

# House Bill 2721

Sponsored by Representative NERON (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**.

Removes cap on amounts distributed from State School Fund to school districts for students eligible for special education as children with disabilities. First applies to 2023-2024 State School Fund distributions.

Declares emergency, effective July 1, 2023.

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

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

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

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

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

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

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

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

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

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

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

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

30 (3)(a) Transportation grant equals:

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

33 (B) 80 percent of approved transportation costs for those school districts ranked in or above the  
34 80th percentile but below the 90th percentile under paragraph (b) of this subsection.

35 (C) 90 percent of approved transportation costs for those school districts ranked in or above the  
36 90th percentile under paragraph (b) of this subsection.

37 (b) Each fiscal year, the Department of Education shall rank school districts based on the ap-  
38 proved transportation costs per ADM of each school district, ranking the school district with the  
39 highest approved transportation costs per ADM at the top of the order.

40 (4)(a) Facility Grant = 8 percent of total construction costs of new school buildings.

41 (b) A school district shall receive a Facility Grant in the distribution year that a new school  
42 building is first used.

43 (c) As used in this subsection:

44 (A) "New school building" includes new school buildings, structures added onto existing school  
45 buildings and premanufactured structures added to a school district if those buildings or structures

1 are to be used for instructing students.

2 (B) "Construction costs" does not include costs for land acquisition.

3 **SECTION 2. The amendments to ORS 327.013 by section 1 of this 2023 Act apply to State**  
4 **School Fund distributions commencing with the 2023-2024 distributions.**

5 **SECTION 3. This 2023 Act being necessary for the immediate preservation of the public**  
6 **peace, health and safety, an emergency is declared to exist, and this 2023 Act takes effect**  
7 **July 1, 2023.**

8

---