts, grants and donations from any source
13 for expenditure to carry out the lawful functions of the school.

14 (11)(a) The school district in which the public charter school is located shall offer a high school
15 diploma, a modified diploma, an extended diploma or an alternative certificate to any public charter
16 school student who meets the district's and state's standards for a high school diploma, a modified
17 diploma, an extended diploma or an alternative certificate.

18 **(b) Notwithstanding paragraph (a) of this subsection, if the sponsorship of a public**
19 **charter school was changed as provided by section 2 of this 2015 Act, the school district that**
20 **is the sponsor of the public charter school shall offer a high school diploma, a modified di-**
21 **ploma, an extended diploma or an alternative certificate to any public charter school student**
22 **who meets the district's and state's standards for a high school diploma, a modified diploma,**
23 **an extended diploma or an alternative certificate.**

24 (12) A high school diploma, a modified diploma, an extended diploma or an alternative certificate
25 issued by a public charter school grants to the holder the same rights and privileges as a high
26 school diploma, a modified diploma, an extended diploma or an alternative certificate issued by a
27 nonchartered public school.

28 (13) Prior to beginning operation, the public charter school shall show proof of insurance to the
29 sponsor as specified in the charter.

30 (14) A public charter school may receive services from an education service district in the same
31 manner as a nonchartered public school in the school district in which the public charter school is
32 located.

33 **SECTION 8.** ORS 338.155 is amended to read:

34 338.155. (1)(a) Students of a public charter school shall be considered to be residents of the
35 school district in which the public charter school is located for purposes of distribution of the State
36 School Fund.

37 (b)(A) For the purpose of determining the amounts to be distributed from the State School Fund
38 to a school district in which a public charter school is located, the district extended ADMw de-
39 scribed in ORS 327.013 shall be determined by:

40 (i) Separately calculating the extended ADMw for students at the public charter school and the
41 extended ADMw for students at nonchartered public schools in the school district; and

42 (ii) Adding the extended ADMw for students at the public charter school and the extended
43 ADMw for students at nonchartered public schools in the school district.

44 (B) Except as provided in subparagraph (A) of this paragraph:

45 (i) All other calculations made under ORS 327.013 shall be made as though the students enrolled

1 at a public charter school were students enrolled at the public schools in the school district in
 2 which the public charter school is located; and

3 (ii) All references to the district extended ADMw shall be based on the calculation made under
 4 subparagraph (A)(ii) of this paragraph.

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

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

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

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

17 (3) A school district shall contractually establish, with any public charter school that is spon-
 18 sored by the State Board of Education, **a school district board as provided by section 2 of this**
 19 **2015 Act** or an institution of higher education and that is within the boundaries of the school dis-
 20 trict, payment for provision of educational services to the public charter school's students. The
 21 payment shall equal an amount per weighted average daily membership (ADMw) of the public
 22 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 **board**, any school district in which
 36 the 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 a school district board as provided by section**
 39 **2 of this 2015 Act, the school district of the school district board that is the sponsor;**

40 [(b)] (c) For a public charter school sponsored by the State Board of Education, the Department
 41 of Education; or

42 [(c)] (d) For a public charter school sponsored by an institution of higher education, the insti-
 43 tution of higher education.

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

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

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

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

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

14 **SECTION 9.** ORS 338.165 is amended to read:

15 338.165. (1)(a) The school district in which a public charter school is located shall identify, lo-
 16 cate and evaluate students enrolled in the public charter school to determine which students may
 17 be in need of special education and related services.

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

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

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

24 (c) Students who are eligible for special education and related services shall be considered stu-
 25 dents of the school district in which the public charter school is located for purposes of data col-
 26 lection and reporting.

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

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

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

38 *[(3) If the State Board of Education is the sponsor of a public charter school, the school district*
 39 *in which the public charter school is located, for each ADMw that is attributable to a student enrolled*
 40 *in a public charter school who is eligible for special education and related services, shall transfer five*
 41 *percent of the amount of the school district's General Purpose Grant per ADMw as calculated under*
 42 *ORS 327.013 to the State Board of Education.]*

43 *[(4)]* (3) Notwithstanding subsection (2) of this section, a school district and a public charter
 44 school may negotiate on a case-by-case basis for an alternative distribution of funds other than the
 45 distribution prescribed by subsection (2) of this section.

1 [5] (4) Payments under this section must be made within 10 days after a school district receives
2 payment from the State School Fund pursuant to ORS 327.095.

3 **SECTION 10.** ORS 332.016 is amended to read:

4 332.016. (1) A person who is an employee of a school district may not serve as a member of the
5 district school board for the district by which the employee is employed.

