

Idaho Public School Funding

**Michael Ferguson, Director
Idaho Center for Fiscal Policy**

mferguson@idahoCFP.org

www.idahoCFP.org

Idaho Constitution

Article 9, Section 1:

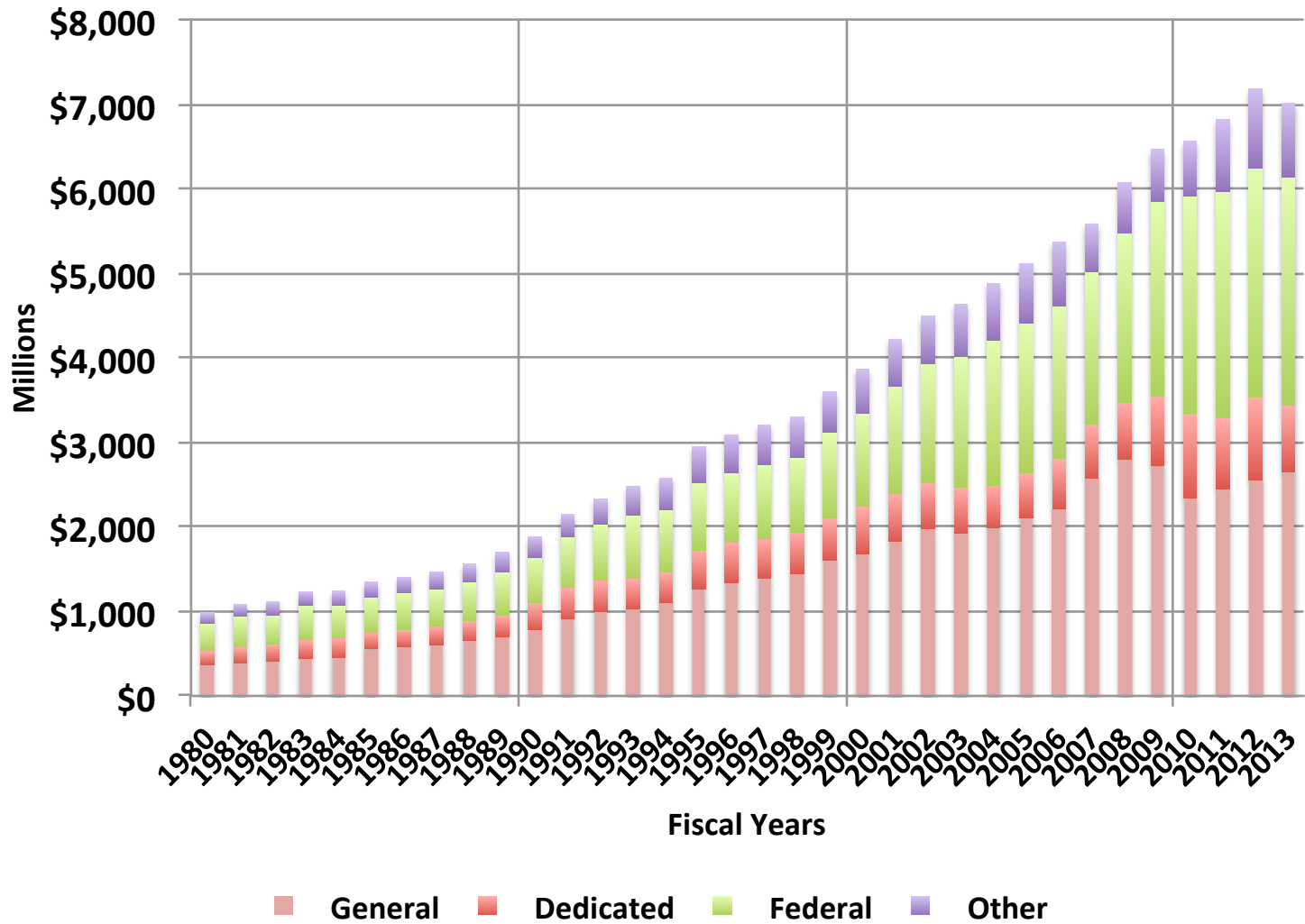
LEGISLATURE TO ESTABLISH SYSTEM OF FREE SCHOOLS. The stability of a republican form of government depending mainly upon the intelligence of the people, it shall be the duty of the legislature of Idaho, to establish and maintain a general, uniform and thorough system of public, free common schools.

Idaho Constitution

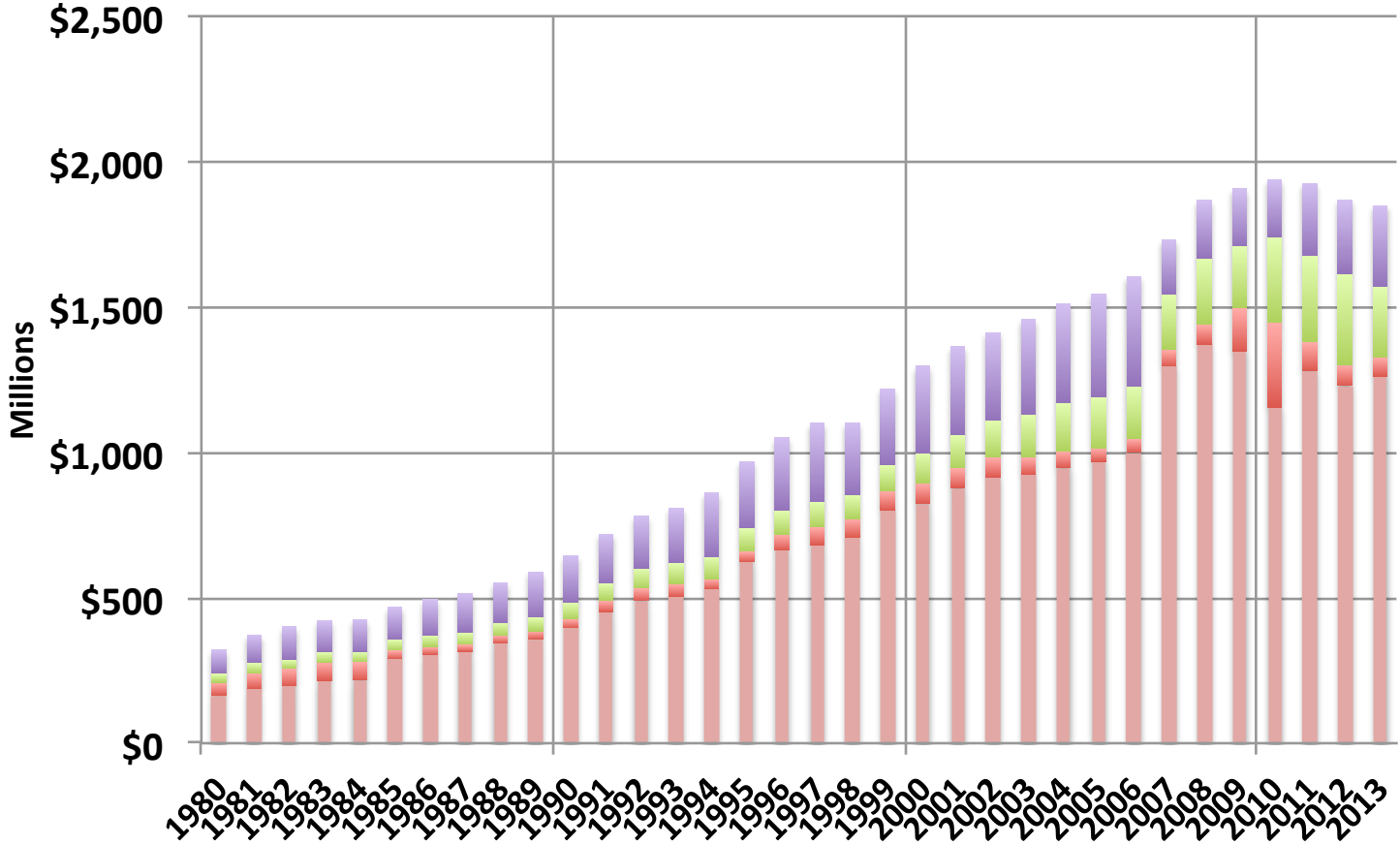
Article 7, Section 5:

