

Region One Legislative Report to the Finance Advisory Council

March 6, 2015

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Big Picture - Senate

Tax Relief

Homestead

Business Tax

Effective Tax Rate

Transportation

DPS Funds

MV Sales Tax

Infrastructure

Higher Education

Corrections

Public Ed – Funding

Enrollment Growth

Fractional Tax

PreK

Public Ed Reform

Campus Ratings

Parent Empowerment

On line Courses

Teacher Quality

Opportunity District

Choice

Big Picture - House

Tax Relief

Similar to Senate

Transportation

DPS Funds

Motor Vehicle Sales Tax?

Infrastructure

Higher Education

Corrections

Public Ed – Funding

Enrollment Growth

Fractional Tax

PreK

Formula Funding Increase

Public Ed Reform

Campus Ratings

On line Courses?

Teacher Quality

Opportunity District

SB 1 Homestead Exemptions

25% of Median Value statewide beginning in 2015

- \$33,625 in 2015, up from \$15,000
- Frozen levy adjusted by similar amount
- Optional exemption frozen in place at current % applied to appraised value

State aid program to replace lost revenue

- Covers both I&S and M&O at 2015 tax rates only

Tax Relief Issues

Hold Harmless (HH) applied to 1/1/15 formulas

HH based on 2014 tax rates

No repeal or modification of optional exemption

I&S HH

Schedule for 2015 process unclear

SB 766 Tax Calculations

Change in effective tax rate calculation

Appears to permit rates above \$1.04 w/o election

- Probably an error

Permits first year of new growth to be exempt from the process

Reform (?) Issues (Senate)

A_F campus ratings

Parent empowerment (low-performing campuses)

Online courses (eliminates 2013 compromises)

Teacher Quality (based on Teacher Quality recommendations of task force)

Opportunity school districts (low-performing schools 2 or more years)

Workforce development course for middle school with funding for lab partnerships

Choice (uncertain fate, but substantial LT GOV commitment)

Transparency, Bonds, etc.

50 Cent Test

- Relief for high I&S tax rate districts

Capital Appreciation Bonds

- Limitations on use

Transparency

- Greater financial information reporting

Ballot Language

- Debt-related information

November Elections

- Possible restriction to November general election date

Use of Bonds

- Long term bonds for short term equipment

Next Steps

Senate adopts tax relief program

House firms up game plan and agrees to funding package

Potential stalemate over tax relief

Senate passes (eventually) appropriations package

Conference committee

Public Ed “reforms” face uncertainty in the House

Possible limited reaction by House to court case



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