

House Bill 2767

Sponsored by Representative WHISNANT

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**.

Calculates weighted average daily membership (ADMw) of school district to include students eligible for and enrolled in secondary professional technical education program.

Allows school districts to calculate ADMw by including pregnant and parenting students enrolled in secondary professional technical education program.

Creates vocational teaching license for purpose of providing secondary professional technical education.

Declares emergency, effective July 1, 2009.

A BILL FOR AN ACT

1
2 Relating to school finance; creating new provisions; amending ORS 327.008, 327.013, 327.019, 327.026,
3 327.061, 327.095, 327.099, 327.101, 327.336, 336.640, 338.157, 338.165, 340.065, 342.125 and 342.360;
4 and declaring an emergency.

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

6 **SECTION 1.** ORS 327.013, as amended by section 4, chapter 4, Oregon Laws 2006, section 91,
7 chapter 70, Oregon Laws 2007, and section 6, chapter 778, Oregon Laws 2007, is amended to read:

8 327.013. The State School Fund distributions for school districts *[shall be computed as follows:]*
9 **include the following grants:**

10 (1) General Purpose Grant = Funding Percentage × Target Grant × District extended ADMw.

11 **For the purpose of the calculation made under this subsection:**

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

14 [(3)] (b) Target Grant = Statewide Target per ADMw Grant + Teacher Experience Factor. **For**
15 **the purpose of the calculation made under this paragraph:**

16 [(4)] (A) Statewide Target per ADMw Grant = \$4,500.

17 [(5)] (B) Teacher Experience Factor = \$25 × {District average teacher experience – statewide
18 average teacher experience}. **As used in this subparagraph**, “average teacher experience” means
19 the average, in years, of teaching experience of *[certified]* **licensed** teachers as reported to the De-
20 partment of Education.

21 [(6)] (c) District extended ADMw = ADMw or ADMw of the prior year, whichever is greater.

22 **For the purpose of this paragraph:**

23 [(7)(a)] (A) Weighted average daily membership or ADMw = average daily membership + an
24 additional amount computed as follows:

25 [(A)] (i) 1.0 for each student in average daily membership eligible for special education as a
26 child with a disability under ORS 343.035, *[applicable to not to]* **which may not** exceed 11 percent
27 of the district's ADM without review and approval *[of]* **by** the Department of Education. Children
28 with disabilities eligible for special education in adult local correctional facilities, as defined in ORS

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.

1 169.005, or adult regional correctional facilities, as defined in ORS 169.620, may not be included in
 2 the calculation *[of the 11 percent]* **made under this sub-subparagraph.**

3 **(ii) 1.0 for each student in average daily membership eligible for and enrolled in a sec-**
 4 **ondary professional technical education program that is taught by a licensed teacher at:**

5 **(I) A school in the school district; or**

6 **(II) A community college that has entered into an agreement with the school district to**
 7 **provide the program to students in the school district in conjunction with a school in the**
 8 **school district.**

9 *[(B)]* **(iii)** 0.5 for each student in average daily membership eligible for and enrolled in an Eng-
 10 lish as a second language program under ORS 336.079.

11 *[(C)]* **(iv)** 0.2 for each student in average daily membership enrolled in a union high school dis-
 12 trict or in an area of a unified school district where the district is only responsible for educating
 13 students in grades 9 through 12 in that area.

14 *[(D)]* **(v)** -0.1 for each student in average daily membership enrolled in an elementary district
 15 operating kindergarten through grade *[6]* **six** or kindergarten through grade *[8]* **eight** or in an area
 16 of a unified school district where the district is only responsible for educating students in
 17 kindergarten through grade *[8]* **eight.**

18 *[(E)]* **(vi)** 0.25 times the sum of the following:

19 *[(i)]* **(I)** The number of children 5 to 17 years of age in poverty families in the district, as de-
 20 termined by the Department of Education from a report of the *[federal]* **United States** Department
 21 of Education based on the most recent federal decennial census, as adjusted by the school district's
 22 proportion of students in the county receiving free or reduced price lunches under the United States
 23 Department of Agriculture's current Income Eligibility Guidelines if the number is higher than the
 24 number determined from census data and only if the school district had an average daily membership
 25 of 2,500 or less for the 1995-1996 school year, and as further adjusted by the number of students in
 26 average daily membership in June of the year of distribution divided by number of students in av-
 27 erage daily membership in the district, or its predecessors, in June of the year of the most recent
 28 federal decennial census;

29 *[(ii)]* **(II)** The number of children in foster homes in the district as determined by the report of
 30 the Department of Human Services to the *[federal]* **United States** Department of Education, "Annual
 31 Statistical Report on Children in Foster Homes and Children in Families Receiving AFDC Payments
 32 in Excess of the Poverty Income Level," or its successor, for October 31 of the year prior to the
 33 year of distribution; and

34 *[(iii)]* **(III)** The number of children in the district in state-recognized facilities for neglected and
 35 delinquent children, based on information from the Department of Human Services for October 31
 36 of the year prior to the year of distribution.

37 *[(F)]* **(vii)** *[An additional amount as determined by ORS 327.077 shall be added to the ADMw]*
 38 **The amount determined under ORS 327.077** for each remote small elementary school and for each
 39 small high school in the district.

40 *[(G)]* **(B)** All numbers of children used for the computation in this *[section]* **paragraph** must re-
 41 flect any district consolidations that have occurred since the numbers were compiled.

42 *[(b)]* **(C)** The total additional weight that shall be assigned to any student in average daily
 43 membership in a district, exclusive of students described in *[paragraph (a)(E) and (F)]* **subparagraph**
 44 **(A)(vi) and (vii)** of this *[subsection shall]* **paragraph** may not exceed *[2.0]* **3.0.**

45 *[(8)]* **(2)** High cost disabilities grant = the total amount received by a school district under ORS

1 327.348[,] for providing special education and related services to resident pupils with disabilities.

