

# Senate Bill 65

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## 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 Superintendent of Public Instruction to waive or extend certain dates related to school finance in case of emergency experienced by school district or Department of Education.

Declares emergency, effective July 1, 2009.

## A BILL FOR AN ACT

1  
2 Relating to school finance; amending ORS 327.021, 327.061, 327.095, 327.103, 327.133 and 327.137; and  
3 declaring an emergency.

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

5 **SECTION 1.** ORS 327.021 is amended to read:

6 327.021. (1)(a) **Except as provided in paragraph (b) of this subsection**, the Superintendent  
7 of Public Instruction shall distribute funds payable to education service districts from the State  
8 School Fund following the same percentages and dates specified for school districts under ORS  
9 327.095.

10 **(b) Pursuant to rules adopted by the State Board of Education, the superintendent may**  
11 **specify an alternative date for making a distribution if a human-created disaster or a natural**  
12 **disaster affects the ability of the Department of Education to make a distribution by a**  
13 **specified date.**

14 (2) The Department of Education may require reports from education service districts of  
15 projected and estimated data necessary for the calculation of the State School Fund grant amount.

16 (3) The Department of Education may adjust distributions to an education service district to  
17 reflect the difference between the amount payable to the education service district and the amount  
18 actually distributed to the education service district based on audited data and data received from  
19 reports from education service districts.

20 **SECTION 2.** ORS 327.061 is amended to read:

21 327.061. (1) Numbers of students in average daily membership used in the distribution formula  
22 as specified in ORS 327.013 (7), shall be projections of the average daily membership in the **school**  
23 district for the school year ending on June 30 of the distribution year. The Department of Education  
24 shall verify all projections used for purposes of the distribution formula.

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

**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       (3) **Except as provided in subsection (4) of this section**, a school district may appeal to the  
 2 department any projection verified by the department under subsection (1) of this section. The de-  
 3 partment shall rule on the appeal in a timely manner and if necessary issue a revised estimate of  
 4 the amount each school district shall receive from the State School Fund no later than the last  
 5 Friday in March.

6       (4) *[Notwithstanding subsection (3) of this section, no]* A school district may **not** appeal any  
 7 projection verified under subsection (1) of this section if the **school** district failed to provide infor-  
 8 mation requested by the department under subsection (2) of this section.

9       (5) **Notwithstanding the dates provided by this section and pursuant to rules adopted by**  
 10 **the State Board of Education, the Superintendent of Public Instruction may specify an al-**  
 11 **ternative date to provide an estimate or revised estimate if a human-created disaster or a**  
 12 **natural disaster affects the ability of the Department of Education to provide the estimate**  
 13 **or revised estimate by the date specified by this section.**

14       **SECTION 3.** ORS 327.095 is amended to read:

15       327.095. (1)(a) **Except as provided in paragraph (b) of this subsection**, funds due school dis-  
 16 tricts under ORS 327.008 and 327.013 shall be paid approximately 16-2/3 percent on July 15, ap-  
 17 proximately eight and one-third percent on the 15th day of each of the months of August, September,  
 18 October, November, December, January, February, March and April and the balance on May 15.  
 19 An equitable apportionment based on the most recent data available shall be made on the install-  
 20 ment dates prior to May 15. If such payments are too high or too low, appropriate adjustments shall  
 21 be made in the May 15 payments.

22       **(b) Pursuant to rules adopted by the State Board of Education, the Superintendent of**  
 23 **Public Instruction may specify an alternative date for making an apportionment if a**  
 24 **human-created disaster or a natural disaster affects the ability of the Department of Edu-**  
 25 **cation to make an apportionment by a specified date.**

26       (2)(a) *[However]* **Except as provided in paragraph (b) of this subsection**, if the reports re-  
 27 quired by ORS 327.133 have not been received from *[any]* a **school** district when due, no further  
 28 apportionments shall be made to *[such]* **the school** district until *[such]* **the** reports are filed.

29       **(b) Pursuant to rules adopted by the State Board of Education, the Superintendent of**  
 30 **Public Instruction may waive a reporting date or specify an alternative date for providing**  
 31 **reports if a human-created disaster or a natural disaster affects the ability of the school**  
 32 **district to provide the reports by a specified date.**

33       [(2)] (3) If the combined estimated level of ADMw under ORS 327.013 (7) of all school districts  
 34 is less than the statewide projected level of ADMw, the Department of Education may:

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

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

39       **SECTION 4.** ORS 327.103 is amended to read:

40       327.103. (1) All school districts are presumed to maintain a standard school district until the  
 41 school district has been found to be deficient by the Superintendent of Public Instruction, pursuant  
 42 to standards and rules of the State Board of Education.

43       (2) If any deficiencies are not corrected before the beginning of the school year next following  
 44 the date of the finding of deficiency and if an extension has not been granted under subsection (3)  
 45 of this section, the Superintendent of Public Instruction may withhold portions of State School Fund

1 moneys otherwise allocated to the school district for operating expenses until such deficiencies are  
 2 corrected unless the withholding would create an undue hardship, as determined pursuant to rules  
 3 of the State Board of Education.

