

A-Engrossed
Senate Bill 5565

Ordered by the Senate February 23
Including Senate Amendments dated February 23

Sponsored by JOINT COMMITTEE ON WAYS AND MEANS

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.

[Appropriates moneys from General Fund to _____ for biennial expenses.]
[Limits biennial expenditures from fees, moneys or other revenues, including Miscellaneous Receipts, but excluding lottery funds and federal funds, collected or received by _____.]
[Limits biennial expenditures of _____ from federal funds.]

Establishes Supplemental School District and School Program Subaccount within State School Fund. Continuously appropriates moneys in subaccount to Department of Education. Sunsets July 1, 2012.

Transfers specified amount from Education Stability Fund to subaccount. Limits, for biennium ending June 30, 2011, expenditures from lottery moneys transferred to subaccount.

Requires Superintendent of Public Instruction to distribute, according to specified calculation, amount in subaccount to school districts. Applies to distributions made to school districts for 2010-2011 school year.

Appropriates moneys from Oregon Rainy Day Fund to General Fund for general governmental purposes.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to state financial administration; creating new provisions; amending sections 8 and 9,
3 chapter 635, Oregon Laws 2009; appropriating money; limiting expenditures; declaring an emer-
4 gency; and providing for transfer of moneys from the Education Stability Fund and appropriation
5 of moneys from the Oregon Rainy Day Fund that require approval by a three-fifths majority.

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

7 **SECTION 1. The Legislative Assembly finds that there has been a decline for two or more**
8 **consecutive quarters in the last 12 months in seasonally adjusted nonfarm payroll employ-**
9 **ment.**

10 **SECTION 2. Section 8, chapter 635, Oregon Laws 2009, is amended to read:**

11 **Sec. 8.** Notwithstanding any condition or limitation described in ORS 293.144 and in addition
12 to and not in lieu of any other appropriation, there is appropriated to the Department of Education,
13 for the biennium beginning July 1, 2009, out of the Oregon Rainy Day Fund, the amount determined
14 as provided by section 10 [*of this 2009 Act*], **chapter 635, Oregon Laws 2009**, for the [*State School*
15 *Fund*] **Supplemental School District and School Program Subaccount established by section**
16 **4 of this 2010 Act.**

17 **SECTION 3. Section 9, chapter 635, Oregon Laws 2009, is amended to read:**

18 **Sec. 9.** In addition to and not in lieu of any other appropriation, there is appropriated to the
19 Department of Education, for the biennium beginning July 1, 2009, out of the General Fund, the
20 amount determined as provided by section 10 [*of this 2009 Act*], **chapter 635, Oregon Laws 2009**,

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 for the [*State School Fund*] **Supplemental School District and School Program Subaccount** es-
2 **tablished by section 4 of this 2010 Act.**

3 **SECTION 4. (1) The Supplemental School District and School Program Subaccount is es-**
4 **tablished within the State School Fund. The Department of Education shall maintain sepa-**
5 **rate records for moneys in the subaccount.**

6 **(2) The Supplemental School District and School Program Subaccount consists of moneys**
7 **appropriated to the subaccount as provided by sections 8 and 9, chapter 635, Oregon Laws**
8 **2009, and transferred to the subaccount as provided by section 5 of this 2010 Act.**

9 **(3) Moneys in the Supplemental School District and School Program Subaccount are**
10 **continuously appropriated to the Department of Education for distribution as provided by**
11 **section 7 of this 2010 Act.**

12 **SECTION 5. (1) Based on the findings in section 1 of this 2010 Act, and pursuant to sec-**
13 **tion 4 (6), Article XV of the Oregon Constitution, on May 1, 2011, the State Treasurer shall**
14 **transfer from the Education Stability Fund established under section 4 (4)(d), Article XV of**
15 **the Oregon Constitution, and ORS 348.696 to the Supplemental School District and School**
16 **Program Subaccount established by section 4 of this 2010 Act an amount equal to the lesser**
17 **of:**

