2

3

4

5

6

7

8

9 10

11

12

13

14 15

16

17

18 19

20

21

22

23

24

25

26

27

28

29

30 31

32 33

34

35

36

37

38

39

40

41 42

43

44

45

IN THE SENATE

SENATE BILL NO. 1186

BY STATE AFFAIRS COMMITTEE

AN ACT

RELATING TO EDUCATION; AMENDING THE HEADING FOR CHAPTER 10, TITLE 33, IDAHO CODE; AMENDING SECTION 33-1001, IDAHO CODE, TO REMOVE DEFINITIONS, TO REVISE DEFINITIONS, AND TO DEFINE TERMS; REPEALING SECTION 33-1002, IDAHO CODE, RELATING TO THE EDUCATIONAL SUPPORT PROGRAM; AMENDING CHAP-TER 10, TITLE 33, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 33-1002, IDAHO CODE, TO PROVIDE FOR THE PUBLIC SCHOOLS EDUCATIONAL SUPPORT PRO-GRAM AND STUDENT-BASED FOUNDATION FUNDING; AMENDING CHAPTER 10, TITLE 33, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 33-1002A, IDAHO CODE, TO PROVIDE A TRANSITION TO STUDENT-BASED FUNDING, TO ESTABLISH A HOLD HARMLESS PROVISION AND PROVISIONS REGARDING ANNUAL FUND INCREASES, AND TO PROVIDE A LIMITATION; AMENDING CHAPTER 10, TITLE 33, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 33-1002B, IDAHO CODE, TO PROVIDE FOR SPE-CIAL PROGRAMS SUPPORT; AMENDING CHAPTER 10, TITLE 33, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 33-1002C, IDAHO CODE, TO PROVIDE FOR WEIGHTS AND RULEMAKING; AMENDING CHAPTER 10, TITLE 33, IDAHO CODE, BY THE ADDI-TION OF A NEW SECTION 33-1002D, IDAHO CODE, TO ESTABLISH PROVISIONS FOR STUDENT ENROLLMENT COUNTS AND RULEMAKING; REPEALING SECTION 33-1003, IDAHO CODE, RELATING TO SPECIAL APPLICATION OF THE EDUCATIONAL SUPPORT PROGRAM; AMENDING CHAPTER 10, TITLE 33, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 33-1003, IDAHO CODE, TO PROVIDE FOR PAYMENTS TO LOCAL EDUCATION AGENCIES; REPEALING SECTION 33-1003A, IDAHO CODE, RELAT-ING TO THE CALCULATION OF AVERAGE DAILY ATTENDANCE; REPEALING SECTION 33-1003C, IDAHO CODE, RELATING TO SPECIAL APPLICATION OF TECHNOLOGY INSTRUCTION; REPEALING SECTION 33-1004, IDAHO CODE, RELATING TO STAFF ALLOWANCE; REPEALING SECTION 33-1004A, IDAHO CODE, RELATING TO THE EX-PERIENCE AND EDUCATION MULTIPLIER; AMENDING SECTION 33-1004B, IDAHO CODE, AS AMENDED BY SECTION 5, CHAPTER 169, LAWS OF 2018, TO REDESIG-NATE THE SECTION, TO AMEND PROVISIONS REGARDING THE CAREER LADDER, AND TO ESTABLISH PROVISIONS REGARDING LOCAL SALARY SCHEDULES; REPEALING SECTION 33-1004C, IDAHO CODE, RELATING TO BASE AND MINIMUM SALARIES, LEADERSHIP PREMIUMS, AND THE EDUCATION AND EXPERIENCE INDEX; AMENDING SECTION 33-1004E, IDAHO CODE, TO REDESIGNATE THE SECTION AND TO REMOVE PROVISIONS REGARDING SALARY-BASED APPORTIONMENT; AMENDING SECTION 33-1004F, IDAHO CODE, AS AMENDED BY SECTION 2, CHAPTER 92, LAWS OF 2017, TO REDESIGNATE THE SECTION, TO REVISE PROVISIONS REGARDING OBLIGATIONS TO RETIREMENT AND SOCIAL SECURITY BENEFITS, AND TO PROVIDE CORRECT CODE REFERENCES; AMENDING SECTION 33-1004I, IDAHO CODE, AS AMENDED BY SECTION 1, CHAPTER 92, LAWS OF 2017, TO REDESIGNATE THE SECTION, TO REVISE TERMINOLOGY, AND TO REMOVE A DEFINITION; AMENDING SECTION 33-1004J, IDAHO CODE, TO REDESIGNATE THE SECTION, TO REVISE TERMINOL-OGY, TO PROVIDE A CORRECT CODE REFERENCE, TO REMOVE A DEFINITION, AND TO REQUIRE THAT CERTAIN PROVISIONS ARE REVIEWED BY THE LEGISLATURE; AMENDING SECTION 33-1002B, IDAHO CODE, TO REDESIGNATE THE SECTION, TO REMOVE REFERENCES TO SUPPORT UNIT AND AVERAGE DAILY ATTENDANCE, TO

3

5

6

7

8

9

11

12

13

14

15 16

17

18

19 20

21

22

23

24

25

26

27

28

29

30

31

32

33

34

35

36

37

38

39

40

41

42

43

44

45

46

47

48

49

50

PROVIDE REFERENCES TO THE FOUNDATION AND STUDENT ENROLLMENT COUNTS, AND TO MAKE TECHNICAL CORRECTIONS; AMENDING SECTION 33-1002C, IDAHO CODE, TO REDESIGNATE THE SECTION, TO PROVIDE FOR NIGHT SCHOOL PROGRAMS, AND TO REVISE PROVISIONS REGARDING SUMMER SCHOOL PROGRAMS AND JUVENILE DETENTION FACILITIES; AMENDING SECTION 33-1002F, IDAHO CODE, TO REDES-IGNATE THE SECTION, TO REMOVE PROVISIONS REGARDING SUPPORT UNITS, AND TO PROVIDE A CORRECT CODE REFERENCE; AMENDING SECTION 33-1002E, IDAHO CODE, TO REDESIGNATE THE SECTION; AMENDING SECTION 33-1002G, IDAHO CODE, TO REDESIGNATE THE SECTION AND TO REMOVE A CAREER TECHNICAL SCHOOL REQUIREMENT REGARDING SECONDARY SUPPORT UNITS; AMENDING CHAPTER 10, TITLE 33, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 33-1005E, IDAHO CODE, TO PROVIDE FOR THE PUBLIC SCHOOL CLASSROOM TECHNOLOGY PROGRAM; REPEALING SECTION 33-1009, IDAHO CODE, RELATING TO PAYMENTS FROM THE PUBLIC SCHOOL INCOME FUND; AMENDING SECTION 33-1007A, IDAHO CODE, TO REDESIGNATE THE SECTION, TO REVISE TERMINOLOGY, AND TO MAKE TECHNICAL CORRECTIONS; AMENDING SECTION 33-1010, IDAHO CODE, TO PROVIDE A COR-RECT CODE REFERENCE AND TO MAKE TECHNICAL CORRECTIONS; AMENDING SECTION 33-1005, IDAHO CODE, TO REDESIGNATE THE SECTION, TO REVISE TERMINOL-OGY, TO REMOVE A REFERENCE TO AVERAGE DAILY ATTENDANCE, AND TO PROVIDE FOR STUDENT ENROLLMENT COUNTS; REPEALING SECTION 33-1017, IDAHO CODE, RELATING TO THE SCHOOL SAFETY AND HEALTH REVOLVING LOAN AND GRANT FUND; AMENDING SECTION 33-1018, IDAHO CODE, TO REMOVE REFERENCES TO DISCRE-TIONARY FUNDING AND TO PROVIDE FOR PUBLIC SCHOOL STUDENT-BASED FOUN-DATION FUNDING VARIABILITY; AMENDING SECTION 33-1020, IDAHO CODE, TO REVISE PROVISIONS REGARDING A BASE AMOUNT AND A VARIABLE AMOUNT OF IDAHO DIGITAL LEARNING ACADEMY FUNDING TO BE DISTRIBUTED; REPEALING SECTION 33-1021, IDAHO CODE, RELATING TO MATH AND SCIENCE REQUIREMENTS; AMEND-ING SECTION 33-1024, IDAHO CODE, TO REVISE PROVISIONS REGARDING MONEYS FOR CERTAIN ONLINE PORTALS; AMENDING SECTION 33-309, IDAHO CODE, TO RE-MOVE A REFERENCE TO AVERAGE DAILY ATTENDANCE AND TO PROVIDE FOR STUDENT ENROLLMENT COUNT; AMENDING SECTION 33-317, IDAHO CODE, TO PROVIDE A CORRECT CODE REFERENCE; AMENDING SECTION 33-507, IDAHO CODE, TO REMOVE OBSOLETE LANGUAGE; AMENDING SECTION 33-515, IDAHO CODE, TO REVISE PRO-VISIONS REGARDING RENEWABLE CONTRACTS; AMENDING SECTION 33-522, IDAHO CODE, TO REVISE PROVISIONS REGARDING A FINANCIAL EMERGENCY; AMENDING SECTION 33-701, IDAHO CODE, TO REVISE A DATE AND TO PROVIDE CORRECT CODE REFERENCES; AMENDING SECTION 33-801A, IDAHO CODE, TO REMOVE A PROVISION REGARDING SUPPORT UNITS AND TO MAKE A TECHNICAL CORRECTION; AMENDING SECTION 33-804, IDAHO CODE, TO REVISE QUALIFICATIONS FOR SUBMITTING A CERTAIN QUESTION TO ELECTORS OF A SCHOOL DISTRICT AND TO MAKE TECHNICAL CORRECTIONS; AMENDING SECTION 33-805, IDAHO CODE, TO REVISE PROVISIONS REGARDING THE SCHOOL EMERGENCY FUND LEVY AND TO MAKE TECHNICAL COR-RECTIONS; AMENDING SECTION 33-905, IDAHO CODE, TO REVISE PROVISIONS REGARDING THE SCHOOL DISTRICT BUILDING ACCOUNT AND TO PROVIDE A COR-RECT CODE REFERENCE; AMENDING SECTION 33-906, IDAHO CODE, TO REMOVE CODE REFERENCES; AMENDING SECTION 33-906B, IDAHO CODE, TO REVISE PRO-VISIONS REGARDING THE VALUE INDEX CALCULATION AND TO MAKE TECHNICAL CORRECTIONS; AMENDING SECTION 33-1405, IDAHO CODE, TO REVISE PROVI-SIONS REGARDING RATES OF TUITION, TO PROVIDE CORRECT TERMINOLOGY, AND TO MAKE TECHNICAL CORRECTIONS; AMENDING SECTION 33-1406, IDAHO CODE,

TO PROVIDE A CORRECT CODE REFERENCE AND TO MAKE TECHNICAL CORRECTIONS; AMENDING SECTION 33-1613, IDAHO CODE, TO REMOVE PROVISIONS REGARDING THE SCHOOL SAFETY AND HEALTH REVOLVING LOAN AND GRANT FUND; AMENDING SECTION 33-1619, IDAHO CODE, TO REVISE PROVISIONS REGARDING VIRTUAL ED-UCATION PROGRAMS AND TO PROVIDE CORRECT CODE REFERENCES; AMENDING SEC-TION 33-1627, IDAHO CODE, TO REVISE PROVISIONS REGARDING THE MONEYS AP-PROPRIATED FOR THE MATH INITIATIVE PROGRAM; AMENDING SECTION 33-2001, IDAHO CODE, TO REVISE A DEFINITION; AMENDING SECTION 33-2004, IDAHO CODE, TO REMOVE REFERENCES TO DAILY ATTENDANCE, TO ESTABLISH PROVI-SIONS REGARDING STUDENT ENROLLMENT, TO REVISE TERMINOLOGY, TO PROVIDE A CORRECT CODE REFERENCE, AND TO MAKE TECHNICAL CORRECTIONS; AMENDING SECTION 33-4602, IDAHO CODE, TO REVISE PROVISIONS REGARDING DUAL CREDIT COURSES AND TO REVISE TERMINOLOGY; AMENDING SECTION 33-5208, IDAHO CODE, TO REVISE PROVISIONS REGARDING PUBLIC CHARTER SCHOOL FINANCIAL SUPPORT; AMENDING SECTION 33-5210, IDAHO CODE, TO REVISE TERMINOLOGY AND TO REMOVE OBSOLETE LANGUAGE; AMENDING SECTION 33-5214, IDAHO CODE, TO PROVIDE A CORRECT CODE REFERENCE; AMENDING SECTION 33-5215, IDAHO CODE, TO REMOVE A REFERENCE TO SALARY-BASED APPORTIONMENT, TO REMOVE REFERENCES TO ADA, AND TO ESTABLISH PROVISIONS FOR ENROLLMENT REPORTS; AMENDING SECTION 33-5217, IDAHO CODE, TO PROVIDE A CORRECT CODE REFER-ENCE; AMENDING SECTION 50-2908, IDAHO CODE, TO REMOVE A CODE REFERENCE; AMENDING SECTION 57-1303, IDAHO CODE, TO REMOVE A REFERENCE TO AVERAGE DAILY ATTENDANCE, TO ESTABLISH PROVISIONS FOR AN UNWEIGHTED STUDENT ENROLLMENT COUNT, AND TO MAKE TECHNICAL CORRECTIONS; AMENDING SECTION 59-1115, IDAHO CODE, TO PROVIDE A CORRECT CODE REFERENCE AND TO MAKE TECHNICAL CORRECTIONS; AMENDING SECTION 63-315, IDAHO CODE, TO REMOVE A CODE REFERENCE; AMENDING SECTION 63-805, IDAHO CODE, TO REMOVE REFER-ENCES TO AVERAGE DAILY ATTENDANCE AND TO ESTABLISH PROVISIONS REGARDING STUDENTS ENROLLED; DECLARING AN EMERGENCY AND PROVIDING AN EFFECTIVE DATE; AND PROVIDING A SUNSET DATE.

Be It Enacted by the Legislature of the State of Idaho:

32 SECTION 1. That the Heading for Chapter 10, Title 33, Idaho Code, be, and the same is hereby amended to read as follows:

CHAPTER 10

1 2

3

6

8

9 10

11

12

13

14

15 16

17

18

19 20

21

22

23 24

25 26

27

28

29

30

31

34

35

36

37

38

39

40

41

42

43 44

45 46

FOUNDATION PUBLIC SCHOOLS EDUCATIONAL SUPPORT PROGRAM -- STATE AID -APPORTIONMENT STUDENT-BASED FOUNDATION FUNDING

SECTION 2. That Section 33-1001, Idaho Code, be, and the same is hereby amended to read as follows:

- 33-1001. DEFINITIONS. The following words and phrases \underline{As} used in this chapter are defined as follows:
- (1) "Administrative schools" means and applies to all elementary schools and kindergartens within a district that are situated ten (10) miles or less from both the other elementary schools and the principal administrative office of the district and all secondary schools within a district that are situated fifteen (15) miles or less from other secondary schools of the district.

(2) "Administrative staff" means those who hold an administrator certificate and are employed as a superintendent, an elementary or secondary school principal, or are assigned administrative duties over and above those commonly assigned to teachers.

- (3) "Average daily attendance" or "pupils in average daily attendance" means the aggregate number of days enrolled students are present, divided by the number of days of school in the reporting period; provided, however, that students for whom no Idaho school district is a home district shall not be considered in such computation.
- (4) "Career ladder" means the compensation table specific performance criteria set forth in section 33-1004, Idaho Code, used by local education agencies for determining the allocations districts receive for placement of instructional staff and pupil service staff based on specific performance criteria and is made up of a residency compensation rung and a professional compensation rung on their local salary schedules.
- (2) "Child with a disability" means a child evaluated as having an intellectual disability, a hearing impairment including deafness, a speech or language impairment, a visual impairment including blindness, an emotional behavioral disorder, an orthopedic impairment, autism, a traumatic brain injury, another health impairment, a specific learning disability, deafblindness, or multiple disabilities, and who, by reason thereof, needs special education and related services.
- (53) "Compensation rung" means the rung on the career ladder a local salary schedule that corresponds with the compensation level performance criteria.
 - (4) "Economically disadvantaged" means a student who:
 - (a) Is eligible for a free or reduced-price lunch under the Richard B. Russell national school lunch act (42 U.S.C. 1751 et seq.), excluding students who are only eligible through a school's community eligibility program;
 - (b) Resides with a family receiving assistance under the program of block grants to states for temporary assistance for needy families (TANF) established under part A of title IV of the social security act (42 U.S.C. 601 et seq.);
 - (c) Is eligible to receive medical assistance under the medicaid program under title XIX of the social security act (42 U.S.C. 1396 et seq.); or
 - (d) Is considered homeless for purposes of the federal McKinney-Vento homeless assistance act (42 U.S.C. 11301 et seq.).
- For purposes of section 33-1002C, Idaho Code, a student identified as economically disadvantaged may be weighted only once, even if the student meets more than one (1) of the criteria provided in this subsection.
- (65) "Elementary grades" or "elementary average daily attendance" means and applies to students enrolled in grades 1 through 6 inclusive, or any combination thereof.
- (76) "Elementary schools" are schools that serve grades 1 through 6 inclusive, or any combination thereof.
- (87) "Elementary/secondary schools" are schools that serve grades 1 through 12 inclusive, or any combination thereof.

- (98) "English language learner" or "ELL" means a student who does not score proficient on the English language development assessment established by rule of the state board of education.
- (9) "Gifted and talented" shall have the same meaning as provided in section 33-2001(4), Idaho Code.
- $\underline{(10)}$ "Homebound student" means any student who would normally and regularly attend school, but is confined to home or hospital because of an illness or accident for a period of ten (10) or more consecutive days.
- (101) "Instructional staff" means those who hold an Idaho certificate issued under section 33-1201, Idaho Code, and who are either involved in the direct instruction of a student or group of students or who serve in a mentor or teacher leader position for individuals who hold an Idaho certificate issued under section 33-1201, Idaho Code.
- $(1\frac{1}{2})$ "Kindergarten" or "kindergarten average daily attendance" means and applies to all students enrolled in a school year, less than a school year, or summer kindergarten program.
 - (13) "Local education agency" or "LEA" means:
 - (a) A public school district;

- (b) A public charter school authorized by a chartering entity other than a school district board of trustees; or
- (c) A public charter school authorized by a school district board of trustees, if designated as an LEA by the school district board of trustees with the concurrence of the public charter school's board of directors.
- (14) "Local salary schedule" means a compensation table developed by each LEA that is consistent with the provisions of section 33-1004, Idaho Code, and that, at a minimum, is made up of a residency compensation rung with three (3) cells and a professional compensation rung with five (5) cells, and is used by LEAs for determining amounts to be distributed for instructional staff and pupil service staff salaries.
- (125) "Measurable student achievement" means the measurement of student academic achievement or growth within a given interval of instruction for those students who have been enrolled in and attended eighty percent (80%) of the interval of instruction. Measures and targets shall be chosen at the district level or school level in collaboration with the staff member impacted by the measures and applicable district staff. Assessment tools that may be used for measuring student achievement and growth include:
 - (a) Idaho standards achievement test;
 - (b) Student learning objectives;
 - (c) Formative assessments;
 - (d) Teacher-constructed assessments of student growth;
 - (e) Pre- and post-tests;
 - (f) Performance-based assessments;
 - (g) Idaho reading indicator;
 - (h) College entrance exams or preliminary college entrance exams such as PSAT, SAT and ACT;
 - (i) District-adopted assessment;
 - (j) End-of-course exams;
 - (k) Advanced placement exams; and
 - (1) Career technical exams.

