

CHAPTER 43

AN ACT

HB 4026

Relating to state moneys for school districts impacted by wildfires; and declaring an emergency.

Whereas wildfires raged through several Oregon communities in 2020, causing devastation to the communities and to families and public schools in the communities; and

Whereas many of these wildfire-impacted communities are overrepresented by populations historically marginalized because of poverty, housing insecurity, race or ethnicity; and

Whereas students in wildfire-impacted school districts lost their permanent housing and all of their belongings; and

Whereas the families in these wildfire-impacted communities lost power, Internet access, television service and telephone service; and

Whereas many families of students who are residents of wildfire-impacted school districts had to relocate to stable housing outside of the school district in the aftermath of this tragedy; and

Whereas the schools of these wildfire-impacted areas are the hearts of the communities and are critical to their efforts to rebuild; and

Whereas Oregon's commitment to its most vulnerable students has been matched with renewed commitment to educational funding through the Student Success Act; and

Whereas the voters of this state expressed a commitment to improving the graduation rates and the college and career readiness of high school students by enacting Ballot Measure 98 (2016), which is also known as the High School Graduation and College and Career Readiness Act; and

Whereas school districts severely impacted by the devastation of the 2020 wildfires in the midst of the global COVID-19 pandemic have a uniquely urgent need to have stable funding to enable them to fully recover; now, therefore,

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

SECTION 1. Sections 2 and 4 of this 2022 Act are added to and made a part of ORS chapter 327.

SECTION 2. (1) As used in this section:

(a) "ADMw" means the weighted average daily membership of a school district, as calculated under ORS 327.013 (1)(c)(A), minus any ADMw attributable to a virtual public charter school, as defined in ORS 338.005.

(b) "District ADM" means the average daily membership, as defined in ORS 327.006, for a school district, minus any ADM attributable to a virtual public charter school, as defined in ORS 338.005.

(c) "District extended ADMw" means the ADMw or ADMw of the prior year, whichever is greater.

(d) "2020 wildfires" includes all wildfires that were identified in an executive order issued by the Governor in accordance with the Emergency Conflagration Act under ORS 476.510 to 476.610 between August 1 and September 30, 2020.

(2) In addition to distributions made from the State School Fund and the Student Investment Account and apportionments made from the High School Graduation and College and Career Readiness Fund, the Department of Education shall award grants each school year to wildfire-impacted school districts as provided by this section.

(3) A school district may apply for a grant under this section if:

(a) The district ADM, as compared to the district ADM for the 2019-2020 school year, decreased for any school year occurring after the 2019-2020 school year; and

(b) The school district can demonstrate that one or more of the following occurred:

(A) One or more school buildings of the school district were damaged as the result of the 2020 wildfires and that damage resulted in students being displaced from the building or the building being closed to students;

(B) Housing within the boundaries of the school district was damaged as a result of the 2020 wildfires and that damage resulted in students being displaced from the school district; or

(C) Any other circumstances identified by the State Board of Education by rule as being directly related to the 2020 wildfires and causing a decrease in the district ADM.

(4)(a) Except as provided by subsection (5) of this section, the amount of a grant awarded under this section shall equal the greater of the sum calculated under paragraph (b) or (c) of this subsection.

(b) The following shall be added to determine the difference in amounts distributed to a school district based on ADMw:

(A) The difference between the following, in relation to distributions from the State School Fund under ORS 327.013:

(i) The amount that would have been distributed to the school district for the current school year from the State School Fund under ORS 327.013, as calculated based on the district extended ADMw for the 2019-2020 school year; and

(ii) The amount actually distributed to the school district for the current school year from the State School Fund under ORS 327.013, as calculated based on the district extended ADMw for the current school year;

(B) The difference between the following, in relation to distributions from the Student Investment Account under ORS 327.195:

(i) The amount that would have been distributed to the school district for the current school year from the Student Investment Ac-

count under ORS 327.195, as calculated based on the district extended ADMw for the 2019-2020 school year; and

(ii) The amount actually distributed to the school district for the current school year from the Student Investment Account under ORS 327.195, as calculated based on the district extended ADMw for the current school year; and

(C) The difference between the following, in relation to apportionments from the High School Graduation and College and Career Readiness Fund under ORS 327.859:

(i) The amount that would have been apportioned to the school district for the current school year from the High School Graduation and College and Career Readiness Fund under ORS 327.859, as calculated based on the district extended ADMw for the 2019-2020 school year; and

(ii) The amount actually apportioned to the school district for the current school year from the High School Graduation and College and Career Readiness Fund under ORS 327.859, as calculated based on the district extended ADMw for the current school year.

