

HOUSE AMENDMENTS TO A-ENGROSSED HOUSE BILL 2506

By JOINT COMMITTEE ON WAYS AND MEANS

June 4

1 On page 1 of the printed A-engrossed bill, line 2, after the semicolon insert “creating new pro-
2 visions; amending ORS 294.383, 327.008, 327.019 and 329.488; repealing ORS 327.009, 334.800 and
3 334.820; appropriating money;”.

4 Delete lines 10 through 12 and insert:

5 “(c) The Governor shall appoint nine members who represent:

6 “(A) School teachers, school administrators, school district business managers, district school
7 board members and personnel of education service districts;

8 “(B) Geographically diverse urban and rural schools; and

9 “(C) Schools of various sizes.”.

10 Delete lines 16 through 19.

11 In line 20, delete “(5)” and insert “(4)”.

12 In line 22, delete “(6)” and insert “(5)”.

13 In line 24, delete “(7)” and insert “(6)”.

14 In line 25, delete “(8)” and insert “(7)”.

15 In line 27, delete “(9)” and insert “(8)”.

16 On page 2, line 2, delete “(10)” and insert “(9)”.

17 In line 3, delete “(11)” and insert “(10)”.

18 In line 6, delete “(12)” and insert “(11)” and delete “office of the Governor” and insert “De-
19 partment of Education”.

20 In line 7, delete “(13)” and insert “(12)”.

21 In line 11, delete “(14)” and insert “(13)”.

22 After line 16, insert:

23 “**SECTION 3. The Office of Regional Educational Services is abolished.**

24 “**SECTION 4. (1) The Regional Educational Services Account is abolished.**

25 “**(2) Any moneys remaining in the Regional Educational Services Account on the effective**
26 **date of this 2013 Act that are unexpended, unobligated and not subject to any conditions shall**
27 **revert to the General Fund.**

28 “**SECTION 5. ORS 327.009, 334.800 and 334.820 are repealed.**

29 “**SECTION 6. ORS 294.383 is amended to read:**

30 “294.383. (1) As used in this section, ‘extended ADMw’ means:

31 “(a) For a school district, the district extended ADMw as calculated under ORS 327.013.

32 “(b) For an education service district, the sum of the extended ADMw of the school districts
33 located within the territory of the education service district.

34 “(2) Notwithstanding ORS 294.333, a school district or education service district that uses the
35 accrual basis method of accounting may include as accrued revenues in the budget and financial

1 statement of the school district or education service district, for any fiscal year, an amount from the
2 next fiscal year that is to be received in the next fiscal year. The amount accrued under this section
3 may not be greater than the amount calculated under subsection (3)(b) or (c) of this section multi-
4 plied by the extended ADMw of the school district or education service district.

5 “(3)(a) For each fiscal year, the Department of Education shall calculate the amount available
6 in the State School Fund for grants and distributions to school districts and the amount available
7 for grants and distributions to education service districts under ORS 327.008, 327.013 and 327.019
8 based on the appropriations and allocations made to the State School Fund for that fiscal year by
9 the Legislative Assembly in regular session. The department may not include in the amount calcu-
10 lated to be available for school districts and education service districts under this paragraph the
11 amounts received by the Youth Corrections Education Program and the Juvenile Detention Educa-
12 tion Program under ORS 327.026 from the State School Fund [*or amounts transferred to the Regional*
13 *Educational Services Account as provided by ORS 327.009*].

14 “(b) The department shall calculate for school districts an amount equal to (the amount calcu-
15 lated under paragraph (a) of this subsection for school districts ÷ 12) ÷ the total statewide ex-
16 tended ADMw of all school districts.

17 “(c) The department shall calculate for education service districts an amount equal to (the
18 amount calculated under paragraph (a) of this subsection for education service districts ÷ 12) ÷
19 the total statewide extended ADMw of all education service districts.

20 “(d) The department may adjust the calculations under this subsection based on current data for
21 the factors used to calculate the State School Fund distribution to school districts and education
22 service districts under ORS 327.008, 327.013 and 327.019.