- (136) "Performance criteria" means the standards specified for instructional staff and pupil service staff to demonstrate teaching proficiency for a given compensation rung. Each element of the performance criteria, as identified in subsection (147) of this section, shall be reported for determining movement on the career ladder as provided in section 33-1004(8), Idaho Code.
 - (147) "Professional compensation rung performance criteria" means:
 - (a) An overall rating of proficient, and no components rated as unsatisfactory on the state framework for teaching evaluation; and
 - (b) Demonstrating the majority of their students have met their measurable student achievement targets or student success indicator targets.
- (158) "Public school district" or "school district" or "district" means any public school district organized under the laws of this state, including specially chartered school districts.
- (169) "Pupil service staff" means those who provide services to students but are not involved in direct instruction of those students, and hold a pupil personnel services certificate.
 - (20) "Remote school" means:

- (a) A school that is remote and isolated from the other schools of the state because of geographical or topographical conditions and that is approved as such by the state board of education;
- (b) A kindergarten located more than ten (10) miles on an all-weather road from both the nearest kindergarten school within the same school district and from the location of the office of the superintendent of schools of such district, or from the office of the chief administrative officer of such district if the district employs no superintendent of schools;
- (c) An elementary school located more than ten (10) miles on an all-weather road from both the nearest elementary school and elementary/secondary school serving like grades within the same school district and from the location of the office of the superintendent of schools of such district, or from the office of the chief administrative officer of such district if the district employs no superintendent of schools; or
- (d) A secondary school located more than fifteen (15) miles on an all-weather road from any other secondary school and elementary/secondary school serving like grades operated by the district.
- (1721) "Secondary grades" or "secondary average daily attendance" means and applies to students enrolled in grades 7 through 12 inclusive, or any combination thereof.
- (1822) "Secondary schools" are schools that serve grades 7 through 12 inclusive, or any combination thereof.
- (19) "Separate elementary school" means an elementary school located more than ten (10) miles on an all-weather road from both the nearest elementary school and elementary/secondary school serving like grades within the same school district and from the location of the office of the superintendent of schools of such district, or from the office of the chief administrative officer of such district if the district employs no superintendent of schools.

(20) "Separate kindergarten" means a kindergarten located more than ten (10) miles on an all-weather road from both the nearest kindergarten school within the same school district and from the location of the office of the superintendent of schools of such district, or from the office of the chief administrative officer of such district if the district employs no superintendent of schools.

- (21) "Separate secondary school" means any secondary school located more than fifteen (15) miles on an all-weather road from any other secondary school and elementary/secondary school serving like grades operated by the district.
- (23) "Special education" means specially designed instruction or speech/language therapy at no cost to the parent to meet the unique needs of a student who is a child with a disability, including instruction in the classroom, the home, hospitals, institutions, and other settings; instruction in physical education; speech therapy and language therapy; transition services; travel training; assistive technology services; and vocational education.
- $(22\underline{4})$ "Student success indicators" means measurable indicators of student achievement or growth, other than academic, within a predefined interval of time for a specified group of students. Measures and targets shall be chosen at the district or school level in collaboration with the pupil service staff member impacted by the measures and applicable district staff. Student success indicators include:
 - (a) Quantifiable goals stated in a student's 504 plan or individualized education plan.
 - (b) Quantifiable goals stated in a student's behavior improvement plan.
 - (c) School or district identified measurable student objectives for a specified student group or population.
- (23) "Support program" means the educational support program as described in section 33-1002, Idaho Code, the transportation support program described in section 33-1006, Idaho Code, and the exceptional education support program as described in section 33-1007, Idaho Code.
- (24) "Support unit" means a function of average daily attendance used in the calculations to determine financial support provided to the public school districts.
- (25) "Teacher" means any person employed in a teaching, instructional, supervisory, educational administrative or educational and scientific capacity in any school district. In case of doubt, the state board of education shall determine whether any person employed requires certification as a teacher.
- SECTION 3. That Section 33-1002, Idaho Code, be, and the same is hereby repealed.
- SECTION 4. That Chapter 10, Title 33, Idaho Code, be, and the same is hereby amended by the addition thereto of a <u>NEW SECTION</u>, to be known and designated as Section 33-1002, Idaho Code, and to read as follows:
- 33-1002. PUBLIC SCHOOLS EDUCATIONAL SUPPORT PROGRAM -- STUDENT-BASED FOUNDATION FUNDING. The public schools educational support program and the

student-based foundation funding (the foundation) shall be calculated annually by the legislature as follows:

- (1) Add the state appropriation, including the moneys available in the public school income fund, together with all appropriated miscellaneous revenues to determine the total state funds for the public schools educational support program.
- (2) From the total state funds for the public schools educational support program, subtract the total amount needed for state support of special programs set forth in section 33-1002B, Idaho Code, to determine the total foundation moneys.
- (3) Divide the total foundation moneys by the estimated total statewide weighted student enrollment count to determine the annual foundation amount per student.
- SECTION 5. That Chapter 10, Title 33, Idaho Code, be, and the same is hereby amended by the addition thereto of a <u>NEW SECTION</u>, to be known and designated as Section 33-1002A, Idaho Code, and to read as follows:
- 33-1002A. TRANSITION TO STUDENT-BASED FOUNDATION FUNDING -- HOLD HARMLESS -- ANNUAL FUNDING INCREASE -- LIMITATION. The legislature intends that LEAs are held financially harmless in totality of state funds during a three (3) year transition period to the new student-based foundation funding set forth in section 33-1002, Idaho Code.
- (1) For the 2020-2021 school year, each LEA shall receive a funding increase of at least two percent (2%) of what it received in the 2019-2020 school year.
- (2) For the 2021-2022 school year, each LEA shall receive a funding increase of at least two percent (2%) of what it received in the 2020-2021 school year.
- (3) For the 2022-2023 school year, each LEA shall receive a funding increase of at least two percent (2%) of what it received in the 2021-2022 school year.
- (4) No LEA shall receive an annual funding increase of more than seven and one-half percent (7.5%) per enrolled student of what is calculated for the per student amount for the previous school year.
- SECTION 6. That Chapter 10, Title 33, Idaho Code, be, and the same is hereby amended by the addition thereto of a $\underline{\text{NEW SECTION}}$, to be known and designated as Section 33-1002B, Idaho Code, and to read as follows:
- 33-1002B. SPECIAL PROGRAMS SUPPORT. Pursuant to section 33-1002(2), Idaho Code, the following amounts are needed for state support of special programs provided by LEAs:
- (1) Transportation support program as provided in section 33-1006, Idaho Code;
- (2) The approved costs for border district allowance as provided in section 33-1403, Idaho Code, as determined by the state superintendent of public instruction;
- (3) The approved costs for exceptional child approved contract allowance provided in section 33-2004(1) (b), Idaho Code, as determined by the

state superintendent of public instruction; and pupil tuition-equivalency allowances as provided in section 33-1005, Idaho Code;

- (4) Bond levy equalization support program as provided in section 33-906, Idaho Code;
- (5) For the support of provisions that provide a safe environment conducive to student learning and maintain classroom discipline, an allocation of fifteen dollars (\$15.00) for each student enrolled in a school district or public charter school;
- (6) Advanced opportunities as provided in chapter 46, title 33, Idaho Code;
- (7) Instructional staff members certified by the national board for professional teaching standards as provided in section 33-1004A, Idaho Code; and additional education allocations pursuant to section 33-1004(5), Idaho Code;
- (8) School district facilities funds as provided in sections 67-7434, 33-905, and 33-1019, Idaho Code;
- (9) Charter school facilities funds and reimbursements paid pursuant to section 33-5208(2), Idaho Code;
- (10) Master educator premiums as provided in section 33-1004C, Idaho Code;
 - (11) Leadership premiums as provided in section 33-1004E, Idaho Code;
- (12) Mastery-based education as provided for in section 33-1632, Idaho Code;
- (13) Expenditures as provided by the public school classroom technology program as provided in section 33-1005E, Idaho Code;
- (14) Continuous improvement plans and training as provided in section 33-320, Idaho Code;
- (15) Support for schools subject to special conditions, as determined by the legislature. Such schools may include, but are not limited to, schools with fewer than thirty (30) students; and
- (16) Any additional amounts as required by statute to effect administrative adjustments or as specifically required by the provisions of any bill of appropriation including, but not limited to:
 - (a) Feasibility studies allowance as provided in section 33-1009, Idaho Code;
 - (b) Unemployment insurance benefit payments as provided in section 72-1349A, Idaho Code; and
 - (c) Employee severance payments as provided in section 33-521, Idaho Code.
- SECTION 7. That Chapter 10, Title 33, Idaho Code, be, and the same is hereby amended by the addition thereto of a $\underline{\text{NEW SECTION}}$, to be known and designated as Section 33-1002C, Idaho Code, and to read as follows:
- 33-1002C. WEIGHTS -- RULEMAKING. (1) A weight shall be added to certain students' unweighted FTE enrollment counts for the LEAs in which such students attend. The weight shall be determined for each fiscal year as follows:
 - (a) For each student identified as economically disadvantaged:
 - (i) A weight of ten percent (10%) for fiscal year 2021; and

```
(ii) In each subsequent fiscal year, subject to appropriation, a weight of at least ten percent (10%), not to exceed twenty-five percent (25%), as determined by the legislature.
```

- (b) For each student identified as an English language learner:
 - (i) A weight of ten percent (10%) for fiscal year 2021; and
 - (ii) In each subsequent fiscal year, subject to appropriation, a weight of at least ten percent (10%), not to exceed twenty-five percent (25%), as determined by the legislature.
- (c) For each student identified as gifted and talented, subject to appropriation, a weight of two percent (2%).
- (d) For each student who qualifies for special education:

5

6

7

8

9 10

11

12

13

14

15 16

17

18

19

20 21

22

23

28

29

30

42

43

44

- (i) A weight of ten percent (10%) for fiscal year 2021; and
- (ii) In each subsequent fiscal year, subject to appropriation, a weight of at least ten percent (10%), not to exceed twenty-five percent (25%), as determined by the legislature.
- (2) A weight shall be added to the official unweighted student enroll-ment counts for qualifying schools and districts as follows:
 - (a) Grade weight. For each student enrolled in grades K through 3, or in grades 9 through 12, a weight of ten percent (10%) shall be added to the student enrollment count for the LEA in which such student attends.
 - (b) Remote school weight. The weight to be multiplied by the unweighted student enrollment count for qualifying remote schools to determine the additional weighted student count shall be as follows:

(c) Small LEA weight. The weight to be multiplied by the unweighted student enrollment count for small LEAs to determine the additional weighted student count shall be as follows:

```
UNWEIGHTED ENROLLMENT COUNT
                                          WEIGHT
31
     Kindergarten through Elementary
32
33
      Grades:
34
      30 or less
                                          2.05
     Between 30.01 and 164
                                          1.2625 + (.7875 - (enrollment x .00477))
35
      Between 164.01 and 329
                                          .7375 + (.7875 - (enrollment x .00159))
36
      Secondary Grades:
37
      30 or less
                                          2.05
38
      Between 30.01 and 434
                                          1.2625 + (.7875 - (enrollment x .00181))
39
      Between 434.01 and 869
                                          .7375 + (.7875 - (enrollment x .0006))
40
41
```

(d) School district economic weight. In each fiscal year, subject to appropriation, an economic weight may be applied to a school district's unweighted student enrollment count, according to a formula determined by the legislature. (3) An LEA shall distribute the additional weighted foundation moneys allocated to it for the students identified in subsection (1) of this section to the school or district programs in which such students are enrolled.

- (4) If a student is identified for more than one (1) weight set forth in subsection (1) of this section, then such weights shall be cumulative.
- (5) The state board of education shall promulgate rules implementing the provisions of this section, which shall include, but not be limited to, procedures for determining weighted counts and a process for reporting such weighted counts.
- SECTION 8. That Chapter 10, Title 33, Idaho Code, be, and the same is hereby amended by the addition thereto of a $\underline{\text{NEW SECTION}}$, to be known and designated as Section 33-1002D, Idaho Code, and to read as follows:
- 33-1002D. STUDENT ENROLLMENT COUNTS AND RULEMAKING. The state board of education shall promulgate rules that set forth the procedures for determining student enrollment counts and the process for reporting such counts. Such rules shall be consistent with the following:
 - (1) Full-time enrollment (FTE) shall be based on enrollment in any LEA;
- (2) A student shall not exceed a total of one (1.0) unweighted FTE in a single school year, except as provided in subsection (4) of this section;
- (3) A kindergarten student shall not exceed a total of one-half (0.5) unweighted enrollment in a single school year;
- (4) A student attending a summer school or night school program shall not exceed a total of one-fourth (0.25) unweighted enrollment. Such student may be counted pursuant to both this subsection and subsection (2) of this section;
- (5) A fractional enrollment count schedule shall be specified for any student enrolled less than one (1.0) FTE at a given LEA;
- (6) FTE is based on the courses a student is enrolled in at the time of the official count, as specified in board rule, except that a student may be counted as enrolled if the term for which such student is enrolled begins after the time of the official count;
- (7) Each LEA shall conduct an official count of enrolled students in its LEA on the first day of October, the first day of December, the first day of February, and the first day of April, or the previous school day if those dates do not fall on a school day;
- (8) An LEA may not count as enrolled any student who has unexcused absences totaling eleven (11) or more consecutive school days immediately prior to and including the official count date;
- (9) Any elementary school having fewer than ten (10) enrolled students shall not be allowed to participate in the foundation for public schools unless such school has been approved for operation by the state board of education; and
- (10) Effective July 1, 2020, the following shall apply to qualifying public school districts:
 - (a) If a public school district reports an unweighted student enrollment count of less than thirty (30), then an unweighted student enrollment count of thirty (30) shall be used for the purpose of determining the foundation amount per student pursuant to section 33-1002, Idaho

Code, and for determining such school district's allocation amounts pursuant to section 33-1003, Idaho Code.

- (b) If a public school district reports an unweighted student enrollment count in secondary grades of less than one hundred (100), then an unweighted student enrollment count of one hundred (100) shall be used as the secondary grades enrollment count for the purpose of determining the foundation amount per student pursuant to section 33-1002, Idaho Code, and for determining such school district's allocation amounts pursuant to section 33-1003, Idaho Code.
- (c) A public school district may qualify under either paragraph (a) or (b) of this subsection, but not both. The provisions of this subsection do not apply to public charter schools.
- SECTION 9. That Section 33-1003, Idaho Code, be, and the same is hereby repealed.
- SECTION 10. That Chapter 10, Title 33, Idaho Code, be, and the same is hereby amended by the addition thereto of a $\underline{\text{NEW SECTION}}$, to be known and designated as Section 33-1003, Idaho Code, and to read as follows:
- 33-1003. PAYMENTS TO LOCAL EDUCATION AGENCIES. (1) (a) Payments of the moneys specified in the annual appropriation to the public schools educational support program shall be made each year by the state department of education to the LEAs in six (6) payments. Payments to the LEAs shall be made no later than the fifteenth day of August, October, December, February, April, and June of each fiscal year. The August payment by the state department of education shall be approximately thirty percent (30%) of the student-based foundation funding appropriation for the fiscal year, while the October and December payments shall be approximately twenty percent (20%) each, and the February and April payments shall be approximately fifteen percent (15%) each, except as provided in section 33-5209C, Idaho Code.
 - (b) Payments of moneys other than the state general account appropriation that accrue to the public school income fund shall be made by the state department of education to the LEAs no later than the fifteenth day of February, April, and June each year. The total amount of such payments shall be determined by the state department of education and shall not exceed the amount of moneys available and on deposit in the public school income fund at the time such payment is made.
 - (c) Amounts apportioned due to a special transfer to the public school income fund to restore or reduce a deficiency in the prior year's transfer pursuant to subsection (4) of this section shall not be subject to the limitations imposed by paragraphs (a) and (b) of this subsection.
- (2) Payments made to the LEAs in August and October are advance payments for the current year and may be based on payments from the public school income fund for the preceding school year. Each LEA may receive its proportionate share of the advance payments in the same ratio that its total payment for the preceding year was to the total payments to all LEAs for the preceding year.
- (3) Payments made pursuant to this subsection shall be based on the current fiscal year's annual foundation amount per student set forth in

section 33-1002, Idaho Code, and shall take into consideration all payments distributed for the current fiscal year to the LEAs.

- (a) December payments to LEAs will be based on the LEA's official weighted student enrollment count from October.
- (b) February payments to LEAs will be based on the LEA's official weighted student enrollment count from December.
- (c) April payments to LEAs will be based on the LEA's official weighted student enrollment count from February.
- (d) June payments to LEAs will be based on an average of the LEA's official weighted student enrollment count from October, December, February, and April. The June payments shall take into consideration:
 - (i) All funds available in the public school income fund for the fiscal year ending June 30; and
 - (ii) The adjustment based on the foundation amount per student required by the provisions of section 33-1018, Idaho Code.
- (4) Any apportionments in any year made to any LEA that may within the succeeding one (1) year period be found to have been in error either of computation or transmittal may be corrected during the current fiscal year by reduction of apportionments to any LEA to which over-apportionments may have been made or received and corresponding additions to apportionments to any LEA to which under-apportionments may have been made or received.
- SECTION 11. That Section 33-1003A, Idaho Code, be, and the same is hereby repealed.
- SECTION 12. That Section 33-1003C, Idaho Code, be, and the same is hereby repealed.
 - SECTION 13. That Section 33-1004, Idaho Code, be, and the same is hereby repealed.
- SECTION 14. That Section 33-1004A, Idaho Code, be, and the same is hereby repealed.
 - SECTION 15. That Section 33-1004B, Idaho Code, as amended by Section 5, Chapter 169, Laws of 2018, be, and the same is hereby amended to read as follows:
 - 33-1004B. CAREER LADDER $\underline{\text{--}}$ LOCAL SALARY SCHEDULES. School districts shall receive an allocation for instructional staff and pupil service staff based on their staffs' position on the career ladder as follows: Each LEA shall develop a local salary schedule that is consistent with the career ladder set forth in this section.
 - (1) Instructional staff and pupil service staff who are in their first year of holding an Idaho educator certificate shall be placed in the first cell of the their local residency compensation rung and shall move one (1) cell on the their local residency compensation rung for each year they hold an Idaho educator certificate thereafter for up to three (3) years, at which point they will remain in the third cell of the their local residency rung until they earn a professional endorsement.

(2) Instructional staff and pupil service staff in their first year of holding a professional endorsement shall be placed in the first cell of $\frac{1}{2}$ their local professional compensation rung.

- (3) Instructional staff and pupil service staff on the their local professional compensation rung with four (4) years of experience shall move one (1) cell on the their local professional compensation rung unless they have failed to meet the professional compensation rung performance criteria for three (3) of the previous four (4) years. Instructional staff and pupil service staff on the their local professional compensation rung who meet the performance criteria for three (3) of the previous five (5) years, one (1) of which must be during the fourth or fifth year, shall move one (1) cell. Allocations for iInstructional staff and pupil service staff who do not meet the professional compensation rung performance criteria for three (3) of the previous five (5) years, one (1) of which must be during the fourth or fifth year, shall remain at the previous fiscal year allocation level. This also applies to the educational allocation their current position on their local professional compensation rung.
- (4) In addition to the allocation amount specified for the applicable cell on the career ladder a local salary schedule, school districts shall receive distribute an additional allocation amount for to each career technical education instructional staff member holding an occupational specialist certificate in the area for which they are teaching in the an amount of three thousand dollars (\$3,000) to be determined by each LEA.
- (5) In addition to the allocation amount specified for the applicable cell on the career ladder, school districts shall receive an additional allocation amount Pursuant to section 33-1002B, Idaho Code, a portion of the total state funds for the public schools educational support program shall be allocated to LEAs for instructional staff and pupil service staff holding a professional endorsement who have acquired additional education and meet the professional compensation rung performance criteria. In determining the additional education allocation amount, only transcripted credits and degrees on file with the teacher certification office of the state department of education, earned at an institution of higher education accredited by a body recognized by the state board of education or credits earned through an internship or work experience approved by the state board of education, shall be allowed. All credits and degrees earned must be in a relevant pedagogy or content area as determined by the state department of education. Additional education allocation amounts are not cumulative. Instructional staff whose initial certificate is an occupational specialist certificate shall be treated as BA degree-prepared instructional staff. Credits earned by such occupational specialist instructional staff after initial certification shall be credited toward the additional education allocation. Additional education allocations are:
 - (a) For instructional staff and pupil service staff holding a professional endorsement, a baccalaureate degree and twenty-four (24) or more credits, two thousand dollars (\$2,000) per fiscal year.
 - (b) For instructional staff and pupil service staff holding a professional endorsement and a master's degree, three thousand five hundred dollars (\$3,500) per fiscal year.

