

HOUSE AMENDMENTS TO HOUSE BILL 2641

By COMMITTEE ON EDUCATION

April 12

1 On page 1 of the printed bill, delete lines 5 through 30 and delete pages 2 through 7 and insert:
2 “**SECTION 1.** ORS 327.013, as amended by section 2, chapter 4, Oregon Laws 2006, is amended
3 to read:

4 “327.013. The State School Fund distributions for school districts shall be computed as follows:

5 “(1) General Purpose Grant = Funding Percentage × Target Grant × District extended
6 ADMw.

7 “(2) The funding percentage shall be calculated by the Superintendent of Public Instruction to
8 distribute as nearly as practicable the total sum available for distribution of money.

9 “(3) Target Grant = Statewide Target per ADMw Grant + Teacher Experience Factor.

10 “(4) Statewide Target per ADMw Grant = \$4,500.

11 “(5) Teacher Experience Factor = \$25 × {District average teacher experience – statewide
12 average teacher experience}. ‘Average teacher experience’ means the average, in years, of teaching
13 experience of certified teachers as reported to the Department of Education.

14 “(6) District extended ADMw = ADMw or ADMw of the prior year, whichever is greater.

15 “(7)(a) Weighted average daily membership or ADMw = average daily membership + an addi-
16 tional amount computed as follows:

17 “(A) 1.0 for each student in average daily membership eligible for special education as a child
18 with disabilities under ORS 343.035, applicable to not to exceed 11 percent of the district’s ADM
19 without review and approval of the Department of Education. Children with disabilities eligible for
20 special education in adult local correctional facilities as defined in ORS 169.005 or adult regional
21 correctional facilities as defined in ORS 169.620 may not be included in the calculation of the 11
22 percent.

23 “(B) 0.5 for each student in average daily membership eligible for and enrolled in an English as
24 a second language program under ORS 336.079.

25 “(C) 0.2 for each student in average daily membership enrolled in a union high school district
26 or in an area of a unified school district where the district is only responsible for educating students
27 in grades 9 through 12 in that area.

28 “(D) -0.1 for each student in average daily membership enrolled in an elementary district op-
29 erating kindergarten through grade 6 or kindergarten through grade 8 or in an area of a unified
30 school district where the district is only responsible for educating students in kindergarten through
31 grade 8.

32 “(E) 0.25 times the sum of the following:

33 “(i) The number of children 5 to 17 years of age in poverty families in the district, as determined
34 by the Department of Education from a report of the federal Department of Education based on the
35 most recent federal decennial census, as adjusted by the school district’s proportion of students in

1 the county receiving free or reduced price lunches under the United States Department of Agriculture's current Income Eligibility Guidelines if the number is higher than the number determined
2 from census data and only if the school district had an average daily membership of 2,500 or less
3 for the 1995-1996 school year, and as further adjusted by the number of students in average daily
4 membership in June of the year of distribution divided by number of students in average daily
5 membership in the district, or its predecessors, in June of the year of the most recent federal
6 decennial census;

7
8 “(ii) The number of children in foster homes in the district as determined by the report of the
9 Department of Human Services to the federal Department of Education, ‘Annual Statistical Report
10 on Children in Foster Homes and Children in Families Receiving AFDC Payments in Excess of the
11 Poverty Income Level,’ or its successor, for October 31 of the year prior to the year of distribution;
12 and

13 “(iii) The number of children in the district in state-recognized facilities for neglected and de-
14 linquent children, based on information from the Department of Human Services for October 31 of
15 the year prior to the year of distribution.

16 “(F) An additional amount as determined by ORS 327.077 shall be added to the ADMw for each
17 remote small elementary school and for each small high school in the district.

18 “(G) All numbers of children used for the computation in this section must reflect any district
19 consolidations that have occurred since the numbers were compiled.

20 “(b) The total additional weight that shall be assigned to any student in average daily member-
21 ship in a district, exclusive of students described in paragraph (a)(E) and (F) of this subsection shall
22 not exceed 2.0.

23 “(8) High cost disabilities grant = the total amount received by a school district under ORS
24 327.348, for providing special education and related services to resident pupils with disabilities.

25 “(9)(a) Transportation grant equals:

26 “(A) 70 percent of approved transportation costs for those school districts ranked below the 80th
27 percentile under paragraph (b) of this subsection.

