

House Bill 2774

Sponsored by Representative THATCHER (Pre-session filed.)

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**.

Changes method by which transportation grants are calculated for purpose of State School Fund distributions to school districts.

Applies to State School Fund distributions commencing with 2012-2013 distributions.

Takes effect July 1, 2012.

A BILL FOR AN ACT

1
2 Relating to transportation grants; creating new provisions; amending ORS 327.006, 327.013, 332.405,
3 338.145, 339.133, 340.065 and 346.041; repealing ORS 327.033; and prescribing an effective date.

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

5 **SECTION 1.** ORS 327.013 is amended to read:

6 327.013. The State School Fund distributions for school districts include the following grants:

7 (1) General Purpose Grant = Funding Percentage × Target Grant × District extended ADMw.

8 For the purpose of the calculation made under this subsection:

9 (a) The funding percentage shall be calculated by the Superintendent of Public Instruction to
10 distribute as nearly as practicable the total sum of money available for distribution.

11 (b) Target Grant = Statewide Target per ADMw Grant + Teacher Experience Factor. For the
12 purpose of the calculation made under this paragraph:

13 (A) Statewide Target per ADMw Grant = \$4,500.

14 (B) Teacher Experience Factor = \$25 × {District average teacher experience – statewide av-
15 erage teacher experience}. As used in this subparagraph, “average teacher experience” means the
16 average, in years, of teaching experience of licensed teachers as reported to the Department of Ed-
17 ucation.

18 (c) District extended ADMw = ADMw or ADMw of the prior year, whichever is greater. For
19 the purpose of this paragraph:

20 (A) Weighted average daily membership or ADMw = average daily membership + an additional
21 amount computed as follows:

22 (i) 1.0 for each student in average daily membership eligible for special education as a child with
23 a disability under ORS 343.035, which may not exceed 11 percent of the district's ADM without re-
24 view and approval by the Department of Education. Children with disabilities eligible for special
25 education in adult local correctional facilities, as defined in ORS 169.005, or adult regional
26 correctional facilities, as defined in ORS 169.620, may not be included in the calculation made under
27 this sub-subparagraph.

28 (ii) 0.5 for each student in average daily membership eligible for and enrolled in an English as
29 a second language program under ORS 336.079.

30 (iii) 0.2 for each student in average daily membership enrolled in a union high school district

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 or in an area of a unified school district where the district is only responsible for educating students
 2 in grades 9 through 12 in that area.

3 (iv) -0.1 for each student in average daily membership enrolled in an elementary district oper-
 4 ating kindergarten through grade six or kindergarten through grade eight or in an area of a unified
 5 school district where the district is only responsible for educating students in kindergarten through
 6 grade eight.

7 (v) 0.25 times the sum of the following:

8 (I) The number of children 5 to 17 years of age in poverty families in the district, as determined
 9 by the Department of Education from a report of the United States Department of Education based
 10 on the most recent federal decennial census, as adjusted by the school district's proportion of stu-
 11 dents in the county receiving free or reduced price lunches under the United States Department of
 12 Agriculture's current Income Eligibility Guidelines if the number is higher than the number deter-
 13 mined from census data and only if the school district had an average daily membership of 2,500 or
 14 less for the 1995-1996 school year, and as further adjusted by the number of students in average
 15 daily membership in June of the year of distribution divided by number of students in average daily
 16 membership in the district, or its predecessors, in June of the year of the most recent federal
 17 decennial census;

18 (II) The number of children in foster homes in the district as determined by the report of the
 19 Department of Human Services to the United States Department of Education, "Annual Statistical
 20 Report on Children in Foster Homes and Children in Families Receiving AFDC Payments in Excess
 21 of the Poverty Income Level," or its successor, for October 31 of the year prior to the year of dis-
 22 tribution; and

23 (III) The number of children in the district in state-recognized facilities for neglected and de-
 24 linquent children, based on information from the Department of Human Services for October 31 of
 25 the year prior to the year of distribution.

26 (vi) The amount determined under ORS 327.077 for each remote small elementary school and for
 27 each small high school in the district.

28 (B) All numbers of children used for the computation in this paragraph must reflect any district
 29 consolidations that have occurred since the numbers were compiled.

30 (C) The total additional weight that shall be assigned to any student in average daily member-
 31 ship in a district, exclusive of students described in subparagraph (A)(v) and (vi) of this paragraph,
 32 may not exceed 2.0.

33 (2) High cost disabilities grant = the total amount received by a school district under ORS
 34 327.348 for providing special education and related services to resident pupils with disabilities.

