

House Bill 2615

Sponsored by Representatives ROBLAN, FLORES, Senators JOHNSON, STARR; Representatives BEYER, BUCKLEY, CLEM, DALLUM, KOMP, MINNIS, WHISNANT, Senators BURDICK, MORSE (at the request of Chalkboard Project)

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 **as introduced**.

Creates School Revenue Forecast Committee. Directs committee to calculate for school districts and education service districts guaranteed funding requirement and State School Fund requirement.

Directs Governor to include amount in budget report that meets or exceeds State School Fund requirement. Directs Legislative Assembly to appropriate or allocate amount necessary to meet or exceed State School Fund requirement. Provides exception.

Directs Department of Education to provide each district information about amount of moneys available to district if State School Fund requirement is met.

A BILL FOR AN ACT

1
2 Relating to education.

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

4 **SECTION 1. As used in sections 1 to 5 of this 2007 Act:**

5 (1) "Average daily membership" and "ADM" have the meaning given those terms in ORS
6 **327.006.**

7 (2) "Consumer Price Index" has the meaning given that term in ORS 327.006.

8 (3) "Current expenditures" means the expenditures for the day-to-day operation of
9 schools. "Current expenditures" includes expenditures for staff salaries and benefits, supplies
10 and purchased services. "Current expenditures" does not include repayment of debts, trans-
11 fer payments, capital expenditures and expenditures for programs outside of the scope of a
12 preschool through grade 12 school and items that typically last more than one year.

13 (4) "District" means a school district or an education service district.

14 (5) "Forecast period" means a period consisting of the first six full school years subse-
15 quent to the date of issuance of an annual report by the School Revenue Forecast Committee
16 under section 3 of this 2007 Act.

17 **SECTION 2. (1) There is created the School Revenue Forecast Committee, consisting of**
18 **five members as follows:**

19 (a) A representative of the Oregon Department of Administrative Services, appointed by
20 the Director of the Oregon Department of Administrative Services, who shall serve as
21 chairperson of the committee.

22 (b) A representative of districts, appointed by the director.

23 (c) A representative of labor unions, appointed by the director.

24 (d) A representative of the Department of Education, appointed by the Superintendent
25 of Public Instruction.

26 (e) A representative of the business community, appointed by the director.

27 (2) In addition to the members appointed under subsection (1) of this section, the fol-

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 **lowing persons shall serve on the committee as advisory nonvoting members:**

2 **(a) The Legislative Revenue Officer or a designee.**

3 **(b) The Legislative Fiscal Officer or a designee.**

4 **(c) A member of the Senate, appointed by the President of the Senate.**

5 **(d) A member of the House of Representatives, appointed by the Speaker of the House**
 6 **of Representatives.**

7 **(3) The committee shall:**

8 **(a) Forecast a guaranteed funding requirement as calculated under section 3 of this 2007**
 9 **Act.**

10 **(b) Forecast a State School Fund requirement as determined under section 4 of this 2007**
 11 **Act.**

12 **(4) A majority of the voting members of the committee constitutes a quorum for the**
 13 **transaction of business.**

14 **(5) Official action by the committee requires the approval of a majority of the voting**
 15 **members of the committee.**

16 **(6) If there is a vacancy for any cause, the appointing authority shall make an appoint-**
 17 **ment to become immediately effective.**

18 **(7) The committee shall meet at times and places specified by the call of the chairperson**
 19 **or of a majority of the voting members of the committee.**

20 **(8) The Oregon Department of Administrative Services shall provide staff support to the**
 21 **committee.**

22 **(9) Members of the committee who are not members of the Legislative Assembly are not**
 23 **entitled to compensation, but may be reimbursed for actual and necessary travel and other**
 24 **expenses incurred by them in the performance of their official duties in the manner and**
 25 **amounts provided for in ORS 292.495. Claims for expenses incurred in performing functions**
 26 **of the committee shall be paid out of funds appropriated to the department for that purpose.**

27 **(10) All agencies of state government, as defined in ORS 174.111, and districts are di-**
 28 **rected to assist the committee in the performance of its duties and, to the extent permitted**
 29 **by laws relating to confidentiality, to furnish such information and advice as the members**
 30 **of the committee consider necessary to perform their duties.**

31 **SECTION 3. (1) Prior to September 1 of each even-numbered year, the School Revenue**
 32 **Forecast Committee shall issue a report to the Governor and the Legislative Assembly that**
 33 **specifies the guaranteed funding requirement for each year in the forecast period for all**
 34 **districts. The committee shall base all of the calculations required by this section on the**
 35 **most recent data provided to the Department of Education by districts.**

36 **(2) To calculate the guaranteed funding requirement, the committee shall determine:**

37 **(a) The total statewide average daily membership (ADM) for the 2006-2007 school year.**

38 **(b) The forecasted total statewide ADM for each year within the forecast period.**

39 **(c) The current expenditures of districts per ADM for the 2006-2007 school year and the**
 40 **current expenditures per ADM that would be necessary to maintain the 2006-2007 service**
 41 **level of districts for each year in the forecast period. The current expenditures of districts**
 42 **shall be the sum of the following components:**

