

**A-Engrossed**  
**House Bill 2693**

Ordered by the House April 17  
Including House Amendments dated April 17

Sponsored by Representatives MCKEOWN, LIVELY (Presession filed.)

**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.

Establishes grant program under which Department of Education awards grants to school districts for percentage of certain student transportation costs for which school district does not receive any amount in distributions from State School Fund.

*[Allows school district to transport certain students on public transit.]*

Declares emergency, effective July 1, 2017.

**A BILL FOR AN ACT**

Relating to student transportation; and declaring an emergency.

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

**SECTION 1. Section 2 of this 2017 Act is added to and made a part of ORS chapter 327.**

**SECTION 2. (1) In addition to moneys distributed through the State School Fund, the Department of Education shall award grants to school districts for up to 50 percent of student transportation costs described in subsection (2) of this section.**

**(2) A school district may receive a grant under this section only for student transportation costs:**

**(a) For which the school district does not receive any amount in distributions from the State School Fund under ORS 327.013; and**

**(b) That are incurred by the school district for the provision of transportation to students on:**

**(A) A school bus, as defined in ORS 801.460;**

**(B) A school activity vehicle, as defined in ORS 801.455; or**

**(C) For students in grades 9 through 12, a commercial bus operated by a city or a county, a mass transit district established under ORS 267.010 to 267.390 or a transportation district established under ORS 267.510 to 267.650.**

**(3)(a) Each school district may apply to the Department of Education for a grant under this section.**

**(b) The department shall review and approve applications based on criteria established by the State Board of Education and shall award grants as provided by subsections (5) and (6) of this section.**

**(c) The applications must include the total amount of the student transportation costs described in subsection (2) of this section and the purposes for which the student transportation costs were incurred.**

**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 (4)(a) Notwithstanding ORS 338.155 (9), the department may not award a grant under this  
2 section directly to a public charter school.

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

6 (c) A public charter school that receives grant funds under this subsection shall use  
7 those funds for the student transportation costs described in subsection (2) of this section.

8 (5)(a) Subject to subsection (6) of this section, the amount of each grant for a school  
9 district = the school district's ADMw × (the total amount available for distribution to  
10 school districts as grants in each fiscal year ÷ the total ADMw of all school districts that  
11 receive a grant).

12 (b) As used in this subsection, "ADMw" means the extended weighted average daily  
13 membership as calculated under ORS 327.013, 338.155 (1) and 338.165 (2).

14 (6) If the total amount of grants applied for under subsection (3) of this section exceeds  
15 the total amount available for distribution to school districts under this section, the depart-  
16 ment:

17 (a) Shall prioritize school districts that had not been receiving any public moneys before  
18 the effective date of this 2017 Act for student transportation costs described in subsection  
19 (2) of this section; and

20 (b) May otherwise prioritize school districts or prorate distributions based on rules  
21 adopted by the State Board of Education.

22 (7) Each school district shall deposit the grant funds it receives under this section in a  
23 separate account and shall apply amounts in that account to pay for student transportation  
24 costs described in the school district's application.

25 (8) The State Board of Education may adopt any rules necessary for the administration  
26 of the grant program.

27 (9) Nothing in this section:

28 (a) Affects a school district's eligibility to receive a waiver as provided by ORS 327.043;  
29 or

30 (b) Authorizes the department to regulate a vehicle described in subsection (2)(b)(B) of  
31 this section.

32 **SECTION 3.** Section 2 of this 2017 Act applies to student transportation costs incurred  
33 on or after July 1, 2017.

34 **SECTION 4.** In addition to and not in lieu of any other appropriation, there is appropri-  
35 ated to the Department of Education, for the biennium beginning July 1, 2017, out of the  
36 General Fund, the amount of \$5,000,000, which shall be expended for the grant program es-  
37 tablished under section 2 of this 2017 Act.

38 **SECTION 5.** This 2017 Act being necessary for the immediate preservation of the public  
39 peace, health and safety, an emergency is declared to exist, and this 2017 Act takes effect  
40 July 1, 2017.