18 **(a) The difference between \$200 million and the total amount of the appropriations to the**
19 **Supplemental School District and School Program Subaccount made under sections 8 and 9,**
20 **chapter 635, Oregon Laws 2009, as determined under section 10, chapter 635, Oregon Laws**
21 **2009; or**

22 **(b) The balance of the Education Stability Fund at the close of the last business day**
23 **preceding the date of the transfer.**

24 **(2) Moneys transferred under this section may be used in the manner provided by section**
25 **7 of this 2010 Act for moneys in the Supplemental School District and School Program Sub-**
26 **account.**

27 **(3) As used in this section, “balance of the Education Stability Fund” means all moneys**
28 **in the fund except for moneys in the Oregon Growth Account, the Oregon Resource and**
29 **Technology Development Subaccount and the school capital matching subaccount.**

30 **SECTION 6. Notwithstanding section 5 of this 2010 Act, for purposes of making the**
31 **transfer of moneys from the Education Stability Fund to the Supplemental School District**
32 **and School Program Subaccount required by section 5 of this 2010 Act, the State Treasurer**
33 **may not:**

34 **(1) Divert declared earnings on moneys in the Education Stability Fund;**

35 **(2) Divert moneys that would otherwise be transferred to the Oregon Growth Account**
36 **or the Oregon Resource and Technology Development Subaccount; or**

37 **(3) Reduce the amount of moneys in the Oregon Growth Account or the Oregon Resource**
38 **and Technology Development Subaccount.**

39 **SECTION 7. (1) Notwithstanding ORS 327.019 (3)(a), the Superintendent of Public In-**
40 **struction may not include any amounts in the Supplemental School District and School**
41 **Program Subaccount established by section 4 of this 2010 Act when the superintendent**
42 **makes the calculation of the total amount available for distribution to school districts, edu-**
43 **cation service districts and programs under ORS 327.019 (3)(a).**

44 **(2) Notwithstanding ORS 327.019 (3)(c), the superintendent shall calculate a funding per-**
45 **centage under ORS 327.019 (3)(c) to distribute to school districts under ORS 327.008 as nearly**

1 as practicable the sum of:

2 (a) The amount calculated under ORS 327.019 (3)(b); and

3 (b) The amount in the Supplemental School District and School Program Subaccount.

4 **SECTION 8.** Section 7 of this 2010 Act applies only to distributions made to school dis-
5 tricts for the 2010-2011 school year.

6 **SECTION 9.** Section 4 of this 2010 Act is repealed on July 1, 2012.

7 **SECTION 10.** On the date immediately prior to the date of repeal specified in section 9
8 of this 2010 Act, the Department of Education shall transfer to the State School Fund any
9 moneys remaining in the Supplemental School District and School Program Subaccount es-
10 tablished by section 4 of this 2010 Act for deposit in the State School Fund.

11 **SECTION 11.** Notwithstanding any condition or limitation described in ORS 293.144 and
12 in addition to and not in lieu of any other appropriation, based on the findings in section 1
13 of this 2010 Act, for the biennium beginning July 1, 2009, \$10 million out of the Oregon Rainy
14 Day Fund is appropriated to the General Fund to be available for general governmental
15 purposes.

16 **SECTION 12.** Section 11 of this 2010 Act becomes operative on April 1, 2010.

17 **SECTION 13.** Notwithstanding any other law limiting expenditures, for the biennium
18 ending June 30, 2011, the maximum limit for payment of expenses by the Department of Ed-
19 ucation from lottery moneys transferred from the Education Stability Fund to the Supple-
20 mental School District and School Program Subaccount established by section 4 of this 2010
21 Act is the amount transferred as provided by section 5 of this 2010 Act.

22 **SECTION 14.** This 2010 Act being necessary for the immediate preservation of the public
23 peace, health and safety, an emergency is declared to exist, and this 2010 Act takes effect
24 on its passage.

25 _____