23 “(e) Notwithstanding paragraph (d) of this subsection, the department may not adjust the cal-
24 culation under paragraph (a) of this subsection based on changes made to the appropriations or al-
25 locations to the State School Fund by the Legislative Assembly in special session or by rule of the
26 Oregon Department of Administrative Services relating to allotting funds.

27 “(4) Notwithstanding ORS 294.333, a community college district or community college service
28 district that uses the accrual basis method of accounting may include as accrued revenues in the
29 budget and financial statement of the community college district or community college service dis-
30 trict, for any fiscal year, an amount from the next fiscal year that is to be received in the next fiscal
31 year. The amount accrued under this section may not be greater than 25 percent of the amount the
32 community college district or community college service district received as a Community College
33 Support Fund grant for the fiscal year for which the revenues are to be accrued.

34 “**SECTION 7.** ORS 327.008, as amended by section 3, chapter 91, Oregon Laws 2012, is amended
35 to read:

36 “327.008. (1) There is established a State School Fund in the General Fund. The fund shall con-
37 sist of moneys appropriated by the Legislative Assembly and moneys transferred from the Education
38 Stability Fund. The State School Fund is continuously appropriated to the Department of Education
39 for the purposes of ORS 327.006 to 327.077, 327.095, 327.099, 327.101, 327.125, 327.137, 327.348,
40 336.575, 336.580, 336.635, 342.173, 343.243, 343.533 and 343.961.

41 “(2) There shall be apportioned from the State School Fund to each school district a State
42 School Fund grant, consisting of the positive amount equal to a general purpose grant and a facility
43 grant and a transportation grant and a high cost disabilities grant minus local revenue, computed
44 as provided in ORS 327.011 and 327.013.

45 “(3) There shall be apportioned from the State School Fund to each education service district

1 a State School Fund grant as calculated under ORS 327.019.

2 “[4] *There shall be apportioned from the State School Fund the amount to be transferred to the*
3 *Regional Educational Services Account as calculated under ORS 327.009.*]

4 “[5] (4) All figures used in the determination of the distribution of the State School Fund shall
5 be estimates for the same year as the distribution occurs, unless otherwise specified.

6 “[6] (5) Numbers of students in average daily membership used in the distribution formula shall
7 be the numbers as of June of the year of distribution.

8 “[7] (6) A school district may not use the portion of the State School Fund grant that is at-
9 tributable to the facility grant for capital construction costs.

10 “[8] (7) The total amount of the State School Fund that is distributed as facility grants may
11 not exceed \$25 million in any biennium. If the total amount to be distributed as facility grants ex-
12 ceeds this limitation, the Department of Education shall prorate the amount of funds available for
13 facility grants among those school districts that qualified for a facility grant.

14 “[9] (8) Each fiscal year, the Department of Education shall transfer the amount of \$18 million
15 from the State School Fund to the High Cost Disabilities Account established in ORS 327.348.

16 “[10] (9) Each fiscal year, the Department of Education may expend up to \$550,000 from the
17 State School Fund for the contract described in ORS 329.488. The amount distributed to education
18 service districts from the State School Fund under this section and ORS 327.019 shall be reduced
19 by the amount expended by the department under this subsection.

20 “[11] (10) Each biennium, the Department of Education may expend up to \$350,000 from the
21 State School Fund to provide administration of and support for the development of talented and
22 gifted education under ORS 343.404.

23 “[12] (11) Each biennium, the Department of Education may expend up to \$150,000 from the
24 State School Fund for the administration of a program to increase the number of speech-language
25 pathologists and speech-language pathology assistants under ORS 348.394 to 348.406.

26 “**SECTION 8.** ORS 327.019 is amended to read:

27 “327.019. (1) As used in this section:

28 “(a) ‘Education service district extended ADMw’ means the sum of the extended ADMw of the
29 school districts located within the territory of the education service district as computed under ORS
30 327.013.

