

A-Engrossed
House Bill 4026

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

Sponsored by Representatives MARSH, GOMBERG, Senator ANDERSON, Representatives CATE, HAYDEN, Senators COURTNEY, GIROD, GOLDEN; Representatives HIEB, LEVY, WILDE (at the request of Oregon School Boards Association, Oregon Education Association, Coalition of Oregon School Administrators, Oregon School Employees Association) (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.

Directs Department of Education to award grants to wildfire-impacted school districts in amounts to cover funding decreases resulting from decreases in district average daily membership, as compared to 2019-2020 school year, that are caused by wildfires. Sunsets on July 1, 2025.

Establishes School Stabilization Subaccount for Wildfire-impacted School Districts for purpose of awarding grants.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to state moneys for school districts impacted by wildfires; and declaring an emergency.

3 Whereas wildfires raged through several Oregon communities in 2020, causing devastation to the
4 communities and to families and public schools in the communities; and

5 Whereas many of these wildfire-impacted communities are overrepresented by populations his-
6 torically marginalized because of poverty, housing insecurity, race or ethnicity; and

7 Whereas students in wildfire-impacted school districts lost their permanent housing and all of
8 their belongings; and

9 Whereas the families in these wildfire-impacted communities lost power, Internet access, tele-
10 vision service and telephone service; and

11 Whereas many families of students who are residents of wildfire-impacted school districts had
12 to relocate to stable housing outside of the school district in the aftermath of this tragedy; and

13 Whereas the schools of these wildfire-impacted areas are the hearts of the communities and are
14 critical to their efforts to rebuild; and

15 Whereas Oregon's commitment to its most vulnerable students has been matched with renewed
16 commitment to educational funding through the Student Success Act; and

17 Whereas the voters of this state expressed a commitment to improving the graduation rates and
18 the college and career readiness of high school students by enacting Ballot Measure 98 (2016), which
19 is also known as the High School Graduation and College and Career Readiness Act; and

20 Whereas school districts severely impacted by the devastation of the 2020 wildfires in the midst
21 of the global COVID-19 pandemic have a uniquely urgent need to have stable funding to enable them
22 to fully recover; now, therefore,

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

24 **SECTION 1. Sections 2 and 4 of this 2022 Act are added to and made a part of ORS**

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 **chapter 327.**

2 **SECTION 2. (1) As used in this section:**

3 (a) “ADMw” means the weighted average daily membership of a school district, as cal-
4 culated under ORS 327.013 (1)(c)(A), minus any ADMw attributable to a virtual public charter
5 school, as defined in ORS 338.005.

6 (b) “District ADM” means the average daily membership, as defined in ORS 327.006, for
7 a school district, minus any ADM attributable to a virtual public charter school, as defined
8 in ORS 338.005.

9 (c) “District extended ADMw” means the ADMw or ADMw of the prior year, whichever
10 is greater.

11 (d) “2020 wildfires” includes all wildfires that were identified in an executive order issued
12 by the Governor in accordance with the Emergency Conflagration Act under ORS 476.510 to
13 476.610 between August 1 and September 30, 2020.

14 (2) In addition to distributions made from the State School Fund and the Student In-
15 vestment Account and apportionments made from the High School Graduation and College
16 and Career Readiness Fund, the Department of Education shall award grants each school
17 year to wildfire-impacted school districts as provided by this section.

18 (3) A school district may apply for a grant under this section if:

19 (a) The district ADM, as compared to the district ADM for the 2019-2020 school year,
20 decreased for any school year occurring after the 2019-2020 school year; and

21 (b) The school district can demonstrate that one or more of the following occurred:

22 (A) One or more school buildings of the school district were damaged as the result of the
23 2020 wildfires and that damage resulted in students being displaced from the building or the
24 building being closed to students;

25 (B) Housing within the boundaries of the school district was damaged as a result of the
26 2020 wildfires and that damage resulted in students being displaced from the school district;
27 or

28 (C) Any other circumstances identified by the State Board of Education by rule as being
29 directly related to the 2020 wildfires and causing a decrease in the district ADM.

