

CHAPTER 4

AN ACT HB 4011
[2002 First Special Session]

Relating to payments from State School Fund; creating new provisions; amending ORS 327.095 and sections 11 and 12, chapter 890, Oregon Laws 2001; and declaring an emergency.

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

SECTION 1. ORS 327.095 is amended to read:

327.095. (1) *[Except as provided in subsection (2) of this section,]* Funds due school districts under ORS 327.008 and 327.013 shall be paid *[approximately 16-2/3 percent on August 15,]* approximately eight and one-third percent on the 15th day of each of the months of **July, August, September,** October, November, December, January, February, March, *[and]* April and *[the balance on May 15]* **May and the balance on June 15.** An equitable apportionment based on the most recent data available shall be made on the installment dates prior to *[May]* **June 15.** If such payments are too high or too low, appropriate adjustments shall be made in the *[May]* **June 15** payments. However, if the reports required by ORS 327.133 have not been received from any district when due, no further apportionments shall be made to such district until such reports are filed.

[(2) A portion of the August 15 through January 15 payments due school districts that adopt a class schedule that operates throughout the year for all or any schools in the district shall, at the option of such district, be paid on July 15 and September 15. The portion of funds that are paid on July 15 and September 15 shall be in the same proportion that the average daily membership of the schools that operate throughout the year bears to the total average daily membership of the school district.]

[(3) Any school district that operates a school throughout the year and wants payments on July 15 and September 15 as provided in subsection (2) of this section shall apply to the Superintendent of Public Instruction prior to July 1 for such payment. The superintendent shall prescribe uniform application forms for such purpose.]

[(4)] **(2)** If the combined estimated level of ADMw under ORS 327.013 (7) 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]* **June 15** distribution.

SECTION 2. The amendments to ORS 327.095 by section 1 of this 2002 Act become operative on July 1, 2003.

SECTION 3. Section 11, chapter 890, Oregon Laws 2001, is amended to read:

Sec. 11. (1) For the 2001-2002 fiscal year, the Department of Education shall set aside \$2,329,700,000 from the State School Fund for distribution as grants to school districts and programs and for recovery by the Department of Education for special education programs under ORS 343.243.

(2) For the 2002-2003 fiscal year, the Department of Education shall set aside ~~[\$2,439,744,142]~~ **\$2,444,667,142** from the State School Fund for distribution as grants to school districts and programs and for recovery by the Department of Education for special education programs under ORS 343.243.

SECTION 4. Section 12, chapter 890, Oregon Laws 2001, is amended to read:

Sec. 12. (1) For the 2001-2002 fiscal year, the Department of Education shall set aside \$94,400,000 from the State School Fund for distribution as grants to education service districts.

(2) For the 2002-2003 fiscal year, the Department of Education shall set aside ~~[\$97,800,000]~~ **\$92,877,000** from the State School Fund for distribution as grants to education service districts.

SECTION 5. Section 6 of this 2002 Act is added to and made a part of sections 2 to 7, chapter 695, Oregon Laws 2001.

SECTION 6. (1) For the fiscal year beginning July 1, 2002, the Superintendent of Public Instruction shall calculate the distribution amount from the State School Fund to education service districts as described in sections 2 to 7, chapter 695, Oregon Laws 2001, based on the total amount of **\$97,800,000.**

(2) For the fiscal year beginning July 1, 2002, the superintendent shall calculate an education service district grant adjustment for each education service district equal to $(\$4,923,000 \div \text{the total education service district ADMw for all education service districts}) \times \text{education service district extended ADMw}.$

(3) For the fiscal year beginning July 1, 2002, notwithstanding section 7 (5)(a), chapter 695, Oregon Laws 2001, the superintendent shall, for each education service district, subtract the grant adjustment calculated under subsection (2) of this section from the amount calculated under section 7 (5)(a), chapter 695, Oregon Laws 2001.

SECTION 7. Sections 5 and 6 of this 2002 Act and the amendments to sections 11 and 12, chapter 890, Oregon Laws 2001, by sections 3 and 4 of this 2002 Act become operative on July 1, 2002, only if prior to July 1, 2002, the Superintendent of Public Instruction:

(1) Determines that the amount appropriated to the Department of Education for the School Improvement Fund under section 1, chapter 889, Oregon Laws 2001, has been reduced by the Legislative Assembly by an amount that is greater than \$100 million; and

(2) Notifies the Legislative Revenue Officer of that determination.

SECTION 8. This 2002 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is de-

clared to exist, and this 2002 Act takes effect on its passage.

Approved by the Governor February 25, 2002

Filed in the office of Secretary of State February 25, 2002

Effective date February 25, 2002
