

Mr. Chairman and members of the Committee,

For the record I am Harold Ott, Director of Idaho Rural Schools. Today I am also speaking for the Idaho Association of School Administrators.

We want to acknowledge the three year effort of the interim committee in tackling the daunting task of creating a new funding formula. In addition, we are most appreciative of the efforts made this session by Chairman Mortimer and Chairman Clow to include stakeholders in nearly thirty hours of listening sessions relative to a new funding formula. Progress has been made. Positive changes have been made.

However, while the interim committee has spent three years on the new formula we have not had the formula in bill form for even one complete week. The model for computing the "rollout" revenue has been changing and we still cannot project four years out when the "hold positive" expires. This has caused a great deal of concern for school superintendents. They along with their business officials need to be able to predict revenue with reasonable assurance of accuracy. Budgets, programs, staffing and supplemental levies all hang in the balance. We have polled all six of our regions and the majority of the superintendents indicate they need more time to digest the bill and the model.

Following are specific assertions from the ISSA Board, ISSA Finance Committee and the IASA Legislative Committee:

- 1) There are still problems with inconsistent data. We recommend use of the 2017-2018 data for accuracy.
- 2) The "hold positive" provision at 2% is appreciated. However, we are concerned about the possible "cliff" after three years.
- 3) We support the ability of each LEA to negotiate their own salary schedule from the Career Ladder.
- 4) In the payment schedule, we appreciate averaging the weighted student enrollment. However, we prefer that districts be able to choose between the October count or the average, whichever is higher. Otherwise districts do not know their revenue until the June payment.
- 5) We appreciate the language addressing IDLA funding.
- 6) Alternative school funding has not been addressed.
- 7) With the numerous changes to technical language in Idaho Code, substantive changes to existing code and the creation of seven new code sections a great deal of time and attention need to be dedicated to avoiding unintended consequences.

8) We understand that enrollment definitions have been directed to the State Board. These definitions have budget impact.

9) We appreciate the education allocation for BA ~~24~~ & MA.

It has long been a goal to place and maintain a highly effective teacher in every classroom. Certainly experience and training with feedback go a long way toward that effectiveness. Yet this newly proposed formula does not pay districts for those experienced, veteran teachers. In fact, the way the model stands today districts will have to hire inexperienced staff to balance the budget. Tim Hill from the State Department has developed a formula that is directly related to the concept of funding by the student which addresses this concern.

We are pleased that there is an understanding that having the highest possible base funding per student helps ensure that districts can provide a thorough system of education. However, there are still some problems with uniformity depending on size and geographic location in the state. There is far too much dependency on supplemental levies to meet the constitutional requirements of thoroughness and uniformity.

In "no way" do I intend to belittle the formula or the efforts of the interim committee or bill writers. Much improvement has been made since the first draft. Nonetheless, this is still a "work in progress." There is no rush. Let's do it "right" not "almost right." Please hold SB 1196.