

SUBCOMMITTEE RECOMMENDATION

HB 5016

Department of Education – State School Fund

HB 5016 is the budget bill for the State School Fund.

The Education Subcommittee recommends a budget of \$9.0 billion total funds for the State School Fund, with \$7.71 billion in General Fund resources and \$535.7 million in Lottery Funds. The \$9 billion amount also includes \$103.3 million in marijuana taxes and a \$643 million transfer from the new Fund for Student Success established in HB 3427. This \$643 million transfer includes \$423 million accounting for the lost General Fund as the result of the income tax rate reduction and other tax related provisions in HB 3427; \$200 million to be distributed to districts through the formula; and \$20 million for an increase to the High Cost Disabilities Account.

Overall, this represents a 9.7% increase over the 2017-19 State School Fund. This \$9.0 billion will be combined with almost \$4.3 billion in property taxes and other local revenues for distribution through the school revenue formula.

The Subcommittee recommends continuing the \$2.9 million “carve-out” that provides for free school lunches for those students who are currently eligible for a reduced priced lunch. Also recommended was that up to \$1.6 million from the State School Fund be allocated to the Oregon Virtual School District Fund; \$4.0 million be transferred for Local Option Equalization Grants; and the carve-out for national normed assessments for 10th graders be limited to \$968,000.

The Education Subcommittee recommends HB 5016 be amended by the –2 amendment and be reported out do pass, as amended.