

HB 15-1334 -- Legislative Oversight Committee on School Finance

Sponsors: Reps. Hamner and Rankin | Sens. Hill and Kerr

House Committee: Education | Senate Committee: XXXXXPurpose:

- HB 15-1334 creates a legislative oversight committee on school finance to study tax policy issues relating to school finance and the components of a new school finance system. The purpose of this bill is to bring legislators and technical experts together to explore our current school finance policy in order to make specific recommendations to the legislature for improvements to the school finance system. The intended outcome of this bill is to create a more adequate, equitable, and sustainable school finance system to deliver a high-quality public education.

Background:

- The state faces increasing financial pressures arising from the constitutional restraints relating to spending limitations and the General Assembly's ability to set state and local tax policy, which restricts the General Assembly's ability to fund the state system of public education. The state has operated under the "Public School Finance Act of 1994" for twenty years, more than twice the duration recommended by most school finance experts for a single school finance act. The current formula for calculating total program funding no longer adequately or fairly addresses the most important cost elements that affect the delivery of a high-quality public education. Funding for special education services, at-risk student programs, gifted and talented programs, and English language proficiency programs are also not significantly addressed in the current formula, which raises questions regarding the adequacy and sustainability of the funding for these programs.

What this bill does:

- This bill creates the legislative oversight committee on school finance to study tax policy issues relating to school finance and the components of a new school finance system. This bill specifies the membership of the oversight committee, and allows Legislative Council Staff and the Office of Legislative Legal Services to provide staff support for the oversight committee. The oversight committee is required to contract with an outside facilitator by August 15, 2015 that will provide technical support in designing a new school finance system and proposing tax policy changes. Finally, the bill also creates a technical committee that will consist of persons with state and national expertise and experience in tax policy and school finance.
- The oversight committee, technical committee and the facilitator must meet up to 5 times from August to December 2015, and at least quarterly during 2016. Beginning June 2016, the technical committee and the facilitator must research and design one or more proposals for school finance systems. The oversight committee may introduce legislation during the 2016 and 2017 legislative session addressing the goals for funding public education, a method for determining the cost of maintaining the public education system, and legislation based on the tax policy proposals to ensure sufficient resources to fund an adequate, equitable, and sustainable school finance system.

Funding:

- Expenditures for the legislative branch and the CDE will increase by \$308,994 and 1.6 FTE in FY 2015-16 and \$210,947 and 1.6 FTE in FY 2016-17 to implement this bill.