

# House Bill 2021

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of Governor Kate Brown for Department of Education)

## 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**.

Directs Department of Education to provide moneys for payment of costs of education of students in eligible residential alternative education program. Establishes education record requirements for students in residential alternative education program.

Declares emergency, effective July 1, 2019.

## A BILL FOR AN ACT

Relating to residential alternative education programs; creating new provisions; amending ORS 326.575, 327.008, 327.023, 339.137, 343.243 and 343.247; and declaring an emergency.

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

**SECTION 1. (1) As used in this section:**

(a) "Alternative education program" has the meaning given that term in ORS 336.615.

(b) "Eligible residential alternative education program" means a residential alternative education program that:

(A) Is provided under a contract with the school district in which the residential alternative education program is located;

(B) Is approved by the Department of Education; and

(C) Receives moneys under an agreement with the United States Department of Defense for the purpose of providing an education to students.

(c) "Residential alternative education program" means an alternative education program that serves students from across this state and that requires students to reside at or near the location where the alternative education program is provided for part or all of the duration of the program.

(d) "Student" means a person who:

(A) Volunteers to enroll in an eligible residential alternative education program;

(B) Is at least 16 years of age but not older than 18 years of age on the date the person enrolls in the eligible residential alternative education program;

(C) Is a resident of this state;

(D) Is academically at risk, not likely to graduate from high school or a dropout; and

(E) Otherwise qualifies for participation in the eligible residential alternative education program.

(2) The Department of Education shall provide moneys for payment of the costs of education of students in an eligible residential alternative education program as provided by ORS 343.243. The department shall provide the moneys to the school district in which the eligible residential alternative education program is located.

(3)(a) Subject to paragraph (b) of this subsection, a school district to which the depart-

**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 **ment provides moneys as described in subsection (2) of this section shall pay the moneys to**  
 2 **the eligible residential alternative education program.**

3 **(b) A school district to which the department provides moneys as described in subsection**  
 4 **(2) of this section may keep a portion of the moneys as required by law or rule or as agreed**  
 5 **to in a contract between the school district and the eligible residential alternative education**  
 6 **program.**

7 **(4) The State Board of Education may adopt rules that the board deems necessary for**  
 8 **administering this section.**

9 **SECTION 2.** ORS 327.008 is amended to read:

10 327.008. (1)(a) There is established a State School Fund in the General Fund.

11 (b) The Department of Education, on behalf of the State of Oregon, may solicit and accept gifts,  
 12 grants, donations and other moneys from public and private sources for the State School Fund.  
 13 Moneys received as provided in this paragraph shall be deposited into the State School Fund.

14 (c) The State School Fund shall consist of moneys appropriated by the Legislative Assembly,  
 15 moneys transferred from the Education Stability Fund and the Oregon Marijuana Account and  
 16 moneys received as provided in paragraph (b) of this subsection.

17 (d) The State School Fund is continuously appropriated to the Department of Education for the  
 18 purposes of ORS 327.006 to 327.077, 327.095, 327.099, 327.101, 327.125, 327.137, 327.348, 336.575,  
 19 336.580, 336.635, 343.243, 343.533, 343.941 and 343.961 and sections 1 to 3, chapter 735, Oregon Laws  
 20 2013, **and section 1 of this 2019 Act.**

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

25 (3) For the first school year after a public charter school ceases to operate because of dissol-  
 26 ution or closure or because of termination or nonrenewal of a charter, there shall be apportioned  
 27 from the State School Fund to each school district that had sponsored a public charter school that  
 28 ceased to operate an amount equal to the school district's general purpose grant per extended  
 29 ADMw multiplied by five percent of the ADM of the public charter school for the previous school  
 30 year.

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

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

35 (6) Numbers of students in average daily membership used in the distribution formula shall be  
 36 the numbers as of June of the year of distribution.

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

39 (8) The total amount of the State School Fund that is distributed as facility grants may not ex-  
 40 ceed \$9 million in any biennium. If the total amount to be distributed as facility grants exceeds this  
 41 limitation, the Department of Education shall prorate the amount of funds available for facility  
 42 grants among those school districts that qualified for a facility grant. If the total amount to be dis-  
 43 tributed as facility grants does not exceed this limitation, any remaining amounts shall be expended  
 44 for expenses incurred by the Office of School Facilities as provided in ORS 326.125 (1).

