

DRAFT

SUMMARY

Increases amount Department of Education transfers from State School Fund to High Cost Disabilities Account.

Increases amount of approved costs that school district must incur prior to receiving moneys from High Cost Disabilities Account.

Declares emergency, effective July 1, 2015.

A BILL FOR AN ACT

Relating to the High Cost Disabilities Account; creating new provisions; amending ORS 327.008 and 327.348; and declaring an emergency.

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

SECTION 1. ORS 327.008, as amended by section 6, chapter 81, Oregon Laws 2014, is amended to read:

327.008. (1) There is established a State School Fund in the General Fund. The fund shall consist of moneys appropriated by the Legislative Assembly and moneys transferred from the Education Stability Fund. The State School Fund is continuously appropriated to the Department of Education for the purposes of ORS 327.006 to 327.077, 327.095, 327.099, 327.101, 327.125, 327.137, 327.348, 336.575, 336.580, 336.635, 342.173, 343.243, 343.533 and 343.961 and sections 1 to 3, chapter 735, Oregon Laws 2013, and section 2, chapter 81, Oregon Laws 2014.

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

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

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

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

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

(7) The total amount of the State School Fund that is distributed as facility grants may not exceed \$20 million in any biennium. If the total amount to be distributed as facility grants exceeds this limitation, the Department of Education shall prorate the amount of funds available for facility grants among those school districts that qualified for a facility grant.

(8) Each fiscal year, the Department of Education shall transfer to the Pediatric Nursing Facility Account established in section 5, chapter 81, Oregon Laws 2014, the amount necessary to pay the costs of educational services provided to students admitted to pediatric nursing facilities as provided in section 2, chapter 81, Oregon Laws 2014.

(9) Each fiscal year, the Department of Education shall transfer the amount of [~~\$18~~] **\$36** million from the State School Fund to the High Cost Disabilities Account established in ORS 327.348.

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

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

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

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

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

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

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

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

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

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

SECTION 2. ORS 327.008, as amended by section 7, chapter 735, Oregon Laws 2013, and section 7, chapter 81, Oregon Laws 2014, is amended to read:

327.008. (1) There is established a State School Fund in the General Fund. The fund shall consist of moneys appropriated by the Legislative Assembly and moneys transferred from the Education Stability Fund. The State School Fund is continuously appropriated to the Department of Education for the purposes of ORS 327.006 to 327.077, 327.095, 327.099, 327.101, 327.125, 327.137,

327.348, 336.575, 336.580, 336.635, 342.173, 343.243, 343.533 and 343.961 and section 2, chapter 81, Oregon Laws 2014.

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

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

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

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

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

(7) The total amount of the State School Fund that is distributed as facility grants may not exceed \$20 million in any biennium. If the total amount to be distributed as facility grants exceeds this limitation, the Department of Education shall prorate the amount of funds available for facility grants among those school districts that qualified for a facility grant.

(8) Each fiscal year, the Department of Education shall transfer to the Pediatric Nursing Facility Account established in section 5, chapter 81, Oregon Laws 2014, the amount necessary to pay the costs of educational services provided to students admitted to pediatric nursing facilities as provided in section 2, chapter 81, Oregon Laws 2014.

(9) Each fiscal year, the Department of Education shall transfer the amount of [~~\$18~~] **\$36** million from the State School Fund to the High Cost Disabilities Account established in ORS 327.348.

(10)(a) Each biennium, the Department of Education shall transfer \$33

1 million from the State School Fund to the Network of Quality Teaching and
2 Learning Fund established under ORS 342.953.

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

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

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

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

11 (c) For each biennium, the amounts identified in paragraph (b)(B) and (C)
12 of this subsection shall be adjusted by the same percentage by which the
13 amount appropriated to the State School Fund for that biennium is increased
14 or decreased compared to the preceding biennium, as determined by the De-
15 partment of Education after consultation with the Legislative Fiscal Officer.

16 (11) Each fiscal year, the Department of Education may expend up to
17 \$550,000 from the State School Fund for the contract described in ORS
18 329.488. The amount distributed to education service districts from the State
19 School Fund under this section and ORS 327.019 shall be reduced by the
20 amount expended by the department under this subsection.

21 (12) Each biennium, the Department of Education may expend up to
22 \$350,000 from the State School Fund to provide administration of and support
23 for the development of talented and gifted education under ORS 343.404.

24 (13) Each biennium, the Department of Education may expend up to
25 \$150,000 from the State School Fund for the administration of a program to
26 increase the number of speech-language pathologists and speech-language
27 pathology assistants under ORS 348.394 to 348.406.

28 **SECTION 3.** ORS 327.348 is amended to read:

29 327.348. (1) There is established within the State School Fund a High Cost
30 Disabilities Account.

31 (2) Each fiscal year, the Department of Education shall distribute moneys

1 from the account to school districts as high cost disabilities grants. A school
2 district may receive moneys from the account if the school district has a
3 resident pupil with a disability for whom the approved costs to the school
4 district of providing special education and related services, as determined
5 under subsection (4) of this section, exceed ~~[\$30,000]~~ **\$40,000**.

6 (3) The amount of moneys received by a school district under this section
7 for each resident pupil with a disability shall equal the approved costs, as
8 determined under subsection (4) of this section, incurred by the school dis-
9 trict in providing special education and related services to the pupil minus
10 ~~[\$30,000]~~ **\$40,000**.

11 (4) The department shall determine the approved costs incurred by a
12 school district in providing special education and related services to a pupil
13 with a disability. The approved costs incurred by a school district may in-
14 clude costs incurred by an education service district of providing special
15 education and related services to the school district through the resolution
16 process described in ORS 334.175. In determining the approved costs for
17 which a school district may receive moneys under this section, the depart-
18 ment shall consider:

19 (a) How efficiently the special education and related services are provided
20 by the school district; and

21 (b) The use of available resources by the school district.

22 (5) If the total approved costs for which school districts are seeking
23 moneys from the account exceed the amount in the account in any fiscal
24 year, the department shall prorate the amount of moneys available for dis-
25 tribution in the account among those school districts that are eligible for
26 moneys from the account.

27 (6) The department shall distribute any moneys in the account that are
28 not distributed under this section in any fiscal year to school districts based
29 on ORS 327.008 and 327.013.

30 (7) The State Board of Education may adopt any rules necessary for the
31 administration of this section.

1 **SECTION 4.** The amendments to ORS 327.008 and 327.348 by sections
2 **1 to 3** of this 2015 Act apply to State School Fund distributions com-
3 **mencing** with the 2015-2016 school year distributions.

4 **SECTION 5.** This 2015 Act being necessary for the immediate pres-
5 **ervation** of the public peace, health and safety, an emergency is de-
6 **clared** to exist, and this 2015 Act takes effect July 1, 2015.