TAXES TO BE UNIFORM -- EXEMPTIONS. *All taxes shall be uniform upon the same class of subjects within the territorial limits, of the authority levying the tax,* and shall be levied and collected under general laws, which shall prescribe such regulations as shall secure a just valuation for taxation of all property, real and personal: provided, that the legislature may allow such exemptions from taxation from time to time as shall seem necessary and just, and all existing exemptions provided by the laws of the territory, shall continue until changed by the legislature of the state: provided further, that duplicate taxation of property for the same purpose during the same year, is hereby prohibited.

Idaho Total Expenditures By Fund

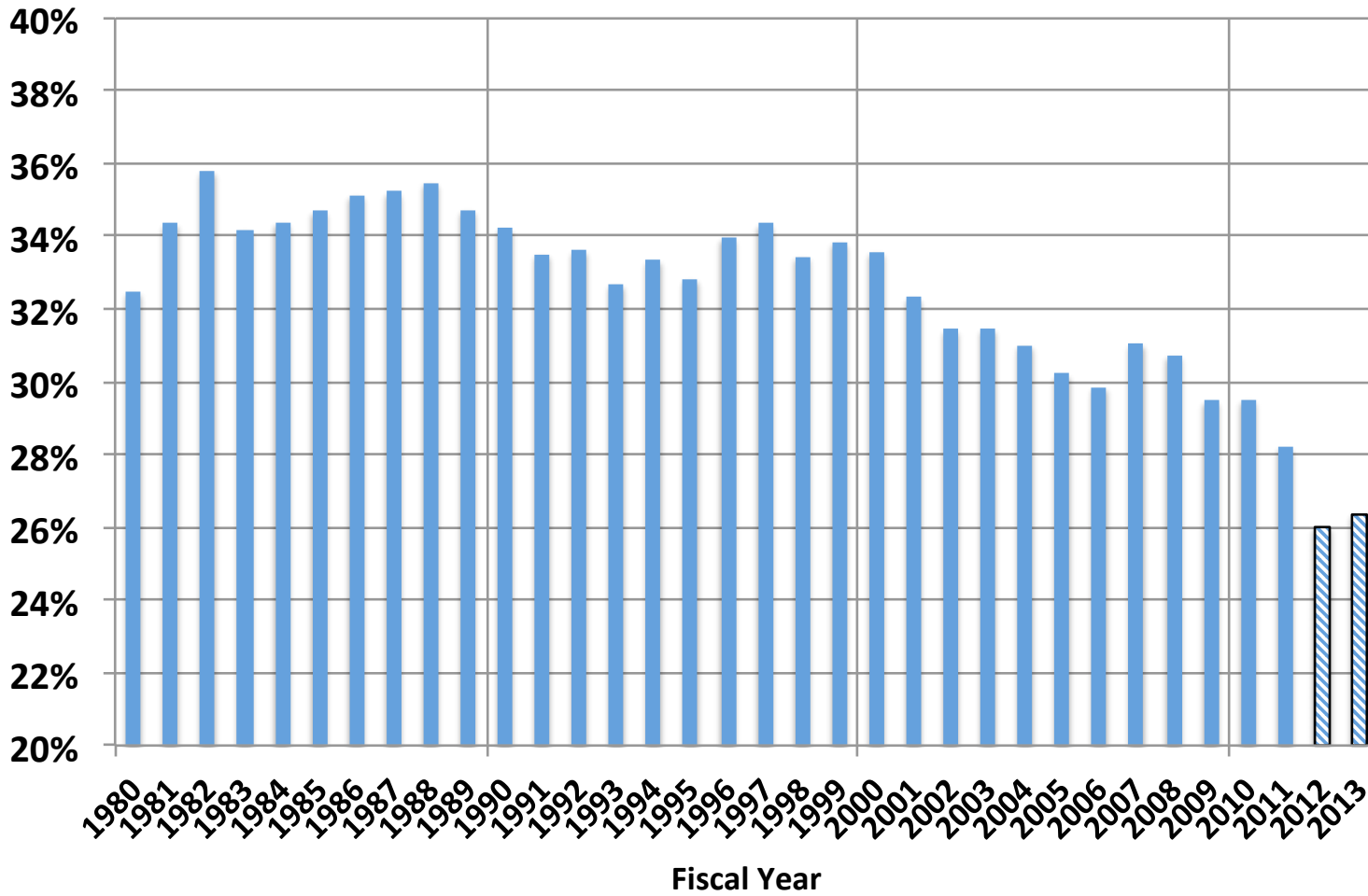


Idaho Public School Expenditures By Fund

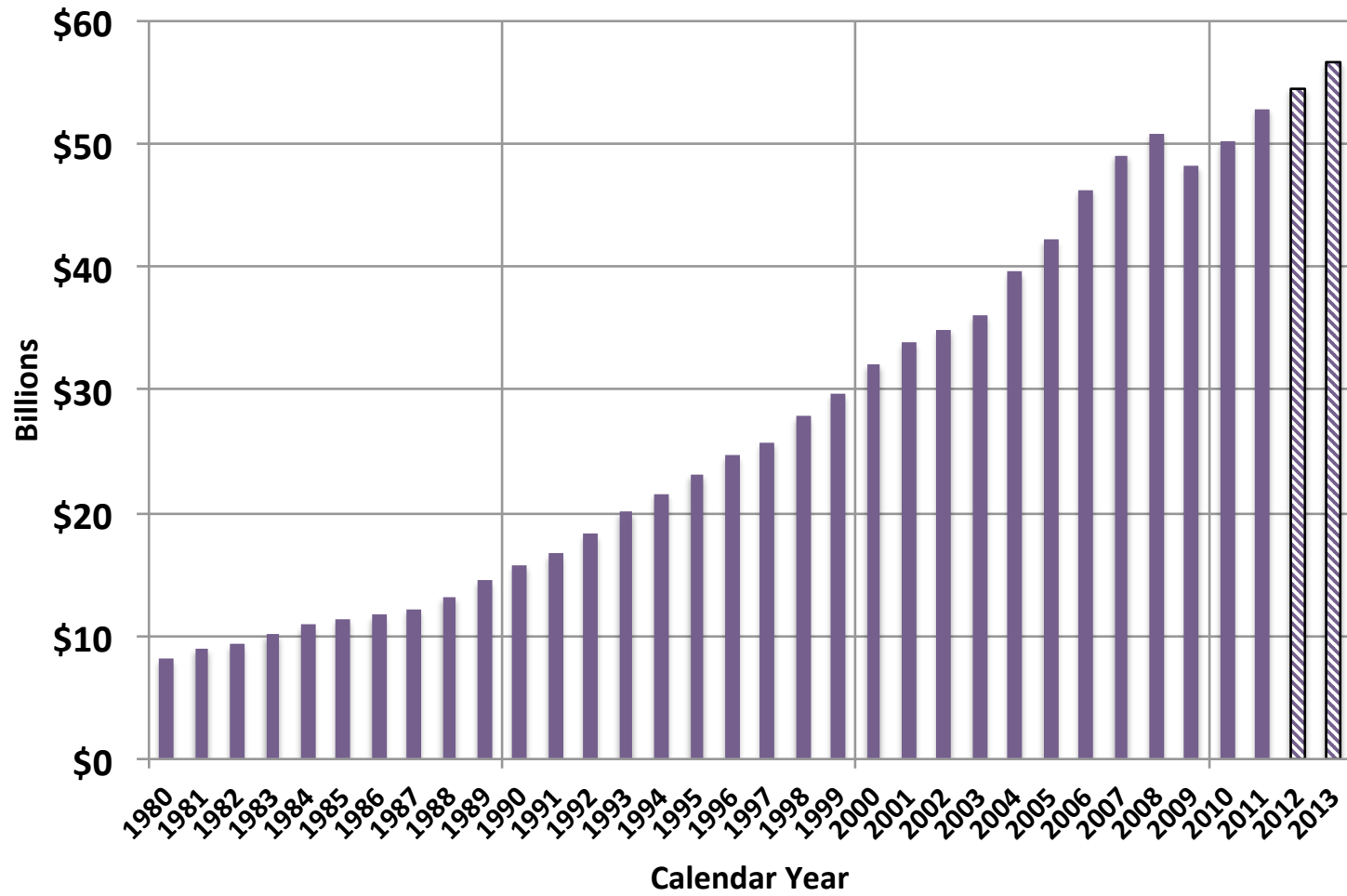


■ General
 ■ Dedicated
 ■ Federal
 ■ Other

Idaho Total Public School Expenditures Percent of All Expenditures



Idaho Total Personal Income History and Forecast



Idaho Public School Total Fund Expenditures Percent of Idaho Personal Income

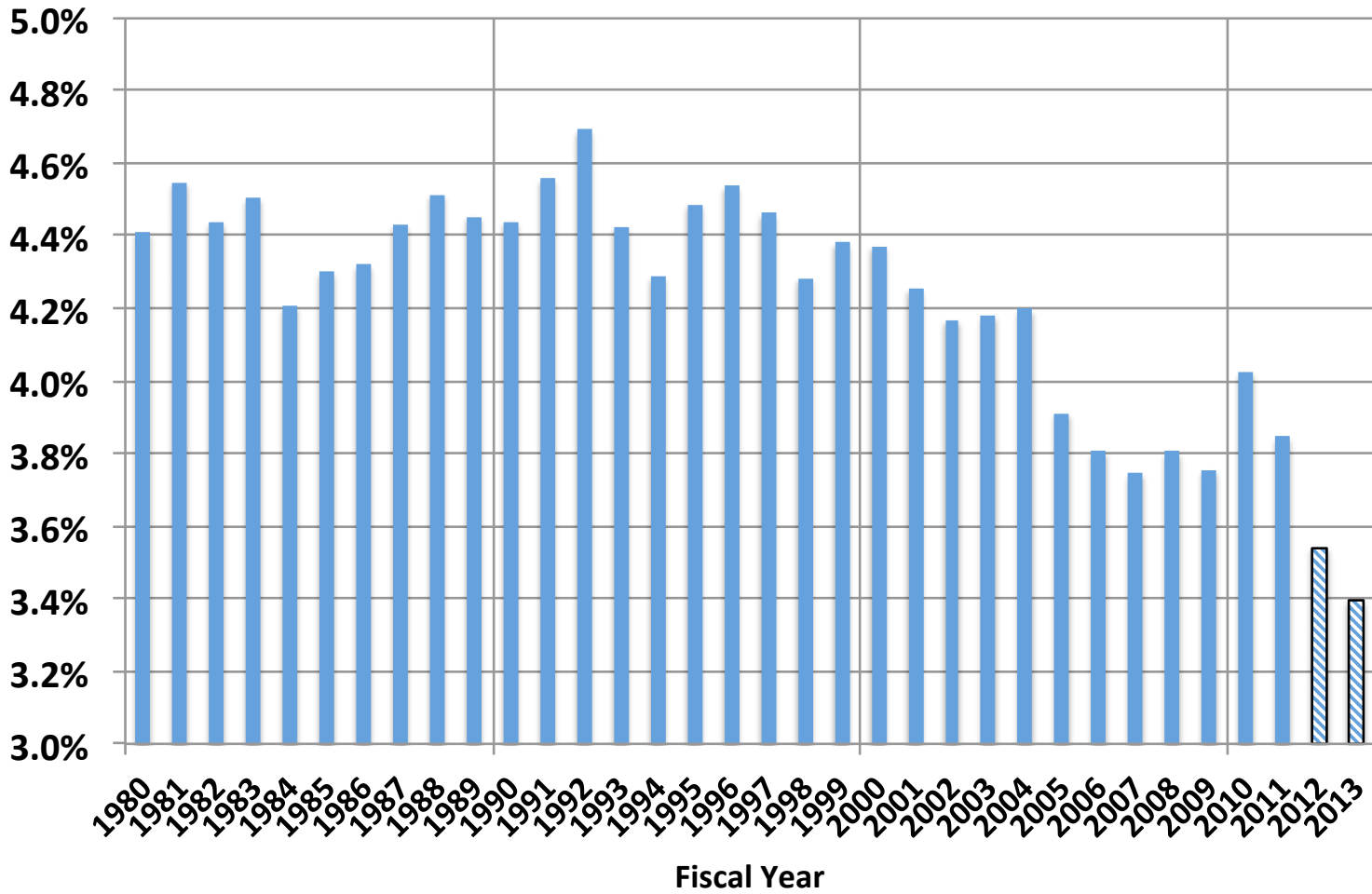
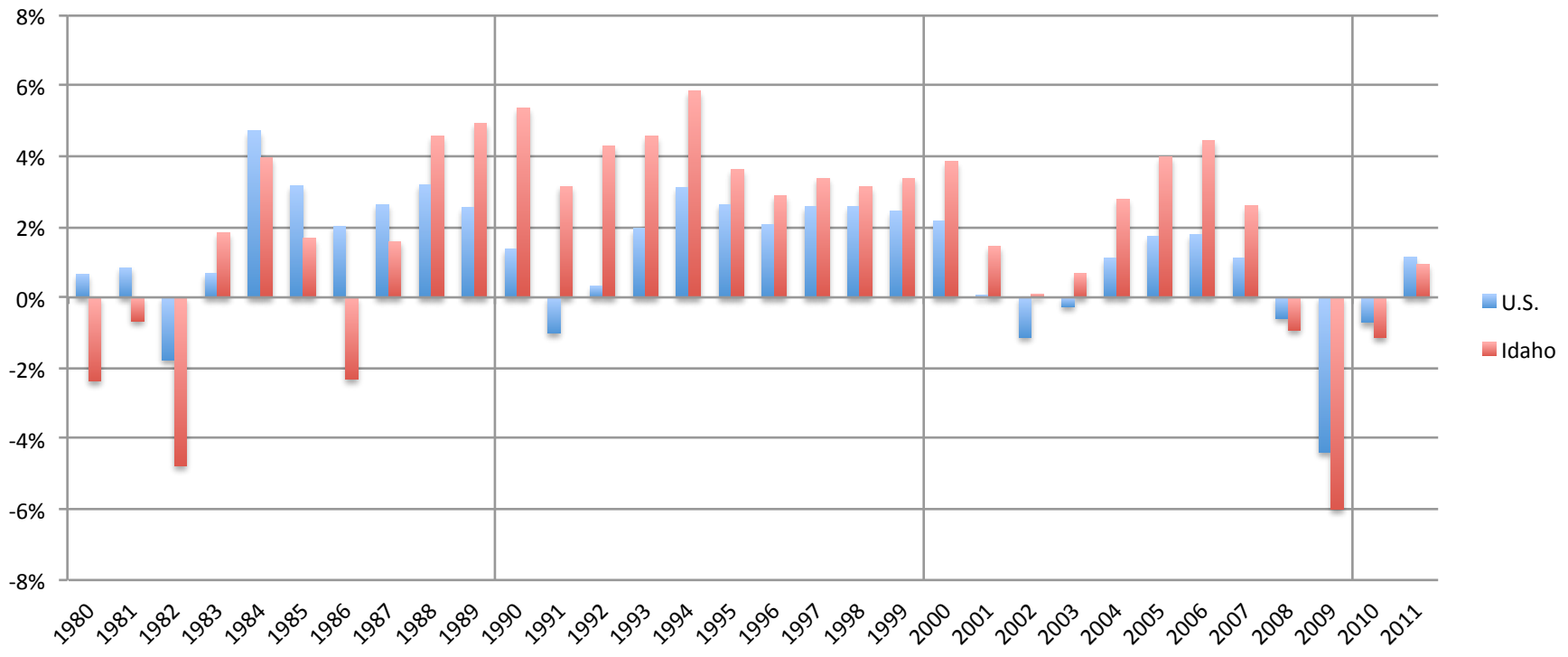


