

Senate Bill 703

Sponsored by Senator HASS, Representative WHISNANT; Representatives JOHNSON, KOMP, REARDON

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**.

Adjusts methods by which State School Fund distributions are made to school districts for students enrolled in English as a second language program.

Allows for additional weights in State School Fund distributions for students who are enrolled in and earn three or more credits for courses that are part of approved career and technical education program.

Allows for additional weights in State School Fund distributions for historically underserved students who have made specified progress in ninth grade.

Declares emergency, effective July 1, 2015.

A BILL FOR AN ACT

1
2 Relating to State School Fund distributions; creating new provisions; amending ORS 327.006, 327.008,
3 327.013, 329.488, 332.405 and 339.133; and declaring an emergency.

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

5 **SECTION 1.** ORS 327.006 is amended to read:

6 327.006. As used in ORS 327.006 to 327.133, 327.348 and 327.731 and sections 1 to 3, chapter 735,
7 Oregon Laws 2013:

8 (1) "Aggregate days membership" means the sum of days present and absent, according to the
9 rules of the State Board of Education, of all resident pupils when school is actually in session during
10 a certain period. The aggregate days membership of kindergarten pupils shall be calculated on the
11 basis of a half-day program.

12 (2)(a) "Approved transportation costs" means those costs as defined by rule of the State Board
13 of Education and is limited to those costs attributable to transporting or room and board provided
14 in lieu of transporting:

15 (A) Elementary school students who live at least one mile from school;

16 (B) Secondary school students who live at least 1.5 miles from school;

17 (C) Any student required to be transported for health or safety reasons, according to supple-
18 mental plans from districts that have been approved by the state board identifying students who are
19 required to be transported for health or safety reasons, including special education;

20 (D) Preschool children with disabilities requiring transportation for early intervention services
21 provided pursuant to ORS 343.224 and 343.533;

22 (E) Students who require payment of room and board in lieu of transportation;

23 (F) A student transported from one school or facility to another school or facility when the
24 student attends both schools or facilities during the day or week; and

25 (G) Students participating in school-sponsored field trips that are extensions of classroom
26 learning experiences.

27 (b) "Approved transportation costs" does not include the cost of constructing boarding school
28 facilities.

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 (3) “Average daily membership” or “ADM” means the aggregate days membership of a school
 2 during a certain period divided by the number of days the school was actually in session during the
 3 same period. However, if a district school board adopts a class schedule that operates throughout
 4 the year for all or any schools in the district, average daily membership shall be computed by the
 5 Department of Education so that the resulting average daily membership will not be higher or lower
 6 than if the board had not adopted such schedule.

7 (4) “Consumer Price Index” means the Consumer Price Index for All Urban Consumers of the
 8 Portland, Oregon, Metropolitan Statistical Area, as compiled by the United States Department of
 9 Labor, Bureau of Labor Statistics.

10 (5) **“Historically underserved” means students whom educational systems have placed at
 11 risk of not earning a high school diploma because of race, ethnicity, English language profi-
 12 ciency, socioeconomic status or disability.**

13 [(5)] (6) “Kindergarten” means a kindergarten program that conforms to the standards and rules
 14 adopted by the State Board of Education.

15 [(6)] (7) “Net operating expenditures” means the sum of expenditures of a school district in
 16 kindergarten through grade 12 for administration, instruction, attendance and health services, op-
 17 eration of plant, maintenance of plant, fixed charges and tuition for resident students attending in
 18 another district, as determined in accordance with the rules of the State Board of Education, but
 19 net operating expenditures does not include transportation, food service, student body activities,
 20 community services, capital outlay, debt service or expenses incurred for nonresident students.

21 [(7)(a)] (8)(a) “Resident pupil” means any pupil:

22 (A) Whose legal school residence is within the boundaries of a school district reporting the pu-
 23 pil, if the district is legally responsible for the education of the pupil, except that “resident pupil”
 24 does not include a pupil who pays tuition or for whom the parent pays tuition or for whom the
 25 district does not pay tuition for placement outside the district; or

26 (B) Whose legal residence is not within the boundaries of the district reporting the pupil but
 27 who attends school in the district with the written consent of the district school board where the
 28 school is located as provided by ORS 339.133 (5).

29 (b) A pupil is not considered to be a resident pupil under paragraph (a)(A) of this subsection if
 30 the pupil is attending school in another school district pursuant to a contract under ORS 339.125
 31 and in the prior year was considered to be a resident pupil in another school district under para-
 32 graph (a)(B) of this subsection. The pupil shall continue to be considered a resident of another
 33 school district under paragraph (a)(B) of this subsection.

