House Bill 406

"An Act relating to the calculation of state aid for schools that consolidate; relating to the determination of the number of schools in a district; and providing for an effective date."

House Bill 406 will eliminate an unanticipated obstacle to school consolidation that is found in the school size factor. Currently school districts are unintentionally discouraged from consolidating because they would abruptly lose revenue under the school size factor, even though it would otherwise make sense to do so.

The school size factor is an adjustment factor in the school funding formula that is applied to the base student allocation. It creates a multiplier in the funding formula that gets applied to every school in a district based on their average daily membership (ADM). The larger the student count, the smaller the multiplier; the smaller the student count, the larger the multiplier.

The school size factor creates an unexpected challenge for districts because when a larger school district combines schools, they automatically receive less money per student to fund that school. For districts that may be experiencing reduced student enrollment consolidation should be an option. However, as it stands, most districts are discouraged from implementing consolidation due to the potential of a sudden drop in funding per student.

HB 406 establishes a new mechanism for school consolidation in which overall funding remains the same for two years, then gradually reduces over the following two years. This will provide districts time to adjust to the reduced funding amount.

Additionally, HB 406 allows for communities that have one K-12 school with 425 students or more to be considered one elementary school and one secondary school and receive funding appropriately.

We appreciate your support for this legislation.