

**LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS**

Bill Number: HB 232a

49th Legislature, 2nd Session, 2010

Tracking Number: .179292.1SA

Short Title: Standardized School Finance Reporting Dates

Sponsor(s): Representatives Rick Miera and Mimi Stewart

Analyst: Peter B. van Moorsel

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AS AMENDED

The House Education Committee amendments:

- **remove a section authorizing the Public Education Department's (PED's) to require MEM or other reports at any other times specified by the department; and**
- **clarify that school districts and charter schools are required to furnish all reports required by law or by PED.**

Original Bill Summary:

HB 232 amends the *Public School Code*, including various sections of the *Public School Finance Act* and a section of the *Public School Buildings Act* to:

- remove the definition of "forty day report";
- replace most statutory references to the 40th, 80th, and 120th 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;
- 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; and
- provide that failure of PED 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*).

HB 232 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 deemed to be a reference to the new standardized dates; and
- allowing PED, as the public schools transition from former reporting dates to new reporting dates, to use any necessary combination of former and new reporting dates in developing membership and cost projections, and budgets for school year 2010-2011.

Fiscal Impact:

HB 232 makes no appropriation.

Fiscal Issues:

PED indicates that enactment of HB 232 would have no apparent fiscal implications.

The department reports that the provisions of HB 232 will require modifications to the Student Teacher Accountability Reporting System (STARS); and notes that the standardizing reporting dates statewide will simplify data submission and reduce the amount of time it takes for the department to certify data.

Substantive 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, 40th day reporting dates for school districts and charter schools ranged from September 2 to October 29.

PED indicates that moving to standardized reporting dates may reduce 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 80th 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 80th day membership as well.

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 40th day enrollment (except for special education, which became the higher of the 40th or 80th day enrollment) became the basis for funding.
- **1990** - The calculation of special education membership was changed from the 40th or 80th 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 40th 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 40th, 80th, and 120th days.
- **2002** - School districts with a basic program MEM of 200 or fewer were permitted to use either the average MEM of the 40th, 80th, and 120th days of the prior year or the MEM

on the 40th day of the current year in calculating program units, whichever was greater; and

- **2005** - Beginning with school year 2006-2007, school districts and charter schools were required to use the average of the prior year 80th and 120th 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 80th and 120th days of the prior year or MEM on the 40th day of the current year, whichever is greater.

Related Bill(s):

None as of February 8, 2010.