

Senate Bill 105

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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**.

Clarifies method by which moneys are transferred from State School Fund to Regional Educational Services Account for use by Office of Regional Educational Services.

Declares emergency, effective July 1, 2013.

A BILL FOR AN ACT

1
2 Relating to the Office of Regional Educational Services; creating new provisions; amending ORS
3 294.383, 327.008, 329.488 and 334.820; repealing ORS 327.009; and declaring an emergency.

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

5 **SECTION 1.** ORS 327.008, as amended by section 3, chapter 91, Oregon Laws 2012, is amended
6 to read:

7 327.008. (1) There is established a State School Fund in the General Fund. The fund shall consist
8 of moneys appropriated by the Legislative Assembly and moneys transferred from the Education
9 Stability Fund. The State School Fund is continuously appropriated to the Department of Education
10 for the purposes of ORS 327.006 to 327.077, 327.095, 327.099, 327.101, 327.125, 327.137, 327.348,
11 336.575, 336.580, 336.635, 342.173, 343.243, 343.533 and 343.961.

12 (2) There shall be apportioned from the State School Fund to each school district a State School
13 Fund grant, consisting of the positive amount equal to a general purpose grant and a facility grant
14 and a transportation grant and a high cost disabilities grant minus local revenue, computed as pro-
15 vided in ORS 327.011 and 327.013.

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

18 *[(4) There shall be apportioned from the State School Fund the amount to be transferred to the*
19 *Regional Educational Services Account as calculated under ORS 327.009.]*

20 *[(5)]* (4) All figures used in the determination of the distribution of the State School Fund shall
21 be estimates for the same year as the distribution occurs, unless otherwise specified.

22 *[(6)]* (5) Numbers of students in average daily membership used in the distribution formula shall
23 be the numbers as of June of the year of distribution.

24 *[(7)]* (6) A school district may not use the portion of the State School Fund grant that is at-
25 tributable to the facility grant for capital construction costs.

26 *[(8)]* (7) The total amount of the State School Fund that is distributed as facility grants may not
27 exceed \$25 million in any biennium. If the total amount to be distributed as facility grants exceeds
28 this limitation, the Department of Education shall prorate the amount of funds available for facility
29 grants among those school districts that qualified for a facility grant.

30 *[(9)]* (8) Each fiscal year, the Department of Education shall transfer the amount of \$18 million

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 from the State School Fund to the High Cost Disabilities Account established in ORS 327.348.

2 [(10)] (9) Each fiscal year, the Department of Education may expend up to \$550,000 from the
3 State School Fund for the contract described in ORS 329.488. The amount distributed to education
4 service districts from the State School Fund under this section and ORS 327.019 shall be reduced
5 by the amount expended by the department under this subsection.

6 (10)(a) **Each biennium, the Department of Education may expend up to \$500,000 from the
7 State School Fund for the administration of the Office of Regional Educational Services es-
8 tablished by ORS 334.800.**

9 (b) **Each biennium, the Superintendent of Public Instruction shall transfer the amount
10 to be expended as provided by paragraph (a) of this subsection from the State School Fund
11 to the Regional Educational Services Account established by ORS 334.820.**

12 (c) **The amount distributed to education service districts from the State School Fund
13 under this section and ORS 327.019 shall be reduced by the amount expended by the depart-
14 ment as provided by this subsection.**

15 (11) Each biennium, the Department of Education may expend up to \$350,000 from the State
16 School Fund to provide administration of and support for the development of talented and gifted
17 education under ORS 343.404.

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

21 **SECTION 2.** ORS 334.820 is amended to read:

22 334.820. (1) The Regional Educational Services Account is established in the State Treasury,
23 separate and distinct from the General Fund. Interest earned by the Regional Educational Services
24 Account shall be credited to the account. Except as limited by subsection (2) of this section, moneys
25 in the account are continuously appropriated to the Office of Regional Educational Services.

26 (2) **Except for moneys received as provided in ORS 334.800 (7),** the Office of Regional Edu-
27 cational Services may **not** expend or otherwise obligate [*no*] more than \$500,000 per biennium from
28 the Regional Educational Services Account. [*The Director of the Office of Regional Educational Ser-
29 vices shall establish a schedule that allows for the periodic transfer of moneys in the account that are
30 in excess of the moneys allowed to the Office of Regional Educational Services under this subsection.
31 Transfers shall be made to the State School Fund for distribution to school districts as provided by
32 ORS 327.013 and this section.*]

33 (3) On June 30 of each odd-numbered year, all moneys in the account that are unexpended, un-
34 obligated and not subject to any conditions shall transfer to the State School Fund for distribution
35 to school districts as provided by ORS 327.013 [*and this section*].

