

EDUCATION AND CULTURE

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STATE FINANCING OF EDUCATION

327.859	Apportionments to school districts; increases in amounts available to fund	327.880	Failure to meet qualifications; retained apportionments
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327.877	School district qualifications for apportionments		

327.005 [Repealed by 1957 c.612 §1 (327.006 enacted in lieu of 327.005)]

STATE SCHOOL FUND

327.006 Definitions for State School Fund distributions. As used in ORS 327.006 to 327.133, 327.348 and 327.731 and sections 1 to 3, chapter 735, Oregon Laws 2013:

(1) "Aggregate days membership" means the sum of days present and absent, according to the rules of the State Board of Education, of all resident pupils when school is actually in session during a certain period. The aggregate days membership of kindergarten pupils shall be calculated on the basis of a half-day program for half-day kindergarten and on the basis of a full-day program for full-day kindergarten.

(2)(a) "Approved transportation costs" means those costs as defined by rule of the State Board of Education and is limited to those costs attributable to transporting or room and board provided in lieu of transporting:

(A) Elementary school students who live at least one mile from school;

(B) Secondary school students who live at least 1.5 miles from school;

(C) Any student required to be transported for health or safety reasons, according to supplemental plans from districts that have been approved by the state board identifying students who are required to be transported for health or safety reasons, including special education;

(D) Preschool children with disabilities requiring transportation for early intervention services provided pursuant to ORS 343.224 and 343.533;

(E) Students who require payment of room and board in lieu of transportation;

(F) A student transported from one school or facility to another school or facility when the student attends both schools or facilities during the day or week; and

(G) Students participating in school-sponsored field trips that are extensions of classroom learning experiences.

(b) "Approved transportation costs" does not include the cost of constructing boarding school facilities.

(3) "Average daily membership" or "ADM" means the aggregate days membership of a school during a certain period divided by the number of days the school was actually in session during the same period. However, if a district school board adopts a class schedule that operates throughout the year for all or any schools in the district, average daily membership shall be computed by the Department of Education so that the

resulting average daily membership will not be higher or lower than if the board had not adopted such schedule.

(4) "Consumer Price Index" means the Consumer Price Index for All Urban Consumers of the Portland, Oregon, Metropolitan Statistical Area, as compiled by the United States Department of Labor, Bureau of Labor Statistics.

(5) "Kindergarten" means a kindergarten program that conforms to the standards and rules adopted by the State Board of Education.

(6) "Net operating expenditures" means the sum of expenditures of a school district in kindergarten through grade 12 for administration, instruction, attendance and health services, operation of plant, maintenance of plant, fixed charges and tuition for resident students attending in another district, as determined in accordance with the rules of the State Board of Education, but net operating expenditures does not include transportation, food service, student body activities, community services, capital outlay, debt service or expenses incurred for nonresident students.

(7)(a) "Resident pupil" means any pupil:

(A) Whose legal school residence is within the boundaries of a school district reporting the pupil, if the district is legally responsible for the education of the pupil, except that "resident pupil" does not include a pupil who pays tuition or for whom the parent pays tuition or for whom the district does not pay tuition for placement outside the district; or

(B) Whose legal residence is not within the boundaries of the district reporting the pupil but who attends school in the district with the written consent of the district school board where the school is located as provided by ORS 339.133 (5)(a).

(b) A pupil is not considered to be a resident pupil under paragraph (a)(A) of this subsection if the pupil is attending school in another school district pursuant to a contract under ORS 339.125 and in the prior year was considered to be a resident pupil in another school district under paragraph (a)(B) of this subsection. The pupil shall continue to be considered a resident of another school district under paragraph (a)(B) of this subsection.

(c) A pupil is not considered to be a resident pupil under paragraph (a)(B) of this subsection if the pupil is attending school in a school district pursuant to ORS 339.133 (5)(a) and in the prior year was considered to be a resident pupil under paragraph (a)(A) of this subsection because the pupil was attending school in another school district pursuant to a contract under ORS 339.125.

The pupil shall continue to be considered a resident pupil under paragraph (a)(A) of this subsection.

(d) “Resident pupil” includes a pupil who is:

(A) Admitted to a school district under ORS 339.115 (7); or

(B) Considered a resident under ORS 339.133 (5)(b).

(8) “Standard school” means a school meeting the standards set by the rules of the State Board of Education.

(9) “Tax” and “taxes” includes all taxes on property, excluding exempt bonded indebtedness, as those terms are defined in ORS 310.140. [1957 c.612 §2 (enacted in lieu of 327.005); 1957 c.708 §4; 1959 c.388 §1; 1963 c.142 §1; 1965 c.100 §14; 1971 c.395 §2; 1973 c.750 §16; 1973 c.827 §26; 1977 c.840 §1; 1979 c.259 §1; 1981 c.804 §95; 1989 c.215 §2; 1989 c.342 §1; 1991 c.693 §35; 1991 c.780 §2; 1995 c.660 §47; 1997 c.821 §11; 1999 c.961 §5; 1999 c.989 §30; 2007 c.846 §11; 2009 c.11 §§40,41; 2011 c.704 §7; 2011 c.718 §§14,15; 2013 c.735 §4; 2016 c.7 §8]

Note: The amendments to 327.006 by section 5, chapter 735, Oregon Laws 2013, become operative July 1, 2020. See section 20, chapter 735, Oregon Laws 2013, as amended by section 1, chapter 299, Oregon Laws 2015. The text that is operative on and after July 1, 2020, including amendments by section 9, chapter 7, Oregon Laws 2016, is set forth for the user’s convenience.

327.006. As used in ORS 327.006 to 327.133, 327.348 and 327.731:

(1) “Aggregate days membership” means the sum of days present and absent, according to the rules of the State Board of Education, of all resident pupils when school is actually in session during a certain period. The aggregate days membership of kindergarten pupils shall be calculated on the basis of a half-day program for half-day kindergarten and on the basis of a full-day program for full-day kindergarten.

(2)(a) “Approved transportation costs” means those costs as defined by rule of the State Board of Education and is limited to those costs attributable to transporting or room and board provided in lieu of transporting:

(A) Elementary school students who live at least one mile from school;

(B) Secondary school students who live at least 1.5 miles from school;

(C) Any student required to be transported for health or safety reasons, according to supplemental plans from districts that have been approved by the state board identifying students who are required to be transported for health or safety reasons, including special education;

(D) Preschool children with disabilities requiring transportation for early intervention services provided pursuant to ORS 343.224 and 343.533;

(E) Students who require payment of room and board in lieu of transportation;

(F) A student transported from one school or facility to another school or facility when the student attends both schools or facilities during the day or week; and

(G) Students participating in school-sponsored field trips that are extensions of classroom learning experiences.

(b) “Approved transportation costs” does not include the cost of constructing boarding school facilities.

(3) “Average daily membership” or “ADM” means the aggregate days membership of a school during a certain period divided by the number of days the school was actually in session during the same period. However, if a district school board adopts a class schedule that operates throughout the year for all or any schools in the district, average daily membership shall be computed by the Department of Education so that the resulting average daily membership will not be higher or lower than if the board had not adopted such schedule.

(4) “Consumer Price Index” means the Consumer Price Index for All Urban Consumers of the Portland, Oregon, Metropolitan Statistical Area, as compiled by the United States Department of Labor, Bureau of Labor Statistics.

(5) “Kindergarten” means a kindergarten program that conforms to the standards and rules adopted by the State Board of Education.

(6) “Net operating expenditures” means the sum of expenditures of a school district in kindergarten through grade 12 for administration, instruction, attendance and health services, operation of plant, maintenance of plant, fixed charges and tuition for resident students attending in another district, as determined in accordance with the rules of the State Board of Education, but net operating expenditures does not include transportation, food service, student body activities, community services, capital outlay, debt service or expenses incurred for nonresident students.

(7)(a) “Resident pupil” means any pupil:

(A) Whose legal school residence is within the boundaries of a school district reporting the pupil, if the district is legally responsible for the education of the pupil, except that “resident pupil” does not include a pupil who pays tuition or for whom the parent pays tuition or for whom the district does not pay tuition for placement outside the district; or

(B) Whose legal residence is not within the boundaries of the district reporting the pupil but who attends school in the district with the written consent of the district school board where the school is located as provided by ORS 339.133 (5)(a).

(b) A pupil is not considered to be a resident pupil under paragraph (a)(A) of this subsection if the pupil is attending school in another school district pursuant to a contract under ORS 339.125 and in the prior year was considered to be a resident pupil in another school district under paragraph (a)(B) of this subsection. The pupil shall continue to be considered a resident of another school district under paragraph (a)(B) of this subsection.

(c) A pupil is not considered to be a resident pupil under paragraph (a)(B) of this subsection if the pupil is attending school in a school district pursuant to ORS 339.133 (5)(a) and in the prior year was considered to be a resident pupil under paragraph (a)(A) of this subsection because the pupil was attending school in another school district pursuant to a contract under ORS 339.125. The pupil shall continue to be considered a resident pupil under paragraph (a)(A) of this subsection.

(d) “Resident pupil” includes a pupil who is:

(A) Admitted to a school district under ORS 339.115 (7); or

(B) Considered a resident under ORS 339.133 (5)(b).

(8) “Standard school” means a school meeting the standards set by the rules of the State Board of Education.

(9) “Tax” and “taxes” includes all taxes on property, excluding exempt bonded indebtedness, as those terms are defined in ORS 310.140.

327.008 State School Fund; State School Fund grants. (1)(a) There is estab-

lished a State School Fund in the General Fund.

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

(c) The State School Fund shall consist of moneys appropriated by the Legislative Assembly, moneys transferred from the Education Stability Fund and the Oregon Marijuana Account and moneys received as provided in paragraph (b) of this subsection.

(d) The State School Fund is continuously appropriated to the Department of Education for the purposes of ORS 327.006 to 327.077, 327.095, 327.099, 327.101, 327.125, 327.137, 327.348, 336.575, 336.580, 336.635, 343.243, 343.533, 343.941 and 343.961 and sections 1 to 3, chapter 735, Oregon Laws 2013.

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

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

(4) There shall be apportioned from the State School Fund to each education service district a State School Fund grant as calculated under ORS 327.019.

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

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

(7) A school district may not use the portion of the State School Fund grant that is attributable to the facility grant for capital construction costs.

(8) The total amount of the State School Fund that is distributed as facility grants may not exceed \$9 million in any biennium. If the total amount to be distributed as facility grants exceeds this limitation, the Department of Education shall prorate the amount of funds available for facility grants among those school districts that qualified for a facility grant. If the total amount to be distributed as facility grants does not exceed this limitation, any remaining amounts shall be expended for expenses incurred by the Office of School Facilities as provided in ORS 326.125 (1).

(9) Each biennium, the Department of Education may expend from the State School Fund no more than \$6 million for expenses incurred by the Office of School Facilities under ORS 326.125 (2) to (6).

(10) Each fiscal year, the Department of Education shall transfer to the Pediatric Nursing Facility Account established in ORS 327.022 the amount necessary to pay the costs of educational services provided to students admitted to pediatric nursing facilities as provided in ORS 343.941.

(11) Each fiscal year, the Department of Education shall transfer the amount of \$35 million from the State School Fund to the High Cost Disabilities Account established in ORS 327.348.

(12)(a) Each biennium, the Department of Education shall transfer \$33 million from the State School Fund to the Network of Quality Teaching and Learning Fund established under ORS 342.953.

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

(A) The total amount available for all distributions from the State School Fund shall be reduced by \$5 million;

(B) The amount distributed to school districts from the State School Fund under this section and ORS 327.013 shall be reduced by \$14 million; and

(C) The amount distributed to education service districts from the State School Fund under this section and ORS 327.019 shall be reduced by \$14 million.

(c) For each biennium, the amounts identified in paragraph (b)(B) and (C) of this subsection shall be adjusted by the same percentage by which the amount appropriated to the State School Fund for that biennium is increased or decreased compared with the preceding biennium, as determined by the Department of Education after consultation with the Legislative Fiscal Officer.

(13) Each biennium, the Department of Education shall transfer \$12.5 million from the State School Fund to the Statewide Eng-

lish Language Learner Program Account established under ORS 327.344.

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

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

(16) Each biennium, the Department of Education may expend up to \$150,000 from the State School Fund for the administration of a program to increase the number of speech-language pathologists and speech-language pathology assistants under ORS 348.394 to 348.406.

(17) Each fiscal year, the Department of Education shall transfer the amount of \$2.5 million from the State School Fund to the Small School District Supplement Fund established in section 3, chapter 735, Oregon Laws 2013. [1991 c.780 §3; 1993 c.61 §4; 1997 c.524 §3; 1997 c.821 §13; 1999 c.1066 §10; 2001 c.695 §§12,13; 2002 s.s.3 c.6 §§13,14; 2003 c.715 §§4,5,7; 2005 c.803 §§6,6a; 2007 c.488 §1; 2007 c.839 §19; 2007 c.846 §12; 2007 c.858 §44; 2008 c.39 §§1,2; 2009 c.698 §§8,9; 2011 c.705 §§36,37; 2012 c.91 §§2,3; 2013 c.577 §§7,13; 2013 c.735 §6; 2014 c.81 §6; 2015 c.68 §1; 2015 c.245 §37; 2015 c.555 §1; 2015 c.604 §10; 2015 c.644 §1; 2015 c.783 §7; 2017 c.725 §33]

Note 1: The amendments to 327.008 by section 22, chapter 639, Oregon Laws 2017, become operative June 30, 2019. See section 24, chapter 639, Oregon Laws 2017. The amendments to 327.008 by section 5, chapter 700, Oregon Laws 2017, apply to biennia beginning on or after July 1, 2019. See section 8, chapter 700, Oregon Laws 2017. The text that is operative from July 1, 2019, until July 1, 2020, is set forth for the user's convenience.

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

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

(c) The State School Fund shall consist of moneys appropriated by the Legislative Assembly, moneys transferred from the Education Stability Fund and the Oregon Marijuana Account and moneys received as provided in paragraph (b) of this subsection.

(d) The State School Fund is continuously appropriated to the Department of Education for the purposes of ORS 327.006 to 327.077, 327.095, 327.099, 327.101, 327.125, 327.137, 327.348, 336.575, 336.580, 336.635, 343.243, 343.533, 343.941 and 343.961 and sections 1 to 3, chapter 735, Oregon Laws 2013.

(2) There shall be apportioned from the State School Fund to each school district a State School Fund grant, consisting of the positive amount equal to a general purpose grant and a facility grant and a trans-

portation grant and a high cost disabilities grant minus local revenue, computed as provided in ORS 327.011 and 327.013.

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

(4) There shall be apportioned from the State School Fund to each education service district a State School Fund grant as calculated under ORS 327.019.

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

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

(7) A school district may not use the portion of the State School Fund grant that is attributable to the facility grant for capital construction costs.

(8) The total amount of the State School Fund that is distributed as facility grants may not exceed \$7 million in any biennium. If the total amount to be distributed as facility grants exceeds this limitation, the Department of Education shall prorate the amount of funds available for facility grants among those school districts that qualified for a facility grant. If the total amount to be distributed as facility grants does not exceed this limitation, any remaining amounts shall be expended for expenses incurred by the Office of School Facilities as provided in ORS 326.125 (1).

(9) Each biennium, the Department of Education may expend from the State School Fund no more than \$6 million for expenses incurred by the Office of School Facilities under ORS 326.125 (2) to (6).

(10) Each fiscal year, the Department of Education shall transfer to the Pediatric Nursing Facility Account established in ORS 327.022 the amount necessary to pay the costs of educational services provided to students admitted to pediatric nursing facilities as provided in ORS 343.941.

(11) Each fiscal year, the Department of Education shall transfer the amount of \$35 million from the State School Fund to the High Cost Disabilities Account established in ORS 327.348.

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

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

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

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

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

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

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

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

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

(16) Each biennium, the Department of Education may expend up to \$150,000 from the State School Fund for the administration of a program to increase the number of speech-language pathologists and speech-language pathology assistants under ORS 348.394 to 348.406.

(17) Each fiscal year, the Department of Education shall transfer the amount of \$2.5 million from the State School Fund to the Small School District Supplement Fund established in section 3, chapter 735, Oregon Laws 2013.

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

Note 2: The amendments to 327.008 by section 7, chapter 735, Oregon Laws 2013, become operative July 1, 2020. See section 20, chapter 735, Oregon Laws 2013, as amended by section 1, chapter 299, Oregon Laws 2015. The text that is operative on and after July 1, 2020, including amendments by section 7, chapter 81, Oregon Laws 2014, section 2, chapter 68, Oregon Laws 2015, section 38, chapter 245, Oregon Laws 2015, section 2, chapter 555, Oregon Laws 2015, section 11, chapter 604, Oregon Laws 2015, section 2, chapter 644, Oregon Laws 2015, section 8, chapter 783, Oregon Laws 2015, section 23, chapter 639, Oregon Laws 2017, section 6, chapter 700, Oregon Laws 2017, and section 34, chapter 725, Oregon Laws 2017, is set forth for the user's convenience.

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

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

(c) The State School Fund shall consist of moneys appropriated by the Legislative Assembly, moneys transferred from the Education Stability Fund and the Oregon Marijuana Account and moneys received as provided in paragraph (b) of this subsection.

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

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

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

(4) There shall be apportioned from the State School Fund to each education service district a State School Fund grant as calculated under ORS 327.019.

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

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

(7) A school district may not use the portion of the State School Fund grant that is attributable to the facility grant for capital construction costs.

(8) The total amount of the State School Fund that is distributed as facility grants may not exceed \$7 million in any biennium. If the total amount to be distributed as facility grants exceeds this limitation, the Department of Education shall prorate the amount of funds available for facility grants among those school districts that qualified for a facility grant. If the total amount to be distributed as facility grants does not exceed this limitation, any remaining amounts shall be expended for expenses incurred by the Office of School Facilities as provided in ORS 326.125 (1).

(9) Each biennium, the Department of Education may expend from the State School Fund no more than \$6 million for expenses incurred by the Office of School Facilities under ORS 326.125 (2) to (6).

(10) Each fiscal year, the Department of Education shall transfer to the Pediatric Nursing Facility Account established in ORS 327.022 the amount necessary to pay the costs of educational services provided to students admitted to pediatric nursing facilities as provided in ORS 343.941.

(11) Each fiscal year, the Department of Education shall transfer the amount of \$35 million from the State School Fund to the High Cost Disabilities Account established in ORS 327.348.

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

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

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

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

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

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

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

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

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

(16) Each biennium, the Department of Education may expend up to \$150,000 from the State School Fund for the administration of a program to increase the number of speech-language pathologists and speech-language pathology assistants under ORS 348.394 to 348.406.

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

Note 3: Sections 3 and 4, chapter 644, Oregon Laws 2015, provide:

Sec. 3. Extended ADMw for public charter school. (1) In addition to amounts distributed to a school district in relation to a public charter school under ORS 327.008 (4) and for the 2015-2016 school year only, an additional amount shall be set aside and made available for distribution to a school district that had been the sponsor of a public charter school that operated during the 2014-2015 school year and that ceased to operate following the 2014-2015 school year because of dissolution or closure or because of termination or nonrenewal of a charter.

(2) The additional amount described in subsection (1) of this section shall be equal to the school district's general purpose grant per extended ADMw multiplied by three percent of the ADM of the public charter school for the previous school year.

(3) The Department of Education shall set aside the additional amount described in subsection (1) of this section for distribution to the school district under subsection (1) of this section. The amount shall be distributed to the school district upon a showing by the school district of expenses incurred related to the public charter school that ceased to operate. The department shall prescribe any requirements related to a distribution under this section.

(4)(a) For the 2015-2016 school year, the school district described in subsection (1) of this section shall file with the department quarterly reports that describe expenses incurred by the school district related to a public charter school that ceased to operate.

(b) For the 2016-2017, 2017-2018 and 2018-2019 school years, the school district described in subsection (1) of this section shall file with the department annual reports that describe expenses incurred by the school district related to a public charter school that ceased to operate.

(c) The department shall prescribe any requirements for reports filed under this subsection. [2015 c.644 §3]

Sec. 4. Repeal. (1) Section 3 of this 2015 Act is repealed on July 1, 2019.

(2) Any amounts not distributed under section 3 of this 2015 Act by July 1, 2019, shall be transferred to the General Fund. [2015 c.644 §4]

Note 4: Section 24a, chapter 639, Oregon Laws 2017, provides:

Sec. 24a. Adjustments to transfer amounts for Educator Advancement Fund. The amendments to ORS 327.008 (12)(c) by sections 22 and 23 of this 2017 Act shall first be used to adjust the amounts identified in ORS 327.008 (12) for the 2019-2021 biennium. [2017 c.639 §24a]

327.009 [2011 c.705 §34; repealed by 2013 c.577 §5]

327.010 [Amended by 1957 c.626 §2; 1963 c.570 §1; 1965 c.100 §15; 1979 c.277 §2; repealed by 1991 c.780 §30]

327.011 Description of Local Revenues for purpose of State School Fund distributions. For the purpose of State School Fund distributions for school districts:

(1) Local Revenues are the total of the following:

(a) The amount of revenue offset against local property taxes as determined by the Department of Revenue under ORS 311.175 (3)(a)(A).

(b) The amount of property taxes actually received by the district, including penalties and interest on taxes.

(c) The amount of revenue received by the district from the Common School Fund under ORS 327.403 to 327.410.

(d) The amount of revenue received by the district from the county school fund.

(e) The amount of revenue received by the district from the 25 percent of federal forest reserve revenues required to be distributed to schools by ORS 294.060 (1).

(f) The amount of revenue received by the district from state managed forestlands under ORS 530.115 (1)(b) and (c).

(g) Moneys received in lieu of property taxes.

(h) Federal funds received without specific application by the school district and that are not deemed under federal law to be nonsupplantable.

(i) Any positive amount obtained by subtracting the operating property taxes actually imposed by the district, based on the rate certified pursuant to ORS 310.060, from the amount that would have been imposed by the district if the district had certified the maximum rate of operating property taxes allowed by law.

(j) Any amount distributed to the district in the prior fiscal year under ORS 327.019 (8).

(2) Local Revenues do not include:

(a) If a school district imposes local option taxes pursuant to ORS 280.040 to 280.145, an amount equal to the least of:

(A) The amount of revenue actually received by the district from local option taxes imposed pursuant to ORS 280.040 to 280.145;

(B) Twenty percent of the total received by the school district from the general purpose grant, the transportation grant, the facility grant and the high cost disabilities grant of the district, as those grants are calculated under ORS 327.013; or

(C) \$1,000 per district extended ADMw, as calculated under ORS 327.013, increased each fiscal year by three percent above the amount allowed per district extended ADMw for the prior fiscal year.

(b) For a school district with a statutory rate limit on July 1, 2003, that is greater than \$4.50 per \$1,000 of assessed value, the amount of property taxes actually received by the district, including penalties and interest on taxes, that results from an increase in the rate of ad valorem property tax of the district allowed under section 11 (5)(d), Article XI of the Oregon Constitution. [2009 c.698 §6; 2017 c.17 §28]

Note: 327.011 was added to and made a part of 327.006 to 327.133 by legislative action but was not added to any smaller series therein. See Preface to Oregon Revised Statutes for further explanation.

327.012 [Repealed by 1957 c.626 §1]

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

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

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

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

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

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

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

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

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

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

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

(iv) –0.1 for each student in average daily membership enrolled in an elementary district operating kindergarten through grade six or kindergarten through grade eight or in an area of a unified school district where the district is only responsible for educating students in kindergarten through grade eight.

(v) 0.25 times the sum of the following:

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

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

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

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

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

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

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

(3)(a) Transportation grant equals:

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

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

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

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

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

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

(c) As used in this subsection:

(A) "New school building" includes new school buildings, structures added onto existing school buildings and premanufactured structures added to a school district if those buildings or structures are to be used for instructing students.

(B) "Construction costs" does not include costs for land acquisition. [1991 c.780 §4; 1993 c.61 §5; 1993 c.690 §3; 1995 c.649 §4; 1996 c.19 §2; 1997 c.541 §§367,368,368a; 1997 c.804 §§1,2; 1999 c.186 §11; 1999 c.989 §31; 1999 c.1066 §§25,26,30; 1999 c.1094 §5; 2001 c.670 §§10,12; 2001 c.695 §§15,17,20,23; 2003 c.715 §§8,10,13; 2005 c.803 §7; 2006 c.4 §§2,4; 2007 c.70 §§90,91; 2007 c.778 §§1,3,6; 2009 c.698 §7; 2011 c.684 §8; 2013 c.641 §1; 2015 c.604 §13; 2015 c.644 §7]

(Temporary provisions relating to State School Fund distributions for post-graduate scholars)

Note: Sections 1, 2, 4 to 7 and 9, chapter 109, Oregon Laws 2016, provide:

Sec. 1. Add. Section 2 of this 2016 Act is added to and made a part of ORS 327.006 to 327.133. [2016 c.109 §1]

Sec. 2. Post-graduate scholar programs; use of State School Fund moneys. (1) As used in this section, "post-graduate scholar" means a student who:

(a) Has been in grades 9 through 12 for more than a total of four school years; and

(b) Has satisfied the requirements for a high school diploma or a modified diploma as provided in ORS 329.451.

