Chapter 327

2011 EDITION

State Financing of Elementary and Secondary Education

STATE SCHOOL FUND

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STATE SCHOOL FUND

327.005 [Repealed by 1957 c.612 §1 (327.006 enacted in lieu of 327.005)]

327.006 Definitions. 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.

(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).

(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) 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 admitted to a school district under ORS 339.115 (7).

(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.718 §§14,15]

Note 1: The amendments to 327.006 by section 11, chapter 846, Oregon Laws 2007, become operative June 30, 2012. See section 19, chapter 846, Oregon Laws 2007. The text that is operative until June 30, 2012, including amendments by section 14, chapter 718, Oregon Laws 2011, is set forth for the user's convenience.

327.006. As used in ORS 327.006 to 327.133, 327.348, 327.355, 327.357, 327.360 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.

(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 received as provided by ORS 339.133 (5).

(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) 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 admitted to a school district under ORS 339.115 (7).

(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.

Note 2: The amendments to 327.006 by section 7, chapter 704, Oregon Laws 2011, become operative July 1, 2015. See section 14, chapter 704, Oregon Laws 2011. The text that is operative on and after July 1, 2015, 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).

(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) 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 admitted to a school district under ORS 339.115 (7).

(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) There is established a State School Fund in the General Fund. The fund shall consist of moneys appropriated by the Legislative Assembly and moneys transferred from the Education Stability Fund. 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, 342.173, 343.243, 343.533 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) 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.

(4) There shall be apportioned from the State School Fund the amount to be transferred to the Regional Educational Services Account as calculated under ORS 327.009.

(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 $25 million in any biennium. If the total amount to be distributed as fa-

cility 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.

(9) Each fiscal year, the Department of Education shall transfer the amount of $18 million from the State School Fund to the High Cost Disabilities Account established in ORS 327.348.

(10) 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.

(11) Each biennium, the Department of Education may expend up to $800,000 from the State School Fund for the administration of ORS 326.133 and 326.136.

(12) 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.

(13) 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. [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]

Note: The amendments to 327.008 by section 12, chapter 846, Oregon Laws 2007, become operative June 30, 2012. See section 19, chapter 846, Oregon Laws 2007. The text that is operative until June 30, 2012, including amendments by section 36, chapter 705, Oregon Laws 2011, is set forth for the user's convenience.

327.008. (1) There is established a State School Fund in the General Fund. The fund shall consist of moneys appropriated by the Legislative Assembly and moneys transferred from the Education Stability Fund. 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, 327.355, 327.357, 327.360, 336.575, 336.580, 336.635, 342.173, 343.243, 343.533 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) 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.

(4) There shall be apportioned from the State School Fund the amount to be transferred to the Regional Educational Services Account as calculated under ORS 327.009.

(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 $25 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.

(9) Each fiscal year, the Department of Education shall transfer the amount of $18 million from the State School Fund to the High Cost Disabilities Account established in ORS 327.348.

(10) 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 ORS 327.360.

(11) 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.

(12) Each biennium, the Department of Education may expend up to $800,000 from the State School Fund for the administration of ORS 326.133 and 326.136.

(13) 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.

(14) 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.

Note: Section 4, chapter 20, Oregon Laws 2011, provides:

Sec. 4. Notwithstanding ORS 327.008 and 327.013, for the biennium beginning July 1, 2011, the Department of Education:

(1) May not expend any moneys from the State School Fund for the administration of ORS 326.133 and 326.136.

(2) May expend up to $968,000 from the State School Fund for the contract described in ORS 329.488.

(3) May expend up to $1,584,000 from the State School Fund for the purposes of the Oregon Virtual School District. [2011 c.20 §4]

327.009 Transfers from State School Fund to Regional Educational Services Account. (1) Each fiscal year, the Superintendent of Public Instruction shall transfer from the State School Fund to the Regional Educational Services Account established by ORS 334.820 the amount calculated as provided by this section.

(2)(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, programs and the Office of Regional Educational Services + 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 0.25 percent.

(c) The superintendent shall transfer the amount calculated under paragraph (b) of this subsection to the Regional Educational Services Account. [2011 c.705 §34]

Note: 327.009 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.