28 “(B) 80 percent of approved transportation costs for those school districts ranked in or above
29 the 80th percentile but below the 90th percentile under paragraph (b) of this subsection.

30 “(C) 90 percent of approved transportation costs for those school districts ranked in or above
31 the 90th percentile under paragraph (b) of this subsection.

32 “(b) Each fiscal year, the Department of Education shall rank school districts based on the ap-
33 proved transportation costs per ADM of each school district, ranking the school district with the
34 highest approved transportation costs per ADM at the top of the order.

35 “(10) Local Revenues are the total of the following:

36 “(a) The amount of revenue offset against local property taxes as determined by the Department
37 of Revenue under ORS 311.175 (3)(a)(A);

38 “(b) The amount of property taxes actually received by the district including penalties and in-
39 terest on taxes;

40 “(c) The amount of revenue received by the district from the Common School Fund under ORS
41 327.403 to 327.410;

42 “(d) The amount of revenue received by the district from the county school fund;

43 “(e) The amount of revenue received by the district from the 25 percent of federal forest reserve
44 revenues required to be distributed to schools by ORS 294.060 (1);

45 “(f) The amount of revenue received by the district from state managed forestlands under ORS

1 530.115 (1)(b) and (c);
2 “(g) Moneys received in lieu of property taxes;
3 “(h) Federal funds received without specific application by the school district and which are not
4 deemed under federal law to be nonsupplantable;
5 “(i) Any positive amount obtained by subtracting the operating property taxes actually imposed
6 by the district, based on the rate certified pursuant to ORS 310.060, from the amount that would
7 have been imposed by the district if the district had certified the maximum rate of operating prop-
8 erty taxes allowed by law; and
9 “(j) Any amount distributed to the district in the prior fiscal year under section 4 (3), chapter
10 695, Oregon Laws 2001, or ORS 327.019 (8).
11 “(11) Notwithstanding subsection (10) of this section, Local Revenues do not include:
12 “(a) If a school district imposes local option taxes pursuant to ORS 280.040 to 280.145, an
13 amount equal to the lesser of:
14 “(A) The amount of revenue actually received by the district from local option taxes imposed
15 pursuant to ORS 280.040 to 280.145;
16 “(B) [*Fifteen*] **Twenty** percent of the combined total for the school district of the general pur-
17 pose grant, the transportation grant, the facility grant and the high cost disabilities grant of the
18 district; or
19 “(C) [*\$750*] **\$1,000** per district extended ADMw; and
20 “(b) For a school district with a statutory rate limit on July 1, 2003, that is greater than \$4.50
21 per \$1,000 of assessed value, the amount of property taxes actually received by the district, includ-
22 ing penalties and interest on taxes, that results from an increase in the rate of ad valorem property
23 tax of the district allowed under section 11 (5)(d), Article XI of the Oregon Constitution.
24 “(12)(a) Facility Grant = 8 percent of total construction costs of new school buildings.
25 “(b) A school district shall receive a Facility Grant in the distribution year that a new school
26 building is first used.
27 “(c) As used in this subsection:
28 “(A) ‘New school building’ includes new school buildings, adding structures onto existing school
29 buildings and adding premanufactured structures to a school district if those buildings or structures
30 are to be used for instructing students.
31 “(B) ‘Construction costs’ does not include costs for land acquisition.
32 “(13) Notwithstanding subsection (10)(i) of this section, Local Revenues do not include any
33 amount of operating property tax authority of the district that is:
34 “(a) Attributable to the suspension of ORS 310.239 by section 1, chapter 4, Oregon Laws 2006;
35 and
36 “(b) Not actually imposed by the district.
37 “**SECTION 2. The amendments to ORS 327.013 by section 1 of this 2007 Act apply to State**
38 **School Fund distributions commencing with the 2007-2008 distribution.**
39 “**SECTION 3.** ORS 327.013, as amended by section 2, chapter 4, Oregon Laws 2006, and section
40 1 of this 2007 Act, is amended to read:
41 “327.013. The State School Fund distributions for school districts shall be computed as follows:
42 “(1) General Purpose Grant = Funding Percentage × Target Grant × District extended
43 ADMw.
44 “(2) The funding percentage shall be calculated by the Superintendent of Public Instruction to
45 distribute as nearly as practicable the total sum available for distribution of money.