(e6) Effective July 1, 2020, the allocation minimum compensation on a local salary schedule shall be equal to or greater than the amount provided in the first cell of the residency compensation rung on the following state career ladder schedule. For instructional staff and pupil service staff holding a professional endorsement, the minimum compensation on a local salary schedule shall be equal to or greater than the amount provided in the first cell of the professional compensation rung on the following state career ladder schedule:

9 Base 10 Allocation 1 2 3 4 5 11 Residency \$37,000 \$38,000 \$39,000 12 Professional \$42,500 \$44,375 \$46,250 \$48,125 \$50,000

Except as otherwise provided in this subsection, an LEA may but is not required to conform its local salary schedule to the amounts provided in the state career ladder schedule.

- (67) A review of a sample of evaluations completed by administrators shall be conducted annually to verify such evaluations are being conducted with fidelity to the state framework for teaching evaluation, including each evaluation component as outlined in administrative rule and the rating given for each component. The state board of education shall randomly select a sample of administrators throughout the state. A portion of such administrators' instructional staff and pupil service staff employee evaluations shall be independently reviewed. The ratio of instructional staff evaluations to pupil service staff evaluations shall be equal to the ratio of the statewide instructional staff salary allowance to pupil service staff salary allowance. The state board of education with input from the Idaho-approved teacher educator preparation programs and the state department of education shall identify individuals and a process to conduct the reviews. Administrator certificate holders shall be required to participate in ongoing evaluation training pursuant to section 33-1204, Idaho Code. The state board of education shall report annually the findings of such reviews to the senate education committee, the house of representatives education committee, the state board of education and the deans of Idaho's approved teacher educator preparation programs. The state board of education shall promulgate rules implementing the provisions of this subsection.
- (78) School districts shall submit annually to the state the data necessary to determine: (a) if an instructional staff or pupil service staff member has met the performance criteria for movement on the applicable compensation rung. The department of education shall calculate whether or not instructional staff and pupil service staff have met the compensation rung performance criteria based on the data submitted during the previous five (5) years their local salary schedule; and (b) the placement of the district's instructional staff and pupil service staff on the state career ladder schedule. Individually identifiable performance evaluation ratings submitted to the state remain part of the employee's personnel record and are exempt from public disclosure pursuant to section 74-106, Idaho Code.

SECTION 16. That Section 33-1004C, Idaho Code, be, and the same is hereby repealed.

SECTION 17. That Section 33-1004E, Idaho Code, be, and the same is hereby amended to read as follows:

33-1004EA. DISTRICT'S SALARY-BASED APPORTIONMENT NATIONAL CERTIFICATION PREMIUM. Each district shall be entitled to a salary-based apportion-ment calculated as provided in this section.

(1) To determine the apportionment for instructional staff, take the amounts indicated on the career ladder table plus the amounts associated with the additional education allocation amounts pursuant to section 33-1004B, Idaho Code, and calculate the weighted average. The amount so determined shall be multiplied by the district staff allowance for instructional staff determined as provided in section 33-1004(2), Idaho Code. Full-time instructional staff salaries shall be determined from a salary schedule developed by each district and submitted to the state department of education. No full-time instructional staff member shall be paid less than the minimum dollar amount on the career ladder residency compensation rung pursuant to section 33-1004B, Idaho Code, for the applicable fiscal year.

(2) If an instructional staff member has been certified by the national board for professional teaching standards, the staff member shall receive two thousand dollars (\$2,000) per year for five (5) years from the year in which national board certification was earned. The district staff allotment shall be increased by two thousand dollars (\$2,000) for each national board-certified instructional staff member who earned national board certification; provided however, that no such awards shall be paid for the period July 1, 2010, through June 30, 2011, nor shall any liabilities accrue or payments be made pursuant to this section in the future to any individuals who would have otherwise qualified for a payment during this stated time period. The resulting amount is the district's salary-based apportionment for instructional staff. For purposes of this section, teachers qualifying for the salary increase shall be those who have been recognized as national board-certified teachers as of July 1 of each year.

(3) To determine the apportionment for pupil service staff, take the amounts indicated on the career ladder table plus the amounts associated with the additional education allocation amounts pursuant to section 33-1004B, Idaho Code, and calculate the weighted average. If the district does not employ any pupil service staff, the district's pupil service staff average salary shall equal the district's instructional staff average salary for purposes of calculating pupil service salary-based apportionment. The amount so determined shall be multiplied by the district staff allowance for pupil service staff determined pursuant to section 33-1004(3), Idaho Code. Full-time pupil service staff salaries shall be determined from a salary schedule developed by each district and submitted to the state department of education. The resulting amount is the district's salary-based apportionment for pupil service staff. No full-time pupil service staff member shall be paid less than the minimum dollar amount on the career ladder residency compensation rung pursuant to section 33-1004B, Idaho Code, for the applicable fiscal year.

- (4) To determine the apportionment for district administrative staff, first determine the district average experience and education index by placing all eligible certificated administrative employees on the statewide index provided in section 33-1004A, Idaho Code. The resulting average is the district index. If the district does not employ any administrative staff, the district administrative index shall equal the statewide average index for purposes of calculating administrative salary-based apportionment. The district administrative staff index shall be multiplied by the base salary of thirty-six thousand one hundred eighty-six dollars (\$36,186). The amount so determined shall be multiplied by the district staff allowance for administrative staff determined as provided in section 33-1004(4), Idaho Code. The resulting amount is the district's salary-based apportionment for administrative staff.
- (5) To determine the apportionment for classified staff, multiply twenty-one thousand six hundred sixty-five dollars (\$21,665) by the district classified staff allowance determined as provided in section 33-1004(5), Idaho Code. The amount so determined is the district's apportionment for classified staff.
- (6) The district's salary-based apportionment shall be the sum of the apportionments calculated in subsections (1), (2), (3), (4) and (5) of this section, plus the benefit apportionment as provided in section $33-1004F_r$ Idaho Code.
- SECTION 18. That Section 33-1004F, Idaho Code, as amended by Section 2, Chapter 92, Laws of 2017, be, and the same is hereby amended to read as follows:
- 33-1004FB. OBLIGATIONS TO RETIREMENT AND SOCIAL SECURITY BENE-FITS. Based upon the actual salary-based apportionment, as determined in section 33-1004E, Idaho Code, There shall be allocated and distributed that amount required to meet the employer's obligations to the public employee retirement system and to social security for additional education allocations made pursuant to section 33-1004, Idaho Code, the national certification premiums distributed pursuant to section 33-1004A, Idaho Code, the master educator premiums distributed pursuant to section 33-1004FC, Idaho Code, and the leadership premiums distributed pursuant to section 33-1004JE, Idaho Code, there shall be allocated that amount required to meet the employer's obligations to the public employee retirement system and to social security.
- SECTION 19. That Section 33-1004I, Idaho Code, as amended by Section 1, Chapter 92, Laws of 2017, be, and the same is hereby amended to read as follows:
- 33-1004±C. MASTER EDUCATOR PREMIUMS. (1) A portion of the moneys available to the education total state funds for the public schools educational support program shall be distributed per full-time equivalent instructional staff and pupil services staff positions employed by each school district LEA. Such moneys shall be paid to instructional staff and pupil service staff employees who have earned a master educator designation by meeting the minimum qualifications set forth in subsection (2) of this

section and the additional qualifications developed or adopted by the employing school district <u>LEA</u> pursuant to subsection (3) of this section, in an amount set forth in subsection (4) of this section.

- (2) The minimum qualifications for an instructional staff or a pupil service staff employee to earn a master educator designation shall be as follows:
 - (a) An instructional staff or pupil service staff employee must have eight (8) or more years of teaching experience provided that the three (3) years immediately preceding the award must be continuous and in Idaho. The remainder of the teaching experience making up the eight (8) years must have been earned in Idaho or in a compact-member state pursuant to section 33-4101, Idaho Code;
 - (b) An instructional staff or pupil service staff employee must demonstrate mastery of instructional techniques for no fewer than three (3) of the previous five (5) years of instruction through:
 - (i) Artifacts demonstrating evidence of effective teaching; and
 - (ii) Successful completion of an annual individualized professional learning plan; and
 - (c) A majority of an instructional staff employee's students must meet measurable student achievement as defined in section 33-1001, Idaho Code, for no fewer than three (3) of the previous five (5) years.
 - (d) A majority of a pupil service staff employee's students must meet measurable student achievement or measurable student success indicators, as defined in section 33-1001, Idaho Code, for no fewer than three
 - (3) of the previous five (5) years.

- (3) In addition to the minimum qualifications for a master educator designation set forth in subsection (2) of this section:
 - (a) Local school districts <u>LEAs</u> may develop and require additional qualifications showing demonstrated mastery of instructional techniques and professional practice through multiple measures, provided that such qualifications shall be developed by a committee consisting of teachers, administrators and other school district <u>LEA</u> stakeholders and shall first be approved by the state board of education;
 - (b) Local school districts <u>LEAs</u> may develop plans that recognize groups of teachers based on measurable student achievement goals aligned with school district <u>LEA</u> approved continuous improvement plans. Groups may be school-wide or may be smaller groups such as grade levels or by subject matter. Each teacher in a master educator group shall receive a master educator premium if goals are met according to the district <u>LEA</u> plans. Plans shall be developed by a committee consisting of teachers, administrators and other school district <u>LEA</u> stakeholders and shall first be approved by the state board of education. Any school district <u>LEA</u> that does not follow their preapproved plan shall not receive future master educator premium dollars; or
 - (c) If a local school district LEA has not developed qualifications pursuant to paragraph (a) or (b) of this subsection, then eligible school district LEA staff may apply to the state board of education by showing demonstrated mastery of instructional techniques and professional practice through multiple measures as developed by a committee facilitated by the state board of education consisting of teachers, ad-

 ministrators and other stakeholders, which measures shall be approved by the state board of education.

- (4) The amount of the master educator premium paid to a qualified instructional staff employee shall be four thousand dollars (\$4,000) each year for three (3) years starting with the initial award of the master educator premium. After the third year of receiving the master educator premium, the instructional staff employee must continue to demonstrate that he or she meets the master educator premium qualifications in each subsequent year. If the qualifications are not met, then the premium will be discontinued until such time as the qualifications are met.
- (5) Local school district $\underline{\text{LEA}}$ boards of trustees or boards of directors may provide master educator premiums to instructional staff employees consistent with the provisions of this section.
- (6) For the purposes of this section, the term "school district" also means "public charter school" and the term "board of trustees" also means "board of directors."
- $\overline{\mbox{(7)}}$ The state board of education may promulgate rules implementing the provisions of this section.
- SECTION 20. That Section 33-1004J, Idaho Code, be, and the same is hereby amended to read as follows:
- 33-1004<u>JE</u>. LEADERSHIP PREMIUMS. (1) Of the <u>moneys available to the total state funds for the public schools</u> educational support program, eight hundred fifty dollars (\$850) shall be distributed per full-time equivalent instructional and pupil service staff position employed by each <u>school district LEA</u>. Such moneys shall be paid to instructional and pupil service staff employees for leadership activities as provided in paragraphs (a) through (h) of this subsection. Such premiums shall be valid only for the fiscal year for which the premiums are made and shall be made for one (1) or more of the following reasons identified as leadership priorities by a committee consisting of teachers, administrators and other <u>school district LEA</u> stakeholders and shall be approved by the board of trustees or board of directors:
 - (a) Teaching a course in which students earn both high school and college credit;
 - (b) Teaching a course to middle school students in which the students earn both middle school and high school credit;
 - (c) Holding and providing service in multiple nonadministrative certificate or subject endorsement areas;
 - (d) Serving or being hired to serve in an instructional or pupil service position designated as hard to fill by the board of trustees <u>or board of directors</u>;
 - (e) Serving or being hired to serve in a hard to fill instructional position in a career technical education program;
 - (f) Providing mentoring, peer assistance or professional development pursuant to section 33-512(17), Idaho Code;
 - (g) Having received professional development in career and academic counseling, and then providing career or academic counseling for students, with such services incorporated within or provided in addition to the teacher's regular classroom instructional or pupil service duties;

- (h) Other leadership duties designated by the board of trustees $\underline{\text{or}}$ $\underline{\text{board of directors}}$, exclusive of duties related to student activities or athletics. Such duties shall require that the employee work additional time as a condition of the receipt of a leadership premium.
- (2) Local school district LEA boards of trustees or boards of directors shall provide leadership premiums to instructional or pupil service staff employees consistent with the provisions of this section and may not distribute moneys provided pursuant to this section unless employees meet one (1) of the criteria specified in subsection (1) of this section. The decision as to whom and how many receive leadership premiums, and in what amounts, shall not be subject to collective bargaining, any other provision of law notwithstanding. A board may provide multiple leadership premiums to an instructional or pupil service staff employee. However, no such employee shall receive cumulative leadership premiums in excess of twenty-five percent (25%) of the minimum salary as designated on the career ladder a local salary schedule pursuant to section 33-1004B, Idaho Code, nor less than nine hundred dollars (\$900), regardless of such employees full- or part-time status.
- (3) The state department of education may require reports of information as needed to implement the provisions of this section. At a minimum, school districts LEAs shall report the information necessary for the department to fulfill the provisions of this section. The department shall report, on or before January 15 each year, to the governor, the senate education committee and the house of representatives education committee relevant information regarding leadership premiums, including the following:
 - (a) The number of instructional and pupil service staff employees in the district LEA;
 - (b) The number of instructional and pupil service staff employees that received a leadership premium;
 - (c) The number of leadership premiums issued, by district LEA;
 - (d) The average dollar amount of leadership premiums issued, by district LEA;
 - (e) The highest and lowest leadership premium issued, by district LEA;
 - (f) The percent of instructional and pupil service staff positions receiving leadership premiums and the cumulative amount of such premiums, by district LEA; and
 - (g) The reasons identified as leadership priorities approved by the board of trustees or board of directors as listed in subsection (1) of this section, including a description of the other leadership duties designated by the board of trustees or board of directors as provided in subsection (1) (h) of this section and the number of the premiums awarded per leadership activity as identified in subsection (1) (a) through (h) of this section.
- (4) For the purposes of this section, the term "school district" also means "public charter school," and the term "board of trustees" also means "board of directors." Subsections (1) and (2) of this section shall be reviewed annually by the legislature.
- (5) The state board of education is hereby authorized to promulgate rules to implement the provisions of this section.

SECTION 21. That Section 33-1002B, Idaho Code, be, and the same is hereby amended to read as follows:

- 33-1002B5. PUPIL TUITION-EQUIVALENCY ALLOWANCES. (1-) Districts which educate pupils placed by Idaho court order in licensed homes, agencies, institutions or juvenile detention facilities shall be eligible for an allowance equivalent to forty-two percent (42%) of the previous year's gross per pupil cost calculated on a daily basis. This district allowance shall be in addition to support unit the foundation funding and included in district apportionment payments, subject to approval of district applications by the state superintendent of public instruction.
- $\underline{(2-)}$ Districts which educate pupils placed by Idaho court order in a juvenile detention facility with a summer school program shall be eligible for an allowance equivalent to one-half (1/2) of forty-two percent (42%) of the previous year's gross per pupil cost calculated on a daily basis. This district allowance shall be in addition to support unit the foundation funding and included in district apportionment payments, subject to approval of district applications by the state superintendent of public instruction.
- $(3\div)$ Districts which educate school age special education students who, due to the nature and severity of their disabilities, are residing in licensed public or private residential facilities or homes, and whose parents are not patrons of the district, shall be eligible for an allowance equivalent to forty-two percent (42%) of the previous year's gross per pupil cost per child plus the excess cost rate that is annually determined by the state superintendent of public instruction. This district allowance shall be in addition to exceptional the foundation funding and the special education support unit weight funding and included in district apportionment payments, subject to approval of district applications by the state superintendent of public instruction.
- (4-) For school age special education students from outside the state of Idaho who, due to the nature and severity of their disabilities, are residing in licensed public or private residential facilities within the state of Idaho, the local school district shall provide education services to such students if requested by the licensed public or private residential facility, provided that the local school district has been given the opportunity to provide input on any federally required education plans for any such students. A local school district providing education services for such students shall sign a contract with any such licensed public or private residential facilities, which contract shall delineate the education services to be provided by the local school district and the amount to be paid by the licensed public or private residential facility. The amount paid shall be equal to the local school district's full cost of providing the education services delineated by the contract, as determined by the local school district. Such students shall be excluded from all average daily attendance student enrollment counts and other reports provided to the state that would result in the distribution of state funding to the local school district.
- $(5 \div)$ For school age nonspecial education students from outside the state of Idaho who are residing in licensed public or private residential facilities within the state of Idaho, the local school district may provide education services to such students if requested by the licensed public or

private residential facility. A local school district providing education services for such students shall sign a contract with any such licensed public or private residential facilities, which contract shall delineate the education services to be provided by the local school district and the amount to be paid by the licensed public or private residential facility. The amount paid shall be equal to the local school district's full cost of providing the education services delineated by the contract, as determined by the local school district. Such students shall be excluded from all average daily attendance student enrollment counts and other reports provided to the state that would result in the distribution of state funding to the local school district.

SECTION 22. That Section 33-1002C, Idaho Code, be, and the same is hereby amended to read as follows:

- 33-1002C5A. SUMMER AND NIGHT SCHOOL PROGRAM SUPPORT UNITS -- ALTERNATIVE SCHOOL FUNDING -- JUVENILE DETENTION FACILITY. (1) Alternative sSummer and night school programs for at-risk students, as defined by state board of education rule, of not less than two hundred twenty-five (225) hours of instruction, which shall be included in the educational support units enrollment totals calculated as provided in section 33-1002D, Idaho Code, may be established as approved by the state board of education. The average daily attendance divided by forty (40) shall determine the number of allowable support units which shall be included in the alternative school support units calculated for the school district for the succeeding school term Summer and night school enrollment counts pursuant to section 33-1002D, Idaho Code, shall be added to the first count of the ensuing school year.
- (2) For any alternative school youth intervention program designated pursuant to section 46-805, Idaho Code, full-term average daily attendance enrollment shall be used to calculate support units enrollment for each cohort of students that meets the minimum instructional hours requirement provided for in section 33-512, Idaho Code. The support units enrollment so calculated shall be used for all state funding formulas in which support units are student enrollment is used.
- (3) Districts which educate pupils students placed by court order in a juvenile detention facility may establish a summer school program which shall be included in the educational support units student enrollment calculated as provided in section 33-1002D, Idaho Code. The average daily attendance divided by forty (40) shall determine the number of allowable support units which shall be included in the exceptional education school support units calculated for the school district for the succeeding school term.
- (4) Average daily attendance and the support units so generated by this section shall not be included in or subject to the provisions of section 33-1003, Idaho Code, and shall be included as an addition to any other support units generated pursuant to Idaho Code.
- SECTION 23. That Section 33-1002F, Idaho Code, be, and the same is hereby amended to read as follows:
- 33-1002F5B. ALTERNATIVE SCHOOL REPORT. Annually, prior to the tenth legislative day, the department of education shall file with the legisla-

ture a report detailing the alternative school programs within the state. On July 1 of each year, or as soon thereafter as feasible, each school district receiving moneys pursuant to the alternative school support units factor in section 33-1002, Idaho Code, or section 33-1002C5A, Idaho Code, shall file with the state department a comprehensive report of the amount of money received in the district, the expenditure on alternative school programs $_{\mathcal{T}}$ and the programs provided. This information shall be compiled by the department for transmission to the legislature.

SECTION 24. That Section 33-1002E, Idaho Code, be, and the same is hereby amended to read as follows:

 $33-1002\pm5C$. PUPILS ATTENDING SCHOOL IN ANOTHER STATE. In any school district which abuts upon the border of another state, the resident pupils of said district may attend schools in the other state as provided in section 33-1403, Idaho Code.

