

Senate Bill 658

Sponsored by Senator LINTHICUM (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 **as introduced**.

Establishes education savings account program. Allows participating students to obtain grants from education savings accounts to fund attendance at specified types of schools or education programs.

Establishes Education Savings Program Fund and transfers moneys from State School Fund distributions for use in education savings accounts.

First applies to 2022-2023 school year.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to education savings accounts; creating new provisions; amending ORS 327.008; and de-
3 claring an emergency.

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

5 **SECTION 1. As used in sections 1 to 7 of this 2021 Act:**

6 (1) **“Curriculum” means a complete course of study for a particular content area or grade**
7 **level, including any required supplemental materials or associated online instruction.**

8 (2) **“Education savings account” or “ESA” means an account to which funds are allocated**
9 **by the State Treasurer to the parent of an eligible student in order to pay for qualified edu-**
10 **cation expenses pursuant to the requirements and conditions of sections 1 to 7 of this 2021**
11 **Act.**

12 (3) **“Education service provider” means a person or organization that receives payments**
13 **from an education savings account in exchange for authorized expenditures. Education ser-**
14 **vice providers include:**

15 (a) **Private schools;**

16 (b) **Nonpublic online learning programs or courses;**

17 (c) **State institutions of higher education, including:**

18 (A) **Public universities listed in ORS 352.002;**

19 (B) **Community colleges established under ORS chapter 341; or**

20 (C) **Any other post-secondary institutions of education that were originally established**
21 **in this state, are tax exempt under section 501(c)(3) of the Internal Revenue Code, and are**
22 **accredited by a regional or national accrediting agency recognized by the United State De-**
23 **partment of Education.**

24 (d) **Public schools, including public charter schools;**

25 (e) **Private tutors and tutoring facilities;**

26 (f) **Companies that provide educational materials or curriculum;**

27 (g) **Individuals or businesses that provide education-related therapies or services; or**

28 (h) **Any other providers of educational services approved by the State Treasurer.**

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 (4) "Eligible student" means a resident of this state who is eligible to enroll in a public
2 elementary or secondary school or with any other education service provider.

3 (5) "Parent" means the parent, legal guardian or other person who has the legal duty to
4 ensure a child receives an education as provided by ORS 339.020.

5 (6) "Private tutoring" means:

6 (a) Tutoring services provided by a tutor or tutoring facility that is accredited by a re-
7 gional or national accrediting agency recognized by the United States Department of Educa-
8 tion; or

9 (b) A person who:

10 (A) Is eligible to work as a teacher in this state;

11 (B) Has taught at an institution of higher education;

12 (C) Is a subject matter expert; or

13 (D) Is otherwise approved by the State Treasurer.

14 (7) "Student" means an eligible student who is participating in the ESA program under
15 sections 1 to 7 of this 2021 Act.

16 **SECTION 2.** (1) A parent may establish an ESA for an eligible student by entering into
17 a written agreement as provided in this section. A written agreement is valid for one year
18 and must be renewed for each subsequent school year. Renewals of written agreements shall
19 be as provided by section 3 (5) of this 2021 Act.

20 (2)(a) The State Treasurer shall create a standard written agreement that a parent can
21 submit to establish an ESA for an eligible student of the parent. The State Treasurer shall
22 ensure that written agreement forms are available online and may be submitted online.

23 (b) The State Treasurer must approve the establishment of an ESA for an eligible student
24 if a written agreement is entered into pursuant to this section.

25 (c) A parent must enter into a separate written agreement for each eligible student of
26 the parent. No more than one ESA may be established for each eligible student.