(2) A school district may establish a program under this section to allow:

(a) A post-graduate scholar who satisfies the requirements of subsection (3) of this section to:

(A) Enroll in courses at a community college that are part of a course of study approved by the school district and that may lead to a certificate or diploma;

(B) Enroll in the courses described in subparagraph (A) of this paragraph for one school year after the post-graduate scholar has satisfied the requirements for a high school diploma or a modified diploma as provided in ORS 329.451; and

(C) Have the school district pay the costs incurred for the courses described in subparagraph (A) of this paragraph, including tuition, fees and books.

(b) A school district that satisfies the requirements of subsection (4) of this section to receive and expend moneys distributed from the State School Fund under ORS 327.013 for the purpose of paying the costs described in paragraph (a)(C) of this subsection.

(3) A post-graduate scholar qualifies to participate in a program established under this section if the post-graduate scholar:

(a) Has completed and submitted the Free Application for Federal Student Aid, if eligible to file the application;

(b) Is not eligible for a grant under the Oregon Promise program described in ORS 341.522 because of failure to earn the minimum cumulative grade point average, or submitted a complete application for a grant under the Oregon Promise program by the established deadline but did not receive a grant;

(c) Is not eligible for a federal aid grant that is equal to or more than the average cost of tuition and fees at a community college, as determined by the Department of Education after consultation with the Director of the Office of Student Access and Completion; and

(d) Retains a legal residence within the boundaries of the school district through which the post-graduate scholar satisfied the requirements for a high school diploma or a modified diploma.

(4) A school district may receive and expend moneys distributed from the State School Fund under ORS 327.013 for a program established under this section if the school district meets all of the following criteria:

(a) Has a policy for the program that is adopted by the school district board and that describes:

(A) The goals of the program, including target high school graduation rates for underserved students;

(B) Minimum requirements for grade point average, attendance and participation in regular in-person meetings with school district staff to monitor student progress;

(C) The manner by which the results of the program will be measured and monitored; and

(D) The courses of study that are approved by the school district for the purpose of this section.

(b) Enters into a written agreement with the community college that has a service area within which the school district is located.

(c) Has dedicated staff to provide support services to post-graduate scholars, including regular in-person meetings to monitor student progress that occur at least twice each month.

(d) Ensures that a majority of students from the school district who are enrolled in courses at a community college meet at least one of the criteria identified in this paragraph. The student:

(A) Is not a post-graduate scholar;

(B) Has received an extended diploma or a certificate for passing an approved high school equivalency test such as the General Educational Development (GED) test;

(C) Was enrolled in an alternative high school program within the preceding 12 months;

(D) Is, or will be, a first-generation graduate of high school;

(E) Is, or has been, a child in a foster home;

(F) Is, or has been, placed in a facility or an education program by a court;

(G) Is homeless;

(H) Is a parent; or

(I) Was identified as eligible for free or reduced price lunches within the preceding 12 months.

(5) Notwithstanding ORS 327.013, the weighted average daily membership assigned for each post-graduate scholar shall be adjusted as follows:

(a) By subtracting 0.25 from the average daily membership assigned for each post-graduate scholar participating in the program established under this section; and

(b) Without adding any amounts identified in ORS 327.013 (1)(c)(A).

(6) For purposes of this section, a school district may not counsel or assist a student to delay receiving a high school diploma or a modified diploma for the purpose of participating in a school-sponsored, post-secondary education program.

(7) Nothing in this section:

(a) Prohibits a school district from receiving or expending moneys related to the education of post-graduate scholars that are not received or expended for purposes of this section, as long as the school district does not receive or expend State School Fund distributions under ORS 327.013 for those purposes.

(b) Requires a post-graduate scholar to accept or use any federal grant moneys to offset costs of tuition, fees or books incurred by a post-graduate scholar at a community college.

(c) Requires a school district to add or extend existing bus routes or other transportation services for post-graduate scholars. Any transportation costs incurred by a school district to add or extend existing bus routes or other transportation services are not considered approved transportation costs for the purposes of ORS 327.013. Nothing in this paragraph prohibits post-graduate scholars from using existing bus routes or transportation services provided by the school district.

(8) Notwithstanding subsection (3) of this section, a post-graduate scholar may not accept or use any federal grant moneys to offset costs of tuition, fees or books incurred by a post-graduate scholar at a community college.

(9) A school district may receive or expend moneys distributed from the State School Fund under ORS 327.013 for post-graduate scholars who enroll in courses at a community college only if the post-graduate schol-

ars are enrolled in the courses as part of a program established under this section. [2016 c.109 §2; 2017 c.66 §32; 2017 c.726 §16]

Sec. 4. Weighted average daily membership for post-graduate scholars. Notwithstanding section 2 (5)(a) of this 2016 Act, the weighted average daily membership assigned for each post-graduate scholar shall be adjusted as follows:

(1) For the 2016-2017 school year, no subtraction shall be made.

(2) For the 2017-2018 school year, by subtracting 0.15. [2016 c.109 §4]

Sec. 5. Department of Education report on post-graduate scholars. No later than November 1, 2018, the Department of Education shall:

(1) Provide a report to the interim legislative committees on education that includes:

(a) The amount of moneys received by school districts from the State School Fund under ORS 327.013 for post-graduate scholars participating in a program established under section 2 of this 2016 Act.

(b) Subject to data available to the department, the number of post-graduate scholars for whom school districts received moneys from the State School Fund under ORS 327.013 for each of the preceding school years.

(2) Make recommendations for legislation to establish an equitable, sustainable and appropriate permanent funding mechanism for post-graduate scholar programs. The recommendations must consider:

(a) Input from school districts that have implemented, are implementing or are planning to implement a post-graduate scholar program.

(b) Input from the Higher Education Coordinating Commission.

(c) The amount of moneys received by all school districts from the State School Fund under ORS 327.013 for post-graduate scholars participating in a program established under section 2 of this 2016 Act.

(d) The appropriate amount, if any, to be calculated for each post-graduate scholar participating in a program established under section 2 of this 2016 Act for purposes of calculating weighted average daily membership for State School Fund distributions under ORS 327.013.

(e) Consideration of appropriate funding sources that are separate from the State School Fund for post-graduate scholar programs. The consideration must include:

(A) Methods by which funds would be distributed to school districts;

(B) The stability and sustainability of funding sources that would be used to support at-risk students who are not eligible for the Oregon Promise program established under ORS 341.522 because of failure to earn the minimum cumulative grade point average; and

(C) The estimated cost required to establish and administer alternative funding sources.

(3) Provide a report to each school district that established a program under section 2 of this 2016 Act. The report shall include the following information for the 2016-2017 and 2017-2018 school years:

(a) The number of post-graduate scholars enrolled at the school district who participated in the program;

(b) The number of post-graduate scholars enrolled at the school district who completed a full year in the program; and

(c) The percentage of post-graduate scholars enrolled at the school district who participated in the program and enrolled in a second school year at a post-secondary institution of education after completing the program. [2016 c.109 §5]

Sec. 6. Repeal of report requirement. Section 5 of this 2016 Act is repealed on December 31, 2018. [2016 c.109 §6]

Sec. 7. Higher Education Coordinating Commission report on post-graduate scholars. No later than November 1, 2018, the Higher Education Coordinating Commission shall make a report to the interim legislative committees on education that includes the costs incurred by community colleges and the amounts received by community colleges for post-graduate scholars who participated in a program established under section 2 of this 2016 Act. Community colleges shall cooperate with the commission for the purpose of making the report required by this section. [2016 c.109 §7]

Sec. 9. Repeal of authority related to post-graduate scholar programs. Section 2 of this 2016 Act is repealed on June 30, 2021. [2016 c.109 §9]

327.014 [1953 c.547 §1; 1957 c.626 §3; 1957 s.s. c.2 §1; 1961 c.622 §1; 1963 c.570 §1a; 1965 c.100 §16; 1965 c.528 §1; 1969 c.625 §1; repealed by 1971 c.22 §4]

327.015 [Repealed by 1957 c.612 §18]

327.016 Report related to State School Fund moneys received for English language learner programs; summary to legislative committees. (1) The Department of Education shall prepare an annual report that:

(a) Identifies the total amounts that are:

(A) Allocated to each school district from the State School Fund for students eligible for and enrolled in an English language learner program as provided by ORS 327.013 (1)(c)(A)(ii);

(B) Expended from the amounts identified in subparagraph (A) of this paragraph for students in average daily membership who are eligible for and enrolled in an English language learner program; and

(C) Expended as described in subparagraph (B) of this paragraph by category of expenditure, as identified and defined by the State Board of Education by rule.

(b) Summarizes the progress for each school district on meeting objectives and the needs of students eligible for and enrolled in an English language learner program.

(c) Provides information on the demographics of students in English language learner programs in each school district, including:

(A) The average number of years students have been enrolled in an English language learner program;

(B) The average number of years the students have attended their current schools;

(C) The percentage of students who also receive special education and related services; and

(D) Any other information identified by the department.

(2) The report prepared under subsection (1) of this section must:

(a) Be made available on the department's website by June 30 of each year;

(b) Be provided to each school district board by September 1 of each year and made available at the school district's main office and on the school district's website; and

(c) Cover the school year ending June 30 of the prior year.

(3) Prior to January 1 of each odd-numbered year, the department shall submit to the interim legislative committees on education a summary of the two most recent reports prepared under subsection (1) of this section. [2015 c.604 §6; 2016 c.21 §1]

Note: 327.016 was added to and made a part of 327.006 to 327.133 by legislative action but was not added to any smaller series therein. See Preface to Oregon Revised Statutes for further explanation.

327.017 [1993 c.61 §13; repealed by 1995 c.649 §10]

327.018 [1957 c.612 §7 (enacted in lieu of 327.085); 1959 c.388 §2; 1965 c.100 §19; renumbered 327.059]

327.019 State School Fund distribution computations for education service districts. (1) As used in this section:

(a) "Education service district extended ADMw" means the sum of the extended ADMw of the school districts located within the territory of the education service district as computed under ORS 327.013.

(b) "Local revenues of an education service district" means the total of the following:

(A) The amount of revenue offset against local property taxes as determined by the Department of Revenue under ORS 311.175 (3)(a)(A);

(B) The amount of property taxes actually received by the district including penalties and interest on taxes;

(C) The amount of revenue received by the district from state-managed forestlands under ORS 530.115 (1)(b) and (c); and

(D) Any positive amount obtained by subtracting the operating property taxes actually imposed by the district based on the rate certified pursuant to ORS 310.060 from the amount that would have been imposed by the district if the district had certified the maximum rate of operating property taxes allowed by law.

(2) Each fiscal year, the Superintendent of Public Instruction shall calculate a State School Fund grant for each education service district as provided in this section.

(3)(a) Each fiscal year, the superintendent shall calculate the total amount appropriated or allocated to the State School Fund and available for distribution to school districts, education service districts and programs + total amount of local revenues of

all school districts, computed as provided in ORS 327.011, + total amount of local revenues of all education service districts. The superintendent may not include in the calculation under this paragraph amounts received by the Department of Education from the State School Fund under ORS 343.243.

(b) The superintendent shall multiply the amount calculated under paragraph (a) of this subsection by 95.5 percent.

(c) Based on the amount calculated under paragraph (b) of this subsection, the superintendent shall calculate a funding percentage to distribute as nearly as practicable under ORS 327.006 to 327.133 and 327.348 and sections 1 to 3, chapter 735, Oregon Laws 2013, the total amount calculated under paragraph (b) of this subsection as school district general purpose grants, facility grants, high cost disabilities grants and transportation grants to school districts.

(d) Based on the funding percentage calculated under paragraph (c) of this subsection, the superintendent shall calculate the general purpose grant, facility grant, transportation grant and high cost disabilities grant amounts for each school district.

(4)(a) The general services grant for an education service district shall equal the higher of:

(A) The total amount calculated under subsection (3)(d) of this section for the school districts located within the territory of the education service district \times $(4.5 \div 95.5)$; or

(B) \$1,165,000, as adjusted each school year based on the same percentage by which the amount appropriated to the State School Fund for distribution to education service districts is increased or decreased as compared with the amount appropriated for the 2015-2016 school year, if the education service district received a general services grant of \$1 million for the 2010-2011 school year.

(b) Notwithstanding paragraph (a) of this subsection and only for State School Fund distributions made for the first school year after two or more education service districts join together, if an education service district received a general services grant as provided by paragraph (a)(B) of this subsection prior to the education service district joining together with one or more other education service districts to form a new education service district:

(A) The general services grant for the new education service district shall be calculated for each component education service district as though the component education service districts had not joined together to form a new education service district; and

(B) A component education service district that received an amount as provided by paragraph (a)(B) of this subsection shall be entitled to receive that amount under the calculation provided by this paragraph.

(5) Subject to subsection (6) of this section, the State School Fund grant for an education service district = general services grant – local revenues of the education service district.

(6)(a) After completing the calculations under subsections (2) to (5) of this section, the Superintendent of Public Instruction shall apportion from the State School Fund to each education service district an amount = (funding percentage \times general services grant) – local revenues of the education service district.

(b) The funding percentage used in paragraph (a) of this subsection shall be calculated by the superintendent to distribute as nearly as practicable the total amount available for distribution to education service districts from the State School Fund for each fiscal year.

(7) Notwithstanding subsections (5) and (6) of this section:

(a) The State School Fund grant of an education service district may not be less than zero; and

(b) The State School Fund grant of an education service district shall be in an amount that, when combined with the local revenues of the education service district, equals \$1,165,000, as adjusted each school year based on the same percentage by which the amount appropriated to the State School Fund for distribution to education service districts is increased or decreased as compared with the amount appropriated for the 2015-2016 school year.

(8) An education service district shall distribute to school districts located within the territory of the education service district any amount of local revenues of the education service district that is greater than the general services grant. The amount that each school district receives under this subsection shall be prorated based on the district extended ADMw of the school district as calculated under ORS 327.013.

(9)(a) An education service district shall distribute to a school district that is located within the territory of the education service district but that has withdrawn from the education service district as provided in ORS 334.015 the amounts received by the education service district as a general services grant and from the School Improvement Fund.

(b) The amounts that a school district receives under this subsection:

(A) Shall be prorated based on the district extended ADMw of the school district as calculated under ORS 327.013;

(B) Shall equal 90 percent of the school district's prorated share, as calculated under subparagraph (A) of this paragraph; and

(C) May be used to pay for any expenses incurred in providing services described in ORS 334.175 (2) to the students of the school district by:

(i) The school district;

(ii) The education service district from which the school district withdrew;

(iii) An education service district that is not the education service district from which the school district withdrew; or

(iv) Any other public entity with which the school district has entered into a contract to provide the services. [2001 c.695 §9; 2003 c.715 §16; 2005 c.803 §8; 2005 c.828 §1; 2007 c.846 §§8,13; 2009 c.439 §§3,4; 2009 c.698 §§10,11; 2011 c.705 §§13,15; 2013 c.577 §8; 2013 c.735 §8; 2015 c.437 §1]

Note: The amendments to 327.019 by section 9, chapter 735, Oregon Laws 2013, become operative July 1, 2020. See section 20, chapter 735, Oregon Laws 2013, as amended by section 1, chapter 299, Oregon Laws 2015. The text that is operative on and after July 1, 2020, including amendments by section 2, chapter 437, Oregon Laws 2015, is set forth for the user's convenience.

327.019. (1) As used in this section:

(a) "Education service district extended ADMw" means the sum of the extended ADMw of the school districts located within the territory of the education service district as computed under ORS 327.013.

(b) "Local revenues of an education service district" means the total of the following:

(A) The amount of revenue offset against local property taxes as determined by the Department of Revenue under ORS 311.175 (3)(a)(A);

(B) The amount of property taxes actually received by the district including penalties and interest on taxes;

(C) The amount of revenue received by the district from state-managed forestlands under ORS 530.115 (1)(b) and (c); and

(D) Any positive amount obtained by subtracting the operating property taxes actually imposed by the district based on the rate certified pursuant to ORS 310.060 from the amount that would have been imposed by the district if the district had certified the maximum rate of operating property taxes allowed by law.

(2) Each fiscal year, the Superintendent of Public Instruction shall calculate a State School Fund grant for each education service district as provided in this section.

(3)(a) Each fiscal year, the superintendent shall calculate the total amount appropriated or allocated to the State School Fund and available for distribution to school districts, education service districts and programs + total amount of local revenues of all school districts, computed as provided in ORS 327.011, + total amount of local revenues of all education service districts. The superintendent may not include in the calculation under this paragraph amounts received by the Department of Education from the State School Fund under ORS 343.243.

(b) The superintendent shall multiply the amount calculated under paragraph (a) of this subsection by 95.5 percent.

(c) Based on the amount calculated under paragraph (b) of this subsection, the superintendent shall calculate a funding percentage to distribute as nearly as practicable under ORS 327.006 to 327.133 and 327.348 the total amount calculated under paragraph (b) of this subsection as school district general purpose grants, facility grants, high cost disabilities grants and transportation grants to school districts.

(d) Based on the funding percentage calculated under paragraph (c) of this subsection, the superintendent shall calculate the general purpose grant, facility grant, transportation grant and high cost disabilities grant amounts for each school district.

(4)(a) The general services grant for an education service district shall equal the higher of:

(A) The total amount calculated under subsection (3)(d) of this section for the school districts located within the territory of the education service district \times (4.5 + 95.5); or

(B) \$1,165,000, as adjusted each school year based on the same percentage by which the amount appropriated to the State School Fund for distribution to education service districts is increased or decreased as compared with the amount appropriated for the 2015-2016 school year, if the education service district received a general services grant of \$1 million for the 2010-2011 school year.

(b) Notwithstanding paragraph (a) of this subsection and only for State School Fund distributions made for the first school year after two or more education service districts join together, if an education service district received a general services grant as provided by paragraph (a)(B) of this subsection prior to the education service district joining together with one or more other education service districts to form a new education service district:

(A) The general services grant for the new education service district shall be calculated for each component education service district as though the component education service districts had not joined together to form a new education service district; and

(B) A component education service district that received an amount as provided by paragraph (a)(B) of this subsection shall be entitled to receive that amount under the calculation provided by this paragraph.

(5) Subject to subsection (6) of this section, the State School Fund grant for an education service district = general services grant – local revenues of the education service district.

(6)(a) After completing the calculations under subsections (2) to (5) of this section, the Superintendent of Public Instruction shall apportion from the State School Fund to each education service district an amount = (funding percentage \times general services grant) – local revenues of the education service district.

(b) The funding percentage used in paragraph (a) of this subsection shall be calculated by the superintendent to distribute as nearly as practicable the total amount available for distribution to education service districts from the State School Fund for each fiscal year.

(7) Notwithstanding subsections (5) and (6) of this section:

(a) The State School Fund grant of an education service district may not be less than zero; and

(b) The State School Fund grant of an education service district shall be in an amount that, when combined with the local revenues of the education service district, equals \$1,165,000, as adjusted each school year based on the same percentage by which the amount appropriated to the State School Fund for distribution to education service districts is increased or decreased as compared with the amount appropriated for the 2015-2016 school year.

(8) An education service district shall distribute to school districts located within the territory of the education service district any amount of local revenues of the education service district that is greater than the general services grant. The amount that each school district receives under this subsection shall be prorated based on the district extended ADMw of the school district as calculated under ORS 327.013.

(9)(a) An education service district shall distribute to a school district that is located within the territory of the education service district but that has withdrawn from the education service district as provided in ORS 334.015 the amounts received by the education service district as a general services grant and from the School Improvement Fund.

(b) The amounts that a school district receives under this subsection:

(A) Shall be prorated based on the district extended ADMw of the school district as calculated under ORS 327.013;

(B) Shall equal 90 percent of the school district's prorated share, as calculated under subparagraph (A) of this paragraph; and

(C) May be used to pay for any expenses incurred in providing services described in ORS 334.175 (2) to the students of the school district by:

(i) The school district;

(ii) The education service district from which the school district withdrew;

(iii) An education service district that is not the education service district from which the school district withdrew; or

(iv) Any other public entity with which the school district has entered into a contract to provide the services.

327.020 [Repealed by 1957 c.612 §8 (327.024 enacted in lieu of 327.020)]

327.021 Percentages and time of payment of apportionments to education service districts. (1)(a) Except as provided in paragraph (b) of this subsection, the Superintendent of Public Instruction shall distribute funds payable to education service districts from the State School Fund following the same percentages and dates specified for school districts under ORS 327.095.

(b) Pursuant to rules adopted by the State Board of Education, the superintendent may specify an alternative date for making a distribution if a human-created disaster or a natural disaster affects the ability of the Department of Education to make a distribution by a specified date.

(2) The Department of Education may require reports from education service districts of projected and estimated data necessary for the calculation of the State School Fund grant amount.

(3) The Department of Education may adjust distributions to an education service district to reflect the difference between the amount payable to the education service district and the amount actually distributed to the education service district based on audited data and data received from reports from education service districts. [2001 c.695 §11; 2009 c.184 §1]

327.022 Pediatric Nursing Facility Account. (1) The Pediatric Nursing Facility Account is established within the State School Fund.

(2) The account shall consist of any moneys transferred as provided by ORS 327.008 and any other state or federal moneys available for the payments of the costs of educational services provided to students admitted to pediatric nursing facilities, as defined in ORS 442.015.

(3) Moneys in the account are continuously appropriated to the Department of Education for the purpose of making payments pursuant to ORS 343.941 for the costs of educational services provided to students admitted to pediatric nursing facilities.

(4) If the amount available in the account is not adequate to meet costs, the Department of Education shall submit a revised budget to the Legislative Assembly or, if the Legislative Assembly is not in session, to the Emergency Board. [2014 c.81 §5]

Note: 327.022 was added to and made a part of ORS chapter 327 by legislative action but was not added to any smaller series therein. See Preface to Oregon Revised Statutes for further explanation.

327.023 Grants for special and compensatory education programs. In addition to those moneys distributed through the State School Fund, the Department of Education shall provide from state funds appropriated therefor, grants in aid or support for special and compensatory education programs including:

(1) The Oregon School for the Deaf.

(2) Medicaid match for administration efforts to secure Medicaid funds for services provided to children with disabilities.

(3) Hospital programs for education services to children who are hospitalized for extended periods of time or who require hospitalization due to severe disabilities as described in ORS 343.261.

(4) Day treatment programs and residential treatment programs for education services to children who are in the treatment programs as described in ORS 343.961.

(5) Regional services provided to children with low-incidence disabling conditions as described in ORS 343.236.

(6) Early childhood special education provided to preschool children with disabilities from age three until age of eligibility for kindergarten as described in ORS 339.185, 343.035, 343.041, 343.055, 343.065, 343.157 and 343.455 to 343.534.

(7) Early intervention services for preschool children from birth until age three as described in ORS 339.185, 343.035, 343.041,

343.055, 343.065, 343.157 and 343.455 to 343.534.

(8) Evaluation services for children with disabilities to determine program eligibility and needs as described in ORS 343.146.

(9) Education services to children residing at state hospitals.

(10) Disadvantaged children program under ORS 343.680.

(11) Early childhood education under ORS 329.235.

(12) Child development specialist program under ORS 329.255.

(13) Youth care centers under ORS 420.885 that are not within a detention facility, as defined in ORS 419A.004.

(14) Staff development and mentoring.

(15) Career and technical education grants.

(16) Special science education programs.

(17) Talented and Gifted children program under ORS 343.391 to 343.413.

(18) Pediatric nursing facility programs for educational services provided to students who are admitted to pediatric nursing facilities as provided in ORS 343.941. [1991 c.780 §5; 1993 c.45 §292; 1999 c.989 §33; 2001 c.900 §240; 2007 c.70 §92; 2007 c.858 §30; 2009 c.94 §2; 2009 c.562 §21; 2011 c.313 §3; 2011 c.701 §5; 2014 c.81 §8; 2015 c.282 §2; 2015 c.671 §2]

327.024 [1957 c.612 §9 (enacted in lieu of 327.020); 1959 c.388 §3; 1965 c.100 §20; renumbered 327.063]

327.025 [Repealed by 1957 c.612 §3 (327.028 enacted in lieu of 327.025)]

327.026 State School Fund grant for programs; calculation; adjustment; rules.

(1) In order to accomplish the purpose described in ORS 326.700, the State Board of Education shall adopt by rule definitions and procedures to be applied to the computation of the State School Fund allocations where necessary to make students enrolled in the Youth Corrections Education Program, as defined in ORS 326.695, and the Juvenile Detention Education Program, as defined in ORS 326.695, equivalent to students enrolled in common and union high school districts for purposes of distribution of the fund.