34 (c) A pupil is not considered to be a resident pupil under paragraph (a)(B) of this subsection if
 35 the pupil is attending school in a school district pursuant to ORS 339.133 (5) and in the prior year
 36 was considered to be a resident pupil under paragraph (a)(A) of this subsection because the pupil
 37 was attending school in another school district pursuant to a contract under ORS 339.125. The pupil
 38 shall continue to be considered a resident pupil under paragraph (a)(A) of this subsection.

39 (d) “Resident pupil” includes a pupil admitted to a school district under ORS 339.115 (7).

40 [(8)] (9) “Standard school” means a school meeting the standards set by the rules of the State
 41 Board of Education.

42 [(9)] (10) “Tax” and “taxes” includes all taxes on property, excluding exempt bonded indebt-
 43 edness, as those terms are defined in ORS 310.140.

44 **SECTION 2.** ORS 327.006, as amended by section 7, chapter 704, Oregon Laws 2011, and section
 45 5, chapter 735, Oregon Laws 2013, is amended to read:

1 327.006. As used in ORS 327.006 to 327.133, 327.348 and 327.731:

2 (1) "Aggregate days membership" means the sum of days present and absent, according to the
3 rules of the State Board of Education, of all resident pupils when school is actually in session during
4 a certain period. The aggregate days membership of kindergarten pupils shall be calculated on the
5 basis of a half-day program for half-day kindergarten and on the basis of a full-day program for
6 full-day kindergarten.

7 (2)(a) "Approved transportation costs" means those costs as defined by rule of the State Board
8 of Education and is limited to those costs attributable to transporting or room and board provided
9 in lieu of transporting:

10 (A) Elementary school students who live at least one mile from school;

11 (B) Secondary school students who live at least 1.5 miles from school;

12 (C) Any student required to be transported for health or safety reasons, according to supple-
13 mental plans from districts that have been approved by the state board identifying students who are
14 required to be transported for health or safety reasons, including special education;

15 (D) Preschool children with disabilities requiring transportation for early intervention services
16 provided pursuant to ORS 343.224 and 343.533;

17 (E) Students who require payment of room and board in lieu of transportation;

18 (F) A student transported from one school or facility to another school or facility when the
19 student attends both schools or facilities during the day or week; and

20 (G) Students participating in school-sponsored field trips that are extensions of classroom
21 learning experiences.

22 (b) "Approved transportation costs" does not include the cost of constructing boarding school
23 facilities.

24 (3) "Average daily membership" or "ADM" means the aggregate days membership of a school
25 during a certain period divided by the number of days the school was actually in session during the
26 same period. However, if a district school board adopts a class schedule that operates throughout
27 the year for all or any schools in the district, average daily membership shall be computed by the
28 Department of Education so that the resulting average daily membership will not be higher or lower
29 than if the board had not adopted such schedule.

30 (4) "Consumer Price Index" means the Consumer Price Index for All Urban Consumers of the
31 Portland, Oregon, Metropolitan Statistical Area, as compiled by the United States Department of
32 Labor, Bureau of Labor Statistics.

33 **(5) "Historically underserved" means students whom educational systems have placed at**
34 **risk of not earning a high school diploma because of race, ethnicity, English language profi-**
35 **ciency, socioeconomic status or disability.**

36 [(5)] (6) "Kindergarten" means a kindergarten program that conforms to the standards and rules
37 adopted by the State Board of Education.

38 [(6)] (7) "Net operating expenditures" means the sum of expenditures of a school district in
39 kindergarten through grade 12 for administration, instruction, attendance and health services, op-
40 eration of plant, maintenance of plant, fixed charges and tuition for resident students attending in
41 another district, as determined in accordance with the rules of the State Board of Education, but
42 net operating expenditures does not include transportation, food service, student body activities,
43 community services, capital outlay, debt service or expenses incurred for nonresident students.

44 [(7)(a)] (8)(a) "Resident pupil" means any pupil:

45 (A) Whose legal school residence is within the boundaries of a school district reporting the pu-

1 pil, if the district is legally responsible for the education of the pupil, except that “resident pupil”
 2 does not include a pupil who pays tuition or for whom the parent pays tuition or for whom the
 3 district does not pay tuition for placement outside the district; or

4 (B) Whose legal residence is not within the boundaries of the district reporting the pupil but
 5 who attends school in the district with the written consent of the district school board where the
 6 school is located as provided by ORS 339.133 (5).

7 (b) A pupil is not considered to be a resident pupil under paragraph (a)(A) of this subsection if
 8 the pupil is attending school in another school district pursuant to a contract under ORS 339.125
 9 and in the prior year was considered to be a resident pupil in another school district under para-
 10 graph (a)(B) of this subsection. The pupil shall continue to be considered a resident of another
 11 school district under paragraph (a)(B) of this subsection.

