

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

Bill Number: HB 2506 - B
Revenue Area: School Finance
Economist: Dae Baek
Date: 6/3/2013

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

Measure Description: Establishes the Task Force on School Funding. Requires the task force to submit a report with recommendations to the legislature by October 1, 2014. Abolishes the Office of Regional Educational Services and the Regional Educational Services Account. Reduces the Facility Grant by \$5 million to \$20 million per biennium. Specifies that the Network of Quality Teaching and Learning (NQTL) be funded at \$33 million per biennium. First applies this change to the 2013-14 State School Fund distribution. Takes effect on passage.

Revenue Impact (\$ million):

| | Biennium |
|--|------------------|
| | 2013-15 |
| Network of Quality Teaching and Learning (NQTL) | +\$ 33.0 |
| State School Fund | - \$ 33.0 |
| State School Fund (off-the-top) | - \$ 5.0 |
| School Districts | - \$ 14.0 |
| Education Service Districts | - \$ 14.0 |

Impact Explanation: This bill is directly tied with the companion bill, HB 5519, which identifies the sources and amount of the State School Fund (SSF). The money in the SSF (\$6.55 billion for the 2013-15 biennium) is combined with Local Resources (estimated \$3.224 billion for 2013-15) to form the total formula revenue available to school districts and education service districts.

This bill reduces by \$33 million per biennium, the total revenue available for distribution to school districts and education service districts. First, the total revenue available for formula-based distribution is reduced by \$5 million per biennium, the amount to be diverted to fund the Network of Quality Teaching and Learning (NQTL). At the same time, school districts and education service districts are required to contribute \$14 million each from their respective shares to the NQTL per biennium.

The revenue distribution details to school districts and education service districts based on HB 2506 and HB 5519, are attached to HB 5519 analysis.

Creates, Extends, or Expands Tax Expenditure: Yes No