

**STAFF MEASURE SUMMARY**

**House Committee On Education**

**Fiscal:** Fiscal impact issued

**Revenue:** Revenue impact issued

---

**Action Date:** 04/13/15

**Action:** Do Pass With Amendments, Be Printed Engrossed And Be Referred To Revenue By Prior Reference.

**Meeting Dates:** 04/13

**Vote:**

Yeas: 9 - Barreto, Doherty, Frederick, Hack, McLain, Piluso, Reardon, Sprenger, Wilson

**Prepared By:** Richard Donovan, Committee Administrator

---

**WHAT THE MEASURE DOES:**

Modifies method by which minimum amount distributed to education service districts (ESDs) is calculated.

Declares emergency, effective July 1, 2015.

**ISSUES DISCUSSED:**

- Challenges faced by rural ESDs
- Absence of funding increase to smallest EDS since 2003
- ESD inability to provide required services as having led to increased costs to school districts
- \$1.36 million floor as commensurate with increase to State School Fund and other ESDs since 2003

**EFFECT OF COMMITTEE AMENDMENT:**

Increases minimum distribution from \$1,231,000 to \$1,360,000 for the required calculation.

**BACKGROUND:**

Under ORS 327.019, the Superintendent of Public Instruction is required to calculate a State School Fund grant for each ESD each fiscal year. The current calculation includes the total amount appropriated or allocated to the State School Fund and available for distribution to school districts, ESDs and programs + total amount of local revenues of all school districts, computed as provided in ORS 327.011, + total amount of local revenues of all ESDs, multiplied by 95.5 percent. Currently, the general services grant for an ESD must equal the higher of: the total amount calculated under subsection ORS 327.019 (3) (d), for the school districts located within the territory of the ESD  $\times$  (4.5  $\div$  95.5); or \$1 million.

House Bill 3497-A changes the minimum of \$1 million to no less than \$1,360,000, as adjusted each school year based on the same percentage by which the amount appropriated to the State School Fund is increased or decreased as compared to the amount appropriated for the 2015-2016 school year.