

HOUSE AMENDMENTS TO HOUSE BILL 3497

By COMMITTEE ON EDUCATION

April 14

1 On page 1 of the printed bill, delete lines 5 through 31 and delete pages 2 through 5 and insert:

2 “**SECTION 1.** ORS 327.019 is amended to read:

3 “327.019. (1) As used in this section:

4 “(a) ‘Education service district extended ADMw’ means the sum of the extended ADMw of the
5 school districts located within the territory of the education service district as computed under ORS
6 327.013.

7 “(b) ‘Local revenues of an education service district’ means the total of the following:

8 “(A) The amount of revenue offset against local property taxes as determined by the Department
9 of Revenue under ORS 311.175 (3)(a)(A);

10 “(B) The amount of property taxes actually received by the district including penalties and in-
11 terest on taxes;

12 “(C) The amount of revenue received by the district from state-managed forestlands under ORS
13 530.115 (1)(b) and (c); and

14 “(D) Any positive amount obtained by subtracting the operating property taxes actually imposed
15 by the district based on the rate certified pursuant to ORS 310.060 from the amount that would have
16 been imposed by the district if the district had certified the maximum rate of operating property
17 taxes allowed by law.

18 “(2) Each fiscal year, the Superintendent of Public Instruction shall calculate a State School
19 Fund grant for each education service district as provided in this section.

20 “(3)(a) Each fiscal year, the superintendent shall calculate the total amount appropriated or al-
21 located to the State School Fund and available for distribution to school districts, education service
22 districts and programs + total amount of local revenues of all school districts, computed as provided
23 in ORS 327.011, + total amount of local revenues of all education service districts. The super-
24 intendent may not include in the calculation under this paragraph amounts received by the De-
25 partment of Education from the State School Fund under ORS 343.243.

26 “(b) The superintendent shall multiply the amount calculated under paragraph (a) of this sub-
27 section by 95.5 percent.

28 “(c) Based on the amount calculated under paragraph (b) of this subsection, the superintendent
29 shall calculate a funding percentage to distribute as nearly as practicable under ORS 327.006 to
30 327.133 and 327.348 and sections 1 to 3, chapter 735, Oregon Laws 2013, the total amount calculated
31 under paragraph (b) of this subsection as school district general purpose grants, facility grants, high
32 cost disabilities grants and transportation grants to school districts.

33 “(d) Based on the funding percentage calculated under paragraph (c) of this subsection, the su-
34 perintendent shall calculate the general purpose grant, facility grant, transportation grant and high
35 cost disabilities grant amounts for each school district.

1 “(4)(a) The general services grant for an education service district shall equal the higher of:
2 “(A) The total amount calculated under subsection (3)(d) of this section for the school districts
3 located within the territory of the education service district $\times (4.5 \div 95.5)$; or
4 “(B) [*\$1 million*] **\$1,360,000, as adjusted each school year based on the same percentage by
5 which the amount appropriated to the State School Fund for distribution to education service
6 districts is increased or decreased as compared with the amount appropriated for the
7 2015-2016 school year**, if the education service district received a general services grant of \$1
8 million for the 2010-2011 school year.

9 “(b) Notwithstanding paragraph (a) of this subsection and only for State School Fund distrib-
10 utions made for the first school year after two or more education service districts join together, if
11 an education service district received a general services grant as provided by paragraph (a)(B) of
12 this subsection prior to the education service district joining together with one or more other edu-
13 cation service districts to form a new education service district:

14 “(A) The general services grant for the new education service district shall be calculated for
15 each component education service district as though the component education service districts had
16 not joined together to form a new education service district; and
17 “(B) A component education service district that received [*\$1 million*] **an amount** as provided
18 by paragraph (a)(B) of this subsection shall be entitled to receive [*\$1 million*] **that amount** under
19 the calculation provided by this paragraph.

20 “(5) Subject to subsection (6) of this section, the State School Fund grant for an education ser-
21 vice district = general services grant – local revenues of the education service district.

22 “(6)(a) After completing the calculations under subsections (2) to (5) of this section, the Super-
23 intendent of Public Instruction shall apportion from the State School Fund to each education service
24 district an amount = (funding percentage \times general services grant) – local revenues of the educa-
25 tion service district.