12 (c) A pupil is not considered to be a resident pupil under paragraph (a)(B) of this subsection if
 13 the pupil is attending school in a school district pursuant to ORS 339.133 (5) and in the prior year
 14 was considered to be a resident pupil under paragraph (a)(A) of this subsection because the pupil
 15 was attending school in another school district pursuant to a contract under ORS 339.125. The pupil
 16 shall continue to be considered a resident pupil under paragraph (a)(A) of this subsection.

17 (d) “Resident pupil” includes a pupil admitted to a school district under ORS 339.115 (7).

18 [(8)] (9) “Standard school” means a school meeting the standards set by the rules of the State
 19 Board of Education.

20 [(9)] (10) “Tax” and “taxes” includes all taxes on property, excluding exempt bonded indebt-
 21 edness, as those terms are defined in ORS 310.140.

22 **SECTION 3.** ORS 327.013 is amended to read:

23 327.013. The State School Fund distributions for school districts include the following grants:

24 (1) General Purpose Grant = Funding Percentage × Target Grant × District extended ADMw.
 25 For the purpose of the calculation made under this subsection:

26 (a) The funding percentage shall be calculated by the Superintendent of Public Instruction to
 27 distribute as nearly as practicable the total sum of money available for distribution.

28 (b) Target Grant = Statewide Target per ADMw Grant + Teacher Experience Factor. For the
 29 purpose of the calculation made under this paragraph:

30 (A) Statewide Target per ADMw Grant = \$4,500.

31 (B) Teacher Experience Factor = \$25 × {District average teacher experience – statewide av-
 32 erage teacher experience}. As used in this subparagraph, “average teacher experience” means the
 33 average, in years, of teaching experience of licensed teachers as reported to the Department of Ed-
 34 ucation.

35 (c) District extended ADMw = ADMw or ADMw of the prior year, whichever is greater. The
 36 calculation of the district extended ADMw must be made as provided by ORS 338.155 (1)(b) if a
 37 public charter school is located in the school district. For the purpose of this paragraph:

38 (A) Weighted average daily membership or ADMw = average daily membership + an additional
 39 amount computed as follows:

40 (i) 1.0 for each student in average daily membership eligible for special education as a child with
 41 a disability under ORS 343.035, which may not exceed 11 percent of the district’s ADM without re-
 42 view and approval by the Department of Education. Children with disabilities eligible for special
 43 education in adult local correctional facilities, as defined in ORS 169.005, or adult regional
 44 correctional facilities, as defined in ORS 169.620, may not be included in the calculation made under
 45 this sub-subparagraph.

1 (ii) [0.5] **0.6** for each student in average daily membership [*eligible for and enrolled in an English*
2 *as a second language program under ORS 336.079.*] **who qualifies for English as a second lan-**
3 **guage program funding as provided in section 8 (2) of this 2015 Act.**

4 (iii) 0.2 for each student in average daily membership enrolled in a union high school district
5 or in an area of a unified school district where the district is only responsible for educating students
6 in grades 9 through 12 in that area.

7 (iv) -0.1 for each student in average daily membership enrolled in an elementary district oper-
8 ating kindergarten through grade six or kindergarten through grade eight or in an area of a unified
9 school district where the district is only responsible for educating students in kindergarten through
10 grade eight.

11 (v) 0.25 times the sum of the following:

12 (I) The number of students who are in average daily membership and who are also in poverty
13 families, as determined by the Department of Education based on rules adopted by the State Board
14 of Education that incorporate poverty data published by the United States Census Bureau, student
15 data provided by school districts and other data identified by the board;

16 (II) The number of children in foster homes in the district as determined by the report of the
17 Department of Human Services to the United States Department of Education, "Annual Statistical
18 Report on Children in Foster Homes and Children in Families Receiving AFDC Payments in Excess
19 of the Poverty Income Level," or its successor, for October 31 of the year prior to the year of dis-
20 tribution; and

21 (III) The number of children in the district in state-recognized facilities for neglected and de-
22 linquent children, based on information from the Department of Human Services for October 31 of
23 the year prior to the year of distribution.

24 (vi)(I) **0.1 for each student in average daily membership who was enrolled in and earned**
25 **three or more credits for courses that are part of a career and technical education program**
26 **approved by the Department of Education.**

27 (II) **0.1 for each student in average daily membership described in sub-sub-subparagraph**
28 **(I) of this sub-subparagraph who acquires an industry credential. The amount allowed under**
29 **this sub-sub-subparagraph shall be in addition to the amount allowed under sub-sub-**
30 **subparagraph (I) of this sub-subparagraph.**

