HOUSE RESEARCH

Bill Summary

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Authors: Johnson, R. and others

Subject: St. Peter Declining Pupil Aid

Analyst: Tim Strom, 651-296-1886

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Overview

In recent years, the Legislature has been compensating communities that have been adversely affected by natural disasters. In March of 1998, a tornado did considerable damage to property in the St. Peter school district. To recognize the student losses that accompanied the loss of housing, the 1999 Legislature authorized special declining pupil aid for the St. Peter school district. The aid was based on the difference between the district's enrollment for fiscal year 1997 and the district's enrollment in the current school year. The loss in pupil units is multiplied by the formula allowance for that year to determine the state aid. The aid was scheduled to be paid 100% in FY 00 and phased-out at 25% per year for the next three years. When the bill passed in 1999, the aid amounts were estimated at \$105,000 in FY 00 and \$278,000 in FY 01. However, early enrollment projections in the 2000 session led the Legislature to reduce the appropriations to \$75,000 for FY 00 and \$115,000 for FY 01. Constantly changing estimates of pupil loss have led to uncertainty regarding the amount of aid that the district will receive.

H. F. 601 eliminates the uncertainty by appropriating a fixed sum of \$460,844 in fiscal year 2002 for declining enrollment aid.

Section

Declining pupil aid; St. Peter. Authorizes a grant of \$460,844 in fiscal year 2002 to independent school district No. 508, St. Peter, to compensate the district for general fund losses associated with the loss of students due to the 1998 tornado. Declares that this appropriation is in lieu of the aid amounts calculated under Laws 1999, chapter 241, article 4, section 22.