Fig. 2a: Idaho and U.S. Total Nonfarm Employment Growth Rates



1983 – 1987 Revenue Structure Adjustments

March	1983	Sales Tax From 3% To 4%
June	1983	Sales Tax To 4.5%
July	1984	Sales Tax To 4%
April	1986	Sales Tax To 5%

Net Increase Approximately \$400 Million In FY 2012 Dollars

January	1987	Individual Income Tax Added 2 Brackets: From 7.5% To 7.8% On Taxable Income From \$15,000 To \$40,000; From 7.5% To 8.2% On Taxable Income Above \$40,000
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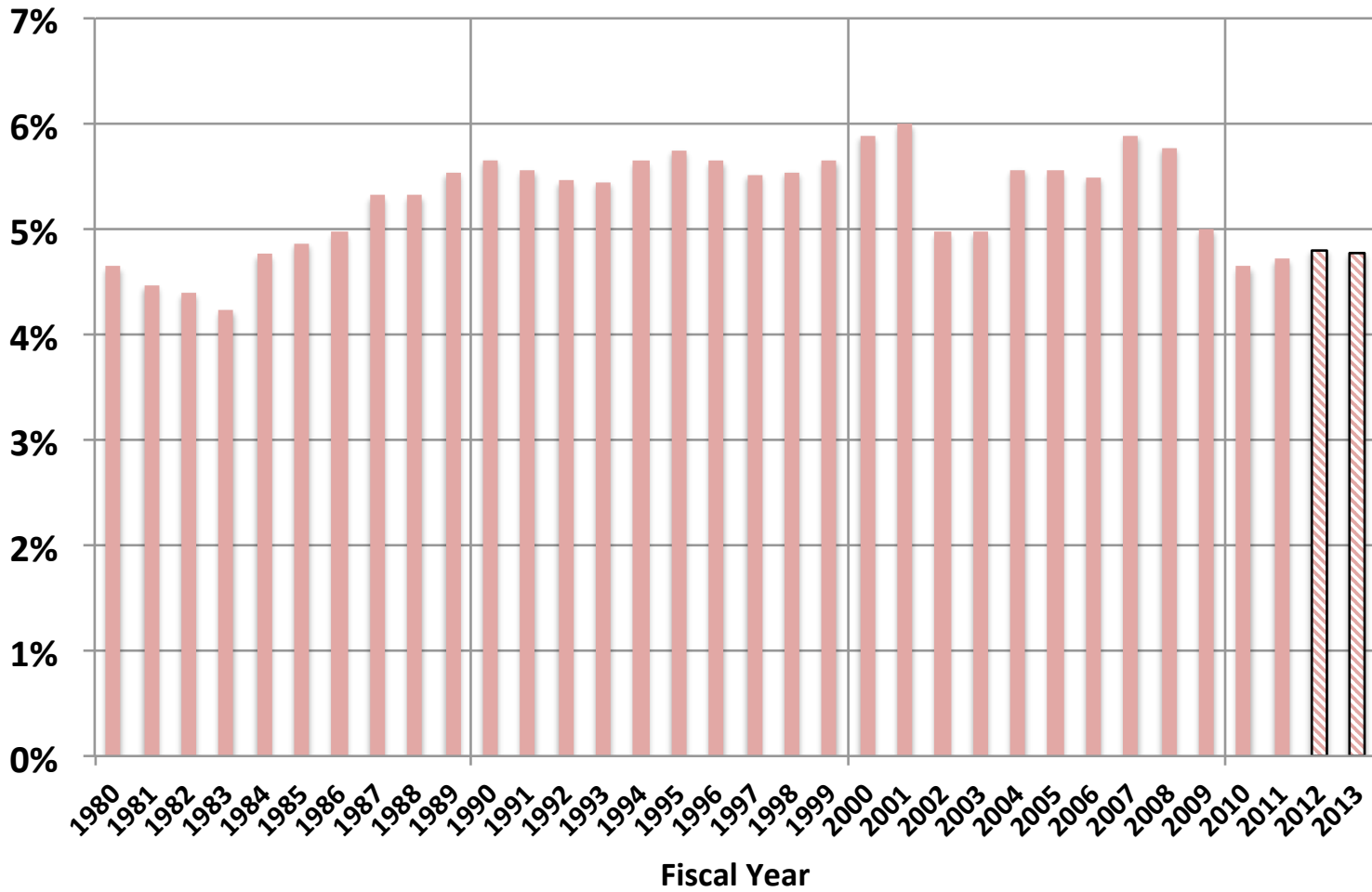
Net Increase Approximately \$60 Million In FY 2012 Dollars

January	1983	Corporate Income Tax From 6.5% To 7.7%
January	1987	Corporate Income Tax To 8.0%

