

HOUSE AMENDMENTS TO A-ENGROSSED HOUSE BILL 3401

By JOINT COMMITTEE ON WAYS AND MEANS

July 1

- 1 On page 1 of the printed A-engrossed bill, line 2, delete “appropriat”.
2 In line 3, delete “ing money;”.
- 3 Delete lines 5 through 22 and delete pages 2 and 3 and insert:
4 **“SECTION 1.** ORS 334.177 is amended to read:
5 **“334.177. (1)** As used in this section, ‘local revenues of an education service district’ has the
6 meaning given that term in ORS 327.019 but does not include any local revenues distributed under
7 ORS 327.019 (8).
8 **“(2)** An education service district board shall expend at least 90 percent of all amounts received
9 from the State School Fund and at least 90 percent of all amounts considered to be local revenues
10 of an education service district on services or programs that have been approved by the component
11 school districts of the education service district through the resolution process described in ORS
12 334.175.
13 **“(3)(a)** **Notwithstanding subsection (2) of this section, the school district board of a school**
14 **district that is located in a region described in ORS 334.013 (1)(a), (e) or (i) may request in**
15 **writing that a percentage of the amounts identified in subsection (2) of this section be dis-**
16 **tributed to the school district for any purpose identified by the school district board. The**
17 **percentage requested as provided by this paragraph may not exceed:**
18 **“(A)** Sixty-five percent of all amounts received from the State School Fund and attrib-
19 **utable to the school district and 65 percent of all amounts considered to be local revenues**
20 **of the education service district and attributable to the school district; or**
21 **“(B)** Seventy-five percent of all amounts received from the State School Fund and at-
22 **tributable to the school district and 75 percent of all amounts considered to be local revenues**
23 **of the education service district and attributable to the school district, if the school district**
24 **board is able to provide evidence that the school district meets the expenditure requirement**
25 **described in paragraph (b) of this subsection.**
26 **“(b)** A school district board may request the percentage identified in paragraph (a)(B) of
27 **this subsection if the school district expends at least the difference between paragraph (a)(B)**
28 **of this subsection and paragraph (a)(A) of this subsection on services from one or more ed-**
29 **ucation service districts other than the education service district in which the school district**
30 **is located.**
31 **“(c)** A school district board that makes a request under paragraph (a) of this subsection:
32 **“(A)** Must make the request to the education service district board by November 1 of the
33 **year prior to the school year for which the request is being made; and**
34 **“(B)** Must designate the percentage of the amounts identified in subsection (2) of this
35 **section that will be distributed to the school district.**

1 “(d) **The education service district board:**

2 “(A) **Shall approve a request submitted as provided by this subsection; and**

3 “(B) **Shall determine the amounts attributable to the school district and eligible for dis-**
4 **tribution based on the weighted average daily membership (ADMw) of the school district for**
5 **which the request was made.**

6 “(e) **For each school year for which a school district receives a distribution as provided**
7 **by this subsection, the school district may act only in an advisory capacity for decisions**
8 **made in relation to the governance of the education service district if the school district**
9 **board designates a percentage under paragraph (a) of this subsection that is greater than**
10 **50 percent.**

11 “[(3)] (4) An education service district board shall expend 100 percent of all amounts received
12 from the School Improvement Fund on services or programs that have been approved by the com-
13 ponent school districts of the education service district through the resolution process described in
14 ORS 334.175.

15 “[(4)] (5) The expenditure requirements of this section apply only to amounts retained by the
16 education service district after making any distributions required under ORS 327.019 (9).

17 “**SECTION 2. The amendments to ORS 334.177 by section 1 of this 2013 Act first apply to**
18 **expenditures occurring for the 2014-2015 school year.**

19 “**SECTION 3.** ORS 334.177, as amended by section 1 of this 2013 Act, is amended to read:

20 “334.177. (1) As used in this section, ‘local revenues of an education service district’ has the
21 meaning given that term in ORS 327.019 but does not include any local revenues distributed under
22 ORS 327.019 (8).

23 “(2) An education service district board shall expend at least 90 percent of all amounts received
24 from the State School Fund and at least 90 percent of all amounts considered to be local revenues
25 of an education service district on services or programs that have been approved by the component
26 school districts of the education service district through the resolution process described in ORS
27 334.175.

