

REVENUE IMPACT OF PROPOSED LEGISLATION

74th Oregon Legislative Assembly 2007
Legislative Revenue Office

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| Bill Number: | SB 47 |
| Revenue Area: | School Finance |
| Economist: | Meyer |
| Date: | 2/5/07 |

Measure Description:

Requires the Department of Education to establish a system for reviewing the business practices of school districts. Directs the Department to determine business practice standards based on best practices.

Establishes a six member Efficiency Review Advisory panel. Requires members to have experience in performance auditing or school business practices. Directs the Department to set up efficiency review teams of retirees who have extensive experience with performance auditing. Allows the Department to have teams do on-site reviews of selected school districts.

Permits the Department to spend up to \$1 million from the State School Fund for administering the review of school business practices.

Takes effect July 1, 2007.

Revenue Impact:

| State School Fund (\$ Millions) | 2007-08 | 2008-09 | 2007-09 Biennium | 2009-11 Biennium |
|------------------------------------|---------|---------|---------------------|---------------------|
| Department of Education | 0.5 | 0.5 | 1.0 | 0 |
| School Districts | -0.5 | -0.5 | -1.0 | 0 |

Impact Explanation:

The bill allows the Department of Education to spend up to \$1 million for the biennium from the State School Fund. The assumption is that this will be about equally divided between the two years of the biennium. These funds would otherwise be distributed to school districts by the school equalization formula. The school district reduction is about 75 cents per weighted student (ADWw) per year.

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