35 [(3)(a) *Transportation grant equals:*]

36 [(A) *70 percent of approved transportation costs for those school districts ranked below the 80th*
 37 *percentile under paragraph (b) of this subsection.*]

38 [(B) *80 percent of approved transportation costs for those school districts ranked in or above the*
 39 *80th percentile but below the 90th percentile under paragraph (b) of this subsection.*]

40 [(C) *90 percent of approved transportation costs for those school districts ranked in or above the*
 41 *90th percentile under paragraph (b) of this subsection.*]

42 [(b) *Each fiscal year, the Department of Education shall rank school districts based on the ap-*
 43 *proved transportation costs per ADM of each school district, ranking the school district with the*
 44 *highest approved transportation costs per ADM at the top of the order.*]

45 **(3) Transportation grant = Riders × Average Spending per Rider × Inflation × 0.7. For**

1 **the purpose of the calculation made under this subsection:**

2 (a) **Riders = the average number of riders during a school year who receive transporta-**
 3 **tion services from a school district + the average number of riders during a school year who**
 4 **receive transportation services from an entity that is authorized to receive funding for**
 5 **transportation services from a school district. The State Board of Education may adopt by**
 6 **rule guidelines for making periodic adjustments to the calculation made under this para-**
 7 **graph.**

8 (b) **Average Spending per Rider = the average annual spending per rider during the**
 9 **2010-2011 and 2011-2012 school years.**

10 (c) **Inflation = a reasonable expectation of the change in price that will occur during the**
 11 **school year for the costs of transportation services, as based on the weighted contributing**
 12 **factors of cost that include fuel costs, costs for drivers and costs for the purchase and repair**
 13 **of buses.**

14 (4)(a) Facility Grant = 8 percent of total construction costs of new school buildings.

15 (b) A school district shall receive a Facility Grant in the distribution year that a new school
 16 building is first used.

17 (c) As used in this subsection:

18 (A) "New school building" includes new school buildings, structures added onto existing school
 19 buildings and premanufactured structures added to a school district if those buildings or structures
 20 are to be used for instructing students.

21 (B) "Construction costs" does not include costs for land acquisition.

22 **SECTION 2. The amendments to ORS 327.013 by section 1 of this 2011 Act apply to State**
 23 **School Fund distributions commencing with the 2012-2013 distributions.**

24 **SECTION 3.** ORS 327.006, as amended by section 11, chapter 846, Oregon Laws 2007, and sec-
 25 tion 41, chapter 11, Oregon Laws 2009, is amended to read:

26 327.006. As used in ORS 327.006 to 327.133, 327.348 and 327.731:

27 (1) "Aggregate days membership" means the sum of days present and absent, according to the
 28 rules of the State Board of Education, of all resident pupils when school is actually in session during
 29 a certain period. The aggregate days membership of kindergarten pupils shall be calculated on the
 30 basis of a half-day program.

31 [(2)(a) "Approved transportation costs" means those costs as defined by rule of the State Board of
 32 Education and is limited to those costs attributable to transporting or room and board provided in lieu
 33 of transporting:]

34 [(A) Elementary school students who live at least one mile from school;]

35 [(B) Secondary school students who live at least 1.5 miles from school;]

36 [(C) Any student required to be transported for health or safety reasons, according to supplemental
 37 plans from districts that have been approved by the state board identifying students who are required
 38 to be transported for health or safety reasons, including special education;]

39 [(D) Preschool children with disabilities requiring transportation for early intervention services
 40 provided pursuant to ORS 343.224 and 343.533;]

41 [(E) Students who require payment of room and board in lieu of transportation;]

42 [(F) A student transported from one school or facility to another school or facility when the student
 43 attends both schools or facilities during the day or week; and]

44 [(G) Students participating in school-sponsored field trips that are extensions of classroom learning
 45 experiences.]

1 [(b) *“Approved transportation costs” does not include the cost of constructing boarding school fa-*
2 *ilities.*]

3 [(3) (2) “Average daily membership” or “ADM” means the aggregate days membership of a
4 school during a certain period divided by the number of days the school was actually in session
5 during the same period. However, if a district school board adopts a class schedule that operates
6 throughout the year for all or any schools in the district, average daily membership shall be com-
7 puted by the Department of Education so that the resulting average daily membership will not be
8 higher or lower than if the board had not adopted such schedule.

9 [(4) (3) “Consumer Price Index” means the Consumer Price Index for All Urban Consumers of
10 the Portland, Oregon, Metropolitan Statistical Area, as compiled by the United States Department
11 of Labor, Bureau of Labor Statistics.

12 [(5) (4) “Kindergarten” means a kindergarten program that conforms to the standards and rules
13 adopted by the State Board of Education.