31 “(b) ‘Local revenues of an education service district’ means the total of the following:

32 “(A) The amount of revenue offset against local property taxes as determined by the Department
33 of Revenue under ORS 311.175 (3)(a)(A);

34 “(B) The amount of property taxes actually received by the district including penalties and in-
35 terest on taxes;

36 “(C) The amount of revenue received by the district from state-managed forestlands under ORS
37 530.115 (1)(b) and (c); and

38 “(D) Any positive amount obtained by subtracting the operating property taxes actually imposed
39 by the district based on the rate certified pursuant to ORS 310.060 from the amount that would have
40 been imposed by the district if the district had certified the maximum rate of operating property
41 taxes allowed by law.

42 “(2) Each fiscal year, the Superintendent of Public Instruction shall calculate a State School
43 Fund grant for each education service district as provided in this section.

44 “(3)(a) Each fiscal year, the superintendent shall calculate the total amount appropriated or al-
45 located to the State School Fund and available for distribution to school districts, education service

1 districts[,] **and** programs [*and the Office of Regional Educational Services*] + total amount of local
2 revenues of all school districts, computed as provided in ORS 327.011, + total amount of local re-
3 venues of all education service districts. The superintendent may not include in the calculation un-
4 der this paragraph amounts received by the Department of Education from the State School Fund
5 under ORS 343.243.

6 “(b) The superintendent shall multiply the amount calculated under paragraph (a) of this sub-
7 section by 95.5 percent.

8 “(c) Based on the amount calculated under paragraph (b) of this subsection, the superintendent
9 shall calculate a funding percentage to distribute as nearly as practicable under ORS 327.006 to
10 327.133 and 327.348 the total amount calculated under paragraph (b) of this subsection as school
11 district general purpose grants, facility grants, high cost disabilities grants and transportation
12 grants to school districts.

13 “(d) Based on the funding percentage calculated under paragraph (c) of this subsection, the su-
14 perintendent shall calculate the general purpose grant, facility grant, transportation grant and high
15 cost disabilities grant amounts for each school district.

16 “(4)(a) The general services grant for an education service district shall equal the higher of:

17 “(A) The total amount calculated under subsection (3)(d) of this section for the school districts
18 located within the territory of the education service district $\times (4.5 \div 95.5)$; or

19 “(B) \$1 million if the education service district received a general services grant of \$1 million
20 for the 2010-2011 school year.

21 “(b) Notwithstanding paragraph (a) of this subsection and only for State School Fund distrib-
22 utions made for the first school year after two or more education service districts join together, if
23 an education service district received a general services grant as provided by paragraph (a)(B) of
24 this subsection prior to the education service district joining together with one or more other edu-
25 cation service districts to form a new education service district:

26 “(A) The general services grant for the new education service district shall be calculated for
27 each component education service district as though the component education service districts had
28 not joined together to form a new education service district; and

29 “(B) A component education service district that received \$1 million as provided by paragraph
30 (a)(B) of this subsection shall be entitled to receive \$1 million under the calculation provided by this
31 paragraph.

32 “(5) Subject to subsection (6) of this section, the State School Fund grant for an education ser-
33 vice district = general services grant – local revenues of the education service district.

34 “(6)(a) After completing the calculations under subsections (2) to (5) of this section, the Super-
35 intendent of Public Instruction shall apportion from the State School Fund to each education service
36 district an amount = (funding percentage \times general services grant) – local revenues of the educa-
37 tion service district.

38 “(b) The funding percentage used in paragraph (a) of this subsection shall be calculated by the
39 superintendent to distribute as nearly as practicable the total amount available for distribution to
40 education service districts from the State School Fund for each fiscal year.

41 “(7) Notwithstanding subsections (5) and (6) of this section:

42 “(a) The State School Fund grant of an education service district may not be less than zero; and

43 “(b) The State School Fund grant of an education service district shall be in an amount that,
44 when combined with the local revenues of the education service district, equals \$1 million or more.

45 “(8) An education service district shall distribute to school districts located within the territory

1 of the education service district any amount of local revenues of the education service district that
2 is greater than the general services grant. The amount that each school district receives under this
3 subsection shall be prorated based on the district extended ADMw of the school district as calcu-
4 lated under ORS 327.013.