2 [(9)(a)] **(3)(a)** Transportation grant equals:

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

5 (B) 80 percent of approved transportation costs for those school districts ranked in or above the
6 80th percentile but below the 90th percentile under paragraph (b) of this subsection.

7 (C) 90 percent of approved transportation costs for those school districts ranked in or above the
8 90th percentile under paragraph (b) of this subsection.

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

12 [(10) Local Revenues are the total of the following:]

13 [(a) The amount of revenue offset against local property taxes as determined by the Department of
14 Revenue under ORS 311.175 (3)(a)(A);]

15 [(b) The amount of property taxes actually received by the district including penalties and interest
16 on taxes;]

17 [(c) The amount of revenue received by the district from the Common School Fund under ORS
18 327.403 to 327.410;]

19 [(d) The amount of revenue received by the district from the county school fund;]

20 [(e) The amount of revenue received by the district from the 25 percent of federal forest reserve
21 revenues required to be distributed to schools by ORS 294.060 (1);]

22 [(f) The amount of revenue received by the district from state managed forestlands under ORS
23 530.115 (1)(b) and (c);]

24 [(g) Moneys received in lieu of property taxes;]

25 [(h) Federal funds received without specific application by the school district and which are not
26 deemed under federal law to be nonsupplantable;]

27 [(i) Any positive amount obtained by subtracting the operating property taxes actually imposed by
28 the district, based on the rate certified pursuant to ORS 310.060, from the amount that would have been
29 imposed by the district if the district had certified the maximum rate of operating property taxes al-
30 lowed by law; and]

31 [(j) Any amount distributed to the district in the prior fiscal year under section 4 (3), chapter 695,
32 Oregon Laws 2001, or ORS 327.019 (8).]

33 [(11) Notwithstanding subsection (10) of this section, Local Revenues do not include, if a school
34 district imposes local option taxes pursuant to ORS 280.040 to 280.145, an amount equal to the lesser
35 of:]

36 [(a) The amount of revenue actually received by the district from local option taxes imposed pur-
37 suant to ORS 280.040 to 280.145;]

38 [(b) Twenty percent of the combined total for the school district of the general purpose grant, the
39 transportation grant, the facility grant and the high cost disabilities grant of the district; or]

40 [(c) \$1,000 per district extended ADMw, increased each fiscal year by three percent above the
41 amount allowed per district extended ADMw for the prior fiscal year.]

42 [(12)(a)] **(4)(a)** Facility Grant = 8 percent of total construction costs of new school buildings.

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

45 (c) As used in this subsection:

1 (A) "New school building" includes new school buildings, [adding] structures **added** onto exist-
 2 ing school buildings and [adding] premanufactured structures **added** to a school district if those
 3 buildings or structures are to be used for instructing students.

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

5 **SECTION 2. Section 3 of this 2009 Act is added to and made a part of ORS 327.006 to**
 6 **327.133.**

7 **SECTION 3. For the purpose of State School Fund distributions for school districts:**

8 (1) **Local Revenues are the total of the following:**

9 (a) **The amount of revenue offset against local property taxes as determined by the De-**
 10 **partment of Revenue under ORS 311.175 (3)(a)(A).**

11 (b) **The amount of property taxes actually received by the district, including penalties and**
 12 **interest on taxes.**

13 (c) **The amount of revenue received by the district from the Common School Fund under**
 14 **ORS 327.403 to 327.410.**

15 (d) **The amount of revenue received by the district from the county school fund.**

16 (e) **The amount of revenue received by the district from the 25 percent of federal forest**
 17 **reserve revenues required to be distributed to schools by ORS 294.060 (1).**

18 (f) **The amount of revenue received by the district from state managed forestlands under**
 19 **ORS 530.115 (1)(b) and (c).**

20 (g) **Moneys received in lieu of property taxes.**

21 (h) **Federal funds received without specific application by the school district and that are**
 22 **not deemed under federal law to be nonsupplantable.**

23 (i) **Any positive amount obtained by subtracting the operating property taxes actually**
 24 **imposed by the district, based on the rate certified pursuant to ORS 310.060, from the**
 25 **amount that would have been imposed by the district if the district had certified the maxi-**
 26 **imum rate of operating property taxes allowed by law.**

27 (j) **Any amount distributed to the district in the prior fiscal year under ORS 327.019 (8).**

28 (2) **Local Revenues do not include, if a school district imposes local option taxes pursuant**
 29 **to ORS 280.040 to 280.145, an amount equal to the lesser of:**

30 (a) **The amount of revenue actually received by the district from local option taxes im-**
 31 **posed pursuant to ORS 280.040 to 280.145;**

32 (b) **Twenty percent of the total received by the school district from the general purpose**
 33 **grant, the transportation grant, the facility grant and the high cost disabilities grant of the**
 34 **district, as those grants are calculated under ORS 327.013; or**

35 (c) **\$1,000 per district extended ADMw, as calculated under ORS 327.013, increased each**
 36 **fiscal year by three percent above the amount allowed per district extended ADMw for the**
 37 **prior fiscal year.**

38 **SECTION 4. ORS 327.008, as amended by section 1, chapter 39, Oregon Laws 2008, is amended**
 39 **to read:**

40 327.008. (1) There is established a State School Fund in the General Fund. The fund shall consist
 41 of moneys appropriated by the Legislative Assembly and moneys transferred from the Education
 42 Stability Fund. The State School Fund is continuously appropriated to the Department of Education
 43 for the purposes of ORS 327.006 to 327.077, 327.095, 327.099, 327.101, 327.125, 327.137, 327.348,
 44 327.355, 327.357, 327.360, 336.575, 336.580, 336.635, 342.173, 343.243, 343.533 and 343.961.

