

House Bill 2451

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**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: Provides school districts with more money to use to help a child with a disability. (Flesch Readability Score: 67.5).

Increases the amount of money transferred each fiscal year by the Department of Education from the State School Fund to the High Cost Disabilities Account.

Increases the percentage of students eligible for special education for whom a school district may receive additional funding.

Appropriates moneys from the General Fund for the State School Fund.

Declares an emergency, effective July 1, 2025.

A BILL FOR AN ACT

1
2 Relating to funding for students eligible for special education; creating new provisions; amending
3 ORS 327.008 and 327.013; and declaring an emergency.

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

5 **SECTION 1.** ORS 327.008 is amended to read:

6 327.008. (1)(a) There is established a State School Fund in the General Fund.

7 (b) The Department of Education, on behalf of the State of Oregon, may solicit and accept gifts,
8 grants, donations and other moneys from public and private sources for the State School Fund.
9 Moneys received as provided in this paragraph shall be deposited into the State School Fund.

10 (c) The State School Fund shall consist of moneys appropriated by the Legislative Assembly,
11 moneys transferred from the Fund for Student Success, moneys transferred from the Education Sta-
12 bility Fund and the Oregon Marijuana Account and moneys received as provided in paragraph (b)
13 of this subsection.

14 (d) The State School Fund is continuously appropriated to the Department of Education for the
15 purposes of ORS 327.006 to 327.077, 327.095, 327.099, 327.101, 327.125, 327.137, 327.348, 327.356 to
16 327.359, 336.575, 336.580, 336.635, 343.243, 343.533, 343.941 and 343.961.

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

21 (3) For the first school year after a public charter school ceases to operate because of dissol-
22 ution or closure or because of termination or nonrenewal of a charter, there shall be apportioned
23 from the State School Fund to each school district that had sponsored a public charter school that
24 ceased to operate an amount equal to the school district's general purpose grant per extended
25 ADMw multiplied by five percent of the ADM of the public charter school for the previous school
26 year.

27 (4) There shall be apportioned from the State School Fund to each education service district a

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 State School Fund grant as calculated under ORS 327.019.

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

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

6 (7) Each biennium, the Department of Education may expend from the State School Fund no
 7 more than \$3 million for expenses incurred by the department in providing support to school dis-
 8 tricts, education service districts and public charter schools at any time before, during or after a
 9 threat or hazard that may affect a school district, an education service district or a public charter
 10 school and for the purpose of helping to improve the safety and security of students and staff.

11 (8) Each biennium, the Department of Education may expend from the State School Fund no
 12 more than \$10 million for expenses incurred by the Office of School Facilities under ORS 326.125
 13 (1)(b) to (g).

14 (9) Each fiscal year, the Department of Education shall transfer to the Pediatric Nursing Facil-
 15 ity Account established in ORS 327.022 the amount necessary to pay the costs of educational ser-
 16 vices provided to students admitted to pediatric nursing facilities as provided in ORS 343.941.

17 (10) Each fiscal year, the Department of Education shall transfer the amount of [~~\$55~~] **\$130**
 18 million from the State School Fund to the High Cost Disabilities Account established in ORS
 19 327.348.

20 (11)(a) Each biennium, the Department of Education shall transfer \$39.5 million from the State
 21 School Fund to the Educator Advancement Fund established under ORS 342.953.

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

23 (A) The total amount available for all distributions from the State School Fund shall be reduced
 24 by \$6 million;

25 (B) The amount distributed to school districts from the State School Fund under this section and
 26 ORS 327.013 shall be reduced by \$16.75 million; and

27 (C) The amount distributed to education service districts from the State School Fund under this
 28 section and ORS 327.019 shall be reduced by \$16.75 million.

29 (c) For each biennium, the amounts identified in this subsection shall be adjusted by the same
 30 percentage by which the instructions furnished to state agencies by the Governor under ORS 291.204
 31 direct the state agencies to adjust their agency budget requests for special payments under ORS
 32 291.216 (6)(a)(C).

33 (12) Each biennium, the Department of Education shall transfer \$12.5 million from the State
 34 School Fund to the Statewide English Language Learner Program Account established under ORS
 35 327.344.

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

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

43 (15) Each biennium, the Department of Education may expend up to \$150,000 from the State
 44 School Fund for the administration of a program to increase the number of licensed speech-language
 45 pathologists and certified speech-language pathology assistants under ORS 348.398.

