

REVENUE IMPACT OF PROPOSED LEGISLATION

74th Oregon Legislative Assembly
2007 Regular Session
Legislative Revenue Office

Bill Number:	HB3141-B
Revenue Area:	School Finance
Economist:	Meyer
Date:	6/24/07

Measure Description:

Requires the Department of Education to collect data about physical education from school districts and to award grants. Set standards for physical education beginning in 2017. Establishes District Best Business Practices Advisory Committee. Requires committee to advise the Department on the development of a system for auditing district business practices. Directs the Department to contract with the Secretary of State to audit business practices of districts that volunteer. Creates an Education System Design Team to design a legislative system to evaluate K-16 education budgets with specific outcome goals and report by February 1, 2008. Transfers funding for students in the Youth Corrections Education Program who are 21 or older or have a high school diploma from the school equalization formula to a direct transfer from the State School Fund. Modifies funding for South Umpqua School District division report. Sets State School Fund expenditure limits or transfers for best business practices, talented and gifted, physical education data and grants, design team, Quality Education Commission support, virtual school fund, and speech pathology grants.

Revenue Impact:

State School Fund	2007-08	2008-09	2007-09 Biennium
Spending limits for various education programs and projects	\$+2,180,793	\$+2,269,805	\$+4,450,598
School Districts	-2,077,205	-2,161,989	-4,239,194
Education Service Districts	-103,588	-107,816	-211,404

Impact Explanation:

If expenditures are below the limits, the reductions for school districts and ESDs will be less. Some grants may directly benefit districts and partially offset the reduced distribution from the State School Fund to school districts and ESDs. The annual division assumes transfers of about 49% in 2007-08 and 51% in 2008-09. The average reduction per weighted student is around \$3.33 for the biennium.

The funding for the Youth Corrections Education Program is currently from the State School Fund through the school equalization formula, but will now be a direct transfer from the State School Fund to the Youth Correction Education Program. This redirection is not included in the above numbers.

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