

School Revenue 2017-19:  
**Local Revenues for Formula**

February 22, 2017

Legislative Revenue Office

# Formula Revenue Distribution

- Local Revenues are added to the State School Fund (General Fund + Lottery Resources) to form the total formula revenue for distribution to school districts (SDs) and education service districts (ESDs)
- Operationally, there are so-called carve-outs that are set aside from the State School Fund (SSF)
- So, local revenues are added to the SSF net of carve-outs to form the total formula revenue available for distribution to SDs and ESDs
- SDs receive 95.5% and ESDs 4.5%

# Local Revenues for the purpose of State School Fund distribution

- Permanent rate based property taxes (SDs and ESDs)
- Common School Fund distribution
- County School Fund and State Timber Sale Revenue – State managed forestlands
- Federal timber payment
- Occasional federal funds without specific application, and not deemed nonsupplantable
- Moneys in lieu of property taxes

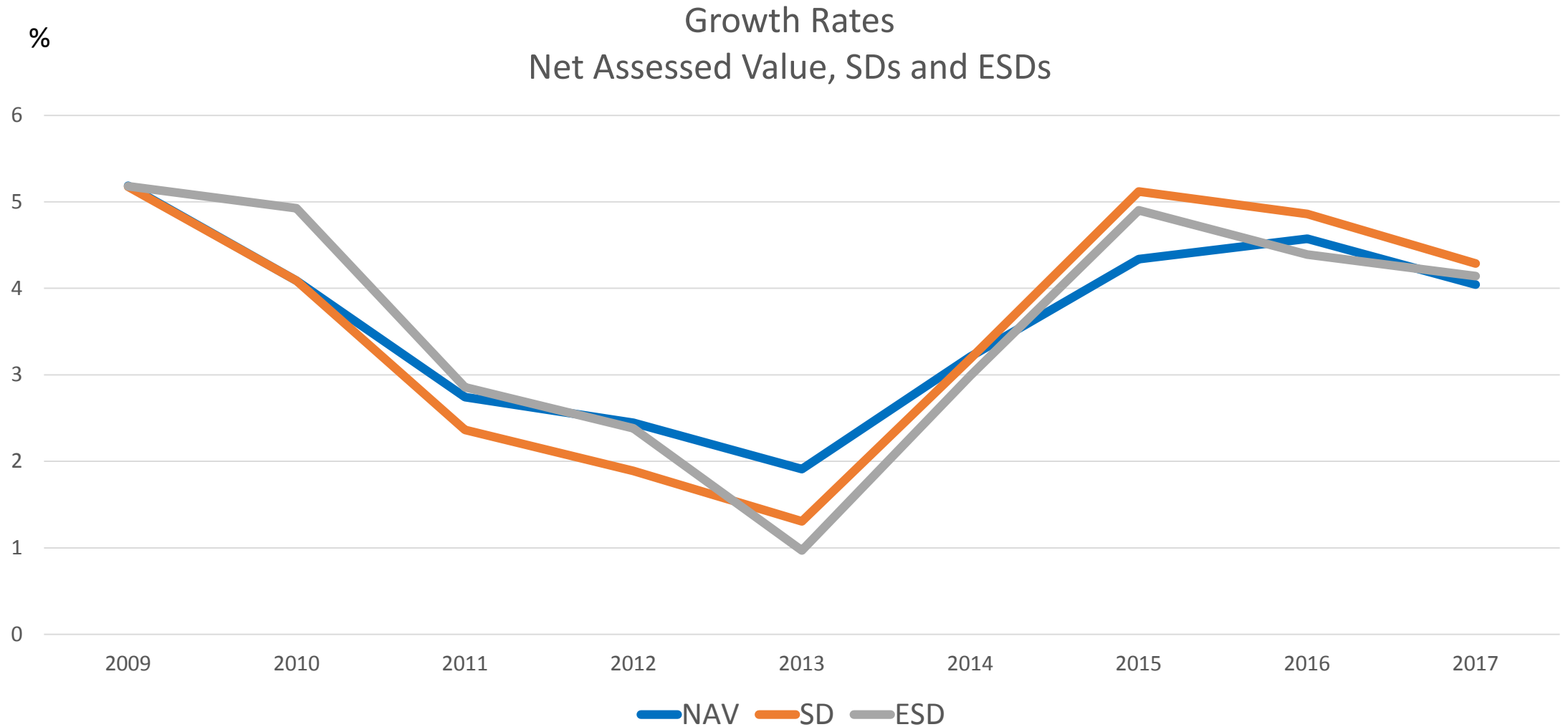
# 2017-19 Local Revenues = \$3.961 billion

- The total local formula revenue for the 2017-19 biennium is estimated to be \$3.961 billion
- This is \$22 million less than estimated in March 2016
- The latest 2015-17 local revenue estimate stands at \$3.678 billion
- The initial 2015-17 biennium local revenue estimate was \$3.673 billion; this is the figure considered in 2015-17 budget

# Forecast Details

- Preliminary data for the 2016-17 property tax year show 4.3% growth in SD property taxes from a year prior, and 4.1% growth for ESDs; 2015-16 growth rates were 4.9% for SDs and 4.4% for ESDs
- Net Assessed Value grew 4.04% in 16-17, after 4.6% in 15-16
- Current economic conditions suggest that the property taxes will show a steady growth in the next two years, but are expected to post slower growth rates from the recent past
- School districts will see about 3.75% to 4.0% growth in property taxes year-over-year for the 2017-19 biennium. Education service districts will see similar, but slightly lower growth