27 (3) A written agreement entered into by the parent of an eligible student must provide
28 that:

29 (a) The student will receive instruction for the school year for which the written agree-
30 ment applies in at least the subjects of reading, language, mathematics, science and social
31 studies;

32 (b) The student will not enroll as a full-time student in a public school for the school year
33 for which the written agreement applies;

34 (c) The parent will use the funds in the ESA only for qualifying expenses as described in
35 section 4 of this 2021 Act;

36 (d) The parent and the student will comply with the rules and requirements of sections
37 1 to 7 of this 2021 Act and any related rules or policies adopted by the State Treasurer;

38 (e) The student will receive a grant, in the form of moneys deposited pursuant to section
39 3 of this 2021 Act, in the ESA established for the student; and

40 (f) If the student qualifies as a child with a disability, as defined in ORS 343.035, the State
41 Treasurer shall ensure that the parent who signs the agreement receives notice that par-
42 ticipation in the ESA program is a parental placement of the eligible student under 20 U.S.C.
43 1412 along with an explanation of the rights that parentally placed students possess under
44 the federal Individuals with Disabilities Act and any applicable state laws.

45 (4) Upon entering into or renewing a written agreement, the State Treasurer shall pro-

1 vide a parent with a written explanation of the allowable uses of ESA funds, the responsi-
2 bilities of the parent, the duties of the State Treasurer and the role of any private financial
3 management firms or other private organizations that the State Treasurer may contract
4 with to administer sections 1 to 7 of this 2021 Act pursuant to section 5 of this 2021 Act.

5 (5) Compliance with the written agreement shall satisfy the compulsory school attend-
6 ance requirements of ORS 339.010. Students participating in the ESA program described in
7 sections 1 to 7 of this 2021 Act who are not enrolled as a full-time student in a private school
8 shall be exempt from the requirements of ORS 339.035.

9 (6) The State Treasurer shall annually renew an eligible student's ESA unless notified
10 by a parent that the parent wishes to terminate the ESA. An eligible student with a disability
11 shall remain eligible for renewal of an ESA as long as the student remains eligible to be en-
12 rolled in a public school.

13 (7)(a) Upon notice to the State Treasurer, a student may enroll full-time in a public
14 school. When the student enrolls full-time in a public school:

15 (A) The written agreement between the parent and the State Treasurer shall be sus-
16 pended, and no further funds shall be deposited into the student's ESA until the student
17 again qualifies for education expenses pursuant to the requirements and conditions of
18 sections 1 to 7 of this 2021 Act.

19 (B) The written agreement between the parent and the State Treasurer shall terminate
20 upon the request of the parent or upon the student turning 25 years of age, whichever occurs
21 first. Any remaining ESA funds in the student's account upon termination shall revert to the
22 General Fund.

23 (b) The State Treasurer shall adopt rules and policies to allow ESA students to enroll
24 full-time in a public school at any time in order to provide the least disruptive process.

25 (8) Nothing in sections 1 to 7 of this 2021 Act shall be construed to require that a student
26 with an ESA be enrolled, full-time or part-time, in a private school.

27 (9) The written agreement terminates automatically if a student no longer resides in this
28 state. Upon termination, any moneys remaining in the ESA shall revert to the General Fund.

29 **SECTION 3.** (1) If the parent of an eligible student enters into a written agreement pur-
30 suant to section 2 of this 2021 Act, a grant of moneys must be transferred from the Educa-
31 tion Savings Program Fund established in section 12 of this 2021 Act into the ESA of the
32 eligible student.

33 (2)(a) Except as otherwise provided in subsections (3) and (4) of this section, the grant
34 required by subsection (1) of this section must, for the school year for which the grant is
35 made, be in an amount equal to one of the following:

36 (A) For an eligible student who is a child with a disability, as defined in ORS 343.035,
37 \$6,500.

38 (B) For an eligible student with a household income that is less than 185 percent of the
39 federal poverty level, \$6,500.

40 (C) For an eligible student not described in subparagraph (A) or (B) of this paragraph,
41 \$4,900.

