

## HOUSE AMENDMENTS TO HOUSE BILL 2214

By COMMITTEE ON EDUCATION

May 10

1 On page 1 of the printed bill, line 2, after “291.342” insert “, 327.290 and 327.294”.

2 Delete lines 5 through 21 and delete pages 2 through 6 and insert:

3 **“SECTION 1. As used in section 2 of this 2007 Act:**

4 **“(1) ‘Appropriation’ means any appropriation, allocation or transfer of moneys made by**  
5 **law by the Legislative Assembly.**

6 **“(2)(a) ‘Education enterprise’ means the following public education programs, funds and**  
7 **agencies:**

8 **“(A) Oregon prekindergarten programs;**

9 **“(B) State School Fund;**

10 **“(C) Department of Education;**

11 **“(D) Community College Support Fund;**

12 **“(E) Department of Community Colleges and Workforce Development;**

13 **“(F) Department of Higher Education for the Oregon University System;**

14 **“(G) Oregon Health and Science University; and**

15 **“(H) Oregon Student Assistance Commission.**

16 **“(b) ‘Education enterprise’ does not include capital construction costs for the programs,**  
17 **funds and agencies listed in paragraph (a) of this subsection.**

18 **“(3) ‘Projected revenues in the General Fund’ means the projected revenue in the General**  
19 **Fund for a biennium reported under ORS 291.342 (2)(c).**

20 **“SECTION 2. (1) Except as provided in subsections (3) and (4) of this section, the Legis-**  
21 **lative Assembly shall appropriate to the education enterprise, for the biennium that begins**  
22 **July 1 of the year in which the regular session of the Legislative Assembly begins, a total**  
23 **amount of moneys that is not less than the greater of:**

24 **“(a) Sixty-one percent of the projected revenues in the General Fund for that biennium;**  
25 **or**

26 **“(b) One hundred ten percent of the amount appropriated to the education enterprise for**  
27 **the biennium prior to the biennium that begins July 1 of the year in which the regular ses-**  
28 **sion of the Legislative Assembly begins.**

29 **“(2) Except as provided in subsection (3) of this section, the Legislative Assembly shall**  
30 **appropriate for each program, fund or agency of the education enterprise, for the biennium**  
31 **that begins July 1 of the year in which the regular session of the Legislative Assembly be-**  
32 **gins, a total amount of moneys that is not less than 110 percent of the amount appropriated**  
33 **to that program, fund or agency of the education enterprise for the biennium prior to the**  
34 **biennium that begins July 1 of the year in which the regular session of the Legislative As-**  
35 **sembly begins.**

1       “(3)(a) The Legislative Assembly may not appropriate an amount of moneys for the State  
2 School Fund that, when combined with local revenues as defined in ORS 327.013 and 327.019,  
3 is:

4       “(A) Less than 80 percent of the amount of moneys determined to be sufficient for that  
5 biennium by the Quality Education Commission as required by ORS 327.506 (2); or

6       “(B) Greater than the amount of moneys determined to be sufficient for that biennium  
7 by the Quality Education Commission as required by ORS 327.506 (2).

8       “(b) To meet the requirements of paragraph (a)(A) of this subsection, the Legislative  
9 Assembly may appropriate an amount of moneys to the State School Fund that is in addition  
10 to the amount required to be appropriated to the education enterprise by subsection (1) of  
11 this section.

12       “(4) If an appropriation of an amount of moneys that is equal to 61 percent of the  
13 projected revenues in the General Fund would result in a total appropriation to the education  
14 enterprise that is more than the total of 110 percent of the appropriation for the biennium  
15 that is prior to the biennium that begins July 1 of the year in which the regular session of  
16 the Legislative Assembly begins plus any amount appropriated to the State School Fund un-  
17 der subsection (3)(b) of this section, then the Legislative Assembly shall appropriate an  
18 amount equal to 61 percent of the amount of moneys shown as projected revenues in the  
19 General Fund as follows:

20       “(a) To the Education Opportunity and Innovation Fund established in section 6 of this  
21 2007 Act, an amount equal to the amount by which the total appropriation would equal an  
22 amount that is more than the total of 110 percent of the amount appropriated to the educa-  
23 tion enterprise in the prior biennium plus any amount appropriated to the State School Fund  
24 under subsection (3)(b) of this section; and

25       “(b) To the education enterprise, an amount that is no less than the remainder required  
26 to be appropriated under this subsection.

