

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: SB 937**Seventy-Sixth Oregon Legislative Assembly – 2011 Regular Session
Legislative Fiscal Office

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Measure Description:

Phases in reduction of percentage of State School Fund moneys to be distributed to education service districts.

Government Unit(s) Affected:

Department of Education, Education Service Districts, School Districts

Summary of Expenditure Impact: See Analysis

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:

The measure reduces the percentage of State School Fund (SSF) moneys to be distributed to education services districts. The current percentage of SSF moneys distributed to ESDs is 4.75% of total school resources available for distribution. The measure would decrease that percentage to 4% for the 2011-2012 distribution, 3.5% for the 2012-13 distribution, and 3% for the 2013-14 distribution. The measure does not change the \$1 million minimum distribution to ESDs. Currently, there are five ESDs that are allocated the minimum amount.

The fiscal impact to ESDs and school districts is indeterminate. It is unknown if school districts will contract with ESDs for previously utilized services or use the additional funds to provide those same services from within the school district. Resources and staffing workload to school districts and ESDs may be impacted. Depending on available resources, ESDs may need to review current staffing and service levels.

The measure has a minimum fiscal impact to the Department of Education for programmatic changes to the distribution method.