

House Bill 3015

Sponsored by Representative KRUMMEL; Representatives BURLEY, FLORES, THATCHER, WHISNANT, Senators L GEORGE, METSGER

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 grant for high growth school districts as part of State School Fund distribution. Changes apportionment date on which Department of Education is directed to adjust State School Fund distribution to reflect school district extended weighted average daily membership.

Declares emergency, effective July 1, 2007.

A BILL FOR AN ACT

1
2 Relating to school finance; creating new provisions; amending ORS 327.008, 327.013, 327.019, 327.099
3 and 327.336; and declaring an emergency.

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

5 **SECTION 1.** ORS 327.008, as amended by section 6a, chapter 803, Oregon Laws 2005, is
6 amended to read:

7 327.008. (1) There is established a State School Fund in the General Fund. The fund shall consist
8 of moneys appropriated by the Legislative Assembly and moneys transferred from the Education
9 Stability Fund. The State School Fund is continuously appropriated to the Department of Education
10 for the purposes of ORS 327.006 to 327.077, 327.095, 327.099, 327.101, 327.125, 327.137, 327.348,
11 327.355, 327.357, 327.360, 336.575, 336.580, 336.635, 342.173, 343.243, 343.533 and 343.961.

12 (2) There shall be apportioned from the State School Fund to each school district a State School
13 Fund grant, consisting of the positive amount equal to a general purpose grant and a facility grant
14 **and a high growth grant** and a transportation grant and a high cost disabilities grant minus local
15 revenue, computed as provided in ORS 327.013.

16 (3) There shall be apportioned from the State School Fund to each education service district a
17 State School Fund grant as calculated under ORS 327.019.

18 (4) All figures used in the determination of the distribution of the State School Fund shall be
19 estimates for the same year as the distribution occurs, unless otherwise specified.

20 (5) Numbers of students in average daily membership used in the distribution formula shall be
21 the numbers as of June of the year of distribution.

22 (6) A school district may not use the portion of the State School Fund grant that is attributable
23 to the facility grant for capital construction costs.

24 (7) The total amount of the State School Fund that is distributed as facility grants may not ex-
25 ceed \$25 million in any biennium. If the total amount to be distributed as facility grants exceeds this
26 limitation, the Department of Education shall prorate the amount of funds available for facility
27 grants among those school districts that qualified for a facility grant.

28 (8) Each fiscal year, the Department of Education shall transfer the amount of \$12 million from
29 the State School Fund to the High Cost Disabilities Account established in ORS 327.348.

30 (9) Each fiscal year, the Department of Education shall transfer the amount of \$2.5 million from

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 the State School Fund to the Small School District Supplement Fund established in ORS 327.360.

2 **SECTION 2.** 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 ADMw.

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

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

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

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

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

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

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

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

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

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

31 (E) 0.25 times the sum of the following:

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

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

1 and

2 (iii) The number of children in the district in state-recognized facilities for neglected and delin-
 3 quent children, based on information from the Department of Human Services for October 31 of the
 4 year prior to the year of distribution.

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

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

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

12 (8) High cost disabilities grant = the total amount received by a school district under ORS
 13 327.348, for providing special education and related services to resident pupils with disabilities.

14 (9)(a) Transportation grant equals:

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

17 (B) 80 percent of approved transportation costs for those school districts ranked in or above the
 18 80th percentile but below the 90th percentile under paragraph (b) of this subsection.

19 (C) 90 percent of approved transportation costs for those school districts ranked in or above the
 20 90th percentile under paragraph (b) of this subsection.

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

24 (10) Local Revenues are the total of the following:

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

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

29 (c) The amount of revenue received by the district from the Common School Fund under ORS
 30 327.403 to 327.410;

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

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

34 (f) The amount of revenue received by the district from state managed forestlands under ORS
 35 530.115 (1)(b) and (c);

36 (g) Moneys received in lieu of property taxes;

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

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

43 (j) Any amount distributed to the district in the prior fiscal year under [*section 4 (3), chapter 695,*
 44 *Oregon Laws 2001, or*] ORS 327.019 (8).

