

**PROPOSED AMENDMENTS TO
HOUSE BILL 3401**

1 On page 1 of the printed bill, line 2, after “provisions;” delete the rest
2 of the line and line 3 and insert “amending ORS 334.177; appropriating
3 money; and declaring an emergency.”.

4 Delete lines 5 through 30 and delete pages 2 and 3 and insert:

5 **“SECTION 1. ORS 334.177 is amended to read:**

6 “334.177. (1) As used in this section, ‘local revenues of an education ser-
7 vice district’ has the meaning given that term in ORS 327.019 but does not
8 include any local revenues distributed under ORS 327.019 (8).

9 “(2) An education service district board shall expend at least 90 percent
10 of all amounts received from the State School Fund and at least 90 percent
11 of all amounts considered to be local revenues of an education service dis-
12 trict on services or programs that have been approved by the component
13 school districts of the education service district through the resolution pro-
14 cess described in ORS 334.175.

15 **“(3)(a) Notwithstanding subsection (2) of this section, the school**
16 **district board of a school district that is located in a region described**
17 **in ORS 334.013 (1)(a), (e) or (i) may request in writing that amounts**
18 **identified in subsection (2) of this section be distributed to the school**
19 **district for any purpose identified by the school district board.**

20 **“(b) A school district board that makes a request under paragraph**
21 **(a) of this subsection:**

22 **“(A) Must make the request to the education service district board**

1 by November 1 of the year prior to the school year for which the re-
2 quest is being made; and

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

6 **“(c) The education service district board:**

7 **“(A) Shall approve a request submitted as provided by this sub-**
8 **section; and**

9 **“(B) Shall make the distribution of amounts based on the weighted**
10 **average daily membership (ADMw) of the school district for which the**
11 **request was made.**

12 **“(d) For each school year for which a school district receives a**
13 **distribution as provided by this subsection:**

14 **“(A) The school district may act only in an advisory capacity for**
15 **decisions made in relation to the governance of the education service**
16 **district if the school district board designates a percentage under**
17 **paragraph (b)(B) of this subsection that is greater than or equal to 50**
18 **percent but less than 100 percent; and**

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

24 **“[(3)] (4) An education service district board shall expend 100 percent of**
25 **all amounts received from the School Improvement Fund on services or pro-**
26 **grams that have been approved by the component school districts of the ed-**
27 **ucation service district through the resolution process described in ORS**
28 **334.175.**

29 **“[(4)] (5) The expenditure requirements of this section apply only to**
30 **amounts retained by the education service district after making any distrib-**

1 utions required under ORS 327.019 (9).

2 **“SECTION 2. (1) Except as provided in subsection (2) of this section,**
3 **the amendments to ORS 334.177 by section 1 of this 2013 Act first apply**
4 **to the 2014-2015 school year.**

5 **“(2) Notwithstanding the deadline specified in ORS 334.177 (3)(b)(A),**
6 **a school district board for a school district located in the region de-**
7 **scribed in ORS 334.013 (1)(e) may make a request to the education**
8 **service district board for that region by no later than June 2013, to**
9 **receive distributions under ORS 334.177 (3) for the 2013-2014 school**
10 **year.**

11 **“SECTION 3. Representatives of the education service districts of**
12 **the regions identified in ORS 334.177 (3)(a) and representatives of any**
13 **school districts that make a request for a distribution of amounts as**
14 **provided by ORS 334.177 (3) shall submit a report to the interim legis-**
15 **lative committees related to education no later than November 1, 2016.**

16 **“SECTION 4. (1) The Education Service District Portability Stability**
17 **Account is established in the State Treasury, separate and distinct**
18 **from the General Fund. Interest earned by the account shall be cred-**
19 **ited to the account.**

20 **“(2) Moneys in the account are continuously appropriated to the**
21 **Office of Regional Educational Services for the purpose of making**
22 **distributions to an education service district that was required to dis-**
23 **tribute to school districts for the 2013-2014 school year at least 50 per-**
24 **cent of the total amounts identified under ORS 334.177 (2) as the result**
25 **of a request made under ORS 334.177 (3). Distributions made to an ed-**
26 **ucation service district under this subsection may not exceed 50 per-**
27 **cent of the total amounts that the education service district was**
28 **required to distribute as provided by ORS 334.177 (3).**

29 **“SECTION 5. (1) Section 4 of this 2013 Act is repealed on June 30,**
30 **2015.**

1 **“(2) Any moneys remaining in the Education Service District Por-**
2 **tability Stability Account on June 30, 2015, that are unexpended, un-**
3 **obligated and not subject to any conditions shall revert to the General**
4 **Fund.**

5 **“SECTION 6. This 2013 Act being necessary for the immediate**
6 **preservation of the public peace, health and safety, an emergency is**
7 **declared to exist, and this 2013 Act takes effect on its passage.”.**

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