

Senate Bill 953

Sponsored by Senators THATCHER, THOMSEN

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**.

Establishes Oregon Empowerment Scholarship Program for purpose of providing options in education to students of this state.

Establishes qualifications for participation in program, qualified expenses under program and transfers of moneys made under program.

Restricts number of students from each school district who may enroll in program for first 10 years.

Establishes Department of Education Empowerment Account. Continuously appropriates moneys to Department of Education for payment of department's expenses under program.

Establishes Treasurer Empowerment Account. Continuously appropriates moneys to State Treasurer for payment of treasurer's expenses under program.

Establishes Oregon Empowerment Scholarship Account within State School Fund. Continuously appropriates moneys to Department of Education for purpose of making transfers under program.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to funding for educational options; creating new provisions; amending ORS 327.008, 339.030
3 and 339.505; and declaring an emergency.

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

5 **SECTION 1. Sections 1 to 7 of this 2019 Act may be cited as the Education Equity**
6 **Emergency Act.**

7 **SECTION 2. As used in sections 1 to 7 of this 2019 Act:**

8 (1) "Enrolled student" means a student who is a resident of this state and is enrolled in
9 the Oregon Empowerment Scholarship Program.

10 (2) "Parent" means a resident of this state who is a parent or legal guardian of a student
11 seeking to enroll or enrolled in the Oregon Empowerment Scholarship Program.

12 (3) "Post-secondary institution of education" means:

13 (a) A community college operated under ORS chapter 341;

14 (b) A public university listed in ORS 352.002 or the Oregon Health and Science University;

15 **or**

16 (c) A generally accredited, private post-secondary institution of education located in
17 Oregon.

18 (4) "Qualified expenses" means the following expenses of an enrolled student:

19 (a) Tuition or fees at a school described in ORS 339.030 (1)(a) for a complete course of
20 study for a particular content area or grade level, including the costs for any textbooks or
21 required course materials;

22 (b) Tuition for instruction provided by a private teacher, as described in ORS 339.030
23 (1)(d), including the costs for any course materials;

24 (c) The costs for any course materials incurred by a parent for providing instruction as
25 described in ORS 339.030 (1)(e);

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 (d) Tuition for instruction provided at a public school or fees for extracurricular activ-
 2 ities at a public school that are provided to students at the public school free of charge;

3 (e) Related services, as defined in ORS 343.035;

4 (f) Educational therapies or educational services provided by a licensed or accredited
 5 practitioner or provider;

6 (g) Tutoring services provided by a person licensed by the Teacher Standards and Prac-
 7 tices Commission or licensed or accredited by any state, regional or national accreditation
 8 organization;

9 (h) Tuition, fees, textbooks or required course materials for a private online learning
 10 program;

11 (i) Tuition, fees, textbooks or required course materials at a post-secondary institution
 12 of education;

13 (j) Fees for a nationally normed assessment, an advanced placement examination or any
 14 other assessment or examination related to admission at, or receipt of credit through, a
 15 post-secondary institution of education;

16 (k) Contributions to an account in the Oregon 529 Savings Network; and

17 (L) Fees for management of an individual account established under the Oregon
 18 Empowerment Scholarship Program.

19 (5) "Statewide average distribution" means an amount determined by the Department of
 20 Education each school year that equals the average per student distribution of the State
 21 School Fund as general purpose grants for all school districts in this state, as adjusted by
 22 any weights described in ORS 327.013 (1)(c)(A).

23 **SECTION 3.** (1) The Oregon Empowerment Scholarship Program is established for the
 24 purpose of providing options in education to the students of this state.

25 (2)(a) A parent may enroll or reenroll a student in the program by submitting an appli-
 26 cation to the Department of Education on the form and by the date required by the depart-
 27 ment, which may be no earlier than April 1. The student must be a resident of this state
 28 who has not completed high school and who meets the qualifications of paragraph (b) or (c)
 29 of this subsection.

30 (b) In the case of a parent seeking enrollment for a student, the student must have at-
 31 tended a public school in this state during the previous school year for at least 100 instruc-
 32 tional days and must be:

33 (A) A child with a disability, as defined in ORS 343.035;

34 (B) A child who needs additional educational services, as identified by a school district;

35 (C) A ward of a juvenile court or the Department of Human Services; or

36 (D) Eligible to receive free or reduced price lunches under the United States Department
 37 of Agriculture's current Income Eligibility Guidelines.

