

## STATEMENT OF PURPOSE

RS29656 / H0691

The current "Foundation Program – State Aid – Apportionment" found in Chapter 10 of Title 33 Idaho Code was first established in 1980. At that time, the student counts were used to determine Education Support Units. The counts were done by seat time, also referred to as Average Daily Attendance (ADA). In 2016, HCR 33 created an Interim Legislative Committee to study the funding formula within this chapter. The Interim Committee was reauthorized in 2017 and 2018. While the interim committee recommendation to move to a student-based formula was not implemented in 2019, there was strong consensus that the state should move from the current ADA student count to an enrollment-based formula. During the 2019 Session, H 293 was signed into law to require schools to track both ADA and enrollment. This was done to provide a better understanding of the fiscal impact of a singular change to the funding formula.

For the past two school pandemic impacted school years, the State Board of Education has passed temporary rules to use the enrollment counts, rather than the ADA. Schools are well prepared to make a change to enrollment as they have been providing both counts since the Fiscal School year 2020.

This bill codifies a permanent change to utilize Full Time Equivalent Enrollment (FTE-E) to the funding formula. An emergency clause to put this change into law upon passage and approval will replace the existing administrative temporary rule.

### FISCAL NOTE

The change from ADA to FTE-E will have an estimated increase \$23.8 million from the General Fund going forward.

- Division of Administrators \$3 million
- Division of Operations \$20.5 million
- Division of Children's Program offset of \$ .3 Million

This estimate is based on historical support unit growth through the end of the fiscal year for mid-term support units. Included in the growth estimate are support units to fund mobility per §33-1004. The State Board of Education is requesting a supplemental appropriation of an estimated \$21.2 million to cover the FY 2022, which has been operating under the enrollment model by temporary rule.

#### Contact:

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**DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).**