SECTION 25. That Section 33-1002G, Idaho Code, be, and the same is hereby amended to read as follows:

33-100265D. CAREER TECHNICAL SCHOOL FUNDING AND ELIGIBILITY. (1) School districts may establish career technical schools that qualify for funding appropriated for the specific purpose of supporting the added cost of career technical schools. These funds will be appropriated to the state board for career technical education, to be expended by the division of career technical education. In order for a school to qualify for funding as a career technical school, it must make application to the division of career technical education on or before the fifteenth of April for the following fiscal year. This includes applicants for new schools and renewal applications. All career technical schools must meet all three (3) of the following criteria:

- (a) The school serves students from two (2) or more high schools. No one (1) high school can comprise more than eighty-five percent (85%) of the total enrolled career technical school students. In the event a student enrolled in the career technical school is not enrolled in a public high school, the eighty-five percent (85%) will be calculated based on the public high school attendance area where the student resides.
- (b) The majority of the school's program offerings lead to some form of postsecondary credit, such as dual credit or other advanced opportunities, as defined by the state board of education, or include apprenticeship opportunities.
- (c) All school programs offer at least one (1) supervised field experience for all students.
- (2) All career technical schools must also meet at least one (1) of the following $\frac{1}{2}$ requirements:
 - (a) The school is funded separately from schools that qualify for computation using regular secondary support units.
 - (b) The school has a separate and distinct governing board.
 - (\underline{eb}) The majority of the school programs are provided at dedicated facilities that are separate from the regular high school facilities.

SECTION 26. That Chapter 10, Title 33, Idaho Code, be, and the same is hereby amended by the addition thereto of a $\underline{\text{NEW SECTION}}$, to be known and designated as Section 33-1005E, Idaho Code, and to read as follows:

33-1005E. PUBLIC SCHOOL CLASSROOM TECHNOLOGY PROGRAM. Technology program funding shall be distributed for classroom technology, classroom technology infrastructure, and instructional management systems that assist educators and students in effective and efficient instruction or learning. Funding shall be distributed based on a formula prescribed by the superintendent of public instruction. Moneys so distributed shall be used to implement and operate an instructional management system that meets the individual learning needs and progress of all students. An instructional management system must include individual student learning plans, monitoring of interventions, integration with a district's student information system (SIS), and analysis of student and classroom levels of learning.

SECTION 27. That Section 33-1009, Idaho Code, be, and the same is hereby repealed.

SECTION 28. That Section 33-1007A, Idaho Code, be, and the same is hereby amended to read as follows:

33-1007A9. FEASIBILITY STUDY AND PLAN FOR SCHOOL CLOSURES AND/OR SCHOOL DISTRICT CONSOLIDATION. (1) The state superintendent of public instruction shall determine the reimbursable costs to any school district which are incurred under the provisions of section 33-310B, Idaho Code. The school district shall be entitled to reimbursement of all allowable costs pursuant to rules and regulations promulgated by the state board of education.

(2) In school districts where the implementation of a school closure plan requires the consolidation of one (1) or more schools, the <u>public schools educational</u> support program allowance for the consolidated school for a seven (7) year period following school consolidation, shall not be less than the combined <u>public schools educational</u> support program allowance of the component schools in the last year of operation.

SECTION 29. That Section 33-1010, Idaho Code, be, and the same is hereby amended to read as follows:

33-1010. APPORTIONMENTS WHEN MINES NET PROFITS CONSIDERED. (1) In any school district in which mines net profits are made a part of the total assessed value of taxable property, should the amount of such net profits certified as required by section 63-2803, Idaho Code, be lower in any year than for the immediately preceding year in an amount equaling five per cent percent (5%) or more of the total assessed value of taxable property of the district for the preceding year, then the state department of education shall compute the adjusted value of taxable property in the district for the purposes of section 33-10093, Idaho Code, by subtracting from the adjusted value of property in the district for the preceding year, the total of such decrease in mines net profits tax.

 $\underline{(2)}$ The county auditor of each county in which the net profits of mines are made a part of the total assessed value of taxable property of any school district, shall annually examine the reports of mines net profits certified to the county assessor as required by section 63-2803, Idaho Code, and shall certify to the state department of education not \underline{no} later than the fifteenth day of June of each year, the net profits of mines creditable to each school district in said county.

SECTION 30. That Section 33-1005, Idaho Code, be, and the same is hereby amended to read as follows:

33-100514. DISTRICTS RECEIVING FEDERAL FUNDS. In school districts which receive moneys for the maintenance and operation of the schools from agencies of the federal government, the <u>public schools</u> educational support program shall be computed on the basis of the <u>average daily attendance of pupils</u> student enrollment counts as set forth in this chapter and without regard to the manner in which such allowance from the federal government may be computed.

SECTION 31. That Section $\underline{33-1017}$, Idaho Code, be, and the same is hereby repealed.

SECTION 32. That Section 33-1018, Idaho Code, be, and the same is hereby amended to read as follows:

- 33-1018. PUBLIC SCHOOL DISCRETIONARY STUDENT-BASED FOUNDATION FUND-ING VARIABILITY. The legislature shall annually state in the appropriation for the <u>public schools</u> educational support program/division of operations the estimate of the total discretionary funding provided per support unit. The foundation amount per student pursuant to section 33-1002, Idaho Code. Before the end of each fiscal year, the department of education shall, before the end of each fiscal year, calculate the actual discretionary funding available per support unit foundation amount per student.
- (1) If the total estimated <u>discretionary funding foundation amount</u> per <u>support unit student</u> stated in the appropriation for the <u>public schools</u> educational support program/<u>division of operations</u> is lower than the actual <u>discretionary funding available foundation amount</u> per <u>support unit student</u>, then the state controller shall multiply the difference by the <u>number of actual support units</u> <u>statewide weighted student enrollment count</u>, and transfer the result from the public school income fund to the public education stabilization fund and the final distributions to <u>school districts</u> <u>LEAs</u> from the department of education shall be reduced by a like amount.
- (2) If the total estimated <u>discretionary funding foundation amount</u> per <u>support unit student</u> stated in the appropriation for the <u>public schools</u> educational support program/<u>division of operations</u> is greater than the actual <u>discretionary funding available foundation amount</u> per <u>support unit student</u>, then the state controller shall multiply the difference by the <u>number of actual support units statewide weighted student enrollment count</u>, and transfer the result from the public education stabilization fund to the public school income fund. This transfer shall be limited to moneys available in the public education stabilization fund. Moneys transferred from the public

education stabilization fund to the public school income fund under the provisions of this section are hereby continuously appropriated for the <u>public</u> schools educational support program/division of operations.

SECTION 33. That Section 33-1020, Idaho Code, be, and the same is hereby amended to read as follows:

- 33-1020. IDAHO DIGITAL LEARNING ACADEMY FUNDING. Of the moneys appropriated for the educational support program, an amount shall be distributed to support the Idaho digital learning academy, created pursuant to chapter 55, title 33, Idaho Code. For the purposes of this section, an "enrollment" shall be counted each time an Idaho school age child enrolls in an Idaho digital learning academy class. A single child enrolled in multiple classes shall count as multiple enrollments. Summer enrollments shall be included in the fiscal year that begins that summer. The amount distributed shall be calculated determined as follows:
- (1) A base amount <u>no less than one million</u>, <u>six hundred thousand dollars</u> (\$1,600,000) shall be distributed, <u>equal to the current fiscal year's statewide average salary-based apportionment funding per midterm support unit</u>, <u>multiplied by twenty-six</u> (26).
- (2) A variable amount shall be distributed, equal to the number of enrollments multiplied by the current fiscal year's appropriation of state funds for the educational support program per student reported in attendance for the first reporting period, divided by twenty-three (23) two hundred seventy-five (275).

The state department of education shall make an estimated distribution of funds to the Idaho digital learning academy by no later than July 31 of each fiscal year, consisting of eighty percent (80%) of the estimated funding for the fiscal year. The balance of all remaining funds to be distributed, pursuant to the calculations in this section, shall be distributed by no later than May 15 of the same fiscal year.

SECTION 34. That Section 33-1021, Idaho Code, be, and the same is hereby repealed.

SECTION 35. That Section 33-1024, Idaho Code, be, and the same is hereby amended to read as follows:

- 33-1024. ONLINE PORTALS. (1) Of the moneys appropriated to the educational support program state department of education, up to one hundred fifty thousand dollars (\$150,000) may be expended for the development and maintenance of an internet-based portal of available online, nonsectarian K-12 or dual credit courses; an adult education portal; and a parent resource portal.
- (2) The nonsectarian K-12 or dual credit courses portal shall include any of the following:
 - (a) Idaho digital learning academy;
 - (b) Idaho public school districts;
 - (c) Idaho public charter schools;
 - (d) Idaho public colleges and universities;

- (e) Idaho private colleges and universities accredited by the same organization that accredits Idaho's public colleges and universities; and
- (f) Any provider of online courses; provided however, that the courses available on the portal have been verified and approved by the state department of education to meet state content standards.
- (3) At a minimum, the nonsectarian K-12 or dual credit courses portal shall:
 - (a) Include and display customer ratings from students and parents, based upon previous student enrollment with the online course, provider and instructor. Such ratings shall, at a minimum, evaluate the quality of content, instruction, communications and ease of use;
 - (b) Include the capacity for parents to notify their student's home school of their desire to enroll their student in an online course listed on the portal; and
 - (c) Facilitate communications between listed online course providers, students and parents and the home school in which the student is enrolled.
- (4) At a minimum, the adult education or parent resource portal shall provide access to tools and resources focused on K-12 education.
- SECTION 36. That Section 33-309, Idaho Code, be, and the same is hereby amended to read as follows:
- 33-309. LAPSED DISTRICTS -- ANNEXATION. (1) If the state board of education shall find any school district:
 - (a) Has not operated its school for a period of one (1) school year;
 - (b) In which the average daily attendance unweighted student enrollment count during each term of not less than seven (7) months in the two (2) school years last past has been less than five (5) pupils; or
 - (c) For a period of not less than one (1) year last past has had an insufficient number of members on its board of trustees lawfully to conduct the business of the district;
- the state board may enter its order declaring any such district to be lapsed, and which district shall lapse as of the first day of July next following the date of said order.
- (2) Upon entering its order declaring a school district lapsed pursuant to subsection (1) of this section, the state board shall designate some proper person a hearing officer to conduct a public hearing or hearings on the matter of annexing the lapsed district to a school district or districts contiguous thereto. The state board shall cause notice of such hearing or hearings to be published in a newspaper of general circulation in the area and the notice shall state the time and place of the hearing or hearings and the subject matter involved.
- (3) Upon concluding any hearing or hearings the hearing officer shall make his report and recommendation to the state board, and the state board shall thereafter order the lapsed area annexed to such contiguous district or districts as in the judgment of the state board seems equitable and just. Any such annexation shall be effective as of the fifteenth day of August next following the date of the order of annexation.

- (4) Whenever there is any outstanding unpaid bonded debt owed by the lapsed district, the state board shall, in its order of annexation, require the district, or one (1) of the districts, to which the lapsed area is annexed, to keep and maintain the bond register and to pay the principal and interest, when the same are due, out of the proceeds of any levy made for that purpose. The said order of annexation shall also provide for the transfer, or apportionment, to the annexing district or districts of the property and current liabilities of the lapsed district as in the judgment of the state board is equitable and just; provided however, that if the lapsed district shall have excess of liquid assets over current liabilities, and if such lapsed district shall have any outstanding unpaid bonded debt, then and in that event such excess shall be ordered transferred to a fund for the payment of the principal of and interest on such debt.
- (5) When annexation has been completed, as hereinabove authorized, the state board shall give notice of such annexation to the officers of the lapsed district, if any there be, and to the board of county commissioners of any county in which shall lie any district, the boundaries of which have been changed by the annexation of the lapsed area. The notice to any board of county commissioners shall be accompanied by a legal description of the boundaries of the district or districts as changed by the annexation.

SECTION 37. That Section 33-317, Idaho Code, be, and the same is hereby amended to read as follows:

- COOPERATIVE SERVICE AGENCY -- POWERS -- DUTIES -- LIMITA-33-317. TIONS. (1) Two (2) or more school districts may join together for educational purposes to form a service agency to purchase materials and/or provide services for use individually or in combination. The cooperative service agency thus formed shall be empowered to adopt bylaws, and act as a body corporate and politic with such powers as are assigned through its bylaws but limited to the powers and duties of local school districts. In its corporate capacity, this agency may sue and be sued and may acquire, hold and convey real and personal property necessary to its existence. The employees of the service agency shall be extended the same general rights, privileges and responsibilities as comparable employees of a school district. The cooperative service agency may elect to be its own fiscal agent for the purposes of providing an alternative school program, with the concurrence of the school districts for which it provides such services. In doing so the educational support program payments made pursuant to section 33-10023, Idaho Code, that would have been distributed to the school district acting as the fiscal agent, shall instead be distributed to the cooperative service agency.
- (2) A properly constituted cooperative service agency may request from its member school districts funding to be furnished by a tax levy not to exceed one-tenth of one percent (.1%) for a period not to exceed ten (10) years by such member school districts. Such levy must be authorized by an election held subject to the provisions of section 34-106, Idaho Code, and be conducted in each of the school districts pursuant to chapter 14, title 34, Idaho Code, and approved by a majority of the district electors voting in such election. Moneys received by the member school districts from this source shall be transferred to the cooperative service agency upon receipt of billing from the agency. Excess revenue over billing must be kept in a

designated account by the district, with accrued interest, and may only be spent as budgeted by the agency.

1 2

3

4 5

6 7

8

9

10 11

12 13

14

15 16

17

18

19

20 21

22 23

24

25

26 27

28

29

30

31

32 33

34 35

36

37

38

39

40

41 42

43

44

45

46 47

48 49

(3) For the purpose of constructing and maintaining facilities of a cooperative service agency, in addition to the levy authorized in subsection (2) of this section, a properly constituted cooperative service agency may request from its member school districts additional funding to be furnished by a tax levy not to exceed four-tenths of one percent (.4%) for a period not to exceed ten (10) years. Such levy must be authorized by an election held subject to the provisions of section 34-106, Idaho Code, and be conducted in each of the school districts pursuant to chapter 14, title 34, Idaho Code, and approved by sixty-six and two-thirds percent (66 2/3%) of the district electors voting in such election. If one (1) or more of the member districts fails to approve the tax levy in such election, the cooperative service agency may construct the facility through the support of the member districts approving the levy, but in no event shall the levy limits authorized in this subsection (3) be exceeded. Nothing shall prevent a member district that initially failed to approve the levy from conducting a subsequent election, held pursuant to section 34-106, Idaho Code, to authorize that district's participation in construction of the facility. Electors of the districts may approve continuation of such levy for an additional ten (10) years at an election held for that purpose. There is no limit on the number of elections which may be held for the purpose of continuing the levy authorized under this subsection (3) for an additional ten (10) years. The administration and accounting of moneys received by imposition of the levy shall be the same as provided in subsection (2) of this section.

SECTION 38. That Section 33-507, Idaho Code, be, and the same is hereby amended to read as follows:

33-507. LIMITATION UPON AUTHORITY OF TRUSTEES. (1) It shall be unlawful for any trustee to have pecuniary interest, directly or indirectly, in any contract or other transaction pertaining to the maintenance or conduct of the school district or to accept any reward or compensation for services rendered as a trustee except as may be otherwise provided in this section. The board of trustees of a school district may accept and award contracts involving the school district to businesses in which a trustee or a person related to him by blood or marriage within the second degree has a direct or indirect interest provided that the procedures set forth in section 18-1361 or 18-1361A, Idaho Code, are followed. The receiving, soliciting or acceptance of moneys of a school district for deposit in any bank or trust company, or the lending of money by any bank or trust company to any school district, shall not be deemed to be a contract pertaining to the maintenance or conduct of a school district within the meaning of this section; nor shall the payment by any school district board of trustees of compensation to any bank or trust company, for services rendered in the transaction of any banking business with such district board of trustees, be deemed the payment of any reward or compensation to any officer or director of any such bank or trust company within the meaning of this section.

(2) It shall be unlawful for the board of trustees of any class of school district to enter into or execute any contract with the spouse of any member of such board, the terms of which said contract requires or will require the

payment or delivery of any school district funds, money or property to such spouse, except as provided in subsection (3) of this section or in section 18-1361 or 18-1361A, Idaho Code.

- (3) No spouse of any trustee may be employed by a school district with a fall student enrollment population of greater than one thousand two hundred (1,200) in the prior school year. For school districts with a fall student enrollment population of one thousand two hundred (1,200) or less in the prior school year and for schools funded pursuant to the provisions of section 33-1003(2), Idaho Code, such spouse may be employed in a nonadministrative position for a school year if each of the following conditions has been met:
 - (a) The position has been listed as open for application on the school district website or in a local newspaper, whichever is consistent with the district's current practice, and the position shall be listed for at least sixty (60) days, unless the opening occurred during the school year, in which case the position shall be so listed for at least fifteen (15) days. If the position is listed in a newspaper, the listing shall be made in a manner consistent with the provisions of section 60-106, Idaho Code;
 - (b) No applications were received that met the minimum certification, endorsement, education or experience requirements of the position other than such spouse;
 - (c) The trustee abstained from voting in the employment of the spouse and was absent from the meeting while such employment was being considered and determined.

The school district or school may employ such spouse for further school years, provided that the conditions contained in this subsection are met for each school year in which such spouse is employed. The trustee shall abstain from voting in any decisions affecting the compensation, benefits, individual performance evaluation or disciplinary action related to the spouse and shall be absent from the meeting while such issues are being considered and determined. Such limitation shall include, but not be limited to: any matters relating to negotiations regarding compensation and benefits; discussion and negotiation with district benefits providers; and any matter relating to the spouse and letters of reprimand, direction, probation or termination. Such limitations shall not prohibit the trustee spouse from participating in deliberation and voting upon the district's annual fiscal budget or annual audit report. Any spouse of a trustee employed as a certificated employee pursuant to this subsection shall be employed under a category 1 contract pursuant to section 33-514A, Idaho Code.

(4) When any relative of any trustee or relative of the spouse of a trustee related by affinity or consanguinity within the second degree is considered for employment in a school district, such trustee shall abstain from voting in the election of such relative and shall be absent from the meeting while such employment is being considered and determined.

SECTION 39. That Section 33-515, Idaho Code, be, and the same is hereby amended to read as follows:

33-515. ISSUANCE OF RENEWABLE CONTRACTS. (1) During the third full year of continuous employment by the same school district, including any

specially chartered district, each certificated employee named in subsection (25) of section 33-1001, Idaho Code, and each school nurse and school librarian shall be evaluated for a renewable contract and shall, upon having been offered a contract for the next ensuing year, and upon signing and timely returning a contract for a fourth full year, be placed on a renewable contract status with said school district entitling such individual to the right to automatic renewal of contract, subject to the provisions included in this chapter, provided that i. Instructional staff who have not obtained a professional endorsement under section 33-1201A, Idaho Code, may not be placed on a renewable contract status, provided however, that if student-based foundation funding is insufficient to cover salaries conforming to the state career ladder schedule pursuant to section 33-1004B, Idaho Code, is not funded, then a professional endorsement shall not be required.

- (2) At least once annually, the performance of each renewable contract certificated employee, school nurse, or school librarian shall be evaluated according to criteria and procedures established by the board of trustees in accordance with general guidelines approved by the state board of education. Such an evaluation shall be completed no later than June 1 of each year. The evaluation shall include a minimum of two (2) documented observations, one (1) of which shall be completed prior to January 1 of each year.
- (3) Any contract automatically renewed under the provisions of this section may be renewed for a shorter term, longer term or the same length of term as stated in the current contract and at a greater, lesser or equal salary as that stated in the current contract. Absent the board's application of a formal reduction in force, renewals of standard teacher contracts may be for a shorter term, longer term or the same length of term as stated in the current standard teacher contract and at a greater, lesser or equal salary, and shall be uniformly applied to all employees based upon the district's adopted salary schedule to the extent allowable in section 33-1004E, Idaho Code.
 - (a) Contracts issued pursuant to this section shall be issued on or before the first day of July each year.
 - (b) At the discretion of the board, the district may issue letters of intent for employment for the next ensuing school year to renewable contract status employees during May of each school year. Such letter of intent shall not state a specific duration of the contract or salary/benefits term for the next ensuing school year.
 - (c) Unless otherwise negotiated and ratified by both parties pursuant to sections 33-1271, et seq., Idaho Code, standard teacher renewals for terms shorter in length than that stated in the current standard contract of renewable certificated employees, should be considered and implemented only after the district has determined that the salary-based apportionment reimbursement that funds it estimates it will receive be available for paying the salaries of certificated professional employees for the ensuing school year is are less than the sum the district would otherwise be paying for such salaries for certificated professional employees.
- (4) Nothing in this section shall prevent the board of trustees from offering a renewed contract increasing the salary of any certificated person, or from reassigning an administrative employee to a nonadministrative posi-

tion with appropriate reduction of salary from the preexisting salary level. In the event the board of trustees reassigns an administrative employee to a nonadministrative position, the board shall give written notice to the employee that contains a statement of the reasons for the reassignment. The employee, upon written request to the board, shall be entitled to an informal review of that decision. The process and procedure for the informal review shall be determined by the local board of trustees.

