

**LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS**

Bill Number: HB 518

50th Legislature, 1st Session, 2011

Tracking Number: .185316.1

Short Title: Education Dept. Redirecting Resources

Sponsor(s): Representatives Jimmie C. Hall, Larry A. Larrañaga, and Alonzo Baldonado

Analyst: Peter B. van Moorsel

Date: March 8, 2011 (revised)

Bill Summary:

In order to redirect funds and other resources toward educational programs and methods that are grounded in scientifically based research linked to student achievement, HB 518 amends provisions relating to the approval of a public school budget in the *Public School Finance Act* to:

- allow the Public Education Department (PED), to:
 - revise a school district or charter school's operating budget; and
 - require that funds generated under the *Public School Finance Act* and other resources be redirected toward such programs.

Because the bill does not contain an effective date, the legislation, if enacted, would take effect on June 17, 90 days after the end of the legislative session.

Fiscal Impact:

HB 518 does not contain an appropriation.

According to the PED bill analysis, until the department develops criteria for specific educational program and methods linked to student achievement, fiscal implications cannot be determined.

Fiscal Issues:

If enacted, HB 518 may conflict with the following provisions in the *Public School Finance Act*:

“It is the responsibility of the local school board or governing body of a charter school to determine its priorities in terms of the needs of the community served by that board. Funds generated under the Public School Finance Act are discretionary to local school boards and governing bodies of charter schools, provided that the special program needs as enumerated in this section are met.”

Substantive Issues:

PED notes in its analysis of HB 518 that if the bill is enacted, the bill will provide the department with the authority to revise a budget and redirect funds.

Background:

For a school district operating budget, current law prescribes the following procedures:

- prior to April 15 of each year, each local school board shall submit to the department an operating budget for the school district for the ensuing fiscal year; and
- prior to June 20 of each year, each local school board shall, at a public hearing of which notice has been published by the local school board, fix the operating budget for the school district for the ensuing fiscal year.

For a charter school operating budget, the provisions are as follows:

- each state-chartered charter school shall submit a school-based budget to the PED Charter Schools Division;
- each locally chartered charter school shall submit a school-based budget to the local school board; and
- upon final approval of the locally chartered charter school's budget by the local school board, the charter school budget shall be included separately in the budget submission to PED.

Current law provides that PED:

- on or before July 1 of each year, approve and certify to each local school board and governing body of a state-chartered charter school an operating budget for use by the school district or state-chartered charter school; and
- make corrections, revisions and amendments to the operating budgets fixed by the local school boards or governing bodies of state-chartered charter schools and the secretary to conform the budgets to the requirements of law and to the department's rules and procedures.

Related Bills:

CS/HB 2a et al. *General Appropriation Act of 2011*