327.010 [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 lesser 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]

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 (1)(b) 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 as a second language 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 children 5 to 17 years of age in poverty families in the district, as determined by the Department of Education from a report of the United States Department of Education based on the most recent federal decennial census, as adjusted by the school district's proportion of students in the county receiving free or reduced price lunches under the United States Department of Agriculture's current Income Eligibility Guidelines if the number is higher than the number determined from census data and only if the school district had an average daily membership of 2,500 or less for the 1995-1996 school year, and as further adjusted by the number of students in average daily membership in June of the year of distribution divided by number of students in average daily membership in the district, or its predecessors, in June of the year of the most recent federal decennial census;

(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]

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]

327.017 [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, programs and the Office of Regional Educational Services + 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 × (4.5 ÷ 95.5); or

(B) $1 million 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 to-

gether to form a new education service district; and

(B) A component education service district that received $1 million as provided by paragraph (a)(B) of this subsection shall be entitled to receive $1 million 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 × 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 million or more.

(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]

Note: The amendments to 327.019 by section 13, chapter 846, Oregon Laws 2007, become operative June 30, 2012. See section 19, chapter 846, Oregon Laws 2007. The text that is operative until June 30, 2012, including amendments by section 13, chapter 705, Oregon Laws 2011, 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, programs and the Office of Regional Educational Services + 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, 327.348, 327.355, 327.357 and 327.360 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 × (4.5 ÷ 95.5); or

(B) $1 million 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 $1 million as provided by paragraph (a)(B) of this subsection shall be entitled to receive $1 million 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 × 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 million or more.

(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]

327.023 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 placed by the state in long term care or treatment facilities 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.

(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. [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]

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 be entitled to 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 ADM multiplied by 2.0 multiplied by the additional per student weight, as calculated in ORS 327.013 (1)(c)(A)(i), multiplied by Funding Percentage and further multiplied by Statewide Target per ADMw Grant.

(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

(B) Is 21 years of age or older.

(3) The Juvenile Detention Education Program shall be entitled to 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 ADM multiplied by 1.5 multiplied by Funding Percentage and further multiplied by Statewide Target per ADMw Grant.

(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]

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

(2) 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; and

(b) Shall include the costs to retrofit, as defined in ORS 468A.795, or to replace school buses 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 retrofit or to replace school buses for the purpose of reducing or eliminating diesel engine emissions.

(3) School districts shall account separately for those funds received from the State School Fund attributable to the costs included under subsection (2) of this section, and expenditure of those funds shall be limited as follows:

(a) The expenditure of funds attributable to costs under subsection (2)(a) of this section shall be limited to the acquisition of new buses.

(b) The expenditure of funds attributable to costs under subsection (2)(b) of this section shall be limited to the costs to retrofit, as defined in ORS 468A.795, or to replace school buses for the purpose of reducing or eliminating diesel engine emissions. [1991 c.780 §7a; 2007 c.855 §3; 2009 c.458 §1]

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 school may qualify as a remote small elementary school if the average daily membership in grades one through eight for an elementary school teaching:

(a) Eight grades is below 224.

(b) Seven grades is below 196.

(c) Six grades is below 168.

(d) Five grades is below 140.

(e) Four grades is below 112.

(f) Three grades is below 84.

(g) Two grades is below 56.

(h) One grade is below 28.

(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 = {224 − (ADMa ÷ (number of grades in the school ÷ eight))} × 0.0045 × ADMa × 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 − (ADMa ÷ (number of grades in the school ÷ four))} × 0.0029 × 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 nonchartered 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.710 §§1,2]

Note 1: The amendments to 327.077 by section 7, chapter 705, Oregon Laws 2009, become operative July 1, 2012. See section 8, chapter 705, Oregon Laws 2009. The text that is operative until July 1, 2012, including amendments by section 1, chapter 710, Oregon Laws 2011, is set forth for the user's convenience.

327.077. (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 school may qualify as a remote small elementary school if the average daily membership in grades one through eight for an elementary school teaching:

(a) Eight grades is below 224.

(b) Seven grades is below 196.

(c) Six grades is below 168.

(d) Five grades is below 140.

(e) Four grades is below 112.

(f) Three grades is below 84.

(g) Two grades is below 56.

