

DRAFT

SUMMARY

Digest: Raises the cap on the amount of state moneys that a school district may receive for a student who is a child with a disability. (Flesch Readability Score: 63.0).

Increases over time the percentage cap on the amount of moneys that are distributed from the State School Fund to school districts for students eligible for special education as a child with a disability. Directs the State Board of Education to adopt workload standards for personnel providing special education and related services. Allows a school district to be eligible for a higher percentage cap if the school district complies with the standards.

Declares an emergency, effective July 1, 2025.

A BILL FOR AN ACT

1
2 Relating to state funding for special education; creating new provisions;
3 amending ORS 327.013 and 343.041; and declaring an emergency.

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

5 **SECTION 1. (1) Notwithstanding ORS 327.013 (1)(c)(A)(i), the limi-**
6 **tation on the amount of moneys that are distributed to a school dis-**
7 **trict for a student who is eligible for special education as a child with**
8 **a disability shall be:**

9 (a) For the 2025-2026 school year, 12 percent of the district's ADM.

10 (b) For the 2026-2027 school year, 13 percent of the district's ADM.

11 (2) The percentages identified in subsection (1) of this section do
12 not apply to a school district for which a waiver of the percentage has
13 been provided by the Department of Education.

14 **SECTION 2. ORS 343.041 is amended to read:**

15 343.041. (1) Pursuant to rules of the State Board of Education, the Su-

1 perintendent of Public Instruction shall be responsible for the general
2 supervision of all special education programs for children with disabilities,
3 early childhood special education and early intervention services for pre-
4 school children with disabilities within the state, including all such pro-
5 grams administered by any state agency or common or union high school
6 district or education service district.

7 (2) All special education programs for children with disabilities, early
8 childhood special education and early intervention services for preschool
9 children with disabilities within this state shall meet the standards and cri-
10 teria established therefor by the State Board of Education.

11 (3) The State Board of Education shall adopt by rule procedures whereby
12 the superintendent investigates and resolves complaints that the Department
13 of Education, a local education agency or an early intervention or early
14 childhood special education contractor has violated a federal law or statute
15 that applies to a special education or early childhood special education pro-
16 gram. Complaint procedures must comply with the provisions of ORS 343.165.

17 (4) The State Board of Education shall adopt rules relating to the estab-
18 lishment and maintenance of standards to ensure that personnel providing
19 special education and early childhood special education and early inter-
20 vention services are appropriately and adequately trained. **The standards**
21 **shall include determinations of the appropriate number of students on**
22 **a workload for both licensed and nonlicensed personnel.**

23 (5) The Governor shall direct that agencies affected by this section enter
24 into cooperative agreements to achieve necessary uniformity in meeting the
25 standards and criteria established by the state board under subsection (2) of
26 this section.

27 (6) The Governor shall direct that each public agency obligated under
28 federal or state law to provide or pay for any services that are also consid-
29 ered special education or related services necessary for ensuring a free ap-
30 propriate public education to children with disabilities, including but not
31 limited to the Department of Human Services, enter into cooperative agree-

1 ments with the Department of Education concerning:

2 (a) Allocation among agencies of financial responsibility for providing
3 services;

4 (b) Conditions, terms and procedures for reimbursement; and

5 (c) Policies and procedures for coordinating timely and appropriate de-
6 livery of services.

7 (7) All cooperative agreements entered into under subsections (5) and (6)
8 of this section shall include procedures for resolving interagency disputes.

9 **SECTION 3. (1) When adopting the standards under ORS 343.041 (4),**
10 **as amended by section 2 of this 2025 Act, the State Board of Education**
11 **shall take into consideration the findings of the study conducted by**
12 **the Department of Education as required by chapter 503, Oregon Laws**
13 **2023.**

14 **(2) The board shall adopt the standards under ORS 343.041 (4), as**
15 **amended by section 2 of this 2025 Act, by no later than July 1, 2026.**

16 **SECTION 4.** ORS 327.013 is amended to read:

17 327.013. The State School Fund distributions for school districts include
18 the following grants:

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

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

25 (b) Target Grant = Statewide Target per ADMw Grant + Teacher Ex-
26 perience Factor. For the purpose of the calculation made under this para-
27 graph:

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

29 (B) Teacher Experience Factor = \$25 × {District average teacher expe-
30 rience – statewide average teacher experience}. As used in this subpara-
31 graph, “average teacher experience” means the average, in years, of teaching

1 experience of licensed teachers as reported to the Department of Education.