28 “(3)(a) Notwithstanding subsection (2) of this section, the school district board of a school dis-
29 trict that is located in a region described in ORS 334.013 (1)(a), (e) or (i) may request in writing that
30 a percentage of the amounts identified in subsection (2) of this section be distributed to the school
31 district for any purpose identified by the school district board. The percentage requested as provided
32 by this paragraph may not exceed:

33 “(A) [Sixty-five] **Seventy-five** percent of all amounts received from the State School Fund and
34 attributable to the school district and [65] **75** percent of all amounts considered to be local revenues
35 of the education service district and attributable to the school district; or

36 “(B) [Seventy-five] **Eighty-five** percent of all amounts received from the State School Fund and
37 attributable to the school district and [75] **85** percent of all amounts considered to be local revenues
38 of the education service district and attributable to the school district, if the school district board
39 is able to provide evidence that the school district meets the expenditure requirement described in
40 paragraph (b) of this subsection.

41 “(b) A school district board may request the percentage identified in paragraph (a)(B) of this
42 subsection if the school district expends at least the difference between paragraph (a)(B) of this
43 subsection and paragraph (a)(A) of this subsection on services from one or more education service
44 districts other than the education service district in which the school district is located.

45 “(c) A school district board that makes a request under paragraph (a) of this subsection:

1 “(A) Must make the request to the education service district board by November 1 of the year
2 prior to the school year for which the request is being made; and

3 “(B) Must designate the percentage of the amounts identified in subsection (2) of this section
4 that will be distributed to the school district.

5 “(d) The education service district board:

6 “(A) Shall approve a request submitted as provided by this subsection; and

7 “(B) Shall determine the amounts attributable to the school district and eligible for distribution
8 based on the weighted average daily membership (ADMw) of the school district for which the re-
9 quest was made.

10 “(e) For each school year for which a school district receives a distribution as provided by this
11 subsection, the school district may act only in an advisory capacity for decisions made in relation
12 to the governance of the education service district if the school district board designates a per-
13 centage under paragraph (a) of this subsection that is greater than 50 percent.

14 “(4) An education service district board shall expend 100 percent of all amounts received from
15 the School Improvement Fund on services or programs that have been approved by the component
16 school districts of the education service district through the resolution process described in ORS
17 334.175.

18 “(5) The expenditure requirements of this section apply only to amounts retained by the educa-
19 tion service district after making any distributions required under ORS 327.019 (9).

20 “**SECTION 4. (1) The amendments to ORS 334.177 by section 3 of this 2013 Act become**
21 **operative July 1, 2015.**

22 “**(2) The amendments to ORS 334.177 by section 3 of this 2013 Act first apply to expen-**
23 **ditures occurring for the 2015-2016 school year.**

24 “**SECTION 5.** ORS 334.177, as amended by sections 1 and 3 of this 2013 Act, is amended to read:

25 “334.177. (1) As used in this section, ‘local revenues of an education service district’ has the
26 meaning given that term in ORS 327.019 but does not include any local revenues distributed under
27 ORS 327.019 (8).

28 “(2) An education service district board shall expend at least 90 percent of all amounts received
29 from the State School Fund and at least 90 percent of all amounts considered to be local revenues
30 of an education service district on services or programs that have been approved by the component
31 school districts of the education service district through the resolution process described in ORS
32 334.175.

33 “(3)(a) Notwithstanding subsection (2) of this section, the school district board of a school dis-
34 trict that is located in a region described in ORS 334.013 (1)(a), (e) or (i) may request in writing that
35 a percentage of the amounts identified in subsection (2) of this section be distributed to the school
36 district for any purpose identified by the school district board. [*The percentage requested as provided*
37 *by this paragraph may not exceed.*]

38 “[*(A) Seventy-five percent of all amounts received from the State School Fund and attributable to*
39 *the school district and 75 percent of all amounts considered to be local revenues of the education service*
40 *district and attributable to the school district; or]*

41 “[*(B) Eighty-five percent of all amounts received from the State School Fund and attributable to*
42 *the school district and 85 percent of all amounts considered to be local revenues of the education service*
43 *district and attributable to the school district, if the school district board is able to provide evidence*
44 *that the school district meets the expenditure requirement described in paragraph (b) of this*
45 *subsection.*]

1 “(b) A school district board may request the percentage identified in paragraph (a)(B) of this
2 subsection if the school district expends at least the difference between paragraph (a)(B) of this sub-
3 section and paragraph (a)(A) of this subsection on services from one or more education service districts
4 other than the education service district in which the school district is located.]

