

Enrolled
Senate Bill 5553

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CHAPTER

AN ACT

Relating to state financial administration; appropriating money; declaring an emergency; and providing for transfer of moneys from the Education Stability Fund that requires approval by a three-fifths majority.

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

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

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

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

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

SECTION 3. (1) Based on the findings in section 1 of this 2011 Act, and pursuant to section 4 (6), Article XV of the Oregon Constitution, on October 1, 2011, the State Treasurer shall transfer \$100 million from the Education Stability Fund established under section 4 (4)(d), Article XV of the Oregon Constitution, and ORS 348.696 to the 2011-2012 School Year Subaccount established by section 2 of this 2011 Act.

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

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

- (1) Divert declared earnings on moneys in the Education Stability Fund;
- (2) Divert moneys that would otherwise be transferred to the Oregon Growth Account or the Oregon Resource and Technology Development Subaccount; or
- (3) Reduce the amount of moneys in the Oregon Growth Account or the Oregon Resource and Technology Development Subaccount.

SECTION 5. (1) In addition to those moneys distributed through the State School Fund, the Department of Education shall distribute amounts from the 2011-2012 School Year Subaccount established by section 2 of this 2011 Act to school districts, the Youth Corrections Education Program and the Juvenile Detention Education Program for the purposes described in section 9 of this 2011 Act.

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

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

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

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

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

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

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

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

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

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

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

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

(5) If the Governor determines that a school district, the Youth Corrections Education Program or the Juvenile Detention Education Program has not complied with subsection (1)

of this section, the Governor shall notify the Department of Education of the Governor's determination.

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

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

Passed by Senate April 12, 2011

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Robert Taylor, Secretary of Senate

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Peter Courtney, President of Senate

Passed by House April 13, 2011

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Bruce Hanna, Speaker of House

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Arnie Roblan, Speaker of House

Received by Governor:

.....M.,....., 2011

Approved:

.....M.,....., 2011

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John Kitzhaber, Governor

Filed in Office of Secretary of State:

.....M.,....., 2011

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Kate Brown, Secretary of State