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HOUSE JOINT RESOLUTION NO. 67
AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Senate Committee on Rules
on March 1, 2024)

(Patron Prior to Substitute—Delegate Simonds)

Establishing a joint committee of the House Committee on Appropriations and the Senate Committee on Finance and Appropriations to study fair school funding reform. Report.

WHEREAS, Virginia, unlike many other states, has not made systemic changes to improve its public school funding formula and fully fund its system of public elementary and secondary education to fully meet student needs as required pursuant to Sections 1 and 2 of Article VIII of the Constitution of Virginia; and

WHEREAS, the Joint Legislative Audit and Review Commission performed a crucial first step in the direction of fair school funding reform by conducting a two-year study and publishing its findings and recommendations in its July 2023 report, "Virginia's K-12 Funding Formula," on the costs of education and the Virginia Standards of Quality; and

WHEREAS, it is now imperative to take the next step by considering and taking action on such recommendations and policy options and making such other changes as the General Assembly deems necessary and appropriate to establish a fair and equitable system of public school funding; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That a joint committee of the House Committee on Appropriations and the Senate Committee on Finance and Appropriations be established to study fair school funding reform. The joint committee shall have a total membership of 10 members, consisting of five members of the House Committee on Appropriations, to be appointed by the Chairman of the House Committee on Appropriations, and five members of the Senate Committee on Finance and Appropriations, to be appointed by the Chairman of the Senate Committee on Finance and Appropriations. The joint committee shall elect a chairman and vice-chairman from among its membership.

As part of its study, the joint committee shall establish a work group to study the options for and prepare a report on (i) the actions necessary to implement the near-term and long-term recommendations of the July 2023 Joint Legislative Audit and Review Commission report, "Virginia's K-12 Funding Formula" (the July 2023 JLARC report), including an implementation timeline, and (ii) the actions necessary to implement any policy options from the July 2023 JLARC report as the work group deems appropriate, including any additional public engagement as necessary to support transition to any such policy options.

The work group shall consist of (a) six members from among the membership of the joint committee, with two members to be appointed by the Chairman of the House Committee on Appropriations, including one member of the majority party and one member of the minority party; one member to be appointed by the Chairman of the House Committee on Education; two members to be appointed by the Chairman of the Senate Committee on Finance and Appropriations, including one member of the majority party and one member of the minority party; and one member to be appointed by the Chairman of the Senate Committee on Education and Health; (b) one representative from the State Board of Education, to be appointed by the President of the State Board of Education; (c) one representative from the Virginia Association of School Superintendents; (d) one representative from the Virginia Association of School Boards; (e) three representatives of teachers and school staff, to be appointed by the Virginia Education Association; (f) four parents of students who attend public school in Virginia from different regions of Virginia, to be appointed by the Virginia Parent Teacher Association; (g) three representatives from local school divisions, with one to be appointed by the Chairman of the House Committee on Education, one to be appointed by the Chairman of the Senate Committee on Education and Health, and one to be appointed by the Virginia Association of School Superintendents; and (h) two representatives from the Joint Legislative Audit and Review Commission (JLARC) to serve in an advisory role and who shall be nonvoting members, to be appointed by the Director of JLARC. The work group shall elect a chairman and vice-chairman from among its membership.

In conducting its study, the work group shall:

1. With such funds as may be provided for such purpose pursuant to the general appropriation act, work with staff of the House Committee on Appropriations and the Senate Committee on Finance and Appropriations to identify and commission an independent firm by August 30, 2024, to produce an adequacy cost study on Virginia's K-12 public schools. Such a firm shall have experience over the past decade producing a similar cost adequacy study for a state legislature using an evidence-based approach. Such study shall include, at minimum: (i) adequacy cost studies that identify (a) a base funding level for students without special needs; (b) per-pupil weights for students with special needs, where weights can be applied to the base funding level; (c) a base funding level for students who are not economically disadvantaged; (d) per-pupil weights for students who are economically disadvantaged, where weights can be applied to the base funding

60 level; (e) a base funding level for students who are not English language learners; and (f) per-pupil weights
61 for students who are English language learners, where weights can be applied to the base funding level and
62 (ii) an analysis of the effects of concentrations of poverty on adequacy targets. Such study shall account for
63 Standards of Learning and school accreditation standards adopted by the Board of Education and funding
64 weights that could be applied to reach similar adequacy targets for the student groups identified in clause (i);