(2)(a) The Youth Corrections Education Program shall receive from the State School Fund for each school year a special State School Fund grant, consisting of a general purpose grant that is equal to the Youth Corrections Education Program extended ADMw multiplied by Funding Percentage and further multiplied by Statewide Target per ADMw Grant. For the purpose of the calculation made under this paragraph:

(A) ADMw equals ADM multiplied by 2.0 multiplied by the additional per student

weight, as calculated in ORS 327.013 (1)(c)(A)(i).

(B) Extended ADMw equals ADMw or ADMw of the prior year, whichever is greater.

(b) Notwithstanding paragraph (a) of this subsection, the Youth Corrections Education Program may not receive moneys under this section from the State School Fund for any youth in the program who:

(A) Has received a high school diploma or a modified diploma; or

(B) Is 21 years of age or older.

(3) The Juvenile Detention Education Program shall receive from the State School Fund for each school year a special State School Fund grant, consisting of a general purpose grant that is equal to the Juvenile Detention Education Program extended ADMw multiplied by Funding Percentage and further multiplied by Statewide Target per ADMw Grant. For the purpose of the calculation made under this subsection:

(a) ADMw equals ADM multiplied by 1.5.

(b) Extended ADMw equals ADMw or ADMw of the prior year, whichever is greater.

(4) Funds allocated to the Youth Corrections Education Program and the Juvenile Detention Education Program from the State School Fund shall remain with the Department of Education and shall be adjusted in the year following the distribution to reflect the actual ADMw of students in the Youth Corrections Education Program and the Juvenile Detention Education Program in the same manner as for the school districts under ORS 327.101. [1995 c.649 §7; 1997 c.821 §17; 2001 c.681 §5; 2007 c.839 §17; 2009 c.698 §12; 2014 c.6 §1; 2017 c.726 §5]

327.028 [1957 c.612 §4 (enacted in lieu of 327.025); 1957 c.708 §5; 1959 c.388 §4; 1965 c.100 §22; renumbered 327.075]

327.030 [Repealed by 1957 c.612 §18]

327.032 [Formerly 327.070; 1965 c.100 §28; renumbered 327.103]

327.033 Approved transportation costs; expenditure limitations. (1) As used in this section, “retrofit” and “Environmental Mitigation Trust Agreement” have the meanings given those terms in ORS 468A.795.

(2) Approved transportation costs shall be estimated for the year of distribution.

(3) In determining approved transportation costs, the State Board of Education:

(a) Shall include depreciation of original cost to the school district of district-owned buses, not in excess of 10 percent per year;

(b) Shall include the costs to repower, retrofit or replace school buses powered by

diesel engines for the purpose of reducing or eliminating diesel engine emissions, except that the board may not include the costs paid with moneys received from the state by a school district from the Clean Diesel Engine Fund under ORS 468A.801 (2)(a) to repower, retrofit or replace school buses powered by diesel engines for the purpose of reducing or eliminating diesel engine emissions; and

(c) Shall include costs to school buses powered by diesel engines as allowed in the Environmental Mitigation Trust Agreement, except that the board may not include costs paid from the Environmental Mitigation Trust Agreement in the calculation of the transportation grant computed as provided in ORS 327.013.

(4) School districts shall account separately for those funds received from the State School Fund attributable to the costs included under subsection (3) of this section, and expenditure of those funds shall be limited as follows:

(a) The expenditure of funds attributable to costs under subsection (3)(a) of this section shall be limited to the acquisition of new buses.

(b) The expenditure of funds attributable to costs under subsection (3)(b) and (c) of this section shall be limited to the costs to repower, retrofit or replace school buses powered by diesel engines for the purpose of reducing or eliminating diesel engine emissions.

(5) The transportation grant computed as provided in ORS 327.013 when combined with costs paid from the Environmental Mitigation Trust Agreement to replace school buses powered by diesel engines may not exceed the purchase price of the buses for which the funds described in this subsection were received. [1991 c.780 §7a; 2007 c.855 §3; 2009 c.458 §1; 2017 c.742 §13]

327.035 [Amended by 1953 c.108 §3; 1957 c.612 §10; 1959 c.388 §5; 1963 c.142 §2; 1965 c.100 §17; 1965 c.323 §1; 1971 c.107 §1; repealed by 1991 c.780 §30]

327.038 [1957 s.s. c.2 §3; repealed by 1959 c.388 §15]

327.040 [Repealed by 1957 c.612 §18]

327.042 [1957 c.708 §§2,3; 1959 c.388 §6; 1963 c.570 §1d; 1965 c.100 §18; 1969 c.625 §2; 1971 c.21 §1; 1971 c.107 §2; 1973 c.750 §4; 1977 c.840 §2; repealed by 1991 c.780 §30]

327.043 When district required to provide transportation; waiver. (1) A school district is required to provide transportation for elementary students who reside more than one mile from school and for secondary school students who reside more than 1.5 miles from school. A district is also required to provide transportation for any student identified in a supplemental plan approved by the State Board of Education.

(2) Notwithstanding subsection (1) of this section, the State Board of Education may waive the requirement to provide transportation for secondary school students who reside more than 1.5 miles from school. A district must present to the board a plan providing or identifying suitable and sufficient alternate modes of transporting secondary school students. [1991 c.780 §7]

327.045 [Repealed by 1957 c.626 §1]

327.046 [1961 c.502 §10; repealed by 1963 c.570 §33]

327.047 [1997 c.821 §9; repealed by 2003 c.715 §41]

327.048 [1961 c.502 §6; repealed by 1963 c.570 §33]

327.049 [1985 c.555 §9; repealed by 1991 c.780 §30]

327.050 [Amended by 1957 c.612 §11; repealed by 1963 c.570 §33]

327.051 [1997 c.821 §8; repealed by 2003 c.715 §41]

327.052 [1961 c.408 §1; repealed by 1963 c.570 §33]

327.053 [1965 c.100 §18a; 1973 c.750 §5; 1977 c.840 §3; 1981 c.899 §1; 1985 c.555 §10; 1989 c.216 §2; repealed by 1991 c.780 §30]

327.055 [Repealed by 1963 c.570 §33]

327.056 [1977 c.840 §4; repealed by 1989 c.216 §1]

327.057 [1957 c.556 §11; repealed by 1963 c.570 §33]

327.058 [1959 c.528 §§4,11; 1961 c.500 §1; repealed by 1963 c.570 §33]

327.059 [Formerly 327.018; 1969 c.625 §3; 1971 c.21 §2; 1973 c.750 §6; 1977 c.840 §5; 1981 c.899 §2; repealed by 1991 c.780 §30]

327.060 [Amended by 1955 c.766 §1; repealed by 1963 c.570 §33]

327.061 Computation of number of students in average daily membership. (1) Numbers of students in average daily membership used in the distribution formula as specified in ORS 327.013 (1)(c), shall be projections of the average daily membership in the school district for the school year ending on June 30 of the distribution year. The Department of Education shall verify all projections used for purposes of the distribution formula.

(2) The department shall use information from the Department of Revenue under ORS 311.175 as the basis for determining projected school district property taxes. The department shall request relevant information from the school districts to enable the department to estimate the amount each school district shall receive from the State School Fund. The department shall provide this estimate no later than the first Monday in March of each year for the distribution for the following fiscal year.

(3) Except as provided in subsection (4) of this section, a school district may appeal to the department any projection verified by the department under subsection (1) of this section. The department shall rule on the appeal in a timely manner and if necessary issue a revised estimate of the amount each school district shall receive from the State

School Fund no later than the last Friday in March.

(4) A school district may not appeal any projection verified under subsection (1) of this section if the school district failed to provide information requested by the department under subsection (2) of this section.

(5) Notwithstanding the dates provided by this section and pursuant to rules adopted by the State Board of Education, the Superintendent of Public Instruction may specify an alternative date to provide an estimate or revised estimate if a human-created disaster or a natural disaster affects the ability of the Department of Education to provide the estimate or revised estimate by the date specified by this section. [1991 c.780 §11; 1993 c.18 §88; 2009 c.184 §2; 2009 c.698 §13]

327.062 [1955 c.103 §2; repealed by 1963 c.570 §33]

327.063 [Formerly 327.024; 1969 c.270 §1; 1969 c.625 §4; 1971 c.107 §3; 1973 c.750 §7; 1977 c.840 §6; 1979 c.259 §2; 1981 c.804 §96; repealed by 1991 c.780 §30]

327.065 [Amended by 1953 c.444 §11; 1953 c.711 §4; 1955 c.766 §2; 1957 c.328 §1; 1959 c.397 §1; 1961 c.537 §1; repealed by 1963 c.570 §33]

327.067 [1957 c.219 §3; 1961 c.537 §2; repealed by 1963 c.570 §33]

327.068 [1957 c.642 §§4,7; 1959 c.388 §7; repealed by 1963 c.570 §33]

327.069 [1957 c.620 §1; 1959 c.388 §8; 1961 c.625 §1; part renumbered 330.630; repealed by 1963 c.570 §33]

327.070 [Amended by 1957 c.658 §3; renumbered 327.032 and then 327.103]

327.071 [1977 c.840 §7a; repealed by 1983 c.610 §8]

327.072 [Amended by 1957 c.612 §12; 1963 c.570 §4; 1965 c.100 §21; 1969 c.625 §5; 1973 c.750 §8; repealed by 1991 c.780 §30]

327.074 [Amended by 1965 c.100 §26; renumbered 327.097]

327.075 [Formerly 327.028; 1969 c.625 §6; 1977 c.840 §7; 1979 c.277 §7; 1991 c.780 §14; 1993 c.61 §6; repealed by 1993 c.690 §6]

327.076 [Repealed by 1965 c.100 §456]

327.077 Remote small elementary school and small high school determination; effect; waiver. (1) For purposes of this section:

(a) The “adjusted average daily membership” or “ADMa” for an elementary school is the average daily membership for the school, but no less than 25.

(b) The “adjusted average daily membership” or “ADMa” for a high school is the average daily membership for the school, but no less than 60.

(2)(a) A school may qualify as a remote small elementary school if the average daily membership in kindergarten through grade eight for an elementary school teaching:

- (A) Nine grades is below 252.
- (B) Eight grades is below 224.
- (C) Seven grades is below 196.

(D) Six grades is below 168.

(E) Five grades is below 140.

(F) Four grades is below 112.

(G) Three grades is below 84.

(H) Two grades is below 56.

(I) One grade is below 28.

(b) For purposes of this subsection, kindergarten may be included in the calculation for determining the number of grades at an elementary school only if the kindergarten is full-day kindergarten.

(3) A school may qualify as a small high school if:

(a) The school is in a school district that has an ADMw of less than 8,500; and

(b) The average daily membership in grades 9 through 12 for a high school teaching:

(A) Four grades is below 350.

(B) Three grades is below 267.

(4) An elementary school does not qualify as a remote small elementary school under subsection (2) of this section if it is within eight miles by the nearest traveled road from another elementary school in the same school district unless there are physiographic conditions that make transportation to another school not feasible.

(5)(a) If an elementary school in a school district qualifies as a remote small elementary school, the district shall have an additional amount added to the district’s ADMw.

(b) The additional amount = $\{252 - (\text{ADMa} \div (\text{number of grades in the school} \div \text{nine}))\} \times 0.0045 \times \text{ADMa} \times \text{distance adjustment}$.

(6)(a) If a high school in a district qualifies as a small high school, the district shall have an additional amount added to the district’s ADMw.

(b) The additional amount = $\{350 - (\text{ADMa} \div (\text{number of grades in the school} \div \text{four}))\} \times 0.0029 \times \text{ADMa}$.

(7) The distance adjustment for an elementary school = 0.025 for each 10th of a mile more than eight miles that a school is away from the nearest elementary school in the same school district measured by the nearest traveled road or 1.0, whichever is less.

(8)(a) A school may qualify as a remote small elementary school under this section only if the location of the school has not changed since January 1, 1995, and if the school qualified as a remote small school on August 2, 2011.

(b) A school may qualify as a small high school under this section only if:

(A) The location of the school has not changed since January 1, 1995;

(B) The school qualified as a small high school on July 23, 2009; and

(C) On or after October 23, 1999, and prior to July 23, 2009, the school was not part of a high school that divided or otherwise reorganized into two or more high schools in the same city.

(c) A public charter school as defined in ORS 338.005 may qualify as a remote small elementary school under this section only if the location of the school has not changed since January 1, 1995, and if the school qualified as a remote small school on August 2, 2011.

(d) A public charter school as defined in ORS 338.005 may qualify as a small high school under this section only if the location of the school has not changed since January 1, 1995, and if the school qualified as a non-chartered public remote small school on July 18, 1995.

(e) The Superintendent of Public Instruction may waive the requirements of paragraph (a), (b), (c) or (d) of this subsection if the superintendent determines that exceptional circumstances exist.

(f) An alternative education program as defined in ORS 336.615 may not qualify as a small high school under this section.

(9) The opening of a public charter school shall not disqualify a school as a remote small elementary school under subsection (4) of this section or change the distance adjustment for a school under subsection (7) of this section.

(10)(a) Notwithstanding subsections (3), (6) and (8)(b) and (d) of this section, if two high schools merge and prior to the merger at least one of the high schools qualified as a small high school under this section, the Department of Education shall continue to add an additional amount pursuant to subsection (6) of this section to the ADMw of the school district in which the new merged high school is located that is equal to the higher of:

(A) The additional amount the school district of each of the former small high schools would have received under this section for the small high school based on the ADMa of each of the high schools prior to the merger; or

(B) In the case of a high school that remains qualified as a small high school under subsection (3) of this section after a merger, the ADMa of the merged small high school.

(b) The department shall add the additional amount under this subsection only for

the first four fiscal years after the merger of the two high schools is final. If the merger of the two high schools becomes final on or before September 1, for purposes of this paragraph the merger shall be considered final in the prior fiscal year. [1995 c.649 §2; 1999 c.200 §27; 1999 c.1066 §22; 2003 c.715 §32; 2009 c.705 §§5,7; 2009 c.800 §1; 2011 c.704 §8; 2011 c.710 §§1,2]

327.080 [Amended by 1957 c.612 §13; 1963 c.570 §5; repealed by 1965 c.100 §456]

327.081 [1993 c.61 §14; 1995 c.649 §5; repealed by 2001 c.695 §38]

327.082 [1973 c.707 §6; repealed by 2011 c.704 §13]

327.085 [Repealed by 1957 c.612 §6 (327.018 enacted in lieu of 327.085)]

327.090 [Amended by 1959 c.388 §10; 1963 c.570 §6; 1965 c.100 §27; repealed by 1991 c.780 §30]

327.091 [1957 c.626 §8; repealed by 1963 c.570 §33]

327.092 [1957 c.626 §9; repealed by 1963 c.570 §33]

327.093 [1957 c.626 §10; repealed by 1963 c.570 §33]

327.094 [Subsections (1) and (2) enacted as 1957 c.626 §13; subsection (3) of 1957 Replacement Part enacted as 1957 s.s. c.2 §4(3); 1959 c.388 §11; 1963 c.570 §7; 1965 c.100 §25; subsection (4) enacted as 1971 c.22 §3; 1989 c.456 §1; repealed by 1991 c.780 §30]

327.095 Percentages and time of payment of apportionments to school districts. (1)(a) Except as provided in paragraph (b) of this subsection, funds due school districts under ORS 327.008 and 327.013 shall be paid approximately 16-2/3 percent on July 15, approximately eight and one-third percent on the 15th day of each of the months of August, September, October, November, December, January, February, March and April and the balance on May 15. An equitable apportionment based on the most recent data available shall be made on the installment dates prior to May 15. If such payments are too high or too low, appropriate adjustments shall be made in the May 15 payments.

(b) Pursuant to rules adopted by the State Board of Education, the Superintendent of Public Instruction may specify an alternative date for making an apportionment if a human-created disaster or a natural disaster affects the ability of the Department of Education to make an apportionment by a specified date.

(2)(a) Except as provided in paragraph (b) of this subsection, if the reports required by ORS 327.133 have not been received from a school district when due, no further apportionments shall be made to the school district until the reports are filed.

(b) Pursuant to rules adopted by the State Board of Education, the Superintendent of Public Instruction may waive a reporting date or specify an alternative date for providing reports if a human-created disaster or a natural disaster affects the ability of the school district to provide the reports by a specified date.

(3) If the combined estimated level of ADMw under ORS 327.013 (1)(c) of all school districts is less than the statewide projected level of ADMw, the Department of Education may:

(a) Adjust the distributions to school districts on the installment dates to reflect the difference; and

(b) Set aside an amount of the funds appropriated to the State School Fund for the fiscal year until the May 15 distribution. [Amended by 1953 c.108 §3; 1957 c.612 §14; 1959 c.388 §12; 1965 c.100 §24; 1975 c.196 §1; 1977 c.280 §1; 1977 c.840 §8; 1981 c.678 §9; 1983 c.610 §7; 1991 c.780 §16; 1997 c.821 §18; 2002 s.s.1 c.4 §1; 2002 s.s.4 c.1 §1; 2009 c.184 §3; 2009 c.698 §14]

327.097 Apportionment where district changed. Where any territorial or organizational change in a school district has occurred between the date of the report and the apportionment, the Superintendent of Public Instruction shall make the payment on an equitable basis to the districts the territory or organization of which has been changed. [Formerly 327.074]

327.099 Adjustment of distribution within fiscal year. (1) The Department of Education shall adjust the distribution to a school district to reflect the difference between the estimated level of local revenues to the district under ORS 327.011 and the projected level of those same local revenues used to calculate the State School Fund apportionment to the district. The adjustment shall be incorporated in the May 15 apportionment to the district in the distribution year.

(2) The department shall adjust the May 15 apportionment to a school district in the distribution year to reflect an ADMw of the district equal to the higher of the ADMw of the prior year or the adjusted ADMw for the December quarter. Adjusted ADMw for the December quarter shall equal:

(a) ADMw as determined by the department from information provided in the December quarterly report for the current distribution year filed with the department under ORS 327.133;

(b) Multiplied by the lesser of 1.0 or the average of the ratios for the preceding two years of the ADM for the year ending June 30 to the ADM for the quarter ending December 31 for the same school year as filed under ORS 327.133.

(3) The sum equal to the sum of all negative adjustments made to the May 15 apportionment under subsection (1) of this section shall be used by the department for purposes of funding positive adjustments required under subsection (1) of this section and adjustments required under subsection (2) of this section.

(4) The department shall also set aside an amount of the funds appropriated to the State School Fund for the fiscal year to fund any positive adjustments required under subsection (1) of this section and adjustments required under subsection (2) of this section in excess of the amount available under subsection (3) of this section. The amount set aside shall be as determined by law.

(5) If the amounts available under subsections (3) and (4) of this section are either not sufficient to fund the positive adjustments or exceed the positive adjustments to districts required under subsections (1) and (2) of this section and the adjustments required under subsection (2) of this section, the Superintendent of Public Instruction shall recalculate the funding percentage in ORS 327.013 (1)(a) to distribute as nearly as practicable the total sum available for distribution. [1991 c.780 §12; 1993 c.61 §7; 2003 c.715 §24; 2005 c.755 §19; 2009 c.698 §15]

327.100 [Repealed by 1963 c.570 §33]

327.101 Adjustment of distribution between fiscal years. (1) Each fiscal year, the distribution to a school district under ORS 327.008 and 327.013 shall be adjusted to fully reflect the difference between the apportionment due to the district for the prior fiscal year under ORS 327.008 and 327.013, and the amounts actually distributed to the district in the prior fiscal year under ORS 327.008, 327.013 and 327.099. The adjustment shall be made to the May 15 apportionment to the district.

(2) No consideration shall be made in the adjustment made under subsection (1) of this section for any penalties, forfeitures or additional receipts of State School Fund moneys, except when expressly directed by law.

(3) An amount of funds equal to the sum of all negative adjustments made to the May 15 apportionment under subsection (1) of this section shall be used by the Department of Education for purposes of funding positive adjustments required under subsection (1) of this section in the same fiscal year.

(4) If the amounts available under subsection (3) of this section are either not sufficient or exceed the adjustments to districts required under subsection (1) of this section, the Superintendent of Public Instruction shall recalculate the funding percentage in ORS 327.013 (1)(a) to distribute as nearly as practicable the total sum available for distribution. [1991 c.780 §13; 1993 c.61 §8; 2005 c.209 §4; 2005 c.755 §20; 2009 c.698 §16]

327.102 Standard school complaints; process; rules. (1) The State Board of Education shall adopt by rule requirements for the process that a school district must use when the district receives a complaint per-

taining to whether a school in the district is a standard school as defined in ORS 327.006.

(2) The rules adopted by the board shall require school districts to establish and implement a process for the prompt resolution of a complaint and shall require the process to:

(a) Have specific timelines for the completion of the process by both the district and the person making the complaint;

(b) Have a specific time period within which the district must make a final decision on a complaint, after which the final decision on the complaint may be appealed to the Superintendent of Public Instruction; and

(c) Recognize that if a district does not provide a written decision within the specific time period, failure to provide such a decision will be regarded as the district's final decision. [2007 c.519 §1]

Note: 327.102 was enacted into law by the Legislative Assembly but was not added to or made a part of ORS chapter 327 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

327.103 Standard school presumed; effect of finding of deficiency; rules. (1) All school districts are presumed to maintain a standard school district until the school district has been found to be deficient by the Superintendent of Public Instruction, pursuant to standards and rules of the State Board of Education.

(2) If any deficiencies are not corrected before the beginning of the school year next following the date of the finding of deficiency and if an extension has not been granted under subsection (3) of this section, the Superintendent of Public Instruction may withhold portions of State School Fund moneys otherwise allocated to the school district for operating expenses until such deficiencies are corrected unless the withholding would create an undue hardship, as determined pursuant to rules of the State Board of Education.

(3)(a) Within 90 days of the finding of deficiency, a school district found not to be in compliance shall submit a plan, acceptable to the Superintendent of Public Instruction, for meeting standardization requirements. A team of Department of Education staff shall contact the school district and offer technical assistance. When an acceptable plan for meeting standardization requirements has been submitted, the Superintendent of Public Instruction may allow an extension of time before withholding moneys, not to exceed 12 months, if the superintendent determines that such deficiencies cannot be corrected or removed before the beginning of the next school year.

(b) Notwithstanding paragraph (a) of this subsection, the Superintendent of Public Instruction may not grant an extension of time if a school district could correct the deficiency through merger.

(c) For the period of the extension of time under this subsection, the school district shall be considered a conditionally standard school district.

(4)(a) Regardless of whether the Superintendent of Public Instruction has granted a school district an extension of time under subsection (3) of this section and except as provided in paragraph (b) of this subsection, a school district that fails to submit a plan for meeting standardization requirements within the time specified by the superintendent may not receive further State School Fund moneys until a plan acceptable to the superintendent is submitted.

(b) Pursuant to rules adopted by the State Board of Education, the Superintendent of Public Instruction may extend the time specified for submitting a plan if the superintendent determines that a human-created disaster or a natural disaster affects the ability of the school district to comply with the date requirement. [Formerly 327.032; 1989 c.491 §5; 1991 c.693 §32; 1995 c.660 §47a; 2003 c.390 §§1,3; 2009 c.184 §4]

327.105 [Repealed by 1963 c.570 §33]

327.106 School districts required to offer kindergarten through grade 12; exceptions. (1) Any school district that does not offer education programs in kindergarten through grade 12 shall be considered nonstandard under ORS 327.103. A school district may satisfy the requirements of this section by offering half-day kindergarten or full-day kindergarten.

(2) Notwithstanding subsection (1) of this section, a school district is not considered to be nonstandard under ORS 327.103 if the school district:

(a) Is not required to merge under section 2 (3) or (4), chapter 393, Oregon Laws 1991.

(b) Meets all of the following requirements:

(A) The school district offered education programs in kindergarten through grade 12 on September 1, 1996;

(B) After September 1, 1996, a majority of the board of the school district voted not to offer education programs in grades 9 through 12; and

(C) The school district merges with a unified school district and the merger takes effect under ORS 330.103 within one year after the vote of the board under this paragraph.

(c) Is a union high school district, as defined in ORS 330.005. [1991 c.393 §3; 1995 c.659 §2; 1997 c.521 §13; 2011 c.704 §4]

Note: 327.106 was enacted into law by the Legislative Assembly but was not added to or made a part of ORS chapter 327 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

327.109 Procedure if school district or charter school alleged to be involved in religious activity; complaint, investigation, finding; effect. (1) Upon receipt from a citizen of Oregon of a complaint that on its face is colorable that a school district or public charter school sponsors, financially supports or is actively involved with religious activity, the Superintendent of Public Instruction or the superintendent's designated representative shall undertake promptly a preliminary investigation of the facts alleged in the complaint.

(2) If, after the preliminary investigation, the superintendent finds that there is a substantial basis to believe that the school district or public charter school sponsors, financially supports or is actively involved with religious activity, the superintendent shall:

(a) In the case of a school district:

(A) Notify the complainant and the school district;

(B) Withhold immediately all funds due the school district under ORS 327.095; and

(C) Schedule a contested case hearing to be conducted in accordance with ORS 183.413 to 183.470.