27       “(5) The Governor, when compiling and preparing the budget report required under ORS  
28 291.216, may choose not to meet the appropriation requirements of this section if there has  
29 been a change in state or federal law that:

30       “(a) Places a significant restriction on the expenditures of the state for the biennium for  
31 which the budget report is prepared; or

32       “(b) Establishes a new requirement that requires significant expenditures by the state  
33 to meet the new requirement for the biennium for which the budget report is prepared.

34       “(6) The Legislative Assembly shall review the percentages used in subsections (1) and  
35 (2) of this section to calculate the minimum appropriation amount for the education enter-  
36 prise if there has been a change in state or federal law that:

37       “(a) Places a significant restriction on the expenditures of the state; or

38       “(b) Establishes a new requirement that requires significant expenditures by the state  
39 to meet the new requirement.

40       “SECTION 3. Section 2 of this 2007 Act applies to appropriations made by the Legislative  
41 Assembly for biennia beginning on or after July 1, 2009.

42       “SECTION 4. Section 2 of this 2007 Act is amended to read:

43       “**Sec. 2.** (1) Except as provided in subsections (3) and (4) of this section, the Legislative As-  
44 sembly shall appropriate to the education enterprise, for the biennium that begins July 1 of the year  
45 in which the regular session of the Legislative Assembly begins, a total amount of moneys that is

1 not less than the higher of:

2 “(a) Sixty-one percent of the projected revenues in the General Fund for that biennium; or

3 “(b) One hundred ten percent of the amount appropriated to the education enterprise for the  
4 biennium prior to the biennium that begins July 1 of the year in which the regular session of the  
5 Legislative Assembly begins.

6 “(2) Except as provided in subsection (3) of this section, the Legislative Assembly shall appro-  
7 priate for each program, fund or agency of the education enterprise, for the biennium that begins  
8 July 1 of the year in which the regular session of the Legislative Assembly begins, a total amount  
9 of moneys that is not less than 110 percent of the amount appropriated to that program, fund or  
10 agency of the education enterprise for the biennium prior to the biennium that begins July 1 of the  
11 year in which the regular session of the Legislative Assembly begins.

12 “(3)(a) The Legislative Assembly may not appropriate an amount of moneys for the State School  
13 Fund that, when combined with local revenues as defined in ORS 327.013 and 327.019, is:

14 “(A) Less than 80 percent of the amount of moneys determined to be sufficient for that biennium  
15 by the Quality Education Commission as required by ORS 327.506 (2); or

16 “(B) Greater than the amount of moneys determined to be sufficient for that biennium by the  
17 Quality Education Commission as required by ORS 327.506 (2).

18 “(b) To meet the requirements of paragraph (a)(A) of this subsection, the Legislative Assembly  
19 may appropriate an additional amount of moneys to the State School Fund that is in addition to the  
20 amount required to be appropriated to the education enterprise by subsection (1) of this section.

21 “(4) **Except as provided subsection (5) of this section**, if an appropriation of an amount of  
22 moneys that is equal to 61 percent of the projected revenues in the General Fund would result in  
23 a total appropriation to the education enterprise that is more than the total of 110 percent of the  
24 appropriation for the biennium that is prior to the biennium that begins July 1 of the year in which  
25 the regular session of the Legislative Assembly begins plus any amount appropriated to the State  
26 School Fund under subsection (3)(b) of this section, then the Legislative Assembly shall appropriate  
27 an amount equal to 61 percent of the amount of moneys shown as projected revenues in the General  
28 Fund as follows:

29 “(a) To the Education Opportunity and Innovation Fund established in section 6 of this 2007  
30 Act, an amount equal to **one-third of** the amount by which the total appropriation would equal an  
31 amount that is more than the total of 110 percent of the amount appropriated to the education en-  
32 terprise in the prior biennium plus any amount appropriated to the State School Fund under sub-  
33 section (3)(b) of this section; *[and]*

34 “(b) **To the Education Stability Fund, an amount equal to two-thirds of the amount by**  
35 **which the total appropriation would equal an amount that is more than the total of 110 per-**  
36 **cent of the amount appropriated to the education enterprise in the prior biennium plus any**  
37 **amount appropriated to the State School Fund under subsection (3)(b) of this section; and**

38 “[*(b)*] (c) To the education enterprise, an amount that is no less than the remainder required to  
39 be appropriated under this subsection.

40 “(5) **If the amount in the Education Stability Fund meets the cap placed on the fund by**  
41 **section 4 (5), Article XV of the Oregon Constitution, then the Legislative Assembly shall**  
42 **appropriate to the Education Opportunity and Innovation Fund any moneys in excess of the**  
43 **cap that would have been appropriated under subsection (4)(b) of this section if the amount**  
44 **had not exceeded the cap.**

45 “[*(5)*] (6) The Governor, when compiling and preparing the budget report required under ORS

1 291.216, may choose not to meet the appropriation requirements of this section if there has been a  
2 change in state or federal law that:

3 “(a) Places a significant restriction on the expenditures of the state for the biennium for which  
4 the budget report is prepared; or

5 “(b) Establishes a new requirement that requires significant expenditures by the state to meet  
6 the new requirement for the biennium for which the budget report is prepared.

