STATEMENT OF PURPOSE

RS21397

This legislation removes, for FY13 and ongoing, the additional 2.38% negative adjustment that had been scheduled for the salary-based apportionment funding for public school teachers, administrators and classified staff. This has the effect of not only keeping FY13 salary-based apportionment at the same level as FY12, as an ongoing funding decision, it also reduces the total reductions scheduled for salary-based apportionment in future years by 2.38%.

It does not, however, address the additional incremental adjustments to salary-based apportionment required in FY14 and beyond. While Idaho's economy is clearly generating sufficient revenues to support removing the 2.38% negative adjustment in FY13 on an ongoing basis, the 2012 Legislature is not in a good position to evaluate the affordability of negating the additional 2.25% negative adjustment currently scheduled for FY14.

The 2012 Legislature is simply not in possession of a revenue forecast for FY14 that would enable it to make such a decision with confidence. This legislation, therefore, leaves that decision to the 2013 Legislature, which will be in a much better position to evaluate the economy one year from now, and make a determination as to the adequacy of FY14 revenues.

Just as is the case for FY13, finding sufficient ongoing revenues to maintain the existing level of salary-based apportionment funding, while also funding teacher compensation increases through minimum salary increases and Pay for Performance, will continue to be a top priority for the Idaho Legislature going forward.

FISCAL NOTE

No fiscal impact beyond that which has already been incorporated into the FY13 Public Schools budget, as set by the Joint Finance-Appropriations Committee on March 5, 2012.

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