

**REVENUE IMPACT OF  
PROPOSED LEGISLATION**  
76th Oregon Legislative Assembly  
2011 Regular Session  
Legislative Revenue Office

**Bill Number:** SB 250 – C  
**Revenue Area:** School Finance  
**Economist:** Dae Baek  
**Date:** 6/18/2011

**Measure Description:** Allows a school district of an education service district to withdraw from the education service district in specified education service districts. Requires the education service district to distribute to school districts that withdraw, the school district's prorated amount of specified funds available to the education service district. Directs that, for purposes of the State School Fund distribution, the education service district's share be 4.5 percent. Specifies the scope of prorated funds to be distributed to a school district upon its withdrawal from an education service district. Establishes the Office of Regional Educational Services for the purposes of coordinating the efforts of and providing leadership for regional education service delivery system. Creates the Regional Educational Services Account to fund the Office of Regional Educational Services. Declares an emergency and takes effect on passage.

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

	Fiscal Year		Biennium
	2011-12	2012-13	2011-13
School Formula Money	\$ 0	\$ 0	\$ 0
School Districts (SD)	\$11.27	\$11.35	\$22.62
Education Service Districts (ESD)	-\$11.52	-\$11.60	-\$23.12
Regional Educational Services Account	\$0.25	\$0.25	\$0.50

\*The revenue impact here only shows (1) the redistribution of the school formula money when ESD's share changes, and (2) revenue gain/loss resulting from funding the Office of Regional Educational Services. It does not show the potential transfer of funds if a SD withdraws from an ESD.

**Impact Explanation:** The analysis assumes there are no additional dollars available for the school formula money. The revenue impact here only shows (1) the redistribution of the school formula money when ESD's share changes, and (2) revenue gain/loss resulting from funding the Office of Regional Educational Services.

When a school district (SD) opts to withdraw from an Education Service District (ESD), the ESD is directed to distribute to the SD, the SD's prorated amount of specified funds. This withdrawal will shift funds away from the ESD to the SD, but the permissive nature does not allow revenue impact analysis at this point.

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