1 “(3) Target Grant = Statewide Target per ADMw Grant + Teacher Experience Factor.
2 “(4) Statewide Target per ADMw Grant = \$4,500.
3 “(5) Teacher Experience Factor = $\$25 \times \{\text{District average teacher experience} - \text{statewide}$
4 $\text{average teacher experience}\}$. ‘Average teacher experience’ means the average, in years, of teaching
5 experience of certified teachers as reported to the Department of Education.
6 “(6) District extended ADMw = ADMw or ADMw of the prior year, whichever is greater.
7 “(7)(a) Weighted average daily membership or ADMw = average daily membership + an addi-
8 tional amount computed as follows:
9 “(A) 1.0 for each student in average daily membership eligible for special education as a child
10 with disabilities under ORS 343.035, applicable to not to exceed 11 percent of the district’s ADM
11 without review and approval of the Department of Education. Children with disabilities eligible for
12 special education in adult local correctional facilities as defined in ORS 169.005 or adult regional
13 correctional facilities as defined in ORS 169.620 may not be included in the calculation of the 11
14 percent.
15 “(B) 0.5 for each student in average daily membership eligible for and enrolled in an English as
16 a second language program under ORS 336.079.
17 “(C) 0.2 for each student in average daily membership enrolled in a union high school district
18 or in an area of a unified school district where the district is only responsible for educating students
19 in grades 9 through 12 in that area.
20 “(D) -0.1 for each student in average daily membership enrolled in an elementary district op-
21 erating kindergarten through grade 6 or kindergarten through grade 8 or in an area of a unified
22 school district where the district is only responsible for educating students in kindergarten through
23 grade 8.
24 “(E) 0.25 times the sum of the following:
25 “(i) The number of children 5 to 17 years of age in poverty families in the district, as determined
26 by the Department of Education from a report of the federal Department of Education based on the
27 most recent federal decennial census, as adjusted by the school district’s proportion of students in
28 the county receiving free or reduced price lunches under the United States Department of Agricul-
29 ture’s current Income Eligibility Guidelines if the number is higher than the number determined
30 from census data and only if the school district had an average daily membership of 2,500 or less
31 for the 1995-1996 school year, and as further adjusted by the number of students in average daily
32 membership in June of the year of distribution divided by number of students in average daily
33 membership in the district, or its predecessors, in June of the year of the most recent federal
34 decennial census;
35 “(ii) The number of children in foster homes in the district as determined by the report of the
36 Department of Human Services to the federal Department of Education, ‘Annual Statistical Report
37 on Children in Foster Homes and Children in Families Receiving AFDC Payments in Excess of the
38 Poverty Income Level,’ or its successor, for October 31 of the year prior to the year of distribution;
39 and
40 “(iii) The number of children in the district in state-recognized facilities for neglected and de-
41 linquent children, based on information from the Department of Human Services for October 31 of
42 the year prior to the year of distribution.
43 “(F) An additional amount as determined by ORS 327.077 shall be added to the ADMw for each
44 remote small elementary school and for each small high school in the district.
45 “(G) All numbers of children used for the computation in this section must reflect any district

1 consolidations that have occurred since the numbers were compiled.

2 “(b) The total additional weight that shall be assigned to any student in average daily member-
3 ship in a district, exclusive of students described in paragraph (a)(E) and (F) of this subsection shall
4 not exceed 2.0.

5 “(8) High cost disabilities grant = the total amount received by a school district under ORS
6 327.348, for providing special education and related services to resident pupils with disabilities.

7 “(9)(a) Transportation grant equals:

8 “(A) 70 percent of approved transportation costs for those school districts ranked below the 80th
9 percentile under paragraph (b) of this subsection.

10 “(B) 80 percent of approved transportation costs for those school districts ranked in or above
11 the 80th percentile but below the 90th percentile under paragraph (b) of this subsection.

12 “(C) 90 percent of approved transportation costs for those school districts ranked in or above
13 the 90th percentile under paragraph (b) of this subsection.

14 “(b) Each fiscal year, the Department of Education shall rank school districts based on the ap-
15 proved transportation costs per ADM of each school district, ranking the school district with the
16 highest approved transportation costs per ADM at the top of the order.