36 (4) For the purpose of distributions made as provided by this section, the Superintendent of
37 Public Instruction:

38 (a) May not include any amounts transferred to the State School Fund under this section when
39 making calculations described in ORS 327.019 (3)(a).

40 (b) May not distribute to education service districts or the Office of Regional Educational Ser-
41 vices any moneys transferred to the State School Fund as provided by this section.

42 [*(c) Shall distribute to school districts any moneys received under this section based on the sched-
43 ular described in ORS 327.095.*]

44 **SECTION 3.** ORS 294.383 is amended to read:

45 294.383. (1) As used in this section, "extended ADMw" means:

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

2 (b) For an education service district, the sum of the extended ADMw of the school districts lo-
 3 cated within the territory of the education service district.

4 (2) Notwithstanding ORS 294.333, a school district or education service district that uses the
 5 accrual basis method of accounting may include as accrued revenues in the budget and financial
 6 statement of the school district or education service district, for any fiscal year, an amount from the
 7 next fiscal year that is to be received in the next fiscal year. The amount accrued under this section
 8 may not be greater than the amount calculated under subsection (3)(b) or (c) of this section multi-
 9 plied by the extended ADMw of the school district or education service district.

10 (3)(a) For each fiscal year, the Department of Education shall calculate the amount available in
 11 the State School Fund for grants and distributions to school districts and the amount available for
 12 grants and distributions to education service districts under ORS 327.008, 327.013 and 327.019 based
 13 on the appropriations and allocations made to the State School Fund for that fiscal year by the
 14 Legislative Assembly in regular session. The department may not include in the amount calculated
 15 to be available for school districts and education service districts under this paragraph the amounts
 16 received by the Youth Corrections Education Program and the Juvenile Detention Education Pro-
 17 gram under ORS 327.026 from the State School Fund or amounts transferred to the Regional Edu-
 18 cational Services Account as provided by [ORS 327.009] **ORS 327.008 (10)(b)**.

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

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

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

28 (e) Notwithstanding paragraph (d) of this subsection, the department may not adjust the calcu-
 29 lation under paragraph (a) of this subsection based on changes made to the appropriations or allo-
 30 cations to the State School Fund by the Legislative Assembly in special session or by rule of the
 31 Oregon Department of Administrative Services relating to allotting funds.

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

39 **SECTION 4.** ORS 329.488 is amended to read:

40 329.488. (1) The Department of Education shall contract with a nonprofit entity to administer a
 41 nationally normed assessment, in collaboration with the department, to all students in grade 10 who
 42 are enrolled in a public school. The purpose of the assessment is to predict the success of students
 43 on, and provide practice for students taking, college entrance exams.

44 (2) The department shall base the selection of the contractor under subsection (1) of this section
 45 on all of the following criteria:

1 (a) The contractor must be able to provide to the department statewide data containing the re-
2 sults of the assessment;

3 (b) The contractor shall provide an assessment that:

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

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

8 (C) Provides results that can be used by Oregon's higher education institutions to recruit stu-
9 dents to attend college;

10 (c) The contractor must be able to supply schools with an item-by-item analysis of student per-
11 formance on the assessment; and

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

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

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

21 (B) The entity, in coordination with the district, administered a grade 10 assessment during the
22 2007-2008 school year;

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

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

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

29 (A) Is valid for one school year; and

30 (B) May be renewed each school year.

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

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

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

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

39 **SECTION 5. ORS 327.009 is repealed.**

40 **SECTION 6. The amendments to ORS 327.008 and 334.820 by sections 1 and 2 of this 2013**
41 **Act and the repeal of ORS 327.009 by section 5 of this 2013 Act apply to State School Fund**
42 **distributions commencing with the 2013-2014 distributions.**

43 **SECTION 7. This 2013 Act being necessary for the immediate preservation of the public**
44 **peace, health and safety, an emergency is declared to exist, and this 2013 Act takes effect**
45 **July 1, 2013.**

