

B-Engrossed
Senate Bill 70

Ordered by the House May 22
Including Senate Amendments dated April 29 and House Amendments
dated May 22

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre-session filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Superintendent of Public Instruction Susan Castillo for Department of Education)

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.

Modifies method of calculating amount received from State School Fund to educate children in hospital programs and in long-term care or treatment programs.
Declares emergency, effective July 1, 2009.

A BILL FOR AN ACT

1
2 Relating to amounts received from State School Fund by Department of Education; creating new
3 provisions; amending ORS 327.019 and 343.243; and declaring an emergency.

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

5 **SECTION 1.** ORS 343.243 is amended to read:

6 343.243. (1) **Each school year**, the Department of Education shall [*recover*] **receive an amount,**
7 **as calculated under this section**, from the State School Fund [*an amount for each child who is*
8 *enrolled in a special education program*] **to pay the costs of educating children in programs** under
9 ORS 343.261, 343.961 and 346.010.

10 (2) **To meet the requirements of ORS 343.261, the department shall receive from the State**
11 **School Fund an amount that is equal to the product of the following:**

12 (a) **The average net operating expenditure per student of all school districts during the**
13 **preceding school year; and**

14 (b) **The number of slots available for students in the hospital programs under ORS**
15 **343.261, as determined by the department for the school year.**

16 (3) **To meet the requirements of ORS 343.961, the department shall receive from the State**
17 **School Fund an amount that is equal to the product of the following:**

18 (a) **The average net operating expenditure per student of all school districts during the**
19 **preceding school year; and**

20 (b) **The number of slots available for students in long-term care and treatment programs**
21 **under ORS 343.961, as reported to the Department of Education by the Department of Human**
22 **Services and the Oregon Youth Authority for the school year.**

23 [(2)] (4) [*The amount recovered shall be equal to*] **To meet the requirements of ORS 346.010,**
24 **the Department of Education shall receive from the State School Fund an amount that is**
25 **equal to the product of the following:**

26 (a) The average net operating expenditure per student of all school districts during the preced-

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 ing school year [*multiplied by*]; **and**

2 (b) The resident average daily membership of students enrolled in [*the special education*
3 *program*] **a program under ORS 346.010** for one-half of the school day or more, exclusive of pre-
4 school children covered by ORS 343.533.

5 [(3)] **(5)** The children covered by this section shall be enumerated in the average daily member-
6 ship of the district providing the instruction but **the district may not accrue** credit for days' at-
7 tendance of such children [*shall not accrue to such school district*] for the purpose of distributing
8 state school funds.

9 [(4)] **(6)** The liability of a district shall not exceed the amount established under this section
10 even if the child is otherwise subject to ORS 336.575 and 336.580.

11 [(5)] **(7)** The [*amounts recovered*] **department shall credit amounts received** from the State
12 School Fund [*shall be credited*] **under this section** to the appropriate subaccount in the Special
13 Education Account.

14 **SECTION 2. The amendments to ORS 342.243 by section 1 of this 2009 Act first apply to**
15 **the 2009-2010 fiscal year.**

16 **SECTION 3.** ORS 327.019 is amended to read:

17 327.019. (1) As used in this section:

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

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

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

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

25 (C) The amount of revenue received by the district from state-managed forestlands under ORS
26 530.115 (1)(b) and (c); and

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

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

33 (3)(a) Each fiscal year, the superintendent shall calculate the total amount appropriated or al-
34 located to the State School Fund and available for distribution to school districts, education service
35 districts and programs + total amount of local revenues of all school districts, computed as provided
36 in ORS 327.013, + total amount of local revenues of all education service districts. The super-
37 intendent may not include in the calculation under this paragraph amounts [*recovered*] **received** by
38 the Department of Education from the State School Fund under ORS 343.243.

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

41 (c) Based on the amount calculated under paragraph (b) of this subsection, the superintendent
42 shall calculate a funding percentage to distribute as nearly as practicable under ORS 327.006 to
43 327.133, 327.348, 327.355, 327.357 and 327.360 the total amount calculated under paragraph (b) of this
44 subsection as school district general purpose grants, facility grants, high cost disabilities grants and
45 transportation grants to school districts.

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

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

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

7 (b) \$1 million.

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

10 (6)(a) After completing the calculations under subsections (2) to (5) of this section, the Super-
11 intendent of Public Instruction shall apportion from the State School Fund to each education service
12 district an amount = (funding percentage \times general services grant) – local revenues of the educa-
13 tion service district.

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

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

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

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

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

25 **SECTION 4.** ORS 327.019, as amended by section 13, chapter 846, Oregon Laws 2007, is
26 amended to read:

27 327.019. (1) As used in this section:

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

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

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

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

35 (C) The amount of revenue received by the district from state-managed forestlands under ORS
36 530.115 (1)(b) and (c); and

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

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

43 (3)(a) Each fiscal year, the superintendent shall calculate the total amount appropriated or al-
44 located to the State School Fund and available for distribution to school districts, education service
45 districts and programs + total amount of local revenues of all school districts, computed as provided

1 in ORS 327.013, + total amount of local revenues of all education service districts. The super-
2 intendent may not include in the calculation under this paragraph amounts [*recovered*] **received** by
3 the Department of Education from the State School Fund under ORS 343.243.

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

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

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

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

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

17 (b) \$1 million.

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

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

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

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

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

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

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

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

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