

HB 2445 Opponent Testimony – in person
House K-12 Education Budget Committee
LOB provisions, At Risk weightings, transportation, capital outlay
Dave Trabert – President
March 13, 2018



Chairman Patton and Members of the Committee,

We appreciate this opportunity to testify in opposition to HB 2445 for a variety of reasons, although we do support the change that removes extra At Risk funding for districts with less than 10 percent At Risk students enrolled. Our primary objections are focused on three areas:

- (1) Section 3 of the bill makes it more difficult for citizens to challenge an increase in the Local Option Budget, but increasing the number of signatures required on a protest petition from 5 percent to 10 percent of the electorate. We prefer the old system, where all LOB increases above the 30 percent threshold had to be approved in a public vote.
- (2) Section 5 codifies the unlawful method used by the Department of Education to calculate transportation aid. We encourage the Legislature to seek reimbursement of funds certified by Legislative Post Audit as being overpaid and make no change to the calculation method. School districts and the Department of Education should be required to adhere to existing law, which requires that overpayments be returned to the State.
- (3) Section 10 disallows the use of capital outlay funds to pay for utilities and casualty insurance. The Supreme Court says allowing capital outlay funds to be used for these purposes may create equity issues because those categories were added as authorized uses in SB 19 but no additional money was allowed to be raised. Frankly, this seems more about meddling in the Legislature's business given that the amount of capital outlay money utilized for other operating purposes varies from year to year, and by the court's circular logic, could someday be used to disallow capital outlay for any operating purpose. By the way, school districts spent about \$90 million of capital outlay on operating costs last year.

Accordingly, we encourage the committee to approve the At Risk funding change, reject the changes in Section 3 and Section 5, and give careful consideration to the implications of restricting use of capital outlay funds.