



# Oregon

Tina Kotek, Governor



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**Dr. Charlene Williams**

Director of the Department of Education

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**To:** Oregon Department of Education  
**From:** Recovery Schools Advisory Committee  
**Date:** December 20, 2023  
**RE:** Approved Recovery School Funding Recommendation

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The Recovery Schools Advisory Committee (RSAC) formally recommends to the Oregon Department of Education (ODE) the following legislative changes and policies to assist in the creation and sustainability of approved recovery schools.

**Background:** [HB 2767](#) (2023) establishes new types of publicly funded schools operated by agreement with the Oregon Department of Education called “approved recovery schools” to provide students enrolled in the school with a holistic approach to educational services for grades 9 through 12; and health care services related to recovery from substance use disorders. These schools will be funded with a mixture of State School Funds and monies from the Statewide Education Initiative Account.

**Issue with HB 2767 Funding of Approved Recovery Schools:** HB 2767 directs approved recovery schools to be funded according to language in Sections 1, 7, and 11. It is the opinion of ODE staff that Section 7 and Section 11 conflict based on the current language in the bill and is not feasible to implement as written. Additionally, it is the understanding of the RSAC that is the legislative intent and intent advocates for the funding for approved recovery schools to align with Section 11.

**HB 2767 Language:**

**SECTION 7.** (1) The State Board of Education shall adopt by rule definitions and procedures to be applied to the computation of the State School Fund allocations and Statewide Education Initiatives Account allocations to be used for approved recovery schools, as defined in section 1 of this 2023 Act. When adopting rules, the board must collaborate with the advisory committee established by section 5 of this 2023 Act.

(2) For allocations made from the State School Fund, each approved recovery school shall receive for each school year a special State School Fund grant, consisting of a general purpose grant that is equal to the amount that the school district in which the approved recovery school is located would receive for the student. The amount that the school district would receive for the student shall:

(a) Be based on the school district’s general purpose grant per ADM as calculated under ORS 327.013; and

(b) Include any additional amounts attributable to the student under ORS 327.013 (1)(c), subject to any applicable limitations under ORS 327.013 (1)(c)(C).

**SECTION 11.** (3)(a) For each fiscal year, the Department of Education shall calculate the amount available in the State School Fund for grants and distributions to school districts and the amount available for grants and distributions to education service districts under ORS 327.008, 327.013 and 327.019 based on the appropriations and allocations made to the State School Fund for that fiscal year by the Legislative Assembly in regular session. The department may not include in the amount calculated to be available for school districts and education service districts under this paragraph the amounts received by the Youth Corrections Education Program and the Juvenile Detention Education Program under ORS 327.026 or approved recovery schools under section 7 of this 2023 Act from the State School Fund.

**Issue:** As written, this will mean that the ADM and any additional weighting identified in Section 7(2)(b) will be included in the resident district's General Purpose Grant calculations. This language means funding for approved recovery schools will be included with the district where the school is located to be passed through locally or by some other contractual relationship that is not identified in the bill. This conflicts with Section 11 where it identifies a separate accounting outside the State School Fund Formula, similar to how the Department administers the Corrections Programs (JDEP/YCEP). Additionally, the law does not designate a resident district for students enrolled in approved recovery schools.

**Recommendation Rationale:** Remove approved recovery school funding mechanics from school district funding by funding students enrolled in approved recovery schools at a constant 2.0 weight to be calculated using the State School Fund funding ratio multiplied by the state target of \$4,500. This will remove any impact on local school districts that may not be involved in the operation of an approved recovery school and will not influence a school district's funding rate. It creates stability in funding for approved recovery schools by removing the variability of district rates and individual student weights. And it allows the Department of Education to pay these funds directly to the approved recovery school without passing funds through a local school district.

**Specific Recommendation:** Remove Section 7 (2)(a)-(b) and revise ORS 327.026 to read as follows:

**327.026 State School Fund grant for programs; calculation; adjustment; rules.** (1) In order to accomplish the purpose described in ORS 326.700, the State Board of Education shall adopt by rule definitions and procedures to be applied to the computation of the State School Fund allocations where necessary to make students enrolled in the Youth Corrections Education Program, as defined in ORS 326.695, the Juvenile Detention Education Program, as defined in ORS 326.695, **and the Recovery Schools Program**, as defined in Oregon Laws 2023 Chapter 513, equivalent to students enrolled in common and union high school districts for purposes of distribution of the fund.

(2)(a) The Youth Corrections Education Program shall receive from the State School Fund for each school year a special State School Fund grant, consisting of a general purpose grant that is equal to the Youth Corrections Education Program extended ADMw multiplied by Funding Percentage and further multiplied by Statewide Target per ADMw Grant. For the purpose of the calculation made under this paragraph:

(A) ADMw equals ADM multiplied by 2.0 multiplied by the additional per student weight, as calculated in ORS 327.013 (1)(c)(A)(i).

(B) Extended ADMw equals ADMw or ADMw of the prior year, whichever is greater.

(b) Notwithstanding paragraph (a) of this subsection, the Youth Corrections Education Program may not receive moneys under this section from the State School Fund for any youth in the program who:

(A) Has received a high school diploma; or

(B) Is 21 years of age or older.

(3) The Juvenile Detention Education Program shall receive from the State School Fund for each school year a special State School Fund grant, consisting of a general purpose grant that is equal to the Juvenile Detention Education Program extended ADMw multiplied by Funding Percentage and further multiplied by Statewide Target per ADMw Grant. For the purpose of the calculation made under this subsection:

(a) ADMw equals ADM multiplied by 1.5.

(b) Extended ADMw equals ADMw or ADMw of the prior year, whichever is greater.

**(4) The Recovery Schools Program shall receive from the State School Fund for each school year a special State School Fund grant, consisting of a general purpose grant that is equal to the Recovery Schools Program extended ADMw multiplied by Funding Percentage and further multiplied by Statewide Target per ADMw Grant. For the purpose of the calculation made under this subsection:**

**(a) ADMw equals ADM multiplied by 2.0.**

**(b) Extended ADMw equals ADMw or ADMw of the prior year, whichever is greater.**

[4] **(5) Funds allocated to the Youth Corrections Education Program, the Juvenile Detention Education Program, and the Recovery Schools Program** from the State School Fund shall remain with the Department of Education and shall be adjusted in the year following the distribution to reflect the actual ADMw of students in the Youth Corrections Education Program, the Juvenile Detention Education Program, **and the Recovery Schools Program** in the same manner as for the school districts under ORS 327.101. [1995 c.649 §7; 1997 c.821 §17; 2001 c.681 §5; 2007 c.839 §17; 2009 c.698 §12; 2014 c.6 §1; 2017 c.726 §5; 2018 c.39 §2]