

**PRELIMINARY STAFF MEASURE SUMMARY****CARRIER:**

Senate Committee on Education

**REVENUE:** Revenue statement issued**FISCAL:** Fiscal statement issued**SUBSEQUENT REFERRAL TO:** Joint Committee on Ways and Means**Action:****Vote:****Yeas:****Nays:****Exc.:****Prepared By:** Gretchen Engbring, Administrator**Meeting Dates:** 2/19, 3/3

**WHAT THE MEASURE DOES:** Establishes grant program that provides matching fund grants to school districts for capital costs. Tasks Department of Education with administering program. Finances program with net proceeds of Article XI-P bonds. Specifies eligibility requirements, potential grant amounts, and distribution requirements. Establishes Office of School Facilities and specifies responsibilities. Eliminates distributions from State School Fund for facilities grants and diverts moneys to Office of School Facilities. Requires annual convention of school facilities advisory group. Declares emergency, effective July 1, 2015.

**ISSUES DISCUSSED:**

- Findings of the Task Force on School Capital Improvement Planning
- Matching grants as a means to incentivize bonds
- Infrastructure needs for full-day kindergarten
- Funding needs for seismic renovation
- Benefits of matching grants for small school districts

**EFFECT OF COMMITTEE AMENDMENT:**

-5 amendments (proposed) alter statutes that are amended. Exempt projects funded by grant program from standards specified in ORS 286A.810. Revise grant amount calculations and priority list requirements. Reinstate facility grant distributions from State School Fund. Lower total amount of State School Fund that may be distributed as facility grants. Limit amount Department of Education may expend on expenses incurred by Office of School Facilities to \$6 million each biennium.

**BACKGROUND:** Senate Bill 540 (2013) established the Task Force on School Capital Improvement Planning, which issued a report in October of 2014. The Task Force called for a four-part Oregon School Facilities Program in their report, including new bonding and matching grants for pre-kindergarten through grade 12 capital needs and the establishment of an Office of School Facilities.

Senate Bill 447 establishes the Oregon School Capital Improvement Matching Account in the State Treasury, separate and distinct from the General Fund. The account consists of net proceeds of Article XI-P bonds and other moneys made available by the Legislative assembly. The Department of Education shall administer a grant program that uses these proceeds to provide matching fund grants to school districts for capital costs.

Grants between \$2 million and \$8 million are to be awarded, with the department awarding sixty percent of funds based on a priority list, and forty percent of funds based on the order in which completed applications are received. The priority list is based on the value of property, percentage of poverty families, and number of students in average daily membership within the district.

3/2/2015 11:50:00 AM \*

***This summary has not been adopted or officially endorsed by action of the committee.***