



2023-2024 General Assembly

# HOUSE BILL 259: 2023 Appropriations Act, Sec. 7.20: Department of Public Instruction Funding in Arrears

**Committee:**  
**Introduced by:**  
**Analysis of:** Sec. 7.20 of S.L. 2023-134

**Date:** December 8, 2023  
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Staff Attorney

**OVERVIEW:** Section 7.20 of S.L. 2023-134 requires the Department of Public Instruction (DPI) to develop a model to fund public school units based on actual average daily membership (ADM) from the prior school year rather than projections for the upcoming school year. DPI must propose technical adjustments for public school funding to the State Board of Education for approval before submitting the model to the Director of the Budget. Additionally, DPI must submit the model to the Fiscal Research Division by February 15, 2024. The technical adjustments must include laws that would need to be adjusted or repealed, and a comparison of funding received under the old model and the recommended new model, sorted by public school unit.

DPI must distribute funds to public school units based on the model beginning with the 2024-2025 school year. For public school units whose actual ADM for the current year is higher than the actual ADM for the prior school year, DPI must provide funds from the ADM Contingency Reserve.

The requirement to develop a new funding model became effective October 3, 2023. The requirement to implement the new model beginning with the 2024-2025 school year becomes effective July 1, 2024.

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