

**PRELIMINARY STAFF MEASURE SUMMARY**

**Senate Committee On Education**

**Fiscal:** Has minimal fiscal impact

Sub. Referrals: Joint Committee On Ways

**Revenue:** No Revenue Impact

and Means

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**Action Date:**

**Action:**

**Meeting Dates:** 02/08

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

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**WHAT THE MEASURE DOES:**

Directs Department of Education to conduct evaluation related to financial accountability of school districts.

Declares emergency, effective on passage.

**ISSUES DISCUSSED:**

- Concern with apparent disparities in expenditure among school districts
- Measure as study/information gathering bill
- Ability of Department of Education to complete study without asking districts for extensive data reporting
- Concern that measure amounts to review of decisions made at district level by boards
- Concern that actual problem is general underfunding of education, rather than specific decisions made at district level

**EFFECT OF COMMITTEE AMENDMENT:**

(-1, proposed) Replaces measure. Directs Department of Education (ODE) to conduct evaluation related expenditure variations among school districts. Specified contents of evaluation. Requires ODE report to interim legislative committees on education no later than December 15, 2016. Declares emergency, effective on passage.

**BACKGROUND:**

Oregon's school finance system combines state, local, and federal revenue to support 197 school districts and 19 education service districts (ESDs). Most state revenue is distributed to school districts and ESDs by a school distribution formula. Local revenue is raised by or flows to local school districts. Federal revenue is allocated to school districts primarily based on eligibility for federal education programs. The Legislative Assembly appropriates money to schools from two main sources: income taxes out of the General Fund and lottery receipts. This money generally makes up the State School Fund.

Senate Bill 1541 would require the Oregon Department of Education conduct an evaluation of expenditure variations by school districts, and to report to the Legislature no later than October 15, 2016.