- (5) Before a board of trustees can determine not to renew for reasons of an unsatisfactory report of the performance of any certificated person whose contract would otherwise be automatically renewed, such person shall be entitled to a reasonable period of probation. This period of probation shall be preceded by a written notice from the board of trustees with reasons for such probationary period and with provisions for adequate supervision and evaluation of the person's performance during the probationary period. Such period of probation shall not affect the person's renewable contract status. Consideration of probationary status for certificated personnel is consideration of the status of an employee within the meaning of section 74-206, Idaho Code, and may be held in executive session. If the consideration results in probationary status, the individual on probation shall not be named in the minutes of the meeting. A record of the decision shall be placed in the teacher's personnel file.
- (6) If the board of trustees takes action to immediately discharge or discharge upon termination of the current contract a certificated person whose contract would otherwise be automatically renewed, the action of the board shall be consistent with the procedures specified in section 33-513(5), Idaho Code, and furthermore, the board shall notify the employee in writing whether there is just and reasonable cause not to renew the contract or to reduce the salary of the affected employee, and if so, what reasons it relied upon in that determination.
- (7) If the board of trustees takes action after the declaration of a financial emergency pursuant to section 33-522, Idaho Code, and such action is directed at more than one (1) certificated employee, and if mutually agreed to by both parties, a single informal review shall be conducted. Without mutual consent of both parties, the board of trustees shall use the following procedure to conduct a single due process hearing within sixty-seven (67) days of the declaration of financial emergency pursuant to section 33-522(2), Idaho Code, or on or before June 22, whichever shall occur first:
 - (a) The superintendent or any other duly authorized administrative officer of the school district may recommend the change in the length of the term stated in the current contract or reduce the salary of any certificated employee by filing with the board of trustees written notice specifying the purported reasons for such changes.
 - (b) Upon receipt of such notice, the board of trustees, acting through its duly authorized administrative official, shall give the affected employees written notice of the reductions and the recommendation of the change in the length of the term stated in the current contract or the reduction of salary, along with written notice of a hearing before the board of trustees prior to any determination by the board of trustees.

- (c) The hearing shall be scheduled to take place not less than six (6) days nor more than fourteen (14) days after receipt of the notice by the employees. The date provided for the hearing may be changed by mutual consent.
- (d) The hearing shall be open to the public.

- (e) All testimony at the hearing shall be given under oath or affirmation. Any member of the board, or the clerk of the board of trustees, may administer oaths to witnesses or affirmations by witnesses.
- (f) The employees may be represented by legal counsel and/or by a representative of a local or state education association.
- (g) The chairman of the board of trustees or the designee of the chairman shall conduct the hearing.
- (h) The board of trustees shall cause an electronic record of the hearing to be made or shall employ a competent reporter to take stenographic or stenotype notes of all the testimony at the hearing. A transcript of the hearing shall be provided at cost by the board of trustees upon request of the employee.
- (i) At the hearing, the superintendent or other duly authorized administrative officer shall present evidence to substantiate the reduction contained in such notice.
- (j) The employees may produce evidence to refute the reduction. Any witness presented by the superintendent or by the employees shall be subject to cross-examination. The board of trustees may also examine witnesses and be represented by counsel.
- (k) The affected employees may file written briefs and arguments with the board of trustees within three (3) days after the close of the hearing or such other time as may be agreed upon by the affected employees and the board of trustees.
- (1) Within seven (7) days following the close of the hearing, the board of trustees shall determine and, acting through its duly authorized administrative official, shall notify the employees in writing whether the evidence presented at the hearing established the need for the action taken.

The due process hearing pursuant to this subsection shall not be required if the board of trustees and the local education association reach an agreement on issues agreed upon pursuant to section 33-522(3), Idaho Code.

- (8) If the board of trustees, for reasons other than unsatisfactory service, for the ensuing contract year, determines to change the length of the term stated in the current contract, reduce the salary or not renew the contract of a certificated person whose contract would otherwise be automatically renewed, nothing herein shall require a probationary period.
- (9) If the board of trustees, for reasons other than unsatisfactory service, for the ensuing contract year, determines to change the length of the term stated in the current contract or reduce the salary of a certificated person whose contract would otherwise be automatically renewed, nothing herein shall require any individualized due process proceeding. In such circumstance, the board shall hold a single informal review for all impacted employees. The process and procedure for the single informal review shall be determined by the local board of trustees.

SECTION 40. That Section 33-522, Idaho Code, be, and the same is hereby amended to read as follows:

- 33-522. FINANCIAL EMERGENCY. (1) Prior to declaring a financial emergency, the board of trustees shall hold a public meeting for the purpose of receiving input concerning possible solutions to the financial problems facing the school district.
- (2) If the state department of education certifies that one (1) or more of the conditions in paragraph (a), (b) or (c) of this subsection are is met, then the board of trustees may declare a financial emergency if it determines that the condition in paragraph (\pm d) of this subsection is also met. Alternatively, the board of trustees may declare a financial emergency if it determines that either of the conditions in paragraph (\pm d) or (\pm d) or (\pm d) or (\pm d) of this subsection are met and the state department of education certifies that the condition set forth in paragraph (\pm d) of this subsection is also met.
 - (a) Any of the base salary multipliers in section 33-1004E, Idaho Code, are reduced by one and one-half percent $(1\ 1/2\%)$ or more from any prior fiscal year.
 - (b) The minimum instructional salary provision in section $33-1004E_r$ Idaho Code, is reduced by one and one-half percent (1 1/2%) or more from any prior fiscal year.
 - (c) The amount of total general fund money appropriated per support unit student-based foundation funding is reduced by greater than three percent (3%) from the original general fund appropriation per support unit of any prior fiscal year.
 - (\underline{ab}) The amount of property tax revenue to be collected by the school district that may be used for any general fund purpose, with the exception of any emergency levy funds, is reduced from the prior fiscal year, and the amount of said reduction represents more than one and one-half percent $(1\ 1/2\%)$ of the school district's general fund budget for combined state and local revenues from the prior fiscal year.
 - (ec) The school district's general fund has decreased by at least one and one-half percent (1 1/2%) from the previous year's level due to a decrease in funding or natural disaster, but not as a result of a drop in the number of support units or the index multiplier calculated pursuant to section 33-1004A, Idaho Code, or a change in the emergency levy student enrollment count.
 - $(\underline{\pm d})$ The school district's unrestricted general fund balance, which excludes funds restricted by state or federal law and considering both anticipated expenditures and revenue, is less than five and one-half percent (5 1/2%) of the school district's unrestricted general fund budget at the time the financial emergency is declared or for the fiscal year for which the financial emergency is declared.
- (3) Upon its declaration of a financial emergency, the board of trustees shall:
 - (a) Have the power to reopen the salary and benefits compensation aspects of the negotiated agreement, including the length of the certificated employee contracts and the amount of compensation and benefits; and

(b) If the parties to the negotiated agreement mutually agree, reopen other matters contained within the negotiated agreement directly affecting the financial circumstances in the school district.

If the board of trustees exercises the power provided in this subsection consistent with the requirements of subsection (2) of this section, both the board of trustees and the local education association shall meet and confer in good faith for the purpose of reaching an agreement on such issues.

- (4) If, after the declaration of a financial emergency pursuant to subsection (2) of this section, both parties have met and conferred in good faith and an agreement has not been reached, the board of trustees may impose its last, best offer, following the outcome of the due process hearing held pursuant to section 33-515(7), Idaho Code.
- (5) A financial emergency declared pursuant to subsection (2) of this section shall be effective for only one (1) fiscal year at a time and shall not be declared by the board of trustees for a second consecutive year, unless so qualified by additional reductions pursuant to the conditions listed in subsection (2) of this section.
- (6) The time requirements of sections 33-514(2) and 33-515(2), Idaho Code, shall not apply in the event a financial emergency is declared pursuant to subsection (2) of this section.

SECTION 41. That Section 33-701, Idaho Code, be, and the same is hereby amended to read as follows:

33-701. FISCAL YEAR -- PAYMENT AND ACCOUNTING OF FUNDS. The fiscal year of each school district shall be a period of twelve (12) months commencing on the first day of July in each year.

The board of trustees of each school district shall have the following powers and duties:

1. To determine and order paid all lawful expenses for salaries, wages and purchases, whether or not there be money in the treasury for payment of warrants drawn against any fund of the district. Warrants shall be signed by the treasurer of the district and countersigned by the chairman or vice-chairman of the board of trustees.

Whenever any school district has sufficient funds on deposit to do so, it may pay any allowed claim for salaries, wages or purchases by regular bank check signed by the treasurer or assistant treasurer of the district and countersigned by the chairman, or vice-chairman, of the board of trustees.

The total amount of warrants or orders for warrants drawn on any fund, together with disbursements from such fund in any other manner made, shall not exceed ninety-five percent (95%) of the estimated income and revenue accrued or accruing to such fund for the same school year, until such income and revenue shall have been paid into the treasury to the credit of the district;

2. To invest all or part of any plant facilities reserve fund, or any fund accumulated for the payment of interest on, and the redemption of, outstanding bonds, or other obligations of the district in bonds or certificates of indebtedness of the United States of America, or in bonds or investments permitted by sections 67-1210 and 67-1210A, Idaho Code, or warrants of the state of Idaho, or in warrants or tax anticipation notes of any county or school district of the state of Idaho, when such investments shall be due and payable on or before the date any plant facilities reserve fund shall be re-

quired to be expended or any bonds or other obligations, or interest thereon, of the investing district shall become payable.

Whenever in the judgment of the board of trustees, the proceeds of any bond issue should be temporarily invested pending the expenditure of such proceeds for the purposes for which such bonds were issued, the proceeds may be invested in the manner and form hereinabove prescribed. Any interest, or profits accruing from such investments shall be used for the purposes for which the bonds were issued. Unless otherwise provided by law, any interest or profits accruing from the investment of any funds shall be credited to the general fund of the district;

- 3. To insure any schoolhouse and other property, and the district, against any loss by fire, casualty, or liability, and the board, its officers and employees, and to preserve its property for the benefit of the district. In case of loss of any insured property, any proceeds from insurance:
 - (a) May be expended in constructing a temporary or permanent structure, but no sum greater than the insurance proceeds shall be so expended except upon approval of a majority of the school district electors voting in an election called for that purpose; or
 - (b) May be placed in and made a part of the school plant facilities reserve fund of the district, if the district has such a fund; or
 - (c) May be placed in a separate account in the bond interest and redemption fund of the district to repay any kind of obligation incurred by the district in replacing or restoring the property for which the insurance proceeds were received, and shall not be included in the computations of bond and bond interest levies as provided in section 33-802A, Idaho Code.

If the proceeds of any insurance received by a school district by reason of loss on real property shall be less than five thousand dollars (\$5,000), such proceeds may be credited to the general fund of the district;

4. To pay from the general fund of the district the expense of any member of the board incurred while traveling on the business of the board, or attending any meeting called by the state board of education or by the state superintendent of public instruction, or attending any annual or special meetings of the state school trustees association, and to pay the membership fee of the board of trustees in said association. Whenever any member of the board of trustees resides at such distance from the meeting place of the board as to require, in the judgment of the board, such member to incur extraordinary expense in traveling from his home to and from said meeting place, the board may approve payment to such member of the extraordinary expense incurred in attending any meeting of the board.

For the purpose of this paragraph, the term "expense" or "extraordinary expense" shall include allowance for mileage or actual travel expense incurred;

5. To prepare, or cause to be prepared and published, in the manner hereinafter prescribed, within one hundred twenty (120) days from the last day of each fiscal year, an annual statement of financial condition and report of the school district as of the end of such fiscal year in a form prescribed by the state superintendent of public instruction. Such annual statement shall include, but not be limited to, the amounts of money budgeted and received and from what sources, and the amounts budgeted and expended for

salaries and other expenses by category. Salaries may be reported in gross amount. Each school district shall have available at the administrative office, upon request, a full and complete list of vendors and the amount paid to each and a list of the number of teachers paid at each of the several stated gross salary levels in effect in the district.

Nothing herein provided shall be construed as limiting any school district as to any additional or supplementary statements and reports it may elect to make for the purpose of informing the public of its financial operations, either as to form, content, method, or frequency; and if all the information required herein to be published shall have been published as provided herein at regular intervals during the fiscal year covering successive portions of the fiscal year, then such information may be omitted from the annual statement of financial condition and report for such portions of the fiscal year as already have been reported.

The annual statement of financial condition and report shall be published within the time above prescribed in one (1) issue of a newspaper printed and published within the district, or, if there be none, then in a newspaper as provided in section 60-106, Idaho Code, published within the district, or, if there be none, then in a newspaper as provided in section 60-106, Idaho Code, in the county in which the school district is located, or, if more than one (1) newspaper is published in said district or county, then in the newspaper most likely to give best general notice of the contents of such annual statement of financial condition and report to the residents of said district; provided, that if no newspaper is published in the district or county, then such statement of financial condition and report shall be published in a newspaper as provided in section 60-106, Idaho Code, most likely to give best general notice of the contents to the residents of said district.

The chairman, clerk and treasurer of each school district shall certify the annual statement of financial condition and report to be true and correct, and the certification shall be included in each published statement.

In the event the board of trustees of any school district shall fail to prepare or cause to be prepared or to publish the annual statement of financial condition and report as herein required, the state superintendent of public instruction shall cause the same to be prepared and published, and the cost thereof shall be an obligation of the school district. One (1) copy of the annual statement of financial condition and report shall be retained in the office of the clerk of the board of school trustees, where the same shall be open at all times to examination and inspection by any person;

6. To cause to be made a full and complete audit of the financial statements of the district as required in section 67-450B, Idaho Code.

The auditor shall be employed on written contract.

One (1) copy of the audit report shall be filed with the state department of education, after its acceptance by the board of trustees, but not later than November 10. If the audit report is not received by the state department of education by November 10, the department may withhold all or a portion of the district's November December 15 distribution made pursuant to section 33-10093, Idaho Code, for noncompliance with the audit report deadline. Provided however, a district may appeal to the state board of education for

reconsideration, in which case the state board of education may reinstate or adjust the funds withheld.

In the event the state department of education requests further explanation or additional information regarding a school district's audit report, such school district shall provide a full and complete response to the state department of education within thirty (30) days of receipt of the state department's request. If a school district fails to respond within the thirty (30) day time limit, the state department of education may withhold all or a portion of the district's next scheduled distribution to be made pursuant to section 33-10093, Idaho Code. Provided however, a district may appeal to the state board of education for reconsideration, in which case the state board of education may reinstate or adjust the funds withheld;

- 7. To file annually with the state department of education such financial and statistical reports as said state superintendent of public instruction may require;
- 8. To order and have destroyed any canceled check or warrant, or any form of claim or voucher which has been paid, at any time after five (5) years from the date the same was canceled and paid;
- 9. To review the school district budget periodically and make appropriate budget adjustments to reflect the availability of funds and the requirements of the school district. Any person or persons proposing a budget adjustment under this section shall notify in writing each member of the board of trustees one (1) week prior to the meeting at which such proposal will be made. Prior to the final vote on such a proposal, notice shall be posted and published once, as prescribed in section 33-402, Idaho Code. A budget adjustment shall not be approved unless voted affirmatively by sixty percent (60%) of the members of the board of trustees. Such amended budgets shall be submitted to the state superintendent of public instruction;
- 10. To invest any money coming into the hands of the school district in investments permitted by section 67-1210, Idaho Code. Unless otherwise provided by law, any interest or profits accruing from the investment of any funds shall be credited to the general fund of the district.

SECTION 42. That Section 33-801A, Idaho Code, be, and the same is hereby amended to read as follows:

33-801A. GENERAL FUND CONTINGENCY RESERVE. The board of trustees of any school district may create and establish a general fund contingency reserve within the annual school district budget. Such general fund contingency reserve shall not exceed five per cent percent (5%) of the total general fund budget, or the equivalent value of one (1) support unit computed as required by section 33-1002, Idaho Code, whichever is greater. Disbursements from said fund may be made by resolution from time to time as the board of trustees determines necessary for contingencies that may arise. The balance of said fund shall not be accumulated beyond the budgeted fiscal year. If any money remains in the contingency reserve it shall be treated as an item of income in the following year's budget.

SECTION 43. That Section 33-804, Idaho Code, be, and the same is hereby amended to read as follows:

33-804. SCHOOL PLANT FACILITIES RESERVE FUND LEVY. In any school district in which a school plant facilities reserve fund has been created, either by resolution of the board of trustees or by apportionment to new districts according to the provisions of section 33-901, Idaho Code, to provide funds therefor the board of trustees shall submit to the qualified school electors of the district the question of a levy not to exceed four-tenths of one percent (.4%) of market value for assessment purposes in each year, as such valuation existed on December 31 of the previous year, for a period not to exceed ten (10) years.

The question of a levy to be submitted to the electors of the district and the notice of such election shall state the dollar amount proposed to be collected each year during the period of years in each of which the collection is proposed to be made, the percentage of votes in favor of the proposal which are needed to approve the proposed dollar amount to be collected, and the purposes for which such funds shall be used. Said notice shall be given, the election shall be held subject to the provisions of section 34-106, Idaho Code, and conducted and the returns canvassed as provided in title 34, Idaho Code; and the dollar amount to be collected shall be approved only if:

- (1-) Fifty-five percent (55%) of the electors voting in such election are in favor thereof if the levy will result in a total levy for school plant facilities and bonded indebtedness of less than two-tenths of one percent (.2%) of market value for assessment purposes as such valuation existed on December 31 of the year immediately preceding the election;
- $(2 \cdot)$ Sixty percent (60%) of the electors voting in such election are in favor thereof if the levy will result in a total levy for school plant facilities and bonded indebtedness of two-tenths of one percent (.2%) or more and less than three-tenths of one percent (.3%) of market value for assessment purposes as such valuation existed on December 31 of the year immediately preceding the election; or
- (3-) Two-thirds (2/3) of the electors voting in such election are in favor thereof if the levy will result in a total levy for school plant facilities and bonded indebtedness of three-tenths of one percent (.3%) or more of market value for assessment purposes as such valuation existed on December 31 of the year immediately preceding the election.

If the question be approved, the board of trustees may make a levy, not to exceed four-tenths of one percent (.4%) of market value for assessment purposes as such valuation existed on December 31 of the previous year, in each year for which the collection was approved, sufficient to collect the dollar amount approved and may again submit the question at the expiration of the period of such levy, for the dollar amount to be collected during each year, and the number of years which the board may at that time determine. Or, during the period approved at any such election, if such period be less than ten (10) years or the levy be less than four-tenths of one percent (.4%) of market value for assessment purposes as such valuation existed on December 31 of the previous year, the board of trustees may submit to the qualified school electors in the same manner as before, the question whether the number of years, or the levy, or both, be increased, but not to exceed the maximum herein authorized. If such increase or increases be approved by the electors, the terms of such levy shall be in lieu of those approved in the first instance, but disapproval shall not affect any terms theretofore in effect.

Any bonded indebtedness incurred in accordance with the provisions of section 33-1103, Idaho Code, subsequent to the approval of a plant facilities reserve fund levy shall not affect the terms of that levy for any time during which such levy is in effect.