Net Increase Approximately \$36 Million In FY 2012 Dollars

TOTAL INCREASE APPROXIMATELY \$500 MILLION IN FY 2012 DOLLARS

Idaho Total General Fund Revenue Percent of Idaho Personal Income



2000 – 2012 Revenue Structure Adjustments

January 2000	Individual Income Tax Subtracted 0.1 Percentage Point From Each Bracket And Began Inflation Indexing Brackets
January 2001	Individual Income Tax Subtracted Additional 0.3 Percentage Points From Each Bracket
January 2008	Individual Income Tax Increased Grocery Credit From \$20 To \$100 In \$10 Increments Over 8 Years (Completion Pending)
January 2012	Individual Income Tax Eliminated Top Bracket (Top Rate Now Lowest Since 1933)
Net Decrease Approximately \$250 Million In FY 2012 Dollars	

January 2001	Corporate Income Tax From 8.0% To 7.6%
January 2012	Corporate Income Tax To 7.4%
Net Decrease Approximately \$15 Million In FY 2012 Dollars	

2000 – 2012 Revenue Structure Adjustments ...continued

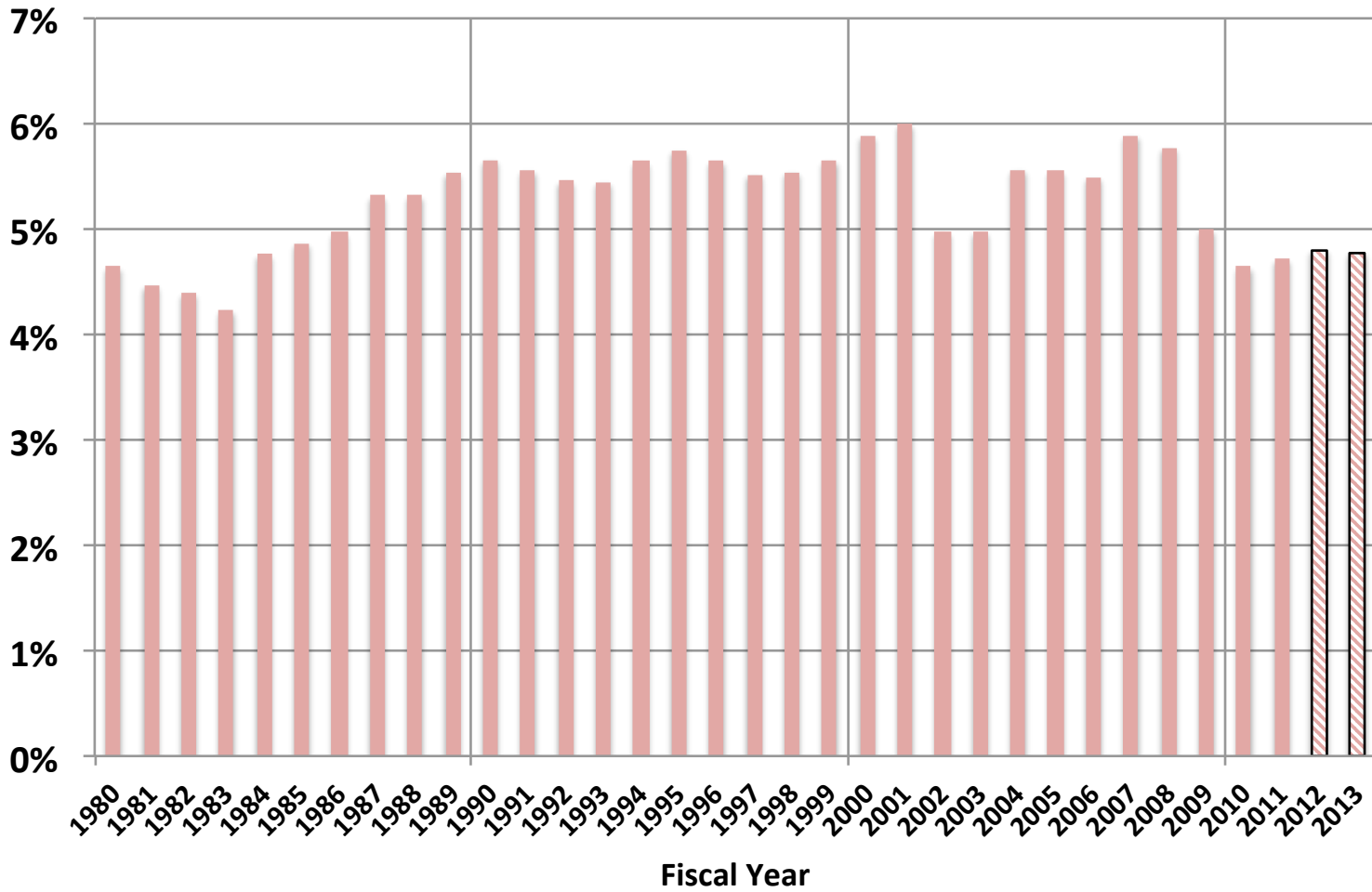
January 2001	Ag Personal Property Exempted
January 2006	Property Tax Public School M&O Levy Eliminated
October 2006	Sales Tax From 5% To 6% In Swap For Public School M&O Levy
Pending	Business Personal Property Exempted Up To First \$100,000 Per Business Per County

Net Decrease Approximately \$80 Million In FY 2012 Dollars

TOTAL DECREASE APPROXIMATELY \$345 MILLION IN FY 2012 DOLLARS

IACI/Otter/Moyle Plan **All Business Personal Property** Exempted
Net Additional Decrease Approximately \$120 Million In FY 2012 Dollars

Idaho Total General Fund Revenue Percent of Idaho Personal Income



Governor Otter, June 11, 2012:

“I want you to know my commitment to the personal property tax and the reduction and eventual elimination of that is undaunted”

Alex LaBeau, June 11, 2012:

“I don’t know if you have to replenish the dollars. You can feather that out over five years and nobody would notice.”

Cathy Holland-Smith, June 14, 2012:

"Unless something changes dramatically, you'll have limited new resources for budget relief, for tax relief or to put into savings,"

Representative Maxine Bell, June 14, 2012:

"This is bleak, frankly,"

Idaho Statesman Headline, June 17, 2012:

Otter to agencies: plan for deep cuts

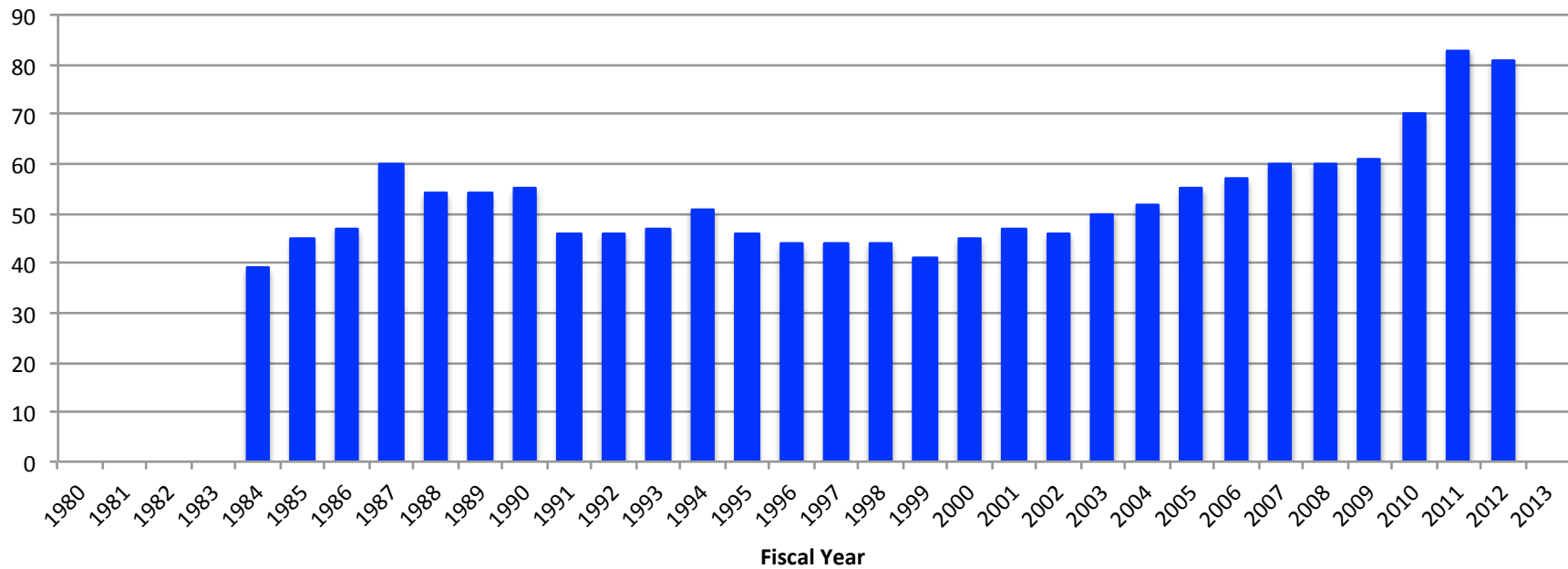
Table 3: FY 2013 General Fund Budget Update	<u>LSO End of 2012 Session</u>	<u>As of August 2012</u>
FY 2013 Beginning Balance:	\$96.6	\$99.6
plus FY 2013 Net Revenue:	\$2,634.1	\$2,670.7
plus FY 2013 Net Transfers In (Out):	(\$24.2)	(\$33.0)
equals FY 2013 Total Funds Available:	\$2,706.6	\$2,737.3
FY 2013 Original Legislative Appropriation:	\$2,702.1	\$2,702.1
plus FY 2013 Expenditure Adjustments:	\$0.0	\$0.0
equals FY 2013 Total Expenditures:	\$2,702.1	\$2,702.1
FY 2013 Ending Balance	\$4.5	\$35.2

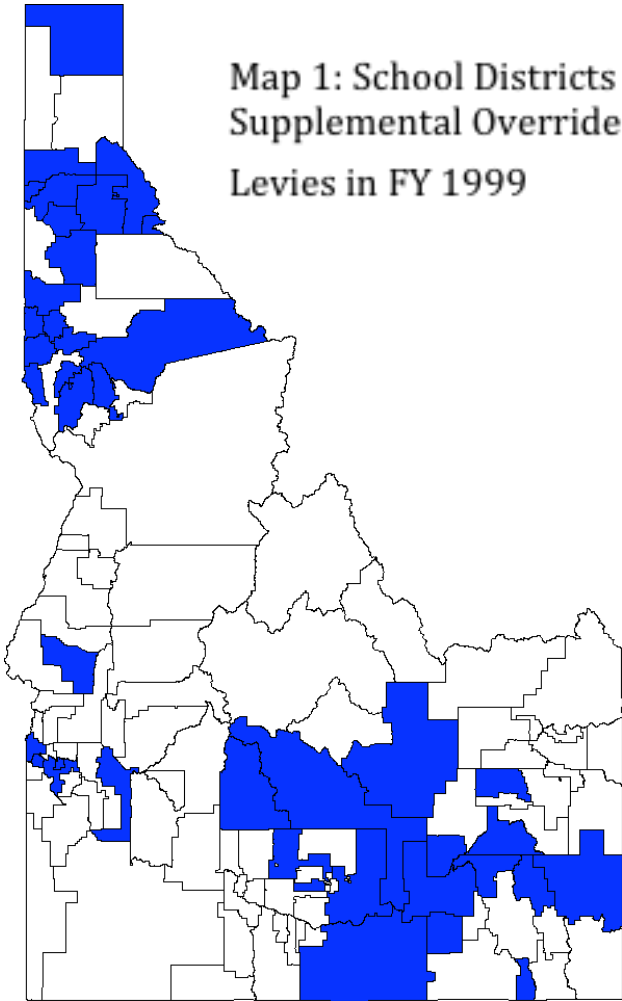
<http://idahocfp.org/idaho-general-fund-august-2012-update/>

Table 4: FY 2013 General Fund Budget Structural Balance (Short Term, As of August 2012)	<u>Ongoing</u>	<u>One-Time</u>	<u>Total</u>
FY 2013 Beginning Balance:		\$99.6	\$99.6
plus FY 2013 Net Revenue:	\$2,665.7	\$5.0	\$2,670.7
plus FY 2013 Net Transfers In (Out):		(\$33.0)	(\$33.0)
equals FY 2013 Total Funds Available:	\$2,665.7	\$71.6	\$2,737.3
FY 2013 Original Legislative Appropriation:	\$2,694.7	\$7.4	\$2,702.1
plus FY 2013 Expenditure Adjustments:	\$0.0	\$0.0	\$0.0
equals FY 2013 Total Expenditures:	\$2,694.7	\$7.4	\$2,702.1
FY 2013 Ending Balance	(\$29.0)	\$64.2	\$35.2

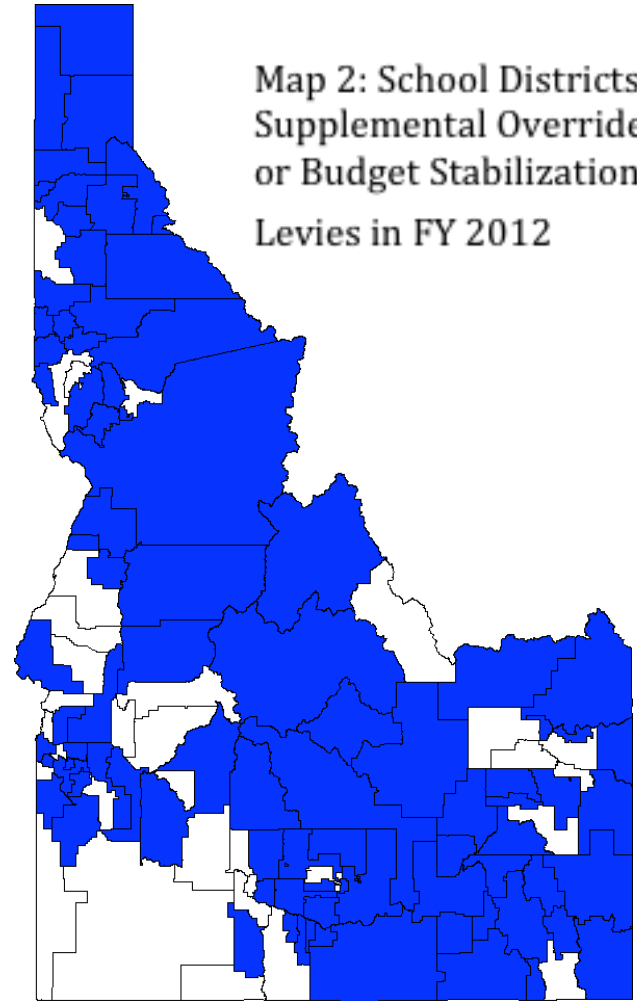
<http://idahocfp.org/idaho-general-fund-august-2012-update/>