14 [(6) (5) “Net operating expenditures” means the sum of expenditures of a school district in
15 kindergarten through grade 12 for administration, instruction, attendance and health services, op-
16 eration of plant, maintenance of plant, fixed charges and tuition for resident students attending in
17 another district, as determined in accordance with the rules of the State Board of Education, but
18 net operating expenditures does not include transportation, food service, student body activities,
19 community services, capital outlay, debt service or expenses incurred for nonresident students.

20 [(7)(a)] (6)(a) “Resident pupil” means any pupil:

21 (A) Whose legal school residence is within the boundaries of a school district reporting the pu-
22 pil, if the district is legally responsible for the education of the pupil, except that “resident pupil”
23 does not include a pupil who pays tuition or for whom the parent pays tuition or for whom the
24 district does not pay tuition for placement outside the district; or

25 (B) Whose legal residence is not within the boundaries of the district reporting the pupil but
26 attends school in the district with the written consent of the affected school district boards.

27 (b) A pupil is not considered to be a resident pupil under paragraph (a)(A) of this subsection if
28 the pupil is attending school in another school district pursuant to a contract under ORS 339.125
29 and in the prior year was considered to be a resident pupil in another school district under para-
30 graph (a)(B) of this subsection. The pupil shall continue to be considered a resident of another
31 school district under paragraph (a)(B) of this subsection.

32 (c) A pupil is not considered to be a resident pupil under paragraph (a)(B) of this subsection if
33 the pupil is attending school in a school district pursuant to an agreement with another school
34 district under ORS 339.133 and in the prior year was considered to be a resident pupil under para-
35 graph (a)(A) of this subsection because the pupil was attending school in another school district
36 pursuant to a contract under ORS 339.125. The pupil shall continue to be considered a resident pupil
37 under paragraph (a)(A) of this subsection.

38 (d) “Resident pupil” includes a pupil admitted to a school district under ORS 339.115 (7).

39 [(8) (7) “Standard school” means a school meeting the standards set by the rules of the State
40 Board of Education.

41 [(9) (8) “Tax” and “taxes” includes all taxes on property, excluding exempt bonded indebt-
42 edness, as those terms are defined in ORS 310.140.

43 **SECTION 4.** ORS 332.405 is amended to read:

44 332.405. (1) The district school board shall provide transportation for pupils or combinations of
45 pupils and other persons to and from school-related activities where required by law or when con-

1 sidered advisable by the board.

2 (2) The board may furnish board and room for pupils in lieu of transportation when reasonable
 3 board and room can be provided at equal or less expense than transportation. The board may also
 4 provide board and room in a facility that existed on July 1, 1998, or a replacement facility for that
 5 facility, for pupils attending a district school through an interdistrict agreement described in ORS
 6 327.006 [(7)(a)(B)] **(6)(a)(B)** or through a power of attorney authorized under ORS 109.056 (2). This
 7 subsection does not apply to a pupil who attends a district school through a power of attorney and
 8 who is a foreign exchange student enrolled in a school under a cultural exchange program.

9 (3) The transportation costs or expenses for board and room shall be paid from funds available
 10 to the district for that purpose.

11 (4) The district school board may expend district funds to improve or provide for pedestrian fa-
 12 cilities off district property if the board finds that the expenditure reduces transportation costs of
 13 the district and enhances the safety of pupils going to and from schools of the district.

14 **SECTION 5.** ORS 338.145 is amended to read:

15 338.145. (1) The public charter school shall be responsible for providing transportation to stu-
 16 dents who reside within the school district and who attend the public charter school. The public
 17 charter school may negotiate with a school district for the provision of transportation to students
 18 attending the public charter school.

19 (2) Notwithstanding subsection (1) of this section, the school district within which the public
 20 charter school is located shall be responsible for the transportation of students attending the public
 21 charter school pursuant to ORS 327.043 in the same manner as students attending nonchartered
 22 public schools if the student is a resident of the school district. However, a school district may not
 23 be required to add or extend existing bus routes or other transportation services pursuant to this
 24 subsection.

25 (3) Students who attend public charter schools and who reside outside of the school district may
 26 use existing bus routes and transportation services of the school district in which a public charter
 27 school is located.

28 (4) Any transportation costs incurred by a school district under this section shall be considered
 29 *[approved transportation costs for purposes of ORS 327.013 in the same manner as transportation costs*
 30 *incurred by the school district for transporting students who attend nonchartered public schools are*
 31 *considered approved transportation costs for purposes of ORS 327.013]* **when calculating a trans-**
 32 **portation grant as provided by ORS 327.013.**

33 **SECTION 6.** ORS 339.133, as amended by sections 1 and 3, chapter 21, Oregon Laws 2010, is
 34 amended to read:

35 339.133. (1) Except as provided in subsection (3), (4), (5) or (7) of this section, children between
 36 the ages of 4 and 18 shall be considered resident for school purposes in the school district in which
 37 their parents, their guardians or persons in parental relationship to them reside.

