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SB 105: Regional Education Services Funding
Senate Committee on Education and Workforce Development
Michael Elliott
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Good afternoon Chair Hass and members of the Senate Committee on Education and Workforce Development. For the record, I am Michael Elliott speaking on behalf of the Oregon Education Department. I am here today to speak in favor of SB 105. SB 105 clarifies how funds are transferred from the State School Fund to the Office of Regional Education Services.

Background

During the 2011 Session, the Legislature enacted SB 250, which, among other things, established the Office of Regional Educational Services to improve regional educational service delivery systems and provide oversight to the state's ESDs.

SB 250 added a new carve out to the State School Fund for the Regional Education Services Account (RESA). This carve-out equals 0.25% of the total dollars, both local and state, of the State School Fund. The Office of Regional Education Services (ORES) receives \$250,000 from this account every year and must distribute the rest of the account back to school districts on a schedule determined by the Director of ORES.

The issue is that School Districts already receive 95.5% and Educational Service Districts (ESDs) receive 4.5% of the State School Fund (ORS 327.019). This totals 100% of the State School Fund. Thus, the additional 0.25% carve-out for the RESA results in spending that is in excess of the State School Fund limitation (95.5%+4.5%+0.25% equals 100.25%). This excess in limitation must be reduced to 100%.

In order to comply with the limitation and equitably fund the RESA, school districts pay for 95.5% of the RESA account and ESDs pay for 4.5% of the account. The end result is that while legislative intent was to provide more money to school districts, money was taken away from school districts to fund the RESA.

Legislation

SB 105 solves that reduction problem by eliminating the Regional Education Services Account and directly appropriating \$500,000 a biennium from the State School Fund to the Office of Regional Education Services. This \$500,000 will be taken from the ESD share of the State School Fund. This bill also eliminates the need for the Director of the ORES to create a

redistribution schedule for the RESA money as the Office will not have additional funds to distribute. By eliminating the RESA, SB 105 streamlines school funding and ensures that districts have more funds available to them throughout the school year.

Fiscal Impact

SB 105 has no impact on ODE.

ESDs will not see significant impact as they are already providing the full \$250,000 a year to the ORES.