FISCAL IMPACT OF PROPOSED LEGISLATION **Measure: HB 2753 - 1**

82nd Oregon Legislative Assembly – 2023 Regular Session
Legislative Fiscal Office
Only Impacts on Original or Engrossed Versions are Considered Official

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Prepared by: Michael Graham
Reviewed by: Julie Neburka
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Measure Description:
Allows a district school board to choose to provide directors with a monthly stipend. Requires the board to provide reimbursements for actual and necessary expenses if the board does not provide a monthly stipend.

Government Unit(s) Affected:
School Districts

Summary of Fiscal Impact:
Costs related to this measure are indeterminate at this time - See explanatory analysis.

Analysis:
House Bill 2753, as amended by the -1 amendments, allows a district school board to choose to provide each director who is a voting member of the board with a monthly stipend of up to $500; however, if a school district board does decide to provide the stipend, the board must allow individual directors to choose not to receive the stipend. In addition to the monthly stipend, a school district board may reimburse directors for actual and necessary expenses incurred in the performance of their duties. If a district school board does not provide a stipend, the board must provide reimbursement for actual and necessary expenses. A stipend provided to a director constitutes part of the director's official compensation, though the director is not considered an employee of the school district. The measure takes effect on July 1, 2023; however, the first adjustments to stipend amounts (if any) may not occur until July 1, 2024.

The measure would have a fiscal impact on school districts, though the impact would vary from district to district. Every school district board in the state is composed of 5 or 7 directors. Assuming an average of 6 school board directors per district, multiplied by the 197 school districts in the state, the measure could theoretically apply to approximately 1,182 school district board directors. Assuming all those directors (approximate) were to receive the monthly stipend and assuming that the stipend would be $500 for every director, the measure could theoretically increase every school district board's monthly operating costs by an estimated $3,000 per district. Assuming all directors (approximate) received the monthly stipend every month of the year, the measure could theoretically increase the total operating costs of every school district by an estimated $36,000 annually per district, or $7.1 million for all districts across the state. However, because the monthly stipend is discretionary and because the amount that each district would provide as a monthly stipend is unknown up to a $500 maximum, it is unknown how many school districts would choose to provide the monthly stipend to their directors, and how much the stipend would be. The monthly stipend amounts would likely vary from district to district, up to the $500 maximum.

It should also be noted that if a school district board chooses not to provide a monthly stipend to its directors, the board must provide reimbursement for actual and necessary expenses that the directors incur in the performance of their official duties. According to the Oregon School Boards Association, some school district boards already provide reimbursements to their directors. For those districts that choose not to provide a stipend but already provide reimbursements to their directors, the measure may have minimal to no fiscal impact on their monthly operating costs. However, because the need to provide reimbursements would depend on whether a school district board provides its directors a monthly stipend, and which expenses (if any) that directors incur in the performance of their duties, the fiscal impact would likely vary from district to district. For these reasons, the fiscal impact to school districts is indeterminate.