

REVENUE: Revenue statement issued

FISCAL: Fiscal statement issued

Action:	Do Pass as Amended and Be Referred to the Committee on Ways and Means by Prior Reference
Vote:	8 - 0 - 1
Yeas:	Fagan, Gomberg, Gorsek, Huffman, Parrish, Reardon, Whisnant, Gelser
Nays:	0
Exc.:	Sprenger
Prepared By:	Rick Berkobien, Administrator
Meeting Dates:	3/6, 4/5

WHAT THE MEASURE DOES: Allows State Treasurer to issue XI-P bonds in an amount not to exceed \$18.75 million. Directs Department of Education, in collaboration with Office of Emergency Management (OEM), to use net proceeds and interest to improve school security infrastructure. Directs Superintendent of Public Instruction, in collaboration with OEM, to develop grant program for funds. Establishes a grant committee including experience and qualifications of members. Specifies types of security infrastructure applicable. Requires grant applicants provide matching funds. Eliminates interest earnings from \$18.75 million amount for purposes of grant. Requires grant applicant to demonstrate how grant will be used as part of safety plan. Repeals program on July 1, 2015. Declares emergency; effective July 1, 2013.

ISSUES DISCUSSED:

- Need for amendment
- Match grant funding

EFFECT OF COMMITTEE AMENDMENT: Eliminates interest earnings from \$18.75 million amount for purposes of grant. Requires grant applicant to demonstrate how grant will be used as part of safety plan.

BACKGROUND: Recent events have raised concerns about school security infrastructure. Article XI-P bonds refers to general obligation bonds issued under the authority of Article XI-P of the Oregon Constitution: School district capital costs. Net proceeds of Article XI-P bonds must be deposited in the School Capital Matching Fund, and “proceeds from bonds issued under this section may be used only to provide matching funds to finance the capital costs of school districts that have received voter approval for local general obligation bonds and to provide for the costs of issuing bonds and the payment of debt service” [Article XI-P, Sec 1(3)]. Proceeds from bonds may not be used to finance operating costs of school districts. [Sec.1(4)]