

House Bill 3622

Sponsored by Representative KOMP

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**.

Revises method of calculating transportation grant from State School Fund distributions.

Allows district school board to determine distances for which school district will provide transportation.

Allows Superintendent of Public Instruction to impose sanctions on school district for failure to maintain safe school buses and school activity vehicles.

Declares emergency, effective July 1, 2011.

A BILL FOR AN ACT

1
2 Relating to school transportation; creating new provisions; amending ORS 327.006, 327.013, 327.043,
3 338.145, 340.065, 346.041 and 820.120; repealing ORS 327.033; and declaring an emergency.

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.

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 (iii) 0.2 for each student in average daily membership enrolled in a union high school district
 2 or in an area of a unified school district where the district is only responsible for educating students
 3 in grades 9 through 12 in that area.

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

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

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

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

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

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

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

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

34 (2) High cost disabilities grant = the total amount received by a school district under ORS
 35 327.348 for providing special education and related services to resident pupils with disabilities.

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

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

39 [(B) *80 percent of approved transportation costs for those school districts ranked in or above the*
 40 *80th percentile but below the 90th percentile under paragraph (b) of this subsection.*]

41 [(C) *90 percent of approved transportation costs for those school districts ranked in or above the*
 42 *90th percentile under paragraph (b) of this subsection.*]

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

1 **(3) Transportation Grant = the average amount of the transportation grant that the**
 2 **school district received for the 2008-2009, 2009-2010 and 2010-2011 school years, which shall**
 3 **be adjusted by the Superintendent of Public Instruction as provided in this subsection. Ad-**
 4 **justments made under this subsection:**

5 **(a) Shall be made at intervals designated by the State Board of Education.**

6 **(b) Shall be based on guidelines that are adopted by the board by rule. The guidelines:**

7 **(A) Must take into account changes in approved ridership and various inflationary costs,**
 8 **as determined by the School Revenue Forecast Committee; and**

9 **(B) Must allow for different adjustments for each school district based on the charac-**
 10 **teristics of the school district.**

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

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

14 (c) As used in this subsection:

15 (A) “New school building” includes new school buildings, structures added onto existing school
 16 buildings and premanufactured structures added to a school district if those buildings or structures
 17 are to be used for instructing students.

18 (B) “Construction costs” does not include costs for land acquisition.

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

21 **SECTION 3.** ORS 327.006 is amended to read:

22 327.006. As used in ORS 327.006 to 327.133, 327.348, 327.355, 327.357, 327.360 and 327.731:

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

27 [(2)(a) “Approved transportation costs” means those costs as defined by rule of the State Board of
 28 Education and is limited to those costs attributable to transporting or room and board provided in lieu
 29 of transporting:]

30 **(2) “Approved ridership” means:**

31 **(a) Transportation services provided to:**

32 (A) Elementary **and secondary** school students who live at [*least one mile from school*] **a dis-**
 33 **tance identified by a school district under ORS 327.043 as being reasonable;**

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

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

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

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

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

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

45 (b) [*Approved transportation costs*] **Room and board provided in lieu of transporting stu-**

1 **dents as described in paragraph (a) of this subsection, but** does not include the cost of con-
 2 structing boarding school facilities.

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

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

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

14 (6) "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) "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) "Standard school" means a school meeting the standards set by the rules of the State Board
 40 of Education.

41 (9) "Tax" and "taxes" includes all taxes on property, excluding exempt bonded indebtedness, as
 42 those terms are defined in ORS 310.140.

43 **SECTION 4.** ORS 327.006, as amended by section 11, chapter 846, Oregon Laws 2007, and sec-
 44 tion 41, chapter 11, Oregon Laws 2009, is amended to read:

45 327.006. As used in ORS 327.006 to 327.133, 327.348 and 327.731:

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

5 [(2)(a) “Approved transportation costs” means those costs as defined by rule of the State Board of
 6 Education and is limited to those costs attributable to transporting or room and board provided in lieu
 7 of transporting:]

8 (2) **“Approved ridership” means:**

9 (a) **Transportation services provided to:**

10 (A) Elementary **and secondary** school students who live at [*least one mile from school*] **a dis-**
 11 **tance identified by a school district under ORS 327.043 as being reasonable for that school;**

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

13 [(C)] (B) Any student required to be transported for health or safety reasons, according to sup-
 14 plemental plans from districts that have been approved by the state board identifying students who
 15 are required to be transported for health or safety reasons, including special education;

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

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

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

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

23 (b) [*“Approved transportation costs”*] **Room and board provided in lieu of transporting stu-**
 24 **dents as described in paragraph (a) of this subsection, but** does not include the cost of con-
 25 structing boarding school facilities.

26 (3) “Average daily membership” or “ADM” means the aggregate days membership of a school
 27 during a certain period divided by the number of days the school was actually in session during the
 28 same period. However, if a district school board adopts a class schedule that operates throughout
 29 the year for all or any schools in the district, average daily membership shall be computed by the
 30 Department of Education so that the resulting average daily membership will not be higher or lower
 31 than if the board had not adopted such schedule.

32 (4) “Consumer Price Index” means the Consumer Price Index for All Urban Consumers of the
 33 Portland, Oregon, Metropolitan Statistical Area, as compiled by the United States Department of
 34 Labor, Bureau of Labor Statistics.