31 (III) **0.1 for each student in average daily membership described in sub-sub-subparagraph**
32 **(I) of this sub-subparagraph who is historically underserved. The amount allowed under this**
33 **sub-sub-subparagraph shall be in addition to the amount allowed under sub-sub-subparagraph**
34 **(I) of this sub-subparagraph and, if applicable, in addition to the 0.1 amount allowed under**
35 **sub-sub-subparagraph (II) of this sub-subparagraph.**

36 (vii) **An amount for each student in average daily membership who is historically under-**
37 **served and who has earned six or more credits prior to beginning the 10th grade that equals:**

38 (I) **0.045 if the student has been present for less than 90 percent of the scheduled in-**
39 **structional days; or**

40 (II) **0.05 if the student has been present for 90 percent or more of the scheduled in-**
41 **structional days.**

42 [(vi)] (viii) The amount determined under ORS 327.077 for each remote small elementary school
43 and for each small high school in the district.

44 (B) All numbers of children used for the computation in this paragraph must reflect any district
45 consolidations that have occurred since the numbers were compiled.

1 (C) The total additional weight that shall be assigned to any student in average daily member-
 2 ship in a district, exclusive of students described in subparagraph [(A)(v) and (vi)] (A)(v) to (viii)
 3 of this paragraph, may not exceed 2.0.

4 (2) High cost disabilities grant = the total amount received by a school district under ORS
 5 327.348 for providing special education and related services to resident pupils with disabilities.

6 (3)(a) Transportation grant equals:

7 (A) 70 percent of approved transportation costs for those school districts ranked below the 80th
 8 percentile under paragraph (b) of this subsection.

9 (B) 80 percent of approved transportation costs for those school districts ranked in or above the
 10 80th percentile but below the 90th percentile under paragraph (b) of this subsection.

11 (C) 90 percent of approved transportation costs for those school districts ranked in or above the
 12 90th percentile under paragraph (b) of this subsection.

13 (b) Each fiscal year, the Department of Education shall rank school districts based on the ap-
 14 proved transportation costs per ADM of each school district, ranking the school district with the
 15 highest approved transportation costs per ADM at the top of the order.

16 (4)(a) Facility Grant = 8 percent of total construction costs of new school buildings.

17 (b) A school district shall receive a Facility Grant in the distribution year that a new school
 18 building is first used.

19 (c) As used in this subsection:

20 (A) "New school building" includes new school buildings, structures added onto existing school
 21 buildings and premanufactured structures added to a school district if those buildings or structures
 22 are to be used for instructing students.

23 (B) "Construction costs" does not include costs for land acquisition.

24 **SECTION 4. The amendments to ORS 327.013 by section 3 of this 2015 Act apply to State**
 25 **School Fund distributions commencing with the 2015-2016 distributions.**

26 **SECTION 5.** ORS 327.008, as amended by section 6, chapter 81, Oregon Laws 2014, is amended
 27 to read:

28 327.008. (1) There is established a State School Fund in the General Fund. The fund shall consist
 29 of moneys appropriated by the Legislative Assembly and moneys transferred from the Education
 30 Stability Fund. The State School Fund is continuously appropriated to the Department of Education
 31 for the purposes of ORS 327.006 to 327.077, 327.095, 327.099, 327.101, 327.125, 327.137, 327.348,
 32 336.575, 336.580, 336.635, 342.173, 343.243, 343.533 and 343.961 and sections 1 to 3, chapter 735,
 33 Oregon Laws 2013, and section 2, chapter 81, Oregon Laws 2014.

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

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

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

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

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

1 (7) The total amount of the State School Fund that is distributed as facility grants may not ex-
 2 ceed \$20 million in any biennium. If the total amount to be distributed as facility grants exceeds this
 3 limitation, the Department of Education shall prorate the amount of funds available for facility
 4 grants among those school districts that qualified for a facility grant.

5 (8) Each fiscal year, the Department of Education shall transfer to the Pediatric Nursing Facil-
 6 ity Account established in section 5, chapter 81, Oregon Laws 2014, the amount necessary to pay
 7 the costs of educational services provided to students admitted to pediatric nursing facilities as
 8 provided in section 2, chapter 81, Oregon Laws 2014.

9 **(9) Each fiscal year, the Department of Education shall transfer to the English as a**
 10 **Second Language Graduation Account established in section 9 of this 2015 Act the amount**
 11 **necessary to make the distributions required in section 8 (4) of this 2015 Act.**

12 [(9)] (10) Each fiscal year, the Department of Education shall transfer the amount of \$18 million
 13 from the State School Fund to the High Cost Disabilities Account established in ORS 327.348.

14 [(10)(a)] (11)(a) Each biennium, the Department of Education shall transfer \$33 million from the
 15 State School Fund to the Network of Quality Teaching and Learning Fund established under ORS
 16 342.953.

