

# D R A F T

## SUMMARY

Increases amounts of grants for school district facilities under certain grant programs. Provides that grant amounts are biennially adjusted for inflation. Modifies procedures for calculating and awarding grants.

## A BILL FOR AN ACT

Relating to school district facilities grants; creating new provisions; and amending ORS 286A.801 and 326.125.

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

**SECTION 1.** ORS 286A.801 is amended to read:

286A.801. (1) The Department of Education shall administer a grant program that is financed with the net proceeds of Article XI-P bonds and that provides matching fund grants to school districts for capital costs of the school districts. Any construction, improvement, remodel, equipment, maintenance or repair of a building of a school district that is financed with a grant received under this section is not required to meet the standards specified in ORS 286A.810.

(2) A school district that seeks a grant under this section must prepare and submit a facilities assessment and a long-range facilities plan to the department with the application for the grant.

(3) A school district is eligible to receive a grant under this section if:

(a) The school district complies with the requirements of this section and rules adopted pursuant to this section; and

(b) Moneys are available to the school district pursuant to subsection (6) of this section.

(4) A school district that receives a grant under this section must provide matching funds that meet or exceed the amount of the grant. The matching funds must be from general obligation bonds approved by the voters of the school district to finance capital costs of the school district.

(5) Grants awarded under this section shall be calculated as follows, **subject to subsection (8) of this section:**

(a) For a school district that provides matching funds in any amount up to ~~[\$4]~~ **\$8** million, a matching ratio for state to local funds of one to one, **unless a school district requests a state-to-local matching ratio of less than one to one.**

(b) For a school district that provides matching funds in any amount greater than ~~[\$4]~~ **\$8** million, a matching ratio for state to local funds that is based on the funding formula developed as provided in subsection (7)(c) of this section. Grants awarded under this paragraph shall be for a minimum of ~~[\$4]~~ **\$8** million per grant and a maximum of ~~[\$8]~~ **\$16** million per grant.

(6)(a) The department shall award grants to school districts as follows:

(A) ~~[Sixty]~~ **Sixty-six** percent of funds available for grants shall be based on the priority list established under subsection (7)(b) of this section; and

(B) ~~[Forty]~~ **Thirty-four** percent of funds available for grants shall be provided to school districts based on the order in which the Department of Education receives the completed applications for the grants.

(b) To the extent that moneys are available, a school district that receives moneys as provided by paragraph (a)(A) of this subsection also may receive moneys as provided by paragraph (a)(B) of this subsection. The total amount the school district receives may not exceed the maximum amount allowed under subsection (5) of this section.

(7)(a) For the purpose of awarding grants under this section, the department shall develop a priority list and a funding formula that are based on **factors that may include:**

(A) The total assessed value of all tangible property located in the school district;

(B) The percentage of poverty families within the school district, as calculated under ORS 327.013 (1)(c)(A)(v)(I); *[and]*

(C) The number of students in average daily membership for the school district, as calculated under ORS 327.061[.]; **and**

**(D) Other factors adopted by the State Board of Education by rule.**

(b) The priority list developed under this subsection shall be used to rank the order in which school districts may qualify to receive a grant under subsection (6)(a)(A) of this section.

(c) The funding formula developed under this subsection shall be used to determine the matching ratio for state to local funds. The funding formula must comply with the limits described in subsection (5) of this section.

**(8) To account for effects of inflation, the State Board of Education shall, by rule, biennially adjust the dollar amounts specified in subsection (5) of this section based on the Consumer Price Index for All Urban Consumers, West Region (All Items), as published by the Bureau of Labor Statistics of the United States Department of Labor.**

*[(8)]* **(9)** The State Board of Education may adopt any rules necessary for the administration of this section.

**SECTION 2.** ORS 326.125 is amended to read:

326.125. For the purpose of assisting school districts with capital costs, the Office of School Facilities is established within the Department of Education. The office shall be responsible for:

(1) Distributing hardship grants to school districts with facility needs. Grants awarded under this section may not exceed \$500,000 and shall be provided to school districts based on the order in which the Department of Education receives the completed applications for the grants. A school district may be eligible for a grant under this subsection if the school district meets requirements established by the State Board of Education by rule, including any requirements to provide matching funds.

(2) Providing technical assistance and establishing and maintaining standards for facilities assessments and long-range facilities plans for school

districts.

(3) Administering a certification program for qualified providers of technical assistance for the purposes described in subsection (2) of this section.

(4) Providing grants to school districts for the cost of technical assistance for the purposes described in subsection (2) of this section. The State Board of Education may establish by rule requirements for a school district to receive a grant under this subsection. Grants for a school district under this subsection may not exceed[:] **\$50,000, as adjusted under section 3 of this 2023 Act.**

*[(a) \$20,000 for a facilities assessment;]*

*[(b) \$25,000 for a long-range facilities plan;]*

*[(c) \$25,000 for an assessment of school district facilities for potential environmental hazards under ORS 332.331; and]*

*[(d) \$25,000 for a seismic assessment or other specialized assessment.]*

(5) Maintaining the Oregon School Facilities Database. The database must include information that:

(a) Assists with analyzing, planning and prioritizing school capital improvement needs for school districts by providing district-to-district and school-to-school comparisons; and

(b) Is required by the State Board of Education by rule.

(6) Administering the grant program described in ORS 286A.801.

(7) Administering a statewide facilities assessment program.

**SECTION 3. To account for effects of inflation, the State Board of Education shall, by rule, biennially adjust the maximum amount of technical assistance grants specified in ORS 326.125 (4) based on the Consumer Price Index for All Urban Consumers, West Region (All Items), as published by the Bureau of Labor Statistics of the United States Department of Labor.**