42 (b) For each biennium, the amounts identified in paragraph (a) of this subsection shall
43 be adjusted by the same percentage by which the amount appropriated to the State School
44 Fund for the biennium is increased or decreased compared with the preceding biennium, as
45 determined by the Department of Education after consultation with the Legislative Fiscal

1 **Officer.**

2 (3) **The State Treasurer may deduct no more than three percent from each grant for the**
 3 **administrative costs incurred by the State Treasurer in implementing the provisions of**
 4 **sections 1 to 7 of this 2021 Act.**

5 (4) **Any moneys remaining in an ESA at the end of a school year shall roll over to the**
 6 **next school year.**

7 (5) **A written agreement is automatically renewed for each school year until:**

8 (a) **The student is no longer a resident of this state;**

9 (b) **The student graduates from college with a bachelor’s degree;**

10 (c) **The student turns 25 years of age; or**

11 (d) **The ESA is revoked by the State Treasurer for substantial misuse of funds.**

12 (6) **After four consecutive years after high school graduation, if the student has not en-**
 13 **rolled in a post-secondary institution of education, or if the student turns 25 years of age,**
 14 **whichever occurs first, the ESA shall be closed and any unused funds shall revert to the**
 15 **General Fund.**

16 (7) **If a written agreement is terminated for any reason, any moneys remaining in the**
 17 **ESA shall revert to the General Fund.**

18 **SECTION 4. (1) Moneys deposited in an ESA pursuant to section 3 of this 2021 Act may**
 19 **be expended only for:**

20 (a) **Tuition and fees at a private school;**

21 (b) **Tuition and fees for nonpublic online learning programs;**

22 (c) **Private tutoring;**

23 (d) **Services contracted for and provided by a public school or public charter school, in-**
 24 **cluding individual classes, extracurricular activities and programs in these schools;**

25 (e) **Textbooks, curriculum or other instructional materials, including any supplemental**
 26 **materials required by a curriculum, private school, private online learning program, state**
 27 **institution of higher education or public school;**

28 (f) **Computer hardware or other technological devices that are primarily used to help**
 29 **meet a student’s educational needs;**

30 (g) **Educational software and applications;**

31 (h) **Uniforms purchased from or through a private school;**

32 (i) **Fees for nationally standardized assessments, advanced placement examinations,**
 33 **state-recognized industry certification exams and examinations related to a post-secondary**
 34 **institution of education admission, and any tuition and fees for related preparatory courses;**

35 (j) **Fees for summer education programs and specialized after-school education programs,**
 36 **but not for after-school child care;**

37 (k) **Educational services and therapies, including occupational, behavioral, physical,**
 38 **speech-language and audiology therapies;**

39 (L) **Tuition and fees at a state institution of higher education;**

40 (m) **Fees for transportation paid to a fee-for-service transportation provider for the stu-**
 41 **dent to travel to and from a participating education service provider;**

42 (n) **Fees for the management of the ESA; and**

43 (o) **Any other educational expense approved by the State Treasurer.**

44 (2) **ESA funds may not be refunded, rebated or shared with a parent or student in any**
 45 **manner.**

1 (3) Any refund or rebate for goods or services purchased with ESA funds shall be credited
2 directly to the ESA of the student.

3 (4) Parents may make payments for the costs of educational goods and services not
4 covered by the funds in the ESA of the student.

5 (5) Personal deposits into an ESA are not permitted.

6 (6) Funds deposited in the student's ESA do not constitute taxable income to the parent
7 or the student.

8 **SECTION 5.** (1) The State Treasurer may contract with private organizations to carry
9 out sections 1 to 7 of this 2021 Act as long as the private organizations charge only reason-
10 able fees, based on market rates, for services. The authority of this subsection includes
11 contracting with private financial management firms to manage ESAs.

