

77TH OREGON LEGISLATIVE ASSEMBLY
2013 REGULAR SESSION
STAFF MEASURE SUMMARY
HOUSE REVENUE COMMITTEE

MEASURE: HB 2506 - 2
CARRIER:

REVENUE:
FISCAL:

Action:
Vote:

Yeas:
Nays:
Exc.:

Prepared By: Dae Baek, Economist
Meeting Dates: 4/1, 5/15

WHAT THE BILL DOES: Establishes the Task Force on School Funding. Requires the task force to submit a report with recommendations to the legislature by October 1, 2014. Takes effect on passage.

ISSUES DISCUSSED:

- Need and timing of reexamining the State School Fund distribution formula
- Funding and management of the Task Force

EFFECT OF COMMITTEE AMENDMENTS: Changes the composition of the Task Force.

BACKGROUND: The formula revenue available for school districts and education service districts has two funding sources. They are the State School Fund provided by the legislature and local revenues. The 1991 Legislature adopted the school equalization formula as distribution principle of the formula revenue, and phased in its implementation. Equity as measured by the equalization formula applied to all school districts beginning in the 1992-93 school year.

Education service districts (ESD) also receive the State School Fund. Before the Measure 5 (1990), they received no state aid. Subsequently, state support helped replace reduced property taxes. The 2001 Legislature adopted a 5 year phase-in plan to equalize ESD revenue, with the final equalization occurring in the 2005-06 school year.

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