

House Bill 2885

Sponsored by Representatives DALLUM, KOTEK; Representatives BUTLER, DINGFELDER, GARRARD, GILMAN, GIROD, JENSON, KOMP, KRUMMEL, LIM, MAURER, MINNIS, OLSON, ROBLAN, SCHAUFLE, SHIELDS, G SMITH, THATCHER, TOMEI, WITT, Senators BURDICK, FERRIOLI, G GEORGE, L GEORGE, GORDLY

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

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.

Sunset June 30, 2009.

Appropriates moneys from General Fund to department for grants.

Declares emergency, effective July 1, 2007.

A BILL FOR AN ACT

1
2 Relating to school finance; appropriating money; and declaring an emergency.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. The Remote and Necessary School District Fund is established in the State**
5 **Treasury, separate and distinct from the General Fund. Interest earned by the Remote and**
6 **Necessary School District Fund shall be credited to the fund. Moneys in the fund are con-**
7 **tinuously appropriated to the Department of Education to award as grants under section 2**
8 **of this 2007 Act.**

9 **SECTION 2. (1) As used in this section, "remote and necessary school district" means a**
10 **kindergarten through grade 12 school district:**

11 (a) **With an average daily membership (ADM), as defined in ORS 327.006, of less than 110;**
12 **and**

13 (b) **Has a school that is located, by the nearest traveled road, more than 20 miles from**
14 **the nearest school or from a city with a population of more than 5,000.**

15 (2) **The Department of Education shall award grants to remote and necessary school**
16 **districts for the purpose of making up the difference between a district's general fund oper-**
17 **ating costs and the amount received by the district as a State School Fund grant.**

18 (3) **A remote and necessary school district may submit the proposed budget of the dis-**
19 **trict to the department with a summary showing the district's general fund operating cost**
20 **requirements and the amount of the State School Fund grant of the district.**

21 (4) **To be eligible for grant funds a remote and necessary school district may not have in**
22 **the budget of the district more than \$250,000 combined total in contingency and beginning**
23 **fund balance.**

24 (5) **The grant amount that a remote and necessary school district may receive each fiscal**
25 **year is equal to the lesser of:**

26 (a) **\$200,000; or**

27 (b) **An amount equal to the district's percentage of the Remote and Necessary School**
28 **Fund.**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 **(6) A remote and necessary school district's percentage of the Remote and Necessary**
2 **School Fund is equal to the total amount available in the fund each fiscal year for grants**
3 **divided by the number of remote and necessary school districts that qualified for a grant in**
4 **that fiscal year.**

5 **(7) The State Board of Education may adopt rules to implement this section.**

6 **SECTION 3.** **Sections 1 and 2 of this 2007 Act are repealed on June 30, 2009.**

7 **SECTION 4.** **Any moneys in the Remote and Necessary School District Fund on June 30,**
8 **2009, shall be transferred to the General Fund.**

9 **SECTION 5.** **There is appropriated to the Department of Education, for the biennium**
10 **beginning July 1, 2007, out of the General Fund, the amount of \$4.4 million for the Remote**
11 **and Necessary School District Fund.**

12 **SECTION 6.** **This 2007 Act being necessary for the immediate preservation of the public**
13 **peace, health and safety, an emergency is declared to exist, and this 2007 Act takes effect**
14 **July 1, 2007.**