65 2. Consult with national experts from not-for-profit or research organizations on best practices in public
66 education finance, review examples from other states that have transitioned to student-based funding
67 formulas, and consider data tools, data systems, and training necessary to support transition to a student-
68 based funding formula. The work group shall consider state-level adequacy studies of the necessary base
69 funding and necessary add-on weights applied to various student groups, including students from low-income
70 families, students attending schools with high numbers of economically disadvantaged students, students who
71 are English language learners, and students with disabilities, in order to provide sufficient financial support to
72 achieve parity in academic outcomes between such groups and average outcomes for students at the same
73 grade level; and

74 3. Utilize the recommendations and policy options from the July 2023 JLARC report and any stakeholder
75 input and feedback received to develop a short-range and long-range plan for the phased implementation of
76 the recommendations and any such policy options as the work group deems appropriate from such report. In
77 its deliberations, the work group shall consider the long-term fiscal feasibility of each recommendation and
78 policy option, as well as the importance of each recommendation or policy option for achieving the goal of
79 providing a high-quality public education for every student.

80 The work group shall submit interim recommendations and an interim report to the joint committee no
81 later than October 1, 2024, and a final report and recommendations no later than August 1, 2025, as to (1)
82 what, if any, additional or updated analysis is necessary to implement the near-term and long-term
83 recommendations and any policy options that the work group deems appropriate from the July 2023 JLARC
84 report; (2) what, if any, additional public engagement is necessary to consider or support implementation of
85 any such policy options; (3) what data tools, data systems, and training will be necessary to support
86 implementing the recommendations and any such policy options; and (4) what next steps the joint committee
87 should take to implement the near-term and long-term recommendations and any such policy options,
88 including an implementation timeline. Such report must be approved by a majority of voting members of the
89 work group.

90 As part of its study, the joint committee shall create a public engagement plan and form as many advisory
91 committees as it deems necessary for receiving input and feedback from community stakeholders, such as
92 parents, teachers, students, other school staff, and association leaders who represent teachers, parents,
93 division superintendents, school principals, urban school divisions, rural school divisions, mid-sized school
94 divisions, students with disabilities, English language learner students, the business community, and tertiary
95 schools of education. Administrative staff support for the advisory committees shall be provided by the
96 Office of the Clerk of the chairman of the joint committee.

97 The joint committee shall (A) determine the appropriateness of implementing each recommendation or
98 policy option, (B) propose appropriate amendments to each recommendation or policy option, and (C)
99 develop a plan for the phased implementation of its recommendations.

100 The joint committee shall submit initial recommendations and an implementation plan to the Governor
101 and the Chairmen of the House Committee on Appropriations and the Senate Committee on Finance and
102 Appropriations no later than November 1, 2024, and shall submit a final report and implementation plan to
103 the Governor and the Chairmen of the House Committee on Appropriations and the Senate Committee on
104 Finance and Appropriations no later than October 1, 2025.

105 Administrative staff support for the work group and joint committee shall be provided by the Office of the
106 Clerk of the chairman of the joint committee. Legal, research, policy analysis, and other services as requested
107 by the joint committee shall be provided by the Division of Legislative Services, the Joint Legislative Audit
108 and Review Commission, and the staff of the House Committee on Appropriations and the Senate Committee
109 on Finance and Appropriations. Technical assistance and all requested data shall be provided by the
110 Department of Education. All agencies of the Commonwealth shall provide assistance to the joint committee
111 for this study, upon request.

112 The joint committee shall be limited to four meetings for the 2024 interim and four meetings for the 2025
113 interim. Approval for unbudgeted nonmember-related expenses shall require the written authorization of the
114 chairman of the joint committee and the respective Clerk. If a companion joint resolution of the other
115 chamber is agreed to, written authorization of both Clerks shall be required.

116 The joint committee shall complete its meetings by September 30, 2025, and the chairman shall submit to
117 the General Assembly and the Governor a report of its findings and recommendations for publication as a
118 House or Senate document by October 1, 2025. The executive summary and the report shall be submitted as
119 provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative
120 documents and reports and shall be posted on the General Assembly's website.