12 (2) The State Treasurer shall implement a system for payment for services from ESAs
13 to education service providers by electronic funds transfer, including debit cards, electronic
14 payment systems or any other means of electronic payment that the State Treasurer deter-
15 mines to be commercially viable, cost-effective and user-friendly. The State Treasurer may
16 not adopt a system that relies exclusively on requiring parents to be reimbursed for out-of-
17 pocket expenses. The State Treasurer shall provide maximum flexibility to parents by facili-
18 tating direct payments to education service providers as well as requests for preapproval and
19 reimbursement for qualifying expenses.

20 (3) The State Treasurer shall implement a commercially viable, cost-effective and user-
21 friendly system for publicly rating, reviewing and sharing information about education ser-
22 vice providers.

23 (4) If an education service provider requires partial payment of tuition or fees prior to
24 the start of the school year to reserve space for a student admitted to the education service
25 provider, the partial payment may be paid by the State Treasurer prior to the start of the
26 school year in which the ESA is awarded. The partial payment may not exceed \$3,500 and
27 must be deducted in an equitable manner from subsequent account deposits to ensure ade-
28 quate funds remain available throughout the school year. If a student decides not to attend
29 the education service provider, the amount of the partial payment must be returned to the
30 State Treasurer by the education service provider. Only one partial payment per student may
31 be made per year as allowed by this subsection.

32 (5) The State Treasurer shall have the authority to conduct or contract for the auditing
33 of individual ESAs and shall, at a minimum, conduct random audits of ESAs on an annual
34 basis.

35 (6)(a) The State Treasurer shall have the authority to terminate a written agreement and
36 to make any parent of an eligible student ineligible to enter into a new a written agreement
37 in the event of substantial misuse of ESA funds.

38 (b) The State Treasurer shall create procedures to ensure that a fair process exists to
39 determine whether a substantial misuse of ESA funds has occurred.

40 (c) The State Treasurer shall have the authority to refer suspected cases of substantial
41 misuse of ESA funds to the Attorney General or the district attorney of the county in which
42 the parent resides for investigation if evidence of fraudulent use of ESA funds is obtained.

43 (d) A parent may appeal the State Treasurer's decision to make the parent ineligible for
44 the program as a contested case under ORS chapter 183.

45 (7) The State Treasurer may bar an education service provider from the program if the

1 State Treasurer determines that the education service provider has:

2 (a) Intentionally and substantially misrepresented information or failed to refund any
3 overpayments in a timely manner;

4 (b) Routinely failed to provide students with promised educational services; or

5 (c) Regularly failed to comply with the provisions of sections 1 to 7 of this 2021 Act or
6 any rules adopted by the State Treasurer.

7 (8)(a) The State Treasurer shall by rule create procedures to ensure that a fair process
8 exists to determine whether an education service provider may be barred from participating
9 in the program.

10 (b) If an education service provider is barred from the program, the State Treasurer shall
11 immediately notify parents who have made payments from their student's ESA to the barred
12 education service provider of the decision.

13 (c) An education service provider may appeal the State Treasurer's decision to bar the
14 provider from the program as a contested case under ORS chapter 183.

15 (9) The State Treasurer may accept gifts and grants from any source to cover adminis-
16 trative costs, to inform the public about ESAs or to fund additional ESAs.

17 (10) The State Treasurer may adopt rules that are not inconsistent with sections 1 to 7
18 of this 2021 Act and that are necessary for the administration of sections 1 to 7 of this 2021
19 Act, including establishing:

20 (a) An online anonymous fraud reporting service, or contracting for the provision of that
21 service.

22 (b) An anonymous telephone hotline for fraud reporting.

23 (c) Policies that require either a surety bond for education service providers receiving
24 more than \$100,000 in program funds or insurance for account holders.

25 (d) Procedures for refunding payments from a participating education service provider
26 back to an ESA.

27 (e) Procedures for entering into reciprocal agreements with other state ESA agencies or
28 entities to recognize and allow education service providers approved in other states to re-
29 ceive payments from ESAs under sections 1 to 7 of this 2021 Act.

