

**REVENUE IMPACT OF
PROPOSED LEGISLATION
82nd Oregon Legislative Assembly
2023 Regular Session
Legislative Revenue Office**

Bill Number:	HB 3014 - A10
Revenue Area:	School Finance
Economist:	Dae Baek
Date:	05/30/2023

*Only Impacts on Original or Engrossed
Versions are Considered Official*

Measure Description:

Defines alternative transportation as a way of providing transportation for eligible students. Defines active transportation and declares it a form of alternative transportation. Defines suitable and sufficient transportation in consideration of transportation grants. Modifies conditions under which requirement to provide transportation is waived. Specifies conditions under which alternative transportation costs qualify as approved transportation costs for the purpose of State School Fund distributions. Applies to approved transportation costs occurred on or after July 1, 2024.

Revenue Impact: No change in the formula revenue available for distribution to school districts and education service districts

Impact Explanation:

Each fiscal year, school districts are ranked by approved transportation costs per Average Daily Membership (ADM) from the highest to the lowest. The transportation grant to a school district is then 70 percent of approved costs if the district is ranked below the 80th percentile of transportation costs. If a school district is ranked in or above the 80th percentile but below the 90th percentile, the grant is 80 percent of approved costs. For those districts ranked in or above the 90th percentile, the grant is 90 percent of approved costs.

This measure defines alternative transportation as a way of providing transportation for eligible students and specifies conditions under which alternative transportation costs are approved for a school district in distributing the State School Fund.

More specifically, the measure allows the State Board of Education to approve alternative transportation-related costs as approved transportation costs when (1) the projected approved transportation costs incorporating alternative transportation are the same as or less than the school district's projected approved transportation costs without alternative transportation or (2) the school district demonstrates that any excess expenses of transportation costs over the projected approved conventional transportation costs as a result of providing alternative transportation will be paid with funds other than the transportation grant from the State School Fund. The measure also specifies that approved alternative transportation cost of the school district is capped at 5% of approved total transportation cost.

A decline or saving in approved transportation costs, if any, by adoption of alternative transportation will lead to an equal amount of increase in general purpose grants to school districts. In the end, the measure neither adds

to nor subtracts from the formula revenue available to school districts.

Creates, Extends, or Expands Tax Expenditure: Yes No