

# Senate Bill 70

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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**.

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) The Department of Education shall [*recover*] **receive** from the State School Fund an  
7 amount for each child who is enrolled in a special education program under ORS 343.261, 343.961  
8 and 346.010.

9 **(2) To meet the requirements of ORS 343.261:**

10 **(a) The State Board of Education shall adopt by rule definitions and procedures to be**  
11 **applied to the computation of the State School Fund allocations where necessary to make**  
12 **students enrolled in hospital programs equivalent to students enrolled in common and union**  
13 **high school districts for purposes of distribution of the fund.**

14 **(b) The department shall receive from the State School Fund for the hospital programs**  
15 **a special State School Fund grant that is calculated based on rules of the board.**

16 **(3) To meet the requirements of ORS 343.961:**

17 **(a) The board shall adopt by rule definitions and procedures to be applied to the compu-**  
18 **tation of the State School Fund allocations where necessary to make students enrolled in**  
19 **long-term care or treatment programs equivalent to students enrolled in common and union**  
20 **high school districts for purposes of distribution of the fund.**

21 **(b) The department shall receive from the State School Fund for the long-term care or**  
22 **treatment programs a special State School Fund grant that is calculated based on rules of**  
23 **the board.**

24 [*(2)*] **(4) [*The amount recovered shall be equal to*] To meet the requirements of ORS 346.010,**  
25 **the department shall receive from the State School Fund for each child enrolled under ORS**  
26 **346.010 an amount that is equal to the product of the following:**

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

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

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

5        [(4)] (6) The liability of a district shall not exceed the amount established under this section  
 6 even if the child is otherwise subject to ORS 336.575 and 336.580.

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

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

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

13        327.019. (1) As used in this section:

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

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

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

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

21        (C) The amount of revenue received by the district from state-managed forestlands under ORS  
 22 530.115 (1)(b) and (c); and

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

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

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

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

37        (c) Based on the amount calculated under paragraph (b) of this subsection, the superintendent  
 38 shall calculate a funding percentage to distribute as nearly as practicable under ORS 327.006 to  
 39 327.133, 327.348, 327.355, 327.357 and 327.360 the total amount calculated under paragraph (b) of this  
 40 subsection as school district general purpose grants, facility grants, high cost disabilities grants and  
 41 transportation grants to school districts.

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

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

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

3 (b) \$1 million.

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

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

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

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

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

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

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

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

23 327.019. (1) As used in this section:

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

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

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

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

31 (C) The amount of revenue received by the district from state-managed forestlands under ORS  
32 530.115 (1)(b) and (c); and

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

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

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

45 (b) The superintendent shall multiply the amount calculated under paragraph (a) of this sub-

1 section by 95.25 percent.

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

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

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

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

13 (b) \$1 million.

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

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

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

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

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

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

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

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