

HB 2514 A -A2 STAFF MEASURE SUMMARY

Senate Committee On Education

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Meeting Dates: 4/16, 5/19

WHAT THE MEASURE DOES:

The measure establishes a limit on the aggregate principal amount of bonded indebtedness for education service districts (ESDs) of 7.95 percent (0.0795) of the real market value of all taxable property within the education service district. The bonds can be used to finance capital costs for the ESD.

Minimal fiscal impact (A-engrossed).

No revenue impact (A-engrossed).

House vote: Passed. Ayes, 54; Nays, 3

ISSUES DISCUSSED:

- Importance of funding for education service districts
- Need to clarify bonding authority

EFFECT OF AMENDMENT:

-A2 Allows the use of bond funds for component school districts within the education service district.

BACKGROUND:

Education Service Districts (ESDs) are established in ORS Chapter 334. ESDs are tasked with assisting school districts and ODE in achieving Oregon's educational goals by providing equitable, high quality, cost-effective, and locally responsive educational services at a regional level. ESDs have locally elected boards and board-appointed superintendents. Currently, Oregon has 19 ESDs.

Under Article XI, section 11L of the Oregon Constitution, "capital costs" includes costs of land and of other assets, including costs associated with acquisition, construction, improvement, remodeling, furnishing, equipping, maintenance, or repair.