38 (c) In the case of a parent seeking reenrollment for a student, the student must have
 39 participated in the program during the previous school year. Any changes in qualifications
 40 described in paragraph (b) of this subsection do not affect the student's eligibility to reenroll
 41 in subsequent school years.

42 (d) Enrollment in the program is valid for one school year only and a parent must enroll
 43 the student in the program for each subsequent school year.

44 (3) The Department of Education shall enroll or reenroll the student in the program
 45 upon:

1 (a) Finding that the student meets the qualifications described in subsection (2) of this
2 section; and

3 (b) Receiving acknowledgment from the parent that the parent accepts the terms of
4 participation in the program, including:

5 (A) Restrictions on the use of moneys received under the program for qualified expenses
6 only; and

7 (B) The requirement that the student:

8 (i) Receive at least an education in English, mathematics, social studies and science; and

9 (ii) Comply with the requirements specified in ORS 339.035 (3) to (5).

10 (4) An enrolled student may not be required to attend public full-time schools, as pro-
11 vided by ORS 339.030, but may receive part-time instruction at a public school and must pay
12 tuition for that instruction.

13 (5)(a) Upon enrolling or reenrolling a student in the program, the department shall notify
14 the State Treasurer of the enrollment or reenrollment.

15 (b) The State Treasurer shall ensure that an account is established for each enrolled
16 student as described in section 4 of this 2019 Act. The State Treasurer shall notify the de-
17 partment after the State Treasurer:

18 (A) Verifies that an account already was established for the enrolled student if the en-
19 rolled student has participated in the program in a previous year; or

20 (B) Establishes an account for an enrolled student who does not already have an estab-
21 lished account.

22 (c) Upon receiving a notice as provided by paragraph (b) of this subsection, the depart-
23 ment shall, for each student enrolled:

24 (A) Transfer to an account established under section 4 of this 2019 Act an amount that
25 equals 90 percent of the statewide average distribution.

26 (B) Transfer to the school district in which the student is a resident an amount that
27 equals five percent of the statewide average distribution.

28 (C) Transfer to the Department of Education Empowerment Account established by sec-
29 tion 5 of this 2019 Act an amount that equals a percentage of the statewide average distrib-
30 ution that is specified by the State Board of Education by rule and that may not exceed four
31 percent.

32 (D) Transfer to the Treasurer Empowerment Account established by section 6 of this
33 2019 Act an amount that equals one percent of the statewide average distribution.

34 (6) A school or any other provider of services purchased pursuant to the program may
35 not share with or refund or rebate to the parent or enrolled student in any manner any
36 moneys received through the program.

37 (7) The State Board of Education may adopt any rules necessary for the implementation
38 of this section.

39 **SECTION 4.** (1) For each enrolled student in the Oregon Empowerment Scholarship
40 Program, the State Treasurer shall ensure that an individual account is established. The
41 parent of the enrolled student has the right to withdraw funds from the account only for the
42 benefit of the enrolled student and only for qualified expenses.

43 (2) Separate records and reports are required for each account established as provided
44 by this section. The State Treasurer shall ensure that, no less frequently than annually, a
45 report on the account is made available to the parent.

1 (3) The State Treasurer may contract with a financial institution to manage accounts
 2 established as provided by this section with the supervision of the State Treasurer.

3 (4) Moneys in an account established as provided by this section:

4 (a) May not be assigned, pledged or otherwise used to secure or obtain a loan or other
 5 advancement.

6 (b) Are exempt from garnishment and may not be subject to execution, attachment or
 7 any other process or to the operation of any bankruptcy or insolvency law.

8 (c) Are not considered income for tax purposes.

9 (5) For the purpose of ensuring that moneys in an individual account are used only for
 10 qualified expenses, the Department of Education shall:

11 (a) Ensure that an annual audit is made of each account; and

12 (b) Establish a toll-free telephone line that is available to members of the public to
 13 anonymously report any fraudulent use of moneys from an account.

14 (6) A parent, an enrolled student or a provider of services purchased pursuant to the
 15 program may be disqualified from program participation if the person is found to have com-
 16 mitted an intentional program violation consisting of any misrepresentation or other act that
 17 materially violates a law or rule governing the program. The department may remove any
 18 parent or enrolled student from eligibility for participating in the program and shall notify
 19 the State Treasurer. A parent may appeal the department's decision pursuant to the con-
 20 tested case process described in ORS chapter 183.

