

# A-Engrossed House Bill 2953

Ordered by the House February 24  
Including House Amendments dated February 24

Sponsored by Representatives NERON, CATE, Senator JAMA, Representatives DOBSON, MCDONALD; Representatives CHAICHI, FRAGALA, GOMBERG, MUNOZ, NELSON, NGUYEN H, Senators PATTERSON, PHAM K (Pre-session filed.)

## 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. The statement includes a measure digest written in compliance with applicable readability standards.

**Digest:** Takes away 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: 63.3).

Removes 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 Department of Education to prepare and submit a report related to special education funding and expenditures.**

**Appropriates moneys from the General Fund for transfer to the State School Fund.**

Declares an emergency, effective July 1, 2025.

## A BILL FOR AN ACT

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

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

5 **SECTION 1.** ORS 327.013 is amended to read:

6 327.013. The State School Fund distributions for school districts include the following grants:

7 (1) General Purpose Grant = Funding Percentage × Target Grant × District extended ADMw.

8 For the purpose of the calculation made under this subsection:

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

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

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

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

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

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

23 (i) 1.0 for each student in average daily membership eligible for special education as a child with

**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 a disability under ORS 343.035[, *which may not exceed 11 percent of the district's ADM without review*  
2 *and approval by the Department of Education*]. Children with disabilities eligible for special educa-  
3 tion in adult local correctional facilities, as defined in ORS 169.005, or adult regional correctional  
4 facilities, as defined in ORS 169.620, may not be included in the calculation made under this sub-  
5 subparagraph.

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

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

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

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

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

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

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

28 (vi) The amount determined under ORS 327.077 for each remote small elementary school and for  
29 each small high school in the district.

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

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

35 (2) High cost disabilities grant = the total amount received by a school district under ORS  
36 327.348 for providing special education and related services to resident pupils with disabilities.

37 (3)(a) Transportation grant equals:

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

40 (B) 80 percent of approved transportation costs for those school districts ranked in or above the  
41 80th percentile but below the 90th percentile under paragraph (b) of this subsection.

42 (C) 90 percent of approved transportation costs for those school districts ranked in or above the  
43 90th percentile under paragraph (b) of this subsection.

44 (b) Each fiscal year, the Department of Education shall rank school districts based on the ap-  
45 proved transportation costs per ADM of each school district, ranking the school district with the

1 highest approved transportation costs per ADM at the top of the order.

2 **SECTION 2.** The amendments to ORS 327.013 by section 1 of this 2025 Act apply to State  
3 School Fund distributions commencing with the 2025-2026 distributions.

4 **SECTION 3.** In addition to and not in lieu of any other appropriation, there is appropri-  
5 ated to the Department of Education, for the biennium beginning July 1, 2025, out of the  
6 General Fund, the amount of \$\_\_\_\_\_, for the State School Fund.

7 **SECTION 4.** (1) The Department of Education shall prepare a report that describes:

8 (a) Special education funding and expenditures, disaggregated by school district.

9 (b) The difference in special education funding and expenditures, disaggregated by school  
10 district, as compared between the 2023-2025 biennium and the 2025-2027 biennium.

11 (2) The department must submit the report in the manner provided by ORS 192.245, and  
12 may include recommendations for legislation, to the committees of the Legislative Assembly  
13 related to education no later than May 31, 2027.

14 **SECTION 5.** This 2025 Act being necessary for the immediate preservation of the public  
15 peace, health and safety, an emergency is declared to exist, and this 2025 Act takes effect  
16 July 1, 2025.

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