Fig. 11: Number of Idaho Public School Districts With Supplemental Override Levies





Map 1: School Districts w/
Supplemental Override
Levies in FY 1999



Map 2: School Districts w/
Supplemental Override and/
or Budget Stabilization
Levies in FY 2012

Fig. 9: Idaho Supplemental Override Levies for Public Schools

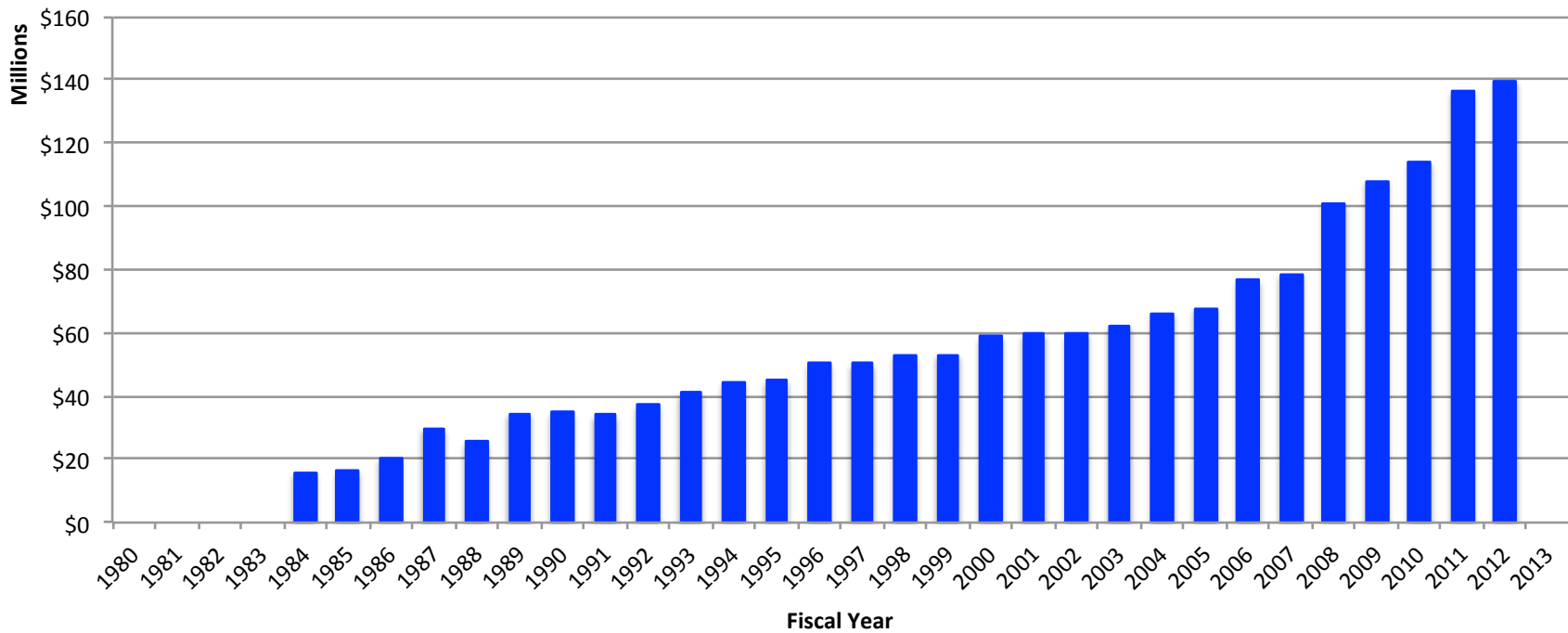


Table 2: Taxable Value Per Student, Rank Order

District		Value per Student	
Number	District	Rank	@ 9/30/09 # Students
394	AVERY	1	\$10,422,190 18
421	MCCALL-DONNELLY JOINT	2	\$4,695,989 931
61	BLAINE COUNTY	3	\$3,948,932 3,316
92	SWAN VALLEY ELEMENTARY	4	\$3,504,511 76
274	KOOTENAI JOINT	5	\$3,294,409 239
422	CASCADE	6	\$2,554,919 293
416	THREE CREEK JOINT ELEMENTARY	7	\$2,518,900 6
71	GARDEN VALLEY	8	\$2,232,728 240
181	CHALLIS JOINT	9	\$2,173,098 411
44	PLUMMER / WORLEY JOINT	10	\$1,662,074 431
84	LAKE PEND OREILLE	11	\$1,555,571 3,663
383	ARBON ELEMENTARY	12	\$1,530,402 12
83	WEST BONNER COUNTY	13	\$1,474,422 1,402
11	MEADOWS VALLEY	14	\$1,438,790 179
401	TETON COUNTY	15	\$1,408,731 1,567
243	SALMON RIVER JOINT	16	\$1,110,746 143
271	COEUR D' ALENE	23	\$889,772 10,183
1	BOISE INDEPENDENT	28	\$713,400 25,205
2	MERIDIAN JOINT	60	\$405,733 34,125
91	IDAHO FALLS	74	\$303,160 10,492
131	NAMPA	80	\$284,477 14,730
25	POCATELLO	91	\$261,037 12,122
59	FIRTH	100	\$226,961 757
370	HOMEDALE JOINT	101	\$226,378 1,206
137	PARMA	102	\$224,076 1,073
135	NOTUS	103	\$217,095 388
151	CASSIA COUNTY JOINT	104	\$210,565 5,191
252	RIRIE JOINT	105	\$210,301 665
251	JEFFERSON COUNTY JOINT	106	\$203,490 4,741
202	WEST SIDE JOINT	107	\$196,200 595
132	CALDWELL	108	\$194,397 6,294
60	SHELLEY JOINT	109	\$190,744 2,187
382	ROCKLAND	110	\$181,215 167
201	PRESTON JOINT	111	\$180,701 2,466
314	DIETRICH	112	\$177,983 250
322	SUGAR-SALEM JOINT	113	\$175,782 1,486
55	BLACKFOOT	114	\$160,877 4,264
52	SNAKE RIVER	115	\$153,437 1,832
	STATEWIDE		\$498,314 277,993