(b) In the case of a public charter school:

(A) Notify the complainant, the public charter school, the school district in which the public charter school is located and the sponsor of the public charter school;

(B) Withhold immediately all funds for the public charter school that, pursuant to ORS 338.155, are due under ORS 327.095 to the school district in which the public charter school is located;

(C) Order the school district in which the public charter school is located to withhold immediately all funds due the public charter school under ORS 338.155; and

(D) Schedule a contested case hearing to be conducted in accordance with ORS 183.413 to 183.470.

(3)(a) In the case of a school district if, after the preliminary investigation, the superintendent finds that there is no substantial basis to believe that the school district sponsors, financially supports or is actively involved with religious activity, the superintendent shall notify the complainant and the district of that finding and shall not

withhold funds due the district under ORS 327.095 or schedule a hearing.

(b) In the case of a public charter school if, after the preliminary investigation, the superintendent finds that there is no substantial basis to believe that the public charter school sponsors, financially supports or is actively involved with religious activity, the superintendent shall notify the complainant, the public charter school, the school district in which the public charter school is located and the sponsor of the public charter school of that finding and shall not schedule a hearing or withhold funds for the public charter school that, pursuant to ORS 338.155, are due under ORS 327.095 to the school district in which the public charter school is located. The superintendent shall also order the school district in which the public charter school is located not to withhold funds due the public charter school under ORS 338.155.

(4) During the preliminary investigation, the school district or public charter school shall cooperate to a reasonable degree with the superintendent and provide any evidence that the superintendent considers necessary for the investigation. If the school district or public charter school fails or refuses to cooperate to a reasonable degree with the superintendent during the investigation, the superintendent shall presume that there is a substantial basis to believe that the school district or public charter school sponsors, financially supports or is actively involved with religious activity and shall proceed as provided in subsection (2) of this section.

(5) If the superintendent makes a finding under subsection (2) or (4) of this section, the school district or public charter school shall receive no funds under ORS 327.095 or 338.155 from the date of the superintendent's finding until the superintendent finds that the school district or public charter school is no longer sponsoring, financially supporting or actively involved with religious activity.

(6) The funds withheld under this section shall be held in an escrow account and shall be removed from that account only as follows:

(a) If the superintendent determines, after a contested case hearing, or a court on appeal rules, that the school district or public charter school never sponsored, financially supported or was actively involved with religious activity, the entire amount, including interest thereon, in the escrow account shall be released to the school district or public charter school.

(b) If the superintendent determines, after a contested case hearing, or a court on appeal rules, that the school district or pub-

lic charter school sponsored, financially supported or was actively involved with religious activity in the past but has ceased to do so, that portion of the amount, including interest thereon, in the escrow account that accrued to the school district or public charter school after the school district or public charter school ceased the proscribed conduct shall be paid to the school district or public charter school. Any amount, including interest thereon, permanently withheld from the school district or public charter school shall revert to the State School Fund or to the General Fund, if the biennium has ended.

(c) If the school district or public charter school does not cease the proscribed conduct by the beginning of the next school year, the superintendent shall notify the State Treasurer who shall cause the amount in the escrow account, including interest thereon, to revert to the State School Fund or to the General Fund, if the biennium has ended.

(7) If the superintendent schedules a contested case hearing, as provided in subsection (2) of this section, the superintendent may conduct such further investigation of the facts relevant to the complaint as the superintendent considers necessary. In conducting the investigation, the superintendent shall have the power of subpoena to compel production of documents and attendance of witnesses at depositions and may do all things necessary to secure a full and thorough investigation.

(8) If a person or school district or public charter school fails to comply with any subpoena issued under subsection (7) of this section, a judge of the circuit court of any county, on application of the superintendent, shall compel obedience by proceedings for contempt as in the case of disobedience of the requirements of a subpoena issued from circuit court. [1985 c.584 §2; 1999 c.200 §28; 2005 c.209 §5]

327.110 [Amended by 1955 c.537 §1; repealed by 1957 c.322 §1]

327.115 [Amended by 1955 c.385 §1; 1959 c.388 §13; repealed by 1963 c.570 §33]

327.120 Correction of errors in apportionments. The Superintendent of Public Instruction may correct, in a succeeding year, any errors in apportionment by the withholding of the amount of an overapportionment or by the payment of an underapportionment from funds to be apportioned.

327.125 Superintendent to administer statutes related to state financing of education; board rules. The Superintendent of Public Instruction shall administer the provisions of ORS 327.006 to 327.133, 327.348 and 327.731 and sections 1 to 3, chapter 735, Oregon Laws 2013. The State Board of Edu-

cation shall adopt all necessary rules not inconsistent with ORS 327.006 to 327.133, 327.348 and 327.731 and sections 1 to 3, chapter 735, Oregon Laws 2013, to carry into effect the provisions of those statutes. [Amended by 1963 c.570 §8; 1965 c.100 §29; 1989 c.491 §6; 1991 c.780 §17; 2007 c.846 §14; 2013 c.735 §10]

Note: The amendments to 327.125 by section 11, chapter 735, Oregon Laws 2013, become operative July 1, 2020. See section 20, chapter 735, Oregon Laws 2013, as amended by section 1, chapter 299, Oregon Laws 2015. The text that is operative on and after July 1, 2020, is set forth for the user's convenience.

327.125. The Superintendent of Public Instruction shall administer the provisions of ORS 327.006 to 327.133, 327.348 and 327.731. The State Board of Education shall adopt all necessary rules not inconsistent with ORS 327.006 to 327.133, 327.348 and 327.731 to carry into effect the provisions of those statutes.

327.130 [Repealed by 1965 c.100 §456]

327.133 Reports by districts. (1)(a) Except as provided in paragraph (b) of this subsection, each school district, other than an education service district, shall file with the Superintendent of Public Instruction:

(A) By July 15 of each year, an annual report covering the school year ending on the preceding June 30; and

(B) By January 15, of each year, a December quarterly report covering the quarter of the current school year commencing October 1 and ending December 31.

(b) Pursuant to rules adopted by the State Board of Education, the Superintendent of Public Instruction may waive a reporting date or specify an alternative date for filing a report if a human-created disaster or a natural disaster affects the ability of the school district to file a report by the specified date.

(2) Each such report shall show the average daily membership of resident pupils of the school district for the period covered and shall also contain such other information as the Superintendent of Public Instruction may require. [Formerly 327.200; 1973 c.750 §9; 2009 c.184 §5]

327.135 [Amended by 1955 c.660 §27; 1957 c.612 §15; repealed by 1963 c.570 §33]

327.137 Audit reports filed with department; effect of failure to file or insufficiency of report. (1)(a) Every common or union high school district or education service district shall file a copy of its audit report with the Department of Education within six months of the end of the fiscal year for which the audit is required. The audit report shall include:

(A) Information necessary for the computation required in the administration of ORS 327.006 to 327.133, 327.348, 327.731, 328.542 and 530.115 and sections 1 to 3, chapter 735, Oregon Laws 2013, and this section; and

(B) If the district is a sponsor of any public charter schools, a copy of each annual

audit forwarded to the district as required by ORS 338.095 (4).

(b) If the audit report, as submitted to the district, fails to provide the detail necessary for the computation required in the administration of ORS 327.006 to 327.133, 327.348, 327.731, 328.542 and 530.115 and sections 1 to 3, chapter 735, Oregon Laws 2013, and this section, the district shall submit the necessary information on forms provided by the department within the time prescribed for filing the audit in this section.

(c) The Superintendent of Public Instruction may withhold any payments from the State School Fund for a public charter school that, pursuant to ORS 338.155, are due to a district under ORS 327.095 if:

(A) The audit report filed by the district fails to include the public charter school annual audit as required by paragraph (a)(B) of this subsection; and

(B) The district has not filed the public charter school annual audit with the department by April 1.

(d) If payments are withheld as provided by paragraph (c) of this subsection, the superintendent may allow payments to be made from the State School Fund to the district upon receipt of the annual audit or upon the meeting of any other conditions identified by rule of the State Board of Education.

(e) Any district failing to file a copy of an audit report under this section or a report under ORS 327.133 may not receive any payments from the State School Fund until the report is filed.

(2) Notwithstanding the timeline provided by this section and pursuant to rules adopted by the State Board of Education, the superintendent may waive a reporting date or specify an alternative date to provide the audit report or information if a human-created disaster or a natural disaster affects the ability of a school district or an education service district to provide the audit report or information by a specified date. [1965 c.199 §1; 1977 c.840 §9; 1989 c.491 §7; 1991 c.780 §18; 2005 c.209 §6; 2007 c.846 §15; 2009 c.184 §§6,7; 2011 c.316 §§3,4; 2013 c.327 §1; 2013 c.735 §§12,13]

Note: The amendments to 327.137 by section 14, chapter 735, Oregon Laws 2013, become operative July 1, 2020. See section 20, chapter 735, Oregon Laws 2013, as amended by section 1, chapter 299, Oregon Laws 2015. The text that is operative on and after July 1, 2020, is set forth for the user's convenience.

327.137. (1)(a) Every common or union high school district or education service district shall file a copy of its audit report with the Department of Education within six months of the end of the fiscal year for which the audit is required. The audit report shall include:

(A) Information necessary for the computation required in the administration of ORS 327.006 to 327.133, 327.348, 327.731, 328.542 and 530.115 and this section; and

(B) If the district is a sponsor of any public charter schools, a copy of each annual audit forwarded to the district as required by ORS 338.095 (4).

(b) If the audit report, as submitted to the district, fails to provide the detail necessary for the computation required in the administration of ORS 327.006 to 327.133, 327.348, 327.731, 328.542 and 530.115 and this section, the district shall submit the necessary information on forms provided by the department within the time prescribed for filing the audit in this section.

(c) The Superintendent of Public Instruction may withhold any payments from the State School Fund for a public charter school that, pursuant to ORS 338.155, are due to a district under ORS 327.095 if:

(A) The audit report filed by the district fails to include the public charter school annual audit as required by paragraph (a)(B) of this subsection; and

(B) The district has not filed the public charter school annual audit with the department by April 1.

(d) If payments are withheld as provided by paragraph (c) of this subsection, the superintendent may allow payments to be made from the State School Fund to the district upon receipt of the annual audit or upon the meeting of any other conditions identified by rule of the State Board of Education.

(e) Any district failing to file a copy of an audit report under this section or a report under ORS 327.133 may not receive any payments from the State School Fund until the report is filed.

(2) Notwithstanding the timeline provided by this section and pursuant to rules adopted by the State Board of Education, the superintendent may waive a reporting date or specify an alternative date to provide the audit report or information if a human-created disaster or a natural disaster affects the ability of a school district or an education service district to provide the audit report or information by a specified date.

327.140 [Amended by 1955 c.314 §1; 1957 c.612 §17; repealed by 1963 c.570 §33]

327.141 Financial or performance audit initiated by department; contracts for audit; costs. (1)(a) Based on factors identified by the State Board of Education by rule, the Department of Education may initiate a financial audit or a performance audit of a school district or an education service district.

(b) Prior to initiating an audit, the Department of Education shall:

(A) Give notice to the school district or the education service district of the department's intent to initiate the audit; and

(B) Provide the school district or the education service district with the opportunity to provide to the department any information related to the subject of the audit.

(c) Following the review of any information provided under paragraph (b) of this subsection, the department may:

(A) Decline to proceed with the audit; or

(B) Cause the audit to be conducted.

(2) For the purpose of causing an audit to be conducted as authorized by this section, the department may enter into a contract with:

(a) The Secretary of State in accordance with ORS 297.210; or

(b) If the Secretary of State is unable or unwilling to conduct the audit, a private entity.

(3)(a) If the Secretary of State conducts the audit, the school district or education service district may be charged for a portion of the costs incurred for the audit as provided by ORS 297.210.

(b) If a private entity conducts an audit, the Department of Education may charge the school district or education service district for a portion of the costs incurred for the audit.

(4) A copy of an audit conducted as provided by this section must be forwarded to the Department of Education and to any other entity identified by the department in accordance with rules adopted by the State Board of Education. [2011 c.647 §1]

Note: 327.141 was enacted into law by the Legislative Assembly but was not added to or made a part of ORS chapter 327 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

327.145 [Amended by 1957 c.626 §4; repealed by 1963 c.570 §33]

327.147 Increased allocation when union high school district becomes common school district. (1) When a union high school district becomes a common school district, as described in ORS 335.505, the common school district shall be entitled to an increased allocation, based on the total average daily membership, as defined in ORS 327.006, of the new common school district as follows:

(a) An additional 15 percent in the first year of operation as a common school district;

(b) An additional 10 percent in the second year of operation as a common school district; and

(c) An additional five percent in the third year of operation as a common school district.

(2) The amounts authorized by this section shall be computed based on the computation of the affected district's allocation of moneys from the State School Fund but shall be payable from funds specifically appropriated for the purposes of this section. [1989 c.969 §1]

327.150 [Amended by 1955 c.314 §2; repealed by 1963 c.570 §33]

327.152 Increased allocation when certain merger occurs. (1) If a school district responsible for education in kindergarten through grade 12, that does not operate a

high school, merges with a district providing education in kindergarten through grade 12, the district providing the education shall be entitled to an increased allocation, based on the average daily membership of the former district, as follows:

(a) An additional 15 percent in the first year of operation of the merged district;

(b) An additional 10 percent in the second year of operation of the merged district; and

(c) An additional five percent in the third year of operation of the merged district.

(2) The amounts authorized by this section shall be computed based on the computation of the affected district's allocation of moneys from the State School Fund but shall be payable from funds specifically appropriated for the purposes of this section. [1989 c.969 §2]

327.155 [Repealed by 1955 c.314 §3]

327.157 Minimum apportionment to school districts affected or not affected by ORS 327.147 and 327.152. (1) Subject to the limits of funds appropriated for the implementation of ORS 327.147 and 327.152, a school district shall not be apportioned less for its average daily membership for any year subsequent to the 1989-1990 fiscal year than was estimated for the 1989-1990 fiscal year.

(2) If the funds appropriated for the implementation of ORS 327.147 and 327.152 are insufficient to meet the obligations incurred under ORS 327.147 and 327.152, each district eligible to receive funds under ORS 327.147 or 327.152 shall receive its pro rata share of the funds available for the implementation of ORS 327.147 and 327.152. [1989 c.969 §4]

327.160 [Repealed by 1963 c.570 §33]

327.200 [1957 c.612 §16; 1959 c.388 §14; 1965 c.100 §23; renumbered 327.133]

327.202 [1989 c.971 §1; repealed by 1991 c.459 §448]

327.205 [Repealed by 1957 c.626 §1]

327.207 [1989 c.971 §2; repealed by 1991 c.459 §448]

327.210 [Repealed by 1957 c.626 §1]

327.212 [1989 c.971 §3; repealed by 1991 c.459 §448]

327.215 [Repealed by 1957 c.626 §1]

327.217 [1989 c.971 §4; repealed by 1991 c.459 §448]

327.220 [Repealed by 1957 c.626 §1]

327.225 [Repealed by 1957 c.626 §1]

327.230 [Repealed by 1957 c.626 §1]

327.255 [Repealed by 1957 c.626 §1]

327.260 [Repealed by 1957 c.626 §1]

327.265 [Repealed by 1957 c.626 §1]

327.270 [Repealed by 1957 c.626 §1]

327.275 [Repealed by 1957 c.626 §1]

327.280 [Repealed by 1957 c.626 §1]

327.285 [Repealed by 1957 c.626 §1]

**GRANTS TO DISTRICTS
AND PROGRAMS**

**(School Improvement and
Student Achievement Grants)**

327.290 Legislative findings relating to student achievement. The Legislative Assembly finds that:

(1) The state has an interest in ensuring that public resources for primary and secondary schools are used to achieve the outcomes established under the Oregon Educational Act for the 21st Century in ORS chapter 329.

(2) To achieve that purpose, the School Improvement Fund is established so the state may support activities directly related to increases in student achievement while still allowing school districts and education service districts flexibility in determining the specific activities necessary to support students.

(3) It is the intent of the state in establishing the School Improvement Fund to link these activities to the recommendations of the Quality Education Commission established under Executive Order 99-16 and the recommendations of the Quality Education Commission established under ORS 327.500. [2001 c.794 §1; 2001 c.794 §1a; 2007 c.578 §3]

327.294 School Improvement Fund. (1) There is established the School Improvement Fund, separate and distinct from the General Fund. Interest earned by the School Improvement Fund shall be credited to the fund.

(2) The moneys in the fund are continuously appropriated to the Department of Education for purposes of the grant program created by ORS 327.297.

(3) Each fiscal year, the department shall distribute:

(a) 95.25 percent of the moneys in the fund as grants to school districts, the Youth Corrections Education Program and the Juvenile Detention Education Program; and

(b) 4.75 percent of the moneys in the fund as grants to education service districts. [2001 c.794 §2; 2007 c.578 §2]

327.297 Grants for activities related to student achievement; rules. (1) In addition to those moneys distributed through the State School Fund, the Department of Education shall award grants to school districts, education service districts, the Youth Corrections Education Program and the Juvenile Detention Education Program for activities that relate to increases in student achievement, including:

(a) Early childhood support including establishing, maintaining or expanding quality prekindergarten programs;

(b) Class size reduction with an emphasis on the reduction of kindergarten through grade three class sizes;

(c) Increases in instructional time including summer programs and before- and after-school programs;

(d) Mentoring, teacher retention and professional development;

(e) Remediation, alternative learning and student retention;

(f) Services to at-risk youth;

(g) Programs to improve a student achievement gap between student groups identified by culture, poverty, language and race and other student groups;

(h) Vocational education programs;

(i) Literacy programs;

(j) School library programs; and

(k) Other research-based student improvement strategies approved by the State Board of Education.

(2)(a) Each school district, each education service district, the Youth Corrections Education Program and the Juvenile Detention Education Program may apply to the Department of Education for a grant.

(b) The department shall review and approve applications based on criteria established by the State Board of Education. In establishing the criteria, the State Board of Education shall consider the recommendations of the Quality Education Commission established under ORS 327.500.

(c) The applications shall include the activities to be funded and the goals of the district or program for increases in student performance. The applications shall become part of the local district continuous improvement plan described in ORS 329.095.

(3)(a) Notwithstanding ORS 338.155 (9), the Department of Education may not award a grant under this section directly to a public charter school.

(b) A school district that receives a grant under this section may transfer a portion of the grant to a public charter school based on the charter of the school or any other agreement between the school district and the public charter school.

(c) A public charter school that receives grant funds under this subsection shall use those funds for the activities specified in subsection (1) of this section.

(4)(a) The amount of each grant for a program or school district = the program's or school district's ADMw × (the total amount available for distribution to programs and school districts as grants in each fiscal

year ÷ the total ADMw of all programs and school districts that receive a grant).

(b) The amount of each grant for an education service district = the education service district's ADMw × (the total amount available for distribution to education service districts as grants in each fiscal year ÷ the total ADMw of all education service districts that receive a grant).

(c) As used in this subsection, "ADMw" means:

(A) For a school district, the extended weighted average daily membership as calculated under ORS 327.013, 338.155 (1) and 338.165 (2);

(B) For the Youth Corrections Education Program, the extended weighted average daily membership as calculated under ORS 327.026;

(C) For the Juvenile Detention Education Program, the extended weighted average daily membership as calculated under ORS 327.026; and

(D) For an education service district, the sum of the ADMw of the school districts located within the territory of the education service district.

(5) Each district or program shall deposit the grant amounts it receives under this section in a separate account, and shall apply amounts in that account to pay for activities described in the district's or program's application.

(6) The State Board of Education may adopt any rules necessary for the administration of the grant program. [2001 c.794 §3; 2001 c.794 §3c; 2005 c.22 §231; 2007 c.578 §1; 2007 c.858 §30a; 2009 c.840 §1; 2011 c.313 §4; 2011 c.443 §5; 2011 c.704 §9; 2011 c.705 §18; 2014 c.6 §§3,4]

327.298 Grants for schools that are high poverty and low performing; rules.

(1) The Department of Education shall make grants to improve student achievement in schools that:

(a) Are considered high poverty under Title I of the federal Elementary and Secondary Education Act of 1965;

(b) The department had not identified prior to January 1, 2014, as focus or priority schools pursuant to a flexibility waiver submitted to the United States Department of Education; and

(c) The Department of Education has identified as needing additional supports and interventions pursuant to a flexibility waiver submitted to the United States Department of Education, based on:

(A) Criteria used by the Department of Education to measure the performance of the schools; and

(B) The schools' performance ranking compared to similar schools.

(2) The department shall identify schools to receive grants as provided in this section and shall notify the identified schools of the schools' eligibility to receive grants as provided in this section.

(3) Moneys received by a school under this section must be used to provide instructional time during a summer program. The summer program must provide at least 60 hours of direct academic instruction by a teacher licensed under ORS 342.125 or by an instructional assistant, as defined in ORS 342.120.

(4) The State Board of Education may adopt any rules necessary for the administration of this section. [2014 c.98 §1; 2015 c.245 §53]

Note: 327.298 was enacted into law by the Legislative Assembly but was not added to or made a part of ORS chapter 327 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

(Construction and Maintenance of Public School Facilities Grant)

327.300 Definitions for ORS 327.300 to 327.320. As used in ORS 327.300 to 327.320:

(1) "Construction" includes land acquisition, planning, design, construction, remodeling, altering, furnishing and equipping public school facilities.

(2) "Maintenance" includes repairing, replacement and other capital maintenance but does not include cleaning.

(3) "Public school facility" includes facilities used for classroom instruction, multi-purpose activities, libraries or any other use associated with public education in preschool through grade 12, and includes facilities that may be used by more than one school district.

(4) "School district" means a common or union high school district, an education service district or any combination thereof. [1993 c.765 §120]

327.310 Legislative findings. The Legislative Assembly finds that:

(1) The construction and maintenance of public school facilities accomplish the purpose of creating jobs and furthering economic development in Oregon by, among other advantages:

(a) Furnishing an important element of the public school system that provides the basic framework for continuing and expanding economic activity in the state;

(b) Alleviating the congestion and crowding associated with, and reducing the burdens of expansion and maintenance of,

existing public school facilities, as well as reducing energy consumption; and

(c) Creating employment opportunities through the funding of projects for the development and construction of public school facilities.

(2) Based on the legislative findings described in this section, the use of a portion of the net proceeds from the operation of the state lottery funds under section 4 (3), Article XV of the Oregon Constitution and ORS 461.510 creates jobs and furthers economic development. [1993 c.765 §121]

327.320 School Facility Improvement Fund. There is hereby created the School Facility Improvement Fund, separate and distinct from the General Fund. The fund shall be an investment fund for purposes of ORS 293.701 to 293.857. Moneys in the fund are appropriated continuously for the purpose of carrying out ORS 327.330. Interest earned by the fund shall be credited to the fund. [1993 c.765 §122]

327.330 Grants to school districts for construction and maintenance of public school facilities; rules. (1) Subject to the rules of the State Board of Education, the Superintendent of Public Instruction shall make grants to school districts that apply therefor for the purpose of construction and maintenance of public school facilities.

(2) Grants shall not exceed \$500,000 in any biennium to any school district. In addition, a combination of districts may submit a joint grant application in an amount not to exceed \$500,000. However, a district or combination thereof may apply in subsequent bienniums for additional grants for the same facility. Grants must be matched at least one local dollar for four state dollars by the district or combination thereof.

(3) The state board by rule shall establish criteria for grant approval. Such criteria shall include but not be limited to:

(a) The age of public school facilities, the degree of overcrowding and the absence of facilities that are considered necessary to accomplish the educational goals of the district and this state; and

(b) Maintenance and reconstruction needs related to the deterioration of existing public school facilities, which deterioration has the potential of affecting the health and safety of students. [1993 c.765 §123]

(Local Option Equalization Grants)

327.333 Policy on provision of grants to school districts. The Legislative Assembly declares that it is the policy of this state to provide substantial equity in opportunity among school districts in which electors

support local option taxes for primary and secondary education. This policy will be accomplished by providing grant supplements to those districts that enact local option taxes and that have lower property wealth per student. [2001 c.896 §1]

327.336 Qualifications; amount. (1) As used in this section:

(a) “Extended ADMw” means the district extended weighted average daily membership computed under ORS 327.013 (1)(c).

(b) “Local option tax rate” means the amount of local option taxes imposed by the school district for the current fiscal year, after compression under ORS 310.150 and after subtraction of the amount of school district local option taxes that are distributed to an urban renewal agency pursuant to ORS 457.440, divided by the assessed value of the school district.

(c) “School district” means a common or union high school district.

(d) “Target district” means the school district that, for the fiscal year prior to the year for which grants are being determined, had a total assessed value of taxable property per district extended ADMw that was greater than all but 25 percent of the school districts in this state for that prior fiscal year. The Department of Education shall determine which school district is the target district for a fiscal year, based on the total assessed values of school districts reported to the Department of Education by the Department of Revenue for the fiscal year prior to the year for which grants are being determined under this section.

(2) A school district shall receive a local option equalization grant for a fiscal year:

(a) In which the school district imposes local option taxes pursuant to ORS 280.040 to 280.145; and

(b) For which the total assessed value of taxable property per extended ADMw of the school district for the prior fiscal year does not exceed the total assessed value of taxable property per extended ADMw of the target district for the prior fiscal year.