45 (9) Each biennium, the Department of Education may expend from the State School Fund no

1 more than \$6 million for expenses incurred by the Office of School Facilities under ORS 326.125 (2)  
 2 to (6).

3 (10) Each fiscal year, the Department of Education shall transfer to the Pediatric Nursing Fa-  
 4 cility Account established in ORS 327.022 the amount necessary to pay the costs of educational  
 5 services provided to students admitted to pediatric nursing facilities as provided in ORS 343.941.

6 (11) Each fiscal year, the Department of Education shall transfer the amount of \$35 million from  
 7 the State School Fund to the High Cost Disabilities Account established in ORS 327.348.

8 (12)(a) Each biennium, the Department of Education shall transfer \$33 million from the State  
 9 School Fund to the Network of Quality Teaching and Learning Fund established under ORS 342.953.

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

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

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

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

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

21 (13) Each biennium, the Department of Education shall transfer \$12.5 million from the State  
 22 School Fund to the Statewide English Language Learner Program Account established under ORS  
 23 327.344.

24 (14) Each fiscal year, the Department of Education may expend up to \$550,000 from the State  
 25 School Fund for the contract described in ORS 329.488. The amount distributed to education service  
 26 districts from the State School Fund under this section and ORS 327.019 shall be reduced by the  
 27 amount expended by the department under this subsection.

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

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

34 (17) Each fiscal year, the Department of Education shall transfer the amount of \$2.5 million from  
 35 the State School Fund to the Small School District Supplement Fund established in section 3, chap-  
 36 ter 735, Oregon Laws 2013.

37 **SECTION 3.** ORS 327.008, as amended by section 22, chapter 639, Oregon Laws 2017, and sec-  
 38 tion 5, chapter 700, Oregon Laws 2017, is amended to read:

39 327.008. (1)(a) There is established a State School Fund in the General Fund.

40 (b) The Department of Education, on behalf of the State of Oregon, may solicit and accept gifts,  
 41 grants, donations and other moneys from public and private sources for the State School Fund.  
 42 Moneys received as provided in this paragraph shall be deposited into the State School Fund.

43 (c) The State School Fund shall consist of moneys appropriated by the Legislative Assembly,  
 44 moneys transferred from the Education Stability Fund and the Oregon Marijuana Account and  
 45 moneys received as provided in paragraph (b) of this subsection.

1 (d) The State School Fund is continuously appropriated to the Department of Education for the  
 2 purposes of ORS 327.006 to 327.077, 327.095, 327.099, 327.101, 327.125, 327.137, 327.348, 336.575,  
 3 336.580, 336.635, 343.243, 343.533, 343.941 and 343.961 and sections 1 to 3, chapter 735, Oregon Laws  
 4 2013, and section 1 of this 2019 Act.

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

9 (3) For the first school year after a public charter school ceases to operate because of dissol-  
 10 ution or closure or because of termination or nonrenewal of a charter, there shall be apportioned  
 11 from the State School Fund to each school district that had sponsored a public charter school that  
 12 ceased to operate an amount equal to the school district's general purpose grant per extended  
 13 ADMw multiplied by five percent of the ADM of the public charter school for the previous school  
 14 year.

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

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

19 (6) Numbers of students in average daily membership used in the distribution formula shall be  
 20 the numbers as of June of the year of distribution.

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

23 (8) The total amount of the State School Fund that is distributed as facility grants may not ex-  
 24 ceed \$7 million in any biennium. If the total amount to be distributed as facility grants exceeds this  
 25 limitation, the Department of Education shall prorate the amount of funds available for facility  
 26 grants among those school districts that qualified for a facility grant. If the total amount to be dis-  
 27 tributed as facility grants does not exceed this limitation, any remaining amounts shall be expended  
 28 for expenses incurred by the Office of School Facilities as provided in ORS 326.125 (1).

29 (9) Each biennium, the Department of Education may expend from the State School Fund no  
 30 more than \$6 million for expenses incurred by the Office of School Facilities under ORS 326.125 (2)  
 31 to (6).

32 (10) Each fiscal year, the Department of Education shall transfer to the Pediatric Nursing Fa-  
 33 cility Account established in ORS 327.022 the amount necessary to pay the costs of educational  
 34 services provided to students admitted to pediatric nursing facilities as provided in ORS 343.941.