17 (b) For the purpose of making the transfer under this subsection:

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

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

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

24 (c) For each biennium, the amounts identified in paragraph (b)(B) and (C) of this subsection shall
 25 be adjusted by the same percentage by which the amount appropriated to the State School Fund for
 26 that biennium is increased or decreased compared to the preceding biennium, as determined by the
 27 Department of Education after consultation with the Legislative Fiscal Officer.

28 [(11)] (12) Each fiscal year, the Department of Education may expend up to \$550,000 from the
 29 State School Fund for the contract described in ORS 329.488. The amount distributed to education
 30 service districts from the State School Fund under this section and ORS 327.019 shall be reduced
 31 by the amount expended by the department under this subsection.

32 [(12)] (13) Each biennium, the Department of Education may expend up to \$350,000 from the
 33 State School Fund to provide administration of and support for the development of talented and
 34 gifted education under ORS 343.404.

35 [(13)] (14) Each biennium, the Department of Education may expend up to \$150,000 from the
 36 State School Fund for the administration of a program to increase the number of speech-language
 37 pathologists and speech-language pathology assistants under ORS 348.394 to 348.406.

38 [(14)] (15) Each fiscal year, the Department of Education shall transfer the amount of \$2.5
 39 million from the State School Fund to the Small School District Supplement Fund established in
 40 section 3, chapter 735, Oregon Laws 2013.

41 **SECTION 6.** ORS 327.008, as amended by section 7, chapter 735, Oregon Laws 2013, and section
 42 7, chapter 81, Oregon Laws 2014, is amended to read:

43 327.008. (1) There is established a State School Fund in the General Fund. The fund shall consist
 44 of moneys appropriated by the Legislative Assembly and moneys transferred from the Education
 45 Stability Fund. The State School Fund is continuously appropriated to the Department of Education

1 for the purposes of ORS 327.006 to 327.077, 327.095, 327.099, 327.101, 327.125, 327.137, 327.348,
2 336.575, 336.580, 336.635, 342.173, 343.243, 343.533 and 343.961 and section 2, chapter 81, Oregon
3 Laws 2014.

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

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

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

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

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

16 (7) The total amount of the State School Fund that is distributed as facility grants may not ex-
17 ceed \$20 million in any biennium. If the total amount to be distributed as facility grants exceeds this
18 limitation, the Department of Education shall prorate the amount of funds available for facility
19 grants among those school districts that qualified for a facility grant.

20 (8) Each fiscal year, the Department of Education shall transfer to the Pediatric Nursing Facil-
21 ity Account established in section 5, chapter 81, Oregon Laws 2014, the amount necessary to pay
22 the costs of educational services provided to students admitted to pediatric nursing facilities as
23 provided in section 2, chapter 81, Oregon Laws 2014.

24 **(9) Each fiscal year, the Department of Education shall transfer to the English as a**
25 **Second Language Graduation Account established in section 9 of this 2015 Act the amount**
26 **necessary to make the distributions required in section 8 (4) of this 2015 Act.**

27 [(9)] (10) Each fiscal year, the Department of Education shall transfer the amount of \$18 million
28 from the State School Fund to the High Cost Disabilities Account established in ORS 327.348.

29 [(10)(a)] (11)(a) Each biennium, the Department of Education shall transfer \$33 million from the
30 State School Fund to the Network of Quality Teaching and Learning Fund established under ORS
31 342.953.

32 (b) For the purpose of making the transfer (b) under this subsection:

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

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

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

39 (c) For each biennium, the amounts identified in paragraph (b)(B) and (C) of this subsection shall
40 be adjusted by the same percentage by which the amount appropriated to the State School Fund for
41 that biennium is increased or decreased compared to the preceding biennium, as determined by the
42 Department of Education after consultation with the Legislative Fiscal Officer.

43 [(11)] (12) Each fiscal year, the Department of Education may expend up to \$550,000 from the
44 State School Fund for the contract described in ORS 329.488. The amount distributed to education
45 service districts from the State School Fund under this section and ORS 327.019 shall be reduced

1 by the amount expended by the department under this subsection.

2 ~~[(12)]~~ **(13)** Each biennium, the Department of Education may expend up to \$350,000 from the
 3 State School Fund to provide administration of and support for the development of talented and
 4 gifted education under ORS 343.404.

5 ~~[(13)]~~ **(14)** Each biennium, the Department of Education may expend up to \$150,000 from the
 6 State School Fund for the administration of a program to increase the number of speech-language
 7 pathologists and speech-language pathology assistants under ORS 348.394 to 348.406.

