## Senate Bill 704

Sponsored by Senator HASS, Representative WHISNANT; Representatives JOHNSON, KOMP

#### **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 for additional weights in state school fund distributions for historically underserved students who have made specified progress in ninth grade.

Declares emergency, effective July 1, 2015.

#### A BILL FOR AN ACT

- Relating to State School Fund distributions for students in the ninth grade; creating new provisions; amending ORS 327.006, 327.013, 332.405 and 339.133; and declaring an emergency.
- Be It Enacted by the People of the State of Oregon:
  - **SECTION 1.** ORS 327.006 is amended to read:
  - 327.006. As used in ORS 327.006 to 327.133, 327.348 and 327.731 and sections 1 to 3, chapter 735, Oregon Laws 2013:
  - (1) "Aggregate days membership" means the sum of days present and absent, according to the rules of the State Board of Education, of all resident pupils when school is actually in session during a certain period. The aggregate days membership of kindergarten pupils shall be calculated on the basis of a half-day program.
  - (2)(a) "Approved transportation costs" means those costs as defined by rule of the State Board of Education and is limited to those costs attributable to transporting or room and board provided in lieu of transporting:
    - (A) Elementary school students who live at least one mile from school;
  - (B) Secondary school students who live at least 1.5 miles from school;
  - (C) Any student required to be transported for health or safety reasons, according to supplemental plans from districts that have been approved by the state board identifying students who are required to be transported for health or safety reasons, including special education;
  - (D) Preschool children with disabilities requiring transportation for early intervention services provided pursuant to ORS 343.224 and 343.533;
    - (E) Students who require payment of room and board in lieu of transportation;
  - (F) A student transported from one school or facility to another school or facility when the student attends both schools or facilities during the day or week; and
- 25 (G) Students participating in school-sponsored field trips that are extensions of classroom learning experiences.
  - (b) "Approved transportation costs" does not include the cost of constructing boarding school facilities.
  - (3) "Average daily membership" or "ADM" means the aggregate days membership of a school during a certain period divided by the number of days the school was actually in session during the same period. However, if a district school board adopts a class schedule that operates throughout

**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.

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- the year for all or any schools in the district, average daily membership shall be computed by the Department of Education so that the resulting average daily membership will not be higher or lower than if the board had not adopted such schedule.
  - (4) "Consumer Price Index" means the Consumer Price Index for All Urban Consumers of the Portland, Oregon, Metropolitan Statistical Area, as compiled by the United States Department of Labor, Bureau of Labor Statistics.
  - (5) "Historically underserved" means students whom educational systems have placed at risk of not earning a high school diploma because of race, ethnicity, English language proficiency, socioeconomic status or disability.
  - [(5)] (6) "Kindergarten" means a kindergarten program that conforms to the standards and rules adopted by the State Board of Education.
  - [(6)] (7) "Net operating expenditures" means the sum of expenditures of a school district in kindergarten through grade 12 for administration, instruction, attendance and health services, operation of plant, maintenance of plant, fixed charges and tuition for resident students attending in another district, as determined in accordance with the rules of the State Board of Education, but net operating expenditures does not include transportation, food service, student body activities, community services, capital outlay, debt service or expenses incurred for nonresident students.

[(7)(a)] (8)(a) "Resident pupil" means any pupil:

- (A) Whose legal school residence is within the boundaries of a school district reporting the pupil, if the district is legally responsible for the education of the pupil, except that "resident pupil" does not include a pupil who pays tuition or for whom the parent pays tuition or for whom the district does not pay tuition for placement outside the district; or
- (B) Whose legal residence is not within the boundaries of the district reporting the pupil but who attends school in the district with the written consent of the district school board where the school is located as provided by ORS 339.133 (5).
- (b) A pupil is not considered to be a resident pupil under paragraph (a)(A) of this subsection if the pupil is attending school in another school district pursuant to a contract under ORS 339.125 and in the prior year was considered to be a resident pupil in another school district under paragraph (a)(B) of this subsection. The pupil shall continue to be considered a resident of another school district under paragraph (a)(B) of this subsection.
- (c) A pupil is not considered to be a resident pupil under paragraph (a)(B) of this subsection if the pupil is attending school in a school district pursuant to ORS 339.133 (5) and in the prior year was considered to be a resident pupil under paragraph (a)(A) of this subsection because the pupil was attending school in another school district pursuant to a contract under ORS 339.125. The pupil shall continue to be considered a resident pupil under paragraph (a)(A) of this subsection.
  - (d) "Resident pupil" includes a pupil admitted to a school district under ORS 339.115 (7).
- [(8)] (9) "Standard school" means a school meeting the standards set by the rules of the State Board of Education.
- [(9)] (10) "Tax" and "taxes" includes all taxes on property, excluding exempt bonded indebtedness, as those terms are defined in ORS 310.140.
- **SECTION 2.** ORS 327.006, as amended by section 7, chapter 704, Oregon Laws 2011, and section 5, chapter 735, Oregon Laws 2013, is amended to read:
  - 327.006. As used in ORS 327.006 to 327.133, 327.348 and 327.731:
- (1) "Aggregate days membership" means the sum of days present and absent, according to the rules of the State Board of Education, of all resident pupils when school is actually in session during

- a certain period. The aggregate days membership of kindergarten pupils shall be calculated on the basis of a half-day program for half-day kindergarten and on the basis of a full-day program for full-day kindergarten.
- (2)(a) "Approved transportation costs" means those costs as defined by rule of the State Board of Education and is limited to those costs attributable to transporting or room and board provided in lieu of transporting:
  - (A) Elementary school students who live at least one mile from school;
  - (B) Secondary school students who live at least 1.5 miles from school;

- (C) Any student required to be transported for health or safety reasons, according to supplemental plans from districts that have been approved by the state board identifying students who are required to be transported for health or safety reasons, including special education;
- (D) Preschool children with disabilities requiring transportation for early intervention services provided pursuant to ORS 343.224 and 343.533;
  - (E) Students who require payment of room and board in lieu of transportation;
- (F) A student transported from one school or facility to another school or facility when the student attends both schools or facilities during the day or week; and
- (G) Students participating in school-sponsored field trips that are extensions of classroom learning experiences.
- (b) "Approved transportation costs" does not include the cost of constructing boarding school facilities.
- (3) "Average daily membership" or "ADM" means the aggregate days membership of a school during a certain period divided by the number of days the school was actually in session during the same period. However, if a district school board adopts a class schedule that operates throughout the year for all or any schools in the district, average daily membership shall be computed by the Department of Education so that the resulting average daily membership will not be higher or lower than if the board had not adopted such schedule.
- (4) "Consumer Price Index" means the Consumer Price Index for All Urban Consumers of the Portland, Oregon, Metropolitan Statistical Area, as compiled by the United States Department of Labor, Bureau of Labor Statistics.
- (5) "Historically underserved" means students whom educational systems have placed at risk of not earning a high school diploma because of race, ethnicity, English language proficiency, socioeconomic status or disability.
- [(5)] (6) "Kindergarten" means a kindergarten program that conforms to the standards and rules adopted by the State Board of Education.
- [(6)] (7) "Net operating expenditures" means the sum of expenditures of a school district in kindergarten through grade 12 for administration, instruction, attendance and health services, operation of plant, maintenance of plant, fixed charges and tuition for resident students attending in another district, as determined in accordance with the rules of the State Board of Education, but net operating expenditures does not include transportation, food service, student body activities, community services, capital outlay, debt service or expenses incurred for nonresident students.
  - [(7)(a)] (8)(a) "Resident pupil" means any pupil:
- (A) Whose legal school residence is within the boundaries of a school district reporting the pupil, if the district is legally responsible for the education of the pupil, except that "resident pupil" does not include a pupil who pays tuition or for whom the parent pays tuition or for whom the district does not pay tuition for placement outside the district; or