35 (11) Each fiscal year, the Department of Education shall transfer the amount of \$35 million from  
 36 the State School Fund to the High Cost Disabilities Account established in ORS 327.348.

37 (12)(a) Each biennium, the Department of Education shall transfer \$39.5 million from the State  
 38 School Fund to the Educator Advancement Fund established under ORS 342.953.

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

40 (A) The total amount available for all distributions from the State School Fund shall be reduced  
 41 by \$6 million;

42 (B) The amount distributed to school districts from the State School Fund under this section and  
 43 ORS 327.013 shall be reduced by \$16.75 million; and

44 (C) The amount distributed to education service districts from the State School Fund under this  
 45 section and ORS 327.019 shall be reduced by \$16.75 million.

1 (c) For each biennium, the amounts identified in this subsection shall be adjusted by the same  
2 percentage by which the instructions furnished to state agencies by the Governor under ORS 291.204  
3 direct the state agencies to adjust their agency budget requests for special payments under ORS  
4 291.216 (6)(a)(C).

5 (13) Each biennium, the Department of Education shall transfer \$12.5 million from the State  
6 School Fund to the Statewide English Language Learner Program Account established under ORS  
7 327.344.

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

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

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

18 (17) Each fiscal year, the Department of Education shall transfer the amount of \$2.5 million from  
19 the State School Fund to the Small School District Supplement Fund established in section 3, chap-  
20 ter 735, Oregon Laws 2013.

21 (18) Each biennium, the Department of Education shall transfer \$2 million from the State School  
22 Fund for deposit to the Healthy School Facilities Fund established under ORS 332.337.  
23 Notwithstanding ORS 332.337, the department may expend moneys received in the Healthy School  
24 Facilities Fund under this subsection only as grants for costs associated with testing for elevated  
25 levels of lead in water used for drinking or food preparation.

26 **SECTION 4.** ORS 327.008, as amended by section 7, chapter 735, Oregon Laws 2013, section 7,  
27 chapter 81, Oregon Laws 2014, section 2, chapter 68, Oregon Laws 2015, section 38, chapter 245,  
28 Oregon Laws 2015, section 2, chapter 555, Oregon Laws 2015, section 11, chapter 604, Oregon Laws  
29 2015, section 2, chapter 644, Oregon Laws 2015, section 8, chapter 783, Oregon Laws 2015, sections  
30 22 and 23, chapter 639, Oregon Laws 2017, sections 5 and 6, chapter 700, Oregon Laws 2017, and  
31 section 34, chapter 725, Oregon Laws 2017, is amended to read:

32 327.008. (1)(a) There is established a State School Fund in the General Fund.

33 (b) The Department of Education, on behalf of the State of Oregon, may solicit and accept gifts,  
34 grants, donations and other moneys from public and private sources for the State School Fund.  
35 Moneys received as provided in this paragraph shall be deposited into the State School Fund.

36 (c) The State School Fund shall consist of moneys appropriated by the Legislative Assembly,  
37 moneys transferred from the Education Stability Fund and the Oregon Marijuana Account and  
38 moneys received as provided in paragraph (b) of this subsection.

39 (d) The State School Fund is continuously appropriated to the Department of Education for the  
40 purposes of ORS 327.006 to 327.077, 327.095, 327.099, 327.101, 327.125, 327.137, 327.348, 336.575,  
41 336.580, 336.635, 343.243, 343.533, 343.941 and 343.961 **and section 1 of this 2019 Act.**

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

1 (3) For the first school year after a public charter school ceases to operate because of dissol-  
 2 ution or closure or because of termination or nonrenewal of a charter, there shall be apportioned  
 3 from the State School Fund to each school district that had sponsored a public charter school that  
 4 ceased to operate an amount equal to the school district's general purpose grant per extended  
 5 ADMw multiplied by five percent of the ADM of the public charter school for the previous school  
 6 year.

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

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

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

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

15 (8) The total amount of the State School Fund that is distributed as facility grants may not ex-  
 16 ceed \$7 million in any biennium. If the total amount to be distributed as facility grants exceeds this  
 17 limitation, the Department of Education shall prorate the amount of funds available for facility  
 18 grants among those school districts that qualified for a facility grant. If the total amount to be dis-  
 19 tributed as facility grants does not exceed this limitation, any remaining amounts shall be expended  
 20 for expenses incurred by the Office of School Facilities as provided in ORS 326.125 (1).

