

SUBCOMMITTEE RECOMMENDATION

SB 5514

Department of Education / State School Fund

To:	Ways and Means Full Committee
From:	Education Subcommittee
Carrier:	Senator Frederick

SB 5514 is the budget bill for the State School Fund.

The Education Subcommittee recommends a budget of \$9.3 billion total funds for the State School Fund, with \$8.016 billion in General Fund resources and \$570.5 million in Lottery Funds. These Lottery Funds include \$200 million transferred from the Education Stability Fund. The \$9.3 billion amount also includes \$36.0 million in marijuana taxes and a \$676.9 million transfer from the Fund for Student Success, including \$636.9 million accounting for the lost General Fund as the result of the income tax rate reductions and other tax related provisions in the 2019 Student Success Act and \$40 million for the High Cost Disabilities Account.

Overall, this represents a 3.3% increase over the 2019-21 State School Fund and a similar increase over the 2021-23 current service level. This \$9.3 billion will be combined with almost \$4.6 billion in property taxes and other local revenues for distribution through the school revenue formula.

The Subcommittee recommends continuing the \$2.9 million carve-out that provides for free school lunches for those students who are currently eligible for a reduced priced lunch. Also recommended was up to \$1.6 million from the State School Fund be allocated to the Oregon Virtual School District Fund, \$4.0 million be transferred for Local Option Equalization Grants, and limited the carve-out for national normed assessments for 10th graders to \$968,000.

The Education Subcommittee recommends SB 5514 be amended by the –1 amendment and be reported out do pass, as amended.