2010 Special Session FISCAL ANALYSIS OF PROPOSED LEGISLATION

Prepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER: HB 3687 STATUS: A Engrossed

SUBJECT: Relating to the sale of the Oregon School for the Blind

GOVERNMENT UNIT AFFECTED: Department of Education and Department of Administration

Services

PREPARED BY: John Terpening

REVIEWED BY: Daron Hill and Laurie Byerly

DATE: February 4, 2010

EXPENDITURES: See analysis

EFFECTIVE DATE: On passage

INTERIM JOINT COMMITTEE ON WAYS AND MEANS: The budgetary impact of this bill was not reviewed and approved by the Interim Joint Committee on Ways and Means Committee and is not included in the omnibus budget bill to be introduced by the committee upon passage.

LOCAL GOVERNMENT MANDATE: This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

ANALYSIS: House Bill 3687 modifies the distribution of proceeds from the sale of the Oregon School for the Blind; requires the Department of Administrative Services to present the plan for sale of the property to the Capitol Planning Commission; allows for funds that are received by school districts from the Blind and Visually Impaired Student (BVI) fund be considered approved costs for determining the school districts qualifications for a high cost disability grant and applies to the grant distributions made in the 2009-2010 fiscal year.

The fiscal impact is indeterminate. Both the proceeds to the Department of Education and costs to the Department of Administrative Services related to the sale are unknown.

The measure changes the distribution of the proceeds established through House Bill 2834 (2009), which required that 100% of the proceeds from the sale be transferred to the Education Stability Fund, to a 50-50 distribution to the Department of Education for the BVI fund and the Oregon School for the Deaf for improvements and repairs. An exception to this distribution is made for the proceeds from any portion of the real property that is subject to the terms of a charitable trust, which must be distributed as required by the trust agreement. While there is no immediate budget impact, the change in distribution reduces potential resources to the Education Stability Fund and dedicates them for other purposes that would be subject to future budget action.

The measure provides clarifying language concerning the costs associated with former students of the Oregon School for the Blind and eligibility for the high cost disability grants. School districts will be able to count costs incurred for former Oregon School for the Blind students, regardless of reimbursement from the BVI fund, toward the \$30,000 eligibility threshold for high cost disability grants. However, school districts will not be reimbursed twice for the same costs. No fiscal impact is anticipated from this provision.