

Distribution of State Funds for K-12 Public Education

Report highlights

December 2016

Many of the funding formulas for special education and programs in the support budget for K-12 public schools are not based on need or actual costs. Also, statewide information does not account for the total amount of money spent on these programs.



In addition to special education, we reviewed 22 of 39 program distributions that are part of the support budget for public schools. For FY17 the Legislature appropriated \$165 million from the general fund for the 22 program distributions.



Findings

Estimated
\$294
million

Funding related to special education students in FY15

Estimated
86%

Percentage of the \$294 million **not** based on actual costs of providing services or an assessment of need

Estimated
4 out of 10

Students who received special education but **were not** included in the special education funding formula in FY15

\$52
million

Money received by districts and charters from other state agencies in FY15

Recommendations

We made four recommendations to the Department of Education and the Legislature to consider when redesigning public education funding.

Funding is made more complex because unique formulas, with different rationales, have been used for various program distributions.

Information on the relationship between funding formulas and program need was often missing or out-of-date.

Often, information on total spending by districts and charters was either absent or obscured, likely because reporting systems were not set up to anticipate questions about total spending.

Published sources do not capture the complexity or reveal all funding related to special education students. Not captured for statewide reporting in FY15 was approximately **\$85 million** out of the estimated \$294 million.

Administrative rule K-12	\$94.4 million
Federal IDEA K-12	\$51.0 million
Local and other	\$50.5 million
Regular support units	\$46.3 million
Medicaid	\$35.1 million
Administrative rule preschool	\$6.9 million
Federal IDEA statewide services	\$3.9 million
Emotional disturbance	\$2.2 million
Federal IDEA preschool	\$2.1 million
Contracts or tuition equivalents	\$1.2 million

View the report: www.legislature.idaho.gov/ope/