

# B-Engrossed House Bill 3184

Ordered by the Senate August 1  
Including House Amendments dated May 6 and Senate Amendments dated  
August 1

Sponsored by COMMITTEE ON EDUCATION

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

*[Allows education service district to provide entrepreneurial services and facilities to public and private entities and to school districts that are not component school districts.]*

**Reduces amount that education service districts receive as State School Fund grants.  
Limits amount that education service districts may expend on administrative expenses during 2005-2006 fiscal year.**

Declares emergency, effective *[July 1, 2005]* on passage.

## A BILL FOR AN ACT

1  
2 Relating to education service districts; creating new provisions; amending ORS 327.019; and declar-  
3 ing an emergency.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 327.019 is amended to read:

6 327.019. (1) As used in this section:

7 (a) "Education service district extended ADMw" means the sum of the extended ADMw of the  
8 component school districts of the education service district as computed under ORS 327.013.

9 (b) "Local revenues of an education service district" means the total of the following:

10 (A) The amount of revenue offset against local property taxes as determined by the Department  
11 of Revenue under ORS 311.175 (3)(a)(A);

12 (B) The amount of property taxes actually received by the district including penalties and in-  
13 terest on taxes;

14 (C) The amount of revenue received by the district from state-managed forestlands under ORS  
15 530.115 (1)(b) and (c); and

16 (D) Any positive amount obtained by subtracting the operating property taxes actually imposed  
17 by the district based on the rate certified pursuant to ORS 310.060 from the amount that would have  
18 been imposed by the district if the district had certified the maximum rate of operating property  
19 taxes allowed by law.

20 (2) Each fiscal year, the Superintendent of Public Instruction shall calculate a State School Fund  
21 grant for each education service district as provided in this section.

22 (3)(a) Each fiscal year, the superintendent shall calculate the total amount appropriated or al-  
23 located to the State School Fund and available for distribution to school districts, education service  
24 districts and programs + total amount of local revenues of all school districts, computed as provided  
25 in ORS 327.013, + total amount of local revenues of all education service districts. The super-

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted.  
New sections are in **boldfaced** type.

1 intendent may not include in the calculation under this paragraph amounts recovered by the De-  
2 partment of Education from the State School Fund under ORS 343.243.

3 (b) The superintendent shall multiply the amount calculated under paragraph (a) of this sub-  
4 section by [95] **95.25** percent.

5 (c) Based on the amount calculated under paragraph (b) of this subsection, the superintendent  
6 shall calculate a funding percentage to distribute as nearly as practicable under ORS 327.006 to  
7 327.133 the total amount calculated under paragraph (b) of this subsection as school district general  
8 purpose grants, facility grants and transportation grants to school districts.

9 (d) Based on the funding percentage calculated under paragraph (c) of this subsection, the su-  
10 perintendent shall calculate the general purpose grant, facility grant and transportation grant  
11 amounts for each school district.

12 (4) The general services grant for an education service district shall equal the higher of:

13 (a) Total amount calculated under subsection (3)(d) of this section for the component school  
14 districts of the education service district  $\times$  [5.263 percent] (**4.75**  $\div$  **95.25**); or

15 (b) [*\$1 million*] **\$950,000**.

16 (5) Subject to subsection (6) of this section, the State School Fund grant for an education service  
17 district = general services grant – local revenues of the education service district.

18 (6)(a) After completing the calculations under subsections (2) to (5) of this section, the Super-  
19 intendent of Public Instruction shall apportion from the State School Fund to each education service  
20 district an amount = (funding percentage  $\times$  general services grant) – local revenues of the edu-  
21 cation service district.

22 (b) The funding percentage used in paragraph (a) of this subsection shall be calculated by the  
23 superintendent to distribute as nearly as practicable the total amount available for distribution to  
24 education service districts from the State School Fund for each fiscal year.

25 (7) Notwithstanding subsections (5) and (6) of this section, the State School Fund grant of an  
26 education service district may not be less than zero.

27 (8) An education service district shall distribute to its component school districts any amount  
28 of local revenues of the education service district that is greater than the general services grant.  
29 The amount that each component school district receives under this subsection shall be prorated  
30 based on the district extended ADMw of each school district.

31 **SECTION 2. The amendments to ORS 327.019 by section 1 of this 2005 Act apply to State**  
32 **School Fund distributions commencing with the 2005-2006 distribution.**

33 **SECTION 3. (1) For the 2005-2006 fiscal year, the Superintendent of Public Instruction**  
34 **shall calculate for each education service district the amount the education service district**  
35 **would have received as a general services grant under ORS 327.019 if:**

36 (a) **The percentage used in ORS 327.019 (3)(b) was 95 percent;**

37 (b) **The percentage used in ORS 327.019 (4)(a) was 5.263 percent; and**

38 (c) **The dollar amount specified under ORS 327.019 (4)(b) was \$1 million.**

39 (2) **The superintendent shall calculate for each education service district 50 percent of**  
40 **the difference between the amount calculated under subsection (1) of this section and the**  
41 **amount the education service district actually received as a general services grant under**  
42 **ORS 327.019 for the 2005-2006 fiscal year.**

43 (3) **The amount expended by an education service district on administrative expenses**  
44 **during the 2005-2006 fiscal year may not be greater than the amount expended for adminis-**  
45 **trative expenses by the education service district during the 2004-2005 fiscal year minus the**

1 amount calculated under subsection (2) of this section for the education service district.

2 **SECTION 4. This 2005 Act being necessary for the immediate preservation of the public**  
3 **peace, health and safety, an emergency is declared to exist, and this 2005 Act takes effect**  
4 **on its passage.**

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