30 (4)(a) Except as provided by subsection (5) of this section, the amount of a grant awarded
31 under this section shall equal the greater of the sum calculated under paragraph (b) or (c)
32 of this subsection.

33 (b) The following shall be added to determine the difference in amounts distributed to a
34 school district based on ADMw:

35 (A) The difference between the following, in relation to distributions from the State
36 School Fund under ORS 327.013:

37 (i) The amount that would have been distributed to the school district for the current
38 school year from the State School Fund under ORS 327.013, as calculated based on the dis-
39 trict extended ADMw for the 2019-2020 school year; and

40 (ii) The amount actually distributed to the school district for the current school year
41 from the State School Fund under ORS 327.013, as calculated based on the district extended
42 ADMw for the current school year;

43 (B) The difference between the following, in relation to distributions from the Student
44 Investment Account under ORS 327.195:

45 (i) The amount that would have been distributed to the school district for the current

1 school year from the Student Investment Account under ORS 327.195, as calculated based
2 on the district extended ADMw for the 2019-2020 school year; and

3 (ii) The amount actually distributed to the school district for the current school year
4 from the Student Investment Account under ORS 327.195, as calculated based on the district
5 extended ADMw for the current school year; and

6 (C) The difference between the following, in relation to apportionments from the High
7 School Graduation and College and Career Readiness Fund under ORS 327.859:

8 (i) The amount that would have been apportioned to the school district for the current
9 school year from the High School Graduation and College and Career Readiness Fund under
10 ORS 327.859, as calculated based on the district extended ADMw for the 2019-2020 school
11 year; and

12 (ii) The amount actually apportioned to the school district for the current school year
13 from the High School Graduation and College and Career Readiness Fund under ORS 327.859,
14 as calculated based on the district extended ADMw for the current school year.

15 (c) The following shall be added to determine the difference in amounts distributed to a
16 school district based on district ADM:

17 (A) The difference between the following, in relation to distributions from the State
18 School Fund under ORS 327.013:

19 (i) The amount that would have been distributed to the school district for the current
20 school year from the State School Fund under ORS 327.013, as calculated based on the dis-
21 trict ADM for the 2019-2020 school year; and

22 (ii) The amount actually distributed to the school district for the current school year
23 from the State School Fund under ORS 327.013, as calculated based on the district ADM for
24 the current school year;

25 (B) The difference between the following, in relation to distributions from the Student
26 Investment Account under ORS 327.195:

27 (i) The amount that would have been distributed to the school district for the current
28 school year from the Student Investment Account under ORS 327.195, as calculated based
29 on the district ADM for the 2019-2020 school year; and

30 (ii) The amount actually distributed to the school district for the current school year
31 from the Student Investment Account under ORS 327.195, as calculated based on the district
32 ADM for the current school year; and

33 (C) The difference between the following, in relation to apportionments from the High
34 School Graduation and College and Career Readiness Fund under ORS 327.859:

35 (i) The amount that would have been apportioned to the school district for the current
36 school year from the High School Graduation and College and Career Readiness Fund under
37 ORS 327.859, as calculated based on the district ADM for the 2019-2020 school year; and

38 (ii) The amount actually apportioned to the school district for the current school year
39 from the High School Graduation and College and Career Readiness Fund under ORS 327.859,
40 as calculated based on the district ADM for the current school year.

41 (5) The department may prorate the amount of a grant calculated under subsection (4)
42 of this section if the department finds, based on rules adopted by the State Board of Educa-
43 tion, that only a portion of the decrease in district ADM, as compared to the 2019-2020 school
44 year, is attributable to the 2020 wildfires.

45 (6) A school district may qualify for a grant under this section only for school years in

1 which the district ADM for the current school year is less than the district ADM for the
2 2019-2020 school year.

3 (7)(a) The department shall award grants under this section from moneys available in the
4 School Stabilization Subaccount for Wildfire-impacted School Districts established under
5 section 4 of this 2022 Act.