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

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

8 (i) 1.0 for each student in average daily membership eligible for special
9 education as a child with a disability under ORS 343.035, which may not
10 exceed [11] **13** percent of the district's ADM [*without review and approval by*
11 *the Department of Education.*] **except that:**

12 **(I) The percentage may exceed 13 percent of the district's ADM but**
13 **not 14 percent of the district's ADM if the district demonstrates to the**
14 **satisfaction of the Department of Education that the district has**
15 **complied with the standards adopted as provided by ORS 343.041 (4).**

16 **(II) The department may approve a higher percentage based on the**
17 **number of students in average daily membership eligible for special**
18 **education as a child with a disability and based on the amount of the**
19 **costs incurred by the district in providing special education.**

20 **(III) Children with disabilities eligible for special education in adult local**
21 **correctional facilities, as defined in ORS 169.005, or adult regional**
22 **correctional facilities, as defined in ORS 169.620, may not be included in the**
23 **calculation made under this sub-subparagraph.**

24 (ii) 0.5 for each student in average daily membership eligible for and en-
25 rolled in an English language learner program under ORS 336.079.

26 (iii) 0.2 for each student in average daily membership enrolled in a union
27 high school district or in an area of a unified school district where the dis-
28 trict is only responsible for educating students in grades 9 through 12 in that
29 area.

30 (iv) -0.1 for each student in average daily membership enrolled in an
31 elementary district operating kindergarten through grade six or kindergarten

1 through grade eight or in an area of a unified school district where the dis-
2 trict is only responsible for educating students in kindergarten through
3 grade eight.

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

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

10 (II) The number of children in foster homes in the district as determined
11 by the report of the Department of Human Services to the United States
12 Department of Education, "Annual Statistical Report on Children in Foster
13 Homes and Children in Families Receiving AFDC Payments in Excess of the
14 Poverty Income Level," or its successor, for October 31 of the year prior to
15 the year of distribution; and

16 (III) The number of children in the district in state-recognized facilities
17 for neglected and delinquent children, based on information from the De-
18 partment of Human Services for October 31 of the year prior to the year of
19 distribution.

20 (vi) The amount determined under ORS 327.077 for each remote small el-
21 ementary school and for each small high school in the district.

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

25 (C) The total additional weight that shall be assigned to any student in
26 average daily membership in a district, exclusive of students described in
27 subparagraph (A)(v) and (vi) of this paragraph, may not exceed 2.0.

28 (2) High cost disabilities grant = the total amount received by a school
29 district under ORS 327.348 for providing special education and related ser-
30 vices to resident pupils with disabilities.

31 (3)(a) Transportation grant equals:

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

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

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

8 (b) Each fiscal year, the Department of Education shall rank school dis-
9 tricts based on the approved transportation costs per ADM of each school
10 district, ranking the school district with the highest approved transportation
11 costs per ADM at the top of the order.

12 **SECTION 5. (1) The amendments to ORS 327.013 by section 4 of this**
13 **2025 Act become operative on July 1, 2027.**

14 **(2) The amendments to ORS 327.013 by section 4 of this 2025 Act**
15 **apply to State School Fund distributions commencing with the**
16 **2027-2028 distributions.**

17 **SECTION 6. (1) Notwithstanding ORS 327.013 (1)(c)(A)(i) and for the**
18 **2028-2029 school year only, the limitation on the amount of moneys**
19 **that are distributed to a school district for a student who is eligible**
20 **for special education as a child with a disability shall be 13 percent of**
21 **the district's ADM, except that the percentage may exceed 13 percent**
22 **of the district's ADM but not 15 percent of the district's ADM if the**
23 **district demonstrates to the satisfaction of the Department of Educa-**
24 **tion that the district has complied with the standards adopted as pro-**
25 **vided by ORS 343.041 (4).**