45 (2) There shall be apportioned from the State School Fund to each school district a State School

1 Fund grant, consisting of the positive amount equal to a general purpose grant and a facility grant
2 and a transportation grant and a high cost disabilities grant minus local revenue, computed as pro-
3 vided in ORS 327.013 **and section 3 of this 2009 Act.**

4 (3) There shall be apportioned from the State School Fund to each education service district a
5 State School Fund grant as calculated under ORS 327.019.

6 (4) All figures used in the determination of the distribution of the State School Fund shall be
7 estimates for the same year as the distribution occurs, unless otherwise specified.

8 (5) Numbers of students in average daily membership used in the distribution formula shall be
9 the numbers as of June of the year of distribution.

10 (6) A school district may not use the portion of the State School Fund grant that is attributable
11 to the facility grant for capital construction costs.

12 (7) The total amount of the State School Fund that is distributed as facility grants may not ex-
13 ceed \$25 million in any biennium. If the total amount to be distributed as facility grants exceeds this
14 limitation, the Department of Education shall prorate the amount of funds available for facility
15 grants among those school districts that qualified for a facility grant.

16 (8) Each fiscal year, the Department of Education shall transfer the amount of \$18 million from
17 the State School Fund to the High Cost Disabilities Account established in ORS 327.348.

18 (9) Each fiscal year, the Department of Education shall transfer the amount of \$2.5 million from
19 the State School Fund to the Small School District Supplement Fund established in ORS 327.360.

20 (10) Each fiscal year, the Department of Education may expend up to \$550,000 from the State
21 School Fund for the contract described in ORS 329.488. The amount distributed to education service
22 districts from the State School Fund under this section and ORS 327.019 shall be reduced by the
23 amount expended by the department under this subsection.

24 (11) Each biennium, the Department of Education may expend up to \$800,000 from the State
25 School Fund for the administration of ORS 326.133 and 326.136.

26 (12) Each biennium, the Department of Education may expend up to \$350,000 from the State
27 School Fund to provide administration of and support for the development of talented and gifted
28 education under ORS 343.404.

29 (13) Each biennium, the Department of Education may expend up to \$150,000 from the State
30 School Fund for the administration of a program to increase the number of speech-language
31 pathologists and speech-language pathology assistants under ORS 348.394 to 348.406.

32 **SECTION 5.** ORS 327.008, as amended by section 12, chapter 846, Oregon Laws 2007, and sec-
33 tion 2, chapter 39, Oregon Laws 2008, is amended to read:

34 327.008. (1) There is established a State School Fund in the General Fund. The fund shall consist
35 of moneys appropriated by the Legislative Assembly and moneys transferred from the Education
36 Stability Fund. The State School Fund is continuously appropriated to the Department of Education
37 for the purposes of ORS 327.006 to 327.077, 327.095, 327.099, 327.101, 327.125, 327.137, 327.348,
38 336.575, 336.580, 336.635, 342.173, 343.243, 343.533 and 343.961.

39 (2) There shall be apportioned from the State School Fund to each school district a State School
40 Fund grant, consisting of the positive amount equal to a general purpose grant and a facility grant
41 and a transportation grant and a high cost disabilities grant minus local revenue, computed as pro-
42 vided in ORS 327.013 **and section 3 of this 2009 Act.**

43 (3) There shall be apportioned from the State School Fund to each education service district a
44 State School Fund grant as calculated under ORS 327.019.

45 (4) All figures used in the determination of the distribution of the State School Fund shall be

1 estimates for the same year as the distribution occurs, unless otherwise specified.

2 (5) Numbers of students in average daily membership used in the distribution formula shall be
3 the numbers as of June of the year of distribution.

4 (6) A school district may not use the portion of the State School Fund grant that is attributable
5 to the facility grant for capital construction costs.

6 (7) The total amount of the State School Fund that is distributed as facility grants may not ex-
7 ceed \$25 million in any biennium. If the total amount to be distributed as facility grants exceeds this
8 limitation, the Department of Education shall prorate the amount of funds available for facility
9 grants among those school districts that qualified for a facility grant.

10 (8) Each fiscal year, the Department of Education shall transfer the amount of \$18 million from
11 the State School Fund to the High Cost Disabilities Account established in ORS 327.348.

12 (9) Each fiscal year, the Department of Education may expend up to \$550,000 from the State
13 School Fund for the contract described in ORS 329.488. The amount distributed to education service
14 districts from the State School Fund under this section and ORS 327.019 shall be reduced by the
15 amount expended by the department under this subsection.

16 (10) Each biennium, the Department of Education may expend up to \$800,000 from the State
17 School Fund for the administration of ORS 326.133 and 326.136.

18 (11) Each biennium, the Department of Education may expend up to \$350,000 from the State
19 School Fund to provide administration of and support for the development of talented and gifted
20 education under ORS 343.404.

21 (12) Each biennium, the Department of Education may expend up to \$150,000 from the State
22 School Fund for the administration of a program to increase the number of speech-language
23 pathologists and speech-language pathology assistants under ORS 348.394 to 348.406.

24 **SECTION 6.** ORS 327.019 is amended to read:

25 327.019. (1) As used in this section:

26 (a) "Education service district extended ADMw" means the sum of the extended ADMw of the
27 component school districts of the education service district as computed under ORS 327.013.

28 (b) "Local revenues of an education service district" means the total of the following:

29 (A) The amount of revenue offset against local property taxes as determined by the Department
30 of Revenue under ORS 311.175 (3)(a)(A);

31 (B) The amount of property taxes actually received by the district including penalties and in-
32 terest on taxes;

33 (C) The amount of revenue received by the district from state-managed forestlands under ORS
34 530.115 (1)(b) and (c); and

35 (D) Any positive amount obtained by subtracting the operating property taxes actually imposed
36 by the district based on the rate certified pursuant to ORS 310.060 from the amount that would have
37 been imposed by the district if the district had certified the maximum rate of operating property
38 taxes allowed by law.