- $\underline{(4-)}$ In any fiscal year in which the state department of education certifies that the statewide per support unit funding for salary-based apportionment and discretionary funds student-based foundation funding has decreased, in the aggregate, from the prior fiscal year, the board of trustees of any school district with a previously approved plant facilities levy may submit to the qualified electors of the school district the question of converting a previously approved plant facilities levy to a supplemental levy, subject to the following:
 - (a) The term of the supplemental levy shall not exceed the lesser of two
 - (2) years or the remaining term on the previously approved plant facilities levy; and
 - (b) The first tax year of conversion shall be the one in which the revenues collected will accrue to the fiscal year in which the state department of education certifies that the condition stated in subsection $(4 \cdot)$ of this section exists; and
 - (c) Up to one hundred percent (100%) of the previously approved plant facilities levy amount may be converted; and
 - (d) Conversion of a plant facilities levy to a supplemental levy shall not affect any other supplemental levy; and
 - (e) The question to be submitted to the electors of the district and the notice of such election shall state the dollar amount proposed to be converted each year, the number of years to be converted, the percentage of the plant facilities levy that is proposed for conversion, and the purposes for which such funds shall be used; and
 - (f) Prior to January 1, 2011, the election notice shall be given, the election shall be conducted and the returns canvassed as provided in chapter 4, title 33, Idaho Code. On and after January 1, 2011, the election notice shall be given, the election shall be held subject to the provisions of section 34-106, Idaho Code, and conducted and the returns canvassed as provided in title 34, Idaho Code; and
 - (g) The dollar amount to be converted and collected shall be approved only if a majority of the electors voting in the election are in favor; and
 - (h) Upon expiration of the term of conversion, the supplemental levy shall revert to the previously approved plant facilities levy for any approved years remaining on the balance of its term; and
 - (i) Any years in which a previously approved plant facilities levy is converted to a supplemental levy pursuant to this subsection shall count against the years for which the plant facilities levy was approved; and
 - (j) If a majority of the electors voting in the election fail to vote in favor, the previously approved plant facilities levy shall not be affected.

SECTION 44. That Section 33-805, Idaho Code, be, and the same is hereby amended to read as follows:

33-805. SCHOOL EMERGENCY FUND LEVY. $\underline{(1)}$ Before the second Monday of September in each year, the board of trustees of any school district which qualifies under the provisions of this section may certify its need hereunder to the board of county commissioners in each county in which the district may lie, and request a school emergency fund levy upon all taxable property in the district.

- (2) The board of trustees shall compute the number of pupils in average daily attendance unweighted students enrolled in the schools of the district as of such date, and if there be pupils in average daily attendance unweighted students enrolled above the number in average daily attendance of unweighted students enrolled for the same period of the school year immediately preceding the board shall:
 - 1.(a) Divide the total of the <u>student-based</u> foundation program allowance funding based on said last annual report by the total number of pupils in average daily attendance <u>unweighted students enrolled</u> shown thereon;
 - 2.(b) Multiply the quotient so derived by the number of additional pupils in average daily attendance unweighted students enrolled.
- $\underline{\text{(3)}}$ The number of <u>pupils in average daily attendance unweighted students enrolled</u> for each period and the amount so computed shall be certified to the board of county commissioners of the county in which the district lies.
- $\underline{(4)}$ In the case of a joint district, the board of trustees shall certify to the board of county commissioners of each county in which the district lies, to each, that proportion of the amount computed, as hereinabove, as the assessed value of taxable property within the district situate in each such county bears to the total assessed value of all taxable property in the district.
- $\underline{(5)}$ After receiving the amounts certified, as hereinabove provided, the board, or boards, of county commissioners shall determine the levy according to section 63-805(3), Idaho Code, as amended; and the proceeds of any such levy shall be credited to the general fund of the district.
- (6) The school district shall advertise its intent to seek an emergency levy pursuant to this section by publishing in at least the newspaper of largest paid circulation published in the county of the district, or if there is no such newspaper, then in a newspaper published nearest to the district where the advertisement is required to be published. For purposes of this section, the definition of "newspaper" shall be as established in sections 60-106 and 60-107, Idaho Code; provided further that the newspaper of largest circulation shall be established by the statement of average annual paid weekday circulation listed on the newspaper's sworn statement of ownership that was filed with the United States post office on a date most recently preceding the date on which the advertisement required in this section is to be published. The advertisement shall be run when the school district ascertains that it will request an emergency school fund levy as provided in this section and shall be published once a week for two (2) weeks following action by the board of trustees.
- $\underline{\text{(7)}}$ The form and content of the notice shall be substantially as follows:

NOTICE OF PROPERTY TAX INCREASE BY SCHOOL BOARD

CAUTION TO TAXPAYER: The amounts shown in this schedule do NOT reflect tax charges that are made because of voter approved bond levies, override levies, supplemental levies, or levies applicable to newly annexed property. Also the amounts shown in this schedule are an estimate only and can vary with the amount of dollars and the levy amount certified and the taxable value of individual property.

SECTION 45. That Section 33-905, Idaho Code, be, and the same is hereby amended to read as follows:

- 33-905. SCHOOL DISTRICT BUILDING ACCOUNT -- PAYMENTS TO ACCOUNT -- MONEYS APPROPRIATED TO STATE BOARD -- APPLICATION FOR MONEYS -- PAYMENTS TO DISTRICTS -- REPORTS ON APPLICATIONS -- USES OF MONEYS. (1) The state of Idaho, in order to fulfill its responsibility to establish and maintain a general, uniform and thorough system of public, free common schools, hereby creates and establishes the school district building account in the state treasury. The school district building account shall have paid into it such appropriations or revenues as may be provided by law.
- (2) By not later than August 31, moneys in the account pursuant to distribution from section 67-7434, Idaho Code, the lottery dividends and interest earned thereon, shall be distributed to each of the several school districts, in the proportion that the average daily attendance unweighted student enrollment count of that district for the previous school year bears to the total average daily attendance unweighted enrollment count of the state during the previous school year. For the purposes of this subsection (2) only, the Idaho school for the deaf and the blind shall be considered a school district, and shall receive a distribution based upon the average daily attendance student enrollment count of the school. Average daily attendance Student enrollment counts shall be calculated determined as provided in section 33-1002(3)B, Idaho Code, and rules promulgated pursuant to that code section. For the purposes of this subsection (2) only, any school for the deaf and the blind operated by the Idaho bureau of educational services for the deaf and the blind shall be considered a school district, and shall receive a distribution based upon the average daily attendance unweighted student enrollment count of the school.
- (3) Any other state moneys that may be made available shall be distributed to meet the requirements of section 33-1019, Idaho Code. If the amount of such funds exceeds the amount needed to meet the provisions of sec-

tion 33-1019, Idaho Code, then the excess balance shall be transferred to the public education stabilization fund.

- (4) All payments from the school district building account shall be paid out directly to the school district in warrants drawn by the state controller upon presentation of proper vouchers from the state board of education. Pending payments out of the school district building account, the moneys in the account shall be invested by the state treasurer in the same manner as provided under section 67-1210, Idaho Code, with respect to other idle moneys in the state treasury. Interest earned on the investments shall be returned to the school district building account.
- (5) Payments from the school district building account received by a school district shall be used by the school district for the purposes authorized in section 33-1019, Idaho Code, up to the level of the state match so required. Any payments from the school district building account received by a school district that are in excess of the state match requirements of section 33-1019, Idaho Code, may be used by the school district for the purposes authorized in section 33-1102, Idaho Code.

SECTION 46. That Section 33-906, Idaho Code, be, and the same is hereby amended to read as follows:

- BOND LEVY EQUALIZATION SUPPORT PROGRAM. (1) Pursuant to sec-33-906. tion 33-906B, Idaho Code, school districts with a value index below one (1) shall be eliqible to receive additional state financial assistance for the cost of annual bond interest and redemption payments made on bonds passed on or after September 15, 2002. However, any school district with a value index of less than one and one-half (1.5), shall receive no less than ten percent (10%) of the interest cost portion of the annual bond interest and redemption payment for bonds passed on or after September 15, 2002. The state department of education shall disburse such funds to school districts from moneys appropriated from the bond levy equalization fund. The department shall disburse the funds by no later than September 1 of each year for school districts in which voters have approved the issuance of qualifying bonds by no later than January 1 of that calendar year, and which are certifying a qualifying bond interest and redemption payment for the fiscal year in which the disbursement is made. For districts with a value index below one (1), the percentage of each annual bond interest and redemption payment that is paid by the state shall be determined by dividing the difference between one (1) and the school district's value index by one (1).
- (2) For the purposes of this section, the annual bond interest and redemption payment shall be determined by dividing the total payment amounts by the number of fiscal years in which payments are to be made. The interest cost portion of the annual bond interest and redemption payment shall be determined by dividing the total interest paid by the number of fiscal years in which payments are to be made. For school districts not qualifying for a state payment in the first year of the bond interest and redemption payment schedule, due solely to the January 1 eligibility deadline, the state department of education shall distribute an additional payment in the next fiscal year, in the amount of such funds that the school district would have otherwise qualified for in the current fiscal year.

- (3) The provisions of this section may not be utilized to refinance existing debt or subsidize projects previously subsidized by state grants, unless the existing debt being refinanced is a bond passed on or after September 15, 2002; provided however, that any school district that has issued qualifying bonds prior to June 30, 2004, in conformance with this section shall not be deemed to be refinancing existing debt when the qualifying bonds are utilized to finance the acquisition of public school facilities previously leased or financed through means other than the issuance of general obligation bonds approved by a two-thirds (2/3) vote at an election called for that purpose subject to subsection (5) of this section.
- (4) School districts shall annually report the status of all qualifying bonds to the state department of education by January 1 of each year, including bonds approved by the voters, but not yet issued. Information submitted shall include the following:
 - (a) The actual or estimated bond interest and redemption payment schedule;
 - (b) Any qualifying bond that has been paid off;

- (c) Other information as may be required by the state department of education.
- (5) No school district project eligible for participation in the bond levy equalization support program shall be deemed ineligible for participation due to that school district project's eligibility and prior participation in the safe school facilities loan and grant program or the Idaho safe schools facilities program under section 33-804A, 33-1017 or 33-1613, Idaho Code, provided that:
 - (a) Such school district notifies the state department of education of its desire and eligibility to participate in the bond levy equalization support program; and
 - (b) Such school district shall receive no state financial assistance for the project under the bond levy equalization support program until the amount to which it would otherwise have been entitled to receive shall equal the amounts received by the school district under the safe school facilities loan and grant program or the Idaho safe schools facilities program under section 33-804A, 33-1017 or 33-1613, Idaho Code.
- (6) Any school district formed as a result of the consolidation of two (2) or more school districts that passes an eligible bond within three (3) years of the successful consolidation election shall participate in the bond levy equalization support program at the district's actual value index minus twenty-five hundredths (.25). This adjustment shall apply for the duration of the bond interest and redemption payment schedule. If a school district advantaged by this subsection (6) deconsolidates either during the applicable bond interest and redemption payment schedule, or within a three (3) year period thereafter, each deconsolidated district shall, upon deconsolidation, repay to the bond levy equalization fund all additional subsidies received pursuant to this subsection (6). The proportions owed by each deconsolidated district shall be determined by the proportion that each district's market value for assessment purposes bears to the whole.

SECTION 47. That Section 33-906B, Idaho Code, be, and the same is hereby amended to read as follows:

33-906B. VALUE INDEX CALCULATION. (1) The state department of education shall establish a value index for each school district, based on each school district's market value per support unit average unweighted student counts for equalization purposes, the average annual seasonally-adjusted unemployment rate in the county in which a plurality of the school district's market value for assessment purposes of taxable property is located and the per capita income in the county in which a plurality of the school district's market value for assessment purposes is located. The value index for each school district shall be calculated as the sum of the following three (3) components:

- $(\underline{4a})$ The state department of education shall annually calculate each school district's market value per support unit average unweighted student counts, based on the market values that would be used to calculate a bond levy, and the statewide average. The first portion of the value index shall be calculated by dividing the school district's figure by the statewide average figure and dividing the result of this calculation by two (2).
- $(2\underline{b})$ The second portion of the value index shall be calculated by dividing the statewide unemployment rate by the unemployment rate in the county in which a plurality of the school district's market value for assessment purposes of taxable property is located, and dividing the result of this calculation by four (4). For the purposes of this subsection paragraph, the statewide unemployment rate and county unemployment rates shall be based on the most recent average annual seasonally-adjusted unemployment rate data reported by the United States department of labor, for which there is a complete calendar year of data.
- $(\underline{\exists c})$ The third portion of the value index shall be calculated by dividing the county per capita income in the county in which a plurality of the school district's market value for assessment purposes of taxable property is located by the statewide per capita income, and dividing the result of this calculation by four (4). For the purposes of this subsection paragraph, the statewide per capita income and county per capita income shall be based on the most recent data reported by the United States department of commerce, for which there is a complete calendar year of data.
- (2) If a bond is passed by a subdistrict created pursuant to section 33-351, Idaho Code, the index used shall be that of the school district. For subdistricts created as a result of consolidation, for the purposes of retiring prior bonded indebtedness, pursuant to section 33-311, Idaho Code, the subdistrict shall retain the value index factor calculated in paragraph (a) of subsection (1) of this section, as such factor was calculated in the subdistrict's last fiscal year as a separate school district. The remaining components of the subdistrict's value index calculation shall be that of the consolidated school district, as calculated each year.

SECTION 48. That Section 33-1405, Idaho Code, be, and the same is hereby amended to read as follows:

33-1405. RATES OF TUITION -- TUITION CERTIFICATES. (1) The state department of education shall prepare and distribute all necessary forms; and shall issue to each school district, annually, a tuition certificate bearing

a serial number, which certificate shall authorize the receiving district to charge and to bill for the tuition of its nonresident $\frac{\text{pupils}}{\text{pupils}}$ where tuition has not been waived.

- (2) In determining tuition rates to be charged by any creditor school district, the state department of education shall compute the sum of that district's maintenance and operation costs, depreciation on its buildings, equipment, and other property, and the interest, if any paid by it on bonded debt or registered warrants. The said state department of education shall then compute what proportion of the sum of said costs, depreciation and interest is allocable to elementary schools, and what proportion is allocable to secondary schools, in the district. The proportion allocable to elementary schools shall then be divided by the average daily attendance student enrollment count of elementary schools pupils, and the proportion allocable to secondary schools shall be divided by the average daily attendance student enrollment counts of secondary schools pupils, in the district, and the amount so determined shall be the gross per-pupilstudent cost, elementary or secondary, as the case may be. The net per-pupilstudent cost shall be the gross per-pupilstudent cost less the per-pupilstudent apportionment to the district of any student-based foundation program funds.
- (3) Computations of tuition rates shall be made as of the school year next preceding the year for which tuition charges are determined and made.
- (4) Charges for tuition made by any creditor school district shall be its net per-pupilstudent cost, as hereinabove defined; except that its gross per-pupilstudent cost shall be charged where any pupil student has transferred to the creditor district by transfer other than one prescribed by section 33-1403, Idaho Code, or where the home district of any pupil student attending school in the creditor district is without the state of Idaho.
- $\underline{(5)}$ The board of trustees of a school district may request a waiver from the state board of education of any portion of the tuition rate determined pursuant to this section. A waiver request must be made for each individual student, and may be requested for up to four (4) years, subject to annual review by the local board of trustees. Waivers must be requested before April 1 of the year prior to the operative date.

SECTION 49. That Section 33-1406, Idaho Code, be, and the same is hereby amended to read as follows:

- 33-1406. BILLS OF TUITION. (1) Bills of tuition for nonresident pupils shall be rendered by each creditor district and for nonresident pupils attending any school of the creditor district under the provisions of section 33-1403 or 33-1404, Idaho Code, the bill of tuition shall be submitted to the home district of such pupils. In all other cases, the creditor district may submit to the parent of any nonresident pupil attending school in its district a bill of tuition of such pupil, and such parent shall be liable for the payment of said tuition, if so billed. Tuition reimbursement for nonresident pupils who are placed by court order under provisions of the Idaho juvenile corrections or child protective acts may be obtained by the creditor district through procedures established in section 33-10025, Idaho Code, for nonresident tuition-equivalency allowance.
- (2) Each bill of tuition submitted to a home district shall show the serial number of the tuition certificate last issued to the creditor district

by the state department of education and shall show also the number of pupils for whom tuition is charged, which charge shall be as shown by the said tuition certificate.

1 2

3

4 5

6

7 8

9

10

11 12

13

14

15 16

17

18

19

20 21

22

23

24

25 26

27

28

29

30

31

32

33

34 35

36 37

38

39

40

41 42

43

44

45

46 47

48 49 (3) Bills of tuition, if submitted other than annually, shall be apportioned according to the number of school months for which any such bill is applicable. A fraction of a school month shall be deemed a school month.

SECTION 50. That Section 33-1613, Idaho Code, be, and the same is hereby amended to read as follows:

- 33-1613. SAFE PUBLIC SCHOOL FACILITIES REQUIRED. (1) Definition. As used in this section, "public school facilities" means the physical plant of improved or unimproved real property owned or operated by a school district, a charter school, or a school for children in any grades kindergarten through twelve (12) that is operated by the state of Idaho, including school buildings, administration buildings, playgrounds, athletic fields, etc., used by schoolchildren or school personnel in the normal course of providing a general, uniform and thorough system of public, free common schools, but does not include areas, buildings or parts of buildings closed from or not used in the normal course of providing a general, uniform and thorough system of public, free common schools. The aspects of a safe environment conducive to learning as provided by section 33-1612, Idaho Code, that pertain to the physical plant used to provide a general, uniform and thorough system of public, free common schools are hereby defined as those necessary to comply with the safety and health requirements set forth in this section.
- (2) Inspection. It is the duty of the board of trustees of every school district and the governing body for other schools described in subsection (1) of this section at least once in every school year to require an independent inspection of the school district's or other entity's school facilities to determine whether those school facilities comply with codes addressing safety and health standards for facilities, including electrical, plumbing, mechanical, elevator, fire safety, boiler safety, life safety, structural, snow loading, and sanitary codes, adopted by or pursuant to the Idaho uniform school building safety act, chapter 80, title 39, Idaho Code, adopted by the state fire marshal, adopted by generally applicable local ordinances, or adopted by rule of the state board of education and applicable to school facilities. The inspection shall be done pursuant to chapter 80, title 39, Idaho Code, or by an independent inspector professionally qualified to conduct inspections under the applicable code. The results of the inspection shall be presented to the administrator of the division of building safety and the board of trustees or other governing body for its review and consideration.
- (3) Abatement required -- Reporting. The board of trustees or other governing body shall require that the unsafe or unhealthy conditions be abated and shall instruct the school district's or other entity's personnel to take necessary steps to abate unsafe or unhealthy conditions. The board of trustees or other governing body must issue a report in the same school year in which the inspections are made declaring whether any unsafe or unhealthy conditions identified have not been abated. The state board of education shall, by rule, provide for uniform reporting of unsafe and unhealthy conditions and for uniform reporting of abatement or absence of

abatement of unsafe and unhealthy conditions. Copies of such reports shall be provided to the administrator of the division of building safety and the board of trustees of the school district.

