

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
83rd Oregon Legislative Assembly
2025 Regular Session
Legislative Revenue Office

Bill Number:	SB 981
Revenue Area:	School Finance
Economist:	Dae Baek
Date:	03/18/2025

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

Measure Description:

Increases the maximum age under which a student is eligible for continuing a public education when the student is receiving special education under specified conditions. Takes effect on July 1, 2025.

Revenue Impact: No Impact on the Formula Revenue

The measure does not change the total formula revenue available for distribution to school districts and education service districts.

Impact Explanation:

According to the Oregon Department of Education (ODE), the measure is a change in policy, which makes certain students eligible to continue enrollment and allows them to continue to receive educational services until the day before they turn 22 years of age.

Had the eligibility in this measure been in place in the school year 2024-25, 522 students with disabilities would have newly qualified for receiving continued public education according to ODE. If enacted, ODE expects that the measure would allow 541 students to qualify for continued public education in the school year 2025-26.

The measure will add to the total student weights in the State School Fund distributions. Newly eligible students in the measure are special education students who carry double weights, and school districts providing educational services to such students may qualify to receive High Cost Disabilities (HCD) grants.

Unless additional resources are provided to cover the expected expenses under the measure, the formula revenue per ADMw (weighted average daily membership) will decline. As a result, there will be a redistribution of formula revenue among school districts, however small. Redistribution analysis is not feasible at this point since the legislature has not determined the amount of money to be appropriated to the State School Fund for the 2025-27 biennium. The measure may also have impact on eligible costs for HCD grants.

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