

Senate Bill 937

Sponsored by Senator DEVLIN, Representative GARRETT

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**.

Phases in reduction of percentage of State School Fund moneys to be distributed to education service districts.

Declares emergency, effective July 1, 2011.

A BILL FOR AN ACT

1
2 Relating to education service districts; creating new provisions; amending ORS 327.019; and declar-
3 ing an emergency.

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

5 **SECTION 1.** ORS 327.019 is amended to read:

6 327.019. (1) As used in this section:

7 (a) "Education service district extended ADMw" means the sum of the extended ADMw of the
8 component school districts of the education service district as computed under ORS 327.013.

9 (b) "Local revenues of an education service district" means the total of the following:

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

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

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

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

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

22 (3)(a) Each fiscal year, the superintendent shall calculate the total amount appropriated or al-
23 located to the State School Fund and available for distribution to school districts, education service
24 districts and programs + total amount of local revenues of all school districts, computed as provided
25 in ORS 327.011, + total amount of local revenues of all education service districts. The super-
26 intendent may not include in the calculation under this paragraph amounts received by the De-
27 partment of Education from the State School Fund under ORS 343.243.

28 (b) The superintendent shall multiply the amount calculated under paragraph (a) of this sub-
29 section by *[95.25]* **96** percent.

30 (c) Based on the amount calculated under paragraph (b) of this subsection, the superintendent
31 shall calculate a funding percentage to distribute as nearly as practicable under ORS 327.006 to

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.

1 327.133, 327.348, 327.355, 327.357 and 327.360 the total amount calculated under paragraph (b) of this
 2 subsection as school district general purpose grants, facility grants, high cost disabilities grants and
 3 transportation grants to school districts.

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

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

8 (a) The total amount calculated under subsection (3)(d) of this section for the component school
 9 districts of the education service district \times ~~[(4.75] 4 \div [95.25] 96)~~; or

10 (b) \$1 million.

11 (5) Subject to subsection (6) of this section, the State School Fund grant for an education service
 12 district = general services grant – local revenues of the education service district.

13 (6)(a) After completing the calculations under subsections (2) to (5) of this section, the Super-
 14 intendent of Public Instruction shall apportion from the State School Fund to each education service
 15 district an amount = (funding percentage \times general services grant) – local revenues of the edu-
 16 cation service district.

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

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

21 (a) The State School Fund grant of an education service district may not be less than zero; and

22 (b) The State School Fund grant of an education service district shall be in an amount that,
 23 when combined with the local revenues of the education service district, equals \$1 million or more.

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

28 **SECTION 2. The amendments to ORS 327.019 by section 1 of this 2011 Act apply to State**
 29 **School Fund distributions commencing with the 2011-2012 distributions.**

30 **SECTION 3.** ORS 327.019, as amended by section 13, chapter 846, Oregon Laws 2007, section
 31 4, chapter 439, Oregon Laws 2009, and section 11, chapter 698, Oregon Laws 2009, is amended to
 32 read:

33 327.019. (1) As used in this section:

34 (a) “Education service district extended ADMw” means the sum of the extended ADMw of the
 35 component school districts of the education service district as computed under ORS 327.013.

36 (b) “Local revenues of an education service district” means the total of the following:

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

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

41 (C) The amount of revenue received by the district from state-managed forestlands under ORS
 42 530.115 (1)(b) and (c); and

43 (D) Any positive amount obtained by subtracting the operating property taxes actually imposed
 44 by the district based on the rate certified pursuant to ORS 310.060 from the amount that would have
 45 been imposed by the district if the district had certified the maximum rate of operating property

1 taxes allowed by law.

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

4 (3)(a) Each fiscal year, the superintendent shall calculate the total amount appropriated or al-
5 located to the State School Fund and available for distribution to school districts, education service
6 districts and programs + total amount of local revenues of all school districts, computed as provided
7 in ORS 327.011, + total amount of local revenues of all education service districts. The super-
8 intendent may not include in the calculation under this paragraph amounts received by the De-
9 partment of Education from the State School Fund under ORS 343.243.

