

2009 Regular Legislative Session
FISCAL ANALYSIS OF PROPOSED LEGISLATION
Prepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER: HB 2533

STATUS: Original

SUBJECT: Establishment of the Remote and Necessary School District Fund and granting process

GOVERNMENT UNIT AFFECTED: Department of Education, Local Education Agencies

PREPARED BY: Erica Kleiner

REVIEWED BY: Monica Brown

DATE: March 30, 2009

	<u>2009-2011</u>		<u>2011-2013</u>
REVENUES:			
General Fund - Grants	\$ 4,400,000	\$	0
	<u>2009-2011</u>		<u>2011-2013</u>
REVENUES:			
General Fund - Appropriation	\$ 4,400,000	\$	0

EFFECTIVE DATE: July 1, 2009

GOVERNOR'S BUDGET: This bill is not anticipated by the Governor's recommended budget.

LOCAL GOVERNMENT MANDATE: This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

The measure contains a **\$4.4 million** General Fund appropriation for the Department of Education (ODE) to award grants to remote and necessary school districts that qualify for a grant based on the need level of the district. The measure specifies that \$2.2 million is appropriated to ODE for the fiscal year beginning July 1, 2009 and \$2.2 million is appropriated to ODE for the fiscal year beginning July 1, 2010. The measure establishes the Remote and Necessary School District Fund; moneys in this fund are continuously appropriated to ODE to award the grants. ODE is directed to determine the level of need of a remote and necessary school district by considering several factors outlined in the measure that the school must submit to the department. The measure provides for rulemaking authority for ODE. The measure allows for any moneys remaining in the Remote and Necessary School District Fund as of June 30, 2011 to be transferred to the General Fund. The measure would be effective on July 1, 2009 and would be repealed on June 30, 2011.

ODE reports that it will require staff time to gather additional data to determine which school districts will qualify for the grants and to administer the program. ODE reports that it may need to adopt administrative rules. Based on recent experience of awarding grants in other areas in 2009, ODE estimates the impact on staffing as a result of this measure for the 2009-11 biennium to be one Accountant 1 at 0.05 FTE and one Fiscal Analyst 3 at 0.05 FTE. ODE values this staff time at approximately \$14,000. The Legislative Fiscal Office (LFO) notes that ODE would not need to hire additional staff to support the grant award process, only to re-prioritize duties and responsibilities of existing staff. The \$14,000 equivalent serves as an estimate of possible incremental staffing cost if ODE needs to hire additional staff in the event that re-prioritization of duties and responsibilities of existing staff were not feasible throughout the duration of the grant award process or if the cumulative effect of workload from the enactment of other bills exceeds levels assumed in the ODE budget. LFO notes that

other bills are pending before this Legislative Assembly that also would require an expenditure of ODE staff time.