(h) One grade is below 28.

(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 = {224 – (ADMa ÷ (number of grades in the school ÷ eight))} × 0.0045 × ADMa × 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 – (ADMa ÷ (number of grades in the school ÷ four))} × 0.0029 × 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 nonchartered 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 (2), (4), (5) and (8)(a) and (c) of this section, if two elementary schools merge and prior to the merger at least one of the elementary schools qualified as a remote small elementary school under this section, the Department of Education shall continue to add an additional amount pursuant to subsection (5) of this section to the ADMw of the school district in which the new merged elementary school is located. The amount added under this subsection shall equal the additional amount that each of the former remote small elementary schools would have received under this section for the remote small elementary school based on the ADMa of each of the elementary schools prior to the merger.

(b) This subsection applies only to elementary schools located in counties with a population of less than 2,000 and a total area of not more than 1,000 square miles.

(11)(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.

Note 2: The amendments to 327.077 by section 8, chapter 704, Oregon Laws 2011, become operative July 1, 2015. See section 14, chapter 704, Oregon Laws 2011. The text that is operative on and after July 1, 2015, is set forth for the user's convenience.

327.077. (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 − (ADMa ÷ (number of grades in the school ÷ nine))} × 0.0045 × ADMa × 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 − (ADMa ÷ (number of grades in the school ÷ four))} × 0.0029 × 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 nonchartered 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.

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 Kindergarten apportionment. (1) School districts which operate kindergartens that conform to the standards and rules adopted by the State Board of Education shall be eligible for apportionments from the State School Fund on the basis of resident average daily membership in the kindergartens.

(2) The apportionments shall be paid in the same manner as other apportionments from the State School Fund are paid. Computation of the amounts due each district operating a kindergarten shall be made by the Superintendent of Public Instruction pursuant to rules of the State Board of Education. The rules shall establish a method of computation that is consistent with the method of computation of other apportionments from the State School Fund. [1973 c.707 §6]

Note: 327.082 is repealed July 1, 2015. See sections 13 and 14, chapter 704, Oregon Laws 2011.

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 oc-

curred 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 pertaining 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 deci-

sion 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 on and after July 1, 1997, shall be considered nonstandard under ORS 327.103.

(2) This section shall not apply to any school district not required to merge under section 2 (3) or (4), chapter 393, Oregon Laws 1991.

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

(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 paragraph (b) of this subsection. [1991 c.393 §3; 1995 c.659 §2; 1997 c.521 §13]

Note: The amendments to 327.106 by section 4, chapter 704, Oregon Laws 2011, become operative July 1, 2015, and first apply to the 2015-2016 school year. See sections 6 and 14, chapter 704, Oregon Laws 2011. The text that is operative on and after July 1, 2015, is set forth for the user's convenience.

327.106. (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.

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. 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. [Amended by 1963 c.570 §8; 1965 c.100 §29; 1989 c.491 §6; 1991 c.780 §17; 2007 c.846 §14]

Note: The amendments to 327.125 by section 14, chapter 846, Oregon Laws 2007, become operative June 30, 2012. See section 19, chapter 846, Oregon Laws 2007. The text that is operative until June 30, 2012, 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, 327.355, 327.357, 327.360 and 327.731. The State Board of Education shall adopt all necessary rules not inconsistent with ORS 327.006 to 327.133, 327.348, 327.355, 327.357, 327.360 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) 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. 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. Any district failing to file a copy of its audit report under this section or ORS 327.133 shall not receive any payments

from the State School Fund until such reports are filed.

(2) Notwithstanding the timeline provided by this section and 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 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]

Note: The amendments to 327.137 by section 15, chapter 846, Oregon Laws 2007, become operative June 30, 2012. See section 19, chapter 846, Oregon Laws 2007. The text that is operative until June 30, 2012, including amendments by section 3, chapter 316, Oregon Laws 2011, is set forth for the user's convenience.

327.137. (1) 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. 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, 327.355, 327.357, 327.360, 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. Any district failing to file a copy of its audit report under this section or ORS 327.133 shall not receive any payments from the State School Fund until such reports are filed.

