

Key Provisions of School Funding Bills Passed by the 2003 Legislature

For more details on Fiscal Management and Non-finance Bills see OSBA's 2003 Legislative Summary and copies of the bills on their website at <<http://www.osba.org>>

House Bills

HB 2001, HB 2003, HB 2004, HB 2005—Enact reforms to Oregon's Public Employee Retirement System (PERS).

HB 2152—Enacts temporary personal income tax surcharge, reduces certain corporate tax credits, increases the corporate minimum tax, and revises various other tax provisions to raise additional revenue for schools and other state services.

HB 2650—Clarifies provisions passed in the fourth special session allowing school districts and ESDs to accrue to the current fiscal year certain revenues received in the subsequent fiscal year.

HB 5077—Appropriates funds to the State School Fund for purposes of distributing funds to school districts and ESDs. For the 2003-05 biennium, the bill appropriates \$5.2 billion to the State School Fund plus an additional \$100 million in the second year of the biennium if general fund revenue is higher than expected.

Senate Bills

SB 550—Establishes a high-cost disabilities fund to reimburse school districts for expenditures on high-cost special education students. Transfers \$12 million in each year of the biennium into the fund from the State School Fund. Provides for reimbursement of expenditures for students who cost more than \$25,000 to serve.

Provides for higher transportation cost reimbursement rate for districts with very high transportation costs per student. The rate is increased from 70% to 80% for districts at or above the 80th percentile of transportation costs per student and from 70% to 90% for districts at or above the 90th percentile.

For purposes of State School Fund formula distributions, excludes from the definition of local revenues property taxes received by a district due to the increase in the districts Measure 50 permanent rate upon retirement of certain of the district's gap bonds.

For purposes of State School Fund formula distributions, increases the limits on the amount of local option revenue that are excluded from the definition of local revenue to the lesser of 15% of the districts' state school fund grant (10% under prior law) or \$750 per extended ADMw (\$500 under prior law).

Provides \$2.5 million in each of the two years of the biennium for grants to small school districts with small high schools. Small school districts are defined as those that have a total ADMw of less than 8,500 and that have a high school with an ADM of less than 350 (less than 267 for 3-year high schools). The grants are to be based on the ADM of the district's small high school(s).

Allows small high schools that merge to continue to qualify for the small school correction for four years on the same basis as though the merger had not occurred.

SB 5554—Appropriates \$400,000 for the biennium from the general fund to be used to make local option equalization grants to school districts. To qualify for a grant, a district must pass a local option levy and must have assessed property values per AMDw that are less than the 75th percentile.