- (B) Whose legal residence is not within the boundaries of the district reporting the pupil but who attends school in the district with the written consent of the district school board where the school is located as provided by ORS 339.133 (5).
- (b) A pupil is not considered to be a resident pupil under paragraph (a)(A) of this subsection if the pupil is attending school in another school district pursuant to a contract under ORS 339.125 and in the prior year was considered to be a resident pupil in another school district under paragraph (a)(B) of this subsection. The pupil shall continue to be considered a resident of another school district under paragraph (a)(B) of this subsection.
- (c) A pupil is not considered to be a resident pupil under paragraph (a)(B) of this subsection if the pupil is attending school in a school district pursuant to ORS 339.133 (5) and in the prior year was considered to be a resident pupil under paragraph (a)(A) of this subsection because the pupil was attending school in another school district pursuant to a contract under ORS 339.125. The pupil shall continue to be considered a resident pupil under paragraph (a)(A) of this subsection.
  - (d) "Resident pupil" includes a pupil admitted to a school district under ORS 339.115 (7).
- [(8)] (9) "Standard school" means a school meeting the standards set by the rules of the State Board of Education.
- [(9)] (10) "Tax" and "taxes" includes all taxes on property, excluding exempt bonded indebtedness, as those terms are defined in ORS 310.140.

SECTION 3. 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.
- (b) Target Grant = Statewide Target per ADMw Grant + Teacher Experience Factor. For the purpose of the calculation made under this paragraph:
  - (A) Statewide Target per ADMw Grant = \$4,500.
- (B) Teacher Experience Factor =  $$25 \times {\text{District average teacher experience}} {\text{statewide average teacher experience}}$ . As used in this subparagraph, "average teacher experience" means the average, in years, of teaching experience of licensed teachers as reported to the Department of Education.
- (c) District extended ADMw = ADMw or ADMw of the prior year, whichever is greater. The calculation of the district extended ADMw must be made as provided by ORS 338.155 (1)(b) if a public charter school is located in the school district. For the purpose of this paragraph:
- (A) Weighted average daily membership or ADMw = average daily membership + an additional amount computed as follows:
- (i) 1.0 for each student in average daily membership eligible for special education as a child with a disability under ORS 343.035, which may not exceed 11 percent of the district's ADM without review and approval by the Department of Education. Children with disabilities eligible for special education in adult local correctional facilities, as defined in ORS 169.005, or adult regional correctional facilities, as defined in ORS 169.620, may not be included in the calculation made under this sub-subparagraph.
- (ii) 0.5 for each student in average daily membership eligible for and enrolled in an English as a second language program under ORS 336.079.
  - (iii) 0.2 for each student in average daily membership enrolled in a union high school district

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- or in an area of a unified school district where the district is only responsible for educating students in grades 9 through 12 in that area.
- (iv) -0.1 for each student in average daily membership enrolled in an elementary district operating kindergarten through grade six or kindergarten through grade eight or in an area of a unified school district where the district is only responsible for educating students in kindergarten through grade eight.
  - (v) 0.25 times the sum of the following:

