HB 2739 -2, -4   STAFF MEASURE SUMMARY

House Committee On Education

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Meeting Dates:	1/25, 4/3

WHAT THE MEASURE DOES:

Requires the Department of Administrative Services to prepare a tentative budget for the State School Fund each even-numbered year. Requires DAS to form a committee. Establishes membership of committee. Establishes methodological requirements for preparation of tentative budget.

ISSUES DISCUSSED:
- Processes for calculating current service level in use under previous Governors
- Quality Education Model amount
- Legislatively adopted budget for State School Fund

EFFECT OF AMENDMENT:

-2 Adds parent representative from each Congressional district in Oregon to committee.

-4 Modifies membership of committee. Removes provisions related to assumption that 49 percent of State School Fund allocation will be distributed in the first year of the biennium and 51 percent in the second year. Requires consultation with the Legislative Fiscal Officer.

BACKGROUND:

The legislature sets the total amount for the State School Fund (SSF) each biennium, weighing it against other state services that also require funding. Resources for the SSF command a large percentage of the total state budget for General Fund and Lottery Funds—over 29 percent for 2021–2023. Each biennium, the executive branch calculates current service level (CSL), the projected amount required for the continuation of existing programs and services. From 1999 until 2014, Executive Order 99-15 governed a process for determining CSL that included input from local education stakeholders. In 2014, Executive Order 14-14 changed that process. In 2017, passage of Senate Bill 1067 enacted a cap on the rate of increase of health care costs that could be incorporated into the CSL calculation. While the Joint Committee on Ways and Means considers CSL in determining an amount for the SSF appropriation, the calculated CSL amount does not limit the committee's ability to set any amount it chooses.