

HB 1043 -- Education Funding Formula

Sponsor: Thomson

This bill changes the laws regarding the elementary and secondary education funding formula. In its main provisions, the bill:

(1) Specifies that in any year in which appropriations do not equal the amount necessary to fully fund the formula, payments to school districts will be modified to accommodate available appropriations. Reductions and increases will be calculated differently for hold-harmless and formula districts. If the formula is underfunded, payments to hold-harmless districts will be decreased at one-third of the rate of the decrease to formula districts. If the formula is overfunded, payments to hold-harmless districts will be increased at one-third of the rate of the increase to formula districts;

(2) Requires the dollar-value modifier to be recalculated every fiscal year, beginning in Fiscal Year 2013, using a three-year rolling average of the wage data from the Bureau of Economic Analysis of the United States Department of Commerce for the fourth, fifth, and sixth years before the payment year. Currently, the definition uses only the fourth previous year's information and the dollar value modifier has not been recalculated since the adoption of the formula in 2005;

(3) Requires, for Fiscal Year 2014, the General Assembly to appropriate an amount for school funding that equals or exceeds the appropriation in Fiscal Year 2011. Each fiscal year thereafter through Fiscal Year 2017, an increasing factor will be used to determine the target school funding appropriation until the factor is at least 1.0;

(4) Repeals the provision which allows the state adequacy target to be adjusted to accommodate available appropriations once the phase-in is completed; and

(5) Repeals several obsolete provisions regarding the formula's phase-in period.

The bill contains an emergency clause.