

School Revenue 2013-15 – Local Revenues for Formula

(Estimates as of February 12, 2014)

Recent Developments and Forecast Assumptions:

1. Legislative Revenue Office (LRO) regularly provides estimates of local revenues for school formula revenue distribution to the School Revenue Forecast Technical Committee. Since information on most data in the forecast arrives on an annual basis, a full-blown forecast is done on an annual basis. The last forecast was put out in February 2013 but various components of the forecast have been reviewed throughout the year.
2. Total local formula revenues for the biennium 2013-15 are up by \$98.0 million from the last estimate.
3. The 2013-15 biennium estimate of local revenues shows a substantial increase in property taxes and a higher Common School Fund (CSF) distribution for 2014-15.
4. Imposed property taxes for FY 2013-14 came in much higher than the 2013 estimate for both school districts and education service districts. The extension of federal forest fees also contributed to an increase in local revenue for the 2013-14 school year.
5. The CSF balance improved substantially in 2013 since the last forecast, resulting in a higher CSF distribution to school districts in the FY 2014-15.
6. School districts will see about 3.2% to 3.3% growth in property taxes (based on permanent authority) for the 2013-15 biennium. Last estimates assumed 1.3% to 1.7% growth. Education service districts will see similar growth.
7. County School Fund and State Timber Revenue forecasts reflect OEA's timber harvest growth projections. Any change in timber harvest will influence this forecast.
8. Oregon Department of Revenue reports that the FY 2011-12 statewide property tax collection rate was 96.5% of the FY 2011-12 imposed taxes, which was the same as the year before. Adding collection and distribution of overdue taxes and interests, net collection rate of 97.5% (of imposed taxes) is assumed throughout the forecast horizon.

Forecast Details:

School Revenue - Expected Local Revenue (Biennium 2013-15)							
(\$ Thousands)							
	Estimates, February 2013			Estimates, February 12, 2014			Forecast change
	2013-14	2014-15	2013-15	2013-14	2014-15	2013-15	2013-15
School Districts							
Total Available Local Formula Revenue	1,494,074	1,520,964	3,015,038	1,531,943	1,579,944	3,111,887	96,849
Property Taxes	1,439,734	1,464,209	2,903,943	1,466,508	1,514,903	2,981,411	77,468
Other Revenues	73,849	76,594	150,444	85,290	85,532	170,821	20,378
Federal Forest Fees				11,745			11,745
Common School Fund	44,779	46,848	91,627	44,779	54,170	98,950	7,323
County School Fund	10,364	10,623	20,986	10,247	11,241	21,488	502
State Timber (Ch. 530)	16,706	17,124	33,830	16,518	18,120	34,639	809
ESD Equalization Sharing	2,000	2,000	4,000	2,000	2,000	4,000	0
Excluded from Formula	-19,509	-19,840	-39,349	-19,855	-20,491	-40,346	(997)
Portland Exclusion/Gap Bond Rate	-19,509	-19,840	-39,349	-19,855	-20,491	-40,346	(997)
Education Service Districts							
Total Available Local Formula Revenue	103,588	105,355	208,943	103,356	106,774	210,130	1,187
Property Taxes	102,935	104,685	207,621	104,632	107,980	212,612	4,992
Other Revenues	653	669	1,322	-1,276	-1,206	-2,482	(3,804)
State Timber (Ch. 530)	653	669	1,322	724	794	1,518	196
ESD Equalization Sharing				-2,000	-2,000	-4,000	(4,000)
Total Available Local Formula Revenue	1,597,663	1,626,318	3,223,981	1,635,298	1,686,719	3,322,017	98,036