

**A-Engrossed**  
**Senate Bill 38**

Ordered by the Senate March 22  
Including Senate Amendments dated March 22

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre-session filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Senator Frank Morse)

**SUMMARY**

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

*[Creates Task Force on Kindergarten through Grade 12 Fiscal Reform.]*

*[Directs Superintendent of Public Instruction to contract with consultant to facilitate work of task force.]*

**Directs Quality Education Commission to analyze operation of funding mechanisms for Oregon's kindergarten through grade 12 public education system.**

*[Creates]* **Requires commission to consult with and report to** Joint Legislative Education Fiscal Reform Interim Committee.

Declares emergency, effective on passage.

**A BILL FOR AN ACT**

1  
2 Relating to school finance; and declaring an emergency.

3       Whereas the funding level for kindergarten through grade 12 public education for the 2005-2007  
4 biennium is unlikely to increase from the prior biennium; and

5       Whereas the likely funding level for the 2005-2007 biennium will not meet the increased cost of  
6 providing kindergarten through grade 12 public education; and

7       Whereas the likely funding level for the 2005-2007 biennium will result in less money for class-  
8 room instruction; and

9       Whereas less money for classroom instruction results in fewer teachers, larger classes, reduced  
10 class offerings and diminished classroom resources; and

11       Whereas classroom instruction, which is the ultimate point of service in the kindergarten  
12 through grade 12 public school system, is the most important of all spending priorities; and

13       Whereas of the total dollars allocated to kindergarten through grade 12 public education, op-  
14 portunities exist to redirect funds to increase the percentage allocated to classroom instruction; and

15       Whereas the kindergarten through grade 12 public school system includes the Department of  
16 Education, school districts and education service districts; now, therefore;

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

18       **SECTION 1. (1) The Quality Education Commission shall analyze the operation of the**  
19 **funding mechanisms for Oregon's kindergarten through grade 12 public education system.**

20 **As part of this analysis, the commission shall:**

21       **(a) Study the entire kindergarten through grade 12 public education system, including the**  
22 **Department of Education, school districts and education service districts;**

23       **(b) Identify all barriers within the kindergarten through grade 12 public education system**

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 that diminish resources available to the classroom;

2 (c) Identify statutes and rules relating to kindergarten through grade 12 public education  
3 that create barriers to providing additional resources to the classroom;

4 (d) Identify changes that could be made in school districts and education service districts  
5 that would result in economies of scale, including administrative functions that could be  
6 consolidated;

7 (e) Make recommendations for providing additional resources in the classroom;

8 (f) Make recommendations for gaining additional resources from the elimination of bar-  
9 riers or the amendment or repeal of statutes or rules and for directing or redirecting those  
10 additional resources toward:

11 (A) Reducing class size;

12 (B) Increasing the number of classroom teachers;

13 (C) Making available additional classroom support materials; and

14 (D) Increasing the number of courses offered to students; and

15 (g) Study classroom support services and recommend the level of support services that  
16 most effectively meets student achievement goals as established by law.

17 (2) The commission shall consult with the Joint Legislative Education Fiscal Reform In-  
18 terim Committee regarding the scope of the work required of the commission under this  
19 section and the resources necessary for that work. The resources may include consultants  
20 to facilitate the work of the commission. The department, as directed by the commission,  
21 may enter into contracts with consultants to provide facilitation services.

22 (3) If the department contracts with a consultant, the commission and department shall  
23 consult with the interim committee about the type of consultant required and the scope of  
24 the work of the consultant.

25 (4) At the request of the interim committee, the commission shall report to the interim  
26 committee about the progress of the commission in meeting the requirements of this section.

27 (5) The commission shall submit to the interim committee a final report that contains  
28 the analysis and recommendations of the commission no later than October 1, 2006.

29 (6) The department may accept contributions of moneys and assistance from the United  
30 States Government or its agencies or from any other source, public or private, and agree to  
31 conditions placed on the moneys not inconsistent with the duties of the commission under  
32 this section.

33 (7) All moneys received by the department under subsection (6) of this section shall be  
34 paid into the State Treasury and deposited in the Department of Education Account to the  
35 credit of the commission for the purpose of carrying out the duties of the commission under  
36 this section.

37 **SECTION 2.** (1) Notwithstanding ORS 759.445 and section 34, chapter 1093, Oregon Laws  
38 1999, any moneys in the School Technology Account established under ORS 759.445 on July  
39 1, 2005, are transferred on that date to the Department of Education Account to the credit  
40 of the Quality Education Commission.

41 (2) The Department of Education may use any moneys transferred to the Department  
42 of Education Account under this section for the administration of section 1 of this 2005 Act.

43 **SECTION 3.** (1) There is created the Joint Legislative Education Fiscal Reform Interim  
44 Committee consisting of the following members:

45 (a) The President of the Senate or the designee of the President.

1 (b) The chairperson or a Senate member of the following committees, appointed by the  
2 President:

3 (A) The Senate Interim Committee on Education;

4 (B) The Emergency Board subcommittee on education; and

5 (C) The Senate Interim Committee on Revenue.

6 (c) The Speaker of the House of Representatives or the designee of the Speaker.

7 (d) The chairperson or a House member of the following committees, appointed by the  
8 Speaker:

9 (A) The House Interim Committee on Education;

10 (B) The Emergency Board subcommittee on education; and

11 (C) The House Interim Committee on Revenue.

12 (e) Any additional members, appointed by the President and the Speaker for the purposes  
13 of making the appointments to the Joint Legislative Education Fiscal Reform Interim Com-  
14 mittee from each house bipartisan.

15 (2) The President and the Speaker or their designees shall serve as joint chairpersons of  
16 the interim committee.

17 (3) The interim committee shall provide input and direction to the Quality Education  
18 Commission on the scope of the work required of the commission under section 1 of this 2005  
19 Act and the resources necessary for that work.

20 (4) The interim committee may request information and periodic reports from the com-  
21 mission and from any consultant with whom the Department of Education may enter into a  
22 contract under section 1 of this 2005 Act.

23 (5) A majority of the members of the interim committee constitutes a quorum for the  
24 transaction of business.

25 (6) Official action by the interim committee requires the approval of a majority of the  
26 members of the interim committee.

27 (7) If there is a vacancy for any cause, the appointing authority shall make an appoint-  
28 ment to become immediately effective.

29 (8) The interim committee shall meet at times and places specified by the call of a  
30 chairperson or of a majority of the members of the interim committee.

31 (9) The interim committee may adopt rules necessary for the operation of the interim  
32 committee.

33 (10) The interim committee shall report to the Legislative Assembly in the manner pro-  
34 vided in ORS 192.245 at any time within 30 days after its final meeting or at such later time  
35 as the President and Speaker may designate.

36 (11) The Legislative Fiscal Office and the Legislative Revenue Office shall provide staff  
37 support to the committee.

38 (12) All agencies of state government, as defined in ORS 174.111, school districts and ed-  
39 ucation service districts are directed to assist the interim committee in the performance of  
40 its duties and, to the extent permitted by laws relating to confidentiality, to furnish such  
41 information and advice as the members of the interim committee consider necessary to  
42 perform their duties.

43 **SECTION 4.** Sections 1 and 3 of this 2005 Act are repealed on the date of the convening  
44 of the next regular biennial legislative session.

45 **SECTION 5.** This 2005 Act being necessary for the immediate preservation of the public

1 **peace, health and safety, an emergency is declared to exist, and this 2005 Act takes effect**  
2 **on its passage.**

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