On page 2 of the printed bill, delete lines 3 through 29 and insert:

"SECTION 2. (1) Each even-numbered year, the Oregon Department of Administrative Services shall prepare a tentative budget for funding the State School Fund for the next biennium.

“(2)(a) For the purpose of preparing the tentative budget, the department shall form a committee. The committee must include:

“(A) Representatives from the Department of Education, the Legislative Fiscal Office, the Legislative Revenue Officer and the Governor’s office;

“(B) Representatives of school districts, school budget committees, school business officials and education labor unions; and

“(C) The cochairs of the Joint Committee on Ways and Means.

“(b) The representatives from the Legislative Fiscal Office and the Legislative Revenue Officer and the cochairs of the Joint Committee on Ways and Means shall serve as nonvoting members on the committee formed under this subsection.

“(3) In preparing the tentative budget, the Oregon Department of Administrative Services shall review with the committee formed under subsection (2) of this section the components of the methodology that will be used to prepare the tentative budget and the calculations for the tentative budget. The department shall collaborate with the committee to refine the methodology by considering alternative approaches to the calculations and other factors the committee believes may be pertinent to the preparation of the tentative budget. The department shall collaborate with the committee prior to finalizing the tentative budget required under this section. The tentative budget shall include:

“(a) Projected changes in the cost of personal services, other services, supplies and capital expenditures, based on anticipated expenses;

“(b) Forecasted local revenues, as described in ORS 327.011 and as calculated by the Oregon Department of Administrative Services, the Legislative Fiscal Officer, the Legislative Revenue Officer and the Department of Revenue; and

“(c) Projected cost factors that may arise from new laws and administrative rules.

“(4) The Oregon Department of Administrative Services shall present the tentative budget prepared under this section to the Governor and to the Legislative Assembly in conjunction with submittal of the agency request budget of the Department of Education.”.