8 **SECTION 7. Section 8 of this 2015 Act is added to and made a part of ORS 327.006 to**
 9 **327.133.**

10 **SECTION 8. (1) Funding for students enrolled in English as a second language programs**
 11 **shall be distributed as provided in this section.**

12 **(2) For purposes of State School Fund distributions made under ORS 327.013 (1)(c)(A)(ii),**
 13 **a student qualifies for English as a second language program funding if:**

14 **(a) The student is eligible for and enrolled in an English as a second language program**
 15 **under ORS 336.079 and the student:**

16 **(A) Has been enrolled in the program for no more than seven years total, if the student**
 17 **began the program with low language proficiency, as determined according to standards**
 18 **adopted by the State Board of Education based on the results of an assessment identified by**
 19 **the State Board of Education by rule; or**

20 **(B) Has been enrolled in the program for no more than four years total, if the student**
 21 **began the program with moderate language proficiency, as determined according to stan-**
 22 **dards adopted by the State Board of Education based on the results of an assessment iden-**
 23 **tified by the State Board of Education by rule.**

24 **(b) The student had been eligible for and enrolled in an English as a second language**
 25 **program under ORS 336.079, the student no longer is enrolled in the program and, had the**
 26 **student continued to be enrolled in the program, the student:**

27 **(A) Would have been enrolled in the program for no more than seven years total, if the**
 28 **student began the program with low language proficiency, as determined according to stan-**
 29 **dards adopted by the State Board of Education based on the results of an assessment iden-**
 30 **tified by the State Board of Education by rule; or**

31 **(B) Would have been enrolled in the program for no more than four years total, if the**
 32 **student began the program with moderate language proficiency, as determined according to**
 33 **standards adopted by the State Board of Education based on the results of an assessment**
 34 **identified by the State Board of Education by rule.**

35 **(3) A school district that receives distributions as provided in subsection (2) of this sec-**
 36 **tion must expend at least 90 percent of the moneys received on English as a second language**
 37 **programs and related services.**

38 **(4) In addition to distributions made as provided in subsection (2) of this section, the**
 39 **Department of Education shall provide grants to school districts in the amount of \$250 for**
 40 **each student who:**

41 **(a) Receives a high school diploma from the school district; and**

42 **(b) Had been eligible for and enrolled in an English as a second language program under**
 43 **ORS 336.079 during any grade from kindergarten through grade 12.**

44 **SECTION 9. The English as a Second Language Graduation Account is established in the**
 45 **State Treasury, separate and distinct from the General Fund. Interest earned by the English**

1 as a Second Language Graduation Account shall be credited to the account. Moneys in the
 2 English as a Second Language Graduation Account are continuously appropriated to the
 3 Department of Education for the purpose of making distributions as provided in section 8 (4)
 4 of this 2015 Act.

5 **SECTION 10.** Section 8 of this 2015 Act and the amendments to ORS 327.008 by sections
 6 5 and 6 of this 2015 Act apply to State School Fund distributions commencing with the
 7 2015-2016 distributions.

8 **SECTION 11.** ORS 329.488, as amended by section 10, chapter 81, Oregon Laws 2014, is
 9 amended to read:

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

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

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

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

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

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

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

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

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

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

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

36 (B) The entity, in coordination with the district, administered a grade 10 assessment during the
 37 2007-2008 school year;

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

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

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

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

45 (B) May be renewed each school year.

1 (c) The department shall reimburse a school district for the cost of assessments allowed under
 2 this subsection from funds available to the department under ORS 327.008 [(11)] (12).

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

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

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

9 **SECTION 12.** ORS 332.405 is amended to read:

10 332.405. (1) The district school board shall provide transportation for pupils or combinations of
 11 pupils and other persons to and from school-related activities where required by law or when con-
 12 sidered advisable by the board.

13 (2) The board may furnish board and room for pupils in lieu of transportation when reasonable
 14 board and room can be provided at equal or less expense than transportation. The board may also
 15 provide board and room in a facility that existed on July 1, 1998, or a replacement facility for that
 16 facility, for pupils attending a district school as described in ORS 327.006 [(7)(a)(B)] (8)(a)(B) or
 17 through a power of attorney authorized under ORS 109.056 (2). This subsection does not apply to a
 18 pupil who attends a district school through a power of attorney and who is a foreign exchange
 19 student enrolled in a school under a cultural exchange program.

20 (3) The transportation costs or expenses for board and room shall be paid from funds available
 21 to the district for that purpose.

22 (4) The district school board may expend district funds to improve or provide for pedestrian fa-
 23 cilities off district property if the board finds that the expenditure reduces transportation costs of
 24 the district and enhances the safety of pupils going to and from schools of the district.

25 **SECTION 13.** ORS 339.133 is amended to read:

26 339.133. (1)(a) Except as provided in subsections (2) to (6) of this section, children between the
 27 ages of 4 and 18 shall be considered resident for school purposes in the school district in which their
 28 parents, their guardians or persons in parental relationship to them reside.