7 “[6] (7) The Legislative Assembly shall review the percentages used in subsections (1) and (2)  
8 of this section to calculate the minimum appropriation amount for the education enterprise if there  
9 has been a change in state or federal law that:

10 “(a) Places a significant restriction on the expenditures of the state; or

11 “(b) Establishes a new requirement that requires significant expenditures by the state to meet  
12 the new requirement.

13 **“SECTION 5. (1) The amendments to section 2 of this 2007 Act by section 4 of this 2007  
14 Act become operative on July 1, 2011.**

15 **“(2) Section 2 of this 2007 Act, as amended by section 4 of this 2007 Act, applies to ap-  
16 propriations made by the Legislative Assembly for biennia beginning on or after July 1, 2011.**

17 **“SECTION 6. (1) The Education Opportunity and Innovation Fund is established in the  
18 State Treasury, separate and distinct from the General Fund. The Education Opportunity  
19 and Innovation Fund shall consist of:**

20 **“(a) The School Improvement Account established in ORS 327.294; and**

21 **“(b) The Post-Secondary Academic and Workforce Investment Account established in  
22 section 7 of this 2007 Act.**

23 **“(2)(a) Seventy-seven percent of the moneys in the Education Opportunity and Innovation  
24 Fund shall be deposited in the School Improvement Account.**

25 **“(b) Twenty-three percent of the moneys in the Education Opportunity and Innovation  
26 Fund shall be deposited in the Post-Secondary Academic and Workforce Investment Account.**

27 **“SECTION 7. (1) The Post-Secondary Academic and Workforce Investment Account is  
28 established in the State Treasury and shall be accounted for as a subaccount of the Educa-  
29 tion Opportunity and Innovation Fund. Interest earned by the account shall be credited to  
30 the account.**

31 **“(2)(a) Forty-four percent of the moneys in the Post-Secondary Academic and Workforce  
32 Investment Account is continuously appropriated to the Department of Higher Education for  
33 distribution as strategic investments as provided in section 8 of this 2007 Act.**

34 **“(b) Thirty-three percent of the moneys in the Post-Secondary Academic and Workforce  
35 Investment Account is continuously appropriated to the Department of Community Colleges  
36 and Workforce Development for distribution as strategic investments as provided in section  
37 8 of this 2007 Act.**

38 **“(c) Twenty percent of the moneys in the Post-Secondary Academic and Workforce In-  
39 vestment Account is continuously appropriated to the Oregon Student Assistance Commis-  
40 sion for distribution as Oregon Opportunity Grants under ORS 348.260.**

41 **“(d) Three percent of the moneys in the Post-Secondary Academic and Workforce In-  
42 vestment Account is continuously appropriated to the Oregon Department of Administrative  
43 Services for allocation to the Oregon Health and Science University.**

44 **“(3) Any moneys in the account that are not distributed in any biennium shall be retained  
45 in the account and may be distributed in the next biennium.**

1       “**SECTION 8.** (1) Pursuant to rules adopted by the Joint Boards of Education, the De-  
2       partment of Community Colleges and Workforce Development and the Department of Higher  
3       Education shall administer strategic investments in community colleges and state insti-  
4       tutions of higher education listed in ORS 352.002 from funds allocated to the departments  
5       from the Post-Secondary Academic and Workforce Investment Account.

6       “(2) The departments shall make strategic investments under this section by distributing  
7       moneys to community colleges and state institutions of higher education.

8       “(3) The Joint Boards of Education shall adopt rules for the administration of this sec-  
9       tion. The rules shall include activities for which a community college or state institution of  
10      higher education may expend moneys received under this section.

11      “(4)(a) Each fiscal year, the Department of Community Colleges and Workforce Devel-  
12      opment shall report to the Emergency Board or the Joint Committee on Ways and Means  
13      on the strategic investments made in community colleges under this section during that  
14      fiscal year.

15      “(b) Each fiscal year, the Department of Higher Education shall report to the Emergency  
16      Board or the Joint Committee on Ways and Means on the strategic investments made in  
17      state institutions of higher education under this section during that fiscal year.

