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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.

60 Such study shall include, at minimum: (i) adequacy cost studies that identify (a) a base funding level for
61 students without special needs; (b) per-pupil weights for students with special needs, where weights can
62 be applied to the base funding level; (c) a base funding level for students who are not economically
63 disadvantaged; (d) per-pupil weights for students who are economically disadvantaged, where weights
64 can be applied to the base funding level; (e) a base funding level for students who are not English
65 language learners; and (f) per-pupil weights for students who are English language learners, where
66 weights can be applied to the base funding level and (ii) an analysis of the effects of concentrations of
67 poverty on adequacy targets. Such study shall account for Standards of Learning and school
68 accreditation standards adopted by the Board of Education and funding weights that could be applied to
69 reach similar adequacy targets for the student groups identified in clause (i);

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

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

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

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

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

105 The joint committee shall submit initial recommendations and an implementation plan to the
106 Governor and the Chairmen of the House Committee on Appropriations and the Senate Committee on
107 Finance and Appropriations no later than November 1, 2024, and shall submit a final report and
108 implementation plan to the Governor and the Chairmen of the House Committee on Appropriations and
109 the Senate Committee on Finance and Appropriations no later than October 1, 2025.

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

117 The joint committee shall be limited to four meetings for the 2024 interim and four meetings for the
118 2025 interim. Approval for unbudgeted nonmember-related expenses shall require the written
119 authorization of the chairman of the joint committee and the respective Clerk. If a companion joint
120 resolution of the other chamber is agreed to, written authorization of both Clerks shall be required.

121 The joint committee shall complete its meetings by September 30, 2025, and the chairman shall

122 submit to the General Assembly and the Governor a report of its findings and recommendations for
123 publication as a House or Senate document by October 1, 2025. The executive summary and the report
124 shall be submitted as provided in the procedures of the Division of Legislative Automated Systems for
125 the processing of legislative documents and reports and shall be posted on the General Assembly's
126 website.