REVENUE IMPACT OF PROPOSED LEGISLATION

Seventy-Eighth Oregon Legislative Assembly
2015 Regular Session
Legislative Revenue Office

Bill Number:	**SB 447 - B**
Revenue Area:	**School Finance**
Economist:	**Dae Baek**
Date:	**7/6/2015**

Only Impacts on Original or Engrossed Versions are Considered Official

Measure Description: Establishes the capital improvement matching grant program to provide matching fund to school districts for their capital costs. Authorizes the State Treasurer to issue and use the proceeds of Article XI-P bonds to finance the grant program. Limits the total facility grant to $12.5 million per biennium for 2015-17, and $9 million thereafter. Creates the Office of School Facilities (OSF) to run the capital improvement matching grant program and the facility grant program. Appropriates to the office, specified amount from the State School Fund (SSF) per biennium. Applies first to the 2015-16 school year SSF distribution. Takes effect on July 1, 2015.

Revenue Impact (in $Millions): This bill does not change the total formula revenue available for student weights-based distribution to school districts and education service districts.

Impact Explanation: HB 5017 (SSF budget for 2015-17 school years) assumed the facility grant of $15 million per biennium but did not specify how the money should be used. SB 447 details dedicated uses of the money. The bill reduces the grant itself to $12.5 million for the 2015-17 biennium and to $9 million per biennium in the following biennia. The balances are diverted to the OSF to administer the facility grant and the capital improvement matching grant programs. This $15 million carve-out is the same as the SSF budget assumption in HB 5017.

The capital improvement matching grant will use the proceeds of Article XI-P bonds and does not use money from the SSF. In the end, this bill does not change the total formula revenue available for student weights-based distribution to school districts and education service districts.

Creates, Extends, or Expands Tax Expenditure: **No**