

Statement of Purpose and Fiscal Impact

Education Enhanced Funding Act of 2023

HB _____

The central purposes of this Act are to:

- Enhance salary levels by 5% for Public School, University, and College personnel.
- Provide property tax relief by paying off current K-12 special levies of \$220 Million
- Provide further property tax relief by the State contributing 25% to the payment of future K-12 special levies.
- Reduce the \$890+ Million backlog in public school building repairs, upgrade, and purchase of new buildings and provide future property tax relief by now appropriating \$500 Million into a restricted fund for that purpose.
- Payment of 25% of K-12 future Bonding for future repairs, upgrading, and purchasing of new buildings.
- Amend Idaho Code 33-1019 to increase annual expenditure for repairs and maintenance from 2% to 7% of the replacement value of school buildings.

The unencumbered funds in the General Fund are estimated to be between **\$1.6 and \$1.9 Billion**. The Office of Performance Evaluation report of January 2022 on K-12 Public School Buildings established the following:

- In a follow-up questionnaire with 12 districts, administrators said that 53 percent of their schools would need to undergo significant maintenance and repair over the next year, **with 20 percent of schools needing to be phased out entirely.**
- District administrators stated that a minimum of 19 new schools would need to be built in the next 10 years to accommodate student growth.
- In total, the 77 districts that responded represent 35.6 million square feet of school buildings. As shown in exhibit 2, we found that districts rated 63 percent of the total square feet of school buildings, or 22 million square feet, as “fair” or “poor.”
- **Since 2007, districts have received \$1 billion less in discretionary funding compared to 2006 levels.** Discretionary funds support general operational expenses for districts.
- **It will take an estimated \$847 million to get all buildings up to “good” condition.**

A recent study funded by the Albertson Foundation advises that population growth will require acquisition of 100 new schools by year 2030.

The OPE recommended the Legislature consider commissioning a statewide facility condition assessment. That action, which will kick the can down the road several years, may be a desirable course of action, but does not require that no action be taken in the meantime. There is no doubt the funding needs are far greater than those articulated in this Bill.

Fiscal Impact

In addition to the above, the implementation of this Act may require an increased appropriation to the Idaho Department of Education to develop the protocols for access to the funds and management of the expenditure thereof.