

REVENUE IMPACT OF PROPOSED LEGISLATION

74th Oregon Legislative Assembly
2007 Regular Session
Legislative Revenue Office

Bill Number:	SB609
Revenue Area:	School Finance
Economist:	Meyer
Date:	4/02/07

Measure Description:

Requires formation of Frontier Education Outpost by intergovernmental agreement among Grant, Wallowa and North Central Education Service Districts. Specifies duties of outpost. Requires each member to spend a minimum of \$10,000 per year for outpost operations.

Increases minimum funding (before final apportionment) from \$950,000 to \$1 million per year for the three outpost Education Service Districts from the ESD allocation of State School Fund and local revenue.

Begins with 2007-08 allocation.

Revenue Impact:

Education Service Districts	2007-08	2008-09	2007-09 Biennium	2009-11 Biennium
State School Fund Net Impact	0	0	0	0
Frontier Ed. Outpost ESDs	\$147,000	\$148,000	\$295,000	\$295,000
Other ESDs	-147,000	-148,000	-295,000	-295,000
School Districts	0	-147,000	-147,000	-295,000

Impact Explanation:

Refer to ESD Finance Distribution Simulation 03 for the estimated impact on each EDS in 2007-08 and the primary assumptions for these estimates.

ESDs that have local revenue in excess of the allocated amount must share the excess with their component school districts. All three of the proposed outpost members have excess local revenue. Increasing the minimum allocation reduces the excess revenue shared with component school districts. The component school district reduction is less local revenue (lagged one year) for these districts in the school equalization formula which then is equalized statewide.

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