29 (b) Nonemancipated individuals between the ages of 4 and 18 living outside the geographic area
 30 of the school district for such reasons as attending college, military service, hospital confinement
 31 or employment away from home shall be considered resident in the district in which their parents,
 32 their guardians or persons in parental relationship to them reside.

33 (c) Persons living temporarily in a school district for the primary purpose of attending a district
 34 school may not be considered resident in the district in which they are living temporarily, but shall
 35 be considered resident in the district in which they, their parents, their guardians or persons in
 36 parental relationship to them reside.

37 (2) Individuals considered legally emancipated from their parents shall be considered resident
 38 in the district in which they actually reside, irrespective of the residence of their parents, their
 39 guardians or persons in parental relationship.

40 (3) Children placed by public or private agencies who are living in licensed, certified or ap-
 41 proved substitute care programs shall be considered resident in the school district in which they
 42 reside because of placement by a public or private agency.

43 (4)(a) Notwithstanding subsection (3) of this section, when a juvenile court determines that it is
 44 in a child's best interest to continue to attend the school that the child attended prior to placement
 45 by a public agency, the child:

1 (A) Shall be considered resident for school purposes in the school district in which the child
2 resided prior to the placement; and

3 (B) May continue to attend the school the child attended prior to the placement through the
4 highest grade level of the school.

5 (b) The public agency that has placed the child shall be responsible for providing the child with
6 transportation to and from school when the need for transportation is due to the placement by the
7 public agency.

8 (c) Paragraph (b) of this subsection applies only to a public agency for which funds have been
9 designated for the specific purpose of providing a child with transportation to and from school under
10 this subsection.

11 (5) Except as provided in ORS 327.006 [(7)] (8) and 335.090, persons whose legal residence is not
12 within the district but who attend school in the district are considered residents in the district in
13 which the persons attend school if those persons receive:

14 (a) Written consent from both of the affected district school boards as provided by policies
15 adopted by the boards; or

16 (b) Written consent from the district school board for the district in which the school is located
17 as provided by section 9, chapter 718, Oregon Laws 2011.

18 (6)(a) Children who are foreign exchange students and who are residing in Oregon in a
19 dormitory operated by a school district are considered to be residents of the school district in which
20 the dormitory is located.

21 (b) For the purpose of this subsection:

22 (A) A child may not be considered to be a foreign exchange student for more than one school
23 year.

24 (B) A child may be considered to be a resident of a school district as provided by this subsection
25 only if, for the 2010-2011 school year, the school district had foreign exchange students who were
26 considered to be residents as provided by this subsection.

27 (C) The number of children who are considered to be residents as provided by this subsection
28 may not increase from the number that were considered to be residents as provided by this sub-
29 section for the 2010-2011 school year.

30 (c) As used in this subsection, "foreign exchange student" means a student who attends school
31 in Oregon under a cultural exchange program and whose parent, guardian or person in parental
32 relationship resides in another country.

33 (7) For the purposes of this section:

34 (a) "Person in parental relationship" means an adult who has physical custody of a child or re-
35 sides in the same household as the child, interacts with the child daily, provides the child with food,
36 clothing, shelter and incidental necessities and provides the child with necessary care, education
37 and discipline. "Person in parental relationship" does not mean a person with a power of attorney
38 or other written delegation of parental responsibilities if the person does not have other evidence
39 of a parental relationship.

40 (b) "Substitute care program" means family foster care, family group home care, parole foster
41 care, family shelter care, adolescent shelter care and professional group care.

42 **SECTION 14.** ORS 339.133, as amended by section 4, chapter 718, Oregon Laws 2011, is
43 amended to read:

44 339.133. (1)(a) Except as provided in subsections (2) to (5) of this section, children between the
45 ages of 4 and 18 shall be considered resident for school purposes in the school district in which their

1 parents, their guardians or persons in parental relationship to them reside.

2 (b) Nonemancipated individuals between the ages of 4 and 18 living outside the geographic area
 3 of the school district for such reasons as attending college, military service, hospital confinement
 4 or employment away from home shall be considered resident in the district in which their parents,
 5 their guardians or persons in parental relationship to them reside.

6 (c) Persons living temporarily in a school district for the primary purpose of attending a district
 7 school may not be considered resident in the district in which they are living temporarily, but shall
 8 be considered resident in the district in which they, their parents, their guardians or persons in
 9 parental relationship to them reside.

10 (2) Individuals considered legally emancipated from their parents shall be considered resident
 11 in the district in which they actually reside, irrespective of the residence of their parents, their
 12 guardians or persons in parental relationship.

13 (3) Children placed by public or private agencies who are living in licensed, certified or ap-
 14 proved substitute care programs shall be considered resident in the school district in which they
 15 reside because of placement by a public or private agency.