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

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

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

5 (B) Fifteen percent of the combined total for the school district of the general purpose grant,
6 the transportation grant, **the high growth grant**, the facility grant and the high cost disabilities
7 grant of the district; or

8 (C) \$750 per district extended ADMw; and

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

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

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

16 (c) As used in this subsection:

17 (A) "New school building" includes new school buildings, adding structures onto existing school
18 buildings and adding premanufactured structures to a school district if those buildings or structures
19 are to be used for instructing students.

20 (B) "Construction costs" does not include costs for land acquisition.

21 **(13)(a) High Growth Grant = \$2 million.**

22 **(b) A school district shall receive a High Growth Grant if, in each of the five prior fiscal**
23 **years, the school district had a growth in ADM of four percent or more over the previous**
24 **fiscal year.**

25 [(13)] (14) Notwithstanding subsection (10)(i) of this section, Local Revenues do not include any
26 amount of operating property tax authority of the district that is:

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

29 (b) Not actually imposed by the district.

30 **SECTION 3.** ORS 327.013, as amended by sections 2 and 4, chapter 4, Oregon Laws 2006, is
31 amended to read:

32 327.013. The State School Fund distributions for school districts shall be computed as follows:

33 (1) General Purpose Grant = Funding Percentage × Target Grant × District extended ADMw.

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

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

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

38 (5) Teacher Experience Factor = \$25 × {District average teacher experience – statewide av-
39 erage teacher experience}. "Average teacher experience" means the average, in years, of teaching
40 experience of certified teachers as reported to the Department of Education.

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

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

44 (A) 1.0 for each student in average daily membership eligible for special education as a child
45 with disabilities under ORS 343.035, applicable to not to exceed 11 percent of the district's ADM

1 without review and approval of the Department of Education. Children with disabilities eligible for
 2 special education in adult local correctional facilities as defined in ORS 169.005 or adult regional
 3 correctional facilities as defined in ORS 169.620 may not be included in the calculation of the 11
 4 percent.

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

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

10 (D) -0.1 for each student in average daily membership enrolled in an elementary district oper-
 11 ating kindergarten through grade 6 or kindergarten through grade 8 or in an area of a unified
 12 school district where the district is only responsible for educating students in kindergarten through
 13 grade 8.

14 (E) 0.25 times the sum of the following:

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

25 (ii) The number of children in foster homes in the district as determined by the report of the
 26 Department of Human Services to the federal Department of Education, "Annual Statistical Report
 27 on Children in Foster Homes and Children in Families Receiving AFDC Payments in Excess of the
 28 Poverty Income Level," or its successor, for October 31 of the year prior to the year of distribution;
 29 and

30 (iii) The number of children in the district in state-recognized facilities for neglected and delin-
 31 quent children, based on information from the Department of Human Services for October 31 of the
 32 year prior to the year of distribution.

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

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

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

40 (8) High cost disabilities grant = the total amount received by a school district under ORS
 41 327.348, for providing special education and related services to resident pupils with disabilities.

42 (9)(a) Transportation grant equals:

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

45 (B) 80 percent of approved transportation costs for those school districts ranked in or above the

1 80th percentile but below the 90th percentile under paragraph (b) of this subsection.

2 (C) 90 percent of approved transportation costs for those school districts ranked in or above the
3 90th percentile under paragraph (b) of this subsection.

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

7 (10) Local Revenues are the total of the following:

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

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

12 (c) The amount of revenue received by the district from the Common School Fund under ORS
13 327.403 to 327.410;

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

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

17 (f) The amount of revenue received by the district from state managed forestlands under ORS
18 530.115 (1)(b) and (c);

19 (g) Moneys received in lieu of property taxes;

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

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

26 (j) Any amount distributed to the district in the prior fiscal year under [*section 4 (3), chapter 695,*
27 *Oregon Laws 2001, or*] ORS 327.019 (8).

28 (11) Notwithstanding subsection (10) of this section, Local Revenues do not include, if a school
29 district imposes local option taxes pursuant to ORS 280.040 to 280.145, an amount equal to the lesser
30 of:

31 (a) The amount of revenue actually received by the district from local option taxes imposed
32 pursuant to ORS 280.040 to 280.145;

33 (b) Fifteen percent of the combined total for the school district of the general purpose grant, the
34 transportation grant, **a high growth grant**, the facility grant and the high cost disabilities grant
35 of the district; or

36 (c) \$750 per district extended ADMw.