17 “(10) Local Revenues are the total of the following:

18 “(a) The amount of revenue offset against local property taxes as determined by the Department
19 of Revenue under ORS 311.175 (3)(a)(A);

20 “(b) The amount of property taxes actually received by the district including penalties and in-
21 terest on taxes;

22 “(c) The amount of revenue received by the district from the Common School Fund under ORS
23 327.403 to 327.410;

24 “(d) The amount of revenue received by the district from the county school fund;

25 “(e) The amount of revenue received by the district from the 25 percent of federal forest reserve
26 revenues required to be distributed to schools by ORS 294.060 (1);

27 “(f) The amount of revenue received by the district from state managed forestlands under ORS
28 530.115 (1)(b) and (c);

29 “(g) Moneys received in lieu of property taxes;

30 “(h) Federal funds received without specific application by the school district and which are not
31 deemed under federal law to be nonsupplantable;

32 “(i) Any positive amount obtained by subtracting the operating property taxes actually imposed
33 by the district, based on the rate certified pursuant to ORS 310.060, from the amount that would
34 have been imposed by the district if the district had certified the maximum rate of operating prop-
35 erty taxes allowed by law; and

36 “(j) Any amount distributed to the district in the prior fiscal year under section 4 (3), chapter
37 695, Oregon Laws 2001, or ORS 327.019 (8).

38 “(11) Notwithstanding subsection (10) of this section, Local Revenues do not include:

39 “(a) If a school district imposes local option taxes pursuant to ORS 280.040 to 280.145, an
40 amount equal to the lesser of:

41 “(A) The amount of revenue actually received by the district from local option taxes imposed
42 pursuant to ORS 280.040 to 280.145;

43 “(B) Twenty percent of the combined total for the school district of the general purpose grant,
44 the transportation grant, the facility grant and the high cost disabilities grant of the district; or

45 “(C) \$1,000 per district extended ADMw, **increased each fiscal year by three percent above**

1 **the amount allowed per district extended ADMw for the prior fiscal year; and**

2 “(b) For a school district with a statutory rate limit on July 1, 2003, that is greater than \$4.50
3 per \$1,000 of assessed value, the amount of property taxes actually received by the district, includ-
4 ing penalties and interest on taxes, that results from an increase in the rate of ad valorem property
5 tax of the district allowed under section 11 (5)(d), Article XI of the Oregon Constitution.

6 “(12)(a) Facility Grant = 8 percent of total construction costs of new school buildings.

7 “(b) A school district shall receive a Facility Grant in the distribution year that a new school
8 building is first used.

9 “(c) As used in this subsection:

10 “(A) ‘New school building’ includes new school buildings, adding structures onto existing school
11 buildings and adding premanufactured structures to a school district if those buildings or structures
12 are to be used for instructing students.

13 “(B) ‘Construction costs’ does not include costs for land acquisition.

14 “(13) Notwithstanding subsection (10)(i) of this section, Local Revenues do not include any
15 amount of operating property tax authority of the district that is:

16 “(a) Attributable to the suspension of ORS 310.239 by section 1, chapter 4, Oregon Laws 2006;
17 and

18 “(b) Not actually imposed by the district.

19 **“SECTION 4. The amendments to ORS 327.013 by section 3 of this 2007 Act become op-
20 erative on July 1, 2008.**

21 **“SECTION 5. The amendments to ORS 327.013 by section 3 of this 2007 Act apply to State
22 School Fund distributions commencing with the 2008-2009 distribution.**

23 **“SECTION 6.** ORS 327.013, as amended by sections 2 and 4, chapter 4, Oregon Laws 2006, is
24 amended to read:

25 “327.013. The State School Fund distributions for school districts shall be computed as follows:

26 “(1) General Purpose Grant = Funding Percentage × Target Grant × District extended
27 ADMw.

28 “(2) The funding percentage shall be calculated by the Superintendent of Public Instruction to
29 distribute as nearly as practicable the total sum available for distribution of money.

30 “(3) Target Grant = Statewide Target per ADMw Grant + Teacher Experience Factor.

31 “(4) Statewide Target per ADMw Grant = \$4,500.

32 “(5) Teacher Experience Factor = \$25 × {District average teacher experience – statewide
33 average teacher experience}. ‘Average teacher experience’ means the average, in years, of teaching
34 experience of certified teachers as reported to the Department of Education.

35 “(6) District extended ADMw = ADMw or ADMw of the prior year, whichever is greater.

36 “(7)(a) Weighted average daily membership or ADMw = average daily membership + an addi-
37 tional amount computed as follows:

38 “(A) 1.0 for each student in average daily membership eligible for special education as a child
39 with disabilities under ORS 343.035, applicable to not to exceed 11 percent of the district’s ADM
40 without review and approval of the Department of Education. Children with disabilities eligible for
41 special education in adult local correctional facilities as defined in ORS 169.005 or adult regional
42 correctional facilities as defined in ORS 169.620 may not be included in the calculation of the 11
43 percent.

