

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

<b>Bill Number:</b>	<b>HB 3687 B</b>
<b>Revenue Area:</b>	School Finance
<b>Economist:</b>	Steve Meyer
<b>Date:</b>	2/20/10

**Measure Description:**

Makes school district special education costs that are reimbursed from the Blind and Visually Impaired Student Fund approved costs for the High Cost Disability grant in the school equalization formula. First applies to 2009-10 grants and sunsets in 2020.

Shifts funds from the sale of the former Oregon School for the Blind property from the Education Stability Fund to the Department of Education. Directs Department to distribute 50% to the Blind and Visually Impaired Student Fund and 50% to the Oregon School for the Deaf for repairs, improvements, maintenance and housing. Allows school district to seek funds from the blind fund prior to school formula high cost disability funds when medical and educational costs per student exceed \$200,000 per fiscal year.

Takes effect on passage.

**Revenue Impact (in \$Millions):**

	Fiscal Year		Biennium		
	2009-10	2010-11	2009-11	2011-2013	2013-2015
<b>Blind and Visually Impaired Student Fund</b>	\$ 0	\$ 2.5	\$ 2.5	\$ 0	\$ 0
<b>Oregon School for the Deaf</b>	\$ 0	\$ 2.5	\$ 2.5	\$ 0	\$ 0
<b>Education Stability Fund</b>	\$ 0	\$-5.0	\$-5.0	\$ 0	\$ 0
<b>Total</b>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

**Impact Explanation:**

The \$5 million assumes a sale of the blind school in 2010-11 at about the "as is" appraisal. Other sale options may generate more or less revenue.

High cost disability grants are for special education costs above \$30,000 per student and are limited to a total of \$18 million per year. Blind and Visually Impaired Student Fund payments cannot statutorily be used to take the place of high cost disability grants. The Fund can, for a few former blind school students, fill the cost gap between \$30,000 per student and about \$12,000 of double student weight revenue that is not eligible for high cost disability grants and also about 20% of the amount above \$30,000 per student that is not funded by the grant because of the \$18 million yearly limit. The number of high cost former blind school students and their costs for 2009-10 are not yet available from school districts to estimate potential payments from the blind fund.

**Creates, Extends or Expands Tax Expenditure:**      Yes  No