16 (4)(a) Notwithstanding subsection (3) of this section, when a juvenile court determines that it is
 17 in a child’s best interest to continue to attend the school that the child attended prior to placement
 18 by a public agency, the child:

19 (A) Shall be considered resident for school purposes in the school district in which the child
 20 resided prior to the placement; and

21 (B) May continue to attend the school the child attended prior to the placement through the
 22 highest grade level of the school.

23 (b) The public agency that has placed the child shall be responsible for providing the child with
 24 transportation to and from school when the need for transportation is due to the placement by the
 25 public agency.

26 (c) Paragraph (b) of this subsection applies only to a public agency for which funds have been
 27 designated for the specific purpose of providing a child with transportation to and from school under
 28 this subsection.

29 (5) Except as provided in ORS 327.006 [(7)] (8) and 335.090, persons whose legal residence is not
 30 within the district but who attend school in the district are considered residents in the district in
 31 which the persons attend school if those persons receive:

32 (a) Written consent from both of the affected district school boards as provided by policies
 33 adopted by the boards; or

34 (b) Written consent from the district school board for the district in which the school is located
 35 as provided by section 9, chapter 718, Oregon Laws 2011.

36 (6) For the purposes of this section:

37 (a) “Person in parental relationship” means an adult who has physical custody of a child or re-
 38 sides in the same household as the child, interacts with the child daily, provides the child with food,
 39 clothing, shelter and incidental necessities and provides the child with necessary care, education
 40 and discipline. “Person in parental relationship” does not mean a person with a power of attorney
 41 or other written delegation of parental responsibilities if the person does not have other evidence
 42 of a parental relationship.

43 (b) “Substitute care program” means family foster care, family group home care, parole foster
 44 care, family shelter care, adolescent shelter care and professional group care.

45 **SECTION 15.** ORS 339.133, as amended by sections 4 and 19, chapter 718, Oregon Laws 2011,

1 is amended to read:

2 339.133. (1)(a) Except as provided in subsections (2) to (5) of this section, children between the
3 ages of 4 and 18 shall be considered resident for school purposes in the school district in which their
4 parents, their guardians or persons in parental relationship to them reside.

5 (b) Nonemancipated individuals between the ages of 4 and 18 living outside the geographic area
6 of the school district for such reasons as attending college, military service, hospital confinement
7 or employment away from home shall be considered resident in the district in which their parents,
8 their guardians or persons in parental relationship to them reside.

9 (c) Persons living temporarily in a school district for the primary purpose of attending a district
10 school may not be considered resident in the district in which they are living temporarily, but shall
11 be considered resident in the district in which they, their parents, their guardians or persons in
12 parental relationship to them reside.

13 (2) Individuals considered legally emancipated from their parents shall be considered resident
14 in the district in which they actually reside, irrespective of the residence of their parents, their
15 guardians or persons in parental relationship.

16 (3) Children placed by public or private agencies who are living in licensed, certified or ap-
17 proved substitute care programs shall be considered resident in the school district in which they
18 reside because of placement by a public or private agency.

19 (4)(a) Notwithstanding subsection (3) of this section, when a juvenile court determines that it is
20 in a child's best interest to continue to attend the school that the child attended prior to placement
21 by a public agency, the child:

22 (A) Shall be considered resident for school purposes in the school district in which the child
23 resided prior to the placement; and

24 (B) May continue to attend the school the child attended prior to the placement through the
25 highest grade level of the school.

26 (b) The public agency that has placed the child shall be responsible for providing the child with
27 transportation to and from school when the need for transportation is due to the placement by the
28 public agency.

29 (c) Paragraph (b) of this subsection applies only to a public agency for which funds have been
30 designated for the specific purpose of providing a child with transportation to and from school under
31 this subsection.

32 (5) Except as provided in ORS 327.006 [(7)] (8) and 335.090, persons whose legal residence is not
33 within the district but who attend school in the district are considered residents in the district in
34 which the persons attend school if those persons receive written consent from both of the affected
35 district school boards as provided by policies adopted by the boards.

36 (6) For the purposes of this section:

37 (a) "Person in parental relationship" means an adult who has physical custody of a child or re-
38 sides in the same household as the child, interacts with the child daily, provides the child with food,
39 clothing, shelter and incidental necessities and provides the child with necessary care, education
40 and discipline. "Person in parental relationship" does not mean a person with a power of attorney
41 or other written delegation of parental responsibilities if the person does not have other evidence
42 of a parental relationship.

43 (b) "Substitute care program" means family foster care, family group home care, parole foster
44 care, family shelter care, adolescent shelter care and professional group care.

45 **SECTION 16. This 2015 Act being necessary for the immediate preservation of the public**

1 **peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect**
2 **July 1, 2015.**

3