10 (b) The superintendent shall multiply the amount calculated under paragraph (a) of this sub-
11 section by [95.25] **96.5** percent.

12 (c) Based on the amount calculated under paragraph (b) of this subsection, the superintendent
13 shall calculate a funding percentage to distribute as nearly as practicable under ORS 327.006 to
14 327.133 and 327.348 the total amount calculated under paragraph (b) of this subsection as school
15 district general purpose grants, facility grants, high cost disabilities grants and transportation
16 grants to school districts.

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

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

21 (a) The total amount calculated under subsection (3)(d) of this section for the component school
22 districts of the education service district \times ([4.75] **3.5** \div [95.25] **96.5**); or

23 (b) \$1 million.

24 (5) Subject to subsection (6) of this section, the State School Fund grant for an education service
25 district = general services grant – local revenues of the education service district.

26 (6)(a) After completing the calculations under subsections (2) to (5) of this section, the Super-
27 intendent of Public Instruction shall apportion from the State School Fund to each education service
28 district an amount = (funding percentage \times general services grant) – local revenues of the edu-
29 cation service district.

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

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

34 (a) The State School Fund grant of an education service district may not be less than zero; and

35 (b) The State School Fund grant of an education service district shall be in an amount that,
36 when combined with the local revenues of the education service district, equals \$1 million or more.

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

41 **SECTION 4. The amendments to ORS 327.019 by section 3 of this 2011 Act apply to State**
42 **School Fund distributions commencing with the 2012-2013 distributions.**

43 **SECTION 5.** ORS 327.019, as amended by section 13, chapter 846, Oregon Laws 2007, section
44 4, chapter 439, Oregon Laws 2009, section 11, chapter 698, Oregon Laws 2009, and section 3 of this
45 2011 Act, is amended to read:

1 327.019. (1) As used in this section:

2 (a) "Education service district extended ADMw" means the sum of the extended ADMw of the
3 component school districts of the education service district as computed under ORS 327.013.

4 (b) "Local revenues of an education service district" means 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 state-managed forestlands under ORS
10 530.115 (1)(b) and (c); and

11 (D) 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 have
13 been imposed by the district if the district had certified the maximum rate of operating property
14 taxes allowed by law.

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

17 (3)(a) Each fiscal year, the superintendent shall calculate the total amount appropriated or al-
18 located to the State School Fund and available for distribution to school districts, education service
19 districts and programs + total amount of local revenues of all school districts, computed as provided
20 in ORS 327.011, + total amount of local revenues of all education service districts. The super-
21 intendent may not include in the calculation under this paragraph amounts received by the De-
22 partment of Education from the State School Fund under ORS 343.243.

23 (b) The superintendent shall multiply the amount calculated under paragraph (a) of this sub-
24 section by [96.5] **97** percent.

25 (c) Based on the amount calculated under paragraph (b) of this subsection, the superintendent
26 shall calculate a funding percentage to distribute as nearly as practicable under ORS 327.006 to
27 327.133 and 327.348 the total amount calculated under paragraph (b) of this subsection as school
28 district general purpose grants, facility grants, high cost disabilities grants and transportation
29 grants to school districts.

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

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

34 (a) The total amount calculated under subsection (3)(d) of this section for the component school
35 districts of the education service district \times ([3.5] **3** \div [96.5] **97**); or

36 (b) \$1 million.

37 (5) Subject to subsection (6) of this section, the State School Fund grant for an education service
38 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 edu-
42 cation 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; and

3 (b) The State School Fund grant of an education service district shall be in an amount that,
4 when combined with the local revenues of the education service district, equals \$1 million or more.

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

9 **SECTION 6. The amendments to ORS 327.019 by section 5 of this 2011 Act become oper-**
10 **ative July 1, 2013, and apply to State School Fund distributions commencing with the**
11 **2013-2014 distributions.**

12 **SECTION 7. This 2011 Act being necessary for the immediate preservation of the public**
13 **peace, health and safety, an emergency is declared to exist, and this 2011 Act takes effect**
14 **July 1, 2011.**

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