44 “(B) 0.5 for each student in average daily membership eligible for and enrolled in an English as
45 a second language program under ORS 336.079.

1 “(C) 0.2 for each student in average daily membership enrolled in a union high school district
2 or in an area of a unified school district where the district is only responsible for educating students
3 in grades 9 through 12 in that area.

4 “(D) -0.1 for each student in average daily membership enrolled in an elementary district op-
5 erating kindergarten through grade 6 or kindergarten through grade 8 or in an area of a unified
6 school district where the district is only responsible for educating students in kindergarten through
7 grade 8.

8 “(E) 0.25 times the sum of the following:

9 “(i) The number of children 5 to 17 years of age in poverty families in the district, as determined
10 by the Department of Education from a report of the federal Department of Education based on the
11 most recent federal decennial census, as adjusted by the school district’s proportion of students in
12 the county receiving free or reduced price lunches under the United States Department of Agricul-
13 ture’s current Income Eligibility Guidelines if the number is higher than the number determined
14 from census data and only if the school district had an average daily membership of 2,500 or less
15 for the 1995-1996 school year, and as further adjusted by the number of students in average daily
16 membership in June of the year of distribution divided by number of students in average daily
17 membership in the district, or its predecessors, in June of the year of the most recent federal
18 decennial census;

19 “(ii) The number of children in foster homes in the district as determined by the report of the
20 Department of Human Services to the federal Department of Education, ‘Annual Statistical Report
21 on Children in Foster Homes and Children in Families Receiving AFDC Payments in Excess of the
22 Poverty Income Level,’ or its successor, for October 31 of the year prior to the year of distribution;
23 and

24 “(iii) The number of children in the district in state-recognized facilities for neglected and de-
25 linquent children, based on information from the Department of Human Services for October 31 of
26 the year prior to the year of distribution.

27 “(F) An additional amount as determined by ORS 327.077 shall be added to the ADMw for each
28 remote small elementary school and for each small high school in the district.

29 “(G) All numbers of children used for the computation in this section must reflect any district
30 consolidations that have occurred since the numbers were compiled.

31 “(b) The total additional weight that shall be assigned to any student in average daily member-
32 ship in a district, exclusive of students described in paragraph (a)(E) and (F) of this subsection shall
33 not exceed 2.0.

34 “(8) High cost disabilities grant = the total amount received by a school district under ORS
35 327.348, for providing special education and related services to resident pupils with disabilities.

36 “(9)(a) Transportation grant equals:

37 “(A) 70 percent of approved transportation costs for those school districts ranked below the 80th
38 percentile under paragraph (b) of this subsection.

39 “(B) 80 percent of approved transportation costs for those school districts ranked in or above
40 the 80th percentile but below the 90th percentile under paragraph (b) of this subsection.

41 “(C) 90 percent of approved transportation costs for those school districts ranked in or above
42 the 90th percentile under paragraph (b) of this subsection.

43 “(b) Each fiscal year, the Department of Education shall rank school districts based on the ap-
44 proved transportation costs per ADM of each school district, ranking the school district with the
45 highest approved transportation costs per ADM at the top of the order.

1 “(10) Local Revenues are the total of the following:

2 “(a) The amount of revenue offset against local property taxes as determined by the Department

3 of Revenue under ORS 311.175 (3)(a)(A);

4 “(b) The amount of property taxes actually received by the district including penalties and in-

5 terest on taxes;

6 “(c) The amount of revenue received by the district from the Common School Fund under ORS

7 327.403 to 327.410;

8 “(d) The amount of revenue received by the district from the county school fund;

9 “(e) The amount of revenue received by the district from the 25 percent of federal forest reserve

10 revenues required to be distributed to schools by ORS 294.060 (1);

11 “(f) The amount of revenue received by the district from state managed forestlands under ORS

12 530.115 (1)(b) and (c);

13 “(g) Moneys received in lieu of property taxes;

14 “(h) Federal funds received without specific application by the school district and which are not

15 deemed under federal law to be nonsupplantable;

16 “(i) Any positive amount obtained by subtracting the operating property taxes actually imposed

17 by the district, based on the rate certified pursuant to ORS 310.060, from the amount that would

18 have been imposed by the district if the district had certified the maximum rate of operating prop-

19 erty taxes allowed by law; and

20 “(j) Any amount distributed to the district in the prior fiscal year under section 4 (3), chapter

21 695, Oregon Laws 2001, or ORS 327.019 (8).