21 (7) Individual account information, including names, addresses, telephone numbers and
 22 other personal identification information, is confidential and must be maintained as confi-
 23 dential unless the person who provides the information, or is the subject of the information,
 24 expressly agrees in writing that the information may be disclosed.

25 (8) An enrolled student's account shall be closed and any remaining funds shall be de-
 26 posited in the State School Fund upon the later of:

27 (a) The enrolled student's graduation from a post-secondary institution of education;

28 (b) A period of six consecutive years after the student has enrolled in a post-secondary
 29 institution of education;

30 (c) A period of four consecutive years after high school completion in which the student
 31 has not enrolled in a post-secondary institution of education; or

32 (d) A period of four years after the student no longer meets the qualifications described
 33 in section 3 (2) of this 2019 Act and has not enrolled in a post-secondary institution of edu-
 34 cation.

35 **SECTION 5.** (1) The Department of Education Empowerment Account is established in
 36 the State Treasury, separate and distinct from the General Fund. Interest earned by the
 37 account shall be credited to the account. All moneys credited to the account are contin-
 38 uously appropriated to the Department of Education for the payment of expenses of the de-
 39 partment under sections 1 to 7 of this 2019 Act.

40 (2) The Department of Education Empowerment Account consists of:

41 (a) Moneys transferred as provided by section 3 (5)(c)(C) of this 2019 Act;

42 (b) Moneys appropriated to the account by the Legislative Assembly; and

43 (c) Any other moneys from state or federal sources.

44 **SECTION 6.** (1) The Treasurer Empowerment Account is established in the State Treas-
 45 ury, separate and distinct from the General Fund. Interest earned by the account shall be

1 credited to the account. All moneys credited to the account are continuously appropriated
2 to the State Treasurer for the payment of expenses of the State Treasurer under sections 1
3 to 7 of this 2019 Act.

4 (2) The Treasurer Empowerment Account consists of:

5 (a) Moneys transferred as provided by section 3 (5)(c)(D) of this 2019 Act;

6 (b) Moneys appropriated to the account by the Legislative Assembly; and

7 (c) Any other moneys from state or federal sources.

8 **SECTION 7.** (1) As used in this section, “participating school” means a school described
9 in ORS 339.030 (1)(a) that provides instruction to an enrolled student.

10 (2) Nothing in sections 1 to 7 of this 2019 Act:

11 (a) Permits a state or federal government agency to exercise control or supervision over
12 any participating school, private teacher, parent or legal guardian.

13 (b) Makes a participating school, private teacher, parent or legal guardian an agent of
14 the state or federal government.

15 (c)(A) Requires a participating school to change the creed with which the school is affil-
16 iated, or to change its practices, admission policy or curriculum, in order to accept enrolled
17 students who pay tuition or fees as provided by sections 1 to 7 of this 2019 Act.

18 (B) Requires a private teacher to change the teacher’s creed, practices or curriculum in
19 order to accept enrolled students who pay tuition or fees as provided by sections 1 to 7 of
20 this 2019 Act.

21 (C) Requires a parent or legal guardian to change the parent’s or guardian’s creed,
22 practices or curriculum.

23 (3) In any legal proceeding challenging the application of sections 1 to 7 of this 2019 Act
24 to a participating school, private teacher, parent or legal guardian, the state bears the bur-
25 den of establishing that the law or rule is necessary and does not impose any undue burden
26 on a participating school, private teacher, parent or legal guardian.

27 **SECTION 8.** (1) Sections 1 to 7 of this 2019 Act become operative January 1, 2020.

28 (2) The State Board of Education, Department of Education and State Treasurer may
29 take any action before the operative date specified in subsection (1) of this section to ensure
30 that students first be allowed to participate in the Oregon Empowerment Scholarship Pro-
31 gram during the 2020-2021 school year.

32 **SECTION 9.** Section 10 of this 2019 Act is added to and made a part of ORS chapter 327.

33 **SECTION 10.** (1) The Oregon Empowerment Scholarship Account is established within
34 the State School Fund.

35 (2) The account shall consist of any moneys transferred as provided by ORS 327.008 and
36 any other state or federal moneys available for the purposes of the Oregon Empowerment
37 Scholarship Program.

38 (3) Moneys in the account are continuously appropriated to the Department of Education
39 for the purpose of making transfers under section 3 (5)(c) of this 2019 Act.