38 (2) Nonemancipated individuals between the ages of 4 and 18 living outside the geographic area
 39 of the school district for such reasons as attending college, military service, hospital confinement
 40 or employment away from home shall be considered resident in the district in which their parents,
 41 their guardians or persons in parental relationship to them reside.

42 (3) Individuals considered legally emancipated from their parents shall be considered resident
 43 in the district in which they actually reside, irrespective of the residence of their parents, their
 44 guardians or persons in parental relationship.

45 (4) Children placed by public or private agencies who are living in licensed, certified or ap-

1 proved substitute care programs shall be considered resident in the school district in which they
 2 reside because of placement by a public or private agency.

3 (5)(a) Notwithstanding subsection (4) of this section, when a juvenile court determines that it is
 4 in a child’s best interest to continue to attend the school that the child attended prior to placement
 5 by a public agency, the child:

6 (A) Shall be considered resident for school purposes in the school district in which the child
 7 resided prior to the placement; and

8 (B) May continue to attend the school the child attended prior to the placement through the
 9 highest grade level of the school.

10 (b) The public agency that has placed the child shall be responsible for providing the child with
 11 transportation to and from school when the need for transportation is due to the placement by the
 12 public agency.

13 (c) Paragraph (b) of this subsection applies only to a public agency for which funds have been
 14 designated for the specific purpose of providing a child with transportation to and from school under
 15 this subsection.

16 (6) Persons living temporarily in a school district for the primary purpose of attending a district
 17 school may not be considered resident in the district in which they are living temporarily, but shall
 18 be considered resident in the district in which they, their parents, their guardians or persons in
 19 parental relationship to them maintain residency.

20 (7) Except as provided in ORS 327.006 [(7)] (6) and 335.090, persons whose legal residence is not
 21 within the district but who attend school in the district with the written consent of the affected
 22 district school boards shall be considered to be residents in the district in which the persons attend
 23 school for purposes of the receipt by that district of State School Fund moneys for those persons.

24 (8) For the purposes of this section:

25 (a) “Person in parental relationship” means an adult who has physical custody of a child or re-
 26 sides in the same household as the child, interacts with the child daily, provides the child with food,
 27 clothing, shelter and incidental necessities and provides the child with necessary care, education
 28 and discipline. “Person in parental relationship” does not mean a person with a power of attorney
 29 or other written delegation of parental responsibilities if the person does not have other evidence
 30 of a parental relationship.

31 (b) “Substitute care program” means family foster care, family group home care, parole foster
 32 care, family shelter care, adolescent shelter care and professional group care.

33 **SECTION 7.** ORS 340.065 is amended to read:

34 340.065. (1) A resident school district may provide transportation services to eligible students
 35 who attend eligible post-secondary institutions within any education service district boundaries of
 36 which the school district is a component school district.

37 (2) Any transportation costs incurred by a school district under this section shall be considered
 38 [approved transportation costs for purposes of ORS 327.013 (3)] **when calculating a transportation**
 39 **grant as provided by ORS 327.013.**

40 **SECTION 8.** ORS 346.041 is amended to read:

41 346.041. (1) Transportation for pupils attending the school operated under ORS 346.010 is the
 42 responsibility of the pupil’s resident school district. The district may provide transportation directly
 43 or by agreement with another school district, a public carrier or the Department of Education.

44 (2) The actual and necessary transportation expenses incurred under subsection (1) of this sec-
 45 tion, at a frequency consistent with a pupil’s individual education plan, shall be considered [approved

1 *transportation costs for purposes of ORS 327.006 and 327.033] when calculating a transportation*
2 **grant as provided by ORS 327.013.**

3 (3) The resident school district shall reimburse the Department of Education for all transporta-
4 tion costs the department incurs on behalf of the district within 10 days after receipt of the itemized
5 invoice.

6 (4) The payments of the resident school districts required under subsection (3) of this section
7 and an amount specifically appropriated thereto shall be deposited in the State Treasury to the
8 credit of the Special Education Transportation Revolving Account to be used by the Department of
9 Education for the transportation of pupils attending the school operated under ORS 346.010. The
10 account shall be continuously appropriated to the department for such purpose.

11 (5) Any unexpended and unobligated balance in the Special Education Transportation Revolving
12 Account in excess of \$70,000 as of September 1 of any year shall be transferred from the account
13 to the General Fund to be available for general governmental purposes.

14 **SECTION 9. ORS 327.033 is repealed.**

15 **SECTION 10. This 2011 Act takes effect on July 1, 2012.**

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