30 (11) Rules or policies adopted by the State Treasurer shall focus on easing parental in-
31 volvement and encouraging educational service providers to provide parents with a broad
32 array of educational options.

33 (12) The State Treasurer shall maintain an updated list of participating education service
34 providers and shall ensure that the list is available online.

35 (13) The State Treasurer shall administer an annual survey of parents who enter into or
36 renew written agreements pursuant to section 2 of this 2021 Act. The survey must ask each
37 parent to indicate:

38 (a) The number of years the parent has entered into or renewed a written agreement;

39 (b) The relative satisfaction of the parent with the program established pursuant to
40 sections 1 to 7 of this 2021 Act; and

41 (c) The opinions of the parent regarding any topics, items or issues that the State
42 Treasurer determines may aid the State Treasurer in evaluating and improving the effec-
43 tiveness of the program established pursuant to sections 1 to 7 of this 2021 Act.

44 **SECTION 6.** (1) To be eligible to accept payments from an ESA, an education service
45 provider shall:

1 (a) Submit notice to the State Treasurer of the intent to participate.

2 (b) Provide parents with a receipt for all qualifying educational expenses.

3 (c) Agree not to refund, rebate or share ESA funds with parents or students in any
4 manner, except that ESA funds may be remitted or refunded to an ESA in accordance with
5 procedures established by the State Treasurer.

6 (d) Certify that the education service provider will not discriminate based on race, color,
7 ethnicity or national origin.

8 (e) Agree to submit any employee who will have contact with students to a criminal
9 background check.

10 (f) Provide the State Treasurer with any additional information that may be requested
11 to ensure the services provided to parents are qualifying educational expenses. If the edu-
12 cation service provider is unable to provide the additional information, the State Treasurer
13 may bar the education service provider from participating in the program.

14 (2) If it is reasonably expected that an education service provider will receive payments
15 from ESAs in an amount that exceeds \$100,000 during any school year, the State Treasurer
16 may require the education service provider to:

17 (a) Post a surety bond in an amount equal to the amount reasonably expected to be paid
18 to the education service provider from ESAs during the school year; or

19 (b) Provide evidence satisfactory to the State Treasurer that the education service pro-
20 vider otherwise has sufficient assets to pay the State Treasurer an amount equal to the
21 amount described in this section.

22 (3) Nothing in sections 1 to 7 of this 2021 Act shall be deemed to limit the independence
23 or autonomy of an education service provider or to make the actions of an education service
24 provider the actions of this state.

25 (4) The State Treasurer or any other state agency may not regulate the educational
26 program of an education service provider that accepts funds from an ESA.

27 (5) An education service provider shall be given the maximum freedom to provide for the
28 educational needs of ESA students without governmental control.

29 (6) Nothing in sections 1 to 7 of this 2021 Act shall be construed to expand the regulatory
30 authority of the state, its officers or any school district to impose any additional regulation
31 of education service providers beyond those necessary to enforce the requirements of
32 sections 1 to 7 of this 2021 Act.

33 **SECTION 7.** (1) At a parent's request, an eligible student's local school district shall
34 permit a student who is being educated pursuant to an ESA to participate in the statewide
35 assessment system described in ORS 329.485. The school district may not charge a fee to
36 parents who elect to have their eligible student participate in the statewide assessment.

37 (2) The results of the statewide assessments for students being educated pursuant to an
38 ESA shall be reported to the Department of Education separate from the results of students
39 enrolled in the schools of a school district.

40 (3) A school district that previously enrolled an eligible student shall provide an educa-
41 tion service provider that has enrolled an eligible student with a complete copy of the
42 student's school records, while complying with 20 U.S.C. 1232g.

43 **SECTION 8.** (1) In any legal proceeding challenging the application of sections 1 to 7 of
44 this 2021 Act to an education service provider, the respondent bears the burden of estab-
45 lishing that the law is necessary and does not impose any undue burden on an education

1 service provider.