40 (4) If the amount available in the account is not adequate to meet costs, the Department
41 of Education shall submit a revised budget to the Legislative Assembly or, if the Legislative
42 Assembly is not in session, to the Emergency Board.

43 **SECTION 11.** ORS 327.008 is amended to read:

44 327.008. (1)(a) There is established a State School Fund in the General Fund.

45 (b) The Department of Education, on behalf of the State of Oregon, may solicit and accept gifts,

1 grants, donations and other moneys from public and private sources for the State School Fund.
2 Moneys received as provided in this paragraph shall be deposited into the State School Fund.

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

6 (d) The State School Fund is continuously appropriated to the Department of Education for the
7 purposes of ORS 327.006 to 327.077, 327.095, 327.099, 327.101, 327.125, 327.137, 327.348, 336.575,
8 336.580, 336.635, 343.243, 343.533, 343.941 and 343.961 and sections 1 to 3, chapter 735, Oregon Laws
9 2013, and sections 1 to 7 of this 2019 Act.

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

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

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

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

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

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

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

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

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

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

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

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

45 (A) The total amount available for all distributions from the State School Fund shall be reduced

1 by \$5 million;

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

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

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

10 (13) Each biennium, the Department of Education shall transfer \$12.5 million from the State
11 School Fund to the Statewide English Language Learner Program Account established under ORS
12 327.344.

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

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

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

23 **(17) Each fiscal year, the Department of Education shall transfer to the Oregon**
24 **Empowerment Scholarship Account established in section 10 of this 2019 Act the amount**
25 **necessary to make the transfers required by section 3 (5)(c) of this 2019 Act.**

26 ~~[(17)]~~ (18) Each fiscal year, the Department of Education shall transfer the amount of \$2.5
27 million from the State School Fund to the Small School District Supplement Fund established in
28 section 3, chapter 735, Oregon Laws 2013.

29 **SECTION 12.** ORS 327.008, as amended by section 22, chapter 639, Oregon Laws 2017, and
30 section 5, chapter 700, Oregon Laws 2017, is amended to read:

31 327.008. (1)(a) There is established a State School Fund in the General Fund.

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

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

38 (d) The State School Fund is continuously appropriated to the Department of Education for the
39 purposes of ORS 327.006 to 327.077, 327.095, 327.099, 327.101, 327.125, 327.137, 327.348, 336.575,
40 336.580, 336.635, 343.243, 343.533, 343.941 and 343.961 and sections 1 to 3, chapter 735, Oregon Laws
41 2013, and sections 1 to 7 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 fiscal year, the Department of Education shall transfer to the Oregon**
 11 **Empowerment Scholarship Account established in section 10 of this 2019 Act the amount**
 12 **necessary to make the transfers required by section 3 (5)(c) of this 2019 Act.**

13 [(17)] (18) Each fiscal year, the Department of Education shall transfer the amount of \$2.5
 14 million from the State School Fund to the Small School District Supplement Fund established in
 15 section 3, chapter 735, Oregon Laws 2013.

16 [(18)] (19) Each biennium, the Department of Education shall transfer \$2 million from the State
 17 School Fund for deposit to the Healthy School Facilities Fund established under ORS 332.337.
 18 Notwithstanding ORS 332.337, the department may expend moneys received in the Healthy School
 19 Facilities Fund under this subsection only as grants for costs associated with testing for elevated
 20 levels of lead in water used for drinking or food preparation.

21 **SECTION 13.** ORS 327.008, as amended by section 7, chapter 735, Oregon Laws 2013, section
 22 7, chapter 81, Oregon Laws 2014, section 2, chapter 68, Oregon Laws 2015, section 38, chapter 245,
 23 Oregon Laws 2015, section 2, chapter 555, Oregon Laws 2015, section 11, chapter 604, Oregon Laws
 24 2015, section 2, chapter 644, Oregon Laws 2015, section 8, chapter 783, Oregon Laws 2015, sections
 25 22 and 23, chapter 639, Oregon Laws 2017, sections 5 and 6, chapter 700, Oregon Laws 2017, and
 26 section 34, chapter 725, Oregon Laws 2017, is amended to read:

27 327.008. (1)(a) There is established a State School Fund in the General Fund.

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

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

34 (d) The State School Fund is continuously appropriated to the Department of Education for the
 35 purposes of ORS 327.006 to 327.077, 327.095, 327.099, 327.101, 327.125, 327.137, 327.348, 336.575,
 36 336.580, 336.635, 343.243, 343.533, 343.941 and 343.961 **and sections 1 to 7 of this 2019 Act.**

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

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

1 year.

