

House Bill 3641

Sponsored by Representatives HOYLE, DOHERTY; Representatives BAILEY, BARKER, BARNHART, BEYER, BOONE, CANNON, COWAN, DEMBROW, FREDERICK, GARRETT, GELSER, GREENLICK, HARKER, HOLVEY, HUNT, KOMP, KOTEK, MATTHEWS, NATHANSON, NOLAN, READ, G SMITH, J SMITH, TOMEI, WITT

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**.

Establishes 2011-2012 School Year Subaccount within State School Fund. Continuously appropriates moneys in subaccount to Department of Education for distribution to school districts, Youth Corrections Education Program and Juvenile Detention Education Program to support smaller class sizes or enhancement of learning opportunities, including increasing number of school days for 2011-2012 school year. Creates procedures to ensure compliance with required uses of moneys.

Directs State Treasurer to transfer \$100 million from Education Stability Fund to 2011-2012 School Year Subaccount. Specifies conditions of transference.

Declares emergency, effective July 1, 2011.

A BILL FOR AN ACT

1
2 Relating to state financial administration; creating new provisions; amending sections 2 and 4,
3 chapter _____, Oregon Laws 2011 (Enrolled Senate Bill 5553); appropriating money; declaring
4 an emergency; and providing for transfer of moneys from the Education Stability Fund that re-
5 quires 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 a quarterly economic and revenue**
8 **forecast projects that revenues in the state's General Fund in the current biennium will be**
9 **at least two percent below what the revenues were projected to be in the revenue forecast**
10 **on which the legislatively adopted budget for the current biennium was based.**

11 **SECTION 2. (1) The 2011-2012 School Year Subaccount is established within the State**
12 **School Fund. The Department of Education shall maintain separate records for moneys in**
13 **the subaccount.**

14 **(2) The 2011-2012 School Year Subaccount consists of moneys appropriated to the subac-**
15 **count, moneys transferred to the subaccount as provided by section 3 of this 2011 Act and**
16 **moneys allocated to the subaccount by the Emergency Board.**

17 **(3) Moneys in the 2011-2012 School Year Subaccount are continuously appropriated to the**
18 **Department of Education for distribution as provided by section 5 of this 2011 Act.**

19 **SECTION 2a. If Senate Bill 5553 becomes law, section 2 of this 2011 Act is repealed and**
20 **section 2, chapter _____, Oregon Laws 2011 (Enrolled Senate Bill 5553), is amended to read:**

21 **Sec. 2.** (1) The 2011-2012 School Year Subaccount is established within the State School Fund.
22 The Department of Education shall maintain separate records for moneys in the subaccount.

23 (2) The 2011-2012 School Year Subaccount consists of moneys appropriated to the subaccount,
24 moneys transferred to the subaccount as provided by section 3 [*of this 2011 Act*],
25 **chapter _____, Oregon Laws 2011 (Enrolled Senate Bill 5553), and by section 3 of this 2011**
26 **Act and moneys allocated to the subaccount by the Emergency Board.**

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) Moneys in the 2011-2012 School Year Subaccount are continuously appropriated to the De-
 2 partment of Education for distribution as provided by section 5 [of this 2011 Act],
 3 chapter _____, Oregon Laws 2011 (Enrolled Senate Bill 5553).

4 **SECTION 3.** (1) In addition to and not in lieu of any other transfer from the Education
 5 Stability Fund, based on the findings in section 1 of this 2011 Act, and pursuant to section 4
 6 (6), Article XV of the Oregon Constitution, on October 1, 2011, the State Treasurer shall
 7 transfer \$100 million from the Education Stability Fund established under section 4 (4)(d),
 8 Article XV of the Oregon Constitution, and ORS 348.696 to the 2011-2012 School Year Subac-
 9 count established by section 2 of this 2011 Act.

10 (2) Moneys transferred under this section may be used in the manner provided by section
 11 5 of this 2011 Act for moneys in the 2011-2012 School Year Subaccount.

12 **SECTION 3a.** If Senate Bill 5553 becomes law, section 3 of this 2011 Act is amended to read:

13 **Sec. 3.** (1) In addition to and not in lieu of any other transfer from the Education Stability Fund,
 14 based on the findings in section 1 of this 2011 Act, and pursuant to section 4 (6), Article XV of the
 15 Oregon Constitution, on October 1, 2011, the State Treasurer shall transfer \$100 million from the
 16 Education Stability Fund established under section 4 (4)(d), Article XV of the Oregon Constitution,
 17 and ORS 348.696 to the 2011-2012 School Year Subaccount established by section 2 [of this 2011
 18 Act], chapter _____, Oregon Laws 2011 (Enrolled Senate Bill 5553).

19 (2) Moneys transferred under this section may be used in the manner provided by section 5 [of
 20 this 2011 Act], chapter _____, Oregon Laws 2011 (Enrolled Senate Bill 5553), for moneys in the
 21 2011-2012 School Year Subaccount.

22 **SECTION 4.** Notwithstanding section 3 of this 2011 Act, for purposes of making the
 23 transfer of moneys from the Education Stability Fund to the 2011-2012 School Year Subac-
 24 count required by section 3 of this 2011 Act, the State Treasurer may not:

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

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

28 (3) Reduce the amount of moneys in the Oregon Growth Account or the Oregon Resource
 29 and Technology Development Subaccount.

