

SENATE AMENDMENTS TO A-ENGROSSED SENATE BILL 574

By JOINT COMMITTEE ON WAYS AND MEANS

June 16

1 On page 2 of the printed A-engrossed bill, line 25, after “Counties” insert “and the area com-
2 prising the North Powder School District”.

3 On page 3, line 8, after “County” insert “and the area comprising the North Powder School
4 District”.

5 In line 22, after “334.690” insert “(1)”.

6 In line 33, after “county” insert “or area”.

7 On page 4, line 7, after “county” insert “and area”.

8 After line 8, insert:

9 **“SECTION 6a. If the Department of Education incurs excessive costs under section 4 or
10 6 of this 2009 Act, as determined by the department, the department may charge an educa-
11 tion service district for the amount of the costs that is excessive and attributable to that
12 education service district.”.**

13 On page 5, delete lines 2 through 10 and insert:

14 **“SECTION 9. (1) Employees who are employed by an education service district that is
15 merged or dissolved and annexed and who are employed in duties that, after the merger or
16 dissolution and annexation, are to be performed by the new education service district shall
17 be considered employees of the new education service district. The new education service
18 district shall succeed the previous education service district as party to any employment
19 contracts.**

20 **“(2) Employees in the new education service district shall retain any seniority and accu-
21 mulated sick leave and vacation leave from the previous education service district.**

22 **“(3) All real and personal property belonging to an education service district that is
23 merged or dissolved and annexed is considered property of the new education service district.**

24 **“(4)(a) All obligations of an education service district that is merged or dissolved and
25 annexed are considered obligations of the new education service district.**

26 **“(b) As used in this subsection, ‘obligations’ means all contractual obligations, employ-
27 ment and service contracts and collective bargaining agreements.”.**

28 On page 10, delete lines 34 through 45 and delete pages 11 and 12 and insert:

29 **“SECTION 20. ORS 327.019 is amended to read:**

30 **“327.019. (1) As used in this section:**

31 **“(a) ‘Education service district extended ADMw’ means the sum of the extended ADMw of the
32 component school districts of the education service district as computed under ORS 327.013.**

33 **“(b) ‘Local revenues of an education service district’ means the total of the following:**

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

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

3 “(C) The amount of revenue received by the district from state-managed forestlands under ORS
4 530.115 (1)(b) and (c); and

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

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

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

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

19 “(c) Based on the amount calculated under paragraph (b) of this subsection, the superintendent
20 shall calculate a funding percentage to distribute as nearly as practicable under ORS 327.006 to
21 327.133, 327.348, 327.355, 327.357 and 327.360 the total amount calculated under paragraph (b) of this
22 subsection as school district general purpose grants, facility grants, high cost disabilities grants and
23 transportation grants to school districts.

24 “(d) Based on the funding percentage calculated under paragraph (c) of this subsection, the su-
25 perintendent shall calculate the general purpose grant, facility grant, transportation grant and high
26 cost disabilities grant amounts for each school district.

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

28 “(a) The total amount calculated under subsection (3)(d) of this section for the component school
29 districts of the education service district \times (4.75 \div 95.25); [or]

30 “(b) \$1 million[.]; or

31 “(c) **\$1 million for each former education service district of the education service district**
32 **if the former education service district:**

33 “(A) **Was operating as an education service district on June 30, 2011;**

34 “(B) **Merged to form the education service district, effective July 1, 2011; and**

35 “(C) **Prior to the merger described in subparagraph (B) of this paragraph, received a**
36 **general services grant of \$1 million for the 2010-2011 fiscal year.**

37 “(5) Subject to subsection (6) of this section, the State School Fund grant for an education ser-
38 vice district = general services grant – local revenues of the education service district.

