

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 250 - C

Seventy-Sixth Oregon Legislative Assembly – 2011 Regular Session
Legislative Fiscal Office

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Measure Description:

Allows school district to withdraw from education service district.

Government Unit(s) Affected:

Department of Education, School Districts, Education Service Districts (ESD's)

Summary of Expenditure Impact: See Analysis

Local Government Mandate:

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

Analysis:

The measure allows certain school districts to withdraw from an education service districts (ESD) to be affirmed by two-thirds vote of the school board. The measure requires education service districts to distribute to school district that has withdrawn a prorated amount of state funding available to the education service district (ESD). The measure reduces the amount of distribution to ESDs in 2011-2012 and again in 2012-2013 which will increase the amount that is distributed to school districts.

The measure creates the Office of Regional Educational Services (ORES), under the direction and control of the State Board of Education, with a director of the ORES selected by the Superintendent of Public Instruction. The ORES is directed to establish best practice policies, benchmarks, provide training and support to ESD superintendents, and make recommendations. The ORES director is allowed to enter into contracts necessary to perform the duties required by the measure. The measure provides that the OES may accept contributions to carry out the duties of the office and that moneys received must be deposited into the Regional Educational Services Account.

The measure establishes the Regional Educational Services Account, separate and distinct from the General Fund, continuously appropriates the monies in the fund to the ORES and credits the interest earned back to the fund. The measure establishes a formula for an amount to be transferred from the State School Fund to the Regional Education Services Account each fiscal year beginning in 2011-12. The measure provides that the ORES may expend no more than \$500,000 per biennium from the account and that excess monies in the account must be transferred back to the State School Fund on June 30 of each odd-numbered year for distribution to school districts.

The fiscal impact to ESDs and local school districts is indeterminate. The number of school districts that will decide to withdraw from an ESD is unknown. Resources or staffing workload to school districts and ESDs may be impacted by a school district withdrawing from an ESD.