

# REVENUE IMPACT OF PROPOSED LEGISLATION

74th Oregon Legislative Assembly  
2007 Regular Session  
Legislative Revenue Office

<b>Bill Number:</b>	<b>HB 2885-A</b>
<b>Revenue Area:</b>	School Finance
<b>Economist:</b>	Meyer
<b>Date:</b>	4/16/07

## Measure Description:

Directs the Department of Education to make grants to remote and necessary school districts. Restricts eligible districts to those who offer grades k-12, have average daily membership (ADM) below 110 in the prior year and are more than 20 miles to the nearest school. Specifies purpose is to help fill gap between district general fund operating costs and State School Fund Support. Establishes Remote and Necessary School District Fund and appropriates \$4.4 million from the General Fund to the new fund for 2007-09. Limits district grants to lesser of \$200,000 or appropriation divided by the number of eligible districts.

Requires the legislative interim committees on revenue to study the adequacy of small school district funding and to make recommendations to the 2009 Legislature.

Takes effect July 1, 2007. Sunsets June 30, 2009.

## Revenue Impact:

School Districts	2007-08	2008-09	2007-09 Biennium
Remote and Necessary School Districts	\$2.2 million	\$2.2 million	\$4.4 million

## Impact Explanation:

Out of 31 school districts with ADM below 110, twelve school districts meet the other qualifications for remote and necessary schools. The grant is \$2.2 million divided by the 12 eligible districts for \$183,333 per district per year. The district maximum of \$200,000 is reached if only 11 or fewer districts qualify each year.

The 12 school districts are Burnt River 30, Dayville 16, Fossil 21, Harper 66, Huntington 16, Jordan Valley 3, Long Creek 17, Mitchell 55, Monument 8, Paisley 11, Spray 1, and Ukiah 80.

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