21 (9) Each biennium, the Department of Education may expend from the State School Fund no  
 22 more than \$6 million for expenses incurred by the Office of School Facilities under ORS 326.125 (2)  
 23 to (6).

24 (10) Each fiscal year, the Department of Education shall transfer to the Pediatric Nursing Fa-  
 25 cility Account established in ORS 327.022 the amount necessary to pay the costs of educational  
 26 services provided to students admitted to pediatric nursing facilities as provided in ORS 343.941.

27 (11) Each fiscal year, the Department of Education shall transfer the amount of \$35 million from  
 28 the State School Fund to the High Cost Disabilities Account established in ORS 327.348.

29 (12)(a) Each biennium, the Department of Education shall transfer \$39.5 million from the State  
 30 School Fund to the Educator Advancement Fund established under ORS 342.953.

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

32 (A) The total amount available for all distributions from the State School Fund shall be reduced  
 33 by \$6 million;

34 (B) The amount distributed to school districts from the State School Fund under this section and  
 35 ORS 327.013 shall be reduced by \$16.75 million; and

36 (C) The amount distributed to education service districts from the State School Fund under this  
 37 section and ORS 327.019 shall be reduced by \$16.75 million.

38 (c) For each biennium, the amounts identified in this subsection shall be adjusted by the same  
 39 percentage by which the instructions furnished to state agencies by the Governor under ORS 291.204  
 40 direct the state agencies to adjust their agency budget requests for special payments under ORS  
 41 291.216 (6)(a)(C).

42 (13) Each biennium, the Department of Education shall transfer \$12.5 million from the State  
 43 School Fund to the Statewide English Language Learner Program Account established under ORS  
 44 327.344.

45 (14) Each fiscal year, the Department of Education may expend up to \$550,000 from the State

1 School Fund for the contract described in ORS 329.488. The amount distributed to education service  
2 districts from the State School Fund under this section and ORS 327.019 shall be reduced by the  
3 amount expended by the department under this subsection.

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

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

10 (17) Each biennium, the Department of Education shall transfer \$2 million from the State School  
11 Fund for deposit to the Healthy School Facilities Fund established under ORS 332.337.  
12 Notwithstanding ORS 332.337, the department may expend moneys received in the Healthy School  
13 Facilities Fund under this subsection only as grants for costs associated with testing for elevated  
14 levels of lead in water used for drinking or food preparation.

15 **SECTION 5.** ORS 327.023 is amended to read:

16 327.023. In addition to those moneys distributed through the State School Fund, the Department  
17 of Education shall provide from state funds appropriated therefor, grants in aid or support for spe-  
18 cial and compensatory education programs including:

19 (1) The Oregon School for the Deaf.

20 (2) Medicaid match for administration efforts to secure Medicaid funds for services provided to  
21 children with disabilities.

22 (3) Hospital programs for education services to children who are hospitalized for extended pe-  
23 riods of time or who require hospitalization due to severe disabilities as described in ORS 343.261.

24 (4) Day treatment programs and residential treatment programs for education services to chil-  
25 dren who are in the treatment programs as described in ORS 343.961.

26 (5) Regional services provided to children with low-incidence disabling conditions as described  
27 in ORS 343.236.

28 (6) Early childhood special education provided to preschool children with disabilities from age  
29 three until age of eligibility for kindergarten as described in ORS 339.185, 343.035, 343.041, 343.055,  
30 343.065, 343.157 and 343.455 to 343.534.

31 (7) Early intervention services for preschool children from birth until age three as described in  
32 ORS 339.185, 343.035, 343.041, 343.055, 343.065, 343.157 and 343.455 to 343.534.

33 (8) Evaluation services for children with disabilities to determine program eligibility and needs  
34 as described in ORS 343.146.

35 (9) Education services to children residing at state hospitals.

36 (10) Disadvantaged children program under ORS 343.680.

37 (11) Early childhood education under ORS 329.235.

38 (12) Child development specialist program under ORS 329.255.

39 (13) Youth care centers under ORS 420.885 that are not within a detention facility, as defined  
40 in ORS 419A.004.

41 (14) Staff development and mentoring.