5 “(9)(a) An education service district shall distribute to a school district that is located within
6 the territory of the education service district but that has withdrawn from the education service
7 district as provided in ORS 334.015 the amounts received by the education service district as a
8 general services grant and from the School Improvement Fund.

9 “(b) The amounts that a school district receives under this subsection:

10 “(A) Shall be prorated based on the district extended ADMw of the school district as calculated
11 under ORS 327.013;

12 “(B) Shall equal 90 percent of the school district’s prorated share, as calculated under subpara-
13 graph (A) of this paragraph; and

14 “(C) May be used to pay for any expenses incurred in providing services described in ORS
15 334.175 (2) to the students of the school district by:

16 “(i) The school district;

17 “(ii) The education service district from which the school district withdrew;

18 “(iii) An education service district that is not the education service district from which the
19 school district withdrew; or

20 “(iv) Any other public entity with which the school district has entered into a contract to pro-
21 vide the services.

22 **“SECTION 9. The amendments to ORS 294.383, 327.008 and 327.019 by sections 6 to 8 of
23 this 2013 Act and the repeal of ORS 327.009 by section 5 of this 2013 Act apply to State School
24 Fund distributions commencing with the 2013-2014 distributions.**

25 **“SECTION 10.** ORS 329.488 is amended to read:

26 “329.488. (1) The Department of Education shall contract with a nonprofit entity to administer
27 a nationally normed assessment, in collaboration with the department, to all students in grade 10
28 who are enrolled in a public school. The purpose of the assessment is to predict the success of stu-
29 dents on, and provide practice for students taking, college entrance exams.

30 “(2) The department shall base the selection of the contractor under subsection (1) of this sec-
31 tion on all of the following criteria:

32 “(a) The contractor must be able to provide to the department statewide data containing the
33 results of the assessment;

34 “(b) The contractor shall provide an assessment that:

35 “(A) Identifies students with high potential to excel in advanced placement (AP) or other honors
36 courses based on a research-based correlation of scores on the grade 10 assessment to advanced
37 placement examinations;

38 “(B) Examines students in mathematics, reading and writing; and

39 “(C) Provides results that can be used by Oregon’s higher education institutions to recruit stu-
40 dents to attend college;

41 “(c) The contractor must be able to supply schools with an item-by-item analysis of student
42 performance on the assessment; and

43 “(d) The contractor must be able to make available to each student taking the assessment a free
44 career assessment and online exploration of colleges and career opportunities.

45 “(3)(a) In lieu of using the contractor selected by the department under subsection (1) of this

1 section, a school district may apply to the department for a waiver to allow the district to enter into
2 a contract with a different nonprofit entity for the purpose of administering a nationally normed
3 assessment to all students in grade 10 who are enrolled in the public schools operated by the dis-
4 trict. The department shall grant the waiver if:

5 “(A) The district had entered into a contract with the entity for the 2007-2008 school year to
6 administer a grade 10 assessment;

7 “(B) The entity, in coordination with the district, administered a grade 10 assessment during the
8 2007-2008 school year;

9 “(C) For the most recent school year in which the entity administered a grade 10 assessment,
10 the entity met the criteria set forth in subsection (2) of this section as in effect for the school year
11 in which the entity administered the assessment; and

12 “(D) The entity plans to meet the criteria set forth in subsection (2) of this section as in effect
13 for the school year for which the school district seeks a waiver.

14 “(b) A waiver granted by the department under this subsection:

15 “(A) Is valid for one school year; and

16 “(B) May be renewed each school year.

17 “(c) The department shall reimburse a school district for the cost of assessments allowed under
18 this subsection from funds available to the department under ORS 327.008 [(10)] (9).

19 “(4) Notwithstanding subsections (1) and (3) of this section:

20 “(a) The department may, under rules adopted by the State Board of Education, waive the as-
21 sessment for specific groups of students; and

22 “(b) Upon request from a student who is enrolled in a public school operated by a school district
23 or the parent or guardian of the student, the school district shall waive the assessment for the stu-
24 dent.

