

**Enrolled**  
**House Bill 3510**

Sponsored by JOINT SPECIAL SESSION COMMITTEE

CHAPTER .....

AN ACT

Relating to school finance; creating new provisions; amending sections 2 and 19, chapter 795, Oregon Laws 2005; and declaring an emergency.

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

**SECTION 1.** For the biennium beginning July 1, 2005, the allocation from the Administrative Services Economic Development Fund, established by section 4, chapter 795, Oregon Laws 2005, to the Department of Education, for the State School Fund, is increased by \$42,245,000.

**SECTION 2.** Section 3 of this 2006 Act is added to and made a part of ORS 327.006 to 327.077.

**SECTION 3.** Notwithstanding ORS 327.008 and 327.019, the Superintendent of Public Instruction and the Department of Education may not distribute any moneys allocated to the State School Fund under section 1 of this 2006 Act to education service districts.

**SECTION 4.** Section 2, chapter 795, Oregon Laws 2005, is amended to read:

**Sec. 2.** All moneys in the Administrative Services Economic Development Fund as of July 1, 2005, and thereafter are reserved to meet the commitments of [*this 2005 Act*] **chapter 795, Oregon Laws 2005, and section 1 of this 2006 Act.**

**SECTION 5.** Section 19, chapter 795, Oregon Laws 2005, is amended to read:

**Sec. 19.** (1) The Oregon Department of Administrative Services shall establish by rule a process for allocating available moneys in the Administrative Services Economic Development Fund on a quarterly basis to fulfill the biennial allocations made in [*this 2005 Act*] **chapter 795, Oregon Laws 2005, and section 1 of this 2006 Act.** All quarterly allocations shall be set by the Oregon Department of Administrative Services.

(2) If, in any quarter, the moneys transferred from the State Lottery Fund to the Administrative Services Economic Development Fund are insufficient to pay for the quarterly allocations made in [*this 2005 Act*] **chapter 795, Oregon Laws 2005, and section 1 of this 2006 Act,** the Oregon Department of Administrative Services:

(a) Shall satisfy the debt service obligations for Westside Light Rail in the amount of \$19,932,040 prior to making any other allocations pursuant to [*this 2005 Act*] **chapter 795, Oregon Laws 2005, and section 1 of this 2006 Act.**

(b) Subject to paragraph (a) of this subsection, prior to making any other allocations pursuant to [*this 2005 Act*] **chapter 795, Oregon Laws 2005, and section 1 of this 2006 Act,** shall satisfy debt service obligations in the following amounts:

(A) Economic and Community  
Development Department..... \$ 48,422,618

- (B) Department of Education..... \$ 52,100,000
- (C) Housing and Community Services  
Department..... \$ 4,318,340
- (D) Oregon Department of  
Administrative Services..... \$ 1,569,762
- (E) Department of Higher  
Education..... \$ 5,541,048
- (F) Department of Transportation  
for rail and infrastructure  
projects..... \$ 22,152,507

(3) After the debt service obligations described in subsection (2) of this section are satisfied, if the remaining moneys transferred from the State Lottery Fund to the Administrative Services Economic Development Fund are insufficient to pay for the quarterly allocations made in [*this 2005 Act*] **chapter 795, Oregon Laws 2005, and section 1 of this 2006 Act**, these allocations shall be reduced proportionately in sufficient amounts to accommodate the revenue shortfall.

**SECTION 6. This 2006 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2006 Act takes effect on July 1, 2006.**

**Passed by House April 20, 2006**

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Chief Clerk of House  
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Speaker of House

**Received by Governor:**

.....M.,....., 2006

**Approved:**

.....M.,....., 2006

**Passed by Senate April 20, 2006**

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President of Senate

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Governor

**Filed in Office of Secretary of State:**

.....M.,....., 2006

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Secretary of State