

PRELIMINARY STAFF MEASURE SUMMARY**CARRIER:**

Senate Committee on Education

REVENUE: May have revenue impact, statement not yet issued**FISCAL: May have fiscal impact, statement not yet issued****Action:****Vote:****Yeas:****Nays:****Exc.:****Prepared By:** Gretchen Engbring, Administrator**Meeting Dates:** 3/26, 4/2

WHAT THE MEASURE DOES: Removes sunset related to grants distributed to small school districts with one or more small high schools. Requires Department of Education (ODE) to transfer \$2.5 million from State School Fund (SSF) to Small School District Supplement Fund each fiscal year. Declares emergency, effective June 29, 2015.

ISSUES DISCUSSED:

- History of Small School District Supplement Fund and grants distributed to small school districts
- Higher per-student costs for small and rural schools
- Unique challenges of small and rural schools

EFFECT OF COMMITTEE AMENDMENT:

-1 amendments (proposed) extend sunset related to grants distributed to small school districts to July 1, 2020.

BACKGROUND: A 2002 report by ODE entitled “The Costs of Operating Small Schools in Oregon” identified that small schools tend to spend more per student in most spending categories than larger schools.

Section 3, chapter 735, Oregon Laws 2013 provides for the Small School District Supplement Fund. The moneys in the Small School District Supplement Fund are appropriated continuously to ODE for the purposes of a small school district grant program. Section 2, chapter 735, Oregon Laws 2013 provides that in addition to the money distributed through the SSF, ODE shall award grants to small school districts with one or more small high schools from moneys appropriated to the department from the Small School District Supplement Fund. Section 20, chapter 735, Oregon laws 2013 sunsets these provisions as of June 30, 2015.

Senate Bill 667 proposes to remove the sunset related to grants distributed to small school districts with one or more small high schools, and requires ODE to continue to transfer \$2.5 million from SSF to the Small School District Supplement Fund each fiscal year.