

**75TH OREGON LEGISLATIVE ASSEMBLY
STAFF MEASURE SUMMARY
SENATE FINANCE AND REVENUE COMMITTEE**

**MEASURE: SB 555 A
CARRIER:**

REVENUE: Revenue Impact Issued

FISCAL: Minimal Fiscal Impact, no statement issued

Action: Do Pass with Amendments and be Printed A Engrossed, and Request Referral to Ways and Means.

Vote: 3-2-0

Yeas: Hass, Rosenbaum, Burdick

Nays: Morse, Telfer

Exc.: 0

Prepared By: Steve Meyer, Economist

Meeting Dates: 5/27, 6/1

WHAT THE BILL DOES: Modifies the school district transportation grant in the school equalization formula. Changes the transportation grant to 63% of approved transportation costs in place of 70%, 80% or 90% where the percent depends on the district ranking of transportation cost per student.

ISSUES DISCUSSED:

School bus distance and time in rural and remote school districts

Broad range of transportation cost per student among school districts

Revenue shift from high transportation cost per student school districts to lower cost

Impact of revenue shift on budgets of small school districts

Equalizing uncontrollable differences in transportation costs per student

Efficiency and safety of transportation services

EFFECT OF COMMITTEE AMENDMENTS:

Replaces the original bill with the content described above.

BACKGROUND:

The 1991 Legislature set the transportation grant at 70% of approved transportation costs as part of the school equalization formula adopted in the 1991 session.

The 2003 Legislature last modified the transportation grant. The legislation increased the grant from 70% to 90% for the top 10% of districts with the highest transportation cost per student and from 70% to 80% for the next 10% of highest cost districts. The transportation grant remained at 70% of approved transportation cost for the other 80% of districts with lower transportation cost per student.

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