(2) Notwithstanding the timeline provided by this section and 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 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 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 and full-day kindergarten 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 average daily membership as defined in ORS 327.006 multiplied by 2.0;

(C) For the Juvenile Detention Education Program, the average daily membership as defined in ORS 327.006 multiplied by 1.5; 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.705 §18]

Note: The amendments to 327.297 by section 9, chapter 704, Oregon Laws 2011, become operative July 1, 2015. See section 14, chapter 704, Oregon Laws 2011. The text that is operative on and after July 1, 2015, is set forth for the user's convenience.

327.297. (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 average daily membership as defined in ORS 327.006 multiplied by 2.0;

(C) For the Juvenile Detention Education Program, the average daily membership as defined in ORS 327.006 multiplied by 1.5; 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.

(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, multipurpose 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 293.820. 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 × (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) × 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 as Second Language Teacher Training Grants)

327.345 Grants for training English as second language teachers; qualifications; use; rules. (1) As used in this section, "ESL student" means a student who is eligible for and enrolled in an English as a second language 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 as a second language teachers.

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

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

(b) That serves ESL 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 ESL students or bilingual students in any school year; or

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

(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)

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

Note: 327.355 is repealed June 30, 2012. See sections 18 and 19, chapter 846, Oregon Laws 2007. 327.355 (2009 Edition) is set forth for the user's convenience.

327.355 Definitions for ORS 327.357. As used in this section and ORS 327.357:

(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.

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

Note: 327.357 is repealed June 30, 2012. See sections 18 and 19, chapter 846, Oregon Laws 2007. 327.357 (2009 Edition) is set forth for the user's convenience.

327.357 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.

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

Note: 327.360 is repealed June 30, 2012. See sections 18 and 19, chapter 846, Oregon Laws 2007. 327.360 (2009 Edition) is set forth for the user's convenience.

327.360 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 ORS 327.357.

(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 public 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]

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, and 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. All such proceeds shall become a part of the Common School Fund. Except as otherwise provided by law, the income from the Common School 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]

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]

327.425 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 except as otherwise specified in ORS 348.050 (3). 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 and in ORS 348.050 (4), 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 293.820. 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) Except as provided in ORS 348.050 (3), 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]

327.430 Security for loans. (1) The principal and interest of all loans shall be paid in lawful money of the United States.

(2) Except for loans to students authorized by ORS 348.050, 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]

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 Ore-

gon is not entitled to an accounting from the purchaser, the assignee, or successor in interest, 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 any loss. 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 loss which may result from the failure of any student to repay the amounts loaned to the student under ORS 348.050, and for any amount which 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]

327.483 [1963 c.570 §32a; repealed by 1965 c.100 §456]

327.484 Reimbursement for loss or failure to earn four percent interest. Moneys may be withdrawn periodically from the General Fund by order of the Department of State Lands to be credited to the Common School Fund to reimburse the Common School Fund for any loss which may result from the failure of any student to repay the amounts loaned to the student under ORS 348.050 and annually on July 1 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]

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, community college districts and any institutions of higher education in this state for the purpose of carrying out experimental and demonstration programs to improve teaching and teacher education in this state are hereby continuously appropriated for such purpose. [1961 c.588 §6; 1965 c.100 §39; 1989 c.491 §9]

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 demonstrates 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 lunch reimbursement; rules. (1) The Department of Education shall reimburse a school district, government agency or community group five cents for every 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) The State Board of Education may adopt any rules necessary for the administration of this section. [2005 c.701 §1]

327.530 [Repealed by 1965 c.100 §456]

327.535 School breakfast program; waiver; district election based on federal funding; reimbursement. (1) Subject to subsections (2) and (3) 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.

(2) A school district that makes breakfast accessible as provided under subsection (1) 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.

(3) 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.

(4) 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]

327.540 School afterschool meal and snack program; grants. (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 Afterschool Meal and Snack Program.

(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 enable participation in the United States Department of Agriculture's Afterschool Meal and Snack Program. Each grant may not exceed $10,000 and must be used to:

(a) Purchase 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; and

(c) Fund participant outreach activities and materials.

(3) The Department of Education 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. [2011 c.711 §1]

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]

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 proceeds 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 Construction, 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]

327.990 [Amended by 1957 c.626 §5; repealed by 1965 c.100 §456]