26 “(b) The funding percentage used in paragraph (a) of this subsection shall be calculated by the
27 superintendent to distribute as nearly as practicable the total amount available for distribution to
28 education service districts from the State School Fund for each fiscal year.

29 “(7) Notwithstanding subsections (5) and (6) of this section:

30 “(a) The State School Fund grant of an education service district may not be less than zero; and
31 “(b) The State School Fund grant of an education service district shall be in an amount that,
32 when combined with the local revenues of the education service district, equals [*\$1 million or
33 more*] **\$1,360,000, as adjusted each school year based on the same percentage by which the
34 amount appropriated to the State School Fund for distribution to education service districts
35 is increased or decreased as compared with the amount appropriated for the 2015-2016 school
36 year**.

37 “(8) An education service district shall distribute to school districts located within the territory
38 of the education service district any amount of local revenues of the education service district that
39 is greater than the general services grant. The amount that each school district receives under this
40 subsection shall be prorated based on the district extended ADMw of the school district as calcu-
41 lated under ORS 327.013.

42 “(9)(a) An education service district shall distribute to a school district that is located within
43 the territory of the education service district but that has withdrawn from the education service
44 district as provided in ORS 334.015 the amounts received by the education service district as a
45 general services grant and from the School Improvement Fund.

1 “(b) The amounts that a school district receives under this subsection:
2 “(A) Shall be prorated based on the district extended ADMw of the school district as calculated
3 under ORS 327.013;
4 “(B) Shall equal 90 percent of the school district’s prorated share, as calculated under subpara-
5 graph (A) of this paragraph; and
6 “(C) May be used to pay for any expenses incurred in providing services described in ORS
7 334.175 (2) to the students of the school district by:
8 “(i) The school district;
9 “(ii) The education service district from which the school district withdrew;
10 “(iii) An education service district that is not the education service district from which the
11 school district withdrew; or
12 “(iv) Any other public entity with which the school district has entered into a contract to pro-
13 vide the services.
14 “**SECTION 2.** ORS 327.019, as amended by section 9, chapter 735, Oregon Laws 2013, is
15 amended to read:
16 “327.019. (1) As used in this section:
17 “(a) ‘Education service district extended ADMw’ means the sum of the extended ADMw of the
18 school districts located within the territory of the education service district as computed under ORS
19 327.013.
20 “(b) ‘Local revenues of an education service district’ means the total of the following:
21 “(A) The amount of revenue offset against local property taxes as determined by the Department
22 of Revenue under ORS 311.175 (3)(a)(A);
23 “(B) The amount of property taxes actually received by the district including penalties and in-
24 terest on taxes;
25 “(C) The amount of revenue received by the district from state-managed forestlands under ORS
26 530.115 (1)(b) and (c); and
27 “(D) Any positive amount obtained by subtracting the operating property taxes actually imposed
28 by the district based on the rate certified pursuant to ORS 310.060 from the amount that would have
29 been imposed by the district if the district had certified the maximum rate of operating property
30 taxes allowed by law.
31 “(2) Each fiscal year, the Superintendent of Public Instruction shall calculate a State School
32 Fund grant for each education service district as provided in this section.
33 “(3)(a) Each fiscal year, the superintendent shall calculate the total amount appropriated or al-
34 located to the State School Fund and available for distribution to school districts, education service
35 districts and programs + total amount of local revenues of all school districts, computed as provided
36 in ORS 327.011, + total amount of local revenues of all education service districts. The super-
37 intendent may not include in the calculation under this paragraph amounts received by the De-
38 partment of Education from the State School Fund under ORS 343.243.
39 “(b) The superintendent shall multiply the amount calculated under paragraph (a) of this sub-
40 section by 95.5 percent.
41 “(c) Based on the amount calculated under paragraph (b) of this subsection, the superintendent
42 shall calculate a funding percentage to distribute as nearly as practicable under ORS 327.006 to
43 327.133 and 327.348 the total amount calculated under paragraph (b) of this subsection as school
44 district general purpose grants, facility grants, high cost disabilities grants and transportation
45 grants to school districts.

