

Enrolled Senate Bill 70

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)

CHAPTER

AN ACT

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

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

SECTION 1. ORS 343.243 is amended to read:

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

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

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

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

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

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

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

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

(a) **The average net operating expenditure per student of all school districts during the preceding school year [*multiplied by*]; and**

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

[(3)] (5) **The children covered by this section shall be enumerated in the average daily membership of the district providing the instruction but the district may not accrue credit for days'**

attendance of such children [*shall not accrue to such school district*] for the purpose of distributing state school funds.

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

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

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

SECTION 3. ORS 327.019 is amended to read:

327.019. (1) As used in this section:

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

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

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

(B) The amount of property taxes actually received by the district including penalties and interest on taxes;

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

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

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

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

(b) The superintendent shall multiply the amount calculated under paragraph (a) of this subsection by 95.25 percent.

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

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

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

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

(b) \$1 million.

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

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

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

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

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

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

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

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

327.019. (1) As used in this section:

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

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

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

(B) The amount of property taxes actually received by the district including penalties and interest on taxes;

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

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

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

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

(b) The superintendent shall multiply the amount calculated under paragraph (a) of this subsection by 95.25 percent.

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

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

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

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

(b) \$1 million.

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

(6)(a) After completing the calculations under subsections (2) to (5) of this section, the Superintendent of Public Instruction shall apportion from the State School Fund to each education service district an amount = (funding percentage × general services grant) – local revenues of the education service district.

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

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

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

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

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

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

Passed by Senate May 4, 2009

Received by Governor:

Repassed by Senate June 8, 2009

.....M,....., 2009

Approved:

.....
Secretary of Senate

.....M,....., 2009

.....
President of Senate

.....
Governor

Passed by House June 4, 2009

Filed in Office of Secretary of State:

.....M,....., 2009

.....
Speaker of House

.....
Secretary of State