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

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

40 (c) As used in this subsection:

41 (A) "New school building" includes new school buildings, adding structures onto existing school
42 buildings and adding premanufactured structures to a school district if those buildings or structures
43 are to be used for instructing students.

44 (B) "Construction costs" does not include costs for land acquisition.

45 **(13)(a) High Growth Grant = \$2 million.**

1 **(b) A school district shall receive a High Growth Grant if, in each of the five prior fiscal**
 2 **years, the school district had a growth in ADM of four percent or more over the previous**
 3 **fiscal year.**

4 **SECTION 4.** ORS 327.019 is amended to read:

5 327.019. (1) As used in this section:

6 (a) “Education service district extended ADMw” means the sum of the extended ADMw of the
 7 component school districts of the education service district as computed under ORS 327.013.

8 (b) “Local revenues of an education service district” means the total of the following:

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

11 (B) The amount of property taxes actually received by the district including penalties and in-
 12 terest on taxes;

13 (C) The amount of revenue received by the district from state-managed forestlands under ORS
 14 530.115 (1)(b) and (c); and

15 (D) Any positive amount obtained by subtracting the operating property taxes actually imposed
 16 by the district based on the rate certified pursuant to ORS 310.060 from the amount that would have
 17 been imposed by the district if the district had certified the maximum rate of operating property
 18 taxes allowed by law.

19 (2) Each fiscal year, the Superintendent of Public Instruction shall calculate a State School Fund
 20 grant for each education service district as provided in this section.

21 (3)(a) Each fiscal year, the superintendent shall calculate the total amount appropriated or al-
 22 located to the State School Fund and available for distribution to school districts, education service
 23 districts and programs + total amount of local revenues of all school districts, computed as provided
 24 in ORS 327.013, + total amount of local revenues of all education service districts. The super-
 25 intendent may not include in the calculation under this paragraph amounts recovered by the De-
 26 partment of Education from the State School Fund under ORS 343.243.

27 (b) The superintendent shall multiply the amount calculated under paragraph (a) of this sub-
 28 section by 95.25 percent.

29 (c) Based on the amount calculated under paragraph (b) of this subsection, the superintendent
 30 shall calculate a funding percentage to distribute as nearly as practicable under ORS 327.006 to
 31 327.133, 327.348, 327.355, 327.357 and 327.360 the total amount calculated under paragraph (b) of this
 32 subsection as school district general purpose grants, facility grants, **high growth grants**, high cost
 33 disabilities grants and transportation grants to school districts.

34 (d) Based on the funding percentage calculated under paragraph (c) of this subsection, the su-
 35 perintendent shall calculate the general purpose grant, facility grant, **high growth grant**, trans-
 36 portation grant and high cost disabilities grant amounts for each school district.

37 (4) The general services grant for an education service district shall equal the higher of:

38 (a) Total amount calculated under subsection (3)(d) of this section for the component school
 39 districts of the education service district \times (4.75 \div 95.25); or

40 (b) \$950,000.

41 (5) Subject to subsection (6) of this section, the State School Fund grant for an education service
 42 district = general services grant – local revenues of the education service district.

43 (6)(a) After completing the calculations under subsections (2) to (5) of this section, the Super-
 44 intendent of Public Instruction shall apportion from the State School Fund to each education service
 45 district an amount = (funding percentage \times general services grant) – local revenues of the educa-

1 tion service district.

2 (b) The funding percentage used in paragraph (a) of this subsection shall be calculated by the
 3 superintendent to distribute as nearly as practicable the total amount available for distribution to
 4 education service districts from the State School Fund for each fiscal year.

5 (7) Notwithstanding subsections (5) and (6) of this section, the State School Fund grant of an
 6 education service district may not be less than zero.

7 (8) An education service district shall distribute to its component school districts any amount
 8 of local revenues of the education service district that is greater than the general services grant.
 9 The amount that each component school district receives under this subsection shall be prorated
 10 based on the district extended ADMw of each school district.