42 (15) Career and technical education grants.

43 (16) Special science education programs.

44 (17) Talented and Gifted children program under ORS 343.391 to 343.413.

45 (18) Pediatric nursing facility programs for educational services provided to students who are

1 admitted to pediatric nursing facilities as provided in ORS 343.941.

2 **(19) Residential alternative education programs under section 1 of this 2019 Act.**

3 **SECTION 6.** ORS 343.243 is amended to read:

4 343.243. (1) Each school year, the Department of Education shall receive an amount, as calcu-  
5 lated under this section, from the State School Fund to pay the costs of educating children in pro-  
6 grams under ORS 343.261, 343.961 and 346.010 **and section 1 of this 2019 Act.**

7 **(2) To meet the requirements of section 1 of this 2019 Act, the department shall receive**  
8 **from the State School Fund an amount that is equal to the product of the following:**

9 **(a) The average net operating expenditure per student of all school districts during the**  
10 **preceding school year; and**

11 **(b) The number of slots available for all students in eligible residential alternative edu-**  
12 **cation programs under section 1 of this 2019 Act, as determined by the Department of Edu-**  
13 **cation based on information received from school districts, the Department of Human**  
14 **Services, the Oregon Health Authority, the Oregon Youth Authority and eligible residential**  
15 **alternative education programs.**

16 [(2)] (3) To meet the requirements of ORS 343.261, the Department of Education shall receive  
17 from the State School Fund an amount that is equal to the product of the following:

18 (a) The average net operating expenditure per student of all school districts during the preced-  
19 ing school year; and

20 (b) The number of slots available for students in the hospital programs under ORS 343.261, as  
21 determined by the department for the school year.

22 [(3)] (4) To meet the requirements of ORS 343.961, the department shall receive from the State  
23 School Fund an amount that is equal to the product of the following:

24 (a) The average net operating expenditure per student of all school districts during the preced-  
25 ing school year; and

26 (b) The number of slots available for all students in eligible day treatment programs and eligible  
27 residential treatment programs under ORS 343.961 for the school year, as determined by the De-  
28 partment of Education based on information received from the Department of Human Services, the  
29 Oregon Health Authority, the Oregon Youth Authority and eligible day treatment programs and el-  
30 igible residential treatment programs.

31 [(4)] (5) To meet the requirements of ORS 346.010, the Department of Education shall receive  
32 from the State School Fund an amount that is equal to the product of the following:

33 (a) The average net operating expenditure per student of all school districts during the preced-  
34 ing school year; and

35 (b) The resident average daily membership of students enrolled in a program under ORS 346.010  
36 for one-half of the school day or more, exclusive of preschool children covered by ORS 343.533.

37 [(5)] (6) The children covered by this section shall be enumerated in the average daily member-  
38 ship of the district providing the instruction but the district may not accrue credit for days' at-  
39 tendance of such children for the purpose of distributing state school funds.

40 [(6)] (7) The liability of a district shall not exceed the amount established under this section  
41 even if the child is otherwise subject to ORS 336.575 and 336.580.

42 [(7)] (8) The department shall credit amounts received from the State School Fund under this  
43 section to the appropriate subaccount in the Special Education Account.

44 **SECTION 7. Section 1 of this 2019 Act and the amendments to ORS 327.008, 327.023 and**  
45 **343.243 by sections 2 to 6 of this 2019 Act apply to State School Fund distributions com-**

1 **mencing with the 2019-2020 distributions.**

2 **SECTION 8.** ORS 343.247 is amended to read:

3 343.247. (1) There is established in the General Fund a separate account to be known as the  
4 Special Education Account. All moneys received by the Department of Education under this section  
5 shall be deposited in the State Treasury to the credit of the account and appropriated continuously  
6 for purposes of ORS 343.261, 343.961 and 346.010 **and section 1 of this 2019 Act.** The account shall  
7 be divided into [*two*] **three** subaccounts:

8 (a) A subaccount for education under ORS 343.261 and 343.961.

9 (b) A subaccount for education under ORS 346.010.

10 **(c) A subaccount for education under section 1 of this 2019 Act.**

11 (2) If the amount credited under subsection (1)(a) of this section and the General Fund appro-  
12 priation for these programs are not adequate to meet costs, the Department of Education shall  
13 submit a revised budget to the Legislative Assembly or, if the Legislative Assembly is not in session,  
14 the Emergency Board.

