

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
74th Oregon Legislative Assembly
2007 Regular Session
Legislative Revenue Office

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|----------------------|----------------------|
| Bill Number: | HB 2214-A |
| Revenue Area: | State Finance |
| Economist: | Warner |
| Date: | 5-4-07 |

Measure Description:

Directs Legislature to allocate at least 61% of projected General Fund revenue to education starting with the 2007-09 biennium. Requires growth in education spending of at least 10% in each succeeding biennium. Directs Legislature to divide excess General Fund revenue growth above 10% to Education Opportunity and Innovation Fund (1/3) and Education Stability Fund (2/3). If the Education Stability Fund is at its constitutional cap (5% of General Fund revenue in the prior biennium), the entire excess above 10% growth is appropriated to the Education Opportunity and Innovation Fund.

Revenue Impact:

| (in millions) | 2007-09 | 2009-11 | 2011-13 |
|-----------------------------------------------|----------------|----------------|----------------|
| General Fund Revenue | 12,667 | 15,676 | 17,541 |
| 61% Dedication to Education | 7,727 | 9,562 | 10,700 |
| Revenue Needed to Meet 10% Requirement | | 8,738 | 9,612 |
| Projected Revenue Above Dedication | | 824 | 1,088 |

Impact Explanation:

Total 2007-09 education spending subject to the 10% growth requirement is assumed to be \$7,944 million. General Fund revenue growth is based on March 2007 forecast.