

NEWS RELEASE



Office of Performance Evaluations

Idaho Legislature

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FOR IMMEDIATE RELEASE

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Distribution of State Funds for K–12 Public Education

The full report and one-page highlights are available on the OPE website:

<http://www.legislature.idaho.gov/ope/>

(BOISE)—Funds for many programs in the support budget for public schools are not distributed based on need or actual costs, reported the Office of Performance Evaluations to the Joint Legislative Oversight Committee in a public meeting today. In addition, evaluators said the state does not collect information for the total amount of money spent on these programs. Knowing need and actual costs is not only essential for policymakers in establishing and maintaining a “uniform and thorough system” of public education as required by Idaho’s constitution, but the information also helps prioritize the use of scarce tax dollars.

Evaluators used the special education program as a representation of funding issues found in other programs. They identified \$294 million in funding sources related to special education programs and its students in fiscal year 2015. Of that amount, approximately \$85 million was not captured in statewide reports. In another finding, evaluators estimated that 86% of the \$294 million was not based on actual costs of providing services or an assessment of need.

There were multiple instances in which either documented directions on funding were contradictory or actual practice contradicted law. For example, an estimated 4 out of 10 students who received special education were not included in the funding formula for special education as

prescribed by statute. Rather, they were counted as regular students as prescribed by administrative rule.

Evaluators looked at 22 of the 39 program distributions in the support budget for public education. For FY 2017, these 22 programs were appropriated \$165 million from the state general fund. Evaluators found that funding for these programs was complex and based on unique formulas (different from the traditional salary-based apportionment formula).

In one formula, high school redesign—math and science, evaluators reported extreme differences in funding between schools based on differences in enrollment of a single student. In another formula, academic and college/career advisors, they reported 8 of the 10 highest per student distribution amounts were for charter schools. When investigating the original rationale for these unique funding approaches, they found institutional knowledge was diminishing, or in some cases, may have already been lost.

Several recommendations were made for the Department of Education and the Legislature to consider, including one that recommends reporting of program expenditures be revised to address the unintentional opaqueness that makes it difficult to find the total, statewide spending on a program.

The Oversight Committee assigned the Office of Performance Evaluations to examine state funding that districts and charters receive outside of the traditional funding formula. Findings of the evaluation would help inform the interim committee for Public School Funding Formula as it seeks to study and make recommendations for the state's public education funding formula. Cochair of the 2016 interim committee, Representative Wendy Horman, requested the evaluation.

The Office of Performance Evaluations is a nonpartisan, independent office that evaluates whether state government programs and agencies are operating efficiently and cost-effectively and are achieving intended results. OPE conducts all reviews in response to direction from a bipartisan committee of the Legislature—the Joint Legislative Oversight Committee. OPE's reviews are used by the Legislature to make policy and budget decisions and by agencies to improve performance.