

HOUSE AMENDMENTS TO B-ENGROSSED SENATE BILL 550

By COMMITTEE ON REVENUE

June 23

- 1 On page 1 of the printed B-engrossed bill, line 2, after “amending” insert “ORS 327.019 and”.
- 2 On page 2, after line 7, insert:
- 3 “**SECTION 4.** ORS 327.019 is amended to read:
- 4 “327.019. (1) As used in this section:
- 5 “(a) ‘Education service district extended ADMw’ means the sum of the extended ADMw of the
- 6 component school districts of the education service district as computed under ORS 327.013.
- 7 “(b) ‘Local revenues of an education service district’ means 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 state-managed forestlands under ORS
- 13 530.115 (1)(b) and (c); and
- 14 “(D) Any positive amount obtained by subtracting the operating property taxes actually imposed
- 15 by the district based on the rate certified pursuant to ORS 310.060 from the amount that would have
- 16 been imposed by the district if the district had certified the maximum rate of operating property
- 17 taxes allowed by law.
- 18 “(2) Each fiscal year, the Superintendent of Public Instruction shall calculate a State School
- 19 Fund grant for each education service district as provided in this section.
- 20 “(3)(a) Each fiscal year, the superintendent shall calculate the total amount appropriated or al-
- 21 located to the State School Fund and available for distribution to school districts, education service
- 22 districts and programs + total amount of local revenues of all school districts, computed as provided
- 23 in ORS 327.013, + total amount of local revenues of all education service districts. The super-
- 24 intendent may not include in the calculation under this paragraph amounts recovered by the De-
- 25 partment of Education from the State School Fund under ORS 343.243.
- 26 “(b) The superintendent shall multiply the amount calculated under paragraph (a) of this sub-
- 27 section by 95.25 percent.
- 28 “(c) Based on the amount calculated under paragraph (b) of this subsection, the superintendent
- 29 shall calculate a funding percentage to distribute as nearly as practicable under ORS 327.006 to
- 30 327.133, 327.348, 327.355, 327.357 and 327.360 the total amount calculated under paragraph (b) of this
- 31 subsection as school district general purpose grants, facility grants, high cost disabilities grants and
- 32 transportation grants to school districts.
- 33 “(d) Based on the funding percentage calculated under paragraph (c) of this subsection, the su-
- 34 perintendent shall calculate the general purpose grant, facility grant, transportation grant and high
- 35 cost disabilities grant amounts for each school district.

1 “(4) The general services grant for an education service district shall equal the higher of:
2 “(a) **The total amount calculated under subsection (3)(d) of this section for the component school**
3 **districts of the education service district × (4.75 ÷ 95.25); or**
4 **“(b) [\$950,000] \$1 million.**
5 “(5) Subject to subsection (6) of this section, the State School Fund grant for an education ser-
6 vice district = general services grant – local revenues of the education service district.
7 “(6)(a) After completing the calculations under subsections (2) to (5) of this section, the Super-
8 intendent of Public Instruction shall apportion from the State School Fund to each education service
9 district an amount = (funding percentage × general services grant) – local revenues of the educa-
10 tion service district.
11 “(b) The funding percentage used in paragraph (a) of this subsection shall be calculated by the
12 superintendent to distribute as nearly as practicable the total amount available for distribution to
13 education service districts from the State School Fund for each fiscal year.
14 “(7) Notwithstanding subsections (5) and (6) of this section[,]:
15 “(a) The State School Fund grant of an education service district may not be less than zero;
16 **and**
17 **“(b) The State School Fund grant of an education service district shall be in an amount**
18 **that, when combined with the local revenues of the education service district, equals \$1**
19 **million or more.**
20 “(8) An education service district shall distribute to its component school districts any amount
21 of local revenues of the education service district that is greater than the general services grant.
22 The amount that each component school district receives under this subsection shall be prorated
23 based on the district extended ADMw of each school district.
24 **“SECTION 5. The amendments to ORS 327.019 by section 4 of this 2007 Act apply to State**
25 **School Fund distributions commencing with the 2007-2008 distribution.**
26 **“SECTION 6. (1) During the 2007-2009 biennium, the legislative interim committees on**
27 **revenue shall conduct a study of the adequacy of funding of small school districts and small**
28 **education service districts. The committees shall examine:**
29 **“(a) The relationship between small school districts and education service districts;**
30 **“(b) Whether the additional amounts received by small school districts that are attrib-**
31 **utable to the additional amount added to the ADMw of those districts under ORS 327.013**
32 **(7)(a)(F) and 327.077 and the amount awarded as grants under ORS 327.357, when combined**
33 **with other funding, are adequate to provide sufficient funding for those small school dis-**
34 **tricts;**
35 **“(c) What types of small school districts are not being provided adequate funding; and**
36 **“(d) The long term effects of not providing small school districts and small education**
37 **service districts with adequate funding.**
38 **“(2) Based on the study, the legislative interim committees on revenue shall make rec-**
39 **ommendations to the Seventy-fifth Legislative Assembly and may presession file proposed**
40 **legislation that would implement the recommendations.”.**

41 In line 8, delete “4” and insert “7”.
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