
MEMORANDUM

Legislative Fiscal Office
900 Court St. NE, Room H-178
Salem, Oregon 97301
Phone 503-986-1828
FAX 503-373-7807

To: Members of the Education Subcommittee

From: Doug Wilson, Legislative Fiscal Office
(503) 986-1837

Date: May 29, 2013

Subject: HB 2506 A Work Session Recommendations

Background Information

HB 2506-A establishes the 13 member Task Force on School Funding which is required to submit a report to an interim committee of the legislature by October 2014. Membership of the Task Force includes two members each from the House and the Senate (appointed by the Presiding Officers); and nine members appointed by the Governor who represent school administrators, school district business managers, district school board members and Education Service Districts (ESDs). The Task Force is to make recommendations on modifying the school funding formula which are in line with the goals and policies established by the Oregon Education Investment Board. The Governor's Office is charged with staffing the Task Force with other agencies instructed to provide assistance and information. The Task Force is repealed at the start of the 2015 Legislature.

Recommended Changes to HB 2506 A:

LFO recommends the following changes to the school funding formula (conceptual amendment) to assist in carrying out the Co-Chairs plan for education related funding.

1. Abolish the Office of Regional Educational Services and the Regional Educational Services Account as well as repeal ORS 327.009 which transferred 0.25% of the school funding formula resources for the Regional Educational Services Account. The resulting "savings" of approximately \$24 million would be distributed to School Districts and ESDs through the formula (95.5% to School Districts and 4.5% to ESDs).
2. Reduce the amount dedicated to the Facilities Grant Program in ORS 327.008 from \$25 million per biennium to \$20 million, and redeploy the \$5 million to the Quality Teaching and Learning Network established in HB 3233.
3. Allocate equal amounts from the formula amounts that are distributed to School Districts and to ESDs (\$14 million each) for the Quality Teaching and Learning Network.

4. Index the amounts dedicated to the Network by #3 above to the change in the amount in the State School Fund (SSF) -- meaning if the SSF increased by 5% between biennia, the amounts would increase proportionately.

Sen./Rep. _____ moves the conceptual amendment to HB 2506 A.

Consideration of any Other Amendments

HB 2506 A Final Subcommittee Action:

Final Motion:

Sen./Rep. _____ moves HB 2506 A to the full committee as amended with a “do pass” recommendation.