

ATRA OPPOSES HB2127

Counting Students 1.75 Times in K-12 Funding Formulas

Background

In 1990, with ATRA's encouragement, the state created joint technological education districts (JTEDs). JTEDs were designed to gain efficiencies that would allow more options to be provided to students. The efficiencies would be achieved by pooling the technical education resources of several districts. The new JTEDs would not be a new expense to the state because the state would merely shift the existing per-student funding for these courses to the JTEDs. When describing the fiscal impact of the bill that created JTEDs, the senate fact sheet indicated that the change would actually reduce state aid for education as a result of the \$0.05 JTED tax rate. Also, the Legislature clearly anticipated that student counts at the member districts would decrease as students attend JTED courses in place of district offered technical courses. Because of this expectation, the bill enacting JTEDs specified that the resulting decreases in student counts would not qualify a district for rapid decline funding.

Ignoring this legislative expectation, the member districts continued to consider the JTED students as full-time students at the member districts even though a portion of their full-time program was provided by the JTEDs. In a 2008 opinion (I08-012), the attorney general argued that districts had this authority to multiple count these students *because the Legislature had never specified that the districts lacked that authority*.

In 2009, the Legislature enacted into statute a clarifying statement that no student may be counted as more than a full-time student unless specifically authorized by law.

Basis for ATRA's Opposition

HB2127 will reverse the effect of last year's legislation. Passing this bill will be the first time that the Legislature has given authorization to count JTED students nearly twice in the state funding formulas, and the Legislature would be doing this at a time when the state is broke.

The state cannot afford its current obligations. This is no time to expand those obligations by implementing a double counting practice that was never intended by the Legislature and that is currently prohibited by law. Despite claims that HB2127 merely codifies existing practice, JLBC staff confirmed to ATRA that HB2127 will have a fiscal impact. That fiscal impact will be at least several tens of millions of dollars. By rejecting HB2127, JTEDs will still receive the funding that they would be entitled to under HB2127. The member districts, however, will be required to decrease their student count for each concurrently enrolled student. Current statutes require this decrease in recognition that a portion of the full-time education program of JTED students is not provided by the member districts.



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