- (4) Costs of and plan of abatement. If the school district or other entity described in subsection (1) of this section can abate all unsafe or unhealthy conditions identified with the funds available to the school district or other entity, it shall do so, and it need not separately account for the costs of abatement nor segregate funds expended for abatement. If the school district or other entity cannot abate all unsafe or unhealthy conditions identified with the funds available to it, the board of trustees or other governing body shall direct that a plan of abatement be prepared. The plan of abatement shall provide a timetable that shall begin no later than the following school year and that shall provide for abatement with all deliberate speed of unsafe and unhealthy conditions identified. The abatement plan shall be submitted to the administrator of the division of building safety. The school district or other entity shall immediately begin to implement its plan of abatement and must separately account for its costs of abatement of unsafe and unhealthy conditions and separately segregate funds for the abatement of unsafe and unhealthy conditions as required by subsection (5) of this section.
 - (5) Special provisions for implementation of plan of abatement.
 - (a) Notwithstanding any other provisions of law concerning expenditure of lottery moneys distributed to the school district or other entity, all lottery moneys provided to the school district or other entity for a school year in which the school district cannot abate unsafe or unhealthy conditions identified and not legally encumbered to other uses at the time and all lottery moneys for following school years shall be segregated and expended exclusively for abatement of unsafe and unhealthy conditions identified until all of the unhealthy and unsafe conditions identified are abated, provided, if the school district has obtained a loan from the safety and health revolving loan and grant fund, the provisions of section 33-1017, Idaho Code, and the conditions of the loan shall determine the use of the school district's lottery moneys during the term of the loan.
 - (b) If the lottery moneys referred to in paragraph (a) of this subsection will, in the board of trustees' or other governing bodies' estimation, be insufficient to abate the unsafe and unhealthy conditions identified, the plan of abatement shall identify additional sources of funds to complete the abatement of the unsafe and unhealthy conditions. The board of trustees may choose from among the following sources, or from other sources of its own identification, but the plan of abatement must identify sufficient sources of funds for abatement.
 - (i) If the school district is not levying under chapter 8, title 33, Idaho Code, at the maximum levies allowed by law for levies that may be imposed by a board of trustees without an election, the board of trustees may increase any of those levies as allowed by law for the school year following the school year in which it was unable to abate unsafe or unhealthy conditions identified.
 - (ii) If the school district is levying under chapter 8, title 33, Idaho Code, at the maximum levies allowed by law for levies that

 may be imposed by the board of trustees without an election; or, if after increasing those levies to the maximum levies allowed by law for levies that may be imposed by the board of trustees without an election, there will still be insufficient funds to abate unsafe or unhealthy conditions identified, the school district, after giving notice and conducting a hearing, may declare a financial emergency and/or may apply for a loan or, if eligible, an interest grant from the safety and health revolving loan and grant fund as provided in section 33-1017, Idaho Code, to obtain funds to abate the unsafe or unhealthy conditions identified.

- (iii) Upon the declaration of a financial emergency, the board of trustees shall have the power to impose a reduction in force, to freeze some or all salaries in the school district, and/or to suspend some or all contracts that may be legally suspended upon the declaration of a financial emergency; provided, that when a board of trustees declares a financial emergency, or when a declaration of a financial emergency is imposed by the state treasurer pursuant to section 33-1017, Idaho Code, and there is a reduction in force, some or all salaries are frozen, or some contracts are suspended, the payments to the school district under the foundation program of chapter 10, title 33, Idaho Code, and in particular the staff allowances under that chapter, shall not be reduced during the duration of the financial emergency as a result of a reduction in force, frozen salaries, or suspended salaries from what the staff allowance would be without the reduction in force, frozen salaries or suspended contracts.
- (c) All costs of abatement for a program implementing plans of abatement under subsection (5) of this section must be separately accounted for and documented with regard to abatement of each unsafe or unhealthy condition identified. Funds obtained under section 33-1017, Idaho Code, must be used exclusively to abate unsafe or unhealthy conditions identified. Funds obtained pursuant to section 33-1017, Idaho Code, in excess of funds necessary to abate unsafe or unhealthy conditions identified must be returned as provided in section 33-1017, Idaho Code. Return of these funds shall be judicially enforceable as provided in section 33-1017, Idaho Code.

SECTION 51. That Section 33-1619, Idaho Code, be, and the same is hereby amended to read as follows:

33-1619. VIRTUAL EDUCATION PROGRAMS. School districts LEAs may offer instruction in the manner described for a virtual school in section 33-5202A, Idaho Code. For programs meeting such definition, the school district LEA may count and report the average daily attendance enrollment count of the program's students in the manner prescribed in section 33-5208(107), Idaho Code. School districts LEAs may also offer instruction that is a blend of virtual and traditional instruction. For such blended programs, the school district LEA may count and report the average daily attendance enrollment count of the program's students in the manner prescribed in section 33-5208(107), Idaho Code. Alternatively, the school district LEA may count and report the average daily attendance enrollment count of the

blended program's students in the same manner as provided for traditional programs of instruction, for the days or portions of days in which such students attend a physical public school. For the balance of days or portions of days, average daily attendance student enrollment may be counted in the manner prescribed in section $33-5208 \, (107)$, Idaho Code.

SECTION 52. That Section 33-1627, Idaho Code, be, and the same is hereby amended to read as follows:

- 33-1627. MATH INITIATIVE. (1) The legislature finds that mathematical skills are increasingly important to the future academic and career success of students. The legislature further finds that student mathematical skills are not currently meeting the needs of Idaho's economy and must be improved. To this end, the state department of education shall promote the improvement of mathematical instruction and student achievement through one (1) or more of the following activities:
 - (a) Provide high quality professional development for teachers that is intensive, ongoing and connected to classroom practice, that focuses on student learning, aligns with school improvement priorities and goals, and builds strong working relationships among teachers;
 - (b) Provide statewide online mathematical instruction programs that furnish mathematical tutoring, remedial instruction and advanced instruction;
 - (c) Provide formative assessments to assist teachers in identifying student mathematical skill levels, areas of deficiency and areas of advancement.
- (2) The cost of math initiative activities provided for in this section shall be paid by the state department of education from moneys appropriated for this program in the educational support program department's budget.
- SECTION 53. That Section 33-2001, Idaho Code, be, and the same is hereby amended to read as follows:
- 33-2001. DEFINITIONS. (1) "Ancillary personnel" means those persons who render special services to exceptional children in regular or in addition to regular or special class instruction as defined by the state board of education.
- (2) "Children with disabilities" means those children with cognitive impairments, hearing impairments, deafness, speech or language impairments, visual impairments, blindness, deaf-blindness, serious emotional disturbance, orthopedic impairments, severe or multiple disabilities, autism, traumatic brain injury, developmental delay or specific learning disabilities, and who by reason of the qualifying disability require special education and related services children evaluated as having an intellectual disability, a hearing impairment including deafness, a speech or language impairment, a visual impairment including blindness, an emotional behavioral disorder, an orthopedic impairment, autism, a traumatic brain injury, another health impairment, a specific learning disability, deaf-blindness, or multiple disabilities, and who, by reason thereof, need special education or related services.

(3) "Exceptional children" means both children with disabilities and gifted/talented children with regard to funding for school districts.

- (4) "Gifted/talented children" means those students who are identified as possessing demonstrated or potential abilities that give evidence of high performing capabilities in intellectual, creative, specific academic or leadership areas, or ability in the performing or visual arts and who require services or activities not ordinarily provided by the school in order to fully develop such capabilities.
- (5) "Special education" or "special instructional service" means specially designed instruction or a related service, at no cost to the parents, to meet the unique needs of an exceptional child.

SECTION 54. That Section 33-2004, Idaho Code, be, and the same is hereby amended to read as follows:

33-2004. CONTRACTING BY APPROVED FORM FOR EDUCATION BY ANOTHER SCHOOL DISTRICT, APPROVED REHABILITATION CENTER OR HOSPITAL, OR A CORPORATION. (1) The trustees of a school district may contract on a form adopted by the state superintendent of public instruction for the education of exceptional children by another school district or by any private or public rehabilitation center, hospital, corporation, or state agency approved by the state department of education and when the students are transferred from the school district to the institution, corporation or district, said school district shall agree to pay therefor to the institution, corporation or district contracting to educate the students, amounts computed as follows:

1. (a) For each resident student educated by another school district, the amount of the tuition rate certified for the receiving district under the provisions of section 33-1405, Idaho Code;

When public school districts contract for the education of exceptional children residing within the several districts, one (1) district shall be designated as the educating district for the purpose herein.

2. (b) For each resident student educated by contract by a rehabilitation center, hospital, corporation or state agency, the contract amount cannot be greater than the educational costs of the student.

When any rehabilitation center, hospital, corporation or state agency shall have contracted for the education of any exceptional children as defined in this chapter all such children shall be enrolled in the district of their residence; and the institution, hospital or corporation shall certify to the home school district the daily record of attendance enrollment of each such pupil unweighted student. The home district shall be eligible for reimbursement of costs approved by the state superintendent of public instruction as provided in this subsection and in section 33-1002B, Idaho Code.

(2) Reimbursement of approved costs shall be part of the district's exceptional child contract allowance and cannot exceed the amount of state support contracted students would generate if they were enrolled in an educational program for which average daily attendance an unweighted student enrollment count is computed.

SECTION 55. That Section 33-4602, Idaho Code, be, and the same is hereby amended to read as follows:

- 33-4602. ADVANCED OPPORTUNITIES -- RULEMAKING. (1) Students attending public schools in Idaho will be eligible for four thousand one hundred twenty-five dollars (\$4,125) to use toward overload courses, dual credits, postsecondary credit-bearing examinations and career technical certificate examinations. Students may access these funds in grades 7 through 12 for:
 - (a) Overload courses, the distribution of which may not exceed two hundred twenty-five dollars (\$225) per overload course. A student must take and successfully be completing a full credit load within a given school year to be eligible for funding of an overload course. An overload course must be taken for high school credit to be eligible for funding. To qualify as an eligible overload course for the program, the course must:
 - (i) Be offered by a provider accredited by the organization that accredits Idaho public schools; and
 - (ii) Be taught by an individual certified to teach the grade and subject area of the course in Idaho.
 - (b) Eligible dual credits, the distribution of which may not exceed seventy-five dollars (\$75.00) per one (1) dual credit hour. Dual credit courses must be offered by a regionally accredited postsecondary institution. To qualify as an eligible dual credit course, the course must be a credit-bearing 100 level course or higher.
 - (c) Eligible postsecondary credit-bearing or career technical certificate examinations. The state department of education shall maintain a list of eligible exams and costs. Eligible examinations include:
 - (i) Advanced placement (AP);

- (ii) International baccalaureate (IB);
- (iii) College-level examination program (CLEP); and
- (iv) Career technical examinations.
- (d) Career technical education (CTE) including assessments that lead to a badge recognized by the division of career technical education. The division of career technical education shall maintain a list of eligible CTE examinations and costs.
- (2) A student who has earned fifteen (15) postsecondary credits using the advanced opportunities program and who wishes to earn additional credits must first identify his postsecondary goals. Advisors shall counsel any student who wishes to take dual credit courses that the student should ascertain for himself whether the particular postsecondary institution that he desires to attend will accept the transfer of coursework credits under this section.
- (3) These moneys may be used to pay an amount not to exceed the price to the student of such courses and examinations pursuant to the limitations stated in this section. Payments made under this section shall be made from the moneys appropriated for the educational support program. No later than January 15, the state department of education shall annually report to the education committees of the senate and the house of representatives details regarding the number of students benefiting from assistance with the cost of overload courses, dual credit courses and examinations, the number of credits awarded and amounts paid pursuant to this section during the previous school year.

(4) The board of each public school may set forth criteria by which a student may challenge a course. If a student successfully meets the criteria set forth by the board of the public school, then the student shall be counted as having completed all required coursework for that course. The public school, with the exception of Idaho tribal schools, shall be funded for such students based upon either actual hours of attendance or the course that the student has successfully passed, whichever is more advantageous to the public school, up to the maximum of one (1) full-time student.

- (5) Any student who successfully completes public school grades 1 through 12 curriculum at least one (1) year early shall be eligible for an advanced opportunities scholarship. The scholarship may be used for tuition and fees at any Idaho public postsecondary educational institution. The amount of the scholarship shall equal thirty-five percent (35%) of the statewide average daily attendance-driven funding per enrolled pupil student for each year of grades 1 through 12 curriculum avoided by the student's early graduation. Each public school shall receive an amount equal to each such awarded scholarship for each student that graduates early from that public school. Students must apply for the scholarship within two (2) years of graduating from a public school.
- (6) The state department of education shall reimburse public schools or public postsecondary educational institutions, as applicable, for such costs, up to the stated limits, within one hundred twenty-five (125) days of receiving the necessary data upon which reimbursements may be paid. The submission method and timelines of reimbursement data shall be determined by the state department of education. Payments will be made only for activity occurring and reported within each fiscal year.
- (7) For public funding purposes, average daily attendance student enrollment shall be counted as normal for students participating in dual credit courses the same for students participating in dual credit courses pursuant to this section as it is for students who are not participating in dual credit courses.
- (8) If a student fails to earn credit for any course for which the department has paid a reimbursement, the student must pay for and successfully earn credit for one (1) like course before the state department of education may pay any further reimbursements for the student. If a student performs inadequately on an examination for which the state department of education has paid a reimbursement, the public school shall determine whether the student must pay for and successfully pass such examination to continue receiving state funding. Repeated and remedial courses or examinations are not eligible for funding through these programs.
- (9) The state department of education shall reimburse community colleges or counties, as applicable, for any out-of-district county tuition pursuant to section 33-2110A, Idaho Code. Such reimbursements shall be in an amount not to exceed fifty dollars (\$50.00) per credit hour and only for dual credit courses taken pursuant to this section.
- (10) Public schools shall establish timelines and requirements for participation in the program, including implementing procedures for the appropriate transcription of credits, reporting of program participation and financial transaction requirements. Public schools shall make reasonable efforts to ensure that any student who considers participating in the

program also considers the challenges and time necessary to succeed in the program, and schools shall make reasonable efforts to include guidance on how the student's participation in the program contributes to prospective college and career pathways. Such efforts by the district shall be performed prior to a student participating in the program and throughout the student's involvement in the program.

- (11) Policies and procedures for participating in the program established by the public school must be such that students have an opportunity to participate in the program and meet district-established timelines and requirements for financial transactions, transcribing credits and state department of education reporting. Participation in this program requires parent and student agreement to program requirements and completion of the state department of education's participation form documenting the program requirements.
- (12) Parents of participating students may enroll their child in any eligible course, with or without the permission of the public school in which the student is enrolled. Tribal school students must follow their schools' enrollment policies and procedures. Public school personnel shall assist parents in the process of enrolling students in such courses. Each participating student's high school transcript at the public school at which the student is enrolled shall include the credits earned and grades received by the student for any overload or dual credit courses taken pursuant to this section. For an eligible course to be transcribed as meeting the requirements of a core subject as identified in administrative rule, the course must meet the approved content standards for the applicable subject and grade level.
- (13) Participating public schools shall collaborate with Idaho public postsecondary educational institutions to assist students who seek to participate in dual credit courses or graduate from high school early by enrolling in postsecondary courses. Participating school districts, charter schools and Idaho public postsecondary educational institutions shall report to the state board of education and the education committees of the senate and the house of representatives any difficulties or obstacles they experience in providing assistance to participating students.
- (14) The state board of education may promulgate rules to implement the provisions of this chapter.

SECTION 56. That Section 33-5208, Idaho Code, be, and the same is hereby amended to read as follows:

- 33-5208. PUBLIC CHARTER SCHOOL FINANCIAL SUPPORT. (1) Except as provided in subsection (10) of this section, from the state educational support program the state department of education shall make the following apportionment to each public charter school for each fiscal year based on attendance figures submitted in a manner and time as required by the department of education: otherwise specifically provided in this section, public charter schools shall be funded in the same manner and time frame as all other local education agencies pursuant to the provisions of chapter 10, title 33, Idaho Code.
- (1) Per student support. Computation of support units for each public charter school shall be calculated as if it were a separate school accord-

ing to the schedules in section 33-1002(4), Idaho Code, except that public charter schools with fewer than one hundred (100) secondary ADA shall use a divisor of twelve (12) and the minimum units shall not apply, and no public charter school shall receive an increase in support units that exceeds the support units it received in the prior year by more than thirty (30). Funding from the state educational support program shall be equal to the total distribution factor, plus the salary-based apportionment provided in chapter 10, title 33, Idaho Code. Provided however, any public charter school that is formed by the conversion of an existing traditional public school shall be assigned divisors, pursuant to section 33-1002, Idaho Code, that are no lower than the divisors of the school district in which the traditional public school is located, for each category of pupils listed.

(2) Special education. For each student enrolled in the public charter school who is entitled to special education services, the state and federal funds from the exceptional child education program for that student that would have been apportioned for that student to the school district in which the public charter school is located.

(3) Alternative school support. Public charter schools may qualify under the provisions of sections 33-1002 and 33-1002C, Idaho Code, provided the public charter school meets the necessary statutory requirements, and students qualify for attendance at an alternative school as provided by rule of the state board of education.

(4) Transportation support. Support shall be paid to the public charter school as provided in chapter 15, title 33, Idaho Code, and section 33-1006, Idaho Code. Each public charter school shall furnish the department with an enrollment count as of the first Friday in November, of public charter school students who are eligible for reimbursement of transportation costs under the provisions of this subsection and who reside more than one and one-half (1 1/2) miles from the school. The state department of education is authorized to include in the annual appropriation to the charter school sixty percent (60%) of the estimated transportation cost. The final appropriation payment in July shall reflect reimbursements of actual costs pursuant to section 33-1006, Idaho Code. To be eligible for state reimbursement under the provisions of section 33-1006, Idaho Code, the student to be transported must reside within the public charter school's primary attendance area, and must meet at least one (1) of the following two (2) criteria:

(a) The student resides within the school district in which the public charter school is physically located; or

(b) The student resides within fifteen (15) miles of the public charter school, by road.

The limitations placed by this subsection on the reimbursement of transportation costs for certain students shall not apply to public virtual schools.

(52) Facilities funds. The state department of education shall distribute facilities funds to public charter schools for each enrolled student in which a majority of the student's instruction is received at a facility that is owned or leased by the public charter school. Such funds shall be used to defray the purchase, fee, loan or lease costs associated with payments for real property used by the students or employees of the public charter school for educational or administrative purposes. Such funds shall be

distributed from the moneys appropriated to the <u>public schools</u> educational support program, and shall be calculated as a percentage of the statewide average amount of bond and plant facility funds levied per student by Idaho school districts, as follows:

Fiscal Year 2014 Twenty Percent (20%)
Fiscal Year 2015 Thirty Percent (30%)

For fiscal year 2016 and each fiscal year thereafter, this percentage shall increase by ten percent (10%) each time the total appropriation of state funds for the <u>public schools</u> educational support program increases by three percent (3%) or more over the prior fiscal year, and shall decrease by ten percent (10%) each time the total appropriation of state funds for the <u>public schools</u> educational support program decreases as compared to the prior fiscal year. Provided however, that the percentage shall be no less than twenty percent (20%) and no greater than fifty percent (50%), and that the average amount of funding received per public charter school shall not exceed the average amount of funding received by each school district pursuant to the provisions of section 33-906, Idaho Code.

For those public charter schools that do not receive facilities funds for all enrolled students, the school may submit to the state department of education a reimbursement claim for any costs for which facilities funds may be used. The state department of education shall reduce such claim by the greater of fifty percent (50%) or the percentage of the school's enrolled students for which the school receives facilities funds, and shall pay the balance. Provided however, that the total reimbursements paid to a public charter school, in combination with any facilities stipend received by the school, shall not exceed the amount of facilities funds that would have been received by the school had the school received facilities funds for all enrolled students. For the purposes of this subsection, the term "real property" shall be used as defined in section 63-201, Idaho Code.

- (63) Payment schedule. The state department of education is authorized to make an advance payment of twenty-five percent (25%) of a public charter school's estimated annual apportionment for its first year of operation, and each year thereafter, provided the public charter school is serving more grades or at least ten percent (10%) more classes than the previous year, to assist the school with initial start-up costs or payroll obligations. For a public charter school entering its second or greater year of operations, the state department of education may require documentation establishing the need for such an advance payment, including comparative class schedules and proof of a commensurate increase in the number of employees.
 - (a) For a public charter school to receive the advance payment, the school shall submit its anticipated fall membership for each grade level to the state department of education by June 1.
 - (b) Using the figures provided by the public charter school, the state department of education shall determine an estimated annual apportionment from which the amount of the advance payment shall be calculated. Advance payment shall be made to the school on or after July 1 but no later than July 31.
 - (c) All subsequent payments, taking into account the one-time advance payment made for the first year of operation, shall be made to the public

charter school in the same manner as other traditional public schools in accordance with the provisions of section 33-10093, Idaho Code.

A public charter school shall comply with all applicable fiscal requirements of law, except that the following provisions shall not be applicable to public charter schools: that portion of section 33-1004, Idaho Code, relating to reduction of the administrative and instructional staff allowance and the pupil service staff allowance when there is a discrepancy between the number allowed and the number actually employed; and section 33-1004E, Idaho Code, for calculation of district staff indices.

