

Senate Bill 317

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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: Raises the cap on the amount of state moneys that a school district may receive for a student who is a child with a disability. (Flesch Readability Score: 63.0).

Increases over time the percentage cap on the amount of moneys that are distributed from the State School Fund to school districts for students eligible for special education as a child with a disability. Directs the State Board of Education to adopt workload standards for personnel providing special education and related services. Allows a school district to be eligible for a higher percentage cap if the school district complies with the standards.

Declares an emergency, effective July 1, 2025.

A BILL FOR AN ACT

1
2 Relating to state funding for special education; creating new provisions; amending ORS 327.013 and
3 343.041; and declaring an emergency.

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

5 **SECTION 1. (1) Notwithstanding ORS 327.013 (1)(c)(A)(i), the limitation on the amount**
6 **of moneys that are distributed to a school district for a student who is eligible for special**
7 **education as a child with a disability shall be:**

8 (a) **For the 2025-2026 school year, 12 percent of the district's ADM.**

9 (b) **For the 2026-2027 school year, 13 percent of the district's ADM.**

10 (2) **The percentages identified in subsection (1) of this section do not apply to a school**
11 **district for which a waiver of the percentage has been provided by the Department of Edu-**
12 **cation.**

13 **SECTION 2.** ORS 343.041 is amended to read:

14 343.041. (1) Pursuant to rules of the State Board of Education, the Superintendent of Public In-
15 struction shall be responsible for the general supervision of all special education programs for
16 children with disabilities, early childhood special education and early intervention services for pre-
17 school children with disabilities within the state, including all such programs administered by any
18 state agency or common or union high school district or education service district.

19 (2) All special education programs for children with disabilities, early childhood special educa-
20 tion and early intervention services for preschool children with disabilities within this state shall
21 meet the standards and criteria established therefor by the State Board of Education.

22 (3) The State Board of Education shall adopt by rule procedures whereby the superintendent
23 investigates and resolves complaints that the Department of Education, a local education agency or
24 an early intervention or early childhood special education contractor has violated a federal law or
25 statute that applies to a special education or early childhood special education program. Complaint
26 procedures must comply with the provisions of ORS 343.165.

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) The State Board of Education shall adopt rules relating to the establishment and mainte-
 2 nance of standards to ensure that personnel providing special education and early childhood special
 3 education and early intervention services are appropriately and adequately trained. **The standards**
 4 **shall include determinations of the appropriate number of students on a workload for both**
 5 **licensed and nonlicensed personnel.**

6 (5) The Governor shall direct that agencies affected by this section enter into cooperative
 7 agreements to achieve necessary uniformity in meeting the standards and criteria established by the
 8 state board under subsection (2) of this section.

9 (6) The Governor shall direct that each public agency obligated under federal or state law to
 10 provide or pay for any services that are also considered special education or related services nec-
 11 essary for ensuring a free appropriate public education to children with disabilities, including but
 12 not limited to the Department of Human Services, enter into cooperative agreements with the De-
 13 partment of Education concerning:

- 14 (a) Allocation among agencies of financial responsibility for providing services;
- 15 (b) Conditions, terms and procedures for reimbursement; and
- 16 (c) Policies and procedures for coordinating timely and appropriate delivery of services.

17 (7) All cooperative agreements entered into under subsections (5) and (6) of this section shall
 18 include procedures for resolving interagency disputes.

19 **SECTION 3. (1) When adopting the standards under ORS 343.041 (4), as amended by sec-**
 20 **tion 2 of this 2025 Act, the State Board of Education shall take into consideration the**
 21 **findings of the study conducted by the Department of Education as required by chapter 503,**
 22 **Oregon Laws 2023.**

23 **(2) The board shall adopt the standards under ORS 343.041 (4), as amended by section 2**
 24 **of this 2025 Act, by no later than July 1, 2026.**

25 **SECTION 4.** ORS 327.013 is amended to read:

26 327.013. The State School Fund distributions for school districts include the following grants:

27 (1) General Purpose Grant = Funding Percentage × Target Grant × District extended ADMw.

