

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

Bill Number: SB 5565 A
Revenue Area: School Finance
Economist: Steve Meyer
Date: 2/22/10

Measure Description:

Redirects up to the \$200 million of primarily reserve funds from the State School Fund to the Supplemental School District and School Program Subaccount within the State School Fund. Finds a decline in nonfarm payroll employment to trigger access to reserve funds. Transfers from the Education Stability Fund to the Subaccount on May 1, 2011 any difference between \$200 million and appropriations from the Oregon Rainy Day Fund and General Fund. Repeals Subaccount July 1, 2012. Appropriates \$10 million from the Oregon Rainy Day Fund to the General Fund on April 1, 2010.

Excludes education service districts from receiving a share of funds from the Supplemental School District and School Program Subaccount. Distributes Subaccount funds to school districts using the school equalization formula. Applies to the 2010-11 school year.

Requires three-fifths majority vote. Declares an emergency and takes effect on passage.

Revenue Impact (in \$Millions):

	Fiscal Year		Biennium		
	2009-10	2010-11	2009-11	2011-2013	2013-2015
State School Fund	\$ -200.0	\$ 0	\$ -200.0	\$ 0	\$ 0
Supplemental Subaccount	\$ +200.0	\$ 0	\$ +200.0	\$ 0	\$ 0
School Districts	\$ 0	\$ +9.5	\$ +9.5	\$ 0	\$ 0
Education Service Districts	\$ 0	\$ -9.5	\$ -9.5	\$ 0	\$ 0
Oregon Rainy Day Fund	\$ 0	\$ -10.0	\$ -10.0	\$ 0	\$ 0
General Fund	\$ 0	\$ +10.0	\$ +10.0	\$ 0	\$ 0
Total	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

Impact Explanation:

Assumes the Supplemental Subaccount is fully funded. The shift from ESDs to school districts is about \$14 per weighted student (ADMw).

Creates, Extends or Expands Tax Expenditure: Yes No