11 **SECTION 5.** ORS 327.099 is amended to read:

12 327.099. (1) The Department of Education shall adjust the distribution to a school district to
 13 reflect the difference between the estimated level of local revenues to the district under ORS 327.013
 14 and the projected level of those same local revenues used to calculate the State School Fund ap-
 15 portionment to the district. The adjustment shall be incorporated in the May 15 apportionment to
 16 the district in the distribution year.

17 (2) The department shall adjust the [*May*] **March** 15 apportionment to a school district in the
 18 distribution year to reflect an ADMw of the district equal to the higher of the ADMw of the prior
 19 year or the adjusted ADMw for the December quarter. Adjusted ADMw for the December quarter
 20 shall equal:

21 (a) ADMw as determined by the department from information provided in the December quar-
 22 terly report for the current distribution year filed with the department under ORS 327.133;

23 (b) Multiplied by the lesser of 1.0 or the average of the ratios for the preceding two years of the
 24 ADM for the year ending June 30 to the ADM for the quarter ending December 31 for the same
 25 school year as filed under ORS 327.133.

26 (3) The sum equal to the sum of all negative adjustments made to the **March 15 and May 15**
 27 [*apportionment*] **apportionments** under [*subsection (1)*] **subsections (1) and (2)** of this section shall
 28 be used by the department for purposes of funding positive adjustments required under subsection
 29 (1) of this section and adjustments required under subsection (2) of this section.

30 (4) The department shall also set aside an amount of the funds appropriated to the State School
 31 Fund for the fiscal year to fund any positive adjustments required under subsection (1) of this sec-
 32 tion and adjustments required under subsection (2) of this section in excess of the amount available
 33 under subsection (3) of this section. The amount set aside shall be as determined by law.

34 (5) If the amounts available under subsections (3) and (4) of this section are either not sufficient
 35 to fund the positive adjustments or exceed the positive adjustments to districts required under sub-
 36 sections (1) and (2) of this section and the adjustments required under subsection (2) of this section,
 37 the Superintendent of Public Instruction shall recalculate the funding percentage in ORS 327.013 (2)
 38 to distribute as nearly as practicable the total sum available for distribution.

39 **SECTION 6.** ORS 327.336 is amended to read:

40 327.336. (1) As used in this section:

41 (a) "Extended ADMw" means the district extended weighted average daily membership com-
 42 puted under ORS 327.013 (6).

43 (b) "Local option tax rate" means the amount of local option taxes imposed by the school dis-
 44 trict for the current fiscal year, after compression under ORS 310.150 and after subtraction of the
 45 amount of school district local option taxes that are distributed to an urban renewal agency pursu-

1 ant to ORS 457.440, divided by the assessed value of the school district.

2 (c) "School district" means a common or union high school district.

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

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

11 (a) In which the school district imposes local option taxes pursuant to ORS 280.040 to 280.145;
12 and

13 (b) For which the total assessed value of taxable property per extended ADMw of the school
14 district for the prior fiscal year does not exceed the total assessed value of taxable property per
15 extended ADMw of the target district for the prior fiscal year.

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

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

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

23 (A) Fifteen percent of the combined total for the school district of the general purpose grant,
24 the transportation grant, **the high growth grant**, the facility grant and the high cost disabilities
25 grant of the school district for the current fiscal year; or

26 (B) \$750 multiplied by the extended ADMw of the school district for the current fiscal year.

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

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

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

38 **SECTION 7. (1) The amendments to ORS 327.008, 327.013, 327.019, 327.099 and 327.336 by**
39 **sections 1, 2 and 4 to 6 of this 2007 Act apply to State School Fund distributions commencing**
40 **with the 2007-2008 distribution.**

41 **(2) The amendments to ORS 327.013 by section 3 of this 2007 Act become operative on**
42 **July 1, 2009.**

43 **(3) The amendments to ORS 327.013 by section 3 of this 2007 Act apply to State School**
44 **Fund distributions commencing with the 2009-2010 distribution.**

45 **SECTION 8. This 2007 Act being necessary for the immediate preservation of the public**

1 **peace, health and safety, an emergency is declared to exist, and this 2007 Act takes effect**
2 **July 1, 2007.**

3