# Statewide Property Tax Trend



Preliminary Property Tax Data for SDs and ESDs Combined 2016-17 - subject to revision

COUNTY	Permanent Levy			Local Options			Bonds		
	FY 15-16	FY 16-17	% CH	FY 15-16	FY 16-17	% CH	FY 15-16	FY 16-17	% CH
Baker	6,694	6,882	2.8	0	0	0	0	0	0
Benton	35,879	37,777	5.3	4,546	5,074	11.6	13,032	12,887	-1.1
Clackamas	215,618	226,135	4.9	14,323	17,059	19.1	85,607	89,614	4.7
Clatsop	25,736	26,560	3.2	1,145	1,208	5.5	3,175	3,138	-1.2
Columbia	22,268	23,334	4.8	0	0	0	5,402	6,068	12.3
Coos	22,413	23,223	3.6	0	0	0	1,811	1,704	-5.9
Crook	8,716	9,295	6.6	0	0	0	1,431	1,883	31.6
Curry	10,900	11,227	3	0	0	0	1,613	1,708	5.9
Deschutes	98,871	104,073	5.3	1130	1,156	2.3	34,187	36,974	8.2
Douglas	39,168	40,635	3.7	5	5	3.3	5,484	5,076	-7.5
Gilliam	3,828	3,758	-1.8	110	116	6	232	199	-14.2
Grant	2853	2919	2.3	0	0	0	0	0	0
Harney	2,719	2,817	3.6	0	0	0	217	205	-5.5
Hood River	10,947	11,409	4.2	2,087	2,208	5.8	3,811	3,969	4.2
Jackson	85,039	88,427	4	3,194	3,328	4.2	27,711	28,949	4.5
Jefferson	7,274	7,537	3.6	0	0	2.1	3,587	3,818	6.4
Josephine	30,321	31,584	4.2	0	0	0	2,120	2,177	2.7
Klamath	21,997	22,381	1.7	938	0	-100	4,238	5,249	23.8
Lake	4,774	4,877	2.1	0	0	0	30	0	-100
Lane	144,102	148,726	3.2	12,951	13,624	5.2	43,089	48,322	12.1
Lincoln	35,061	36,061	2.9	0	0	0	5,167	5,322	3
Linn	42,396	44,340	4.6	217	265	22	12,814	12,567	-1.9
Malheur	7,317	8,113	10.9	0	0	0	1,547	1,936	25.2
Marion	103,721	108,068	4.2	0	0	0	41,731	33,578	-19.5
Morrow	9,133	10,067	10.2	411	418	1.7	2,253	573	-74.6
Multnomah	361,553	376,823	4.2	79,273	87,166	10	77,888	79,579	2.2
Polk	25,113	26,511	5.6	74	85	14.5	10,871	10,199	-6.2
Sherman	2,307	2,306	0	0	0	0	0	0	0
Tillamook	21,786	22,477	3.2	0	0	0	2,822	2,902	2.8
Umatilla	25,004	26,218	4.9	485	279	-42.4	13,639	14,835	8.8
Union	9,059	9,740	7.5	0	0	0	2297	2,501	8.9
Wallowa	3,853	4,002	3.9	0	0	0	0	0	0
Wasco	10,875	11,480	5.6	0	0	0	2,395	2,382	-0.6
Washington	279,836	291,492	4.2	34,520	38,353	11.1	118,151	122,876	4
Wheeler	775	785	1.3	2	2	-15.2	2	2	-18.2
Yamhill	37,574	39,378	4.8	0	0	0	21,508	23,250	8.1
State Total	1,775,480	1,851,437	4.3	155,413	170,345	9.6	549,864	564,440	2.7

Source: Oregon Department of Revenue. Preliminary, subject to revision

# Forecast Details - Continued

- The Common School Fund (CSF) year-end balance grew marginally in the past three years. As a result, CSF distribution will see a small increase.
- Revenues from state-managed forestlands will determine County School Fund and State Timber Revenue.
- The latest actual collections of these sources reported to the Oregon Department of Education came in slightly higher than the forecast.
- Payments from state-managed forestlands are expected to go up, following recent trend



## School Revenue - Expected Local Revenue (FY 2017-19)

	Estimates February 2017		
	2017-18	2018-19	2017-19
<b><u>School Districts (A)</u></b>			
<b>Total Available Local Revenue</b>	1,823,626,064	1,890,116,048	<b>3,713,742,113</b>
<b>Net Property Taxes</b>	1,728,756,629	1,793,585,003	3,522,341,632
Property Taxes	1,753,256,700	1,819,003,826	3,572,260,526
Excluded from Formula (Portland Gap Bond Rate)	-24,500,071	-25,418,823	-49,918,894
<b>Other Revenues</b>	94,869,435	96,531,045	191,400,480
Common School Fund	57,631,707	58,628,562	116,260,269
County School Fund	9,938,836	10,137,612	20,076,448
State Timber	23,298,893	23,764,870	47,063,763
ESD Equalization Sharing	4,000,000	4,000,000	8,000,000
<b><u>Education Service Districts (B)</u></b>			
<b>Total Available Local Revenue</b>	121,280,562	125,893,869	<b>247,174,430</b>
<b>Net Property Taxes</b>	123,982,104	128,569,442	252,551,545
<b>Other Revenues</b>	-2,701,542	-2,675,573	-5,377,115
State Timber	1,298,458	1,324,427	2,622,885
ESD Equalization Sharing	-4,000,000	-4,000,000	-8,000,000
<b>Total Available Local Revenue (A+B)</b>	<b>1,944,906,626</b>	<b>2,016,009,917</b>	<b>3,960,916,543</b>