

Testimony on Senate Bill 1196 – Public School Funding Formula
March 18, 2019

Good afternoon Mr. Chairman and committee members. For the record, I am Sherri Ybarra, Supt. of Public Instruction. I appreciate this opportunity to comment on Senate Bill 1196.

While I supported the work of the Interim Committee to move to a more student-centered funding formula, the committee did not draft legislation and we did not endorse legislation.

We are still unsure how we would implement the new formula, and we are not sure how it will impact our public schools and students. Simply put, we need more time.

The last major rewrite of the school funding formula took several years and was done in collaboration with district administrators and finance staff who had the opportunity to help develop the formula and understand it before it was implemented. The new formula being proposed in Senate Bill 1196 is not well understood by the field. There have been numerous versions of the spreadsheet and district administrators and school boards have not had an opportunity to work with the new formula.

Beyond the lack of time for those in the field to understand the new formula, I want to reiterate the following concerns, which I shared in the joint House and Senate Education Committee meeting on February 7th.

- The latest model is still using incomplete current year enrollment data and comparing that to the last school year's full-year data (2017-2018). This, along with including an additional \$86 million minimizes the losers.
- The bill contains no off ramps in the event that future revenue does not support ongoing investment to fund the hold harmless provision. We still do not know what happens after three years or if there is a fiscal cliff for any districts.
- While many definitions have been addressed, there is still no provision for at-risk students. Not all at-risk students are considered economically disadvantaged.
- We need to make sure special education students are funded as needed. There is no assurance the new formula will adequately fund these students.
- While the payment schedule has been addressed, there are still concerns about the predictability and stability of the new formula, as my deputy of finance Tim Hill will testify on shortly.

- While the draft bill does recognize additional education attainment – the BA+24 or masters, there is a concern that by not including career ladder rung averages in the model to retain the current career ladder attributes, the new formula will incentivize districts to hire inexperienced or less experienced educators.
- We have heard a lot of discussion this year from legislators about accountability. Senate Bill 1196 does not address academic outcomes that are expected for the additional flexibility in the new formula.
- Superintendents have shared with me that they wanted flexibility to move funding between line items and to have fewer line items. They did not ask to move all the line items into one discretionary fund.
- The current formula funds “phantom students” for those districts or schools with declining enrollments because the 2% floor is on total dollars rather than on a per student basis as the 7.5% cap is.
- We have also heard concerns that the cap of 7.5% may prevent the Department from distributing all of the funds appropriated.

I will close with the question I am asked most frequently from the field. Why the urgency to pass a bill this year when districts have not had sufficient time to study the model and the legislation to analyze the impact?

This is an historical change to how we fund public schools. A new formula will likely be in place until 2050, long after most of us are involved in the education policy arena.

I would ask this committee and the Legislature to give the field and Idaho school boards more time to work with the new formula to better understand its impacts and recommend changes that would correct unintended consequences.

My staff and I remain committed to working on a new school funding formula and the accompanying legislation to ensure it can be implemented to the benefit of the students of Idaho.

Thank you Mr. Chairman, at this time I would like to turn this over to my deputy of finance, Tim Hill.