(3) The amount of the local option equalization grant shall equal the lesser of:

(a) The product of the local option tax rate of the school district for the current fiscal year \times (total assessed value per extended ADMw of the target district for the prior fiscal year – total assessed value per extended ADMw of the school district for the prior fiscal year) \times the extended ADMw of the school district for the prior fiscal year; or

(b) The amount obtained by subtracting the local option tax imposed by the school

district for the current fiscal year, after compression under ORS 310.150, from the lesser of:

(A) Twenty percent of the combined total for the school district of the general purpose grant, the transportation grant, the facility grant and the high cost disabilities grant of the school district for the current fiscal year; or

(B) \$1,000 multiplied by the extended ADMw of the school district for the current fiscal year. The amount multiplied by the extended ADMw of the school district shall be increased each fiscal year by three percent above the amount allowed for the prior fiscal year.

(4) If the amount computed under subsection (3)(b) of this section is zero or less, a local option equalization grant may not be made to the school district for the fiscal year.

(5) As soon as is practicable after school districts have certified property taxes to the assessor under ORS 310.060, the Department of Revenue shall report to the Department of Education a list of school districts certifying local option taxes for the current fiscal year and the local option tax rates for those districts. The amount of each local option equalization grant shall be calculated by the Department of Education.

(6) If the election authorizing the imposition of a local option tax is held after the start of a biennium in which the local option tax is to be imposed, the local option equalization grant for a fiscal year of that biennium shall be determined as otherwise prescribed in this section, but may not be paid to the school district until the first fiscal year of the next succeeding biennium. [2001 c.896 §2; 2003 c.715 §§21,22; 2005 c.803 §9; 2007 c.778 §§8,10; 2009 c.698 §17]

327.339 Local Option Equalization Grants Account; grant payments. (1) The Local Option Equalization Grants Account is created in the General Fund.

(2) From the biennial legislative appropriation to the Local Option Equalization Grants Account to fund the local option equalization grant program described in ORS 327.336, amounts necessary to make the grant payments are continuously appropriated to the Department of Education for the purpose of making these payments.

(3) The department shall make estimated local option equalization grant payments to school districts entitled to such payments under ORS 327.336 on or before March 31 of each fiscal year.

(4) If the estimated local option equalization grant payment does not equal the actual

local option equalization grant to which a school district is entitled under ORS 327.336, the department shall determine the increase or decrease needed to correct the amount of the grant and may incorporate the correction into a state school fund grant made to the district. The correction may be made in any state school fund grant made during the fiscal year in which the estimated grant payment was made or in the next succeeding fiscal year.

(5) If the amount of moneys available in the Local Option Equalization Grants Account is insufficient to make the payments required under ORS 327.336 and this section, the payments shall be proportionally reduced so that the state does not accrue a debt in making these payments. [2001 c.896 §3]

(English Language Learners)

327.344 Statewide English Language Learner Program Account. (1) The Statewide English Language Learner Program Account is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the Statewide English Language Learner Program Account shall be credited to the General Fund.

(2) Moneys in the Statewide English Language Learner Program Account are continuously appropriated to the Department of Education for statewide activities related to English language learner programs.

(3) The Department of Education, on behalf of the State of Oregon, may solicit and accept gifts, grants or donations from public and private sources for English language learner programs. Moneys received under this subsection shall be deposited into the Statewide English Language Learner Program Account. [2015 c.604 §9]

Note: 327.344 was enacted into law by the Legislative Assembly but was not added to or made a part of ORS chapter 327 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

327.345 Grants for training English language learner teachers; qualifications; use; rules. (1) As used in this section, "ELL student" means a student who is eligible for and enrolled in an English language learner program under ORS 336.079.

(2) In addition to distributing moneys through the State School Fund, the Department of Education may award grants to school districts for the costs of training English language learner teachers.

(3) The grants shall be available to any school district:

(a) In which three percent or more of the students enrolled are ELL students;

(b) That serves ELL students or bilingual students within a large geographic area in the district;

(c) That has a high growth, as defined by rule of the State Board of Education, of ELL students or bilingual students in any school year; or

(d) That can demonstrate extraordinary need, as defined by rule of the board, for English language learner teachers or training for English language learner teachers.

(4) A school district that receives a grant under this section may use the grant to reimburse teachers for tuition costs associated with completing an English language learner or a bilingual teaching program.

(5) The department may seek and accept gifts, grants and donations from any source and federal funds for the purpose of carrying out the grant program under this section.

(6) The board may adopt any rules necessary for the administration of the grant program. The rules adopted by the board shall include a method for determining the grant amount that a qualified school district may receive under this section. [2001 c.951 §1; 2015 c.604 §14]

(High Cost Disabilities Grants)

327.348 High Cost Disabilities Account; grants; approved costs; rules. (1) There is established within the State School Fund a High Cost Disabilities Account.

(2) Each fiscal year, the Department of Education shall distribute moneys from the account to school districts as high cost disabilities grants. A school district may receive moneys from the account if the school district has a resident pupil with a disability for whom the approved costs to the school district of providing special education and related services, as determined under subsection (4) of this section, exceed \$30,000.

(3) The amount of moneys received by a school district under this section for each resident pupil with a disability shall equal the approved costs, as determined under subsection (4) of this section, incurred by the school district in providing special education and related services to the pupil minus \$30,000.

(4) The department shall determine the approved costs incurred by a school district in providing special education and related services to a pupil with a disability. The approved costs incurred by a school district may include costs incurred by an education service district of providing special education and related services to the school district through the resolution process described in ORS 334.175. In determining the approved costs for which a school district may receive

moneys under this section, the department shall consider:

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

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

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

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

(7) The State Board of Education may adopt any rules necessary for the administration of this section. [2005 c.803 §2; 2007 c.70 §93]

Note: Sections 1 and 3, chapter 54, Oregon Laws 2010, provide:

Sec. 1. Resources and services for which a school district receives moneys from the Blind and Visually Impaired Student Fund established by ORS 346.315 for students described in section 3 (1), chapter 562, Oregon Laws 2009, are considered approved costs for the purpose of determining whether a school district qualifies to receive a high cost disabilities grant from the High Cost Disabilities Account established by ORS 327.348. [2010 c.54 §1]

Sec. 3. Section 1 of this 2010 Act is repealed on June 30, 2020. [2010 c.54 §3]

(Small School District Grants)

Note: Sections 1 to 3, 19 and 20, chapter 735, Oregon Laws 2013, provide:

Sec. 1. Definitions for sections 1 and 2, chapter 735, Oregon Laws 2013. As used in this section and section 2 of this 2013 Act:

(1)(a) "Small high school" means a public school that is operated by a small school district and that has students in:

(A) Grades 9 through 12, with an ADM of less than 350 in grades 9 through 12; or

(B) Grades 10 through 12 only, with an ADM of less than 267.

(b) "Small high school" does not include an alternative education program or a public charter school.

(2) "Small school district" means a school district with a weighted average daily membership (ADMw) of less than 8,500. [2013 c.735 §1]

Sec. 2. Small school district grants; rules. (1) In addition to those moneys distributed through the State School Fund, the Department of Education shall award grants to small school districts with one or more small high schools from moneys appropriated to the department from the Small School District Supplement Fund.

(2) The amount of each grant = the small high school's ADM × (the total amount available for the grants in each fiscal year ÷ the total ADM of all small high schools).

(3) A small school district shall receive a grant under this section for each small high school operated by the school district.

(4) The State Board of Education shall adopt any rules necessary for the administration of this section. [2013 c.735 §2]

Sec. 3. Small School District Supplement Fund.

(1) There is established the Small School District Supplement Fund, separate and distinct from the General Fund.

(2) The moneys in the Small School District Supplement Fund are appropriated continuously to the Department of Education for purposes of the grant program created by section 2 of this 2013 Act. [2013 c.735 §3]

Sec. 19. Repeal. Sections 1, 2 and 3 of this 2013 Act are repealed. [2013 c.735 §19]

Sec. 20. Operative date. The amendments to ORS 327.006, 327.008, 327.019, 327.125, 327.137, 339.129 and 340.045 by sections 5, 7, 9, 11, 14, 16 and 18, chapter 735, Oregon Laws 2013, and the repeal of sections 1, 2 and 3, chapter 735, Oregon Laws 2013, by section 19, chapter 735, Oregon Laws 2013, become operative on July 1, 2020. [2013 c.735 §20; 2015 c.299 §1]

327.355 [2005 c.803 §4; repealed by 2007 c.846 §18]

327.357 [2005 c.803 §5; repealed by 2007 c.846 §18]

327.360 [2005 c.803 §3; repealed by 2007 c.846 §18]

(Defibrillator Grants)

327.365 Automated external defibrillator grants; rules. (1) As used in this section, “public school facility” means a building or premanufactured structure used by a school district or public charter school to provide educational services to children.

(2) In addition to those moneys distributed through the State School Fund, the Department of Education may award grants to school districts and public charter schools to provide automated external defibrillators in public school facilities.

(3) The goal of the grant program is to provide automated external defibrillators in at least two public school facilities in each school district.

(4) Each school district and public charter school may apply for a grant under this section. The amount of any grant received by a school district or public charter school under this section may not exceed 60 percent of the actual costs for which grant funds may be used under subsection (5) of this section.

(5) Any school district or public charter school that receives grant funds under this section shall use the funds for:

(a) Purchasing or leasing automated external defibrillators to be placed in public school facilities;

(b) Providing training to school district and public charter school employees and volunteers on the use of automated external defibrillators; and

(c) Any other expense related to providing automated external defibrillators in pub-

lic school facilities if the expense is approved by the Department of Education.

(6) The State Board of Education may adopt rules:

(a) To establish criteria for awarding grants based on the goal set forth in subsection (3) of this section;

(b) To determine the amount of each grant pursuant to subsection (4) of this section; and

(c) That are necessary for the administration of this section.

(7) The Department of Education shall seek federal grant funds for the purposes of the grant program.

(8) For purposes of the grant program, the Department of Education may accept contributions of funds and assistance from the United States Government and its agencies or from any other source, public or private, and agree to conditions placed on the funds not inconsistent with the purposes of the grant program.

(9) All funds received by the Department of Education under this section shall be paid into the Department of Education Account established in ORS 326.115 to the credit of the grant program. [2005 c.551 §4]

(STEM and CTE Programs)

327.372 Funding for activities related to science, technology, engineering and mathematics education and to career and technical education; report. (1) Activities related to science, technology, engineering and mathematics education and activities related to career and technical education that can lead to high wage and high demand jobs shall be funded as provided by this section.

(2) The Department of Education shall distribute moneys appropriated to the department, or otherwise made available to the department, for the purpose of funding activities related to science, technology, engineering and mathematics education and activities related to career and technical education. Distributions shall be made as follows:

(a) Thirty-five percent for activities related to science, technology, engineering and mathematics education that are described in subsection (3) of this section.

(b) Sixty-five percent for activities related to career and technical education that can lead to high wage and high demand jobs and that are described in subsection (4) of this section.

(3) Moneys distributed as provided by subsection (2)(a) of this section to fund activities related to science, technology, engi-

neering and mathematics education shall be used to:

(a) Expand and sustain regional networks that support science, technology, engineering and mathematics.

(b) Award grants that expand the implementation of effective programs related to science, technology, engineering and mathematics, that propose innovative approaches or programs related to science, technology, engineering and mathematics or that provide professional development related to teaching science, technology, engineering and mathematics.

(c) Provide funding to recruit, retain and support underserved students, as defined by the State Board of Education by rule, for programs that are offered at community colleges and public universities and that can lead to high wage and high demand jobs related to science, technology, engineering and mathematics.

(d) Develop a systematic survey of facility use to determine how savings for science, technology, engineering and mathematics education can be achieved.

(4) Moneys distributed as provided by subsection (2)(b) of this section to fund activities related to career and technical education that can lead to high wage and high demand jobs shall be used for:

(a) Programs that expose students to career and technical education programs that can lead to high wage and high demand jobs.

(b) Career and Technical Education Revitalization grants awarded under ORS 344.075.

(c) Student leadership organizations related to career and technical education programs that can lead to high wage and high demand jobs.

(d) Distribution to school districts to support career and technical education programs in the school district that are approved by the Department of Education as being high quality and that can lead to high wage and high demand jobs. Moneys must be distributed to each school and public charter school in the school district based on the number of students enrolled at the school with the following characteristics:

(A) Students who are enrolled in and earned three or more credits for courses that are part of a career and technical education program that can lead to high wage and high demand jobs and that are approved by the Department of Education.

(B) Students who acquire an industry credential that can lead to a high wage and high demand job and that is approved by the Department of Education.

(C) Students described in subparagraph (A) or (B) of this paragraph who are historically underserved, as defined by the State Board of Education by rule.

(e) Administration of grants for the purpose of expanding teacher training programs and opportunities related to career and technical education that can lead to high wage and high demand jobs.

(f) Administration of a pilot program to increase students' exposure and access to career and technical education that can lead to high wage and high demand jobs.

(5) Except as otherwise provided, moneys distributed under subsections (3) and (4) of this section shall be distributed to school districts, education service districts, public schools, public charter schools, community colleges, public universities or statewide nonprofit organizations promoting student leadership in career and technical education or any combination thereof or in partnership with youth job development organizations, as defined in ORS 344.415, other nonprofit organizations or other entities identified by the State Board of Education by rule.

(6) From the moneys available under subsection (2) of this section, the Department of Education, the STEM Investment Council and the committee established under ORS 344.075 combined may retain no more than a total of five percent of all moneys distributed for a fiscal year for administrative expenses incurred under this section.

(7) The Department of Education, in collaboration with the STEM Investment Council and the committee established under ORS 344.075, shall submit a biennial report to the Legislative Assembly related to distributions made under this section. The report must include metrics that identify how distributions made under this section are contributing to the development of a skilled workforce that is able to secure high wage and high demand jobs. [2015 c.763 §1; 2017 c.184 §1]

Note: The amendments to 327.372 by section 2, chapter 763, Oregon Laws 2015, become operative July 1, 2019. See section 4, chapter 763, Oregon Laws 2015, as amended by section 4, chapter 725, Oregon Laws 2017. The text that is operative on and after July 1, 2019, including amendments by section 2, chapter 184, Oregon Laws 2017, is set forth for the user's convenience.

327.372. (1) Activities related to science, technology, engineering and mathematics education and activities related to career and technical education that can lead to high wage and high demand jobs shall be funded as provided by this section.

(2) The Department of Education shall distribute moneys in the Connecting Education to Careers Account established by ORS 327.376 as follows:

(a) Forty percent for activities related to science, technology, engineering and mathematics education that are described in subsection (3) of this section. Moneys shall be distributed by the department under this para-

graph based on recommendations of the STEM Investment Council.

(b) Sixty percent for activities related to career and technical education that can lead to high wage and high demand jobs and that are described in subsection (4) of this section. Moneys shall be distributed by the department under this paragraph based on recommendations of the committee established under ORS 344.075.

(3) Moneys distributed as provided by subsection (2)(a) of this section to fund activities related to science, technology, engineering and mathematics education shall be used to:

(a) Expand and sustain regional networks that support science, technology, engineering and mathematics.

(b) Award grants that expand the implementation of effective programs related to science, technology, engineering and mathematics, that propose innovative approaches or programs related to science, technology, engineering and mathematics or that provide professional development related to teaching science, technology, engineering and mathematics.

(c) Provide funding to recruit, retain and support underserved students, as defined by the State Board of Education by rule, for programs that are offered at community colleges and public universities and that can lead to high wage and high demand jobs related to science, technology, engineering and mathematics.

(d) Develop a systematic survey of facility use to determine how savings for science, technology, engineering and mathematics education can be achieved.

(e) Fund any other activities related to science, engineering and mathematics education that are identified by the STEM Investment Council.

(4) Moneys distributed as provided by subsection (2)(b) of this section to fund activities related to career and technical education that can lead to high wage and high demand jobs shall be used for:

(a) Programs that expose students to career and technical education programs that can lead to high wage and high demand jobs.

(b) Career and Technical Education Revitalization grants awarded under ORS 344.075.

(c) Student leadership organizations related to career and technical education programs that can lead to high wage and high demand jobs.

(d) Distribution to school districts to support career and technical education programs in the school district that are approved by the Department of Education as being high quality and that can lead to high wage and high demand jobs. Moneys must be distributed to each school and public charter school in the school district based on the number of students enrolled at the school with the following characteristics:

(A) Students who are enrolled in and earned three or more credits for courses that are part of a career and technical education program that can lead to high wage and high demand jobs and that are approved by the Department of Education.

(B) Students who acquire an industry credential that can lead to a high wage and high demand job and that is approved by the Department of Education.

(C) Students described in subparagraph (A) or (B) of this paragraph who are historically underserved, as defined by the State Board of Education by rule.

(e) Administration of grants for the purpose of expanding teacher training programs and opportunities related to career and technical education that can lead to high wage and high demand jobs.

(f) Administration of a pilot program to increase students' exposure and access to career and technical

education that can lead to high wage and high demand jobs.

(g) Funding any other activities related to career and technical education that can lead to high wage and high demand jobs and that are identified by the committee established under ORS 344.075.

(5) Except as otherwise provided, moneys distributed under subsections (3) and (4) of this section shall be distributed to school districts, education service districts, public schools, public charter schools, community colleges, public universities or statewide nonprofit organizations promoting student leadership in career and technical education or any combination thereof or in partnership with youth job development organizations, as defined in ORS 344.415, other nonprofit organizations or other entities identified by the State Board of Education by rule.

(6) From the moneys available under subsection (2) of this section, the Department of Education, the STEM Investment Council and the committee established under ORS 344.075 combined may retain no more than a total of five percent of all moneys distributed for a fiscal year for administrative expenses incurred under this section.

(7) The Department of Education, in collaboration with the STEM Investment Council and the committee established under ORS 344.075, shall submit a biennial report to the Legislative Assembly related to distributions made under this section. The report must include metrics that identify how distributions made under this section are contributing to the development of a skilled workforce that is able to secure high wage and high demand jobs.

Note: 327.372 and 327.376 were enacted into law by the Legislative Assembly but were not added to or made a part of ORS chapter 327 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

327.376 Connecting Education to Careers Account. The Connecting Education to Careers Account is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the Connecting Education to Careers Account shall be credited to the account. Moneys in the account are continuously appropriated to the Department of Education for distribution as provided by ORS 327.372. [2015 c.763 §3]

Note: 327.376 becomes operative July 1, 2019. See section 4, chapter 763, Oregon Laws 2015, as amended by section 4, chapter 725, Oregon Laws 2017.

Note: See second note under 327.372.

(STEM Investment Grant Program)

327.380 Application for grant; evaluation of application. (1) The STEM Investment Grant Program is established to provide funding to school districts, community colleges and public universities listed in ORS 352.002 to advance the goals described in ORS 326.500 (2).

(2) The STEM Investment Council shall evaluate grant applications and make recommendations on the applications to the Chief Education Officer. Under the direction of the Chief Education Officer, the Department of Education shall distribute moneys for the grant program and otherwise administer the grant program.

(3)(a) An application for a grant awarded under this section may be submitted by:

- (A) A school district;
- (B) A community college district;
- (C) A public university;
- (D) The Department of Education;
- (E) The Higher Education Coordinating Commission;
- (F) Any other state agency; or
- (G) Any combination of entities identified in this paragraph that are organized as a partnership or a regional effort to improve student achievement in science, technology, engineering or mathematics.

(b) A grant awarded under this section may be used for:

- (A) Classroom or extracurricular activities that further the development of skills related to science, technology, engineering or mathematics; or
- (B) A project that is related to science, technology, engineering or mathematics and that involves collaboration with a private entity.

(4) When evaluating applications for a grant, the council:

(a) Shall give priority to applications for activities or projects that produce the largest impact at the lowest cost or for the greatest number of students throughout this state, including grants for activities or projects that:

- (A) Are determined by the council to be likely to become self-supporting within three years;
- (B) Expand evidence-based, effective practices in science, technology, engineering or mathematics;
- (C) Can be replicated by other entities in this state;
- (D) Show evidence of attracting matching funds;
- (E) If the applicant is an entity identified in subsection (3)(a)(A) to (C) of this section, have demonstrable support from the governing body of the entity;
- (F) Help improve access by underrepresented groups to activities that involve science, technology, engineering or mathematics; or

(G) Are elements of a partnership or a regional effort to improve student achievement in science, technology, engineering or mathematics;

(b) May give priority to applications for activities or projects that benefit students in more than one student group among students in kindergarten through grade 12, students

in community colleges and students in universities;

(c) Shall attempt to achieve a balance, as determined by the council, among grants that are awarded for the sole benefit of students in kindergarten through grade 12, students in community colleges and students in universities; and

(d) Shall take into consideration geographic and demographic diversity. [2013 c.739 §7; 2015 c.366 §76; 2015 c.767 §100]

Note: The amendments to 327.380 by section 8, chapter 739, Oregon Laws 2013, become operative June 30, 2019. See section 72, chapter 774, Oregon Laws 2015, as amended by section 14, chapter 682, Oregon Laws 2015, section 20, chapter 763, Oregon Laws 2015, and section 27, chapter 639, Oregon Laws 2017. The text that is operative on and after June 30, 2019, including amendments by section 77, chapter 366, Oregon Laws 2015, and section 101, chapter 767, Oregon Laws 2015, is set forth for the user's convenience.

327.380. (1) The STEM Investment Grant Program is established to provide funding to school districts, community colleges and public universities listed in ORS 352.002 to advance the goals described in ORS 326.500 (2).

(2) The STEM Investment Council shall evaluate grant applications and make recommendations on the applications to the Superintendent of Public Instruction. Under the direction of the Superintendent of Public Instruction, the Department of Education shall distribute moneys for the grant program and otherwise administer the grant program.

(3)(a) An application for a grant awarded under this section may be submitted by:

- (A) A school district;
- (B) A community college district;
- (C) A public university;
- (D) The Department of Education;
- (E) The Higher Education Coordinating Commission;
- (F) Any other state agency; or
- (G) Any combination of entities identified in this paragraph that are organized as a partnership or a regional effort to improve student achievement in science, technology, engineering or mathematics.

(b) A grant awarded under this section may be used for:

- (A) Classroom or extracurricular activities that further the development of skills related to science, technology, engineering or mathematics; or
- (B) A project that is related to science, technology, engineering or mathematics and that involves collaboration with a private entity.

(4) When evaluating applications for a grant, the council:

- (a) Shall give priority to applications for activities or projects that produce the largest impact at the lowest cost or for the greatest number of students throughout this state, including grants for activities or projects that:
 - (A) Are determined by the council to be likely to become self-supporting within three years;
 - (B) Expand evidence-based, effective practices in science, technology, engineering or mathematics;
 - (C) Can be replicated by other entities in this state;
 - (D) Show evidence of attracting matching funds;

(E) If the applicant is an entity identified in subsection (3)(a)(A) to (C) of this section, have demonstrable support from the governing body of the entity;

(F) Help improve access by underrepresented groups to activities that involve science, technology, engineering or mathematics; or

(G) Are elements of a partnership or a regional effort to improve student achievement in science, technology, engineering or mathematics;

(b) May give priority to applications for activities or projects that benefit students in more than one student group among students in kindergarten through grade 12, students in community colleges and students in universities;

(c) Shall attempt to achieve a balance, as determined by the council, among grants that are awarded for the sole benefit of students in kindergarten through grade 12, students in community colleges and students in universities; and

(d) Shall take into consideration geographic and demographic diversity.

Note: 327.380 and 327.385 were enacted into law by the Legislative Assembly but were not added to or made a part of ORS chapter 327 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

327.385 STEM Investment Grant Account. The STEM Investment Grant Account is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the STEM Investment Grant Account shall be credited to the account. Moneys in the account are continuously appropriated to the Department of Education for the STEM Investment Grant Program established by ORS 327.380. [2013 c.739 §9]

Note: See second note under 327.380.

(Outdoor School Grants)

327.390 Grants; advisory committee; role of Oregon State University Extension Service. (1) The Oregon State University Extension Service shall assist school districts and education service districts in providing outdoor school programs. The Oregon State University Extension Service shall provide assistance by administering a grant program, providing program leadership and providing program maintenance.

(2) Grants shall be awarded for outdoor school programs that:

(a) Provide a six-day, residential, hands-on educational experience, or an equivalent outdoor educational experience that reflects local community needs and contexts, featuring field study opportunities for students learning about:

(A) Soil, water, plants and animals;

(B) The role of timber, agriculture and other natural resources in the economy of this state;

(C) The interrelationship of nature, natural resources, economic development and career opportunities in this state; and

(D) The importance of this state's environment and natural resources.

(b) Are integrated with local school curricula in a manner that assists students in meeting state standards related to science, technology, engineering and mathematics, and international standards related to science.

(c) Provide students with opportunities to develop leadership, critical thinking and decision-making skills.

(d) Address the inequity of outdoor educational opportunities for underserved children in this state.

