

STAFF MEASURE SUMMARY**Senate Committee On Education****Fiscal:** Fiscal impact issued**Revenue:** Revenue impact issued**Action Date:** 04/14/15**Action:** Do Pass The Bill And Refer To Finance And Revenue By Prior Reference.**Meeting Dates:** 04/09, 04/14**Vote:**

Yeas: 6 - Beyer, Gelser, Hass, Knopp, Kruse, Roblan

Exc: 1 - Baertschiger Jr

Prepared By: Gretchen Engbring, Committee Administrator

WHAT THE MEASURE DOES:

Modifies calculation for determining funding amounts provided to Education Service Districts (ESDs). Declares emergency, effective July 1, 2015.

ISSUES DISCUSSED:

- Legislative history of ESD funding since 2003
- Services that ESDs provide, specifically special education services)
- Need for adjustments to annual base distribution due to inflation
- Benefits of adjusting funding of ESDs to decreases or increases in State School Fund (SSF) distributions instead of providing flat funding
- House Bill 3497 (2015)
- Effect on Oregon Association of Education Service Districts and ESDs that are not party to the association

EFFECT OF COMMITTEE AMENDMENT:

No amendment.

BACKGROUND:

ORS 334.005 provides that the mission of ESDs is to assist school districts and the Oregon Department of Education (ODE) in achieving the state's educational goals by, "providing equitable, high quality, cost-effective and locally responsive educational services at a regional level." Today, there are 19 ESDs serving Oregon's 36 counties.

ORS 327.019 regulates SSF distribution calculations for ESDs, providing that ESDs are to annually receive the higher of \$1 million dollars or an amount calculated and distributed as largely based on local revenues. Senate Bill 930 raises the base annual distribution from \$1 to \$1.1 million, and adjusts it each school year based on the same percentage by which the amount appropriated to the SSF for distribution to ESDs is increased or decreased as compared to the amount appropriated for the 2015-2016 school year.