

**LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS**

Bill No: CS/HB 398

48th Legislature, 2nd Session, 2008

Short Title: Supplemental Public School Funding

Sponsor (s): Representative Mimi Stewart and Others

Analyst: Kathleen Forrer

Date: February 5, 2008

Bill Summary:

HB 398 appropriates funds to the Public Education Department (PED) to cover expenses, including contractual services, related to planning and implementing the new funding formula and the statutory accountability measures included in HB 241a, *Public School Funding Formula Changes*.

Fiscal Impact:

\$250,000 is appropriated from the General Fund to the Public Education Department (PED) for expenditure in FY 09 for expenses related to planning and implementing the new public school funding formula and the statutory accountability measures, including contractual services. Any unexpended or unencumbered balance remaining at the end of FY 09 reverts to the General Fund.

The Legislative Finance Committee (LFC) Fiscal Impact Report (FIR) on CS/HB 398 suggests that the Legislature consider making this appropriation contingent on passage of HB 241a or similar legislation of the second session of the forty-eighth legislature.

Issues:

In statements to the Funding Formula Study Task Force, the Secretary of Public Education indicated that if the new public school funding formula created in HB 241 is enacted, PED will require additional resources to meet the new accountability and data collection requirements associated with the formula. The task force agreed to support her request, and CS/HB 398 includes an appropriation of \$250,000 to assist the department in implementing the new funding formula.

In its corrected analysis of the original HB 398, PED indicates that, if the appropriation is made, the department will use the funds for contractual services related to the funding formula implementation committee created in HB 241a, exclusive of committee per diem and mileage. However, PED does not identify what those contractual services might be.

Background

- After several vetoed appropriations to fund a study of the Public School Funding Formula, in 2005, the Legislative Education Study Committee (LESC) endorsed legislation that was enacted to create a Funding Formula Study Task Force.

- In 2006 the Legislature extended the term of the task force through December 2007 and appropriated dollars for an independent study of the funding formula.
- In order to carry out its charge, in August 2006, the task force selected American Institutes for Research (AIR), headquartered in Palo Alto, California, to conduct an independent study of the funding formula.
- Based on the tasks identified in the Request for Proposals (RFP) and other discussions, the contractor provided several recommendations regarding a new public school funding formula based on the concept of educational sufficiency. The formula developed by the contractor includes four measures of student need (poverty, English language learners, special education, and mobility), school size and school district size, and an Index of Staff Qualifications that incorporates the three-tiered licensure structure for teachers. The contractor also provided the task force with the estimated cost of implementing those recommendations.
- On January 7, 2008, the task force adopted a discussion draft of a bill that incorporated the contractor's recommendations regarding the funding formula and considered a number of proposals designed to fund the costs associated with implementation.
- On January 14, 2008, the LESC endorsed the task force recommendations to implement a new public school funding formula. However, the LESC took no action on the funding proposals, which were not yet available in final form.

Related Bills:

Funding Formula Study Task Force Bills

HJR 8 *Land Grant Fund Education Distribution, CA*

HB 51 *Corporate Income Tax to Public School Fund*

HB 229 *End Yield Control on School Mill Levy*

HB 241a *Public School Funding Formula Changes*

HB 311 *Increase Gross Receipts & Send to School Fund*

Other Related Bills

HJR 10 *Statewide Millage Rate for School Funds, CA*

SB 30 *Family Resource Program Grants for Schools*