(c) The following shall be added to determine the difference in amounts distributed to a school district based on district ADM:

(A) The difference between the following, in relation to distributions from the State School Fund under ORS 327.013:

(i) The amount that would have been distributed to the school district for the current school year from the State School Fund under ORS 327.013, as calculated based on the district ADM for the 2019-2020 school year; and

(ii) The amount actually distributed to the school district for the current school year from the State School Fund under ORS 327.013, as calculated based on the district ADM for the current school year;

(B) The difference between the following, in relation to distributions from the Student Investment Account under ORS 327.195:

(i) The amount that would have been distributed to the school district for the current school year from the Student Investment Account under ORS 327.195, as calculated based on the district ADM for the 2019-2020 school year; and

(ii) The amount actually distributed to the school district for the current school year from the Student Investment Account under ORS 327.195, as calculated based on the district ADM for the current school year; and

(C) The difference between the following, in relation to apportionments from the High School Graduation and College and Career Readiness Fund under ORS 327.859:

(i) The amount that would have been apportioned to the school district for the current school year from the High School Graduation and College and Career Readiness Fund under

ORS 327.859, as calculated based on the district ADM for the 2019-2020 school year; and

(ii) The amount actually apportioned to the school district for the current school year from the High School Graduation and College and Career Readiness Fund under ORS 327.859, as calculated based on the district ADM for the current school year.

(5) The department may prorate the amount of a grant calculated under subsection (4) of this section if the department finds, based on rules adopted by the State Board of Education, that only a portion of the decrease in district ADM, as compared to the 2019-2020 school year, is attributable to the 2020 wildfires.

(6) A school district may qualify for a grant under this section only for school years in which the district ADM for the current school year is less than the district ADM for the 2019-2020 school year.

(7)(a) The department shall award grants under this section from moneys available in the School Stabilization Subaccount for Wildfire-impacted School Districts established under section 4 of this 2022 Act.

(b) When awarding a grant, the department shall identify the portion of the grant that is attributable to:

(A) Distributions from the State School Fund under ORS 327.013;

(B) Distributions from the Student Investment Account under ORS 327.195; and

(C) Apportionments from the High School Graduation and College and Career Readiness Fund under ORS 327.859.

(c) A school district that receives a grant under this section shall use the portions of the grant for the purposes for which the portions were intended, including:

(A) Using the portion of the grant attributable to distributions from the Student Investment Account in a manner that is consistent with how the school district uses other distributions from the account; and

(B) Using the portion of the grant attributable to apportionments from the High School Graduation and College and Career Readiness Fund in a manner that is consistent with how the school district uses other apportionments from the fund.

(8) The State Board of Education shall adopt any rules necessary for the administration of this section, including adopting a reporting requirement to ensure compliance with the provisions of subsection (7)(c) of this section.

SECTION 3. (1) Section 2 of this 2022 Act applies to State School Fund and Student Investment Account distributions and to High School Graduation and College and Career Readiness Fund apportionments made for the 2021-2022, 2022-2023, 2023-2024 and 2024-2025 school years.

(2) The Department of Education shall award grants under section 2 of this 2022 Act to qualifying school districts for the 2021-2022, 2022-2023, 2023-2024 and 2024-2025 school years.

SECTION 4. (1) The School Stabilization Subaccount for Wildfire-impacted School Districts is established within the Statewide Education Initiatives Account.

(2) Interest earned on the School Stabilization Subaccount for Wildfire-impacted School Districts shall be credited to the subaccount.

(3) The School Stabilization Subaccount for Wildfire-impacted School Districts shall consist of moneys transferred to the subaccount from the Statewide Education Initiatives Account.

(4) Moneys in the School Stabilization Subaccount for Wildfire-impacted School Districts are continuously appropriated to the Department of Education for the purpose described in section 2 of this 2022 Act.

SECTION 5. In addition to the uses of the Statewide Education Initiatives Account that are authorized under ORS 327.254, the Department of Education shall transfer \$25 million from the Statewide Education Initiatives Account to the School Stabilization Subaccount for Wildfire-impacted School Districts established under section 4 of this 2022 Act for the purpose of awarding grants as provided by section 2 of this 2022 Act.

SECTION 6. Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 6 (4), chapter 603,

Oregon Laws 2021, for the biennium ending June 30, 2023, as the maximum limit for payment of grants-in-aid, program costs and purchased services from fees, moneys or other revenues, including Miscellaneous Receipts, but excluding lottery funds, corporate activity tax funds and federal funds, collected or received by the Department of Education for programs other than those specified in sections 5 and 14, chapter 603, Oregon Laws 2021, for all other grants, is increased by \$12,500,000, for expenditures from the School Stabilization Subaccount for Wildfire-impacted School Districts established in section 4 of this 2022 Act.

SECTION 7. Sections 2 and 4 of this 2022 Act are repealed on July 1, 2025.

SECTION 8. (1) On July 1, 2025, the School Stabilization Subaccount for Wildfire-impacted School Districts established under section 4 of this 2022 Act is abolished.

(2) Any moneys remaining in the School Stabilization Subaccount for Wildfire-impacted School Districts on July 1, 2025, shall be transferred to the Statewide Education Initiatives Account.

SECTION 9. This 2022 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2022 Act takes effect on its passage.

Approved by the Governor March 23, 2022

Filed in the office of Secretary of State March 30, 2022

Effective date March 23, 2022