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TO: Members of the Joint School District and Assembly Facilities Committee

FROM: Cassee Olin, Director of Administrative Services

RE: Information on School Funding Formula with regards to School Consolidation

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The following information is to provide some additional context to the school foundation formula with regards to school consolidation. This is additional information for Jeff Roger's memo presented to the Assembly Finance Committee on March 1, 2023.

As Jeff stated the school foundation formula is very complex and dynamic based upon enrollment. The foundation formula does favor smaller schools and therefore the school district will lose funding for consolidating schools. There is a provision in the school foundation for school consolidation that helps support school districts with consolidating. This is the four-year step-down approach that Mr. Rogers mentioned in his memo. The important part to remember is the provision is for all schools that are effective by the school consolidation.

One other critical piece of information that should be addressed is the state statute 14.17.410 (b) (H-M). It states that a district may not: offset the decrease of a new facility being constructed, reopen the school being consolidated until seven or more years have pass and provide evidence schools are over capacity; or reopen and reconsolidate more than once every seven years. With the information provided from the statute it is imperative that this committee thinks about the seven years information.