- (I) The number of students who are in average daily membership and who are also in poverty families, as determined by the Department of Education based on rules adopted by the State Board of Education that incorporate poverty data published by the United States Census Bureau, student data provided by school districts and other data identified by the board;
- (II) The number of children in foster homes in the district as determined by the report of the Department of Human Services to the United States Department of Education, "Annual Statistical Report on Children in Foster Homes and Children in Families Receiving AFDC Payments in Excess of the Poverty Income Level," or its successor, for October 31 of the year prior to the year of distribution; and
- (III) The number of children in the district in state-recognized facilities for neglected and delinquent children, based on information from the Department of Human Services for October 31 of the year prior to the year of distribution.
- (vi) An amount for each student in average daily membership who is historically underserved and who has earned six or more credits prior to beginning the 10th grade that equals:
- (I) 0.045 if the student has been present for less than 90 percent of the scheduled instructional days; or
- (II) 0.05 if the student has been present for 90 percent or more of the scheduled instructional days.
- [(vi)] (vii) The amount determined under ORS 327.077 for each remote small elementary school and for each small high school in the district.
- (B) All numbers of children used for the computation in this paragraph must reflect any district consolidations that have occurred since the numbers were compiled.
- (C) The total additional weight that shall be assigned to any student in average daily membership in a district, exclusive of students described in subparagraph  $[(A)(v) \ and \ (vi)]$  (A)(v) to (vii) of this paragraph, may not exceed 2.0.
- (2) High cost disabilities grant = the total amount received by a school district under ORS 327.348 for providing special education and related services to resident pupils with disabilities.
  - (3)(a) Transportation grant equals:
- (A) 70 percent of approved transportation costs for those school districts ranked below the 80th percentile under paragraph (b) of this subsection.
- (B) 80 percent of approved transportation costs for those school districts ranked in or above the 80th percentile but below the 90th percentile under paragraph (b) of this subsection.
- (C) 90 percent of approved transportation costs for those school districts ranked in or above the 90th percentile under paragraph (b) of this subsection.
- (b) Each fiscal year, the Department of Education shall rank school districts based on the approved transportation costs per ADM of each school district, ranking the school district with the highest approved transportation costs per ADM at the top of the order.
  - (4)(a) Facility Grant = 8 percent of total construction costs of new school buildings.

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- (b) A school district shall receive a Facility Grant in the distribution year that a new school building is first used.
  - (c) As used in this subsection:

- (A) "New school building" includes new school buildings, structures added onto existing school buildings and premanufactured structures added to a school district if those buildings or structures are to be used for instructing students.
  - (B) "Construction costs" does not include costs for land acquisition.

# SECTION 4. The amendments to ORS 327.013 by section 3 of this 2015 Act apply to State School Fund distributions commencing with the 2015-2016 distributions.

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

- 332.405. (1) The district school board shall provide transportation for pupils or combinations of pupils and other persons to and from school-related activities where required by law or when considered advisable by the board.
- (2) The board may furnish board and room for pupils in lieu of transportation when reasonable board and room can be provided at equal or less expense than transportation. The board may also provide board and room in a facility that existed on July 1, 1998, or a replacement facility for that facility, for pupils attending a district school as described in ORS 327.006 [(7)(a)(B)] (8)(a)(B) or through a power of attorney authorized under ORS 109.056 (2). This subsection does not apply to a pupil who attends a district school through a power of attorney and who is a foreign exchange student enrolled in a school under a cultural exchange program.
- (3) The transportation costs or expenses for board and room shall be paid from funds available to the district for that purpose.
- (4) The district school board may expend district funds to improve or provide for pedestrian facilities off district property if the board finds that the expenditure reduces transportation costs of the district and enhances the safety of pupils going to and from schools of the district.

### SECTION 6. ORS 339.133 is amended to read:

- 339.133. (1)(a) Except as provided in subsections (2) to (6) of this section, children between the ages of 4 and 18 shall be considered resident for school purposes in the school district in which their parents, their guardians or persons in parental relationship to them reside.
- (b) Nonemancipated individuals between the ages of 4 and 18 living outside the geographic area of the school district for such reasons as attending college, military service, hospital confinement or employment away from home shall be considered resident in the district in which their parents, their guardians or persons in parental relationship to them reside.
- (c) Persons living temporarily in a school district for the primary purpose of attending a district school may not be considered resident in the district in which they are living temporarily, but shall be considered resident in the district in which they, their parents, their guardians or persons in parental relationship to them reside.
- (2) Individuals considered legally emancipated from their parents shall be considered resident in the district in which they actually reside, irrespective of the residence of their parents, their guardians or persons in parental relationship.
- (3) Children placed by public or private agencies who are living in licensed, certified or approved substitute care programs shall be considered resident in the school district in which they reside because of placement by a public or private agency.
- (4)(a) Notwithstanding subsection (3) of this section, when a juvenile court determines that it is in a child's best interest to continue to attend the school that the child attended prior to placement