39 (2) Each fiscal year, the Superintendent of Public Instruction shall calculate a State School Fund
40 grant for each education service district as provided in this section.

41 (3)(a) Each fiscal year, the superintendent shall calculate the total amount appropriated or al-
42 located to the State School Fund and available for distribution to school districts, education service
43 districts and programs + total amount of local revenues of all school districts, computed as provided
44 in [ORS 327.013] **section 3 of this 2009 Act**, + total amount of local revenues of all education
45 service districts. The superintendent may not include in the calculation under this paragraph

1 amounts recovered by the Department of Education from the State School Fund under ORS 343.243.

2 (b) The superintendent shall multiply the amount calculated under paragraph (a) of this sub-
3 section by 95.25 percent.

4 (c) Based on the amount calculated under paragraph (b) of this subsection, the superintendent
5 shall calculate a funding percentage to distribute as nearly as practicable under ORS 327.006 to
6 327.133, 327.348, 327.355, 327.357 and 327.360 the total amount calculated under paragraph (b) of this
7 subsection as school district general purpose grants, facility grants, high cost disabilities grants and
8 transportation grants to school districts.

9 (d) Based on the funding percentage calculated under paragraph (c) of this subsection, the su-
10 perintendent shall calculate the general purpose grant, facility grant, transportation grant and high
11 cost disabilities grant amounts for each school district.

12 (4) The general services grant for an education service district shall equal the higher of:

13 (a) The total amount calculated under subsection (3)(d) of this section for the component school
14 districts of the education service district $\times (4.75 \div 95.25)$; or

15 (b) \$1 million.

16 (5) Subject to subsection (6) of this section, the State School Fund grant for an education service
17 district = general services grant – local revenues of the education service district.

18 (6)(a) After completing the calculations under subsections (2) to (5) of this section, the Super-
19 intendent of Public Instruction shall apportion from the State School Fund to each education service
20 district an amount = (funding percentage \times general services grant) – local revenues of the edu-
21 cation service district.

22 (b) The funding percentage used in paragraph (a) of this subsection shall be calculated by the
23 superintendent to distribute as nearly as practicable the total amount available for distribution to
24 education service districts from the State School Fund for each fiscal year.

25 (7) Notwithstanding subsections (5) and (6) of this section:

26 (a) The State School Fund grant of an education service district may not be less than zero; and

27 (b) The State School Fund grant of an education service district shall be in an amount that,
28 when combined with the local revenues of the education service district, equals \$1 million or more.

29 (8) An education service district shall distribute to its component school districts any amount
30 of local revenues of the education service district that is greater than the general services grant.
31 The amount that each component school district receives under this subsection shall be prorated
32 based on the district extended ADMw of each school district.

33 **SECTION 7.** ORS 327.019, as amended by section 13, chapter 846, Oregon Laws 2007, is
34 amended to read:

35 327.019. (1) As used in this section:

36 (a) “Education service district extended ADMw” means the sum of the extended ADMw of the
37 component school districts of the education service district as computed under ORS 327.013.

38 (b) “Local revenues of an education service district” means the total of the following:

39 (A) The amount of revenue offset against local property taxes as determined by the Department
40 of Revenue under ORS 311.175 (3)(a)(A);

41 (B) The amount of property taxes actually received by the district including penalties and in-
42 terest on taxes;

43 (C) The amount of revenue received by the district from state-managed forestlands under ORS
44 530.115 (1)(b) and (c); and

45 (D) Any positive amount obtained by subtracting the operating property taxes actually imposed

1 by the district based on the rate certified pursuant to ORS 310.060 from the amount that would have
 2 been imposed by the district if the district had certified the maximum rate of operating property
 3 taxes allowed by law.

4 (2) Each fiscal year, the Superintendent of Public Instruction shall calculate a State School Fund
 5 grant for each education service district as provided in this section.

6 (3)(a) Each fiscal year, the superintendent shall calculate the total amount appropriated or al-
 7 located to the State School Fund and available for distribution to school districts, education service
 8 districts and programs + total amount of local revenues of all school districts, computed as provided
 9 in [ORS 327.013] **section 3 of this 2009 Act**, + total amount of local revenues of all education
 10 service districts. The superintendent may not include in the calculation under this paragraph
 11 amounts recovered by the Department of Education from the State School Fund under ORS 343.243.

12 (b) The superintendent shall multiply the amount calculated under paragraph (a) of this sub-
 13 section by 95.25 percent.

14 (c) Based on the amount calculated under paragraph (b) of this subsection, the superintendent
 15 shall calculate a funding percentage to distribute as nearly as practicable under ORS 327.006 to
 16 327.133 and 327.348 the total amount calculated under paragraph (b) of this subsection as school
 17 district general purpose grants, facility grants, high cost disabilities grants and transportation
 18 grants to school districts.

19 (d) Based on the funding percentage calculated under paragraph (c) of this subsection, the su-
 20 perintendent shall calculate the general purpose grant, facility grant, transportation grant and high
 21 cost disabilities grant amounts for each school district.

22 (4) The general services grant for an education service district shall equal the higher of:

23 (a) The total amount calculated under subsection (3)(d) of this section for the component school
 24 districts of the education service district \times (4.75 \div 95.25); or

25 (b) \$1 million.

26 (5) Subject to subsection (6) of this section, the State School Fund grant for an education service
 27 district = general services grant – local revenues of the education service district.

