

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2655 - B

Seventy-Eighth Oregon Legislative Assembly – 2015 Regular Session
Legislative Fiscal Office

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

Prepared by: Krista McDowell
Reviewed by: Doug Wilson
Date: 6/5/2015

Measure Description:

Directs State Board of Education to adopt specified standards related to student education records.

Government Unit(s) Affected:

Department of Education, School Districts

Local Government Mandate:

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

Analysis:

Previous analyses indicated that the bill had a minimal fiscal impact to the Department of Education (ODE); however; additional information included in a letter from the United States Department of Education to the State of Oregon indicates that the bill may negatively impact or restrict the use of roughly \$84.48 million per biennium of Oregon's Title 1 Federal Funding. The letter indicates that if Oregon falls below a 95 percent participation rate on the statewide assessment, the federal actions could restrict how those federal funds can be used affecting both the state agency and local school districts. The ODE also points out that they are at risk of losing another \$2.8 million in federal funds used for state administration of Title I funds. They further state that there is also the potential of losing more than \$300 million in other federal funding, but identify the potential actions above as being more likely. If the bill does result in restrictions on Federal Funds then alternative funding sources will need to be identified or the affected programs may need to consolidate services.