1 by a public agency, the child:

- (A) Shall be considered resident for school purposes in the school district in which the child resided prior to the placement; and
- (B) May continue to attend the school the child attended prior to the placement through the highest grade level of the school.
- (b) The public agency that has placed the child shall be responsible for providing the child with transportation to and from school when the need for transportation is due to the placement by the public agency.
- (c) Paragraph (b) of this subsection applies only to a public agency for which funds have been designated for the specific purpose of providing a child with transportation to and from school under this subsection.
- (5) Except as provided in ORS 327.006 [(7)] (8) and 335.090, persons whose legal residence is not within the district but who attend school in the district are considered residents in the district in which the persons attend school if those persons receive:
- (a) Written consent from both of the affected district school boards as provided by policies adopted by the boards; or
- (b) Written consent from the district school board for the district in which the school is located as provided by section 9, chapter 718, Oregon Laws 2011.
- (6)(a) Children who are foreign exchange students and who are residing in Oregon in a dormitory operated by a school district are considered to be residents of the school district in which the dormitory is located.
  - (b) For the purpose of this subsection:
- (A) A child may not be considered to be a foreign exchange student for more than one school year.
- (B) A child may be considered to be a resident of a school district as provided by this subsection only if, for the 2010-2011 school year, the school district had foreign exchange students who were considered to be residents as provided by this subsection.
- (C) The number of children who are considered to be residents as provided by this subsection may not increase from the number that were considered to be residents as provided by this subsection for the 2010-2011 school year.
- (c) As used in this subsection, "foreign exchange student" means a student who attends school in Oregon under a cultural exchange program and whose parent, guardian or person in parental relationship resides in another country.
  - (7) For the purposes of this section:
- (a) "Person in parental relationship" means an adult who has physical custody of a child or resides in the same household as the child, interacts with the child daily, provides the child with food, clothing, shelter and incidental necessaries and provides the child with necessary care, education and discipline. "Person in parental relationship" does not mean a person with a power of attorney or other written delegation of parental responsibilities if the person does not have other evidence of a parental relationship.
- (b) "Substitute care program" means family foster care, family group home care, parole foster care, family shelter care, adolescent shelter care and professional group care.
- **SECTION 7.** ORS 339.133, as amended by section 4, chapter 718, Oregon Laws 2011, is amended to read:
- 339.133. (1)(a) Except as provided in subsections (2) to (5) of this section, children between the

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ages of 4 and 18 shall be considered resident for school purposes in the school district in which their parents, their guardians or persons in parental relationship to them reside.

