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# MEMORANDUM

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**To:** Members of the Capital Construction Subcommittee

**From:** Doug Wilson, Legislative Fiscal Office  
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**Date:** July 3, 2015

**Subject:** SB 447 Work Session Recommendations

## **Background Information**

SB 447, as amended, establishes a grant program to provide matching grants to school districts for capital grants. The Department of Education is to administer the program funded with the proceeds of Article XI-P general obligation bonds which are authorized in the bonding bill. Grants are for the capital costs including construction, improvement, remodeling, equipment purchase, maintenance and repair of a school district building. The District must match the state grant with funds from local voter approved bonds. The size of the grant must be between \$4 million and \$8 million. Sixty percent of the grants are based on a priority list and forty percent is on a first come first served basis. Prior to receiving a grant under this program a district must prepare and submit a facilities assessment and a long-rang facilities plan. This requirement does not apply for the 2015-17 biennium.

An Office of School Facilities is established in the Department of Education to administer the program, provide hardship grants, provide grants for preparation of the facilities assessment and long-rang facilities plan, and maintain the Oregon School Facilities Database. Funding for the cost of the Office and these two grants is from a “carve-out or distribution from the State School Fund of up to \$6 million per biennium. This amount is limited to \$2.5 million for the 2015-17 biennium. The “carve-out” for the facilities grants is reduced in the bill for this program and the reduction assumed in the school funding formula.

At least annually, the Superintendent of Public Education is to convene an advisory group to monitor and assist in administering the program.

## **Recommended Changes to the Bill:**

The Legislative Fiscal Office recommends the –A10 amendment to the bill.

The A-10 amendment takes out duplicate language around issuing the bonds, insures that the agency has sufficient rule authority to operate the program, exempts districts from the assessment and long range facility planning for the 15-17 biennium, and adjusts the amount of the reduction in the facilities grant to account for the amount assumed in the state school fund amount set earlier in the session.

Sen. /Rep. \_\_\_\_\_ moves the -A10 amendment to SB 447.

**SB 447 Final Subcommittee Action:**

***Final Motion:***

Sen./Rep. \_\_\_\_\_ moves SB 447 to the full committee as amended with a “do pass” recommendation.

**Carriers:**

Full: \_\_\_\_\_

Senate: \_\_\_\_\_

House: \_\_\_\_\_