43 **(A) Salary and benefits expenditures per ADM. To calculate the salary and benefits**
 44 **expenditures for the forecast period, the committee shall use the Employment Cost Index for**
 45 **total compensation for professional and related occupations issued by the Bureau of Labor**

1 **Statistics of the United States Department of Labor to forecast annual changes in salary and**
 2 **benefit expenditures.**

3 **(B) Supply and purchased service expenditures per ADM. To calculate the supply and**
 4 **purchased service expenditures for the forecast period, the committee shall use the Con-**
 5 **sumer Price Index to forecast annual changes in supply and purchased service expenditures.**

6 **(d) For each year in the forecast period, the unadjusted guaranteed funding requirement,**
 7 **which is equal to the current expenditures of districts per ADM multiplied by the forecasted**
 8 **total statewide ADM for that year.**

9 **(3) For each year in the forecast period, the committee shall assume that the Depart-**
 10 **ment of Education and the districts will implement policies that reduce the cost of providing**
 11 **kindergarten through grade 12 education without affecting the 2006-2007 service level and**
 12 **that districts will be awarded student achievement grants. Based on these assumptions, the**
 13 **committee shall calculate the guaranteed funding requirement for each year in the forecast**
 14 **period, which is equal to:**

15 **(a) The unadjusted guaranteed funding requirement for that year reduced, based on re-**
 16 **ductions in cost, by:**

- 17 **(A) 0.1 percent for the 2009-2010 school year;**
- 18 **(B) 0.5 percent for the 2010-2011 school year;**
- 19 **(C) 0.9 percent for the 2011-2012 school year;**
- 20 **(D) 1.3 percent for the 2012-2013 school year;**
- 21 **(E) 1.7 percent for the 2013-2014 school year; and**
- 22 **(F) 2.0 percent for each school year after the 2013-2014 school year; and**

23 **(b) Then increased, based on the expected award of student achievement grants, by:**

- 24 **(A) 2.9 percent for the 2011-2012 school year;**
- 25 **(B) 2.9 percent for the 2012-2013 school year;**
- 26 **(C) 2.9 percent for the 2013-2014 school year; and**
- 27 **(D) 6.8 percent for the 2014-2015 school year.**

28 **SECTION 4. (1) For each year in the forecast period, the School Revenue Forecast Com-**
 29 **mittee shall forecast the total of state, local and other revenues that are available to fund**
 30 **districts. The revenue forecast shall consist of the following:**

31 **(a) State revenues, which are the moneys from the General Fund and lottery that are**
 32 **available for current expenditures.**

33 **(b) Local revenues, which are the local revenues described in ORS 327.013 and 327.019.**

34 **(c) Other revenues, which are the revenues determined by the committee to be available**
 35 **to the districts for current expenditures. Other revenues include, but are not limited to, re-**
 36 **venues received by districts from the federal government, local governments, local option**
 37 **taxes, tuition, fees, earnings on investments, donations and taxes that are not included in**
 38 **paragraph (b) of this subsection.**

39 **(2) For each year in the forecast period, the committee shall determine the State School**
 40 **Fund requirement, which is the amount necessary to be appropriated or allocated to the**
 41 **State School Fund and which is equal to the guaranteed funding requirement calculated un-**
 42 **der section 3 of this 2007 Act minus the sum of local revenues and other revenues deter-**
 43 **mined under subsection (1) of this section.**

44 **SECTION 5. (1) For each fiscal year, the Department of Education shall calculate the**
 45 **amount available to each district from the State School Fund under ORS 327.006 to 327.133**

1 if an amount is appropriated or allocated to the State School Fund that meets the State
2 School Fund requirement under section 4 of this 2007 Act. Prior to January 1 of each year,
3 the department shall provide to each district the amount calculated for that district under
4 this section for the next fiscal year beginning on July 1.

5 (2) A district shall use the amount calculated for the district under this section in the
6 preparation of the budget of the district and for other matters relating to the expenditures
7 of the district, including collective bargaining, contractual commitments and program
8 changes.

9 **SECTION 6.** (1) The Governor shall include in the budget report prepared under ORS
10 291.216 a budget amount for the State School Fund that shall be equal to or greater than the
11 State School Fund requirement, determined under section 4 of this 2007 Act, for the two
12 fiscal years included in the budget report.

13 (2) The Governor may propose a budget amount for a fiscal year for the State School
14 Fund that is less than the State School Fund requirement if the Oregon Department of Ad-
15 ministrative Services projects that the balance of the Education Stability Fund on June 30
16 of the last year of the biennium in which the fiscal year is included is equal to or less than
17 0.25 percent of the amount that was accrued as revenues in the General Fund for that
18 biennium.

19 **SECTION 7.** (1) The Legislative Assembly shall appropriate or allocate an amount for the
20 State School Fund that shall be equal to or greater than the State School Fund requirement,
21 determined under section 4 of this 2007 Act, for the two fiscal years included in the budget
22 report prepared under ORS 291.216.

23 (2) The Legislative Assembly may appropriate or allocate an amount for a fiscal year for
24 the State School Fund that is less than the State School Fund requirement if the Oregon
25 Department of Administrative Services projects that the balance of the Education Stability
26 Fund on June 30 of the last year of the biennium in which the fiscal year is included is equal
27 to or less than 0.25 percent of the amount that was accrued as revenues in General Fund for
28 that biennium.

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