6 (b) When awarding a grant, the department shall identify the portion of the grant that
7 is attributable to:

8 (A) Distributions from the State School Fund under ORS 327.013;

9 (B) Distributions from the Student Investment Account under ORS 327.195; and

10 (C) Apportionments from the High School Graduation and College and Career Readiness
11 Fund under ORS 327.859.

12 (c) A school district that receives a grant under this section shall use the portions of the
13 grant for the purposes for which the portions were intended, including:

14 (A) Using the portion of the grant attributable to distributions from the Student Invest-
15 ment Account in a manner that is consistent with how the school district uses other dis-
16 tributions from the account; and

17 (B) Using the portion of the grant attributable to apportionments from the High School
18 Graduation and College and Career Readiness Fund in a manner that is consistent with how
19 the school district uses other apportionments from the fund.

20 (8) The State Board of Education shall adopt any rules necessary for the administration
21 of this section, including adopting a reporting requirement to ensure compliance with the
22 provisions of subsection (7)(c) of this section.

23 **SECTION 3.** (1) Section 2 of this 2022 Act applies to State School Fund and Student In-
24 vestment Account distributions and to High School Graduation and College and Career
25 Readiness Fund apportionments made for the 2021-2022, 2022-2023, 2023-2024 and 2024-2025
26 school years.

27 (2) The Department of Education shall award grants under section 2 of this 2022 Act to
28 qualifying school districts for the 2021-2022, 2022-2023, 2023-2024 and 2024-2025 school years.

29 **SECTION 4.** (1) The School Stabilization Subaccount for Wildfire-impacted School Dis-
30 tricts is established within the Statewide Education Initiatives Account.

31 (2) Interest earned on the School Stabilization Subaccount for Wildfire-impacted School
32 Districts shall be credited to the subaccount.

33 (3) The School Stabilization Subaccount for Wildfire-impacted School Districts shall con-
34 sist of moneys transferred to the subaccount from the Statewide Education Initiatives Ac-
35 count.

36 (4) Moneys in the School Stabilization Subaccount for Wildfire-impacted School Districts
37 are continuously appropriated to the Department of Education for the purpose described in
38 section 2 of this 2022 Act.

39 **SECTION 5.** In addition to the uses of the Statewide Education Initiatives Account that
40 are authorized under ORS 327.254, the Department of Education shall transfer \$25 million
41 from the Statewide Education Initiatives Account to the School Stabilization Subaccount for
42 Wildfire-impacted School Districts established under section 4 of this 2022 Act for the pur-
43 pose of awarding grants as provided by section 2 of this 2022 Act.

44 **SECTION 6.** Notwithstanding any other law limiting expenditures, the limitation on
45 expenditures established by section 6 (4), chapter 603, Oregon Laws 2021, for the biennium

1 ending June 30, 2023, as the maximum limit for payment of grants-in-aid, program costs and
2 purchased services from fees, moneys or other revenues, including Miscellaneous Receipts,
3 but excluding lottery funds, corporate activity tax funds and federal funds, collected or re-
4 ceived by the Department of Education for programs other than those specified in sections
5 5 and 14, chapter 603, Oregon Laws 2021, for all other grants, is increased by \$12,500,000, for
6 expenditures from the School Stabilization Subaccount for Wildfire-impacted School Districts
7 established in section 4 of this 2022 Act.

8 **SECTION 7.** Sections 2 and 4 of this 2022 Act are repealed on July 1, 2025.

9 **SECTION 8.** (1) On July 1, 2025, the School Stabilization Subaccount for Wildfire-impacted
10 School Districts established under section 4 of this 2022 Act is abolished.

11 (2) Any moneys remaining in the School Stabilization Subaccount for Wildfire-impacted
12 School Districts on July 1, 2025, shall be transferred to the Statewide Education Initiatives
13 Account.

14 **SECTION 9.** This 2022 Act being necessary for the immediate preservation of the public
15 peace, health and safety, an emergency is declared to exist, and this 2022 Act takes effect
16 on its passage.