- (74) Nothing in this chapter shall be construed to prohibit any private person or organization from providing funding or other financial assistance to the establishment or operation of a public charter school.
- (85) Each public charter school shall pay an authorizer fee to its authorized chartering entity, to defray the actual documented cost of monitoring, evaluation and oversight, which, in the case of public charter schools authorized by the public charter school commission, shall include each school's proportional fee share of moneys appropriated from the public charter school authorizers fund to the public charter school commission, plus fifteen percent (15%). Provided however, that each public charter school's board of directors may direct up to ten percent (10%) of the calculated fee to pay membership fees to an organization or association that provides technical assistance, training and advocacy for Idaho public charter schools. Unless the authorized chartering entity declines payment, such fee shall be paid by March 15 of each fiscal year and shall not exceed the greater of:
 - (a) All state funds distributed to public schools on a support unit basis based on student enrollment for the prior fiscal year, divided by the statewide number of public school students in average daily attendance enrolled in the first reporting period in the prior fiscal year; or
 - (b) The lesser of:

- (i) The result of the calculation in subsection (8) paragraph (a) of this subsection, multiplied by four (4); or
- (ii) One and one-half percent (1.5%) of the result of the calculation in subsection (8) paragraph (a) of this subsection, multiplied by the public charter school's average daily attendance student enrollment in the first reporting period in the current fiscal year.
- (96) Nothing in this chapter shall prevent a public charter school from applying for federal grant moneys.
 - (107) (a) Each student in attendance enrolled at a public virtual school shall be funded based upon either the actual hours of attendance in the public virtual school on a flexible schedule, or the percentage of coursework completed, whichever is more advantageous to the school, up to the maximum of one (1) full-time equivalent student.
 - (b) All federal educational funds shall be administered and distributed to public charter schools, including public virtual schools, that have been designated as a local education agency (LEA), as provided in section 33-5203(8), Idaho Code.
- (11) Nothing in this section prohibits separate face-to-face learning activities or services.

(12) The provisions of section 33-1021, Idaho Code, shall apply to public charter schools provided for in this chapter.

SECTION 57. That Section 33-5210, Idaho Code, be, and the same is hereby amended to read as follows:

- 33-5210. APPLICATION OF SCHOOL LAW -- ACCOUNTABILITY -- EXEMPTION FROM STATE RULES. (1) All public charter schools are under the general supervision of the state board of education.
- (2) Every authorized chartering entity that approves a charter shall be responsible for ensuring that each public charter school program approved by that authorized chartering entity meets the terms of the charter, complies with the general education laws of the state unless specifically directed otherwise in this chapter, and operates in accordance with the state educational standards of thoroughness pursuant to section 33-1612, Idaho Code.
- (3) Each public charter school shall comply with the financial reporting requirements of section 33-701, subsections 5. through 10., Idaho Code, in the same manner as those requirements are imposed upon school districts and with laws governing safety including, but not limited to, sections 33-122 and 33-130, Idaho Code, and chapter 2, title 33, Idaho Code, and rules promulgated thereunder.
- (4) Other than as specified in this section, each public charter school is exempt from rules governing school districts, which rules have been promulgated by the state board of education, with the exception of state rules relating to:
 - (a) Teacher Educator certification as necessitated by the provisions of section 33-5206(3) and (4), Idaho Code;
 - (b) Accreditation of the school as necessitated by the provisions of section 33-5206(12), Idaho Code;
 - (c) Qualifications of a student for attendance at an alternative school as necessitated by the provisions of section 33-5208(3), Idaho Code;
 - (d) Rules promulgated pursuant to section 33-1612, Idaho Code; and
 - (e) All rules that specifically pertain to public charter schools promulgated by the state board of education.

SECTION 58. That Section 33-5214, Idaho Code, be, and the same is hereby amended to read as follows:

33-5214. PUBLIC CHARTER SCHOOL AUTHORIZERS FUND. There is hereby created in the state treasury a fund to be known as the "Public Charter School Authorizers Fund," hereinafter referred to as "the fund." All authorizer fees paid pursuant to section 33-5208 (± 5), Idaho Code, for public charter schools under the governance of the public charter school commission shall be deposited in the fund. Moneys in the fund shall be appropriated to defray the commission's cost of operations and the state department of education's cost of reviewing, approving and overseeing any charter school authorizers requiring department approval.

SECTION 59. That Section 33-5215, Idaho Code, be, and the same is hereby amended to read as follows:

33-5215. CAREER TECHNICAL REGIONAL PUBLIC CHARTER SCHOOL. (1) A career technical regional public charter school is hereby declared to be a public charter school and as such, the provisions of chapter 52, title 33, Idaho Code, shall apply to each career technical regional public charter school in the same manner and to the same extent as the provisions of charter school law apply to other public charter schools, with the exception of certain conditions and applications as specifically provided in this section.

- (2) In addition to the approval provisions of this chapter, approval of a career technical regional public charter school by an authorized chartering entity shall not be final until the petition has also been reviewed by the division of career technical education.
- (3) Funding for a career technical regional public charter school shall be the same as provided in section 33-5208, Idaho Code, except that:
 - (a) The salary-based apportionment for a career technical regional public charter school shall be the statewide average for public charter schools. Such salary-based apportionment may be used for payment of contracted services or for direct hire of staff;
 - (b) The board of directors may contract for the services of certificated and noncertificated personnel, to procure the use of facilities and equipment, and to purchase materials and equipment, which in the judgment of the board of directors is necessary or desirable for the conduct of the business of the career technical regional public charter school; and
 - (\underline{eb}) Transportation support shall be paid to the career technical regional public charter school in accordance with the provisions of chapter 15, title 33, Idaho Code.
- (4) A career technical regional public charter school shall provide assurances in state attendance reports that it has verified attendance enrollment reports, which generate ADA with its participating school districts, to make certain that the districts and the charter school do not duplicate enrollment or ADA claims.
- SECTION 60. That Section 33-5217, Idaho Code, be, and the same is hereby amended to read as follows:
- 33-5217. PUBLIC CHARTER SCHOOL DEBT RESERVE. (1) There is hereby created the public charter school debt reserve to assist qualifying charter schools in obtaining favorable financing for facility improvements and construction. A public charter school seeking to use the public charter school debt reserve must receive approval from the Idaho housing and finance association pursuant to the criteria set forth in this section.
- (2) A public charter school shall be qualified to use the public charter school debt reserve only upon satisfaction of the following conditions:
 - (a) The public charter school must demonstrate it has obtained one (1) of the following:
 - (i) A letter of commitment from a national or state chartered financial institution;
 - (ii) A letter of commitment from a nonprofit corporation;
 - (iii) A letter of commitment from a community development financial institution; or

- (iv) A letter of commitment from a qualified underwriter or an investment firm;
- (b) The public charter school must provide annual budgets and cash flow statements and must demonstrate satisfaction of each of the following criteria:
 - (i) Projected future budgets, cash flows and operating reserves greater than sixty (60) days of cash on hand to support a debt service coverage greater than 1.20x;
 - (ii) Cost to operate facility, including debt service, occupancy cost and operating expenses, not to exceed twenty percent (20%) of revenue;
 - (iii) Audited financial statements with unqualified opinions for the prior three (3) years; and
 - (iv) Certification from a school administrator that projected future budgets and cash flows are based on reasonable assumptions related to level or increasing projected enrollment or waitlist and projected total income, including any matching funds and donations contingent on receipt of a loan under this section; and
- (c) The public charter school must obtain approval for issuance by the Idaho housing and finance association to act as a conduit issuer.
- (3) Public charter schools that satisfy the requirements set forth in subsection (2) of this section shall receive approval from the Idaho housing and finance association to rely on the public charter school debt reserve for assistance in obtaining favorable financing for facility improvements and construction, so long as sufficient moneys exist pursuant to subsection (4) of this section. Eligible schools shall receive approval on a first-come basis according to date of completed application, in an amount not to exceed twenty-four (24) months of principal and interest payments.
- (4) There is hereby established in the state treasury the public charter school debt reserve fund that shall consist of moneys made available through appropriations, fees, grants, gifts or any other source to fulfill the purposes of this section. Moneys in the fund are hereby continuously appropriated for the purposes of this section, and shall only be expended for the purposes stated herein. Qualifying schools annually shall pay an amount equal to ten (10) basis points of the principal amount of the debt for which it qualified to use the public charter school debt reserve, which shall be deposited into the public charter school debt reserve fund.
- (5) Subject to the limitations of subsection (3) of this section, if a qualified public charter school defaults on an outstanding debt for which the Idaho housing and finance association has made the debt reserve available, and there is no other money available to the charter school to make the payment, money shall be withdrawn from the public charter school debt reserve fund to pay the principal, redemption price or interest on the outstanding debt. Upon certification by the Idaho housing and finance association to the superintendent of public instruction, payment shall be made from the public charter school debt reserve fund toward the outstanding debt.
- (6) If money has been withdrawn from the public charter school debt reserve fund for a public charter school pursuant to subsection (5) of this section, then the superintendent of public instruction shall redirect the money from such public charter school's allocation of facilities funds pur-

suant to section $33-5208 \, (\frac{52}{2})$, Idaho Code. Any money redirected shall be according to a determined time and sequence of payments, over a period of years until the amount so withdrawn has been repaid to the fund so long as the redirection does not cause an event of default under the agreement(s) governing the public charter school's obligation for which the debt reserve was made available, excepting that any money withdrawn during any fiscal year shall be repaid within ten (10) years.

 SECTION 61. That Section 50-2908, Idaho Code, be, and the same is hereby amended to read as follows:

50-2908. DETERMINATION OF TAX LEVIES -- CREATION OF SPECIAL FUND. (1) For purposes of calculating the rate at which taxes shall be levied by or for each taxing district in which a revenue allocation area is located, the county commissioners shall, with respect to the taxable property located in such revenue allocation area, use the equalized assessed value of such taxable property as shown on the base assessment roll rather than on the current equalized assessed valuation of such taxable property, except the current equalized assessed valuation shall be used for calculating the tax rate for:

- (a) Levies for refunds and credits pursuant to section 63-1305, Idaho Code, and any judgment pursuant to section 33-802(1), Idaho Code, certified after December 31, 2007;
- (b) Levies permitted pursuant to section 63-802(3), Idaho Code, certified after December 31, 2007;
- (c) Levies for voter approved general obligation bonds of any taxing district and plant facility reserve fund levies passed after December 31, 2007;
- (d) Levies set forth in paragraphs (a) through (c) of this subsection, first certified prior to December 31, 2007, when the property affected by said levies is included within the boundaries of a revenue allocation area by a change in the boundaries of either the revenue allocation area or any taxing district after December 31, 2007; and
- (e) School levies for supplemental maintenance and operation pursuant to section 33-802(3) and (4), Idaho Code, approved after December 31, 2007, and for emergency funds pursuant to section 33-805, Idaho Code, approved after July 1, 2015.
- (2) With respect to each such taxing district, the tax rate calculated under subsection (1) of this section shall be applied to the current equalized assessed valuation of all taxable property in the taxing district, including the taxable property in the revenue allocation area. The tax revenues thereby produced shall be allocated as follows:
 - (a) To the taxing district shall be allocated and shall be paid by the county treasurer:
 - (i) All taxes levied by the taxing district or on its behalf on taxable property located within the taxing district but outside the revenue allocation area;
 - (ii) A portion of the taxes levied by the taxing district or on its behalf on the taxable property located within the revenue allocation area, which portion is the amount produced by applying the taxing district's tax rate determined under subsection (1) of this section to the equalized assessed valuation, as shown on the base

 assessment roll, of the taxable property located within the revenue allocation area; and

- (iii) All taxes levied by the taxing district to satisfy obligations specified in subsection (1) (a) through (e) of this section.
- (b) To the urban renewal agency shall be allocated the balance, if any, of the taxes levied on the taxable property located within the revenue allocation area.
- (3) Upon enactment of an ordinance adopting a revenue allocation financing provision as part of an urban renewal plan, the urban renewal agency shall create a special fund or funds to be used for the purposes enumerated in this chapter. The revenues allocated to the urban renewal agency pursuant to this chapter shall be paid to the agency by the treasurer of the county in which the revenue allocation district is located and shall be deposited by the agency into one (1) or more of such special funds. The agency may, in addition, deposit into such special fund or funds such other income, proceeds, revenues and funds it may receive from sources other than the revenues allocated to it under subsection (2) (b) of this section.
- (4) For the purposes of section 63-803, Idaho Code, during the period when revenue allocation under this chapter is in effect, and solely with respect to any taxing district in which a revenue allocation area is located, the county commissioners shall, in fixing any tax levy other than the levy specified in subsection (1)(a) through (e) of this section, take into consideration the equalized assessed valuation of the taxable property situated in the revenue allocation area as shown in the base assessment roll, rather than the current equalized assessed value of such taxable property.
- (5) For all other purposes, including, without limitation, for purposes of sections 33-802, 33-1002 and 63-1313, Idaho Code, reference in the Idaho Code to the term "market value for assessment purposes" (or any other such similar term) shall mean market value for assessment purposes as defined in section 63-208, Idaho Code.

SECTION 62. That Section 57-1303, Idaho Code, be, and the same is hereby amended to read as follows:

57-1303. COUNTY APPORTIONMENT OF FOREST RESERVE FUNDS. The auditor of each county receiving a portion of this fund shall within ten (10) days of receipt of this money allot and distribute seventy per cent percent (70%) of this money to the county general road fund and to the treasurer of the highway districts and good road districts in the county in proportion to the mileage of each within the county, to be expended for the construction and repair of roads and bridges, and thirty per cent percent (30%) to the various school districts and joint county school districts within the county in proportion to the number of pupils in average daily attendance total unweighted student enrollment count in each district in the year immediately prior to this distribution. The distribution of such moneys to the respective school districts entitled thereto shall be in addition to and without regard to any assistance to such school districts from any and all other sources in maintaining the minimum educational program and minimum transportation program.

SECTION 63. That Section 59-1115, Idaho Code, be, and the same is hereby amended to read as follows:

59-1115. EMPLOYER'S PORTION OF SOCIAL SECURITY TAX FOR SCHOOL DISTRICT PERSONNEL. (1) The board of trustees of each class of school district, shall pay the employer's social security tax for its personnel, as required by federal law.

- $\underline{(2)}$ The department of education shall transmit to the school districts from the appropriation made for that purpose the amount determined in section 33-1004FB, Idaho Code.
- SECTION 64. That Section 63-315, Idaho Code, be, and the same is hereby amended to read as follows:
- 63-315. ASSESSMENT RATIOS AND THE DETERMINATION OF ADJUSTED MARKET VALUE FOR ASSESSMENT PURPOSES FOR SCHOOL DISTRICTS. (1) The provisions of this section shall apply only to charter districts levying a maintenance and operation levy in the prior calendar year. For the purpose of this section, adjusted market value for assessment purposes shall be the adjusted market value for assessment purposes of all property assessed for property tax purposes for the year referred to in sections 33-802 and 33-1002, Idaho Code.
- (2) The state tax commission shall conduct a ratio study to annually ascertain the ratio between the assessed value and the market value for assessment purposes of all property assessed for property tax purposes. Said ratio study shall be conducted in accordance with nationally accepted procedures. From the ratio so ascertained the state tax commission shall compute the adjusted market value of all property assessed for property tax purposes.
- (3) The ratio shall be computed in each school district and applied to the market value for assessment purposes within each school district.
- (4) Sales used in determining the ratio required by this section shall be arm's length, market value property sales occurring in the year beginning on October 1 of the year preceding the year for which the adjusted market value is to be determined. The state tax commission may, at its discretion, modify the sales period when doing so produces provably better representativeness of the actual ratio in any school district. The state tax commission may also add independently conducted appraisals when the state tax commission believes that this procedure will improve the representativeness and reliability of the ratio.
- (5) Whenever the state tax commission is unable to determine with reasonable statistical certainty that the assessed value within any school district differs from the market value for assessment purposes, the state tax commission may certify the assessed value to be the adjusted market value of any school district.
- (6) The state tax commission shall certify the adjusted market value of each school district to the state department of education and each county auditor no later than the first Monday in April each year. The state tax commission shall prepare a report indicating procedures used in computing the adjusted market value and showing statistical measures computed in the ratio study. The report of the state tax commission shall be made available for public inspection in the office of the county auditor.
- (7) The state tax commission shall promulgate rules to implement the ratio study described in this section.

SECTION 65. That Section 63-805, Idaho Code, be, and the same is hereby amended to read as follows:

- 63-805. ANNUAL LEVIES. (1) The county commissioners of each county in this state may levy annually upon all taxable property of said county, a property tax for general county purposes, including the provision of public defender services, to be collected and paid into the county treasury and apportioned to the county current expense fund which levy shall not exceed twenty-six hundredths percent (.26%) of market value for assessment purposes of such property, or a levy sufficient to raise two hundred fifty thousand dollars (\$250,000), whichever is greater. If a county establishes the justice fund, as provided in section 31-4602, Idaho Code, the maximum current expense levy shall be reduced to twenty hundredths percent (.20%) of market value for assessment purposes, or a levy sufficient to raise two hundred fifty thousand dollars (\$250,000), whichever is greater.
- (2) The county commissioners of each county in this state may levy upon all taxable property of said county, a property tax for the purposes set forth in the statutes authorizing a county justice fund, to be collected and paid into the county treasury and apportioned to the county justice fund, if one has been established. Said levy shall not exceed twenty hundredths percent (.20%) of market value for assessment purposes of such property, or a levy sufficient to raise two hundred fifty thousand dollars (\$250,000), whichever is greater.

The county commissioners shall have the right to make a "general reserve appropriation," said appropriation not to exceed five percent (5%) of the county justice fund budget as finally adopted. The total levy, however, for the county justice fund, including the "general reserve appropriation," shall be within the limitations imposed by chapter 8, title 63, Idaho Code, or by any statutes of the state of Idaho in force and effect.

- (3) Annually, before the second Monday in September, the board of trustees of any school district within the county having determined the number, if any, of pupils in average daily attendance unweighted students enrolled above the number included in the last annual report thereof, and the amount of money required to provide the educational support programs and transportation support programs for such additional pupils in average daily attendance unweighted students enrolled, as defined in chapter 10, title 33, Idaho Code, the county commissioners shall determine the total of such new requirements within the county and upon the taxable property situate within the district requesting the same, and the county commissioners shall levy a tax sufficient to provide such amount, provided in no case shall the levy be more than six-hundredths percent (.06%) of the taxable value of the property to be collected and paid to the requesting district.
 - (4) (a) The county commissioners of each county in this state may levy annually upon all taxable property of its county, a property tax for the acquisition, maintenance and operation of public parks or public recreational facilities, to be collected and paid into the county treasury and apportioned to a fund to be designated as the "parks and recreation fund," which is hereby created, and such county commissioners may appropriate otherwise unappropriated funds for such purposes. No levy made under this subsection shall exceed one-hundredth percent (.01%) of

the market value for assessment purposes on all taxable property within the district.

- (b) Any funds unexpended from the "parks and recreation fund," or any funds unexpended from the current year's certified parks and recreation budget may be retained in, or deposited to, the "parks and recreation fund" for the purpose of future land acquisition, park expansion or improvement, or the acquisition of operating equipment. The maximum accumulation of funds allowable shall not exceed twice the amount of money provided by the levy authorized in paragraph (a) of this subsection.
- (5) Upon the same property and for the same year the county commissioners must also levy such other property taxes as may be necessary for the payment of the interest on county bonds or to provide a sinking fund for the redemption of county bonds or such other authorized taxes as may be necessary for any other or special purposes, to be collected and paid into the county treasury and apportioned as provided by the laws of this state.

SECTION 66. An emergency existing therefor, which emergency is hereby declared to exist, Section 8 of this act shall be in full force and effect on and after its passage and approval. All other sections of this act shall be in full force and effect on and after July 1, 2020.

SECTION 67. The provisions of Section 5 of this act shall be null, void, and of no force and effect on and after June 30, 2023.