

# School Revenue (Local Revenue for Formula) Update

Senate Finance and Revenue Committee

January 13, 2016

Legislative Revenue Office

# Background information

- Local Revenues defined in ORS 327.011 become part of the formula revenue available for distribution to school districts (SDs) and education service districts (ESDs).
- The 2015 Legislative Assembly incorporated the LRO's local revenue estimate of \$3.673 billion for the 2015-17 school years. The state's allocation to SDs and ESDs in the form of the State School Fund (SSF) amounted to \$7.373 billion.

# Background information - continued

- The largest components of the local revenues for formula are permanent-rate-based property taxes of the SDs and ESDs. For the 2015-17 school year, estimated property taxes account for 95.4% of the total local revenues.
- Other components of substantial magnitude are the Common School Fund (CSF) distribution, revenues from state forests (ORS 530), and 1/4 of the federal forest reserve revenues (federal timber payments) whose continuing payments are subject to federal legislations.

# Recent Development

- Preliminary data for the 2015-16 property tax year show 4.9% growth in SD property taxes (totaling \$1.658 billion) from a year prior, and 4.4% growth (\$117.5 million) for ESDs.
- LRO's forecast in February 2015 was 5.0% growth for SDs (\$1.660 billion) and 4.9% for ESDs (\$118.1 million).
- Forecast errors were \$2.1 million for SDs and \$0.6 million for ESDs.
- Counties show a wide range of property tax growth.

# Unanticipated Revenue

- In the spring of 2015, continuing payments of the federal forest reserve revenues (the Secure Rural Schools and Community Self-Determination Act) had been reauthorized for the 2014-15 and 2015-16 fiscal years.
- These moneys had not been anticipated (hence not incorporated) in the 2013-15 and 2015-17 budget legislations.
- Estimated revenues from these payments are \$13.3 million for 2014-15 and \$12.6 million for 2015-16.

# Revised Local Revenue Forecast

- LRO plans on a revised local revenue forecast, to be released on February 10, 2016, immediately following the March 2016 state economic and revenue forecast.

**Preliminary Property Tax Data FY 2015-16\* (\$1,000)**

**School Districts**

Permanent Levy

COUNTY	FY 14-15	FY 15-16	% CH
Baker	5,652	5,932	5.0
Benton	32,601	33,614	3.1
Clackamas	189,707	200,071	5.5
Clatsop	23,884	24,892	4.2
Columbia	20,554	21,605	5.1
Coos	19,844	20,316	2.4
Crook	8,023	8,544	6.5
Curry	9,447	9,680	2.5
Deschutes	90,738	96,904	6.8
Douglas	34,243	34,898	1.9
Gilliam	2,350	2,349	-0.1
Grant	872	886	1.6
Harney	2,224	2,281	2.5
Hood River	9,613	9,977	3.8
Jackson	75,538	78,690	4.2
Jefferson	6,503	6,945	6.8
Josephine	27,024	27,905	3.3
Klamath	19,505	20,097	3.0
Lake	4,105	4,169	1.6
Lane	131,591	137,494	4.5
Lincoln	32,152	33,011	2.7
Linn	38,181	39,823	4.3
Malheur	6,644	6,783	2.1
Marion	92,958	97,295	4.7
Morrow	6,886	7,923	15.1
Multnomah	317,605	331,676	4.4
Polk	22,336	23,598	5.7
Sherman	1,430	1,451	1.5
Tillamook	20,412	21,107	3.4
Umatilla	21,300	22,096	3.7
Union	7,743	8,018	3.5
Wallowa	1,079	1,125	4.3
Wasco	9,749	9,955	2.1
Washington	254,629	271,069	6.5
Wheeler	511	522	2.1
Yamhill	33,490	35,259	5.3
State Total	1,581,121	1,657,960	4.9

**Education Service Districts**

Permanent Levy

COUNTY	FY 14-15	FY 15-16	% CH
Baker	726	762	4.9
Benton	2,197	2,265	3.1
Clackamas	14,744	15,547	5.4
Clatsop	810	844	4.2
Columbia	631	663	5.1
Coos	2,047	2,096	2.4
Crook	162	172	6.5
Curry	1,191	1,220	2.5
Deschutes	1,841	1,967	6.8
Douglas	4,188	4,270	2.0
Gilliam	1,480	1,479	-0.1
Grant	1,936	1,967	1.6
Harney	427	438	2.6
Hood River	935	970	3.8
Jackson	6,096	6,350	4.2
Jefferson	310	329	6.2
Josephine	2,339	2,417	3.3
Klamath	1,846	1,900	2.9
Lake	596	606	1.6
Lane	6,326	6,608	4.4
Lincoln	1,997	2,050	2.7
Linn	2,467	2,573	4.3
Malheur	524	535	2.0
Marion	6,138	6,426	4.7
Morrow	1,051	1,209	15.1
Multnomah	28,623	29,876	4.4
Polk	1,433	1,514	5.6
Sherman	844	856	1.5
Tillamook	656	679	3.4
Umatilla	2,805	2,908	3.7
Union	1,006	1,041	3.5
Wallowa	2,617	2,728	4.3
Wasco	900	920	2.2
Washington	8,243	8,767	6.4
Wheeler	248	253	2.1
Yamhill	2,197	2,315	5.4
State Total	112,577	117,520	4.4

\*Subject to revision. Data supplied by counties, compiled by the Oregon Department of Revenue