- (b) Nonemancipated individuals between the ages of 4 and 18 living outside the geographic area of the school district for such reasons as attending college, military service, hospital confinement or employment away from home shall be considered resident in the district in which their parents, their guardians or persons in parental relationship to them reside.
- (c) Persons living temporarily in a school district for the primary purpose of attending a district school may not be considered resident in the district in which they are living temporarily, but shall be considered resident in the district in which they, their parents, their guardians or persons in parental relationship to them reside.
- (2) Individuals considered legally emancipated from their parents shall be considered resident in the district in which they actually reside, irrespective of the residence of their parents, their guardians or persons in parental relationship.
- (3) Children placed by public or private agencies who are living in licensed, certified or approved substitute care programs shall be considered resident in the school district in which they reside because of placement by a public or private agency.
- (4)(a) Notwithstanding subsection (3) of this section, when a juvenile court determines that it is in a child's best interest to continue to attend the school that the child attended prior to placement by a public agency, the child:
- (A) Shall be considered resident for school purposes in the school district in which the child resided prior to the placement; and
- (B) May continue to attend the school the child attended prior to the placement through the highest grade level of the school.
- (b) The public agency that has placed the child shall be responsible for providing the child with transportation to and from school when the need for transportation is due to the placement by the public agency.
- (c) Paragraph (b) of this subsection applies only to a public agency for which funds have been designated for the specific purpose of providing a child with transportation to and from school under this subsection.
- (5) Except as provided in ORS 327.006 [(7)] (8) and 335.090, persons whose legal residence is not within the district but who attend school in the district are considered residents in the district in which the persons attend school if those persons receive:
- (a) Written consent from both of the affected district school boards as provided by policies adopted by the boards; or
- (b) Written consent from the district school board for the district in which the school is located as provided by section 9, chapter 718, Oregon Laws 2011.
  - (6) For the purposes of this section:
- (a) "Person in parental relationship" means an adult who has physical custody of a child or resides in the same household as the child, interacts with the child daily, provides the child with food, clothing, shelter and incidental necessaries and provides the child with necessary care, education and discipline. "Person in parental relationship" does not mean a person with a power of attorney or other written delegation of parental responsibilities if the person does not have other evidence of a parental relationship.
- (b) "Substitute care program" means family foster care, family group home care, parole foster care, family shelter care, adolescent shelter care and professional group care.

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SECTION 8. ORS 339.133, as amended by sections 4 and 19, chapter 718, Oregon Laws 2011, is amended to read:

339.133. (1)(a) Except as provided in subsections (2) to (5) of this section, children between the ages of 4 and 18 shall be considered resident for school purposes in the school district in which their parents, their guardians or persons in parental relationship to them reside.

- (b) Nonemancipated individuals between the ages of 4 and 18 living outside the geographic area of the school district for such reasons as attending college, military service, hospital confinement or employment away from home shall be considered resident in the district in which their parents, their guardians or persons in parental relationship to them reside.
- (c) Persons living temporarily in a school district for the primary purpose of attending a district school may not be considered resident in the district in which they are living temporarily, but shall be considered resident in the district in which they, their parents, their guardians or persons in parental relationship to them reside.
- (2) Individuals considered legally emancipated from their parents shall be considered resident in the district in which they actually reside, irrespective of the residence of their parents, their guardians or persons in parental relationship.
- (3) Children placed by public or private agencies who are living in licensed, certified or approved substitute care programs shall be considered resident in the school district in which they reside because of placement by a public or private agency.
- (4)(a) Notwithstanding subsection (3) of this section, when a juvenile court determines that it is in a child's best interest to continue to attend the school that the child attended prior to placement by a public agency, the child:
- (A) Shall be considered resident for school purposes in the school district in which the child resided prior to the placement; and
- (B) May continue to attend the school the child attended prior to the placement through the highest grade level of the school.
- (b) The public agency that has placed the child shall be responsible for providing the child with transportation to and from school when the need for transportation is due to the placement by the public agency.
- (c) Paragraph (b) of this subsection applies only to a public agency for which funds have been designated for the specific purpose of providing a child with transportation to and from school under this subsection.
- (5) Except as provided in ORS 327.006 [(7)] (8) and 335.090, persons whose legal residence is not within the district but who attend school in the district are considered residents in the district in which the persons attend school if those persons receive written consent from both of the affected district school boards as provided by policies adopted by the boards.
  - (6) For the purposes of this section:

- (a) "Person in parental relationship" means an adult who has physical custody of a child or resides in the same household as the child, interacts with the child daily, provides the child with food, clothing, shelter and incidental necessaries and provides the child with necessary care, education and discipline. "Person in parental relationship" does not mean a person with a power of attorney or other written delegation of parental responsibilities if the person does not have other evidence of a parental relationship.
- (b) "Substitute care program" means family foster care, family group home care, parole foster care, family shelter care, adolescent shelter care and professional group care.

SECTION 9. This 2015 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect July 1, 2015.