

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
Seventy-Seventh Oregon Legislative
Assembly
2013 Regular Session
Legislative Revenue Office

Bill Number: HB 2956
Revenue Area: School Finance
Economist: Dae Baek
Date: 5/30/2013

*Only Impacts on Original or Engrossed
Versions are Considered Official*

Measure Description: Modifies the method by which moneys from the State School Fund (SSF) are distributed to school districts to pay for the Long Term Care and Treatment (LTCT) program. Applies the method beginning with the 2013-14 SSF distribution. Takes effect on July 1, 2013.

Revenue Impact: This bill does not change the total formula revenue available to school districts and education service districts. However, there will be redistribution of formula revenue between the LTCT program and all others eligible for formula-based distribution.

Impact Explanation: Currently the Long Term Care and Treatment program receives funding from three sources: federal funds, the General Fund (GF), and the State School Fund (SSF). This bill eliminates the GF as a funding source and specifies all state funding come from the SSF.

Co-chairs' SSF recommendation (SB 5519) allocates \$19.5 million to the program for the 2013-15 school year. According to the Oregon Department of Education preliminary analysis, this bill would distribute about \$42 million per biennium from the SSF to the program. So, the implementation of this bill means that there would be about \$22.5 million less formula revenue available for distribution to school districts and education service districts per biennium.

Creates, Extends, or Expands Tax Expenditure: Yes No