

A-Engrossed House Bill 4068

Ordered by the House February 12
Including House Amendments dated February 12

Sponsored by Representative HUDSON; Senator WEBER (Presession 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: Allows a school district to receive more money for special education when costs are high. (Flesch Readability Score: 61.8).

[Digest: Prescribes process for DAS to prepare a budget for funding the State School Fund. Requires budgets of school districts be made public. (Flesch Readability Score: 76.4).]

[Directs the Oregon Department of Administrative Services to prepare a tentative budget for the funding of the State School Fund. Requires the department to form a committee for the purpose of preparing the tentative budget. Prescribes factors to be considered by the committee.]

[Requires school districts to provide a financial summary to the Department of Education. Directs the department to withhold from a school district State School Fund payments if the unappropriated ending fund balance and reserves for the general fund of the school district exceeds the beginning fund balance of the general fund of the school district by a specified percentage. Requires the department to make public information related to the financial summaries.]

Allows High Cost Disabilities Account moneys to be distributed to school districts that have a community impact that causes disproportionately high costs associated with the provision of special education and related services.

Takes effect on July 1, 2024.

A BILL FOR AN ACT

1
2 Relating to the funding of public education; creating new provisions; amending ORS 327.348; and
3 prescribing an effective date.

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

5 **SECTION 1.** ORS 327.348 is amended to read:

6 327.348. (1) There is established within the State School Fund a High Cost Disabilities Account.

7 (2) Each fiscal year, the Department of Education shall distribute moneys from the account to
8 school districts as high cost disabilities grants. A school district may receive moneys from the ac-
9 count if the school district:

10 (a) Has a resident pupil with a disability for whom the approved costs to the school district of
11 providing special education and related services, as determined under subsection (4) of this section,
12 exceed \$30,000[.]; or

13 (b) **Has a community impact that causes disproportionately high costs associated with**
14 **the provision of special education and related services, as determined by the department**
15 **based on identified and quantifiable factors that are beyond the control of the school district**
16 **and that result in a significantly increased number of pupils qualifying for special education**
17 **and related services.**

18 (3) The amount of moneys received by a school district under this section [*for each resident pupil*
19 *with a disability*] shall equal:

20 (a) **For distributions made as provided by subsection (2)(a) of this section,** the approved

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 costs, as determined under subsection (4) of this section, incurred by the school district in providing
2 special education and related services to *[the pupil]* **each resident pupil described in subsection**
3 **(2)(a) of this section** minus \$30,000.

4 **(b) For distributions made as provided by subsection (2)(b) of this section, the approved**
5 **costs, as determined under subsection (4) of this section, incurred by the school district in**
6 **providing special education and related services to the resident pupils minus any amounts**
7 **distributed to the school district as provided by ORS 327.013 (1)(c)(A)(i).**

8 (4) The department shall determine the approved costs incurred by a school district in providing
9 special education and related services to *[a pupil]* **pupils** with a disability. The approved costs in-
10 curred by a school district may include costs incurred by an education service district of providing
11 special education and related services to the school district through the resolution process described
12 in ORS 334.175. In determining the approved costs for which a school district may receive moneys
13 under this section, the department shall consider:

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

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

17 (5) If the total approved costs for which school districts are seeking moneys from the account
18 exceed the amount in the account in any fiscal year, the department shall prorate the amount of
19 moneys available for distribution in the account among those school districts that are eligible for
20 moneys from the account.

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

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

25 **SECTION 2. The amendments to ORS 327.348 by section 1 of this 2024 Act apply to dis-**
26 **tributions of the High Cost Disabilities Account commencing with the 2024-2025 distributions.**

27 **SECTION 3. In addition to and not in lieu of any other appropriation, there is appropri-**
28 **ated to the Department of Education, for the biennium ending June 30, 2025, out of the**
29 **General Fund, the amount of \$150,000,000, which shall be transferred to the High Cost Disa-**
30 **bilities Account for purposes of distributions made under ORS 327.348 (3)(b).**

31 **SECTION 4. This 2024 Act takes effect on July 1, 2024.**

32