

IN THE SENATE

SENATE BILL NO. 1103

BY EDUCATION COMMITTEE

AN ACT

1 RELATING TO EDUCATION; AMENDING CHAPTER 9, TITLE 33, IDAHO CODE, BY THE
2 ADDITION OF A NEW SECTION 33-902B, IDAHO CODE, TO ESTABLISH THE PUBLIC
3 SCHOOL ENDOWMENT INCOME FACILITIES FUND AND TO PROVIDE FOR DISTRIBUTION;
4 AMENDING SECTION 33-902A, IDAHO CODE, TO PROVIDE FOR DISTRIBUTION
5 TO THE PUBLIC SCHOOL ENDOWMENT INCOME FACILITIES FUND; AMENDING SECTION
6 33-903, IDAHO CODE, TO REMOVE CERTAIN FUNDING DISTRIBUTIONS AND TO MAKE
7 TECHNICAL CORRECTIONS; AND DECLARING AN EMERGENCY AND PROVIDING AN EF-
8 FECTIVE DATE.
9

10 Be It Enacted by the Legislature of the State of Idaho:

11 SECTION 1. That Chapter 9, Title 33, Idaho Code, be, and the same is
12 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
13 ignated as Section 33-902B, Idaho Code, and to read as follows:

14 33-902B. PUBLIC SCHOOL ENDOWMENT INCOME FACILITIES FUND. (1) There is
15 hereby established in the state treasury the public school endowment income
16 facilities fund. The fund shall be managed and invested by the state trea-
17 surer. The public school endowment income facilities fund shall consist of
18 the following:

19 (a) Moneys distributed from the public school earnings reserve fund;
20 and

21 (b) Other moneys deemed appropriate by the legislature.

22 (2) The first two-thirds (2/3) of the funds available shall be dis-
23 tributed to public school districts and charter schools based on the owned
24 student-occupied square footage of the public school districts and charter
25 schools. A public school district's or charter school's distribution shall
26 be calculated by dividing the total owned student-occupied square footage
27 by the district's or charter school's owned student-occupied square footage
28 and then multiplying the resulting percentage by the value of the two-thirds
29 (2/3) to be distributed.

30 (3) (a) If a public school district or charter school receives less than
31 one hundred fifty thousand dollars (\$150,000) pursuant to subsection
32 (2) of this section and sufficient funds remain:

33 (i) A public school district or charter school shall receive one
34 hundred thousand dollars (\$100,000) if in the previous academic
35 year the district or charter school had an average daily atten-
36 dance of 100 or less;

37 (ii) A public school district or charter school shall receive one
38 hundred fifty thousand dollars (\$150,000) if in the previous aca-
39 demic year the district or charter school had an average daily at-
40 tendance of 100.01-750; and

41 (iii) The remaining funds shall be distributed to public school
42 districts and charter schools with an average daily attendance of

1 750.01 or more equal to the percentage of the district's or char-
2 ter school's average daily attendance of the remaining school dis-
3 tricts' and charter schools' average daily attendance total.

4 (b) If sufficient funds do not remain, funds to be distributed under
5 this subsection shall be adjusted proportionately to the remaining
6 funds.

7 (4) No public school district or charter school with an average daily
8 attendance of 750.01 or more shall receive less than one hundred fifty thou-
9 sand dollars (\$150,000) in total distributions pursuant to this section.
10 If the total of distributions under subsections (2) and (3) of this section
11 are less than one hundred fifty thousand dollars (\$150,000), the state de-
12 partment of education shall adjust proportionately so that such districts
13 and charter schools receive a minimum of one hundred fifty thousand dollars
14 (\$150,000).

15 (5) Funds distributed to a public school district or charter school may
16 be:

17 (a) Spent to pay existing bonds;

18 (b) Spent to expand, remodel, replace, or maintain capital projects; or

19 (c) Held in savings by the beneficiary for deferred maintenance.

20 SECTION 2. That Section 33-902A, Idaho Code, be, and the same is hereby
21 amended to read as follows:

22 33-902A. PUBLIC SCHOOL EARNINGS RESERVE FUND. (1) There is estab-
23 lished in the state treasury the public school earnings reserve fund. The
24 fund shall be managed and invested by the endowment fund investment board
25 according to law and the policies established by the state board of land
26 commissioners. The public school earnings reserve fund shall consist of the
27 following:

28 (a) All earnings of the public school permanent endowment fund;

29 (b) Proceeds of the sale of timber on public school endowment lands;

30 (c) Proceeds of leases of public school endowment lands;

31 (d) Proceeds of interest charged upon deferred payments on public
32 school endowment lands or timber on those lands;

33 (e) Earnings on contracts for the sale of timber and the sale of lands
34 related to the public school endowment; and

35 (f) All other proceeds received from the use of public school endowment
36 lands and not otherwise designated for deposit in the public school per-
37 manent endowment fund.

38 (2) Moneys shall be distributed out of the public school earnings re-
39 serve fund only to support the beneficiaries of the public school endowment,
40 including distributions by the state board of land commissioners to the pub-
41 lic school permanent endowment fund and the public school endowment income
42 facilities fund; provided, that funds shall not be appropriated by the leg-
43 islature from the public school earnings reserve fund except to pay for ad-
44 ministrative costs incurred managing the assets of the public school endow-
45 ment including, but not limited to, real property and monetary assets.

46 SECTION 3. That Section 33-903, Idaho Code, be, and the same is hereby
47 amended to read as follows:

1 33-903. PUBLIC SCHOOL INCOME FUND. (1) The public school income fund
2 is that fund in the treasury of the state of Idaho to which are credited the
3 following:

4 (a) ~~Moneys distributed from the public school earnings reserve fund and~~
5 ~~other sources~~ Sources the legislature deems appropriate;

6 (b) Proceeds of all state taxes levied for public school purposes;

7 (c) Grants of moneys from the federal government for public school pur-
8 poses when other disposition is not specified by law;

9 (d) Ninety percent (90%) of any moneys received by any department of
10 state government from the federal government from sales, royalties,
11 bonuses or rentals of oil, gas or mineral lands; and

12 (e) Legislative appropriations in support of the public schools, and
13 other moneys required by the law of the federal government or of the
14 state of Idaho to be made a part of and credited to the fund.

15 (2) Earnings on the investment of idle moneys in the public school in-
16 come fund shall be paid to the public school income fund.

17 (3) Moneys in the public school income fund shall be used for the bene-
18 fit of beneficiaries of the public school endowment and distributed to cur-
19 rent beneficiaries of the public school endowment pursuant to legislative
20 appropriation.

21 SECTION 4. An emergency existing therefor, which emergency is hereby
22 declared to exist, this act shall be in full force and effect on and after
23 July 1, 2023.