25 “**SECTION 11. (1) The Network of Quality Teaching and Learning Fund is established in**
26 **the State Treasury, separate and distinct from the General Fund. Interest earned by the**
27 **Network of Quality Teaching and Learning Fund shall be credited to the General Fund.**

28 “**(2) Moneys in the Network of Quality Teaching and Learning Fund are continuously**
29 **appropriated to the Department of Education for the Network of Quality Teaching and**
30 **Learning established by section 1, chapter _____, Oregon Laws 2013 (Enrolled House Bill**
31 **3233).**

32 “**(3) The Department of Education, on behalf of the State of Oregon, may solicit and ac-**
33 **cept gifts, grants or donations from public and private sources for the Network of Quality**
34 **Teaching and Learning. Moneys received under this subsection shall be deposited into the**
35 **Network of Quality Teaching and Learning Fund.**

36 “**SECTION 12. If House Bill 3233 does not become law, section 11 of this 2013 Act is re-**
37 **pealed.**

38 “**SECTION 13.** If House Bill 3233 becomes law, ORS 327.008, as amended by section 3, chapter
39 91, Oregon Laws 2012, and section 7 of this 2013 Act, is amended to read:

40 “327.008. (1) There is established a State School Fund in the General Fund. The fund shall con-
41 sist of moneys appropriated by the Legislative Assembly and moneys transferred from the Education
42 Stability Fund. The State School Fund is continuously appropriated to the Department of Education
43 for the purposes of ORS 327.006 to 327.077, 327.095, 327.099, 327.101, 327.125, 327.137, 327.348,
44 336.575, 336.580, 336.635, 342.173, 343.243, 343.533 and 343.961.

45 “(2) There shall be apportioned from the State School Fund to each school district a State

1 School Fund grant, consisting of the positive amount equal to a general purpose grant and a facility
2 grant and a transportation grant and a high cost disabilities grant minus local revenue, computed
3 as provided in ORS 327.011 and 327.013.

4 “(3) There shall be apportioned from the State School Fund to each education service district
5 a State School Fund grant as calculated under ORS 327.019.

6 “(4) All figures used in the determination of the distribution of the State School Fund shall be
7 estimates for the same year as the distribution occurs, unless otherwise specified.

8 “(5) Numbers of students in average daily membership used in the distribution formula shall be
9 the numbers as of June of the year of distribution.

10 “(6) A school district may not use the portion of the State School Fund grant that is attributable
11 to the facility grant for capital construction costs.

12 “(7) The total amount of the State School Fund that is distributed as facility grants may not
13 exceed [§25] **\$20** million in any biennium. If the total amount to be distributed as facility grants
14 exceeds this limitation, the Department of Education shall prorate the amount of funds available for
15 facility grants among those school districts that qualified for a facility grant.

16 “(8) Each fiscal year, the Department of Education shall transfer the amount of \$18 million from
17 the State School Fund to the High Cost Disabilities Account established in ORS 327.348.

18 “(9)(a) **Each biennium, the Department of Education shall transfer \$33 million from the**
19 **State School Fund to the Network of Quality Teaching and Learning Fund established under**
20 **section 11 of this 2013 Act.**

21 “(b) **For the purpose of making the transfer under this subsection:**

22 “(A) **The total amount available for all distributions from the State School Fund shall be**
23 **reduced by \$5 million;**

24 “(B) **The amount distributed to school districts from the State School Fund under this**
25 **section and ORS 327.013 shall be reduced by \$14 million; and**

26 “(C) **The amount distributed to education service districts from the State School Fund**
27 **under this section and ORS 327.019 shall be reduced by \$14 million.**

28 “(c) **For each biennium, the amounts identified in paragraph (b)(B) and (C) of this sub-**
29 **section shall be adjusted by the same percentage by which the amount appropriated to the**
30 **State School Fund for that biennium is increased or decreased compared to the preceding**
31 **biennium, as determined by the Department of Education after consultation with the Legis-**
32 **lative Fiscal Officer.**

33 “[9] (10) Each fiscal year, the Department of Education may expend up to \$550,000 from the
34 State School Fund for the contract described in ORS 329.488. The amount distributed to education
35 service districts from the State School Fund under this section and ORS 327.019 shall be reduced
36 by the amount expended by the department under this subsection.