(e) Provide students with opportunities to learn about the interdependence of urban and rural areas.

(3) Grants shall be awarded to a school district or to an education service district.

(4) Priority for grants shall be given to outdoor school programs that promote:

(a) Higher scores on standardized measures of academic achievement in reading, writing, math, science and social studies.

(b) Greater self-sufficiency and leadership skills.

(c) Fewer discipline and classroom management problems.

(d) Increased student engagement and pride in accomplishments.

(e) Greater proficiency in solving problems and thinking strategically.

(f) Better application of systems thinking and increased ability to think creatively.

(g) Improved communication skills and enhanced ability to work in group settings.

(h) Greater enthusiasm for language arts, math, science and social studies.

(i) Increased knowledge and understanding of science content, concepts and processes.

(j) Better ability to apply science and civic processes to real-world situations.

(k) Improved understanding of mathematical concepts and mastery of math skills.

(L) Improved language arts skills.

(m) Better comprehension of social studies content.

(n) Accessibility to students of all abilities and learning styles.

(5)(a) The Director of the Oregon State University Extension Service shall convene an advisory committee for the purpose of administering the grant program established under this section. When selecting the members of the committee, the director shall take into consideration geographic and demographic diversity and shall ensure that the

committee has representatives of the environmental community, the natural resources community and fifth-grade or sixth-grade education.

(b) The advisory committee shall recommend to the director:

(A) Standards for outdoor school programs; and

(B) Distributions of moneys for outdoor school programs.

(6) The Oregon State University Extension Service shall provide program leadership of outdoor school programs, including:

(a) Providing program management and administration, including:

(A) Developing and reviewing outdoor school program curricula;

(B) Designing outdoor school program lessons that are available on websites and mobile devices;

(C) Developing outdoor school program learning modules and materials;

(D) Implementing the outdoor school program;

(E) Developing best practices for providing outdoor school programs; and

(F) Providing staff training related to outdoor school programs;

(b) Convening an advisory committee to assist with management activities;

(c) Distributing grants and entering into contracts and other agreements related to financing;

(d) Providing procurement services;

(e) Complying with reporting requirements; and

(f) Ensuring compliance with program requirements.

(7) The Oregon State University Extension Service shall provide program maintenance, including:

(a) Conducting program reviews and implementing program revisions;

(b) Making quality assessments and monitoring the program for quality;

(c) Evaluating outputs and impacts of outdoor school programs;

(d) Engaging in camp development, including the selection, management and coordination of camps; and

(e) Conducting risk management.

(8) Nothing in this section shall be construed as imposing on the Oregon State University Extension Service any duties or obligations unless funding is provided to the

service for expenses incurred by the service for the purposes of this section.

(9) The director shall submit an annual report to:

(a) The Department of Education, related to the ability of outdoor school programs to assist students in meeting state standards related to science, technology, engineering and mathematics, and international standards related to science; and

(b) The interim legislative committees on education, related to grant programs. [2015 c.782 §2]

COMMON SCHOOL FUND

327.403 Definition for ORS 327.405 to 327.480. As used in ORS 327.405 to 327.480, unless the context requires otherwise, “administrative office for the county” means the administrative office of the education service district or of any common school district that includes an entire county. [1965 c.100 §30; 1991 c.167 §2; 2003 c.226 §4]

327.405 Common School Fund; composition and use. The Common School Fund shall be composed of the proceeds from the sales of the 16th and 36th sections of every township or of any lands selected in lieu thereof; all the moneys and clear proceeds of all property that may accrue to the state by escheat or forfeiture; the proceeds of all gifts, devises and bequests made by any person to the state for common school purposes; the proceeds of all property granted to the state when the purpose of such grant is not stated; all proceeds of the sale of submerged and submersible lands as described in ORS 274.005; all proceeds of the sale of the South Slough National Estuarine Research Reserve as described in ORS 273.553 in the event such property is sold; all proceeds of the sale of the 500,000 acres of land to which this state is entitled by an Act of Congress approved September 4, 1841, and of all lands selected for capitol building purposes under Act of Congress approved February 14, 1859; and all proceeds derived from the investment of moneys that compose the fund. All such proceeds shall become a part of the fund. Except as otherwise provided by law, the income from the fund shall be applied exclusively to the support and maintenance of common schools in each school district. All lawful claims for repayment of moneys under the provisions of ORS 98.302 to 98.436 and 98.992, or out of escheated estates and for attorney fees and all other expenses in any suit or proceeding relating to escheated estates shall be audited by the Department of State Lands and paid from the Common School Fund Account. [Amended by 1957 c.670 §31; 1965 c.100 §31; 1969 c.338 §3; 1987 c.760 §4; 1997 c.321 §2; 2003 c.14 §147; 2013 c.358 §2]

327.410 Apportionment of Distributable Income Account of Common School Fund among counties; distribution to school districts. The Department of State Lands shall transfer the balance of the Distributable Income Account of the Common School Fund established under ORS 273.105, after deductions authorized by law, to the Superintendent of Public Instruction semiannually, or more frequently if the State Land Board so orders. The superintendent shall immediately apportion the amount transferred among the counties in proportion to the number of children resident in each county between the ages of 4 and 20 as determined pursuant to ORS 190.510 to 190.610. The superintendent shall distribute to each school district within a county a share of the county's apportionment that is based on the district's average daily membership that resides within the county. [Amended by 1965 c.100 §32; 1967 c.421 §200; 1971 c.294 §2; 1982 s.s.2 c.1 §5; 2005 c.412 §1]

327.415 [Amended by 1963 c.544 §16; 1965 c.100 §33; 1971 c.294 §1; repealed by 2005 c.412 §3]

327.420 Basis of apportionment. (1) The basis of all apportionments of the Common School Fund shall be the reports of the resident average daily membership for the preceding fiscal year as reported by the school district to the Department of Education.

(2) In the case of a joint school district, the resident average daily membership reported to the department shall be prorated between the counties as the resident enrollment of the district is prorated between the counties. [Amended by 1965 c.100 §34; 1971 c.294 §3; 2005 c.412 §2]

327.423 Determination of school census. (1) The Superintendent of Public Instruction shall prorate the annual estimate of census as provided in ORS 327.410 and 327.420 in proportion as the resident average daily membership of each education service district bears to the total resident average daily membership of the state and certify such to the administrative officer of each education service district.

(2) Subject to guidelines approved by the Superintendent of Public Instruction, the administrative officer of each education service district shall apportion the census so certified to those common school districts reporting to the education service district. The estimated district census determined by this manner shall be deemed applicable to all statutory references to the term "census" or "school-age child" in Oregon Revised Statutes. [Formerly 326.355]

Note: 327.423 was enacted into law by the Legislative Assembly but was not added to or made a part of ORS chapter 327 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

327.425 Loans and investment of funds; determination of interest rate. (1) All moneys belonging to the Common School Fund and not required to meet current expenses shall be loaned by the Department of State Lands at a rate of interest fixed by the department. The department may consult with and obtain the recommendation of the Oregon Investment Council in fixing the interest rate.

(2) Common School Fund moneys may be loaned in accordance with the repayment plan contained in ORS 327.440, except that loans on property within the corporate limits of towns or cities shall be payable in not more than 15 years on the amortization plan.

(3) If at any time there is a Common School Fund surplus over and above all loans applied for, such portion of the surplus as the department deems proper may be invested as provided in ORS 293.701 to 293.857. The department may require the State Treasurer to deposit any such surplus, until it is able to loan same, in qualified state depositories, upon the same terms and conditions as other public funds are deposited therein, in which event any interest received from any such state depository shall be credited to the fund on which such interest was earned.

(4) The department may reduce the rate of interest to be paid upon outstanding loans from the Common School Fund and any trust fund placed in its charge, to correspond with the rate of interest to be paid upon new loans, but no reduction in rate of interest shall be made upon any of the loans until interest at the old rate has been paid in full to date of receipt of remittance at the office of the department. [Amended by 1963 c.326 §2; 1965 c.100 §35; 1965 c.532 §5; 1967 c.335 §38; 1969 c.413 §1; 1983 c.740 §99; 2015 c.513 §10]

327.430 Security for loans. (1) The principal and interest of all loans shall be paid in lawful money of the United States.

(2) Loans shall be secured by note specifying the fund from which the loan is made and mortgage to the Department of State Lands on improved land within this state, or upon range or grazing land therein. Except as provided in ORS 273.815, the security for a secured loan shall be not less than twice the value of the amount loaned, and, except as otherwise provided in subsection (3) of this section, shall be of unexceptional title and free from all encumbrances. A secured loan may be secured by a deposit of obligations of the United States or of bonds or warrants of this state of a face value of not less than 25 percent in excess of such loans.

(3) The department is not prohibited by subsection (2) of this section from making a

secured loan merely because the land securing the loan is:

(a) Situated in an irrigation district, taking into consideration the amount of bonded indebtedness of the district as compared with the valuation of the real property of the district.

(b) Subject to a reservation of mineral rights.

(c) Subject to a lease of any kind.

(d) Subject to a statutory lien for public improvements.

(e) Subject to an easement. [Amended by 1955 c.352 §1; 1959 c.90 §1; 1963 c.326 §1; 1963 c.517 §6; 1965 c.229 §1; 1965 c.532 §6; 2015 c.513 §11]

327.435 Ascertainment of value and title of security. The Department of State Lands shall adopt methods, rules and regulations for ascertaining the value of and state of the title of any lands proposed as security for any loan under the provisions of ORS 327.425 and 327.430. All expenses of ascertaining title shall be borne by the applicant. The department may establish fees to be paid by the applicant for the appraisal of any property offered as security. [Amended by 1965 c.229 §2]

327.440 Loan repayment. Secured loans authorized by ORS 327.430 shall be repaid in semiannual, quarterly or monthly installments, as may mutually be agreed upon between the borrower and the Department of State Lands, and the installments shall aggregate each year an amount equal to one year's interest on the original principal of the loan plus an additional two percent of the original principal sum, except as provided in ORS 327.425. Of the installment so paid each year, the amount at the specified interest rate on the principal remaining unpaid shall be credited as interest and the balance credited to reduction of the loan principal. Borrowers from the fund shall have the right to make payments in excess of the amounts of such installments, and the further right at any time to pay off such loans in part or full with interest to payment dates. [Amended by 1965 c.532 §7]

327.445 Custody of securities for loan; collection of interest. The Department of State Lands shall have custody of all notes, bonds and other securities covering secured loans made by it from any fund. The department shall take proper measures for the prompt collection of interest due on all loans from any such fund and place it to the credit of the fund from which the loan was made, to be paid out as provided by law. [Amended by 1965 c.532 §8]

327.450 Foreclosure of mortgages given to secure loans. (1) The Department of State Lands shall foreclose all mortgages taken to evidence loans from the Common School Fund or other funds whenever more than one year's interest on the loan is due and unpaid or whenever any mortgage becomes inadequate security for the money loaned. The department may foreclose its mortgage in the event of waste or any other impairment of the property upon which the loan was made. It may also foreclose for delinquency in payment of principal or interest installments or in payment of taxes on such property.

(2) The department may bid in the land in the name of the state at a price not to exceed the total amount of the state's claim or they may accept a deed or a release of the equity of redemption. Should it appear to the satisfaction of the department that the mortgagee cannot make the payment of interest and that foreclosure would work an injustice and that foreclosure is not then necessary to secure the fund from loss, the department may extend the time for paying such interest not exceeding two years. [Amended by 1965 c.100 §36]

327.455 Record of purchases by Department of State Lands on foreclosures; resale or lease of land; disposition of proceeds. The Director of the Department of State Lands shall keep a correct record of all purchases on foreclosures under ORS 327.450 with a description of the lands so purchased or acquired, and a statement of the fund to which they belong. Such lands shall be placed in the hands of the director and sold or leased under the direction of the department on the best terms obtainable, and the proceeds, to the amount of the principal of the loans, shall be paid into the fund from which the loans were made, and the excess paid to the interest account of that fund.

327.465 Cancellation of unpaid taxes after deed to state in liquidation of loan. Whenever the Department of State Lands receives a deed to the State of Oregon of lands covered by a mortgage given to secure a loan from the Common School Fund in liquidation of the debt represented by the loan, the department shall send a written notice of the transaction to the county court of the county in which such deeded lands are situated. Upon the receipt of such notice, the county court shall cancel on the county tax records unpaid taxes levied and assessed against such property in that county. This section does not apply to tax liens of irrigation or drainage districts organized prior to the effective date of the lien of the department.

327.470 Cancellation of taxes on land acquired through foreclosure proceedings; right of redemption. (1) Excepting tax liens of irrigation or drainage districts organized before the effective date of the Department of State Lands' lien, whenever the State of Oregon acquires property or lands through foreclosure of a mortgage given to secure a loan from the Common School Fund and the state has received the sheriff's deed made as a result of such foreclosure proceedings and the period for redemption has expired, the county court, or board of county commissioners, of the county in which such lands are situated shall cancel on the county tax records all the unpaid taxes levied and assessed against the property.

(2) At the time the sheriff issues a certificate of sale in the foreclosure proceedings of any department mortgage, the sheriff shall serve a copy of the certificate upon the county judge, or the chairperson of the board of county commissioners, of the county in which the foreclosure takes place. The county shall have a 60-day period from the date of the sheriff's certificate in which to redeem the land by paying the department the full amount of its investment in the land, including principal and interest, foreclosure charges, abstracting expense, and any other necessary expense incurred by the department in said foreclosure proceedings.

327.475 When county court may acquire mortgaged lands deeded to state. Whenever the Department of State Lands receives a deed as described in ORS 327.465, the county court of the county in which the lands are situated may, within one year from the recorded date of such deed, acquire from the state the property so conveyed by paying to the state the total amount of the state's investment in the property.

327.480 Use of Common School Fund moneys to comply with judgment canceling fraudulent deed. (1) Where the judgment in a suit instituted by the State of Oregon to cancel and set aside any deed of lands from the State of Oregon alleged to have been procured by fraud and in violation of law grants relief to the State of Oregon which is conditioned on the payment of money, the Department of State Lands may pay from the Common School Fund the sum necessary to comply with the conditions of the judgment.

(2) This section shall not be considered as a legislative interpretation relieving the defendants in such suit from applying to the legislature for repayment of the purchase price of such land, or that the State of Oregon is not entitled to an accounting from the purchaser, the assignee, or successor in in-

terest, for school or other lands obtained in violation of law, or that the State of Oregon must repay the purchase price of such lands, with or without interest as a condition of obtaining relief. This section is intended to prevent the loss to the State of Oregon of lands obtained in violation of law, where the court imposes as a condition for granting relief the payment of money. [Amended by 1965 c.100 §37; 2003 c.576 §433]

327.482 Appropriation to reimburse fund for earnings failure. Out of the moneys in the General Fund, there is continuously appropriated such sums as are necessary but not to exceed \$100,000 in total to reimburse the Common School Fund for any amount that may result from the failure of loans to earn at least four percent interest. The computation required to determine the interest earned on the loans shall be made annually, and the amount required to reimburse the fund shall be paid annually. [1965 c.532 §9; 1967 c.477 §1; 2015 c.513 §12]

327.483 [1963 c.570 §32a; repealed by 1965 c.100 §456]

327.484 Reimbursement for earnings failure. Moneys may be withdrawn annually on July 1 from the General Fund by order of the Department of State Lands to be credited to the Common School Fund to pay to the Common School Fund any amount resulting from the failure of the total student loans to earn at least four percent interest in the preceding fiscal year. [1965 c.532 §11; 1967 c.335 §39; 1967 c.477 §2; 2015 c.513 §13]

EDUCATION CASH ACCOUNT

327.485 Education Cash Account; composition; accounting. (1) The Education Cash Account of the General Fund consists of all moneys made available to the Department of Education by:

(a) Charitable and philanthropic foundations, organizations and agencies if the moneys have not been dedicated for specific use by requirements of other sections of Oregon Revised Statutes;

(b) Miscellaneous receipts;

(c) Collection of fees from sale of supplies and publications compiled and furnished by the Department of Education and distributed or sold to other persons or groups;

(d) Funds received as gifts, contributions and bequests for career and technical education and moneys received as reimbursements for funds theretofore expended;

(e) Moneys received through charges to grants, contracts and other funds for indirect costs; and

(f) Any other nondedicated moneys received by the Department of Education for which the Legislative Assembly has established an administrative funds limitation.

(2) The provisions of this section do not relieve the department of its responsibilities to separately account for moneys received as trust funds.

(3) Disbursements from the Education Cash Account shall be made as directed by the Department of Education. The department shall keep a record of all moneys deposited in such account. The record shall indicate by separate cumulative accounts the source from which the moneys are derived and the individual activity against which each withdrawal is charged. [1961 c.588 §1; 1965 c.100 §38; 1979 c.570 §3; 1993 c.45 §302; 2005 c.209 §7; 2009 c.94 §3]

327.490 Projects contracted to districts and institutions of higher learning. The State Board of Education may contract with school districts, community college districts and any institutions of higher learning in this state for the purpose of carrying out any phase of a project for which funds granted under ORS 327.485 are available and may reimburse such districts and institutions from such funds. The board may make advance payments to the contracting districts or institutions based on the estimated cost of any service to be provided. Any payment to a district shall not be subject to the provisions of ORS 294.305 to 294.565. [1961 c.588 §5; 1989 c.491 §8]

327.495 Appropriation of funds received for certain purposes. All moneys received by the State Board of Education for distribution to school districts in this state for the purpose of carrying out experimental and demonstration programs to improve education and educator preparation in this state are continuously appropriated for such purpose. [1961 c.588 §6; 1965 c.100 §39; 1989 c.491 §9; 2013 c.747 §177; 2015 c.245 §39]

QUALITY EDUCATION COMMISSION

327.497 Legislative findings. The Legislative Assembly finds that:

(1) Within the Oregon Educational Act for the 21st Century in ORS chapter 329 there are established goals for high academic excellence, the application of knowledge and skills to demonstrate achievement and the development of lifelong learning skills to prepare students for the ever-changing world.

(2) Education is increasingly linked to economic and social issues.

(3) The people of Oregon, through section 8, Article VIII of the Oregon Constitution, have established that the Legislative Assembly shall appropriate in each biennium a sum of money sufficient to ensure that the state's system of public education meets the quality goals established by law. Furthermore, the people of Oregon require that the Legislative Assembly publish a report that either dem-

onstrates that the appropriation is sufficient or identifies the reasons for the insufficiency, its extent and its impact on the ability of the state's system of public education to meet those goals.

(4) The Quality Education Commission should be established to define the costs sufficient to meet the established quality goals for kindergarten through grade 12 public education. [2001 c.895 §1]

327.500 Establishment; membership; staff. (1) There is established a Quality Education Commission consisting of 11 members appointed by the Governor. The Governor may not appoint more than five members of the commission who are employed by a school district at the time of appointment.

(2) The term of office of each member is four years, but a member serves at the pleasure of the Governor. Before the expiration of the term of a member, the Governor shall appoint a successor whose term begins on August 1 next following. A member is eligible for reappointment. If there is a vacancy for any cause, the Governor shall make an appointment to become immediately effective for the remainder of the unexpired term.

(3) The appointment of members of the commission is subject to confirmation by the Senate in the manner prescribed in ORS 171.562 and 171.565.

(4) A member of the commission is entitled to compensation and expenses as provided in ORS 292.495.

(5) The Department of Education shall provide staff to the commission. [2001 c.895 §2; 2005 c.209 §8]

327.502 Officers; quorum; meetings. (1) The Governor shall select one of the members of the Quality Education Commission as chairperson and another as vice chairperson, for such terms and with duties and powers necessary for the performance of the functions of those offices as the Governor determines.

(2) A majority of the members of the commission constitutes a quorum for the transaction of business.

(3) The commission shall meet at times and places specified by the call of the chairperson or of a majority of the members of the commission. [2001 c.895 §4]

327.505 [Repealed by 1965 c.100 §456]

327.506 Quality education goals; duties; report. (1) The quality goals for the state's system of kindergarten through grade 12 public education include those established under ORS 329.007, 329.015, 329.025, 329.045 and 329.065.

(2) Each biennium the Quality Education Commission shall determine the amount of moneys sufficient to ensure that the state's system of kindergarten through grade 12 public education meets the quality goals.

(3) In determining the amount of moneys sufficient to meet the quality goals, the commission shall identify best practices that lead to high student performance and the costs of implementing those best practices in the state's kindergarten through grade 12 public schools. Those best practices shall be based on research, data, professional judgment and public values.

(4) Prior to August 1 of each even-numbered year, the commission shall issue a report to the Governor and the Legislative Assembly that identifies:

(a) Current practices in the state's system of kindergarten through grade 12 public education, the costs of continuing those practices and the expected student performance under those practices; and

(b) The best practices for meeting the quality goals, the costs of implementing the best practices and the expected student performance under the best practices.

(5) In addition, the commission shall provide in the report issued under subsection (4) of this section at least two alternatives for meeting the quality goals. The alternatives may use different approaches for meeting the quality goals or use a phased implementation of best practices for meeting the quality goals. [2001 c.895 §5; 2003 c.303 §14; 2007 c.858 §31]

327.510 [Repealed by 1965 c.100 §456]

MISCELLANEOUS

(Budget and Accounting System)

327.511 Uniform budget and accounting system. (1) The State Board of Education shall adopt by rule a uniform budget and accounting system for school districts and education service districts.

(2) The uniform budget and accounting system shall include uniform definitions for a chart of accounts that shall allow for valid comparisons of expenditures among schools and among districts. The uniform definitions for the chart of accounts shall be developed by the Department of Education in consultation with the Legislative Revenue Officer, the Legislative Fiscal Officer, the Oregon Department of Administrative Services and appropriate organizations that represent kindergarten through grade 12 educational interests.

(3) The uniform budget and accounting system shall allow for the gathering of data on separate functions and programs, including but not limited to:

(a) Individual school;

(b) Grade level;

(c) Curriculum area;

(d) Class size; and

(e) Extracurricular activities.

(4) The Department of Education shall place data gathered from the uniform budget and accounting system in a database that includes information that is accessible by the public through the Internet, a personal computer or other similar technology. [1997 c.616 §1]

327.515 [Repealed by 1965 c.100 §456]

(Food Programs)

327.520 Acceptance and distribution of donated commodities to schools. The Department of Education may accept and distribute donated commodities available for either public or private nonprofit educational institutions, subject to state or federal law or regulation relating to such acceptance and distribution. The department shall make a charge sufficient to cover but not exceed all costs of distribution to the individual schools. The charge may include administrative expenses, freight, warehousing, storing, processing and transshipment to the end that all participating schools shall receive such donated commodities at the same unit cost irrespective of location of the school with respect to the original point of delivery within the state. [Amended by 1989 c.491 §10]

327.523 [1975 c.87 §1; repealed 1981 c.784 §38]

327.525 School Lunch Revolving Account. The School Lunch Revolving Account, separate and distinct from the General Fund, is continuously appropriated for the purposes of ORS 327.520. All money received under the provisions of ORS 327.520 shall be paid by the Department of Education to the State Treasurer for credit to the School Lunch Revolving Account. Interest earned by the account shall be credited to the account. [Amended by 1965 c.100 §40; 1975 c.87 §2; 1981 c.784 §21; 1989 c.491 §11; 1989 c.966 §26]

327.527 Summer breakfast and lunch reimbursement and grants; rules. (1) The Department of Education shall reimburse a school district, government agency or community group five cents for every breakfast or lunch the district, agency or group serves during the summer as a part of:

(a) The United States Department of Agriculture's Summer Food Service Program; or

(b) A summer meals program through an existing national school lunch program.

(2) In addition to the reimbursements provided under subsection (1) of this section, the department may award grants to school

districts, government agencies and community groups to encourage participation in a program identified in subsection (1) of this section. Each grant may not exceed \$20,000 and must be used to:

(a) Purchase or upgrade necessary equipment and services required to provide food service and meet sanitation requirements;

(b) Make any payment necessary to comply with sanitation requirements that may be required prior to approval; or

(c) Fund participant outreach activities and materials and necessary enrichment activities and materials.

(3) The department may enter into a contract with a public or private entity for the purposes of the entity providing:

(a) Technical assistance to applicants for and recipients of grants; and

(b) Administration of the grant program.

(4) The State Board of Education may adopt any rules necessary for the administration of this section. [2005 c.701 §1; 2013 c.653 §1; 2014 c.10 §1]

327.530 [Repealed by 1965 c.100 §456]

327.531 School lunch program. (1) If a student is eligible for reduced price lunches under the United States Department of Agriculture's current Income Eligibility Guidelines, the school district that provides lunches to the student shall provide the lunches at no charge to the student.

(2) For each lunch that a school district provides free of charge to a student who is eligible for a reduced price lunch, the Department of Education shall provide reimbursement to the school district for the actual amount that the student would have been required to pay for the reduced price lunch. [2015 c.718 §1]

Note: 327.531 was enacted into law by the Legislative Assembly but was not added to or made a part of ORS chapter 327 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

327.535 School breakfast program; reimbursement. (1) A school district may make breakfast accessible at any school site and shall make breakfast accessible if required by this section. Time spent by students consuming breakfast is considered instructional time when students consume breakfast in the students' classroom and instruction is being provided while students are consuming breakfast. No more than 15 minutes may be considered instructional time when students are consuming breakfast.

