

HB 446 -- State School Funding

Sponsor: Thomson

Currently, the phase-in of the school funding formula requires a school district to receive a percentage of its payment from the old SB 380 formula and a percentage from the new SB 287 formula until school year 2012-2013 when 100% of the payment will be based on the new formula. This bill revises the phase-in to remove the old SB 380 formula percentage and bases a school's payments on the new SB 287 formula with a proration method to accommodate available appropriations. For fiscal years 2012 and 2013, the General Assembly must appropriate an amount for school funding that equals or exceeds the appropriation in Fiscal Year 2010. Each fiscal year thereafter an increasing proration factor will be used to determine the school funding appropriation until Fiscal Year 2017.

In any year in which appropriations do not equal the amount necessary to fully fund the formula, payments will be modified to accommodate available appropriations. Payment reductions or increases will be calculated differently for hold-harmless and formula districts. If the formula is overfunded, payments to hold-harmless districts will be increased at half the rate of formula districts. If the formula is underfunded, payments to hold-harmless districts will be decreased at half the rate of formula districts.

Currently, the state adequacy target can be adjusted to accommodate available appropriations once the phase-in is completed. This provision is repealed as well as obsolete provisions concerning the summer school penalty, which terminated at the end of the 2008-2009 school year. A provision regarding an increase in state funding if summer school attendance were to decrease by 25% as compared to the daily attendance at summer school in the 2005-2006 school year is also repealed.

The bill contains an emergency clause.