

A-Engrossed
Senate Bill 5553

Ordered by the Senate April 8
Including Senate Amendments dated April 8

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre-session filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Budget and Management Division, Oregon Department of Administrative Services)

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 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; appropriating money; declaring an emergency; and pro-
3 viding for transfer of moneys from the Education Stability Fund that requires approval by a
4 three-fifths majority.

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

6 **SECTION 1. The Legislative Assembly finds that a quarterly economic and revenue**
7 **forecast projects that revenues in the state's General Fund in the current biennium will be**
8 **at least two percent below what the revenues were projected to be in the revenue forecast**
9 **on which the legislatively adopted budget for the current biennium was based.**

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

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

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

18 **SECTION 3. (1) Based on the findings in section 1 of this 2011 Act, and pursuant to sec-**
19 **tion 4 (6), Article XV of the Oregon Constitution, on October 1, 2011, the State Treasurer**
20 **shall transfer \$100 million from the Education Stability Fund established under section 4**

Note: For budget, see 2011-2013 Biennial Budget

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 (4)(d), Article XV of the Oregon Constitution, and ORS 348.696 to the 2011-2012 School Year
2 Subaccount established by section 2 of this 2011 Act.

3 (2) Moneys transferred under this section may be used in the manner provided by section
4 5 of this 2011 Act for moneys in the 2011-2012 School Year Subaccount.

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

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

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

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

13 **SECTION 5.** (1) In addition to those moneys distributed through the State School Fund,
14 the Department of Education shall distribute amounts from the 2011-2012 School Year Sub-
15 account established by section 2 of this 2011 Act to school districts, the Youth Corrections
16 Education Program and the Juvenile Detention Education Program for the purposes de-
17 scribed in section 9 of this 2011 Act.

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

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

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

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

29 (b) As used in this subsection, "ADMw" means ADMw based upon the collection of
30 2011-2012 average daily membership as reported to the Department of Education by school
31 districts and programs and the most recent collections of all other components of ADMw in
32 July 2011.

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

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

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

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

45 (2) Not later than January 15, 2012, each school district, the Youth Corrections Education

1 Program and the Juvenile Detention Education Program shall file with the President of the
2 Senate, the Speaker of the House of Representatives and the Legislative Fiscal Office a re-
3 port that describes the plan of the school district or program to comply with the require-
4 ments of subsection (1) of this section. The report shall include proof of compliance with the
5 plan.

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

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

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

22 (6) Upon receiving notice from the Governor under subsection (5) of this section, the
23 department shall reduce payments made to the school district or program from the State
24 School Fund for the 2011-2012 school year or the 2012-2013 school year, if necessary, in an
25 amount equal to the amount distributed to the school district or program under section 5
26 of this 2011 Act. If the department receives any moneys from a school district or program
27 as a result of reduced payments made pursuant to this subsection, the department or the
28 State Treasurer shall transfer the moneys to the Education Stability Fund at the time that
29 the department makes the final State School Fund payments to school districts for the
30 2011-2012 and 2012-2013 school years.

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

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