22 “(11) Notwithstanding subsection (10) of this section, Local Revenues do not include, if a school

23 district imposes local option taxes pursuant to ORS 280.040 to 280.145, an amount equal to the lesser

24 of:

25 “(a) The amount of revenue actually received by the district from local option taxes imposed

26 pursuant to ORS 280.040 to 280.145;

27 “(b) [*Fifteen*] **Twenty** percent of the combined total for the school district of the general purpose

28 grant, the transportation grant, the facility grant and the high cost disabilities grant of the district;

29 or

30 “(c) [*\$750*] **\$1,000** per district extended ADMw, **increased each fiscal year by three percent**

31 **above the amount allowed per district extended ADMw for the prior fiscal year.**

32 “(12)(a) Facility Grant = 8 percent of total construction costs of new school buildings.

33 “(b) A school district shall receive a Facility Grant in the distribution year that a new school

34 building is first used.

35 “(c) As used in this subsection:

36 “(A) ‘New school building’ includes new school buildings, adding structures onto existing school

37 buildings and adding premanufactured structures to a school district if those buildings or structures

38 are to be used for instructing students.

39 “(B) ‘Construction costs’ does not include costs for land acquisition.

40 “**SECTION 7. The amendments to ORS 327.013 by section 6 of this 2007 Act become op-**

41 **erative on July 1, 2009.**

42 “**SECTION 8.** ORS 327.336 is amended to read:

43 “327.336. (1) As used in this section:

44 “(a) ‘Extended ADMw’ means the district extended weighted average daily membership com-

45 puted under ORS 327.013 (6).

1 “(b) ‘Local option tax rate’ means the amount of local option taxes imposed by the school dis-
2 trict for the current fiscal year, after compression under ORS 310.150 and after subtraction of the
3 amount of school district local option taxes that are distributed to an urban renewal agency pursu-
4 ant to ORS 457.440, divided by the assessed value of the school district.

5 “(c) ‘School district’ means a common or union high school district.

6 “(d) ‘Target district’ means the school district that, for the fiscal year prior to the year for
7 which grants are being determined, had a total assessed value of taxable property per district ex-
8 tended ADMw that was greater than all but 25 percent of the school districts in this state for that
9 prior fiscal year. The Department of Education shall determine which school district is the target
10 district for a fiscal year, based on the total assessed values of school districts reported to the De-
11 partment of Education by the Department of Revenue for the fiscal year prior to the year for which
12 grants are being determined under this section.

13 “(2) A school district shall receive a local option equalization grant for a fiscal year:

14 “(a) In which the school district imposes local option taxes pursuant to ORS 280.040 to 280.145;
15 and

16 “(b) For which the total assessed value of taxable property per extended ADMw of the school
17 district for the prior fiscal year does not exceed the total assessed value of taxable property per
18 extended ADMw of the target district for the prior fiscal year.

19 “(3) The amount of the local option equalization grant shall equal the lesser of:

20 “(a) The product of the local option tax rate of the school district for the current fiscal year
21 \times (total assessed value per extended ADMw of the target district for the prior fiscal year – total
22 assessed value per extended ADMw of the school district for the prior fiscal year) \times the extended
23 ADMw of the school district for the prior fiscal year; or

24 “(b) The amount obtained by subtracting the local option tax imposed by the school district for
25 the current fiscal year, after compression under ORS 310.150, from the lesser of:

26 “(A) [*Fifteen*] **Twenty** percent of the combined total for the school district of the general pur-
27 pose grant, the transportation grant, the facility grant and the high cost disabilities grant of the
28 school district for the current fiscal year; or

29 “(B) [*\$750*] **\$1,000** multiplied by the extended ADMw of the school district for the current fiscal
30 year.

31 “(4) If the amount computed under subsection (3)(b) of this section is zero or less, a local option
32 equalization grant may not be made to the school district for the fiscal year.

33 “(5) As soon as is practicable after school districts have certified property taxes to the assessor
34 under ORS 310.060, the Department of Revenue shall report to the Department of Education a list
35 of school districts certifying local option taxes for the current fiscal year and the local option tax
36 rates for those districts. The amount of each local option equalization grant shall be calculated by
37 the Department of Education.