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

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

1 “(7) Notwithstanding subsections (5) and (6) of this section:
2 “(a) The State School Fund grant of an education service district may not be less than zero;
3 [and]
4 “(b) The State School Fund grant of an education service district shall be in an amount that,
5 when combined with the local revenues of the education service district, equals \$1 million or
6 more[.]; and
7 “(c) **The State School Fund grant of an education service district shall be in an amount**
8 **that, when combined with the local revenues of the education service district, equals \$1**
9 **million for each former education service district that:**
10 “(A) **Was operating as an education service district on June 30, 2011;**
11 “(B) **Merged to form the education service district, effective July 1, 2011; and**
12 “(C) **Prior to the merger described in subparagraph (B) of this paragraph, received a**
13 **State School Fund grant in an amount that, when combined with the local revenues of the**
14 **education service district, equaled \$1 million for the 2010-2011 fiscal year.**
15 “(8) An education service district shall distribute to its component school districts any amount
16 of local revenues of the education service district that is greater than the general services grant.
17 The amount that each component school district receives under this subsection shall be prorated
18 based on the district extended ADMw of each school district.
19 “**SECTION 21.** ORS 327.019, as amended by section 13, chapter 846, Oregon Laws 2007, is
20 amended to read:
21 “327.019. (1) As used in this section:
22 “(a) ‘Education service district extended ADMw’ means the sum of the extended ADMw of the
23 component school districts of the education service district as computed under ORS 327.013.
24 “(b) ‘Local revenues of an education service district’ means 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 state-managed forestlands under ORS
30 530.115 (1)(b) and (c); and
31 “(D) Any positive amount obtained by subtracting the operating property taxes actually imposed
32 by the district based on the rate certified pursuant to ORS 310.060 from the amount that would have
33 been imposed by the district if the district had certified the maximum rate of operating property
34 taxes allowed by law.
35 “(2) Each fiscal year, the Superintendent of Public Instruction shall calculate a State School
36 Fund grant for each education service district as provided in this section.
37 “(3)(a) Each fiscal year, the superintendent shall calculate the total amount appropriated or al-
38 located to the State School Fund and available for distribution to school districts, education service
39 districts and programs + total amount of local revenues of all school districts, computed as provided
40 in ORS 327.013, + total amount of local revenues of all education service districts. The super-
41 intendent may not include in the calculation under this paragraph amounts recovered by the De-
42 partment of Education from the State School Fund under ORS 343.243.
43 “(b) The superintendent shall multiply the amount calculated under paragraph (a) of this sub-
44 section by 95.25 percent.
45 “(c) Based on the amount calculated under paragraph (b) of this subsection, the superintendent

1 shall calculate a funding percentage to distribute as nearly as practicable under ORS 327.006 to
2 327.133 and 327.348 the total amount calculated under paragraph (b) of this subsection as school
3 district general purpose grants, facility grants, high cost disabilities grants and transportation
4 grants to school districts.

5 “(d) Based on the funding percentage calculated under paragraph (c) of this subsection, the su-
6 perintendent shall calculate the general purpose grant, facility grant, transportation grant and high
7 cost disabilities grant amounts for each school district.

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

9 “(a) The total amount calculated under subsection (3)(d) of this section for the component school
10 districts of the education service district \times (4.75 \div 95.25); [or]

11 “(b) \$1 million[.]; or

12 “(c) **\$1 million for each former education service district of the education service district
13 if the former education service district:**

14 “(A) **Was operating as an education service district on June 30, 2011;**

15 “(B) **Merged to form the education service district, effective July 1, 2011; and**

16 “(C) **Prior to the merger described in subparagraph (B) of this paragraph, received a
17 general services grant of \$1 million for the 2010-2011 fiscal year.**

18 “(5) Subject to subsection (6) of this section, the State School Fund grant for an education ser-
19 vice district = general services grant – local revenues of the education service district.

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

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

27 “(7) Notwithstanding subsections (5) and (6) of this section:

28 “(a) The State School Fund grant of an education service district may not be less than zero;
29 [and]

30 “(b) The State School Fund grant of an education service district shall be in an amount that,
31 when combined with the local revenues of the education service district, equals \$1 million or
32 more[.]; and

33 “(c) **The State School Fund grant of an education service district shall be in an amount
34 that, when combined with the local revenues of the education service district, equals \$1
35 million for each former education service district that:**

36 “(A) **Was operating as an education service district on June 30, 2011;**

37 “(B) **Merged to form the education service district, effective July 1, 2011; and**

38 “(C) **Prior to the merger described in subparagraph (B) of this paragraph, received a
39 State School Fund grant in an amount that, when combined with the local revenues of the
40 education service district, equaled \$1 million for the 2010-2011 fiscal year.**

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

45 On page 13, delete lines 1 through 23.