28 (6)(a) After completing the calculations under subsections (2) to (5) of this section, the Super-
 29 intendent of Public Instruction shall apportion from the State School Fund to each education service
 30 district an amount = (funding percentage \times general services grant) – local revenues of the edu-
 31 cation service district.

32 (b) The funding percentage used in paragraph (a) of this subsection shall be calculated by the
 33 superintendent to distribute as nearly as practicable the total amount available for distribution to
 34 education service districts from the State School Fund for each fiscal year.

35 (7) Notwithstanding subsections (5) and (6) of this section:

36 (a) The State School Fund grant of an education service district may not be less than zero; and

37 (b) The State School Fund grant of an education service district shall be in an amount that,
 38 when combined with the local revenues of the education service district, equals \$1 million or more.

39 (8) An education service district shall distribute to its component school districts any amount
 40 of local revenues of the education service district that is greater than the general services grant.
 41 The amount that each component school district receives under this subsection shall be prorated
 42 based on the district extended ADMw of each school district.

43 **SECTION 8.** ORS 327.026 is amended to read:

44 327.026. (1) In order to accomplish the purpose described in ORS 326.700, the State Board of
 45 Education shall adopt by rule definitions and procedures to be applied to the computation of the

1 State School Fund allocations where necessary to make students enrolled in the Youth Corrections
 2 Education Program, as defined in ORS 326.695, and the Juvenile Detention Education Program, as
 3 defined in ORS 326.695, equivalent to students enrolled in common and union high school districts
 4 for purposes of distribution of the fund.

5 (2)(a) The Youth Corrections Education Program shall be entitled to receive from the State
 6 School Fund for each school year a special State School Fund grant, consisting of a general purpose
 7 grant that is equal to the Youth Corrections Education Program ADM multiplied by 2.0 multiplied
 8 by the additional per student weight, as [defined] **calculated** in ORS 327.013 [(7)(a)(A)] **(1)(c)(A)(i)**,
 9 multiplied by Funding Percentage and further multiplied by Statewide Target per ADMw Grant.

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

13 (A) Has received a high school diploma; or

14 (B) Is 21 years of age or older.

15 (3) The Juvenile Detention Education Program shall be entitled to receive from the State School
 16 Fund for each school year a special State School Fund grant, consisting of a general purpose grant
 17 that is equal to the Juvenile Detention Education Program ADM multiplied by 1.5 multiplied by
 18 Funding Percentage and further multiplied by Statewide Target per ADMw Grant.

19 (4) Funds allocated to the Youth Corrections Education Program and the Juvenile Detention
 20 Education Program from the State School Fund shall remain with the Department of Education and
 21 shall be adjusted in the year following the distribution to reflect the actual ADMw of students in
 22 the Youth Corrections Education Program and the Juvenile Detention Education Program in the
 23 same manner as for the school districts under ORS 327.101.

24 **SECTION 9.** ORS 327.061 is amended to read:

25 327.061. (1) Numbers of students in average daily membership used in the distribution formula
 26 as specified in ORS 327.013 [(7)] **(1)(c)**, shall be projections of the average daily membership in the
 27 district for the school year ending on June 30 of the distribution year. The Department of Education
 28 shall verify all projections used for purposes of the distribution formula.

29 (2) The department shall use information from the Department of Revenue under ORS 311.175
 30 as the basis for determining projected district property taxes. The department shall request relevant
 31 information from the school districts to enable the department to estimate the amount each school
 32 district shall receive from the State School Fund. The department shall provide this estimate no
 33 later than the first Monday in March of each year for the distribution for the following fiscal year.

34 (3) A school district may appeal to the department any projection verified by the department
 35 under subsection (1) of this section. The department shall rule on the appeal in a timely manner and
 36 if necessary issue a revised estimate of the amount each school district shall receive from the State
 37 School Fund no later than the last Friday in March.

38 (4) Notwithstanding subsection (3) of this section, no school district may appeal any projection
 39 verified under subsection (1) of this section if the district failed to provide information requested
 40 by the department under subsection (2) of this section.

41 **SECTION 10.** ORS 327.095 is amended to read:

42 327.095. (1) Funds due school districts under ORS 327.008 and 327.013 shall be paid approxi-
 43 mately 16-2/3 percent on July 15, approximately eight and one-third percent on the 15th day of each
 44 of the months of August, September, October, November, December, January, February, March and
 45 April and the balance on May 15. An equitable apportionment based on the most recent data avail-

1 able shall be made on the installment dates prior to May 15. If such payments are too high or too
 2 low, appropriate adjustments shall be made in the May 15 payments. However, if the reports re-
 3 quired by ORS 327.133 have not been received from any district when due, no further apportion-
 4 ments shall be made to such district until such reports are filed.

5 (2) If the combined estimated level of ADMw under ORS 327.013 [(7)] (1)(c) of all school districts
 6 is less than the statewide projected level of ADMw, the Department of Education may:

7 (a) Adjust the distributions to school districts on the installment dates to reflect the difference;
 8 and

9 (b) Set aside an amount of the funds appropriated to the State School Fund for the fiscal year
 10 until the May 15 distribution.

11 **SECTION 11.** ORS 327.099 is amended to read:

12 327.099. (1) The Department of Education shall adjust the distribution to a school district to
 13 reflect the difference between the estimated level of local revenues to the district under [ORS
 14 327.013] **section 3 of this 2009 Act** and the projected level of those same local revenues used to
 15 calculate the State School Fund apportionment to the district. The adjustment shall be incorporated
 16 in the May 15 apportionment to the district in the distribution year.