1 (16) Each biennium, the Department of Education shall transfer \$2 million from the State School
 2 Fund for deposit to the Healthy School Facilities Fund established under ORS 332.337.
 3 Notwithstanding ORS 332.337, the department may expend moneys received in the Healthy School
 4 Facilities Fund under this subsection only as grants for costs associated with testing for elevated
 5 levels of lead in water used for drinking or food preparation.

6 (17) Each biennium, the Department of Education shall transfer an amount not to exceed
 7 \$5,595,000 for the purpose of making tampons and sanitary pads available as provided by ORS
 8 326.545.

9 (18) Each fiscal year, the Department of Education shall transfer the amount of \$2.5 million from
 10 the State School Fund to the Small School District Supplement Fund established in ORS 327.359.

11 (19) Each biennium, the Department of Education shall transfer to the Oregon Military Depart-
 12 ment the amount necessary to pay the costs of educational services provided to students admitted
 13 to programs operated by the military department for at-risk youth, as described in ORS 396.360, that
 14 are outstanding after any General Fund appropriations and the calculation of available federal funds
 15 for the programs.

16 **SECTION 2.** ORS 327.013 is amended to read:

17 327.013. The State School Fund distributions for school districts include the following grants:

18 (1) General Purpose Grant = Funding Percentage × Target Grant × District extended ADMw.
 19 For the purpose of the calculation made under this subsection:

20 (a) The funding percentage shall be calculated by the Superintendent of Public Instruction to
 21 distribute as nearly as practicable the total sum of money available for distribution.

22 (b) Target Grant = Statewide Target per ADMw Grant + Teacher Experience Factor. For the
 23 purpose of the calculation made under this paragraph:

24 (A) Statewide Target per ADMw Grant = \$4,500.

25 (B) Teacher Experience Factor = \$25 × {District average teacher experience – statewide av-
 26 erage teacher experience}. As used in this subparagraph, “average teacher experience” means the
 27 average, in years, of teaching experience of licensed teachers as reported to the Department of Ed-
 28 ucation.

29 (c) District extended ADMw = ADMw or ADMw of the prior year, whichever is greater. The
 30 calculation of the district extended ADMw must be made as provided by ORS 338.155 if a public
 31 charter school is located in the school district. For the purpose of this paragraph:

32 (A) Weighted average daily membership or ADMw = average daily membership + an additional
 33 amount computed as follows:

34 (i) 1.0 for each student in average daily membership eligible for special education as a child with
 35 a disability under ORS 343.035, which may not exceed [11] 15 percent of the district’s ADM without
 36 review and approval by the Department of Education. Children with disabilities eligible for special
 37 education in adult local correctional facilities, as defined in ORS 169.005, or adult regional
 38 correctional facilities, as defined in ORS 169.620, may not be included in the calculation made under
 39 this sub-subparagraph.

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

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

45 (iv) -0.1 for each student in average daily membership enrolled in an elementary district oper-

1 ating kindergarten through grade six or kindergarten through grade eight or in an area of a unified
 2 school district where the district is only responsible for educating students in kindergarten through
 3 grade eight.

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

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

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

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

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

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

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

24 (2) High cost disabilities grant = the total amount received by a school district under ORS
 25 327.348 for providing special education and related services to resident pupils with disabilities.

26 (3)(a) Transportation grant equals:

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

29 (B) 80 percent of approved transportation costs for those school districts ranked in or above the
 30 80th percentile but below the 90th percentile under paragraph (b) of this subsection.

31 (C) 90 percent of approved transportation costs for those school districts ranked in or above the
 32 90th percentile under paragraph (b) of this subsection.

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

36 **SECTION 3. The amendments to ORS 327.008 and 327.013 by sections 1 and 2 of this 2025**
 37 **Act apply to State School Fund distributions commencing with the 2025-2026 school year**
 38 **distributions.**

39 **SECTION 4. In addition to and not in lieu of any other appropriation, there is appropri-**
 40 **ated to the Department of Education, for the biennium beginning July 1, 2025, out of the**
 41 **General Fund, the amount of \$650,000,000, for the State School Fund.**

42 **SECTION 5. This 2025 Act being necessary for the immediate preservation of the public**
 43 **peace, health and safety, an emergency is declared to exist, and this 2025 Act takes effect**
 44 **July 1, 2025.**