4 (3)(a) Within 90 days of the finding of deficiency, a school district found not to be in compliance  
 5 shall submit a plan, acceptable to the Superintendent of Public Instruction, for meeting standardi-  
 6 zation requirements. A team of Department of Education staff shall contact the school district and  
 7 offer technical assistance. When an acceptable plan for meeting standardization requirements has  
 8 been submitted, the Superintendent of Public Instruction may allow an extension of time **before**  
 9 **withholding moneys**, not to exceed 12 months, if the superintendent determines that such defi-  
 10 ciencies cannot be corrected or removed before the beginning of the next school year.

11 (b) Notwithstanding paragraph (a) of this subsection, the Superintendent **of Public Instruction**  
 12 may not grant an extension of time if *[it is possible for a district to]* **a school district could** correct  
 13 the deficiency through merger.

14 (c) For the period of the extension of time under this subsection, the school district shall be  
 15 considered a conditionally standard school district.

16 (4)(a) *[Any]* **Regardless of whether the Superintendent of Public Instruction has granted**  
 17 **a school district an extension of time under subsection (3) of this section and except as**  
 18 **provided in paragraph (b) of this subsection, a school district** *[failing]* **that fails** to submit a plan  
 19 for meeting standardization requirements within the time specified *[shall receive no further]* **by the**  
 20 **superintendent may not receive further** State School Fund moneys until a plan acceptable to the  
 21 superintendent *[of Public Instruction]* is submitted *[irrespective of the district's being granted an ex-*  
 22 *ension of time in which to comply]*.

23 **(b) Pursuant to rules adopted by the State Board of Education, the Superintendent of**  
 24 **Public Instruction may extend the time specified for submitting a plan if the superintendent**  
 25 **determines that a human-created disaster or a natural disaster affects the ability of the**  
 26 **school district to comply with the date requirement.**

27 **SECTION 5.** ORS 327.133 is amended to read:

28 327.133. (1)(a) **Except as provided in paragraph (b) of this subsection,** each school district,  
 29 other than an education service district, shall file with the Superintendent of Public Instruction:

30 *[(a)]* **(A)** By July 15 of each year, an annual report covering the school year ending on the  
 31 preceding June 30; and

32 *[(b)]* **(B)** By January 15, of each year, a December quarterly report covering the quarter of the  
 33 current school year commencing October 1 and ending December 31.

34 **(b) Pursuant to rules adopted by the State Board of Education, the Superintendent of**  
 35 **Public Instruction may waive a reporting date or specify an alternative date for filing a re-**  
 36 **port if a human-created disaster or a natural disaster affects the ability of the school district**  
 37 **to file a report by the specified date.**

38 (2) Each such report shall show the average daily membership of resident pupils of the **school**  
 39 district for the period covered and shall also contain such other information as the Superintendent  
 40 of Public Instruction may require.

41 **SECTION 6.** ORS 327.137 is amended to read:

42 327.137. (1) Every common or union high school district shall file a copy of its audit  
 43 *[statement]* **report** with the Department of Education within six months of the end of the fiscal year  
 44 for which the audit is required. If the audit report, as submitted to the district, fails to provide the  
 45 detail necessary for the computation required in the administration of ORS 327.006 to 327.133,

1 327.348, 327.355, 327.357, 327.360, 327.731, 328.542 and 530.115 and this section, the district shall  
2 submit the necessary information on forms provided by the department within the time prescribed  
3 for filing the audit in this section. Any district failing to file a copy of its report under this section  
4 or ORS 327.133 shall not receive any payments from the State School Fund until such reports are  
5 filed.

6 **(2) Notwithstanding the timeline provided by this section and pursuant to rules adopted**  
7 **by the State Board of Education, the Superintendent of Public Instruction may waive a re-**  
8 **porting date or specify an alternative date to provide the audit report or information if a**  
9 **human-created disaster or a natural disaster affects the ability of a district to provide the**  
10 **audit report or information by a specified date.**

11 **SECTION 7.** ORS 327.137, as amended by section 15, chapter 846, Oregon Laws 2007, is  
12 amended to read:

13 327.137. (1) Every common or union high school district shall file a copy of its audit  
14 [*statement*] **report** with the Department of Education within six months of the end of the fiscal year  
15 for which the audit is required. If the audit report, as submitted to the district, fails to provide the  
16 detail necessary for the computation required in the administration of ORS 327.006 to 327.133,  
17 327.348, 327.731, 328.542 and 530.115 and this section, the district shall submit the necessary infor-  
18 mation on forms provided by the department within the time prescribed for filing the audit in this  
19 section. Any district failing to file a copy of its report under this section or ORS 327.133 shall not  
20 receive any payments from the State School Fund until such reports are filed.

21 **(2) Notwithstanding the timeline provided by this section and pursuant to rules adopted**  
22 **by the State Board of Education, the Superintendent of Public Instruction may waive a re-**  
23 **porting date or specify an alternative date to provide the audit report or information if a**  
24 **human-created disaster or a natural disaster affects the ability of a district to provide the**  
25 **audit report or information by a specified date.**

26 **SECTION 8.** This 2009 Act being necessary for the immediate preservation of the public  
27 peace, health and safety, an emergency is declared to exist, and this 2009 Act takes effect  
28 July 1, 2009.

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