

**75TH OREGON LEGISLATIVE ASSEMBLY
STAFF MEASURE SUMMARY
HOUSE REVENUE COMMITTEE**

**MEASURE: HB 2533 A
CARRIER: Rep. Gelser**

REVENUE: Revenue Impact Issued

FISCAL: Minimal Fiscal Impact, no statement issued.

Action: Do Pass as Amended and be Printed B-Engrossed, and Rescind subsequent referral to Ways and Means.

Vote: 9-1-0

Yeas: Bailey, Bentz, Berger, Bruun, Gelser, Read, Riley, Sprenger, Barnhart

Nays: Kahl

Exc.: 0

Prepared By: Steve Meyer, Economist

Meeting Dates: 4/14, 5/8, 5/19, 5/20

WHAT THE BILL DOES: Allows a school district with a small high school to qualify for additional student weights in the school equalization formula if the high school has not changed locations since 1995 and is small on July 1, 2009. Allows Portland School District to continue to levy its current property tax rate of \$5.27 and exclude \$0.50 of the rate from school formula local revenue. First applies in 2009-10.

ISSUES DISCUSSED:

Funding need for small high schools

Shift in State School Fund revenue to districts with newly qualified small high schools

Lack of sufficient funding for all school districts

Impact of high school funding on small communities

Adequately differentiating district needs in a school formula

EFFECT OF COMMITTEE AMENDMENTS:

Replaces the original bill with content described above.

BACKGROUND:

State requirements specify a minimum amount of high school services. School districts with small high schools generally require higher funding per student to meet these requirements. Additional funding for eligible school districts is currently provided by adding student weights in the school equalization formula. Small high school qualification requires being small in 1999. High schools becoming small from declining enrollment after that date do not currently qualify.

The Portland School District has a statutory tax rate of \$4.77 and a permanent rate of \$5.27 per thousand of assessed value. The difference is its former gap bond rate. The district's authority to levy the \$0.50 difference sunsets in 2009. The tax collected from the \$0.50 rate is excluded from being a part of local property tax revenue in the school equalization formula.

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