1 “(d) Based on the funding percentage calculated under paragraph (c) of this subsection, the su-
2 perintendent shall calculate the general purpose grant, facility grant, transportation grant and high
3 cost disabilities grant amounts for each school district.

4 “(4)(a) The general services grant for an education service district shall equal the higher of:

5 “(A) The total amount calculated under subsection (3)(d) of this section for the school districts
6 located within the territory of the education service district $\times (4.5 \div 95.5)$; or

7 “(B) [*\$1 million*] **\$1,360,000, as adjusted each school year based on the same percentage by**
8 **which the amount appropriated to the State School Fund for distribution to education service**
9 **districts is increased or decreased as compared with the amount appropriated for the**
10 **2015-2016 school year**, if the education service district received a general services grant of \$1
11 million for the 2010-2011 school year.

12 “(b) Notwithstanding paragraph (a) of this subsection and only for State School Fund distrib-
13 utions made for the first school year after two or more education service districts join together, if
14 an education service district received a general services grant as provided by paragraph (a)(B) of
15 this subsection prior to the education service district joining together with one or more other edu-
16 cation service districts to form a new education service district:

17 “(A) The general services grant for the new education service district shall be calculated for
18 each component education service district as though the component education service districts had
19 not joined together to form a new education service district; and

20 “(B) A component education service district that received [*\$1 million*] **an amount** as provided
21 by paragraph (a)(B) of this subsection shall be entitled to receive [*\$1 million*] **that amount** under
22 the calculation provided by this paragraph.

23 “(5) Subject to subsection (6) of this section, the State School Fund grant for an education ser-
24 vice district = general services grant – local revenues of the education service district.

25 “(6)(a) After completing the calculations under subsections (2) to (5) of this section, the Super-
26 intendent of Public Instruction shall apportion from the State School Fund to each education service
27 district an amount = (funding percentage \times general services grant) – local revenues of the educa-
28 tion service district.

29 “(b) The funding percentage used in paragraph (a) of this subsection shall be calculated by the
30 superintendent to distribute as nearly as practicable the total amount available for distribution to
31 education service districts from the State School Fund for each fiscal year.

32 “(7) Notwithstanding subsections (5) and (6) of this section:

33 “(a) The State School Fund grant of an education service district may not be less than zero; and

34 “(b) The State School Fund grant of an education service district shall be in an amount that,
35 when combined with the local revenues of the education service district, equals [*\$1 million or*
36 *more*] **\$1,360,000, as adjusted each school year based on the same percentage by which the**
37 **amount appropriated to the State School Fund for distribution to education service districts**
38 **is increased or decreased as compared with the amount appropriated for the 2015-2016 school**
39 **year.**

40 “(8) An education service district shall distribute to school districts located within the territory
41 of the education service district any amount of local revenues of the education service district that
42 is greater than the general services grant. The amount that each school district receives under this
43 subsection shall be prorated based on the district extended ADMw of the school district as calcu-
44 lated under ORS 327.013.

45 “(9)(a) An education service district shall distribute to a school district that is located within

1 the territory of the education service district but that has withdrawn from the education service
2 district as provided in ORS 334.015 the amounts received by the education service district as a
3 general services grant and from the School Improvement Fund.

4 “(b) The amounts that a school district receives under this subsection:

5 “(A) Shall be prorated based on the district extended ADMw of the school district as calculated
6 under ORS 327.013;

7 “(B) Shall equal 90 percent of the school district’s prorated share, as calculated under subpara-
8 graph (A) of this paragraph; and

9 “(C) May be used to pay for any expenses incurred in providing services described in ORS
10 334.175 (2) to the students of the school district by:

11 “(i) The school district;

12 “(ii) The education service district from which the school district withdrew;

13 “(iii) An education service district that is not the education service district from which the
14 school district withdrew; or

15 “(iv) Any other public entity with which the school district has entered into a contract to pro-
16 vide the services.

17 “**SECTION 3. The amendments to ORS 327.019 by sections 1 and 2 of this 2015 Act apply**
18 **to State School Fund distributions commencing with the 2015-2016 distributions.**

19 “**SECTION 4. This 2015 Act being necessary for the immediate preservation of the public**
20 **peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect**
21 **July 1, 2015.”**

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