26 **(2) The percentages identified in subsection (1) of this section do**
27 **not apply to a school district for which a waiver of the percentage has**
28 **been provided by the Department of Education.**

29 **SECTION 7. ORS 327.013, as amended by section 4 of this 2025 Act, is**
30 **amended to read:**

31 327.013. The State School Fund distributions for school districts include

1 the following grants:

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

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

8 (b) Target Grant = Statewide Target per ADMw Grant + Teacher Ex-
 9 perience Factor. For the purpose of the calculation made under this para-
 10 graph:

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

12 (B) Teacher Experience Factor = \$25 × {District average teacher expe-
 13 rience – statewide average teacher experience}. As used in this subpara-
 14 graph, “average teacher experience” means the average, in years, of teaching
 15 experience of licensed teachers as reported to the Department of Education.

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

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

22 (i) 1.0 for each student in average daily membership eligible for special
 23 education as a child with a disability under ORS 343.035, which may not
 24 exceed 13 percent of the district’s ADM except that:

25 (I) The percentage may exceed 13 percent of the district’s ADM but not
 26 [14] **16** percent of the district’s ADM if the district demonstrates to the sat-
 27 isfaction of the Department of Education that the district has complied with
 28 the standards adopted as provided by ORS 343.041 (4).

29 (II) The department may approve a higher percentage based on the num-
 30 ber of students in average daily membership eligible for special education
 31 as a child with a disability and based on the amount of the costs incurred

1 by the district in providing special education.

2 (III) Children with disabilities eligible for special education in adult local
3 correctional facilities, as defined in ORS 169.005, or adult regional
4 correctional facilities, as defined in ORS 169.620, may not be included in the
5 calculation made under this sub-subparagraph.

6 (ii) 0.5 for each student in average daily membership eligible for and en-
7 rolled in an English language learner program under ORS 336.079.

8 (iii) 0.2 for each student in average daily membership enrolled in a union
9 high school district or in an area of a unified school district where the dis-
10 trict is only responsible for educating students in grades 9 through 12 in that
11 area.

12 (iv) -0.1 for each student in average daily membership enrolled in an
13 elementary district operating kindergarten through grade six or kindergarten
14 through grade eight or in an area of a unified school district where the dis-
15 trict is only responsible for educating students in kindergarten through
16 grade eight.

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

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

23 (II) The number of children in foster homes in the district as determined
24 by the report of the Department of Human Services to the United States
25 Department of Education, "Annual Statistical Report on Children in Foster
26 Homes and Children in Families Receiving AFDC Payments in Excess of the
27 Poverty Income Level," or its successor, for October 31 of the year prior to
28 the year of distribution; and

29 (III) The number of children in the district in state-recognized facilities
30 for neglected and delinquent children, based on information from the De-
31 partment of Human Services for October 31 of the year prior to the year of

1 distribution.

2 (vi) The amount determined under ORS 327.077 for each remote small el-
3 ementary school and for each small high school in the district.

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

7 (C) The total additional weight that shall be assigned to any student in
8 average daily membership in a district, exclusive of students described in
9 subparagraph (A)(v) and (vi) of this paragraph, may not exceed 2.0.

10 (2) High cost disabilities grant = the total amount received by a school
11 district under ORS 327.348 for providing special education and related ser-
12 vices to resident pupils with disabilities.

13 (3)(a) Transportation grant equals:

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

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

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

21 (b) Each fiscal year, the Department of Education shall rank school dis-
22 tricts based on the approved transportation costs per ADM of each school
23 district, ranking the school district with the highest approved transportation
24 costs per ADM at the top of the order.

25 **SECTION 8. (1) The amendments to ORS 327.013 by section 7 of this**
26 **2025 Act become operative on July 1, 2029.**

27 **(2) The amendments to ORS 327.013 by section 7 of this 2025 Act**
28 **apply to State School Fund distributions commencing with the**
29 **2029-2030 distributions.**

30 **SECTION 9. This 2025 Act being necessary for the immediate pres-**
31 **ervation of the public peace, health and safety, an emergency is de-**

1 **clared to exist, and this 2025 Act takes effect July 1, 2025.**

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