2 (2) No liability shall arise on the part of the State Treasurer or this state or of any school
3 district based on the award or use of an ESA pursuant to sections 1 to 7 of this 2021 Act.

4 (3) If any part of sections 1 to 7 of this 2021 Act is challenged as violating either the
5 United States Constitution or the Oregon Constitution, parents of eligible students may be
6 permitted to intervene to defend the constitutionality of sections 1 to 7 of this 2021 Act. For
7 the purposes of judicial administration, a court may limit the number of parents permitted
8 to intervene or require that all parents file a joint brief, so long as parents are not required
9 to join any brief filed on behalf of any respondent.

10 (4) If any provision of sections 1 to 7 of this 2021 Act, or the application of sections 1 to
11 7 of this 2021 Act to any person or circumstances, is held invalid, the invalidity does not af-
12 fect other provisions or applications of sections 1 to 7 of this 2021 Act that can be given ef-
13 fect without the invalid provision or application and any provisions of sections 1 to 7 and 12
14 of this 2021 Act are severable.

15 **SECTION 9.** (1) Sections 1 to 7 and 12 of this 2021 Act become operative January 1, 2022.

16 (2) The State Board of Education, Department of Education, and State Treasurer may
17 take any action before the operative date specified in subsection (1) of this section to ensure
18 that students first be allowed to participate in the program established by sections 1 to 7 and
19 12 of this 2021 Act during the 2022-2023 school year.

20 **SECTION 10.** Notwithstanding section 3 (2)(b) of this 2021 Act, the amounts identified in
21 section 3 (2)(a) of this 2021 Act shall first be adjusted beginning in the 2023-2025 biennium.

22 **SECTION 11.** Section 12 of this 2021 Act is added to and made a part of ORS chapter 327.

23 **SECTION 12.** (1) The Education Savings Program Fund is established within the State
24 School Fund.

25 (2) The Education Savings Program Fund shall consist of moneys transferred as provided
26 by ORS 327.008 and any other state or federal moneys available for the purposes of the pro-
27 gram established by sections 1 to 7 of this 2021 Act.

28 (3) Moneys in the fund are continuously appropriated to the State Treasurer for the
29 purpose of making deposits under section 3 of this 2021 Act.

30 **SECTION 13.** ORS 327.008 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 Fund for Student Success, moneys transferred from the Education Sta-
37 bility Fund and the Oregon Marijuana Account and moneys received as provided in paragraph (b)
38 of this subsection.

39 (d) The State School Fund is continuously appropriated to the Department of Education for the
40 purposes of ORS 327.006 to 327.077, 327.095, 327.099, 327.101, 327.125, 327.137, 327.348, 336.575,
41 336.580, 336.635, 343.243, 343.533, 343.941 and 343.961 **and sections 1 to 7 of this 2021 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 \$55 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 biennium, the Department of Education shall transfer \$2 million from the State School
11 Fund for deposit to the Healthy School Facilities Fund established under ORS 332.337.
12 Notwithstanding ORS 332.337, the department may expend moneys received in the Healthy School
13 Facilities Fund under this subsection only as grants for costs associated with testing for elevated
14 levels of lead in water used for drinking or food preparation.

15 (18) **Each fiscal year, the Department of Education shall transfer to the Education**
16 **Savings Program Fund established by section 12 of this 2021 Act the amount necessary to**
17 **make the deposits required by section 3 of this 2021 Act.**

18 **SECTION 14. (1) The amendments to ORS 327.008 by section 13 of this 2021 Act become**
19 **operative July 1, 2022.**

20 (2) **The amendments to ORS 327.008 by section 13 of this 2021 Act apply to State School**
21 **Fund distributions commencing with the 2022-2023 school year distributions.**

22 **SECTION 15. This 2021 Act being necessary for the immediate preservation of the public**
23 **peace, health and safety, an emergency is declared to exist, and this 2021 Act takes effect**
24 **on its passage.**

25