

# Senate Bill 550

Sponsored by COMMITTEE ON FINANCE AND REVENUE

## 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**.

Eliminates weighting for small schools from calculation of State School Fund grant.  
Takes effect July 1, 2011.

## A BILL FOR AN ACT

1  
2 Relating to school finance; creating new provisions; amending ORS 327.013; repealing ORS 327.077  
3 and section 12, chapter 61, Oregon Laws 1993; and prescribing an effective date.

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

5 **SECTION 1.** ORS 327.013, as amended by sections 2 and 4, chapter 4, Oregon Laws 2006, is  
6 amended to read:

7 327.013. The State School Fund distributions for school districts shall be computed as follows:

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

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

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

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

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

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

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

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

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

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

30 (D) -0.1 for each student in average daily membership enrolled in an elementary district oper-  
31 ating kindergarten through grade 6 or kindergarten through grade 8 or in an area of a unified

**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 school district where the district is only responsible for educating students in kindergarten through  
 2 grade 8.

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

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

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

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

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

24 *[(G)]* (F) All numbers of children used for the computation in this section must reflect any dis-  
 25 trict consolidations that have occurred since the numbers were compiled.

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

29 (8) High cost disabilities grant = the total amount received by a school district under ORS  
 30 327.348, for providing special education and related services to resident pupils with disabilities.

31 (9)(a) Transportation grant equals:

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

34 (B) 80 percent of approved transportation costs for those school districts ranked in or above the  
 35 80th percentile but below the 90th percentile under paragraph (b) of this subsection.

36 (C) 90 percent of approved transportation costs for those school districts ranked in or above the  
 37 90th percentile under paragraph (b) of this subsection.

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

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

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

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

1 (c) The amount of revenue received by the district from the Common School Fund under ORS  
2 327.403 to 327.410;

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

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

6 (f) The amount of revenue received by the district from state managed forestlands under ORS  
7 530.115 (1)(b) and (c);

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

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

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

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

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

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

22 (b) Fifteen percent of the combined total for the school district of the general purpose grant, the  
23 transportation grant, the facility grant and the high cost disabilities grant of the district; or

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

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

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

28 (c) As used in this subsection:

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

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

33 **SECTION 2. ORS 327.077 and section 12, chapter 61, Oregon Laws 1993, are repealed.**

34 **SECTION 3. The amendments to ORS 327.013 by section 1 of this 2007 Act and the repeal  
35 of ORS 327.077 and section 12, chapter 61, Oregon Laws 1993, by section 2 of this 2007 Act  
36 apply to State School Fund distributions commencing with the 2011-2012 distribution.**

37 **SECTION 4. This 2007 Act takes effect on July 1, 2011.**