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

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

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

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

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

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

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

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

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

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

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

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

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

33 (c) For each biennium, the amounts identified in this subsection shall be adjusted by the same
34 percentage by which the instructions furnished to state agencies by the Governor under ORS 291.204
35 direct the state agencies to adjust their agency budget requests for special payments under ORS
36 291.216 (6)(a)(C).

37 (13) Each biennium, the Department of Education shall transfer \$12.5 million from the State
38 School Fund to the Statewide English Language Learner Program Account established under ORS
39 327.344.

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

44 (15) Each biennium, the Department of Education may expend up to \$350,000 from the State
45 School Fund to provide administration of and support for the development of talented and gifted

1 education under ORS 343.404.

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

5 **(17) Each fiscal year, the Department of Education shall transfer to the Oregon
6 Empowerment Scholarship Account established in section 10 of this 2019 Act the amount
7 necessary to make the transfers required by section 3 (5)(c) of this 2019 Act.**

8 ~~[(17)]~~ (18) Each biennium, the Department of Education shall transfer \$2 million from the State
9 School Fund for deposit to the Healthy School Facilities Fund established under ORS 332.337.
10 Notwithstanding ORS 332.337, the department may expend moneys received in the Healthy School
11 Facilities Fund under this subsection only as grants for costs associated with testing for elevated
12 levels of lead in water used for drinking or food preparation.

13 **SECTION 14. (1) The amendments to ORS 327.008 by sections 11, 12 and 13 of this 2019
14 Act become operative July 1, 2020.**

15 **(2) The amendments to ORS 327.008 by sections 11, 12 and 13 of this 2019 Act apply to
16 State School Fund distributions commencing with the 2020-2021 school year distributions.**

17 **SECTION 15.** ORS 339.030 is amended to read:

18 339.030. (1) In the following cases, children may not be required to attend public full-time
19 schools:

20 (a) Children being taught in a private or parochial school in the courses of study usually taught
21 in kindergarten through grade 12 in the public schools and in attendance for a period equivalent to
22 that required of children attending public schools in the 1994-1995 school year.

23 (b) Children proving to the satisfaction of the district school board that they have acquired
24 equivalent knowledge to that acquired in the courses of study taught in kindergarten through grade
25 12 in the public schools.

26 (c) Children who have received a high school diploma or a modified diploma.

27 (d) Children being taught for a period equivalent to that required of children attending public
28 schools by a private teacher the courses of study usually taught in kindergarten through grade 12
29 in the public school.

30 (e) Children being educated in the children's home by a parent or legal guardian.

31 **(f) Children who are considered to be taught by a parent or legal guardian because of
32 participation in the Oregon Empowerment Scholarship Program.**

33 ~~[(f)]~~ (g) Children whose sixth birthday occurred on or before September 1 immediately preceding
34 the beginning of the current school year if the parent or legal guardian of the child notified in
35 writing the school district of which the child is a resident that the parent or legal guardian will
36 delay enrolling the child in a public full-time school for only one school year for the purpose of
37 better meeting the child's needs for cognitive, social or physical development, as determined by the
38 parent or legal guardian.

39 ~~[(g)]~~ (h) Children who are present in the United States on a nonimmigrant visa and who are
40 attending a private, accredited English language learner program in preparation for attending a
41 private high school or college.

42 ~~[(h)]~~ (i) Children excluded from attendance as provided by law.

43 (2) The State Board of Education and the Higher Education Coordinating Commission by rule
44 shall establish procedures whereby, on a semiannual basis, an exemption from compulsory attend-
45 ance may be granted to the parent or legal guardian of any child 16 or 17 years of age who is

1 lawfully employed full-time or who is lawfully employed part-time and enrolled in school, a commu-
 2 nity college or an alternative education program as defined in ORS 336.615. An exemption also may
 3 be granted to any child who is an emancipated minor or who has initiated the procedure for
 4 emancipation under ORS 419B.550 to 419B.558.

5 **SECTION 16.** ORS 339.505 is amended to read:

6 339.505. (1) For purposes of the student accounting system required by ORS 339.515, the follow-
 7 ing definitions shall be used:

8 (a) "Graduate" means an individual who has:

9 (A) Not reached 21 years of age or whose 21st birthday occurs during the current school year;

10 (B) Met all state requirements and local requirements for attendance, competence and units of
 11 credit for high school; and

12 (C) Received one of the following:

13 (i) A high school diploma issued by a school district or a public charter school.