37 “[10] (11) Each biennium, the Department of Education may expend up to \$350,000 from the
38 State School Fund to provide administration of and support for the development of talented and
39 gifted education under ORS 343.404.

40 “[11] (12) Each biennium, the Department of Education may expend up to \$150,000 from the
41 State School Fund for the administration of a program to increase the number of speech-language
42 pathologists and speech-language pathology assistants under ORS 348.394 to 348.406.

43 “**SECTION 14. If House Bill 3233 becomes law:**

44 “(1) **The amendments to ORS 327.008 by section 13 of this 2013 Act apply to State School**
45 **Fund distributions commencing with the 2013-2014 distributions.**

1 **“(2) Notwithstanding ORS 327.008 (9)(c), the amounts identified in ORS 327.008 (9)(b)(B)**
2 **and (C) shall first be adjusted beginning in the 2015-2017 biennium.**

3 **“SECTION 15.** If House Bill 3233 becomes law, ORS 329.488, as amended by section 10 of this
4 2013 Act, is amended to read:

5 “329.488. (1) The Department of Education shall contract with a nonprofit entity to administer
6 a nationally normed assessment, in collaboration with the department, to all students in grade 10
7 who are enrolled in a public school. The purpose of the assessment is to predict the success of stu-
8 dents on, and provide practice for students taking, college entrance exams.

9 “(2) The department shall base the selection of the contractor under subsection (1) of this sec-
10 tion on all of the following criteria:

11 “(a) The contractor must be able to provide to the department statewide data containing the
12 results of the assessment;

13 “(b) The contractor shall provide an assessment that:

14 “(A) Identifies students with high potential to excel in advanced placement (AP) or other honors
15 courses based on a research-based correlation of scores on the grade 10 assessment to advanced
16 placement examinations;

17 “(B) Examines students in mathematics, reading and writing; and

18 “(C) Provides results that can be used by Oregon’s higher education institutions to recruit stu-
19 dents to attend college;

20 “(c) The contractor must be able to supply schools with an item-by-item analysis of student
21 performance on the assessment; and

22 “(d) The contractor must be able to make available to each student taking the assessment a free
23 career assessment and online exploration of colleges and career opportunities.

24 “(3)(a) In lieu of using the contractor selected by the department under subsection (1) of this
25 section, a school district may apply to the department for a waiver to allow the district to enter into
26 a contract with a different nonprofit entity for the purpose of administering a nationally normed
27 assessment to all students in grade 10 who are enrolled in the public schools operated by the dis-
28 trict. The department shall grant the waiver if:

29 “(A) The district had entered into a contract with the entity for the 2007-2008 school year to
30 administer a grade 10 assessment;

31 “(B) The entity, in coordination with the district, administered a grade 10 assessment during the
32 2007-2008 school year;

33 “(C) For the most recent school year in which the entity administered a grade 10 assessment,
34 the entity met the criteria set forth in subsection (2) of this section as in effect for the school year
35 in which the entity administered the assessment; and

36 “(D) The entity plans to meet the criteria set forth in subsection (2) of this section as in effect
37 for the school year for which the school district seeks a waiver.

38 “(b) A waiver granted by the department under this subsection:

39 “(A) Is valid for one school year; and

40 “(B) May be renewed each school year.

41 “(c) The department shall reimburse a school district for the cost of assessments allowed under
42 this subsection from funds available to the department under ORS 327.008 [(9)] (10).

43 “(4) Notwithstanding subsections (1) and (3) of this section:

44 “(a) The department may, under rules adopted by the State Board of Education, waive the as-
45 sessment for specific groups of students; and

1 “(b) Upon request from a student who is enrolled in a public school operated by a school district
2 or the parent or guardian of the student, the school district shall waive the assessment for the stu-
3 dent.”.

4 In line 17, delete “3” and insert “16”.

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