REVENUE IMPACT OF PROPOSED LEGISLATION

75th Oregon Legislative Assembly
2009 Regular Session
Legislative Revenue Office

Bill Number:	**SB 64 B**
Revenue Area:	School Finance
Economist:	Steve Meyer
Date:	6/10/09

Measure Description:

Excludes education service district (ESD) excess local revenue (above ESD formula grant) distributed to component school districts from the requirement that 90% of ESD formula revenue be spent on services or programs approved by component districts. Excludes ESD excess local revenue from component school district formula local revenue for the six years from 2003-04 to 2008-09. Validates ESD distribution or expenditure of its excess local revenue prior to July 1, 2009. Takes effect July 1, 2009.

Allows Sherman County School District to include the sum of two elementary small school student weights calculated prior to merger in the school funding formula if the schools are merged. Limits additional small school weight to next three school years (2009-10 to 2011-12).

Revenue Impact (in $Millions):

	Fiscal Year		Biennium		
	2009-10	**2010-11**	**2009-11**	**2011-2013**	**2013-2015**
School Districts	$	$	$	$	$ 0
Education Service Districts	$ 0	$ 0	$ 0	$ 0	$ 0
Total	$	$	$	$ 0	$ 0

Impact Explanation:

The impact depends on any action by the Department of Education to change school district reports of school formula local revenue. The component school districts of Wallowa, Grant and North Central ESDs could potentially have any unreported ESD excess local revenue included for the six year period which would shift some of their State School Fund dollars to all other school districts. The maximum potential amount is estimated at $7.7 million for all six years.

If the two Sherman County elementary schools are merged as a result of the legislation, about $210,000 a year for up to three years will be shifted to the Sherman County district from all other school districts.

Creates, Extends or Expands Tax Expenditure: Yes ☐ No ☒

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LRO: 6/10/2009   **1 of 1**