18      “**SECTION 9.** ORS 327.290 is amended to read:

19      “327.290. The Legislative Assembly finds that:

20      “(1) The state has an interest in ensuring that public resources for primary and secondary  
21      schools are used to achieve the outcomes established under the Oregon Educational Act for the 21st  
22      Century in ORS chapter 329.

23      “(2) To achieve that purpose, the School Improvement [*Fund*] **Account** is established so the  
24      state may support activities directly related to increases in student achievement while still allowing  
25      school districts flexibility in determining the specific activities necessary to support students.

26      “(3) It is the intent of the state in establishing the School Improvement [*Fund*] **Account** to link  
27      these activities to the recommendations of the Quality Education Commission established under  
28      Executive Order 99-16 and the recommendations of the Quality Education Commission established  
29      under ORS 327.500.

30      “**SECTION 10.** ORS 327.294 is amended to read:

31      “327.294. (1) [*There is established*] The School Improvement [*Fund*] **Account**[, *separate and dis-*  
32      *tinguish from the General Fund*] **is established in the State Treasury and shall be accounted for**  
33      **as a subaccount of the Education Opportunity and Innovation Fund.** Interest earned by the  
34      School Improvement [*Fund*] **Account** shall be credited to the [*fund*] **account.** Any moneys in the  
35      [*fund*] **account** that are not distributed by the Department of Education in any fiscal year shall be  
36      retained in the [*fund*] **account** and may be distributed in the next fiscal year.

37      “(2) The moneys in the [*fund*] **account** are continuously appropriated to the Department of Ed-  
38      ucation for purposes of the grant program created by ORS 327.297.

39      “(3) **The amount of moneys distributed from the account by the Department of Education**  
40      **in any biennium, when added to the sum of the amount of moneys appropriated for that**  
41      **biennium to the State School Fund by the Legislative Assembly plus local revenues as defined**  
42      **in ORS 327.013 and 327.019, may not exceed the amount of moneys determined to be sufficient**  
43      **for that biennium by the Quality Education Commission as required by ORS 327.506 (2).**

44      “**SECTION 11.** ORS 291.342 is amended to read:

45      “291.342. (1) By August 15 of each year, but not earlier than 90 days from the end of the regular

1 session, if any, of the Legislative Assembly held in that calendar year, the Oregon Department of  
2 Administrative Services, with the assistance of the Department of Revenue, shall:

3 “(a) Ascertain by computation and estimate the total amount of revenue available for state  
4 purposes for the current fiscal year; and

5 “(b) Apportion the state tax levy on property, if any, among the several counties in the manner  
6 provided in ORS 291.445.

7 “(2) In addition to the requirement in subsection (1) of this section, **for purposes of deter-**  
8 **mining the appropriation amounts necessary to meet the requirements of section 2 of this**  
9 **2007 Act and for determining the total amount of revenue available to make those appropri-**  
10 **ations**, the Oregon Department of Administrative Services with the assistance of the Department  
11 of Revenue shall for each calendar quarter of the year ascertain by computation and estimate:

12 “(a) The total amount of revenue available for state purposes for the current [*fiscal year, as*  
13 *well as*] **biennium and the next biennium;**

14 “(b) The **actual** amount of revenue received quarterly, cumulated throughout the biennium[,  
15 *and*]; **and**

16 “(c) **The projected total amount of revenue to be placed in the General Fund and available**  
17 **for the current and next biennia.**

18 “(3) **The Oregon Department of Administrative Services shall** report [*its estimate*] **the**  
19 **computations and estimates prepared under subsection (2) of this section** to the Legislative  
20 Revenue Officer and to the Emergency Board[,], or, if the Legislative Assembly is in session, to the  
21 Joint Committee on Ways and Means.

22 “[3] (4) In carrying out its duties under subsection (2) of this section, the Oregon Department  
23 of Administrative Services shall issue quarterly a statement setting forth the methodology and as-  
24 sumptions used in making the revenue [*estimate*] **estimates**. Nothing in this subsection requires the  
25 statement to set forth procedures used or methods used to determine either the methodology or the  
26 assumptions.

27 “**SECTION 12. (1) The Joint Boards of Education shall recommend performance measures**  
28 **on accountability and quality for the education enterprise as defined in section 1 of this 2007**  
29 **Act.**

30 “(2) **The Governor shall include the recommended performance measures in the budget**  
31 **report prepared by the Governor under ORS 291.216.**

32 “(3) **The Legislative Assembly shall review and may approve, amend or not approve the**  
33 **performance measures.**

34 “**SECTION 13. This 2007 Act being necessary for the immediate preservation of the public**  
35 **peace, health and safety, an emergency is declared to exist, and this 2007 Act takes effect**  
36 **July 1, 2007.”.**

37