14 (ii) A high school diploma issued by an authorized community college.

15 (iii) A modified diploma issued by a school district or a public charter school.

16 (iv) An extended diploma issued by a school district or a public charter school.

17 (v) An alternative certificate issued by a school district or a public charter school.

18 (b) "School dropout" means an individual who:

19 (A) Has enrolled for the current school year, or was enrolled in the previous school year and
 20 did not attend during the current school year;

21 (B) Is not a high school graduate;

22 (C) Has not received a certificate for passing an approved high school equivalency test such as
 23 the General Educational Development (GED) test; and

24 (D) Has withdrawn from school.

25 (c) "School dropout" does not include a student described by at least one of the following:

26 (A) A student who has transferred to another educational system or institution that leads to
 27 graduation and the school district has received a written request for the transfer of the student's
 28 records or transcripts.

29 (B) A student who is deceased.

30 (C) A student who is participating in home instruction paid for by the district.

31 (D) A student who is being taught by a private teacher, parent or legal guardian pursuant to
 32 ORS 339.030 (1)(d), [or] (e) **or** (f).

33 (E) A student who is participating in a Department of Education approved public or private
 34 education program, an alternative education program as defined in ORS 336.615 or a hospital edu-
 35 cation program, or is residing in a Department of Human Services or an Oregon Health Authority
 36 facility.

37 (F) A student who is temporarily residing in a shelter care program certified by the Oregon
 38 Youth Authority or in a juvenile detention facility.

39 (G) A student who is enrolled in a foreign exchange program.

40 (H) A student who is temporarily absent from school because of suspension, a family emergency,
 41 or severe health or medical problems that prohibit the student from attending school.

42 (I) A student who has received a certificate for passing an approved high school equivalency test
 43 such as the General Educational Development (GED) test.

44 (2) The State Board of Education shall prescribe by rule when an unexplained absence becomes
 45 withdrawal, when a student is considered enrolled in school, acceptable alternative education pro-

1 grams under ORS 336.615 to 336.665 and the standards for excused absences for purposes of ORS
2 339.065 for family emergencies and health and medical problems.

3 **SECTION 17.** (1) Notwithstanding section 3 of this 2019 Act, the Department of Education
4 may not enroll in the Oregon Empowerment Scholarship Program more than 0.5 percent of
5 the students who reside in a school district unless the school district provides written con-
6 sent for the department to enroll a greater percentage.

7 (2) Notwithstanding section 3 of this 2019 Act, if the number of applications from stu-
8 dents who reside in the school district exceeds the limit designated under subsection (1) of
9 this section, and the school district has not provided written consent as described in sub-
10 section (1) of this section, the department shall select students for enrollment through an
11 equitable lottery selection process. The department shall give priority to students who en-
12 rolled in the Oregon Empowerment Scholarship Program the previous school year and to
13 siblings of students who enrolled in the program the previous school year.

14 (3) The department shall provide timely notice to students who are not allowed to enroll
15 in the program because of the limit designated under subsection (1) of this section. The no-
16 tice must provide an explanation from the school district about why the school district chose
17 not to give consent for the department to enroll a greater percentage of students as allowed
18 under subsection (1) of this section.

19 **SECTION 18.** (1) Section 17 of this 2019 Act is repealed on July 1, 2030.

20 (2) Section 17 of this 2019 Act applies only to applications submitted for any school year
21 from the 2020-2021 school year through the 2030-2031 school year.

22 **SECTION 19.** (1) A person commits scholarship savings account fraud if the person
23 knowingly obtains, by means of a false statement or representation, by impersonation or by
24 other fraudulent device, any of the following:

25 (a) Assistance or service in violation of sections 1 to 7 of this 2019 Act;

26 (b) Assistance or service that is greater than that allowed under sections 1 to 7 of this
27 2019 Act; or

28 (c) Assistance or service that is not a qualified expense as defined in section 2 of this 2019
29 Act.

30 (2) Any action that is considered an act of scholarship savings account fraud under this
31 section is an act of theft by deception under ORS 164.085 and is punishable as an act of theft
32 by deception.

33 **SECTION 20.** This 2019 Act being necessary for the immediate preservation of the public
34 peace, health and safety, an emergency is declared to exist, and this 2019 Act takes effect
35 on its passage.

36