

A-Engrossed
Senate Bill 555

Ordered by the Senate June 23
Including Senate Amendments dated June 23

Sponsored by Senator CARTER, Representative NOLAN

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.

[Allows certain school districts to increase property tax rates. Excludes amounts attributable to increase from local revenues of school district for purposes of calculation of State School Fund grants.]

[Takes effect on 91st day following adjournment sine die.]

Decreases transportation grant for all school districts to 63 percent of approved transportation costs for each school district.

Declares emergency, effective July 1, 2009.

A BILL FOR AN ACT

1
2 Relating to school finance; creating new provisions; amending ORS 327.013; and declaring an emer-
3 gency.

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

5 **SECTION 1.** ORS 327.013, as amended by section 4, chapter 4, Oregon Laws 2006, section 91,
6 chapter 70, Oregon Laws 2007, and section 6, chapter 778, Oregon Laws 2007, is 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 a disability 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

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 a second language program under ORS 336.079.

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

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

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

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

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

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

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

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

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

35 (8) High cost disabilities grant = the total amount received by a school district under ORS
36 327.348, for providing special education and related services to resident pupils with disabilities.

37 *[(9)(a) Transportation grant equals:]*

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

40 *[(B) 80 percent of approved transportation costs for those school districts ranked in or above the*
41 *80th percentile but below the 90th percentile under paragraph (b) of this subsection.]*

42 *[(C) 90 percent of approved transportation costs for those school districts ranked in or above the*
43 *90th percentile under paragraph (b) of this subsection.]*

44 *[(b) Each fiscal year, the Department of Education shall rank school districts based on the ap-*
45 *proved transportation costs per ADM of each school district, ranking the school district with the*

1 *highest approved transportation costs per ADM at the top of the order.]*

2 **(9) Transportation grant equals 63 percent of approved transportation costs for a school**
3 **district.**

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

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

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

9 (c) The amount of revenue received by the district from the Common School Fund under ORS
10 327.403 to 327.410;

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

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

14 (f) The amount of revenue received by the district from state managed forestlands under ORS
15 530.115 (1)(b) and (c);

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

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

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

23 (j) Any amount distributed to the district in the prior fiscal year under section 4 (3), chapter
24 695, Oregon Laws 2001, or ORS 327.019 (8).

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

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

30 (b) Twenty percent of the combined total for the school district of the general purpose grant,
31 the transportation grant, the facility grant and the high cost disabilities grant of the district; or

32 (c) \$1,000 per district extended ADMw, increased each fiscal year by three percent above the
33 amount allowed per district extended ADMw for the prior fiscal year.

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

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

37 (c) As used in this subsection:

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

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

42 **SECTION 2. The amendments to ORS 327.013 by section 1 of this 2009 Act apply to State**
43 **School Fund distributions occurring in fiscal years beginning on or after July 1, 2009.**

44 **SECTION 3. This 2009 Act being necessary for the immediate preservation of the public**
45 **peace, health and safety, an emergency is declared to exist, and this 2009 Act takes effect**

1 **July 1, 2009.**

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