28 For the purpose of the calculation made under this subsection:

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

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

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

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

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

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

43 (i) 1.0 for each student in average daily membership eligible for special education as a child with
 44 a disability under ORS 343.035, which may not exceed [11] 13 percent of the district’s ADM [without
 45 review and approval by the Department of Education.] **except that:**

1 **(I) The percentage may exceed 13 percent of the district's ADM but not 14 percent of the**
 2 **district's ADM if the district demonstrates to the satisfaction of the Department of Educa-**
 3 **tion that the district has complied with the standards adopted as provided by ORS 343.041 (4).**

4 **(II) The department may approve a higher percentage based on the number of students**
 5 **in average daily membership eligible for special education as a child with a disability and**
 6 **based on the amount of the costs incurred by the district in providing special education.**

7 **(III)** Children with disabilities eligible for special education in adult local correctional facilities,
 8 as defined in ORS 169.005, or adult regional correctional facilities, as defined in ORS 169.620, may
 9 not be included in the calculation made under this sub-subparagraph.

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

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

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

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

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

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

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

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

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

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

39 (2) High cost disabilities grant = the total amount received by a school district under ORS
 40 327.348 for providing special education and related services to resident pupils with disabilities.

41 (3)(a) Transportation grant equals:

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

44 (B) 80 percent of approved transportation costs for those school districts ranked in or above the
 45 80th percentile but below the 90th percentile under paragraph (b) of this subsection.

1 (C) 90 percent of approved transportation costs for those school districts ranked in or above the
2 90th percentile under paragraph (b) of this subsection.

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

6 **SECTION 5. (1) The amendments to ORS 327.013 by section 4 of this 2025 Act become**
7 **operative on July 1, 2027.**

8 **(2) The amendments to ORS 327.013 by section 4 of this 2025 Act apply to State School**
9 **Fund distributions commencing with the 2027-2028 distributions.**

10 **SECTION 6. (1) Notwithstanding ORS 327.013 (1)(c)(A)(i) and for the 2028-2029 school year**
11 **only, the limitation on the amount of moneys that are distributed to a school district for a**
12 **student who is eligible for special education as a child with a disability shall be 13 percent**
13 **of the district's ADM, except that the percentage may exceed 13 percent of the district's**
14 **ADM but not 15 percent of the district's ADM if the district demonstrates to the satisfaction**
15 **of the Department of Education that the district has complied with the standards adopted**
16 **as provided by ORS 343.041 (4).**

17 **(2) The percentages identified in subsection (1) of this section do not apply to a school**
18 **district for which a waiver of the percentage has been provided by the Department of Edu-**
19 **cation.**

20 **SECTION 7.** ORS 327.013, as amended by section 4 of this 2025 Act, is amended to read:

21 327.013. The State School Fund distributions for school districts include the following grants:

22 (1) General Purpose Grant = Funding Percentage \times Target Grant \times District extended ADMw.
23 For the purpose of the calculation made under this subsection:

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

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

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

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

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

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

38 (i) 1.0 for each student in average daily membership eligible for special education as a child with
39 a disability under ORS 343.035, which may not exceed 13 percent of the district's ADM except that:

40 (I) The percentage may exceed 13 percent of the district's ADM but not [14] **16** percent of the
41 district's ADM if the district demonstrates to the satisfaction of the Department of Education that
42 the district has complied with the standards adopted as provided by ORS 343.041 (4).

43 (II) The department may approve a higher percentage based on the number of students in aver-
44 age daily membership eligible for special education as a child with a disability and based on the
45 amount of the costs incurred by the district in providing special education.

1 (III) Children with disabilities eligible for special education in adult local correctional facilities,
 2 as defined in ORS 169.005, or adult regional correctional facilities, as defined in ORS 169.620, may
 3 not be included in the calculation made under this sub-subparagraph.

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

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

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

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

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

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

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

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

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

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

33 (2) High cost disabilities grant = the total amount received by a school district under ORS
 34 327.348 for providing special education and related services to resident pupils with disabilities.

35 (3)(a) Transportation grant equals:

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

38 (B) 80 percent of approved transportation costs for those school districts ranked in or above the
 39 80th percentile but below the 90th percentile under paragraph (b) of this subsection.

40 (C) 90 percent of approved transportation costs for those school districts ranked in or above the
 41 90th percentile under paragraph (b) of this subsection.

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

45 **SECTION 8. (1) The amendments to ORS 327.013 by section 7 of this 2025 Act become**

1 **operative on July 1, 2029.**

2 **(2) The amendments to ORS 327.013 by section 7 of this 2025 Act apply to State School**
3 **Fund distributions commencing with the 2029-2030 distributions.**

4 **SECTION 9. This 2025 Act being necessary for the immediate preservation of the public**
5 **peace, health and safety, an emergency is declared to exist, and this 2025 Act takes effect**
6 **July 1, 2025.**

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