6 (2) A person who is an employee of a public charter school may not serve as a member of the
7 district school board of the district:

8 (a) In which the public charter school that employs the person is located[.]; or

9 (b) **That is the sponsor of the public charter school, as provided by section 2 of this 2015**
10 **Act.**

11 *[(3) Notwithstanding subsection (1) or (2) of this section, a person who is an employee of a school*
12 *district or a public charter school may serve as a member of the district school board for the district*
13 *by which the employee is employed or the district in which the public charter school that employs the*
14 *person is located if:]*

15 **(3) The prohibitions described in subsections (1) and (2) of this section do not apply if:**

16 (a) The person is employed by the district or public charter school as a substitute school bus
17 driver; and

18 (b) The district has an average daily membership (ADM), as defined in ORS 327.006, of 50 or
19 less.

20 (4) A district school board member who was eligible to serve on a district school board under
21 subsection (3) of this section at the beginning of the member's term of office may continue to serve
22 on the board for the remainder of the member's term of office regardless of any change to the ADM
23 of the district.

24 **SECTION 11.** ORS 329.838 is amended to read:

25 329.838. (1) The School District Collaboration Grant Program is established to provide funding
26 for school districts to improve student achievement through the voluntary collaboration of teachers
27 and administrators to design and implement new approaches to:

28 (a) Career pathways for teachers and administrators;

29 (b) Evaluation processes for teachers and administrators;

30 (c) Compensation models for teachers and administrators; and

31 (d) Enhanced professional development opportunities for teachers and administrators.

32 (2)(a) The Department of Education shall administer the grant program established by this sec-
33 tion and may provide technical expertise to school districts applying for or receiving a grant under
34 this section.

35 (b) For the purpose of providing technical expertise, the department may enter into contracts
36 with nonprofit entities that have experience in designing and implementing approaches that are
37 similar to the approaches described in subsection (1) of this section.

38 (c) The department may expend no more than five percent of the amount appropriated to the
39 department for the grant program to pay for the administrative costs incurred by the department
40 under this section, not including any costs related to contracts described in paragraph (b) of this
41 subsection.

42 (3) Each school district may apply to the department for a grant under this section. Applications
43 may be for the design or for the implementation of an approach identified in subsection (1) of this
44 section.

45 (4) Prior to applying for a grant, the school district must receive the approval to apply for the

1 grant from:

2 (a) The exclusive bargaining representative for the teachers of the school district or, if the
 3 teachers are not represented by an exclusive bargaining representative, from the teachers of the
 4 school district;

5 (b) The chairperson of the school district board; and

6 (c) The superintendent of the school district.

7 (5) Funding for the grant program established by this section shall be provided through the
 8 School District Collaboration Grant Account established by ORS 329.839.

9 (6) The amount of each grant shall be determined as follows:

10 (a) For grants that are for the design of an approach identified in subsection (1) of this section,
 11 the amount determined by the department based on:

12 (A) The application submitted by the school district to the department;

13 (B) The portion of the total funds available for grants that are for the design of an approach;
 14 and

15 (C) Any other limitations established by the State Board of Education by rule, which may in-
 16 clude a minimum amount or a maximum amount for a grant.

17 (b) For grants that are for the implementation of an approach identified in subsection (1) of this
 18 section, the Grant Amount = School district ADMw × (the total amount available for distribution
 19 for an implementation grant in a fiscal year through the School District Collaboration Grant Pro-
 20 gram ÷ the total ADMw of the school districts that receive an implementation grant for the fiscal
 21 year through the School District Collaboration Grant Program). For the purpose of the calculation
 22 made under this paragraph, ADMw shall be calculated as provided by ORS 327.013, 338.155 (1) and
 23 338.165 [(3)] (2).

24 (7) The department shall award grants based on:

25 (a) The application submitted by the school district to the department;

26 (b) Other funds received by a school district for a purpose identified in subsection (1) of this
 27 section; and

28 (c) Any other criteria established by the State Board of Education by rule.

29 (8) Moneys received by a school district under this section must be separately accounted for and
 30 may be used only to provide funding for the purposes described in the application submitted by the
 31 school district.

32 (9) The department shall accumulate, evaluate and publish student achievement results of school
 33 districts receiving grants under this section to determine the effectiveness of the approaches de-
 34 signed and implemented by the school districts under the grant program.

35 (10)(a) Except as provided by paragraph (b) of this subsection, the State Board of Education may
 36 adopt any rules necessary for the implementation of the grant program established by this section.

37 (b) The board may not adopt any rules that establish statewide standards for the design and
 38 implementation of the approaches described in subsection (1) of this section.

39