15 **SECTION 9.** ORS 339.137 is amended to read:

16 339.137. (1) Except as provided in subsection (2) of this section, a student described in ORS  
17 336.580 shall be considered a resident of the school district in which the student resides by reason  
18 of the placement under ORS 336.580 for purposes of distribution of the State School Fund.

19 (2) For a child described in ORS 336.580 (2)(b), the child shall receive educational services  
20 through the Juvenile Detention Education Program as described in ORS 326.695.

21 (3) A student described in subsection (1) of this section must be admitted to the public schools  
22 of the school district where the student is placed pursuant to ORS 336.580.

23 (4) Except as provided in ORS 343.261, 343.941, 343.961 and 346.010 **and section 1 of this 2019**  
24 **Act,** the school district shall provide or cause to be provided appropriate education to any student  
25 described in subsection (1) of this section, including the identification and evaluation of the student  
26 for purposes of determining eligibility as a child with a disability to receive special education and  
27 related services enumerated in ORS 343.035 and services related to a disadvantaged child as defined  
28 in ORS 343.650. Suspension or expulsion of a student from the regular school program does not re-  
29 lieve the district of the obligation to provide instruction in the residential program in which the  
30 child resides or in another appropriate facility.

31 **SECTION 10.** ORS 326.575 is amended to read:

32 326.575. (1) Within 10 days of a student's seeking initial enrollment in a public or private school  
33 or when a student is placed in a state institution, other than an institution of post-secondary edu-  
34 cation, or a day treatment program, residential treatment program, **residential alternative educa-**  
35 **tion program,** detention facility or youth care center, the school, institution, program, facility or  
36 center shall notify the public or private school or the institution, program, facility or center in  
37 which the student was formerly enrolled and shall request the student's education records.

38 (2) Any public or private school, state institution, day treatment program, residential treatment  
39 program, **residential alternative education program,** detention facility or youth care center re-  
40 ceiving the request described in subsection (1) of this section shall transfer all student education  
41 records relating to the particular student to the requesting school, institution, program, facility or  
42 center no later than 10 days after the receipt of the request. The education records shall include  
43 any education records relating to the particular student retained by an education service district.

44 (3) Notwithstanding subsections (1) and (2) of this section, for students who are in substitute  
45 care programs:

1 (a) A school, institution, program, facility or center shall notify the school, institution, program,  
2 facility or center in which the student was formerly enrolled and shall request the student's educa-  
3 tion records within five days of the student seeking initial enrollment; and

4 (b) Any school, institution, program, facility or center receiving a request for a student's edu-  
5 cation records shall transfer all student education records relating to the particular student to the  
6 requesting school, institution, program, facility or center no later than five days after the receipt  
7 of the request.

8 (4) Each educational institution that has custody of the student's education records shall annu-  
9 ally notify parents and eligible students of their right to review and propose amendments to the  
10 records. The State Board of Education shall specify by rule the procedure for reviewing and pro-  
11 posing amendments to a student's education records. If a parent's or eligible student's proposed  
12 amendments to a student's education records are rejected by the educational institution, the parent  
13 or eligible student shall receive a hearing on the matter. The State Board of Education shall specify  
14 by rule the procedure for the hearing.

15 (5) As used in this section:

16 (a) "Day treatment program" means a program described in ORS 343.961.

17 (b) "Detention facility" has the meaning given that term in ORS 419A.004.

18 (c) "Educational institution" means a public or private school, education service district, state  
19 institution, day treatment program, residential treatment program, **residential alternative educa-**  
20 **tion program** or youth care center.

21 **(d) "Residential alternative education program" means a program described in section 1**  
22 **of this 2019 Act.**

23 [(d)] (e) "Residential treatment program" means a program described in ORS 343.961.

24 [(e)] (f) "Substitute care program" means family foster care, family group home care, parole  
25 foster care, family shelter care, adolescent shelter care and professional group care.

26 [(f)] (g) "Youth care center" means a center as defined in ORS 420.855.

27 **SECTION 11. This 2019 Act being necessary for the immediate preservation of the public**  
28 **peace, health and safety, an emergency is declared to exist, and this 2019 Act takes effect**  
29 **on July 1, 2019.**

30