30 **SECTION 4a.** If Senate Bill 5553 becomes law, section 4 of this 2011 Act is repealed and
 31 section 4, chapter _____, Oregon Laws 2011 (Enrolled Senate Bill 5553), is amended to read:

32 **Sec. 4.** Notwithstanding section 3 [of this 2011 Act], chapter _____, Oregon Laws 2011
 33 (Enrolled Senate Bill 5553), or section 3 of this 2011 Act, for purposes of making the transfer of
 34 moneys from the Education Stability Fund to the 2011-2012 School Year Subaccount required by
 35 section 3 [of this 2011 Act], chapter _____, Oregon Laws 2011 (Enrolled Senate Bill 5553), and
 36 section 3 of this 2011 Act, the State Treasurer may not:

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

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

40 (3) Reduce the amount of moneys in the Oregon Growth Account or the Oregon Resource and
 41 Technology Development Subaccount.

42 **SECTION 5.** (1) In addition to those moneys distributed through the State School Fund,
 43 the Department of Education shall distribute amounts from the 2011-2012 School Year Sub-
 44 account established by section 2 of this 2011 Act to school districts, the Youth Corrections
 45 Education Program and the Juvenile Detention Education Program for the purposes de-

1 scribed in section 9 of this 2011 Act.

2 (2)(a) Notwithstanding ORS 338.155 (9), the Department of Education may not transfer
3 an amount under this section directly to a public charter school.

4 (b) A school district that receives an amount under this section may transfer a portion
5 of the amount to a public charter school based on the charter of the school or any other
6 agreement between the school district and the public charter school.

7 (c) A public charter school that receives an amount under this subsection shall use those
8 funds for the purposes specified in section 9 of this 2011 Act.

9 (3)(a) The amount to be transferred under this section to each program or school district
10 = the program's or school district's ADMw \times (the total amount available for distribution
11 to programs and school districts under this section \div the total statewide ADMw of all pro-
12 grams and school districts).

13 (b) As used in this subsection, "ADMw" means ADMw based upon the collection of
14 2011-2012 average daily membership as reported to the Department of Education by school
15 districts and programs and the most recent collections of all other components of ADMw in
16 July 2011.

17 SECTION 5a. If Senate Bill 5553 becomes law, section 5 of this 2011 Act is repealed.

18 SECTION 6. Section 5 of this 2011 Act applies only to distributions made to school dis-
19 tricts and programs for the 2011-2012 school year.

20 SECTION 6a. If Senate Bill 5553 becomes law, section 6 of this 2011 Act is repealed.

21 SECTION 7. Section 2 of this 2011 Act is repealed on July 1, 2014.

22 SECTION 7a. If Senate Bill 5553 becomes law, section 7 of this 2011 Act is repealed.

23 SECTION 8. On the date immediately prior to the date of repeal specified in section 7 of
24 this 2011 Act, the State Treasurer or the Department of Education shall transfer to the Ed-
25 ucation Stability Fund any moneys remaining in the 2011-2012 School Year Subaccount es-
26 tablished by section 2 of this 2011 Act for deposit in the Education Stability Fund.

27 SECTION 8a. If Senate Bill 5553 becomes law, section 8 of this 2011 Act is repealed.

28 SECTION 9. (1) School districts, the Youth Corrections Education Program and the Ju-
29 venile Detention Education Program shall use moneys distributed from the 2011-2012 School
30 Year Subaccount for activities to support smaller class sizes or for the enhancement of
31 learning opportunities, including but not limited to increasing the number of school days for
32 the 2011-2012 school year.

33 (2) Not later than January 15, 2012, each school district, the Youth Corrections Education
34 Program and the Juvenile Detention Education Program shall file with the President of the
35 Senate, the Speaker of the House of Representatives and the Legislative Fiscal Office a re-
36 port that describes the plan of the school district or program to comply with the require-
37 ments of subsection (1) of this section. The report shall include proof of compliance with the
38 plan.

39 (3) The Legislative Fiscal Office shall review the reports filed under subsection (2) of this
40 section to determine whether the school district, the Youth Corrections Education Program
41 and the Juvenile Detention Education Program have complied with the requirements of
42 subsection (1) of this section. If the Legislative Fiscal Office makes a preliminary determi-
43 nation that a school district or program has not complied with subsection (1) of this section,
44 the office shall notify the Joint Committee on Ways and Means, the Joint Legislative Audit
45 Committee, the Joint Interim Committee on Ways and Means or the Emergency Board.

1 (4) If the Joint Committee on Ways and Means, the Joint Legislative Audit Committee,
2 the Joint Interim Committee on Ways and Means or the Emergency Board makes a final
3 determination that a school district, the Youth Corrections Education Program or the Ju-
4 venile Detention Education Program has not complied with subsection (1) of this section, the
5 joint committee or Emergency Board shall notify the Governor.

6 (5) If the Governor determines that a school district, the Youth Corrections Education
7 Program or the Juvenile Detention Education Program has not complied with subsection (1)
8 of this section, the Governor shall notify the Department of Education of the Governor's
9 determination.

10 (6) Upon receiving notice from the Governor under subsection (5) of this section, the
11 department shall reduce payments made to the school district or program from the State
12 School Fund for the 2011-2012 school year or the 2012-2013 school year, if necessary, in an
13 amount equal to the amount distributed to the school district or program under section 5
14 of this 2011 Act. If the department receives any moneys from a school district or program
15 as a result of reduced payments made pursuant to this subsection, the department or the
16 State Treasurer shall transfer the moneys to the Education Stability Fund at the time that
17 the department makes the final State School Fund payments to school districts for the
18 2011-2012 and 2012-2013 school years.

19 SECTION 9a. If Senate Bill 5553 becomes law, section 9 of this 2011 Act is repealed.

20 SECTION 10. This 2011 Act being necessary for the immediate preservation of the public
21 peace, health and safety, an emergency is declared to exist, and this 2011 Act takes effect
22 July 1, 2011.
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