17 (2) The department shall adjust the May 15 apportionment to a school district in the distribution
 18 year to reflect an ADMw of the district equal to the higher of the ADMw of the prior year or the
 19 adjusted ADMw for the December quarter. Adjusted ADMw for the December quarter shall equal:

20 (a) ADMw as determined by the department from information provided in the December quar-
 21 terly report for the current distribution year filed with the department under ORS 327.133;

22 (b) Multiplied by the lesser of 1.0 or the average of the ratios for the preceding two years of the
 23 ADM for the year ending June 30 to the ADM for the quarter ending December 31 for the same
 24 school year as filed under ORS 327.133.

25 (3) The sum equal to the sum of all negative adjustments made to the May 15 apportionment
 26 under subsection (1) of this section shall be used by the department for purposes of funding positive
 27 adjustments required under subsection (1) of this section and adjustments required under subsection
 28 (2) of this section.

29 (4) The department shall also set aside an amount of the funds appropriated to the State School
 30 Fund for the fiscal year to fund any positive adjustments required under subsection (1) of this sec-
 31 tion and adjustments required under subsection (2) of this section in excess of the amount available
 32 under subsection (3) of this section. The amount set aside shall be as determined by law.

33 (5) If the amounts available under subsections (3) and (4) of this section are either not sufficient
 34 to fund the positive adjustments or exceed the positive adjustments to districts required under sub-
 35 sections (1) and (2) of this section and the adjustments required under subsection (2) of this section,
 36 the Superintendent of Public Instruction shall recalculate the funding percentage in ORS 327.013
 37 [(2)] (1)(a) to distribute as nearly as practicable the total sum available for distribution.

38 **SECTION 12.** ORS 327.101 is amended to read:

39 327.101. (1) Each fiscal year, the distribution to a school district under ORS 327.008 and 327.013
 40 shall be adjusted to fully reflect the difference between the apportionment due to the district for the
 41 prior fiscal year under ORS 327.008 and 327.013, and the amounts actually distributed to the district
 42 in the prior fiscal year under ORS 327.008, 327.013 and 327.099. The adjustment shall be made to the
 43 May 15 apportionment to the district.

44 (2) No consideration shall be made in the adjustment made under subsection (1) of this section
 45 for any penalties, forfeitures or additional receipts of State School Fund moneys, except when ex-

1 pressly directed by law.

2 (3) An amount of funds equal to the sum of all negative adjustments made to the May 15 ap-
3 portionment under subsection (1) of this section shall be used by the Department of Education for
4 purposes of funding positive adjustments required under subsection (1) of this section in the same
5 fiscal year.

6 (4) If the amounts available under subsection (3) of this section are either not sufficient or ex-
7 ceed the adjustments to districts required under subsection (1) of this section, the Superintendent
8 of Public Instruction shall recalculate the funding percentage in ORS 327.013 [(2)] (1)(a) to distribute
9 as nearly as practicable the total sum available for distribution.

10 **SECTION 13.** ORS 327.336 is amended to read:

11 327.336. (1) As used in this section:

12 (a) "Extended ADMw" means the district extended weighted average daily membership com-
13 puted under ORS 327.013 [(6)] (1)(c).

14 (b) "Local option tax rate" means the amount of local option taxes imposed by the school dis-
15 trict for the current fiscal year, after compression under ORS 310.150 and after subtraction of the
16 amount of school district local option taxes that are distributed to an urban renewal agency pursu-
17 ant to ORS 457.440, divided by the assessed value of the school district.

18 (c) "School district" means a common or union high school district.

19 (d) "Target district" means the school district that, for the fiscal year prior to the year for
20 which grants are being determined, had a total assessed value of taxable property per district ex-
21 tended ADMw that was greater than all but 25 percent of the school districts in this state for that
22 prior fiscal year. The Department of Education shall determine which school district is the target
23 district for a fiscal year, based on the total assessed values of school districts reported to the De-
24 partment of Education by the Department of Revenue for the fiscal year prior to the year for which
25 grants are being determined under this section.

26 (2) A school district shall receive a local option equalization grant for a fiscal year:

27 (a) In which the school district imposes local option taxes pursuant to ORS 280.040 to 280.145;
28 and

29 (b) For which the total assessed value of taxable property per extended ADMw of the school
30 district for the prior fiscal year does not exceed the total assessed value of taxable property per
31 extended ADMw of the target district for the prior fiscal year.

32 (3) The amount of the local option equalization grant shall equal the lesser of:

33 (a) The product of the local option tax rate of the school district for the current fiscal year \times
34 (total assessed value per extended ADMw of the target district for the prior fiscal year - total
35 assessed value per extended ADMw of the school district for the prior fiscal year) \times the extended
36 ADMw of the school district for the prior fiscal year; or

37 (b) The amount obtained by subtracting the local option tax imposed by the school district for
38 the current fiscal year, after compression under ORS 310.150, from the lesser of:

39 (A) Twenty percent of the combined total for the school district of the general purpose grant,
40 the transportation grant, the facility grant and the high cost disabilities grant of the school district
41 for the current fiscal year; or

42 (B) \$1,000 multiplied by the extended ADMw of the school district for the current fiscal year.
43 The amount multiplied by the extended ADMw of the school district shall be increased each fiscal
44 year by three percent above the amount allowed for the prior fiscal year.

45 (4) If the amount computed under subsection (3)(b) of this section is zero or less, a local option

1 equalization grant may not be made to the school district for the fiscal year.

2 (5) As soon as is practicable after school districts have certified property taxes to the assessor
 3 under ORS 310.060, the Department of Revenue shall report to the Department of Education a list
 4 of school districts certifying local option taxes for the current fiscal year and the local option tax
 5 rates for those districts. The amount of each local option equalization grant shall be calculated by
 6 the Department of Education.

7 (6) If the election authorizing the imposition of a local option tax is held after the start of a
 8 biennium in which the local option tax is to be imposed, the local option equalization grant for a
 9 fiscal year of that biennium shall be determined as otherwise prescribed in this section, but may not
 10 be paid to the school district until the first fiscal year of the next succeeding biennium.

