

**REVENUE: Revenue statement issued**

**FISCAL: May have fiscal impact, statement not yet issued**

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<b>Action:</b>	Do Pass as Amended and Be Printed Engrossed and Be Referred to the Joint Committee on Ways and Means by prior reference
<b>Vote:</b>	9 - 0 - 0
<b>Yeas:</b>	Clem, Dallum, Greenlick, Komp, Krummel, Lim, Roblan, Whisnant, Buckley
<b>Nays:</b>	0
<b>Exc.:</b>	0
<b>Prepared By:</b>	Derrick Olsen, Administrator
<b>Meeting Dates:</b>	4/03, 4/12 (both Subcommittee on Education Innovation), 4/13

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**WHAT THE MEASURE DOES:** Directs Department of Education to award grants to remote and necessary school districts. Establishes Remote and Necessary School District Fund. Appropriates fund continuously to department for grants. Appropriates moneys from the General Fund to department for grants with half awarded in each of the two fiscal years. Requires district seeking grant to submit a budget for the fiscal year with a plan for use of the proposed grant. Requires the legislative interim committees on revenue to conduct a study on: the adequacy of funding small school districts, including examining current additional funding for small and remote schools, what types of small school districts are not receiving adequate funding, and the long-term affects of a lack of adequate funding; and based on the study make recommendations to the legislature and consider pre-session filing proposed legislation. Declares emergency, effective July 1, 2007. Sunsets June 30, 2009.

**ISSUES DISCUSSED:**

- Need to assist rural communities who want to maintain small schools
- Funding crisis for small, rural schools, many with declining enrollment
- Lack of economy of scale for operating costs for small schools
- Bill as short-term assistance; long-term solution needed
- Amendment that clarifies aspects of bill

**EFFECT OF COMMITTEE AMENDMENT:** Replaces the entire text of HB 2885.

**BACKGROUND:** HB 2885-A is designed to assist, over a two-year period, small K-12 school districts that meet the qualifications of remote and necessary school districts and are in need of financial assistance. Eligible schools could apply for grants administered by the Department of Education worth the lesser of \$200,000 or "an amount equal to the district's percentage of the Remote and Necessary School Fund." Eligibility guidelines are based on a K-12 school district that has: average daily membership (ADM) in the prior fiscal year of less than 110 students, a school "that is located, by the nearest traveled road, more than 20 miles from the nearest school or from a city with a population of more than 5,000." The school district's percentage of the Remote and Necessary School Fund is the total available funds divided by the number of school districts that qualify for grants

HB 2885-A would appropriate \$4.4 million out of the General Fund to the Remote and Necessary School District Fund and has a subsequent referral to the Joint Ways and Means Committee.