

Fiscal: Has minimal fiscal impact

Revenue: No Revenue Impact

Action Date: 02/29/16

Action: Do Pass With Amendments To The A-Eng Bill. (Printed B-Eng.)

Meeting Dates: 02/24, 02/29

Vote:

Yeas: 7 - Barnhart, Gilliam, Hoyle, Huffman, Rayfield, Smith Warner, Williamson

Nays: 2 - Kennemer, Wilson

Prepared By: Erin Seiler, Committee Administrator

WHAT THE MEASURE DOES:

Directs Oregon Department of Education (ODE), in consultation with Chief Education Office, to conduct study on expenditure variations among school districts. The study shall: (a) review expenditures in multiple categories, including instruction, support services, administration, transportation and business services; (b) review amounts in school district reserve funds; (c) identify factors that may affect expenditure levels in category, including class size, staff levels, staff compensation, administrative compensation, student demographics, length of school year, number of school days per week and number of instructional hours in school year; and (d) determine whether expenditure variations are related to student outcomes, including attendance, absenteeism and graduation rates. Requires ODE report to interim legislative committees on education no later than December 15, 2016. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Reasons for variation in expenditures among school districts
- Expenditure decisions made by local school boards
- Variance in ability of school districts to access supplemental financial resources
- Inclusion in study of student demographics, particularly economic demographics

EFFECT OF COMMITTEE AMENDMENT:

Replaces measure.

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-B requires the Oregon Department of Education, in consultation with Chief Education Office, to conduct a study on expenditure variations among school districts and report to interim legislative committees on education no later than December 15, 2016.