

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

Bill Number: SB 550-C
Revenue Area: School Finance
Economist: Meyer
Date: 6/23/07

Measure Description:

Extends the sunset from 2007 to 2013 for distributions of revised Secure Rural Schools and Community Self-Determination Act revenue. Ensures that these federal funds are distributed to counties based on historical national forest timber revenue and that 25% is deposited into county school funds, distributed to school districts and included as district revenue in the school equalization formula. Retroactively takes effect if passage is after July 1, 2007.

Increases the education service district (ESD) minimum allocation of state and local funding from a little less than \$950,000 to \$1 million per year.

Requires the interim revenue committees to study the adequacy of funding for small school districts and small ESDs and make recommendations to the 2009 legislature.

Takes effect on passage.

Revenue Impact:

	2007-08	2008-09	2007-09 Biennium
School district federal revenue	+\$33.9 million	0	+\$33.9million
5 ESDs with minimum funding increase	+270,000	+270,000	+540,000
Other 15 ESDs	-270,000	-270,000	-540,000

Impact Explanation:

The federal revenue has been included in 2007-08 school equalization formula revenue. The average statewide impact is about \$51 per weighted student. Federal legislation is needed for this revenue to continue beyond 2007-08.

The 5 small ESDs are Lake, Harney, Region 18/Wallowa, North Central and Grant. Simulation 20 shows the estimated shift in 2007-08 revenue for each ESD.