REVENUE IMPACT OF PROPOSED LEGISLATION

75th Oregon Legislative Assembly
2009 Regular Session
Legislative Revenue Office

Bill Number:	HB 2533
Revenue Area:	School Finance
Economist:	Steve Meyer
Date:	3/27/09

Measure Description:

Provides grants for two years to remote and necessary school districts by the Department of Education. Awards grants on level of need. Establishes the Remote and Necessary School District Fund. Appropriates $2.2 million per year from the General Fund to the Remote and Necessary School District Fund for the 2009-11 biennium.

Defines remote and necessary school district as one serving grades K-12, having fewer than 110 ADM in the prior year and being more than 20 miles from the nearest school or city of more than 5,000. Limits grants to lesser of (1) $200,000, (2) available funding divided by eligible districts and (3) difference between budgeted general fund operating expense and grants from the State School Fund.

Takes effect July 1, 2009 and sunsets June 30, 2011.

Revenue Impact (in $Millions):

	Fiscal Year			Biennium		
	2009-10	**2010-11**		**2009-11**	**2011-2013**	**2013-2015**
Remote and necessary school districts	$2.2 max.	$2.2 max.		$4.4 max.	$ 0	$ 0
Other school districts	$ 0	$ 0		$ 0	$ 0	$ 0
Total	$2.2 max.	$2.2 max.		$4.4 max.	$ 0	$ 0

Impact Explanation:

Based on current 2008-09 ADM data, no more than 22 K-12 districts are eligible for grants. If all of these meet the distance requirement, the maximum grant will be $100,000 per year. Several grants could be less depending on the difference between budgeted general fund operating expense and State School Fund revenue so that actual grants may be about $1.9 million in 2009-10.

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

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LRO: 3/27/2009   **1 of 1**