

**LEGISLATIVE EDUCATION STUDY COMMITTEE  
BILL ANALYSIS**

**Bill No:** HB 140a

**49th Legislature, 1st Session, 2009**

**Short Title:** Public School Finance Reporting Dates

**Sponsor(s):** Representative Rick Miera and Others

**Analyst:** Kathleen Forrer

**Date:** February 28, 2009

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**AS AMENDED**

**The House Education Committee amendment specifies that, if a school district or charter school submits required reports within the mandated timeframe, failure of the Public Education Department to approve those reports will not constitute cause to find the school district or charter school in noncompliance with statute (specifically, Section 22-8-13 of the *Public School Finance Act*).**

**Original Bill Summary:**

HB 140 amends various sections of the *Public School Finance Act* and a section of the *Public School Buildings Act* to:

- replace most statutory references to the 40<sup>th</sup>, 80<sup>th</sup>, and 120<sup>th</sup> day reporting dates for school districts and charter schools with, respectively, the second Wednesday in October, the second Wednesday in December, and the second Wednesday in February; and
- allow the Public Education Department (PED) to withhold up to 100 percent of allotments of funds to any school district or charter school that fails to comply with reporting requirements.

HB 140 also includes a temporary provision:

- specifying that any statutory reference to the old reporting dates that is not specifically amended in the bill shall be construed as referring to the new standardized dates; and
- allowing PED to use any necessary combination of former and new reporting dates in developing membership and cost projections and budgets for school year 2009-2010.

**Fiscal Impact:**

HB 140 makes no appropriation.

**Fiscal Issues:**

PED and the Department of Finance and Administration (DFA) indicate that enactment of HB 140 would have no apparent fiscal implications. Both agencies also note that the changes would require modifications to the Student Teacher Accountability Reporting System (STARS).

## **Issues:**

As used in the *Public School Finance Act*, membership (MEM) is defined as “the total enrollment of qualified students on the current roll of a class or school on a specified day.” Because local school districts determine their own yearly academic calendars, the use of count dates, rather than standardized reporting dates, means that students in each district have attended school for approximately the same length of time prior to being counted for funding purposes. Theoretically, this procedure places all school districts on a level playing field. However, the use of count dates also means that school districts and charter schools submit their reports to PED over an extended period of time, thus complicating the data collection and reporting process. For example, for school year 2008-2009, 40<sup>th</sup> day reporting dates for school districts and charter schools ranged from September 2 to October 29.

PED indicates that moving to standardized reporting dates will eliminate the possibility of double counting a student for funding purposes. For example, under current law, it is possible for a student to be enrolled in one district on the 80<sup>th</sup> day and be counted as part of the district’s membership, then move to another district and enroll in time to be counted as part of that district’s 80<sup>th</sup> day membership as well.

PED also states that standardizing reporting dates will simplify the submission of data to STARS and reduce the time it takes the department to certify data.

Both the standardization of reporting dates and the provision allowing PED to withhold up to 100 percent of allotments to school districts and charter schools that fail to report as required are included in HB 331, *Public School Funding Formula*.

## **Background:**

The Legislature has amended statute to change the reporting dates or combination of dates used to determine the State Equalization Guarantee (SEG) distribution for school districts five times since the *Public School Funding Formula* was enacted in 1974, the most recent of which became effective for school year 2006-2007:

- 1984 The 40<sup>th</sup> day enrollment (except for special education, which became the higher of the 40<sup>th</sup> or 80<sup>th</sup> day enrollment) became the basis for funding.
- 1990 The calculation of special education membership was changed from the 40<sup>th</sup> or 80<sup>th</sup> day to December 1 of the school year.
- 1999 For one school year (effective July 1, 1999), the basis for funding was changed to require the use of prior year 40<sup>th</sup> day and December 1 memberships; beginning with school year 2000-2001, districts were required to use the prior year average of the membership on the 40<sup>th</sup>, 80<sup>th</sup>, and 120<sup>th</sup> days.
- 2002 School districts with a basic program MEM of 200 or fewer were permitted to use either the average MEM of the 40<sup>th</sup>, 80<sup>th</sup>, and 120<sup>th</sup> days of the prior year or the MEM on the 40<sup>th</sup> day of the current year in calculating program units, whichever was greater.
- 2005 Beginning with school year 2006-2007, school districts and charter schools were required to use the average of the prior year 80<sup>th</sup> and 120<sup>th</sup> day memberships in calculating program units; school districts with a basic program MEM of 200 or fewer were permitted to use either the average MEM of the 80<sup>th</sup> and 120<sup>th</sup> days of the prior year or MEM on the 40<sup>th</sup> day of the current year, whichever is greater.

**Related Bill:**

HB 331a *Public School Funding Formula*