11 **SECTION 14.** ORS 338.157 is amended to read:

12 338.157. For purposes of calculating the weighted average daily membership (ADMw) of a public
 13 charter school, it shall be assumed that the public charter school has the same percentage of chil-
 14 dren in poverty families, as calculated under ORS 327.013 [(7)(a)(E)(i)] (1)(c)(A)(vi)(I), as the school
 15 district in which the public charter school is located. Based on this percentage, an additional
 16 amount shall be added to the average daily membership (ADM) of the public charter school.

17 **SECTION 15.** ORS 338.165 is amended to read:

18 338.165. (1) Notwithstanding ORS 338.155 (1), for purposes of this section, the “resident school
 19 district” of a student who is eligible for special education and related services shall be the school
 20 district in which the student’s parent or guardian or person in parental relationship to the student
 21 resides pursuant to ORS 339.133 and 339.134.

22 (2) For students who attend public charter schools and are eligible for special education and
 23 related services:

24 (a) The resident school district of the student shall be responsible for providing any required
 25 special education and related services to the student; and

26 (b) Amounts from the State School Fund for those students shall be distributed through the
 27 resident school district pursuant to this section.

28 (3) Notwithstanding ORS 338.155 (2), a resident school district of a student who is eligible for
 29 special education and related services shall contractually establish, with any public charter school
 30 in which the student is enrolled, payment for provision of special education and related services to
 31 the student. If a student is enrolled in a public charter school and is eligible for special education
 32 and related services an additional amount shall be added to the ADM of the public charter school
 33 as described in ORS 327.013 [(7)(a)(A)] (1)(c)(A)(i). The payment per ADMw in the public charter
 34 school that is attributable to the student who is eligible for special education and related services
 35 shall equal an amount that is at least equal to:

36 (a) 40 percent of the amount of the school district’s General Purpose Grant per ADMw as cal-
 37 culated under ORS 327.013 for students who are enrolled in kindergarten through grade eight; and

38 (b) 47.5 percent of the amount of the school district’s General Purpose Grant per ADMw as
 39 calculated under ORS 327.013 for students who are enrolled in grades 9 through 12.

40 (4) If the resident school district is not the sponsor of a public charter school, the resident
 41 school district for each ADMw that is attributable to a student enrolled in a public charter school
 42 who is eligible for special education and related services shall transfer five percent of the amount
 43 of the school district’s General Purpose Grant per ADMw as calculated under ORS 327.013 to the
 44 sponsor of the public charter school.

45 (5) Notwithstanding subsection (3) of this section, a school district and a public charter school

1 may negotiate on a case-by-case basis for an alternative distribution of funds other than the dis-
 2 tribution prescribed by subsection (3) of this section.

3 **SECTION 16.** ORS 340.065 is amended to read:

4 340.065. (1) A resident school district may provide transportation services to eligible students
 5 who attend eligible post-secondary institutions within any education service district boundaries of
 6 which the school district is a component school district.

7 (2) Any transportation costs incurred by a school district under this section shall be considered
 8 approved transportation costs for purposes of ORS 327.013 [(9)] (3).

9 **SECTION 17.** ORS 336.640 is amended to read:

10 336.640. (1) The State Board of Education shall establish by rule procedures for considering and
 11 obtaining special services for pregnant and parenting students. Such rules shall include, but not be
 12 limited to, the obligation of the school district to:

13 (a) Inform pregnant and parenting students and their parents of the availability of such services
 14 in the school district, education service district or in the community;

15 (b) Facilitate the provision of such services, including counseling, life skills and parenting edu-
 16 cation, child care, transportation, career development and health and nutrition services to pregnant
 17 and parenting students;

18 (c) Inform pregnant and parenting students and their parents of the availability of resources
 19 provided by other agencies, including health and social services;

20 (d) Provide educational programs and schedules that address the individual learning styles and
 21 needs of pregnant and parenting students; and

22 (e) Develop individualized educational programs or services, or both, to address the needs of
 23 pregnant or parenting students when their educational needs cannot be met by the regularly pro-
 24 vided school program. **An individualized educational program may include a secondary profes-
 25 sional technical education program that is taught by a licensed teacher at:**

26 **(A) A school in the school district; or**

27 **(B) A community college that has entered into an agreement with the school district to
 28 provide the program to students in the school district in conjunction with a school in the
 29 school district.**

30 (2) Each school district shall adopt policies and guidelines for implementation of this section in
 31 a manner consistent with the rules of the state board adopted under subsection (1) of this section.

32 (3) No pregnant or parenting student shall be excluded from the public schools solely on the
 33 basis of pregnancy or parenthood.

34 (4) For purposes of reporting enrollments, school districts may count eligible students who are
 35 receiving individualized programs or services, or both, as described in subsection (1)(e) of this sec-
 36 tion, in the same category as students eligible for special education as children with disabilities
 37 under ORS 343.035.

38 **SECTION 18.** Section 3 of this 2009 Act and the amendments to ORS 327.008, 327.013,
 39 327.019, 327.026, 327.061, 327.095, 327.099, 327.101, 327.336, 336.640, 338.157, 338.165 and 340.065
 40 by sections 1 and 4 to 17 of this 2009 Act apply to State School Fund distributions com-
 41 mencing with the 2009-2010 distribution.

42 **SECTION 19.** (1) A vocational teaching license qualifies the holder of the license to accept
 43 an assignment to teach as part of a secondary professional technical education program at:

44 (a) A school in a school district; or

45 (b) A community college that has entered into an agreement with a school district to

1 provide the program to students in the school district in conjunction with a school in the
 2 school district.

3 (2) The holder of a vocational teaching license must complete the requirements estab-
 4 lished by the rules of the Teacher Standards and Practices Commission.

