

**LEGISLATIVE EDUCATION STUDY COMMITTEE  
BILL ANALYSIS**

**Bill Number:** HB 419aa

**51st Legislature, 1st Session, 2013**

**Tracking Number:** .191429.1

**Short Title:** School Transportation Reporting Dates

**Sponsor(s):** Representative Dennis J. Roch and Others

**Analyst:** David Craig

**Date:** March 20, 2013

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**FOR THE LEGISLATIVE EDUCATION STUDY COMMITTEE**

**AS AMENDED**

The Senate Education Committee amendments strike the House Transportation and Public Works Committee amendments regarding the effective date and inserts an effective date of July 1, 2014.

The House Transportation and Public Works Committee amendments inserted:

- language back into the bill to make it applicable to state-chartered charter schools; and
- an effective date of July 1, 2013 to make it applicable to FY 14.

**Original Bill Summary:**

HB 419 amends the *Public School Finance Act* to change the reporting dates for school transportation funding for school districts and state-chartered charter schools:

- from the 40<sup>th</sup> day reporting date;
- to the average of the second and third reporting dates<sup>1</sup> (December 1 or the first working day in December and the second Wednesday in February).

**Fiscal Impact:**

HB 419 does not contain an appropriation.

**Substantive Issues:**

HB 419 reflects the work of the 2012 interim LESC School Transportation Subcommittee. The *Public School Finance Act* contains provisions by which school districts and state-chartered charter schools provide required information for the distribution of the school transportation allocation through the school transportation funding formula.

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<sup>1</sup> Commonly referred to as the 80<sup>th</sup> and 120<sup>th</sup> day reporting dates.

Under current statute the funding formula allocations for the first six months of the school year are based upon a tentative school budget for the current fiscal year. However:

- funding of the tentative budget has to be adjusted;
- allocations for the remainder of the school year are adjusted so that it equals the amount a school district or state-chartered charter school is entitled to receive for the entire year based upon the first reporting date; and
- as a result, changes in the distribution of the school transportation allocation for even one school district impacts all school districts and state-chartered charter schools receiving distributions from the school transportation fund.

The uncertainty and changes in the yearly school transportation allocation creates an unstable environment for developing school budgets for transportation programs or managing contracts with school bus contractors.

According to the Public Education Department, “transitioning to prior year funding for transportation will give school districts the ability to plan better and make more conscientious decisions related to transportation as they will know their final allocations at the beginning of the fiscal year.”

### **Technical Issues:**

On page 3, lines 4 to 5, the words “and state-chartered charter school” have been removed. Removing this language has the consequence of removing transportation funding for all state-chartered charter schools.

In addition, the bill does not create an effective date. Without an effective date, the bill would become law 90 days after the Legislature adjourns, or June 17, 2013. This could impact FY 13 funding allocations that have already happened.

The sponsor may wish to consider an amendment to:

- page 3, lines 4 to 5, to not strike the words “and state-chartered charter school”; and
- to include a future effective date.

### **Background:**

During the 2012 interim, the Legislative Education Study Committee (LESC) convened a school transportation subcommittee, which included members of the Legislature and other interested parties, such as school administrators and private school bus contractors. The subcommittee met several times during the interim to discuss issues related to school transportation including:

- school bus replacement schedules;
- allocations through the school transportation funding formula; and
- options to deal with high fuel costs, which included alternative funding mechanisms, fuel price forecasting methods, and cost-saving measures.

During the August 2012 interim transportation subcommittee meeting members heard testimony from LESG staff regarding a policy consideration for the subcommittee to consider funding to be based on a different funding period. LESG staff said for determination of the State Equalization

Guarantee distribution, for example, funding is based on the average student membership of the second and third reporting periods.

Several individuals stated that while public school budgets are determined on prior-year reporting dates, the school transportation distribution is based on a current-year reporting date. It was noted that using a prior-year number would allow more predictability on available dollars when developing budgets.

The provisions of HB 419 are the result of the subcommittee's deliberations, and the bill was unanimously endorsed by the LESC on January 14, 2013.

**Committee Referrals:**

HTPWC/HEC/SFC

**Related Bills:**

- HB 290 *K-3 Plus Program School Buses*
- HB 328a *School Bus Fuel Gross Receipts*
- \*HB 447a *Transportation Emergency Fund*
- HB 532 *School District Liens on Certain School Buses*
- HB 553a *Charter Schools Transportation Funding*
- \*CS/SB 60 *Severance Tax Bond Projects*
- \*SB 160aa *Biodiesel Definitions*