

## STATEMENT OF PURPOSE

### RS25478

This is the Fiscal Year 2018 appropriation for the Operations Division of the Public Schools Educational Support Program in the amount of \$653,649,000. This budget includes \$4,322,600 for a 3% base salary increase for classified staff and \$9,808,200 for nondiscretionary adjustments due to enrollment growth. The adjustments include \$7,143,500 to maintain discretionary funding at \$25,696. Also, \$2,537,100 is needed for salaries and benefits, \$491,800 for projected transportation cost increases, and a decrease of \$364,200 for unused unemployment insurance. There is also an increase of \$10,324,800 of endowment funds and a decrease in the same amount from the General Fund. There are four line items included in this appropriation. Line item 1 provides \$5,000,000 from the General Fund for classroom technology and infrastructure. Line item 2 increases discretionary funding by \$2,978,900 from the General Fund and \$3,000,000 one-time from dedicated funds. Line item 4 adds \$5,000,000 from the General Fund to be distributed for information technology (IT) staffing. Line item 5 provides an increase of \$9,967,800 from the General Fund to discretionary funds for the employer portion of health insurance for state-funded school district employees due to premium rate increases. The totals for this appropriation are \$597,599,400 from the General Fund and \$56,049,600 from dedicated funds, for a total of \$653,649,000. This is an increase of 4.7% from the General Fund and 6.5% from all funds. Discretionary funds would be set at \$26,748 per support unit, which is a 4.1% increase. Pursuant to Section 5 of this act, and to address rising health insurance costs, discretionary funds would be further divided into two distributions. The first distribution is \$15,506 per support unit to be used at the discretion of the school district or charter school. The second distribution is \$11,242 per support unit to be used to offset the school district or charter school employer cost of health, vision, and dental insurance. If this distribution is in excess of actual costs of health, vision, and dental insurance, then the school district or charter school may use the excess funds at their discretion.

### FISCAL NOTE

	FTP	Gen	Ded	Fed	Total
FY 2017 Original Appropriation	0.00	570,846,700	42,724,800		613,571,500
FY 2018 Base	0.00	570,846,700	42,724,800		613,571,500
Nondiscretionary Adjustments	0.00	9,808,200			9,808,200
3% Base Salary Change	0.00	4,322,600			4,322,600
Endowment Adjustments	0.00	(10,324,800)	10,324,800		0
FY 2018 Program Maintenance	0.00	574,652,700	53,049,600		627,702,300
1. Classroom Technology	0.00	5,000,000			5,000,000
2. Discretionary Funding	0.00	2,978,900	3,000,000		5,978,900
3. Classified Staff Addl 6% Salary increase	0.00	0			0
4. Increase IT Staffing	0.00	5,000,000			5,000,000
5. Health Benefits Indexed Inflation	0.00	9,967,800			9,967,800
FY 2018 Total	0.00	597,599,400	56,049,600		653,649,000
Chg from FY 2017 Orig Approp	0.00	26,752,700	13,324,800		40,077,500
% Chg from FY 2017 Orig Approp.		4.7%	31.2%		6.5%

**DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).**

**Line Item Fiscal Note for Public Schools  
Support Program, Division of Operations**

FY 2017  
Division of  
Operations

FY 2018  
Division of  
Operations

Sources of Funds

General Fund	\$570,846,700	\$597,599,400
Dedicated Funds	\$42,724,800	\$56,049,600
Federal Funds	<u>\$0</u>	<u>\$0</u>
TOTAL APPROPRIATION	\$613,571,500	\$653,649,000
General Fund Percent Change:		4.7%
Total Funds Percent Change:		6.5%

PROGRAM DISTRIBUTIONS

Statutory Requirements

Pupil Transportation Costs	\$71,152,000	\$71,643,800
Salary-based Apportionment	\$114,569,500	\$120,201,400
State-paid Employee Benefits	\$21,733,800	\$22,597,900
Innovation Schools	<u>\$100,000</u>	<u>\$100,000</u>
Sub-total -- Statutory Requirements	\$207,555,300	\$214,543,100

Other Program Distributions

District IT Staffing	\$2,500,000	\$7,500,000
Classroom Technology and Instructional Management Systems	\$18,000,000	\$26,000,000
Instructional Management Systems	<u>\$3,000,000</u>	<u>0</u>
Sub-total -- Other Program Distributions	\$23,500,000	\$33,500,000

Total	\$231,055,300	\$248,043,100
Discretionary Funds	\$382,516,200	\$405,605,900
Estimated Support Units	14,886	15,164
Discretionary Funds per Support Unit	\$25,696	\$26,748

**Contact:**

Paul Headlee  
Budget and Policy Analysis  
(208) 334-4746

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