

## STATEMENT OF PURPOSE

### RS19007

This is the Fiscal Year 2010 appropriation for the Division of Operations portion of the Public Schools budget. The pieces of the Public Schools budget that are part of this division's appropriation include: 1) The classified staff portion of the salary-based apportionment formula; 2) State paid employee benefits for classified staff, which includes PERSI and FICA; 3) Pupil transportation costs; 4) Technology funding; 5) Textbook and software funding; 6) Funding for the fourth year of the five-year phase out of state replacement of M&O personal property taxes on agricultural equipment; 7) State discretionary funds; and 8) The Operations' portion of federal pass-through funding to local school districts.

This appropriation bill includes the transfer of \$19,025,000 of dedicated dollars from the School District Building Fund in the Facilities Division (\$18,375,000 of lottery dollars and \$650,000 of interest earned on principal in the Facilities Cooperative Fund). Section 7 of this bill provides that these funds are to be used as discretionary dollars and school districts are relieved from the restrictions of using these funds for maintenance and repair of school buildings according to Section 33-1019, Idaho Code. As a result of this transfer, there is a corresponding decrease of General Funds in the Operations Division in the amount of \$19,025,000. This decrease is a key element in reducing the burden on the General Fund during a time of decreasing state revenues.

To further reduce the burden on the General Fund, this appropriation bill includes the addition of \$25,444,500 of Title XIV, American Recovery and Reinvestment Funds, followed by a corresponding decrease of General Funds in the same amount. This amount includes the equivalent of reducing the classified employees salary and benefits reduction from a -5% to a -2.63% (\$2,986,600), the equivalent of three furlough days (\$1,991,200), and a fund shift (\$20,466,700). Additionally, funding for transportation expenses were reduced by \$4,200,000. Although the request was reduced, FY 2010 transportation funding provides an increase of 2.4% over the previous year.

This appropriation bill provides sufficient funding for an increase of 105 new full-term support units. Section 4 of this bill provides continued funding for school district technology purposes. Section 5 provides funding for the fourth year of the five-year phase out of the agricultural equipment funds that were not equalized prior to HB1, 2006 Special Session. Section 6 provides funding for the textbook and software allowance for school districts and charter schools and removes the requirement for districts to match these funds in the amount of \$1 for every \$3 received. This amounts to \$3,317,000 by which the discretionary funds were decreased. After accounting for growth in support units, there is a slight (-0.18%) decrease in discretionary funding per support unit compared to the previous year.

As stated above, Section 7 allows the funds transferred from the School District Building Account to be treated as discretionary dollars. Section 8 of the bill decreases the amount of total discretionary funding per classroom (support unit) from \$25,696 to \$25,459. Section 8 decreases the base salary for classified staff from \$20,376 to \$19,840, which is a 2.63% reduction.

### FISCAL NOTE

	<b>FY 2009</b>		
	<b>Original</b>	<b>FY 2010</b>	<b>Div. of</b>
	<b>Approp.</b>	<b>Approp.</b>	<b>Operations</b>
<b>I. STATE APPROPRIATION</b>			
<b>A. Sources of Funds</b>			
1.	General Fund	\$1,418,542,700	\$1,309,215,200 \$488,455,700
2.	Dedicated Funds	\$62,405,700	\$63,825,900 \$56,825,900
3a.	Title XIV ARRA Federal Stimulus Funds	\$0	\$60,635,400 \$25,444,500
3b.	Federal Funds (includes \$54.4 M of Title VIII ARRA)	\$215,000,000	\$269,383,000 \$8,000,000
<b>4.</b>	<b>TOTAL STATE APPROPRIATIONS</b>	<b>\$1,695,948,400</b>	<b>\$1,703,059,500 \$578,726,100</b>
	<b>General Fund Percent Increase:</b>	<b>3.7%</b>	<b>-7.7%</b> <b>-9.5%</b>
	<b>Total Funds Percent Increase:</b>	<b>3.1%</b>	<b>0.4%</b> <b>-0.9%</b>
<b>II. PROGRAM DISTRIBUTION</b>			
<b>A. Statutory Requirements</b>			
1.	Transportation	\$72,277,700	\$74,001,600 \$74,001,600
2.	Border Contracts	\$1,100,000	\$1,100,000 \$0
3.	Exceptional Contracts/Tuition Equivalents	\$5,884,300	\$5,884,300 \$0
4.	Program Adjustments	\$0	\$0 \$0
5.	Programs for Expectant or Delivered Mothers	\$550,000	\$550,000 \$0
6.	Salary-based Apportionment	\$802,743,300	\$782,650,200 \$104,718,000
7.	Teacher Incentive Award	\$219,600	\$219,600 \$0
8.	State Paid Employee Benefits	\$144,314,800	\$140,690,200 \$18,824,700
9.	Early Retirement Program	\$4,000,000	\$2,000,000 \$0
10.	Bond Levy Equalization	\$16,500,000	\$17,900,000 \$0
12.	School Facilities Funding (Lottery)	\$17,250,000	\$0 \$0
13.	School Facilities Maintenance Match	\$3,000,000	\$0 \$0
14.	Idaho Safe & Drug-Free Schools	\$7,000,000	\$7,000,000 \$0
<b>15</b>	<b>Sub-total -- Statutory Requirements</b>	<b>\$1,077,969,200</b>	<b>\$1,036,995,900 \$197,544,300</b>
<b>B. Other Program Distributions</b>			
1.	Technology	\$9,150,000	\$9,150,000 \$9,150,000
2.	Idaho Reading Initiative	\$2,800,000	\$2,800,000 \$0
3.	Limited English Proficiency (LEP)	\$6,040,000	\$6,040,000 \$0
4.	Gifted & Talented (Adv. Opportunity Teacher Training)	\$1,000,000	\$1,000,000 \$0
5.	Classroom Supplies	\$5,379,500	\$4,686,300 \$0
6.	Textbook Allowance	\$9,950,000	\$5,970,000 \$5,970,000
7.	ISAT Remediation	\$5,000,000	\$5,000,000 \$0
8.	Development of Concurrent Credit Education	\$50,000	\$0 \$0
9.	Math Initiative	\$3,972,500	\$3,972,500 \$0

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10. Ag Replacement Phase-out	\$2,262,800	\$1,508,500	\$1,508,500
11. Safe School Study	\$100,000	\$0	\$0
12. Rural School Initiative	\$50,000	\$0	\$0
13. Teacher Evaluation Task Force	\$50,000	\$0	\$0
14. Federal Funds for Local School Districts	\$215,000,000	\$269,383,000	\$8,000,000
<b>15. Sub-total -- Other Program Distributions</b>	<b>\$260,804,800</b>	<b>\$309,510,300</b>	<b>\$24,628,500</b>
<b>TOTAL CATEGORICAL EXPENDITURES</b>	<b>\$1,338,774,000</b>	<b>\$1,346,506,200</b>	<b>\$222,172,800</b>
<b>III. EDUCATION STABILIZATION FUNDS</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>IV. STATE DISCRETIONARY FUNDS</b>	<b>\$357,174,400</b>	<b>\$356,553,300</b>	<b>\$356,553,300</b>
<b>V. ESTIMATED SUPPORT UNITS</b>	<b>13,900</b>	<b>14,005</b>	<b>14,005</b>
<b>VI. STATE DISCRETIONARY \$ PER SUPPORT UNIT</b>	<b>\$25,696</b>	<b>\$25,459</b>	<b>\$25,459</b>

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