38 “(6) If the election authorizing the imposition of a local option tax is held after the start of a
39 biennium in which the local option tax is to be imposed, the local option equalization grant for a
40 fiscal year of that biennium shall be determined as otherwise prescribed in this section, but may not
41 be paid to the school district until the first fiscal year of the next succeeding biennium.

42 “**SECTION 9. The amendments to ORS 327.336 by section 8 of this 2007 Act apply to local**
43 **option equalization grants received by a school district on or after July 1, 2007.**

44 “**SECTION 10.** ORS 327.336, as amended by section 8 of this 2007 Act, is amended to read:

45 “327.336. (1) As used in this section:

1 “(a) ‘Extended ADMw’ means the district extended weighted average daily membership com-
2 puted under ORS 327.013 (6).

3 “(b) ‘Local option tax rate’ means the amount of local option taxes imposed by the school dis-
4 trict for the current fiscal year, after compression under ORS 310.150 and after subtraction of the
5 amount of school district local option taxes that are distributed to an urban renewal agency pursu-
6 ant to ORS 457.440, divided by the assessed value of the school district.

7 “(c) ‘School district’ means a common or union high school district.

8 “(d) ‘Target district’ means the school district that, for the fiscal year prior to the year for
9 which grants are being determined, had a total assessed value of taxable property per district ex-
10 tended ADMw that was greater than all but 25 percent of the school districts in this state for that
11 prior fiscal year. The Department of Education shall determine which school district is the target
12 district for a fiscal year, based on the total assessed values of school districts reported to the De-
13 partment of Education by the Department of Revenue for the fiscal year prior to the year for which
14 grants are being determined under this section.

15 “(2) A school district shall receive a local option equalization grant for a fiscal year:

16 “(a) In which the school district imposes local option taxes pursuant to ORS 280.040 to 280.145;
17 and

18 “(b) For which the total assessed value of taxable property per extended ADMw of the school
19 district for the prior fiscal year does not exceed the total assessed value of taxable property per
20 extended ADMw of the target district for the prior fiscal year.

21 “(3) The amount of the local option equalization grant shall equal the lesser of:

22 “(a) The product of the local option tax rate of the school district for the current fiscal year
23 \times (total assessed value per extended ADMw of the target district for the prior fiscal year – total
24 assessed value per extended ADMw of the school district for the prior fiscal year) \times the extended
25 ADMw of the school district for the prior fiscal year; or

26 “(b) The amount obtained by subtracting the local option tax imposed by the school district for
27 the current fiscal year, after compression under ORS 310.150, from the lesser of:

28 “(A) Twenty percent of the combined total for the school district of the general purpose grant,
29 the transportation grant, the facility grant and the high cost disabilities grant of the school district
30 for the current fiscal year; or

31 “(B) \$1,000 multiplied by the extended ADMw of the school district for the current fiscal year.

32 **The amount multiplied by the extended ADMw of the school district shall be increased each**
33 **fiscal year by three percent above the amount allowed for the prior fiscal year.**

34 “(4) If the amount computed under subsection (3)(b) of this section is zero or less, a local option
35 equalization grant may not be made to the school district for the fiscal year.

36 “(5) As soon as is practicable after school districts have certified property taxes to the assessor
37 under ORS 310.060, the Department of Revenue shall report to the Department of Education a list
38 of school districts certifying local option taxes for the current fiscal year and the local option tax
39 rates for those districts. The amount of each local option equalization grant shall be calculated by
40 the Department of Education.

41 “(6) If the election authorizing the imposition of a local option tax is held after the start of a
42 biennium in which the local option tax is to be imposed, the local option equalization grant for a
43 fiscal year of that biennium shall be determined as otherwise prescribed in this section, but may not
44 be paid to the school district until the first fiscal year of the next succeeding biennium.

45 **“SECTION 11. The amendments to ORS 327.336 by section 10 of this 2007 Act become**

1 operative on July 1, 2008.

2 “SECTION 12. The amendments to ORS 327.336 by section 10 of this 2007 Act apply to
3 local option equalization grants received by a school district on or after July 1, 2008.

4 “SECTION 13. This 2007 Act takes effect on the 91st day after the date on which the
5 regular session of the Seventy-fourth Legislative Assembly adjourns sine die.”.

6