(2) Subject to subsections (3) and (4) of this section, a school district that provides lunch at any school site shall make breakfast accessible as part of a breakfast program if

25 percent or more of the students at the site are eligible for free or reduced price lunches under the United States Department of Agriculture's current Income Eligibility Guidelines or the school site qualifies for assistance under Chapter I of Title I of the federal Elementary and Secondary Education Act of 1965.

(3) A school district that makes breakfast accessible as provided under subsection (2) of this section may apply to the State Board of Education for a waiver for all or for particular grade levels if it is financially unable to implement a breakfast program. The state board may grant a waiver to the school district for a period not to exceed two years, after which the school district must reestablish its claim of financial hardship if the waiver is to be extended.

(4) If the per meal federal reimbursement for the breakfast program falls below the 1991 reimbursement levels, a school district may elect to discontinue the program until federal funding is restored to those levels. No waiver is required for such election.

(5) A school district that makes breakfast accessible at any school site shall make breakfast accessible at that school site at no charge to all students who are eligible for free or reduced price lunches under the United States Department of Agriculture's current Income Eligibility Guidelines. For each breakfast that a school district provides free of charge to a student who is eligible for a reduced price lunch, the Department of Education shall provide reimbursement to the school district for the actual amount that a student would have been required to pay for the reduced price breakfast. [1991 c.500 §1; 2009 c.885 §49; 2015 c.634 §1]

327.537 Requirements for providing reimbursable meals; prohibitions and requirements when student owes money. (1) A school district that makes meals accessible to students at school sites under the United States Department of Agriculture's National School Lunch Program or School Breakfast Program:

(a) Must provide a United States Department of Agriculture reimbursable meal to a student who requests the meal:

(A) Unless the student's parent or guardian has provided written permission to the school district to withhold a meal from the student; and

(B) Regardless of whether the student has money to pay for the meal or owes money for meals; and

(b) May not require that a student throw away a meal after the meal has been served because of the student's inability to pay for

the meal or because money is owed for meals.

(2) If a student owes money for five or more meals, a school district shall:

(a) Determine if the student has been identified as being categorically eligible for free school meals and can be directly certified without application;

(b) If the student has not been identified as described in paragraph (a) of this subsection, make at least two attempts to contact the student's parent or guardian to have the parent or guardian fill out an application to determine if the student is eligible for free or reduced price lunches under the United States Department of Agriculture's current Income Eligibility Guidelines; and

(c) If the student is not eligible or the parent or guardian does not fill out an application as described in paragraph (b) of this subsection, make reasonable efforts to contact the parent or guardian and to offer assistance filling out an application, if appropriate.

(3) A school district may not:

(a) Publicly identify or stigmatize a student who cannot pay for a meal or who owes money for a meal by requiring that the student wear a wristband, hand stamp or other identifying marker or by serving the student an alternative meal; or

(b) Require a student who cannot pay for a meal or who owes money for a meal to do chores or other work to pay for meals, unless all other students do similar chores or work regardless of whether money is owed for meals.

(4)(a) A school district shall direct communications about amounts owed by a student for meals to the student's parent or guardian and not to the student.

(b) Nothing in this subsection prohibits a school district from sending home a letter with a student addressed to the parent or guardian of the student.

(5) A school district may not require a parent or guardian to pay fees or costs from collection agencies hired to collect moneys owed for meals. [2017 c.684 §1]

Note: 327.537 was enacted into law by the Legislative Assembly but was not added to or made a part of ORS chapter 327 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

327.540 School after-school meal and snack program; grants; rules. (1) The Department of Education shall provide assistance to school districts, government agencies and community groups to encourage participation in the United States Department of Agriculture's program that provides meals

and snacks at at-risk after-school care centers.

(2) In addition to the assistance provided under subsection (1) of this section, the department may award grants to school districts, government agencies and community groups to encourage participation in the United States Department of Agriculture's program that provides meals and snacks at at-risk after-school care centers. Each grant may not exceed \$20,000 and must be used to:

(a) Purchase or upgrade necessary equipment and services required to provide food service and meet sanitation requirements;

(b) Make any payment necessary to comply with sanitation requirements that may be required prior to approval; or

(c) Fund participant outreach activities and materials and necessary enrichment activities and materials.

(3) The department may enter into a contract with a public or private entity for the purposes of the entity providing:

(a) Technical assistance to applicants for and recipients of grants; and

(b) Administration of the grant program.

(4) The State Board of Education may adopt any rules necessary for the administration of this section. [2011 c.711 §1; 2014 c.10 §2]

Note: 327.540 was enacted into law by the Legislative Assembly but was not added to or made a part of ORS chapter 327 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

327.555 [1953 c.273 §2; repealed by 1959 c.654 §3]

327.560 [1953 c.273 §3; repealed by 1959 c.654 §3]

327.565 [1953 c.273 §4; repealed by 1959 c.654 §3]

327.570 [1953 c.273 §5; repealed by 1959 c.654 §3]

327.575 [1953 c.273 §6; repealed by 1959 c.654 §3]

327.605 [Amended by 1959 c.654 §1; 1961 c.624 §5; repealed by 1965 c.100 §456]

327.610 [Repealed by 1965 c.100 §456]

(Federal Aid to Education)

327.615 State Treasurer as trustee of funds. The State Treasurer shall serve as trustee of any federal aid to education funds apportioned to the State of Oregon.

327.620 Review of accounts affecting federal funds. The Oregon Department of Administrative Services shall cause a review to be made of the accounts and financial affairs of the State Board of Education, the Superintendent of Public Instruction and the Department of Education affecting any funds acquired from the federal government to aid education, in the same manner and under the same conditions as provided by law for the review of state departments and institutions. [Amended by 1975 c.614 §10; 1989 c.491 §12]

327.625 [Repealed by 1965 c.100 §456]

327.630 [Amended by 1961 c.624 §6; repealed by 1965 c.100 §456]

327.635 Labor standards required on federally financed school construction. The Superintendent of Public Instruction shall provide, in the construction of school facilities financed in part through federal grants, for the enforcement of labor standards not less beneficial to employees on such projects than those required under sections 1 and 2 of the Act of Congress of August 30, 1935, as amended.

327.640 [Repealed by 1965 c.100 §456]

(Financing of State and Federal Requirements)

327.645 Financing of programs mandated by state and federal programs. The Legislative Assembly recognizes that:

(1) Various programs adopted by the Legislative Assembly and by various state and federal agencies have fiscal and revenue impact on school districts.

(2) To the greatest extent possible, state government should pay an appropriate share of expenses incurred by the districts as the result of mandates from the Legislative Assembly and state agencies. [1989 c.970 §1]

327.655 [Amended by 1961 c.624 §7; repealed by 1965 c.100 §456]

327.660 [1963 c.570 §2; 1965 c.100 §41; 1983 c.740 §100; repealed by 1985 c.388 §3]

(Loans to Financially Troubled School Districts)

Note: Sections 18 and 19, chapter 107, Oregon Laws 2014, provide:

Sec. 18. (1) As used in this section, “financially troubled school district” means a school district that:

(a) Has an accumulated negative balance for the general fund of the school district; and

(b) Does not have reserve funds that are sufficient to bring the balance of the general fund of the school district to a positive balance.

(2) A financially troubled school district may request the Department of Education to provide financial assistance to the school district as provided by this section.

(3) Upon receiving a request for financial assistance from a financially troubled school district, the department shall review the school district’s financial condition and the causes that led to the school district’s financial situation.

(4)(a) If the department agrees with the request made by a financially troubled school district for financial assistance, the department may recommend to the Superintendent of Public Instruction that financial assistance be provided to the school district.

(b) The Superintendent of Public Instruction may provide financial assistance to a financially troubled school district by entering into an agreement with the school district to make a loan to the school district. A loan made as provided by this paragraph:

(A) May not exceed \$400,000;

(B) Shall be interest free;

(C) Must be repaid within four years after entering into the agreement or by December 31, 2018, whichever is earlier; and

(D) Must be repaid from amounts that otherwise would have been distributed to the school district from the State School Fund.

(5) The Superintendent of Public Instruction shall transfer to the State School Fund any amounts repaid by a financially troubled school district for a loan made under this section.

(6) A school district that receives financial assistance under this section shall submit quarterly financial reports to the department for review until the loan is repaid in full.

(7) The Superintendent of Public Instruction, on recommendation of the department, may order changes in the financial policies of the school district until the loan is repaid in full. [2014 c.107 §18]

Sec. 19. Section 18 of this 2014 Act is repealed on December 31, 2018. [2014 c.107 §19]

EDUCATION LOTTERY BOND PROGRAM

327.700 Definitions for ORS 327.700 to 327.711. As used in ORS 327.700 to 327.711, unless the context requires otherwise:

(1) “State education lottery bonds” means the bonds authorized to be issued under ORS 327.711 for the purpose of financing state education projects.

(2) “State education projects” means projects for instructional training and the acquisition, construction, improvement, remodeling, maintenance or repair of public school facilities in the State of Oregon, including but not limited to land, site preparation costs, permanent or portable buildings and equipment, telecommunications equipment, computers, software and related technology, textbooks, library books, furniture and furnishings, vehicles, costs of planning for bond issues and capital improvements, the payment of debt service on obligations, other than general obligation bonds, issued for such projects and holding in reserve for any of the purposes described in this subsection. [1997 c.612 §3; 1999 c.44 §10; 1999 c.1066 §13]

327.705 Purpose of ORS 327.700 to 327.711. The Legislative Assembly declares that the purpose of ORS 327.700 to 327.711 is to authorize lottery bonds for state education projects. The lottery bonds authorized by ORS 327.700 to 327.711 shall be issued pursuant to ORS 286A.560 to 286A.585. The obligation of the State of Oregon with respect to the lottery bonds and with respect to any grant agreement or other commitment authorized by ORS 327.700 to 327.711, 327.731, 348.696 and 777.277 shall at all times be restricted to the availability of unobligated net lottery proceeds, proceeds of lottery bonds and any other amounts specifically committed by ORS 286A.560 to 286A.585. Neither the faith and credit of the State of Oregon

nor any of its taxing power shall be pledged or committed to the payment of lottery bonds or any other commitment of the State of Oregon authorized by ORS 327.700 to 327.711. [1997 c.612 §1; 1999 c.44 §11; 2007 c.783 §127]

327.708 Legislative findings. The Legislative Assembly finds that:

(1) The financing of the costs of state education projects accomplishes the purpose of financing public education in Oregon, as well as having the additional effect of creating jobs and furthering economic development in Oregon by:

(a) Maintaining and increasing the utility, effectiveness and capacity of public education facilities and public education technology and ensuring their availability to Oregon students; and

(b) Creating employment opportunities in this state through the funding of capital improvement and maintenance projects on which workers will be employed.

(2) Based on the findings made in this section, the use of the net proceeds from the operation of the Oregon State Lottery to fund state education projects and to pay state education lottery bonds is an appropriate use of state lottery funds under section 4, Article XV of the Oregon Constitution, and ORS 461.510. [1997 c.612 §2; 1999 c.44 §12]

327.711 Payment of debt service; issuance of bonds; School Capital Construction, Maintenance and Technology Fund.

(1) The Legislative Assembly may pay state education lottery bond debt service after the 1997-1999 biennium from earnings on the Education Stability Fund. However, no lien or pledge of those earnings shall be made to secure the lottery bonds, and the State of Oregon shall have no legal obligation to pay the lottery bonds from the earnings on the Education Stability Fund. Any earnings from the Education Stability Fund that are provided by the Legislative Assembly and credited to the Lottery Bond Fund shall be credited against, and shall reduce, the unobligated net lottery proceeds that are required by ORS 286A.576 (2)(a) and (b) subsequently to be credited to the Lottery Bond Fund in that fiscal year.

(2) State education lottery bonds shall be issued only at the request of the Superintendent of Public Instruction. State education lottery bonds may be issued in an amount sufficient to provide no more than \$150 million of net proceeds to pay costs of state education projects, plus the amounts required for bond-related costs.

(3) The School Capital Construction, Maintenance and Technology Fund is established in the State Treasury, separate and distinct from the General Fund. The net pro-

ceeds from the sale of the state education lottery bonds that are available to pay costs of state education projects shall be credited to the School Capital Construction, Maintenance and Technology Fund. Investment earnings received on amounts in the School Capital Construction, Maintenance and Technology Fund shall be credited to the School Capital Construction, Maintenance and Technology Fund. All moneys from time to time credited to the School Capital Construction, Maintenance and Technology Fund, including any investment earnings, are appropriated continuously to the Department of Education only for distribution to school districts pursuant to ORS 327.731 and for payment of the bond-related costs that are allocable to state education lottery bonds. Amounts in the School Capital Construction, Maintenance and Technology Fund shall be disbursed upon the written request of the Superintendent of Public Instruction to school districts for state education projects pursuant to ORS 327.731, and upon the written request of the Director of the Oregon Department of Administrative Services to pay for bond-related costs that are allocable to state education lottery bonds. [1997 c.612 §4; 1999 c.44 §13; 2002 s.s.3 c.6 §15]

327.715 [1997 c.612 §5; repealed by 1999 c.44 §29]

327.718 [1997 c.612 §6; repealed by 1999 c.44 §29]

327.721 [1997 c.612 §7; repealed by 1999 c.44 §29]

327.724 [1997 c.612 §§8,8a; repealed by 1999 c.44 §29]

327.727 [1997 c.612 §8c; repealed by 1999 c.44 §29]

327.731 Education project grants; use; amount. (1) Subject to rules of the State Board of Education, the Superintendent of Public Instruction shall distribute a share of moneys in the School Capital Construction, Maintenance and Technology Fund to school districts as education project grants. The education project grants shall be distributed in one payment each distribution year. The education project grants shall be used for any state education project, as defined in ORS 327.700.

(2) Each school district's education project grant = the district's extended ADMw for the distribution year × (the total amount available for the grants in each distribution year ÷ the total statewide extended ADMw in the distribution year).

(3) Each school district shall deposit the amounts it receives as an education project grant in a separate account, and shall apply amounts in that account to pay for costs of state education projects or shall hold amounts in that account in reserve and apply them to pay costs of future state education projects.

(4) School districts receiving education project grants from the School Capital Con-

struction, Maintenance and Technology Fund shall, if so directed by the Oregon Department of Administrative Services, take any action specified by the Oregon Department of Administrative Services that is necessary to maintain the excludability of lottery bond interest from gross income under the United States Internal Revenue Code. [1997 c.612 §14; 1999 c.1066 §14]

327.736 [1997 c.874 §1; repealed by 1999 c.44 §29]

LOTTERY BONDS FOR SCHOOLS

Note: Section 20, chapter 786, Oregon Laws 2013, provides:

Sec. 20. Lottery bonds for Frontier Digital Network. (1) For the biennium beginning July 1, 2013, at the request of the Oregon Department of Administrative Services, after the department consults with Wheeler County, the State Treasurer may issue lottery bonds pursuant to ORS 286A.560 to 286A.585 in an amount not to exceed \$1 million in net proceeds for the purpose described in subsection (2) of this section, plus an additional amount estimated by the State Treasurer to be necessary to pay bond-related costs.

(2) Net proceeds of lottery bonds issued under this section in an amount sufficient to provide \$1 million in net proceeds and interest earnings must be transferred to the department for deposit in the ODAS Economic Development Distributions Fund established in ORS 461.553 for distribution to Wheeler County for the Frontier Digital Network for the purpose of acquiring digital switching equipment needed to improve public safety services in Gilliam, Sherman and Wheeler Counties.

(3) The Legislative Assembly finds that the use of lottery bond proceeds will create jobs, further economic development, finance public education or restore and protect parks, beaches, watersheds and native fish and wildlife, and is authorized based on the finding that public safety is a necessary component of a climate that facilitates and encourages economic development. [2013 c.786 §20; 2014 c.121 §2]

Note: Sections 15, 17 and 20, chapter 812, Oregon Laws 2015, provide:

Sec. 15. Lottery bonds for construction of Faubion facility. (1) For the biennium beginning July 1, 2015, at the request of the Oregon Department of Administrative Services, after the department consults with Concordia University, the State Treasurer is authorized to issue lottery bonds pursuant to ORS 286A.560 to 286A.585 in an amount that produces \$750,000 in net proceeds and interest earnings for the purpose described in subsection (2) of this section, plus an additional amount estimated by the State Treasurer to be necessary to pay bond-related costs.

(2) Net proceeds of lottery bonds issued under this section in an amount sufficient to provide \$750,000 in net proceeds and interest earnings must be transferred to the department for deposit in the ODAS Economic Development Distributions Fund established under ORS 461.553 for distribution to Concordia University for the purpose of funding the construction of the Faubion prekindergarten through grade eight school in partnership with Portland Public Schools.

(3) The Legislative Assembly finds that the use of lottery bond proceeds will create jobs, further economic development, finance public education or restore and protect parks, beaches, watersheds and native fish and wildlife, and is authorized based on the following findings:

(a) Lottery bonds issued under this section will finance public education by funding construction of a public school.

(b) Early education is a necessary component of a climate that facilitates and encourages economic development. [2015 c.812 §15]

Sec. 17. Lottery bonds for construction for Open School in Portland. (1) For the biennium beginning July 1, 2015, at the request of the Oregon Department of Administrative Services, after the department consults with Open Meadow, the State Treasurer is authorized to issue lottery bonds pursuant to ORS 286A.560 to 286A.585 in an amount that produces \$1 million in net proceeds and interest earnings for the purpose described in subsection (2) of this section, plus an additional amount estimated by the State Treasurer to be necessary to pay bond-related costs.

(2) Net proceeds of lottery bonds issued under this section in an amount sufficient to provide \$1 million in net proceeds and interest earnings must be transferred to the department for deposit in the ODAS Economic Development Distributions Fund established under ORS 461.553 for distribution to Open Meadow for the purpose of funding the construction of a new facility for the Open School in Portland.

(3) The Legislative Assembly finds that the use of lottery bond proceeds will create jobs, further economic development, finance public education or restore and protect parks, beaches, watersheds and native fish and wildlife, and is authorized based on the finding that improving educational outcomes for at-risk students will facilitate and encourage economic development. [2015 c.812 §17]

Sec. 20. Lottery bonds for construction of Career Technical Education Center. (1) For the biennium beginning July 1, 2015, at the request of the Oregon Department of Administrative Services, after the department consults with the Mountain West Career Technical Institute, the State Treasurer is authorized to issue lottery bonds pursuant to ORS 286A.560 to 286A.585 in an amount that produces \$1 million in net proceeds and interest earnings for the purpose described in subsection (2) of this section, plus an additional amount estimated by the State Treasurer to be necessary to pay bond-related costs.

(2) Net proceeds of lottery bonds issued under this section in an amount sufficient to provide \$1 million in net proceeds and interest earnings must be transferred to the department for deposit in the ODAS Economic Development Distributions Fund established under ORS 461.553 for distribution to the Mountain West Career Technical Institute for the purpose of funding construction of the Career Technical Education Center in Salem.

(3) The Legislative Assembly finds that the use of lottery bond proceeds will create jobs, further economic development, finance public education or restore and protect parks, beaches, watersheds and native fish and wildlife, and is authorized based on the finding that improving access to technical education for Oregonians entering the workforce will facilitate and encourage economic development. [2015 c.812 §20]

STRATEGIC INVESTMENTS

327.800 Goals of strategic investments; requirements; rules. (1) The Chief Education Office shall identify and make recommendations to the Legislative Assembly about programs that make strategic investments to:

(a) Advance the educational goals of this state, as described in ORS 350.014;

(b) Improve the employability of graduates from Oregon public schools;

(c) Close the achievement gap that exists between historically underserved student groups, as defined by the board by rule;

(d) Assist public education in all regions of this state;

(e) Promote collaboration and alignment among early childhood service providers, school districts, community colleges, public universities and employers;

(f) Leverage private, public and community resources;

(g) Engage parents and child care providers, support families and motivate students;

(h) Develop and disseminate evidence-based models and best practices that are likely to improve student outcomes;

(i) Collect data to monitor student progress; and

(j) Establish networks that allow for the replication of successful practices across this state.

(2) The Department of Education shall distribute any moneys received for strategic investments under this section. Distributions may be made to school districts, education service districts, post-secondary institutions of education, nonprofit organizations, providers of early childhood services, tribes of this state and other entities. Distributions of moneys must advance the purposes set forth in ORS 327.810, 327.815 and 327.820 or other purposes that meet the goals specified in subsection (1) of this section.

(3) Any recipient of moneys distributed as a strategic investment must provide separate accounting for the moneys and may use the moneys only for the purpose for which the moneys are provided.

(4)(a) The office shall establish requirements for the programs implemented under this section that are consistent with this section and with ORS 327.810, 327.815 and 327.820.

(b) The office shall develop timelines, performance measures and other requirements related to the accumulation and evaluation of data collected in relation to a program that receives moneys as a strategic investment. The performance measures shall include progress toward the goals established in ORS 350.014 and other key student education outcomes established by the office.

(5) The State Board of Education, the Early Learning Council and the Chief Education Office may adopt any rules necessary for the agencies they oversee to perform any of the duties assigned to them under this section. Any rules adopted by the Early Learning Council must be consistent with

this section and actions taken by the Chief Education Office to implement this section. [2013 c.660 §1; 2013 c.660 §5; 2015 c.774 §§17,67]

Note: The amendments to 327.800 by section 67a, chapter 774, Oregon Laws 2015, become operative June 30, 2019. See section 72, chapter 774, Oregon Laws 2015, as amended by section 14, chapter 682, Oregon Laws 2015, section 20, chapter 763, Oregon Laws 2015, and section 27, chapter 639, Oregon Laws 2017. The text that is operative on and after June 30, 2019, is set forth for the user's convenience.

327.800. (1) The State Board of Education shall identify and make recommendations to the Legislative Assembly about programs that make strategic investments to:

(a) Advance the educational goals of this state, as described in ORS 350.014;

(b) Improve the employability of graduates from Oregon public schools;

(c) Close the achievement gap that exists between historically underserved student groups, as defined by the board by rule;

(d) Assist public education in all regions of this state;

(e) Promote collaboration and alignment among early childhood service providers, school districts, community colleges, public universities and employers;

(f) Leverage private, public and community resources;

(g) Engage parents and child care providers, support families and motivate students;

(h) Develop and disseminate evidence-based models and best practices that are likely to improve student outcomes;

(i) Collect data to monitor student progress; and

(j) Establish networks that allow for the replication of successful practices across this state.

(2) The Department of Education shall distribute any moneys received for strategic investments under this section. Distributions may be made to school districts, education service districts, post-secondary institutions of education, nonprofit organizations, providers of early childhood services, tribes of this state and other entities. Distributions of moneys must advance the purposes set forth in ORS 327.810, 327.815 and 327.820 or other purposes that meet the goals specified in subsection (1) of this section.

(3) Any recipient of moneys distributed as a strategic investment must provide separate accounting for the moneys and may use the moneys only for the purpose for which the moneys are provided.

(4)(a) The State Board of Education shall establish requirements for the programs implemented under this section that are consistent with this section and with ORS 327.810, 327.815 and 327.820.

(b) The board shall develop timelines, performance measures and other requirements related to the accumulation and evaluation of data collected in relation to a program that receives moneys as a strategic investment. The performance measures shall include progress toward the goals established in ORS 350.014 and other key student education outcomes established by the board.

(5) The State Board of Education and the Early Learning Council may adopt any rules necessary for the agencies they oversee to perform any of the duties assigned to them under this section. Any rules adopted by the Early Learning Council must be consistent with this section and actions taken by the State Board of Education to implement this section.

Note: 327.800 to 327.820 were enacted into law by the Legislative Assembly but were not added to or made a part of ORS chapter 327 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

327.810 Oregon Early Reading Program; strategic investments for program.

(1) The Chief Education Office shall establish requirements for the Oregon Early Reading Program to:

(a) Improve the readiness of children preparing to enter into kindergarten; and

(b) Improve the reading proficiency of students by the time the students complete the third grade.

(2) To accomplish the purposes of the Oregon Early Reading Program, the Chief Education Office shall identify programs for the distribution of moneys by the Department of Education for strategic investments that advance at least one of the following missions:

(a) Encouraging early reading and involving parents, child care providers and the community in ensuring that children have an early start at reading.

(b) Expanding the amount of time spent reading, adult support, the availability of reading materials, cultural relevance and the level of enjoyment that literacy brings.

(c) Providing differentiated instruction to assist students with reading in early grades.

