

Sponsor Statement for House Bill 312

[House Bill 312](#) suspends the “erosion” effect on the “Supplemental Funding Floor” established by [SB 36](#) in the 20th legislature. Presently, in FY 03, the erosion effect takes some school funds away from 22 school districts across the state. The suspension will be in place pending the results of a study of school district cost factors funded by this legislature last session. The results of that study will be available for consideration by the legislature in determining school funding for FY 04.

The Supplemental Funding Floor is a way to help school districts that lost funding in SB 36 make the transition from the old community based funding formula to the new school funding formula established by SB 36.

School districts that qualified for less state funding under SB 36 than under the old community based funding formula were held “harmless” by the supplemental funding floor. These districts were given additional funds that represent the difference between the districts old community based funding formula and the new school funding formula established by SB 36.

However, as a school district qualifies for increased funding, the school district’s supplemental funding floor is subject to a reduction of 40%. This “erosion” of the funding floor continues until the school district no longer qualifies for a supplemental funding floor.

Again, HB 312 proposes to suspend the 40% reduction to the supplemental funding floor for FY 03 only. The suspension will allow legislators to have current, reliable, area cost differential information while deliberating the FY 04 budget. This will give the next legislature the tools necessary to make sound and informed school funding decisions based upon the best possible information. I urge your support of this important legislation.