

REVENUE: Revenue statement issued

FISCAL: Fiscal statement issued

Action:	Without Recommendation as to Passage and Be Referred to the Committee on Revenue, and then Be Referred to the Committee on Ways and Means by prior reference
Vote:	10 - 0 - 0
Yeas:	Dembrow, Harker, Huffman, Komp, Maurer, Roblan, Sprenger, Thatcher, VanOrman, Gelser
Nays:	0
Exc.:	0
Prepared By:	Kevin T. Christiansen, Administrator
Meeting Dates:	2/16, 3/30

WHAT THE MEASURE DOES: Establishes the Remote and Necessary School District Fund (Fund) separate and distinct from the General Fund. Defines Remote and Necessary School District (District) as a school district that offers kindergarten through grade 12 and had an average daily membership in the prior fiscal year of less than 110 and is located, by the nearest travel road, more than 20 miles from a city with a population of more than 5,000. Provides that each fiscal year the Department of Education (Department) shall award grants to qualifying Districts. Provides that, to qualify for a grant, a District must submit to the Department a budget for the fiscal year for which the grant is requested and a plan for using the requested grant money. Prohibits grants from exceeding the lesser of the following: \$200,000; the difference between the general fund operating costs of the District and the total grants received by the District from the State School Fund; or an amount equal to the District's percentage of the Fund. States that for purposes of qualifying for a grant, a District's percentage of the Fund is equal to the total amount available in the Fund each fiscal year for grants divided by the number of Districts that qualified for a grant in that fiscal year. Provides the State Board of Education rulemaking authority with respect to the Fund. Repeals the Fund on June 30, 2011. Appropriates to the Fund the following moneys: \$2.2 million for the fiscal year beginning July 1, 2009; \$2.2 million for the fiscal year beginning July 1, 2010. Declares an emergency; effective July 1, 2009.

ISSUES DISCUSSED:

- Issues related to declining enrollment in remote school districts and the loss of funds
- Long-term prospects for rural schools
- Potential long-term fixes related to rural schools
- Delivery of education in remote areas

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: Small and remote schools often face declining enrollment, resulting in less state revenue for districts. Generally, costs per student continue to rise as the costs to operate small schools remain constant or rise due to inflation. Small schools are also subject to state requirements which are increasingly difficult for small schools to fund on limited resources.