

HB 2098
Relating to State School Fund calculations

HB 2098 revises, for purposes of the State School Fund (SSF) distribution, the method of assessing additional weights in average daily membership of students in poverty families and allow districts with foreign exchange students residing in dorms to be counted as residents of the district. Specifies that the revised weights apply to the SSF distribution starting with the 2014-15 school year.

The Education Subcommittee recommends HB 2098 be amended and reported out do pass, as amended.

Joint Committee on Ways and Means

Carrier – House: Rep. Sprenger
Carrier – Senate: Sen. Girod

Revenue:

Fiscal: Fiscal statement issued

Action: Do Pass the A-Engrossed Measure as Amended and be Printed B-Engrossed

Vote:

House

Yeas:

Nays:

Exc:

Senate

Yeas:

Nays:

Exc:

Prepared By: Tim Walker, Legislative Fiscal Office

Meeting Date: June 14, 2013

WHAT THE MEASURE DOES: Revises, for purposes of the State School Fund (SSF) distribution, the method of assessing additional weights in average daily membership of students in poverty families. Specifies that the revised weights apply to the SSF distribution starting with the 2014-15 school year. Takes effect on July 1, 2013.

ISSUES DISCUSSED:

- Methodology for revising calculation
- Number of school districts affected.

EFFECT OF COMMITTEE AMENDMENT: Allows districts with foreign exchange students residing in dorms to be counted as residents of the district by extending the sunset date to July 1, 2015. This will allow the districts who host the foreign exchange students to receive funding for those students.

BACKGROUND: The SSF distribution formula distributes the legislatively appropriated K-12 education dollars to school districts around the state based on the number of students the district has as well as specific characteristics of those students.

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: HB 2098 B**Seventy-Seventh Oregon Legislative Assembly – 2013 Regular Session
Legislative Fiscal Office***Only Impacts on Original or Engrossed
Versions are Considered Official***Prepared by: Tim Walker
Reviewed by: Doug Wilson
Date: 06/05/2013**Measure Description:**

Adjusts method for calculating additional amount of weighted average daily membership attributed to students in poverty families for purposes of State School Fund distributions.

Government Unit(s) Affected:

Department of Education, Education Service Districts (ESD), Local Education Agencies, School Districts

Summary of Expenditure Impact:

Summary of Expenditure Impact		
	2013-15 Biennium	2015-17 Biennium
General Fund	\$28,893	\$17,929
Lottery Funds		
Other Funds		
Federal Funds		
Total Funds	\$28,893	\$17,929
Positions	1	1
FTE	0.15	0.10

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: This bill would require the Oregon Department of Education (ODE) to change the calculations used for determining poverty levels in the State School Fund.

ODE anticipates having to reprogram the State School Fund system to reflect any changes to the poverty calculation. The costs above reflect the agency's estimate of the staff time to do the reprogramming, data validation, maintenance, and outreach to school districts. In the absence of additional resources, ODE anticipates having to delay work on other projects such as the Longitudinal Data System and the Student Record Transfer Exchange. The agency will also need to draft rules for review/adoption by the State Board of Education which is expected to have a minimal cost.

School Districts do not have enough information to determine the net effect of the measure, since changes to the poverty calculation are unknown at this time. Distributions to Education Service Districts would likewise be affected based upon the changes to the poverty calculations. The full affect to School Districts and Educational Service Districts will not be known until ODE adopts rules for calculating poverty and the number of students who may fall into this category.

The –A4 amendments allow districts with foreign exchange students residing in dorms to be counted as residents of the district. This will allow the districts who host the foreign exchange students to receive funding for those students. This will increase the number of students funded through the SSF. It is estimated that an additional 57 students could be affected by this bill. If no additional funding is added to the SSF, the ADMw will be reduced by an estimated \$0.56.

**PROPOSED AMENDMENTS TO
A-ENGROSSED HOUSE BILL 2098**

1 On page 1 of the printed A-engrossed bill, line 2, after “327.013” insert
2 “and section 5, chapter 718, Oregon Laws 2011”.

3 On page 3, after line 17, insert:

4 “**SECTION 3.** Section 5, chapter 718, Oregon Laws 2011, is amended to
5 read:

6 “**Sec. 5.** The amendments to ORS 339.133 by section 4 [*of this 2011 Act*],
7 **chapter 718, Oregon Laws 2011**, become operative on July 1, [2013] **2015**.”.

8 In line 18, delete “3” and insert “4”.

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