5 (3) A vocational teaching license shall be issued on application to a qualified person who
 6 has completed an approved professional education program and meets any other require-
 7 ments the commission considers necessary to maintain and improve the quality of secondary
 8 professional technical education in the public schools of this state.

9 (4) A vocational teaching license may be renewed if the applicant meets the requirements
 10 established by the commission by rule.

11 **SECTION 20.** ORS 342.125 is amended to read:

12 342.125. (1) Teaching licenses shall be issued and renewed by the Teacher Standards and Prac-
 13 tices Commission by the authority of the State of Oregon, subject to ORS 342.120 to 342.430 and the
 14 rules of the commission.

15 (2) Subject to subsection (4) of this section, teaching licenses shall be of the following types:

- 16 (a) Basic teaching license.
- 17 (b) Standard teaching license.
- 18 (c) Administrative license.
- 19 (d) Restricted teaching license.
- 20 (e) **Vocational teaching license.**

21 (3) Subject to ORS 342.130 and to subsection (4) of this section and in addition to the teaching
 22 licenses described in subsection (2) of this section, licenses shall be of the following types:

- 23 (a) Initial teaching license.
- 24 (b) Continuing teaching license.
- 25 (c) Initial personnel service license.
- 26 (d) Continuing personnel service license.
- 27 (e) Initial administrative license.
- 28 (f) Continuing administrative license.

29 (4) The Teacher Standards and Practices Commission may establish other types of teaching li-
 30 censes as it considers necessary for operation of the public schools of the state and may prescribe
 31 the qualifications for the licenses. However, no license established under the authority of this sub-
 32 section is required for a regular classroom teaching position in the public schools.

33 (5)(a) The Teacher Standards and Practices Commission shall establish a public charter school
 34 teacher and administrator registry. The commission shall require the applicant and the public
 35 charter school to jointly submit an application requesting registration as a public charter school
 36 teacher or administrator. The application shall include:

- 37 (A) A description of the specific teaching or administrator position the applicant will fill;
- 38 (B) A description of the background of the applicant that is relevant to the teaching or admin-
 39 istrator position, including any post-secondary education or other experience; and
- 40 (C) Documentation as required by the commission for the purposes of conducting a criminal re-
 41 cords check as provided in ORS 181.534 and a background check through an interstate clearing-
 42 house of revoked and suspended licenses.

43 (b) Subject to the results of the criminal records check and background check and to informa-
 44 tion received under ORS 342.143 (2), the commission shall approve the application for registration.
 45 The commission may deny a request for registration only on the basis of the criminal records check,

1 the background check through an interstate clearinghouse of revoked and suspended licenses or the
 2 information received under ORS 342.143 (2). The registration is valid for three years and may be
 3 renewed upon joint application from the teacher or administrator and the public charter school.

4 (c) A registration as a public charter school teacher qualifies its holder to accept the teaching
 5 position described in the application in the public charter school that submitted the application with
 6 the holder of the registration.

7 (d) A registration as a public charter school administrator qualifies its holder to accept the ad-
 8 ministrator position described in the application in the public charter school that submitted the
 9 application with the holder of the registration.

10 (6) The Teacher Standards and Practices Commission shall adopt an expedited process for the
 11 issuance of any license established pursuant to this section. The process may require a school dis-
 12 trict superintendent or school district board and the applicant to jointly submit an application re-
 13 questing an emergency license. Within two working days after receiving a completed application the
 14 commission shall issue the emergency license. However, the commission may limit the number of
 15 applications for expedited service from a school district or education service district to not more
 16 than 100 applications in a period of two working days. For purposes of this subsection, the com-
 17 mission may not distinguish between a school district or education service district involved in a
 18 labor dispute and any other school district or education service district.

19 **SECTION 21.** ORS 342.360 is amended to read:

20 342.360. (1) The membership of the Teacher Standards and Practices Commission shall consist
 21 of:

- 22 (a) Four elementary teachers;
- 23 (b) Four junior or senior high school teachers;
- 24 (c) One elementary school administrator;
- 25 (d) One junior or senior high school administrator;
- 26 (e) One superintendent of city schools;
- 27 (f) One county superintendent or a superintendent employed by an education service district
 28 board;
- 29 (g) One member from the faculty of an approved private teacher education institution in Oregon;
- 30 (h) One member from the faculty of a state institution of higher education;
- 31 (i) One member who is also a member of a district school board; and
- 32 (j) Two members of the general public.

33 (2) Except for those members appointed under subsection (1)(i) and (j) of this section, members
 34 must have been actively engaged in teaching, supervising or administering in the public schools or
 35 in approved teacher education institutions in Oregon for the period of five years immediately pre-
 36 ceding appointment. Acting as an elected representative of teachers, supervisors or administrators
 37 shall be considered teaching, supervising or administering for the purposes of the five-year experi-
 38 ence requirement. In addition, members appointed under subsection (1)(a) to (f) of this section must
 39 hold valid Oregon teaching or administrative licenses other than **vocational teaching**, restricted
 40 teaching or administrative licenses.

41 (3)(a) Throughout the term for which appointed, one of the members appointed under subsection
 42 (1)(a) to (j) of this section must hold a teaching license with an endorsement in some aspect of spe-
 43 cial education or have demonstrated knowledge or experience in special education.

44 (b) As used in this subsection, “special education” means specially designed education to meet
 45 the goals of the individual education program of a child with a disability including regular classroom

1 instruction, instruction in physical education, home instruction, related services and instruction in
2 hospitals, institutions and special schools.

3 **SECTION 22. This 2009 Act being necessary for the immediate preservation of the public**
4 **peace, health and safety, an emergency is declared to exist, and this 2009 Act takes effect**
5 **July 1, 2009.**

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