

Seventy-Eighth Oregon Legislative Assembly - 2015 Regular Session
STAFF MEASURE SUMMARY
Senate Committee On Education

MEASURE: HB 3039 B
CARRIER: Sen. Kruse

Fiscal: Has minimal fiscal impact

Revenue: No Revenue Impact

Action Date: 05/28/15

Action: Do Pass With Amendments To The A-Eng Bill. (Printed B-Eng.)

Meeting Dates: 05/19, 05/28

Vote:

Yeas: 6 - Baertschiger Jr, Beyer, Hass, Knopp, Kruse, Roblan

Exc: 1 - Gelser

Prepared By: Gretchen Engbring, Committee Administrator

WHAT THE MEASURE DOES:

Allows district school board to enter into transactions that are expected to reduce cost to district for school facilities. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Measure would allow partnerships that offer financial benefits that would not otherwise be available
- Language is tailored to apply only to partnerships that are expected to reduce costs
- Many aging schools and facilities in Oregon that need to be fixed, rebuilt, or retrofitted to address seismic threats or improve access for persons with disabilities
- Faubion School rebuild project partnership with Concordia University as an example of a partnership that could reduce costs to district by allowing access to New Market Tax Credits
- Measure would allow access to New Market Tax Credits, historic tax credits, and other federal and state tax credit or funding programs

EFFECT OF COMMITTEE AMENDMENT:

Clarifies that district school board may enter into an agreement or take any other action that would allow the district to use state or federal funding “sources” rather than “services.”

BACKGROUND:

A district school board’s powers related to real property, including buildings, lease-purchase agreements, equipment and services, are regulated under ORS 332.155. Current statute limits the ability of district school boards to loan funds or enter into other financing arrangements that leverage tax credit programs or other financing opportunities.

House Bill 3039-B expands a district school board’s authority as regulated by ORS 332.155, allowing for transactions that are expected to reduce the cost to the district for school facilities. These transactions may include: entering into agreements that allow the district to use state or federal tax credits or state or federal funding services; entering into a contract for property that is financed with general obligation bond proceeds or other district funds; or loaning or otherwise contributing general obligation bond proceeds or other district funds to authorized transactions.