



TO: District Superintendents and Charter School Administrators
FROM: Office of the Governor, Division of Financial Management
DATE: April 21, 2020
SUBJECT: 1% Holdback Plan— Board of Examiners Process

Governor Little's top priority continues to be a strong public education system.

On Friday, March 27, Governor Little issued executive order 2020-05, making a 1% reduction in spending authority across state government, including state support for K-12 education.

- A 1% reduction of the Fiscal Year 2020 General Fund appropriation is equal to \$18,874,200.

We recognize this holdback is challenging: It's late in the school year, budgetary commitments have been made.

Through the Governor's K-12 Emergency Council, we have discussed and identified ways to provide the most fiscal flexibility, while also delivering on this late year holdback.

The Governor's Office, working closely with DFM, SBOE, and SDE, investigated how best to implement these recommendations. It was determined that the state's Board of Examiners, pursuant to Idaho Code §67-3512, could provide a process that reduces that K-12 appropriation and provides flexibility for districts and charter schools.

Here is the breakdown of the \$18,874,200 or 1% reduction:

- **Professional Development:** \$3.57 million reduction from \$17.85 million to \$14.28 million.
- **Professional Development (G/T):** \$1 million reduction— from \$1million to \$0.
- **Content and Curriculum (Digital Content):** \$320,000 reduction from \$1.6 million to \$1.28 million.
- **IT Staffing:** \$1.6 million reduction from \$8 million to \$6.4 million.
- **Classroom Technology:** \$7.3 million reduction— from \$36.5 million to \$29.2 million.
- **The balance will come out of discretionary:** \$5,084,200 reduction—from \$443,319,600 to \$438,235,400. Specifically, this is a \$326 reduction from of the Distribution Factor – from \$28,416 to \$28,090 per support unit.

Reducing the funding through specific line items allows for a smaller amount of funding to be taken out of discretionary (operational) funds.

- Funds appropriated through the line-item categories have the most restrictions on use.
- Funding in the discretionary bucket has the most flexibility in use.

While it is understood some districts may have already committed their funds in these individual categories, those school districts and charter schools would then be able to make up the difference through their discretionary funds, as they determine how best to meet their local level needs.