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

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

43 (7)(a) “Resident pupil” means any pupil:

44 (A) Whose legal school residence is within the boundaries of a school district reporting the pu-
 45 pil, if the district is legally responsible for the education of the pupil, except that “resident pupil”

1 does not include a pupil who pays tuition or for whom the parent pays tuition or for whom the
 2 district does not pay tuition for placement outside the district; or

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

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

10 (c) A pupil is not considered to be a resident pupil under paragraph (a)(B) of this subsection if
 11 the pupil is attending school in a school district pursuant to an agreement with another school
 12 district under ORS 339.133 and in the prior year was considered to be a resident pupil under para-
 13 graph (a)(A) of this subsection because the pupil was attending school in another school district
 14 pursuant to a contract under ORS 339.125. The pupil shall continue to be considered a resident pupil
 15 under paragraph (a)(A) of this subsection.

16 (d) "Resident pupil" includes a pupil admitted to a school district under ORS 339.115 (7).

17 (8) "Standard school" means a school meeting the standards set by the rules of the State Board
 18 of Education.

19 (9) "Tax" and "taxes" includes all taxes on property, excluding exempt bonded indebtedness, as
 20 those terms are defined in ORS 310.140.

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

22 338.145. (1) The public charter school shall be responsible for providing transportation to stu-
 23 dents who reside within the school district and who attend the public charter school. The public
 24 charter school may negotiate with a school district for the provision of transportation to students
 25 attending the public charter school.

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

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

35 *[(4) Any transportation costs incurred by a school district under this section shall be considered*
 36 *approved transportation costs for purposes of ORS 327.013 in the same manner as transportation costs*
 37 *incurred by the school district for transporting students who attend nonchartered public schools are*
 38 *considered approved transportation costs for purposes of ORS 327.013.]*

39 **(4) Any transportation services provided by a school district for students of a public**
 40 **charter school in the same manner that transportation services are provided by the school**
 41 **district to students who attend nonchartered public schools are considered approved**
 42 **ridership for purposes of ORS 327.013.**

43 **SECTION 6.** ORS 340.065 is amended to read:

44 340.065. (1) A resident school district may provide transportation services to eligible students
 45 who attend eligible post-secondary institutions within any education service district boundaries of

1 which the school district is a component school district.

2 *[(2) Any transportation costs incurred by a school district under this section shall be considered*
 3 *approved transportation costs for purposes of ORS 327.013 (3).]*

4 **(2) Any transportation services provided by a school district under this section are con-**
 5 **sidered approved ridership for purposes of ORS 327.013 (3).**

6 **SECTION 7.** ORS 346.041 is amended to read:

7 346.041. (1) Transportation for pupils attending the school operated under ORS 346.010 is the
 8 responsibility of the pupil's resident school district. The district may provide transportation directly
 9 or by agreement with another school district, a public carrier or the Department of Education.

10 *[(2) The actual and necessary transportation expenses incurred under subsection (1) of this section,*
 11 *at a frequency consistent with a pupil's individual education plan, shall be considered approved*
 12 *transportation costs for purposes of ORS 327.006 and 327.033.]*

13 **(2) Transportation services provided under subsection (1) of this section, at a frequency**
 14 **consistent with a pupil's individual education plan, are considered approved ridership for**
 15 **purposes of ORS 327.006 and 327.033.**

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

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

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

27 **SECTION 8.** ORS 327.043 is amended to read:

28 327.043. (1) A school district is required to provide transportation for elementary **and secondary**
 29 **school** students who reside *[more than one mile from school and for secondary school students who*
 30 *reside more than 1.5 miles from school]* **at a distance from a school that is equal to or greater**
 31 **than the distance identified by the district school board as being reasonable for that school.**
 32 A **school** district is also required to provide transportation for any student identified in a supple-
 33 mental plan approved by the State Board of Education.

34 (2) Notwithstanding subsection (1) of this section, the State Board of Education may waive the
 35 requirement to provide transportation for secondary school students *[who reside more than 1.5 miles*
 36 *from school]*. A **school** district must present to the **State Board of Education** a plan providing or
 37 identifying suitable and sufficient alternate modes of transporting secondary school students.

38 **SECTION 9.** ORS 820.120 is amended to read:

39 820.120. (1)(a) The State Board of Education shall adopt and enforce rules to provide for the
 40 inspection of school buses and school activity vehicles to assure that the vehicles are in compliance
 41 with requirements under rules established under ORS 820.100 and 820.110, as applicable, and that
 42 the vehicles are safe for operation. The rules may include intervals of inspections.

43 **(b) The Superintendent of Public Instruction may impose sanctions on a school district**
 44 **for failure to maintain safe school buses and school activity vehicles. The sanctions may in-**
 45 **clude reductions in the transportation grant calculated as provided by ORS 327.013.**

1 (2) The State Board of Higher Education may adopt and enforce separate rules of the type de-
2 scribed under this section for school buses and school activity vehicles that are under its jurisdic-
3 tion.

4 (3) The rules adopted under this section:

5 (a) Are subject to any other statute or regulation relating to the safety of vehicles for operation
6 and the inspection of vehicles.

7 (b) May include different requirements for different classes or types of school buses or school
8 activity vehicles.

9 (c) May include any exemptions determined appropriate under ORS 820.150.

10 **SECTION 10. ORS 327.033 is repealed.**

11 **SECTION 11. This 2011 Act being necessary for the immediate preservation of the public**
12 **peace, health and safety, an emergency is declared to exist, and this 2011 Act takes effect**
13 **July 1, 2011.**

14