

## HB 4026 STAFF MEASURE SUMMARY

### House Committee On Revenue

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**Action Date:** 02/08/22

**Action:** Do pass and be referred to Ways and Means by prior reference

**Vote:** 7-0-0-0

**Yeas:** 7 - Levy, Marsh, Nathanson, Pham, Reschke, Smith G, Valderrama

**Fiscal:** Fiscal impact issued

**Revenue:** Revenue impact issued

**Prepared By:** Dae Baek, Senior Economist

**Meeting Dates:** 2/3, 2/8

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#### WHAT THE MEASURE DOES:

Directs the Oregon Department of Education to award grants to qualified wildfire-impacted school districts in amounts to cover certain funding decreases resulting from reductions in the districts' average daily membership (ADM), as compared to the 2019-2020 school year, that are caused by the specified wildfires. Prescribes the methods to calculate funding decreases. Provides the grants for four school years, starting from the 2021-22 school year. Sunsets the grants on July 1, 2025. Establishes the School Stabilization Subaccount for Wildfire-impacted School Districts within the Statewide Education Initiatives Account (SEIA) to provide funds for awarding the grants. Transfers to the Subaccount \$25 million from the SEIA. Takes effect on passage.

#### ISSUES DISCUSSED:

- 2020 wildfires and damages to school districts in terms of enrollment and financials
- Need for operating revenue stability
- Eligibility for grants
- Source of funds for and duration of grants

#### EFFECT OF AMENDMENT:

No amendment.

#### BACKGROUND:

According to the preliminary analysis done by the Oregon Department of Education for the 2021-22 school year, there are four school districts that qualify for the grants in the bill. The grants will be provided to these school districts to make up for the decreases in the State School Fund distributions, the Student Investment Account and the High School Graduation and College and Career Readiness Fund. The amount of money needed for these grants is estimated to be \$4-6 million per school year. The grants will be provided for four school years, commencing with the 2021-22 school year.