5 “[(c)] (b) A school district board that makes a request under paragraph (a) of this subsection:

6 “(A) Must make the request to the education service district board by November 1 of the year
7 prior to the school year for which the request is being made; and

8 “(B) Must designate the percentage of the amounts identified in subsection (2) of this section
9 that will be distributed to the school district.

10 “[(d)] (c) The education service district board:

11 “(A) Shall approve a request submitted as provided by this subsection; and

12 “(B) Shall determine the amounts attributable to the school district and eligible for distribution
13 based on the weighted average daily membership (ADMw) of the school district for which the re-
14 quest was made.

15 “[(e)] (d) For each school year for which a school district receives a distribution as provided
16 by this subsection[.]:

17 “(A) The school district may act only in an advisory capacity for decisions made in relation to
18 the governance of the education service district if the school district board designates a percentage
19 under paragraph (a) of this subsection that is greater than 50 percent[.] **but less than 100 percent;**
20 **and**

21 “(B) **Notwithstanding ORS 334.015 and 334.019, the school district shall be considered to**
22 **have withdrawn from the education service district in the manner provided by ORS 334.015**
23 **if the school district board designates a percentage under paragraph (a) of this subsection**
24 **that is 100 percent.**

25 “(4) An education service district board shall expend 100 percent of all amounts received from
26 the School Improvement Fund on services or programs that have been approved by the component
27 school districts of the education service district through the resolution process described in ORS
28 334.175.

29 “(5) The expenditure requirements of this section apply only to amounts retained by the educa-
30 tion service district after making any distributions required under ORS 327.019 (9).

31 “**SECTION 6. (1) The amendments to ORS 334.177 by section 5 of this 2013 Act become**
32 **operative July 1, 2016.**

33 “(2) **The amendments to ORS 334.177 by section 5 of this 2013 Act first apply to expen-**
34 **ditures occurring for the 2016-2017 school year.**

35 “**SECTION 7. (1) The President of the Senate and the Speaker of the House of Repre-**
36 **sentatives shall jointly convene a work group to:**

37 “(a) **Explore options for optimal regional education delivery systems; and**

38 “(b) **Propose legislation related to the findings of the work group.**

39 “(2) **The work group shall consist of the following 10 members:**

40 “(a) **Two members selected by the President of the Senate from among members of the**
41 **Senate.**

42 “(b) **Two members selected by the Speaker of the House of Representatives from among**
43 **members of the House of Representatives.**

44 “(c) **Six members jointly selected by the President of the Senate and the Speaker of the**
45 **House of Representatives to represent:**

1 **“(A) The Department of Education;**
2 **“(B) The Confederation of Oregon School Administrators;**
3 **“(C) The Oregon School Boards Association;**
4 **“(D) The Oregon Association of Education Service Districts;**
5 **“(E) The Oregon Education Association; and**
6 **“(F) The Oregon School Employees Association.**
7 **“(3) The members of the work group identified in subsection (2)(c)(B) to (F) of this sec-**
8 **tion shall provide staff support to the work group.**
9 **“(4) The work group shall submit a report, and include recommendations for legislation,**
10 **to the interim legislative committees on education no later than November 20, 2013.**
11 **“SECTION 8. Section 7 of this 2013 Act is repealed on the date of the convening of the**
12 **2014 regular session of the Legislative Assembly as specified in ORS 171.010.**
13 **“SECTION 9. Representatives of the education service districts of the regions identified**
14 **in ORS 334.177 (3)(a) and representatives of any school districts that make a request for a**
15 **distribution of amounts as provided in ORS 334.177 (3) shall submit a report to the interim**
16 **legislative committees related to education no later than November 1, 2016.**
17 **“SECTION 10. This 2013 Act being necessary for the immediate preservation of the public**
18 **peace, health and safety, an emergency is declared to exist, and this 2013 Act takes effect**
19 **July 1, 2013.”.**
20
