

**REVENUE IMPACT OF
PROPOSED LEGISLATION
75th Oregon Legislative Assembly
2010 Special Session
Legislative Revenue Office**

Bill Number:	SB 988 A
Revenue Area:	School Finance
Economist:	Steve Meyer
Date:	2/12/10

Measure Description:

Grants school district residency to foreign exchange students who are attending school in Oregon under a cultural exchange program and living in a school district dormitory. Limits foreign exchange status to one year. Applies only to the 2009-10 and 2010-11 school years. Requires The Department of Education to adjust school revenue distributions in 2009-10 if needed to reflect the change.

Allows school districts and education service districts to enter into funds diversion agreements with the Department of Education for qualified revenue bonds. Specifies conditions of diversion agreements allowing the Department to divert district State School Fund revenue to district debt service payments. Limits revenue bonds to those sold in 2010 as qualified school construction bonds under the American Recovery and Reinvestment Act of 2009. Sunsets diversion agreement authorization June 30, 2029.

Adds school districts to public agencies that may finance water treatment works to control pollution. Includes Oregon prekindergarten program providers in pilot project for Head Start providers to implement health literacy program.

Takes effect on passage.

Revenue Impact (in \$Millions):

School Districts	Fiscal Year		Biennium		
	2009-10	2010-11	2009-11	2011-2013	2013-2015
With eligible foreign exchange students	\$ 0.35	\$ 0.35	\$ 0.7	\$ 0	\$ 0
Without eligible foreign exchange students	\$ -0.35	\$ -0.35	\$ -0.7	\$ 0	\$ 0
Total	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

Impact Explanation:

The impact assumes that school districts will not under existing statutes include foreign exchange students living in dormitories in their school district student count (ADM) for these two school years. Six small districts with about 60 foreign exchange students will have reduced State School Fund revenue from the school equalization formula if the Department of Education advises districts to exclude these students from district ADM. If the current practice of districts counting these students in ADM continues, there is no impact.

There is no revenue impact for the other provisions of the bill.

Creates, Extends or Expands Tax Expenditure: Yes No