(3) In addition to moneys distributed as provided by subsection (2) of this section, the Department of Education may distribute strategic investment moneys for any of the following purposes:

(a) Creating materials and curriculum that promote early literacy;

(b) Extending or expanding reading opportunities in public schools that meet criteria established by the office by providing adult support or programs offered during nonschool hours; or

(c) Increasing the number of school districts that participate in a network in this state that is designed to support school districts in implementing high-quality reading instruction and protocols that identify, support and serve students who are at risk for not reading at grade level early and effectively. [2013 c.660 §2; 2013 c.660 §6; 2015 c.774 §§18,68]

Note: The amendments to 327.810 by section 68a, chapter 774, Oregon Laws 2015, become operative June 30, 2019. See section 72, chapter 774, Oregon Laws 2015, as amended by section 14, chapter 682, Oregon Laws 2015, section 20, chapter 763, Oregon Laws 2015, and section 27, chapter 639, Oregon Laws 2017. The text that is operative on and after June 30, 2019, is set forth for the user's convenience.

327.810. (1) The State Board of Education shall establish requirements for the Oregon Early Reading Program to:

(a) Improve the readiness of children preparing to enter into kindergarten; and

(b) Improve the reading proficiency of students by the time the students complete the third grade.

(2) To accomplish the purposes of the Oregon Early Reading Program, the State Board of Education shall identify programs for the distribution of moneys by the Department of Education for strategic investments that advance at least one of the following missions:

(a) Encouraging early reading and involving parents, child care providers and the community in ensuring that children have an early start at reading.

(b) Expanding the amount of time spent reading, adult support, the availability of reading materials, cultural relevance and the level of enjoyment that literacy brings.

(c) Providing differentiated instruction to assist students with reading in early grades.

(3) In addition to moneys distributed as provided by subsection (2) of this section, the Department of Education may distribute strategic investment moneys for any of the following purposes:

(a) Creating materials and curriculum that promote early literacy;

(b) Extending or expanding reading opportunities in public schools that meet criteria established by the board by providing adult support or programs offered during nonschool hours; or

(c) Increasing the number of school districts that participate in a network in this state that is designed to support school districts in implementing high-quality reading instruction and protocols that identify, support and serve students who are at risk for not reading at grade level early and effectively.

Note: See second note under 327.800.

327.815 Guidance and Support for Post-Secondary Aspirations Program; strategic investments for program.

(1) The Chief Education Office shall establish the Guidance and Support for Post-Secondary Aspirations Program to:

(a) Increase the number of students in the ninth grade who are making satisfactory progress toward a high school diploma, a modified diploma or an extended diploma; and

(b) Increase the number of students who earn a high school diploma, a modified diploma or an extended diploma and who enroll in a post-secondary institution of higher education.

(2) To accomplish the purposes of the Guidance and Support for Post-Secondary Aspirations Program, the Chief Education Office shall identify programs for the distribution of moneys by the Department of Education for strategic investments that advance at least one of the following missions:

(a) Supporting comprehensive systems of monitoring and support for struggling students.

(b) Ensuring that middle and high school students who had not considered enrolling in post-secondary education are directed toward, and able to access, post-secondary ed-

ucation opportunities that match their interests and abilities.

(3) In addition to moneys distributed as provided by subsection (2) of this section, the Department of Education may distribute strategic investment moneys for any of the following purposes:

(a) To implement comprehensive systems for monitoring progress and providing individualized planning, mentoring, tutoring or other support services to students in grades 6 through 10 who are not making satisfactory progress toward a high school diploma, a modified diploma or an extended diploma; or

(b) To increase access for underserved students to post-secondary institutions by paying for first-year college courses or accelerated college credit programs. [2013 c.660 §3; 2013 c.660 §7; 2015 c.366 §§78,79; 2015 c.774 §§19,69]

Note: The amendments to 327.815 by section 69a, chapter 774, Oregon Laws 2015, become operative June 30, 2019. See section 72, chapter 774, Oregon Laws 2015, as amended by section 14, chapter 682, Oregon Laws 2015, section 20, chapter 763, Oregon Laws 2015, and section 27, chapter 639, Oregon Laws 2017. The text that is operative on and after June 30, 2019, is set forth for the user's convenience.

327.815. (1) The State Board of Education shall establish the Guidance and Support for Post-Secondary Aspirations Program to:

(a) Increase the number of students in the ninth grade who are making satisfactory progress toward a high school diploma, a modified diploma or an extended diploma; and

(b) Increase the number of students who earn a high school diploma, a modified diploma or an extended diploma and who enroll in a post-secondary institution of higher education.

(2) To accomplish the purposes of the Guidance and Support for Post-Secondary Aspirations Program, the State Board of Education shall identify programs for the distribution of moneys by the Department of Education for strategic investments that advance at least one of the following missions:

(a) Supporting comprehensive systems of monitoring and support for struggling students.

(b) Ensuring that middle and high school students who had not considered enrolling in post-secondary education are directed toward, and able to access, post-secondary education opportunities that match their interests and abilities.

(3) In addition to moneys distributed as provided by subsection (2) of this section, the Department of Education may distribute strategic investment moneys for any of the following purposes:

(a) To implement comprehensive systems for monitoring progress and providing individualized planning, mentoring, tutoring or other support services to students in grades 6 through 10 who are not making satisfactory progress toward a high school diploma, a modified diploma or an extended diploma; or

(b) To increase access for underserved students to post-secondary institutions by paying for first-year college courses or accelerated college credit programs.

Note: See second note under 327.800.

327.820 Connecting to the World of Work Program; strategic investments for program. (1) The Chief Education Office shall establish the Connecting to the World of Work Program to:

(a) Increase students' proficiency in science, technology, engineering and mathematics; and

(b) Connect students to the world of work.

(2) To accomplish the purposes of the Connecting to the World of Work Program, the Chief Education Office shall identify programs for the distribution of moneys by the Department of Education for strategic investments that advance the following missions:

(a) Collaborating with other public entities to develop and implement a long-term strategy that advances state educational goals related to science, technology, engineering and mathematics.

(b) Providing investments in programs that engage underserved students in science, technology, engineering or mathematics or in career and technical education.

(c) Developing consortiums of school districts, education service districts and post-secondary institutions of higher education committed to developing innovative and flexible pathways for students in grades 6 through 12 and in community colleges.

(3) In addition to moneys distributed as provided by subsection (2) of this section, the Department of Education may distribute strategic investment moneys for any of the following purposes:

(a) Creating regional networks, or expanding existing regional networks, to support science, technology, engineering and mathematics and career and technical education;

(b) Increasing learning opportunities in science, technology, engineering and mathematics, the arts and career and technical education; or

(c) Designing and delivering individualized, innovative and flexible ways of delivering content, awarding high school and college credit and providing development education for students in high school or in the first two years of post-secondary education. [2013 c.660 §4; 2013 c.660 §8; 2015 c.774 §§20,70]

Note: The amendments to 327.820 by section 70a, chapter 774, Oregon Laws 2015, become operative June 30, 2019. See section 72, chapter 774, Oregon Laws 2015, as amended by section 14, chapter 682, Oregon Laws 2015, section 20, chapter 763, Oregon Laws 2015, and section 27, chapter 639, Oregon Laws 2017. The text that is operative on and after June 30, 2019, is set forth for the user's convenience.

327.820. (1) The State Board of Education shall establish the Connecting to the World of Work Program to:

(a) Increase students' proficiency in science, technology, engineering and mathematics; and

(b) Connect students to the world of work.

(2) To accomplish the purposes of the Connecting to the World of Work Program, the State Board of Education shall identify programs for the distribution of moneys by the Department of Education for strategic investments that advance the following missions:

(a) Collaborating with other public entities to develop and implement a long-term strategy that advances state educational goals related to science, technology, engineering and mathematics.

(b) Providing investments in programs that engage underserved students in science, technology, engineering or mathematics or in career and technical education.

(c) Developing consortiums of school districts, education service districts and post-secondary institutions of higher education committed to developing innovative and flexible pathways for students in grades 6 through 12 and in community colleges.

(3) In addition to moneys distributed as provided by subsection (2) of this section, the Department of Education may distribute strategic investment moneys for any of the following purposes:

(a) Creating regional networks, or expanding existing regional networks, to support science, technology, engineering and mathematics and career and technical education;

(b) Increasing learning opportunities in science, technology, engineering and mathematics, the arts and career and technical education; or

(c) Designing and delivering individualized, innovative and flexible ways of delivering content, awarding high school and college credit and providing development education for students in high school or in the first two years of post-secondary education.

Note: See second note under 327.800.

HIGH SCHOOL GRADUATION AND COLLEGE AND CAREER READINESS ACT

Note: 327.850 to 327.895 were enacted as part of Ballot Measure 98 (2016), which included a preamble and subdivision headings. The preamble and subdivision headings have not been included in the Oregon Revised Statutes, but are available by accessing chapter 1, Oregon Laws 2017.

327.850 Short title. ORS 327.853 to 327.895 shall be known as the High School Graduation and College and Career Readiness Act. [2017 c.1 §1]

Note: 327.850 to 327.895 were enacted into law but were not added to or made a part of ORS chapter 327 or any series therein by law. See Preface to Oregon Revised Statutes for further explanation.

327.853 Definitions for Act. As used in ORS 327.853 to 327.895:

(1) "Chronic absenteeism" means a student has missed 10 percent or more of school days, including excused, nonexcused and disciplinary exclusion, within a school year.

(2) "English Language Learner" has the meaning given that term in ORS 336.079.

(3) "High school student" means a student enrolled in grades 9 through 12 or age level equivalent.

(4) "Program audit" means determining:

(a) The extent to which the desired results or benefits of a program are being achieved;

(b) The extent to which the need for or objectives of an ongoing program are necessary or relevant;

(c) Whether the program complements, duplicates, overlaps or conflicts with other related programs;

(d) The effectiveness of organizations, programs, activities or functions; and

(e) Whether the entity that is the subject of the audit has complied with laws and regulations applicable to the program.

(5) "School district" means:

(a) A common or union high school district;

(b) The Oregon School for the Deaf; and

(c) An educational program under the Youth Corrections Education Program or the Juvenile Detention Education Program, as those terms are defined in ORS 326.695. [2017 c.1 §16; 2017 c.615 §10]

Note: See note under 327.850.

327.856 High School Graduation and College and Career Readiness Fund; amounts available to fund. (1) The High School Graduation and College and Career Readiness Fund is established in the State Treasury, separate and distinct from the General Fund, for the purposes of improving the graduation rates and college and career readiness of all high school students in Oregon. Interest earned by the High School Graduation and College and Career Readiness Fund shall be credited to the General Fund.

(2)(a) The Legislative Assembly shall appropriate, allocate or otherwise make available to the High School Graduation and College and Career Readiness Fund an amount not less than \$800 per high school student per school year.

(b) The Department of Education, on behalf of the State of Oregon, may solicit and accept gifts, grants, donations and other moneys from public and private sources for the purposes of ORS 327.853 to 327.895. Moneys received under this paragraph shall be deposited in the High School Graduation and College and Career Readiness Fund.

(3) The High School Graduation and College and Career Readiness Fund is continuously appropriated to the Department of Education for the purposes of ORS 327.853 to 327.895. [2017 c.1 §2; 2017 c.615 §1]

Note: See note under 327.850.

327.859 Apportionments to school districts; increases in amounts available to fund. (1)(a) Subject to ORS 327.880 and 327.886, for school years beginning on or after July 1, 2017, the High School Graduation and College and Career Readiness Fund shall be apportioned to each school district based on the extended weighted average daily membership of high school students computed:

(A) As provided in ORS 327.013 (1)(c), for common or union high school districts.

(B) By multiplying the average daily membership for students in grades 9 through 12 by 2.0, as calculated for the current school year and the previous school year and using the greater amount, for the Oregon School for the Deaf.

(C) As provided in ORS 327.026, for an educational program under the Youth Corrections Education Program or the Juvenile Detention Education Program.

(b) In the event the Department of Education is unable to determine the extended weighted average daily membership of high school students for a school district, the department may determine the average extended weighted average daily membership for all students in the school district and apply the average extended weighted average daily membership to the number of high school students in the school district.

(2)(a) For school years beginning on or after July 1, 2018, the amount appropriated, allocated or otherwise made available to the fund under ORS 327.856, shall be increased each school year in a biennium by the amount derived from the application of the process in Executive Order 14-14 used to calculate the cost to maintain the current level of service.

(b) The intent of paragraph (a) of this subsection is to apply the process in Executive Order 14-14 in the event Executive Order 14-14 is canceled, superseded or otherwise made ineffective. [2017 c.1 §3; 2017 c.615 §2]

Note: See note under 327.850.

327.862 Amounts available to fund to be in addition to other amounts available for kindergarten through grade 12 public education. The amounts appropriated, allocated or otherwise made available under ORS 327.856 and apportioned under ORS 327.859 shall be in addition to the total amount the Legislative Assembly would otherwise appropriate, allocate or make available for a biennium for funding kindergarten through grade 12 public education. [2017 c.1 §4]

Note: See note under 327.850.

327.865 Portion of funds for career and technical education. (1) A school district shall use a portion of the funds apportioned under ORS 327.859 to establish or expand career and technical education programs in high schools that are relevant to the job market in the community or region the school district serves.

(2) For purposes of this section, establishment or expansion of a career and technical education program includes the purchase of equipment, the construction of facilities and the recruitment, licensing, employment and training of personnel to provide career and technical education.

(3) The portion of funds to be used as described in this section shall be determined as provided by ORS 327.874. [2017 c.1 §5; 2017 c.615 §3]

Note: See note under 327.850.

327.868 Portion of funds for college-level educational opportunities for students in high schools. (1) A school district shall use a portion of the amount apportioned under ORS 327.859 to establish or expand college-level educational opportunities for students in high schools.

(2) For purposes of this section, the college-level educational opportunities must include:

(a)(A) Advanced placement, International Baccalaureate or comparable college-level courses; or

(B) Dual credit and other accelerated college credit programs offered in conjunction with an Oregon community college, public university or other accredited institutions of higher learning or post-high school career schools;

(b) Assisting students with the selection and successful completion of college-level educational opportunities; and

(c) The recruitment, licensing, employment and training of personnel to provide college-level educational opportunities for students in all high schools.

(3) The portion of funds to be used as described in this section shall be determined as provided by ORS 327.874. [2017 c.1 §6; 2017 c.615 §4]

Note: See note under 327.850.

327.871 Portion of funds for dropout-prevention strategies in high schools. (1) A school district shall use a portion of the amount apportioned under ORS 327.859 to establish or expand dropout-prevention strategies in all high schools.

(2) For purposes of this section, the dropout-prevention strategies must include:

(a) Implementing activities designed to reduce chronic absenteeism;

(b) Establishing and maintaining data management systems that provide timely reports on students' grades, absences and discipline by school and by course;

(c) Beginning with grade 8, using attendance, course grades, credits earned and disciplinary referrals to identify students at risk of not graduating;

(d) Beginning in the summer after grade 8, providing academic and social supports for students at risk of not graduating to ensure that the students are on track to graduate by the time the students enter grade 10 and stay on track to graduate after entering grade 10, including such supports as summer programs, additional instructional time before and after school hours, tutoring or small-group instruction during the school day or counseling services; and

(e) Providing counseling and coaching to provide early exposure for students to employment opportunities and requirements and options for post-secondary education.

(3) The portion of funds to be used as described in this section shall be determined as provided by ORS 327.874. [2017 c.1 §7; 2017 c.615 §5]

Note: See note under 327.850.

327.874 Requirements for use of moneys received by school districts. (1) A school district must use the amount apportioned under ORS 327.859 to establish or expand programs, opportunities and strategies under ORS 327.865, 327.868 and 327.871 and may not use the amount apportioned to maintain programs, opportunities and strategies established prior to December 8, 2016, except when a use is necessary to replace the loss or expiration of time-limited grants or federal funds.

(2)(a) The portion of funds that a school district uses for the purposes of ORS 327.865, 327.868 and 327.871 shall be determined as follows:

(A) If a school district receives less than \$100,000 for the school year from an apportionment made under ORS 327.859, the school district may use all of the funds for any one of the purposes described in ORS 327.865, 327.868 or 327.871.

(B) If a school district receives \$100,000 or more but less than \$350,000 for the school year from an apportionment made under ORS 327.859, the school district must use a portion of the funds for the purpose described in ORS 327.865 and a portion of the funds for a purpose described in ORS 327.868 or 327.871.

(C) If a school district receives \$350,000 or more for the school year from an apportionment made under ORS 327.859, the

school district must use a portion of the funds for all three of the purposes described in ORS 327.865, 327.868 and 327.871.

(b) Notwithstanding paragraph (a) of this subsection, if a school district receives an apportionment for the second school year of a biennium that is greater than the apportionment for the first school year of the biennium and the increase would affect the portion of moneys the school district is required to use for the purposes described in ORS 327.865, 327.868 and 327.871, as described in paragraph (a) of this subsection, the school district is not required to change the portions that the school district uses for the purposes of ORS 327.865, 327.868 and 327.871 for the second school year of the biennium.

(c) Nothing in this subsection prohibits a school district receiving an apportionment as described in paragraph (a)(A) or (B) of this subsection from using any portion of the apportionment for more purposes than what is described in paragraph (a)(A) or (B) of this subsection.

(3) Notwithstanding the requirements in ORS 327.865, 327.868, 327.871 and 327.889 (3) that apportionments made under ORS 327.859 be used for career and technical education programs in high schools, college-level educational opportunities for students in high schools and dropout-prevention strategies in high schools, a school district may use up to 15 percent of the apportionments the school district receives, after deducting any amounts used for administrative costs under ORS 327.889 for programs, opportunities and strategies for students in eighth grade. The use of apportionments under this subsection must comply with the distribution requirements described in subsection (2) of this section.

(4) When establishing or expanding career and technical education programs and college-level educational opportunities, school districts may, and are encouraged to, give preference to programs and opportunities in science, technology, engineering and mathematics. [2017 c.1 §8; 2017 c.615 §6]

Note: See note under 327.850.

327.877 School district qualifications for apportionments. To qualify for an apportionment under ORS 327.859, a school district must:

(1) Meet the requirements for eligibility adopted by the State Board of Education under ORS 327.883; and

(2) Obtain approval of a biennial plan for the proposed use of the amount apportioned under ORS 327.859. [2017 c.1 §13]

Note: Section 18, chapter 1, Oregon Laws 2017, provides:

Sec. 18. Sections 13 [327.877] and 14 [327.880] of this 2016 Act [chapter 1, Oregon Laws 2017] apply to school years beginning on or after July 1, 2018. [2017 c.1 §18]

Note: Sections 8 and 9, chapter 615, Oregon Laws 2017, provide:

Sec. 8. Notwithstanding the requirement for a biennial plan under section 13, chapter 1, Oregon Laws 2017 [327.877], and any rules adopted by the State Board of Education related to biennial plans under section 12, chapter 1, Oregon Laws 2017 [327.883], plans submitted for school years beginning on or after July 1, 2018, but before July 1, 2021, shall describe the school district's plans for using amounts apportioned under section 3, chapter 1, Oregon Laws 2017 [327.859], for each school year for which apportionments are sought and that are prior to the school year that begins July 1, 2021. [2017 c.615 §8]

Sec. 9. Section 8 of this 2017 Act is repealed on July 1, 2021. [2017 c.615 §9]

Note: See note under 327.850.

327.880 Failure to meet qualifications; retained apportionments. (1) If a school district applies, but does not qualify for, an apportionment under ORS 327.859 and 327.877, the Department of Education shall:

(a) Retain the amount of the apportionment the school district would have received if the school district had qualified for the apportionment; and

(b) Prepare a corrective action plan for the school district;

(2) The department may use a portion of an amount retained under subsection (1)(a) of this section to prepare and assist a school district to implement a corrective action plan;

(3) If a school district that does not qualify for an apportionment qualifies for an apportionment in the next year, the department shall apportion to the school district the amount of the retained apportionment that the department did not use under section (2) of this 2016 Act; and

(4) If a school district that does not qualify for an apportionment in one year does not qualify for an apportionment in the next year, or if a school district does not apply for an apportionment in any year, the department shall, using the process described in ORS 327.859, apportion the amount of the retained apportionment to school districts that have qualified for apportionments. [2017 c.1 §14]

Note: See first note under 327.877.

Note: See note under 327.850.

327.883 Rules for eligibility requirements, biennial plan guidelines, biennial plan submission deadlines, reporting criteria and audit processes. (1) The State Board of Education shall by rule adopt eligibility requirements, biennial plan guidelines, biennial plan submission deadlines, reporting

criteria and audit processes to ensure that amounts apportioned under ORS 327.859 improve students' progress toward graduation beginning with grade 9, increase the graduation rates of high schools and improve high school graduates' readiness for college or career.

(2) The requirements for eligibility adopted under subsection (1) of this section must include:

(a) The requirement that the biennial plan include:

(A) A district needs assessment and an explanation of how the establishment or expansion of career and technical education programs, college-level educational opportunities or dropout-prevention strategies addresses those needs.

(B) A description of how the school district will establish or expand career and technical education programs, college-level educational opportunities and dropout-prevention strategies in compliance with ORS 327.874.

(C) The four-year plan of the school district relating to the establishment or expansion of career and technical education programs, college-level educational opportunities and dropout-prevention strategies, as provided by ORS 327.874.

(b) The requirement that the school district demonstrate in the biennial plan how the school district will:

(A) Provide sufficient time for teachers and staff of students in grade 9 to review data on students' grades, absences and discipline by school and by course and to develop strategies to ensure at-risk students stay on track to graduate;

(B) Implement district-wide evidence-based practices for reducing chronic absenteeism in grades 9 through 12;

(C) Assign high school students to advanced and dual-credit courses based on academic qualifications in order to avoid bias in course assignments; and

(D) Implement systems to ensure that high school students, including English Language Learners, are taking courses required for on-time graduation.

(c) If necessary for the success of the establishment or expansion of career and technical education programs, college-level educational opportunities and dropout-prevention strategies, the requirement that a school district must demonstrate in the biennial plan that the school district will:

(A) Cooperate, coordinate or act jointly with other school districts, education service districts, regional achievement collaboratives, post-secondary institutions or other

education partners, including professional learning communities, to achieve the purposes of the High School Graduation and College and Career Readiness Fund and to maximize benefits from apportionments under ORS 327.859;

(B) Cooperate, coordinate or act jointly with nonprofit programs and community-based organizations that have demonstrated achievement of positive outcomes in work with underserved student populations;

(C) Consult with federally recognized Oregon Indian tribes, as required by rule of the State Board of Education; and

(D) Use evidence-based criteria to determine appropriate staffing ratios and class sizes to achieve the purposes of the fund and to maximize benefits from apportionments under ORS 327.859. [2017 c.1 §12; 2017 c.615 §7]

Note: See note under 327.850.

327.886 Retention of moneys for administrative costs of department. (1) For the biennium beginning July 1, 2017, the Department of Education may retain up to one and one-half percent of the High School Graduation and College and Career Readiness Fund for purposes of administering ORS 327.853 to 327.895.

(2) For biennia beginning on or after July 1, 2019, the department may retain up to one and one-quarter percent of the fund for purposes of administering ORS 327.853 to 327.895. [2017 c.1 §10]

Note: See note under 327.850.

327.889 Retention of moneys for administrative costs of school districts. (1) For the biennium beginning July 1, 2017, a school district may not use more than five percent of an apportionment under ORS 327.859 for administrative costs.

(2) For biennia beginning on or after July 1, 2019, a school district may not use more than four percent of an apportionment for administrative costs.

(3) A school district may not use an apportionment to administer activities not directly related to the programs, opportunities and strategies described in ORS 327.865, 327.868 and 327.871.

(4) From the portion of the apportionment used for administrative costs, a school district must conduct an annual analysis of:

(a) Student attendance in grades 9 through 12; and

(b) Disciplinary referrals, suspensions and expulsions in grades 9 through 12 disaggregated by race and ethnicity. [2017 c.1 §15]

Note: See note under 327.850.

327.892 Oversight and accountability by department. To ensure the High School Graduation and College and Career Readiness Fund improves students' progress toward graduation beginning with grade 9, graduation rates and college and career readiness, the Department of Education shall:

(1) Monitor the performance of school districts that receive apportionments under ORS 327.859, including students' progress toward graduation beginning with grade 9, graduation rates, rates of college attendance and need for remedial classes in college;

(2) Intervene where necessary to ensure appropriate and effective use of amounts apportioned under ORS 327.859; and

(3) Facilitate continuous improvement of use of amounts apportioned under ORS 327.859 by implementing strategies for school districts to share best practices for improving students' progress toward graduation beginning with grade 9, graduation rates and college and career readiness. [2017 c.1 §9]

Note: See note under 327.850.

327.895 Financial and program audits by Secretary of State; reports to Legislative Assembly and Governor. (1) Not later than December 31, 2020, and every two years thereafter, the Secretary of State shall conduct financial and program audits of the uses of the High School Graduation and College and Career Readiness Fund and the effectiveness of the fund in achieving the purposes of the fund.

(2) The Secretary of State shall submit the audit reports to the Legislative Assembly and the Governor. [2017 c.1 §11]

Note: See note under 327.850.

327.990 [Amended by 1957 c.626 §5; repealed by 1965 c.100 §456]