FY 2010 Financial Summaries - 16 Wealthiest Districts

SCHOOL DISTRICT	FULL-TERM A.D.A.	MARKET VALUE / FULL-TERM A.D.A	\$ PER A.D.A WITHOUT SUPPLEMENTAL	\$ PER A.D.A WITH SUPPLEMENTAL	SUPPLEMENTAL LEVY PER A.D.A	SUPPLEMENTAL LEVY PER \$100k MARKET VALUE	PERCENT OF M&O FROM SUPPLEMENTAL
AVERY ¹	13	\$10,422,190	\$27,836	\$36,581	\$8,744	\$84	23.9%
MCCALL-DONNELLY JOINT ¹	850	\$4,695,989	\$6,550	\$13,208	\$6,657	\$142	50.4%
BLAINE COUNTY ¹	2,995	\$3,948,932	\$5,150	\$15,873	\$10,723	\$272	67.6%
SWAN VALLEY ELEMENTARY ¹	63	\$3,504,511	\$10,401	\$12,510	\$2,108	\$60	16.9%
KOOTENAI JOINT	226	\$3,294,409	\$8,828	\$10,141	\$1,313	\$40	12.9%
CASCADE	268	\$2,554,919	\$7,734	\$9,504	\$1,770	\$69	18.6%
THREE CREEK JOINT ELEMENTARY	5	\$2,518,900	\$22,849	\$27,069	\$4,219	\$168	15.6%
GARDEN VALLEY	224	\$2,232,728	\$8,176	\$8,176			
CHALLIS JOINT	394	\$2,173,098	\$7,484	\$8,118	\$634	\$29	7.8%
PLUMMER / WORLEY JOINT	376	\$1,662,074	\$7,102	\$7,102			
LAKE PEND OREILLE	3,417	\$1,555,571	\$5,588	\$6,934	\$1,346	\$87	19.4%
ARBON ELEMENTARY	12	\$1,530,402	\$17,645	\$17,645			
WEST BONNER COUNTY	1,292	\$1,474,422	\$5,834	\$6,726	\$893	\$61	13.3%
MEADOWS VALLEY	176	\$1,438,790	\$8,389	\$9,215	\$826	\$57	9.0%
TETON COUNTY	1,519	\$1,408,731	\$5,113	\$6,825	\$1,712	\$122	25.1%
SALMON RIVER JOINT	135	\$1,110,746	\$9,470	\$13,147	\$3,678	\$331	28.0%

¹ SUPPLEMENTAL COLUMNS INCLUDE BUDGET STABILIZATION LEVIES

FY 2010 Financial Summaries - 16 Poorest Districts

SCHOOL DISTRICT	FULL-TERM A.D.A.	MARKET VALUE / FULL-TERM A.D.A	\$ PER A.D.A WITHOUT SUPPLEMENTAL	\$ PER A.D.A WITH SUPPLEMENTAL	SUPPLEMENTAL LEVY PER A.D.A	SUPPLEMENTAL LEVY PER \$100k MARKET VALUE	PERCENT OF M&O FROM SUPPLEMENTAL
FIRTH	713	\$226,961	\$5,708	\$5,708			
HOMEDALE JOINT	1,149	\$226,378	\$5,358	\$5,585	\$226	\$100	4.1%
PARMA	1,028	\$224,076	\$5,441	\$5,635	\$195	\$87	3.5%
NOTUS	369	\$217,095	\$6,415	\$6,652	\$237	\$109	3.6%
CASSIA COUNTY JOINT	4,979	\$210,565	\$5,254	\$5,387	\$133	\$63	2.5%
RIRIE JOINT	628	\$210,301	\$5,893	\$5,893			
JEFFERSON COUNTY JOINT	4,449	\$203,490	\$4,931	\$4,931			
WEST SIDE JOINT	564	\$196,200	\$5,749	\$5,909	\$160	\$81	2.7%
CALDWELL	5,847	\$194,397	\$4,979	\$5,140	\$162	\$83	3.1%
SHELLEY JOINT	2,050	\$190,744	\$4,853	\$4,853			
ROCKLAND	162	\$181,215	\$8,865	\$10,127	\$1,262	\$696	12.5%
PRESTON JOINT	2,351	\$180,701	\$4,822	\$4,822			
DIETRICH	218	\$177,983	\$7,581	\$7,581			
SUGAR-SALEM JOINT	1,409	\$175,782	\$5,188	\$5,188			
BLACKFOOT	4,090	\$160,877	\$5,037	\$5,520	\$483	\$300	8.7%
SNAKE RIVER	1,728	\$153,437	\$5,362	\$5,362			

FY 2010 Financial Summaries - 6 Largest Districts

SCHOOL DISTRICT	FULL-TERM A.D.A.	MARKET VALUE / FULL-TERM A.D.A	\$ PER A.D.A WITHOUT SUPPLEMENTAL	\$ PER A.D.A WITH SUPPLEMENTAL	SUPPLEMENTAL LEVY PER A.D.A	SUPPLEMENTAL LEVY PER \$100k MARKET VALUE	PERCENT OF M&O FROM SUPPLEMENTAL
COEUR D' ALENE	9,544	\$889,772	\$4,954	\$5,774	\$820	\$92	14.2%
BOISE INDEPENDENT ²	23,660	\$713,400	\$5,126	\$8,180	\$3,053	\$428	37.3%
MERIDIAN JOINT	32,502	\$405,733	\$4,859	\$5,166	\$308	\$76	6.0%
IDAHO FALLS	9,718	\$303,160	\$4,777	\$5,477	\$700	\$231	12.8%
NAMPA	13,677	\$284,477	\$4,924	\$6,825	\$110	\$39	2.2%
POCATELLO	11,571	\$261,037	\$4,929	\$5,448	\$519	\$199	9.5%
STATEWIDE AVERAGE (SUPP. ONLY)	247,976	\$498,314	\$5,193	\$5,653	\$460	\$92	8.1%
STATEWIDE AVERAGE (INCL CHARTER & BUDGET STAB.)	247,976	\$498,314	\$5,193	\$6,044	\$851	\$171	14.1%

² SUPPLEMENTAL COLUMNS INCLUDE CHARTER LEVY

FY 2010 Financial Summaries - 14 Districts of Region 5

SCHOOL DISTRICT	FULL-TERM A.D.A.	MARKET VALUE / FULL-TERM A.D.A	\$ PER A.D.A WITHOUT SUPPLEMENTAL	\$ PER A.D.A WITH SUPPLEMENTAL	SUPPLEMENTAL LEVY PER A.D.A	SUPPLEMENTAL LEVY PER \$100k MARKET VALUE	PERCENT OF M&O FROM SUPPLEMENTAL
ARBON ELEMENTARY	12	\$1,530,402	\$17,645	\$17,645			
BEAR LAKE COUNTY	1,059	\$676,700	\$5,761	\$6,233	\$472	\$70	7.6%
SODA SPRINGS JOINT	826	\$546,135	\$5,991	\$6,664	\$673	\$123	10.1%
AMERICAN FALLS JOINT	1,394	\$463,685	\$5,583	\$6,414	\$831	\$179	13.0%
NORTH GEM	193	\$423,647	\$7,885	\$8,403	\$518	\$122	6.2%
MARSH VALLEY JOINT	1,206	\$379,097	\$5,527	\$5,527			
GRACE JOINT	400	\$280,447	\$7,048	\$7,048			
ONEIDA COUNTY	868	\$262,906	\$5,762	\$5,762			
POCATELLO	11,571	\$261,037	\$4,929	\$5,448	\$519	\$199	9.5%
ABERDEEN	759	\$234,275	\$5,525	\$6,045	\$520	\$222	8.6%
WEST SIDE JOINT	564	\$196,200	\$5,749	\$5,909	\$160	\$81	2.7%
ROCKLAND	162	\$181,215	\$8,865	\$10,127	\$1,262	\$696	12.5%
PRESTON JOINT	2,351	\$180,701	\$4,822	\$4,822			
SNAKE RIVER	1,728	\$153,437	\$5,362	\$5,362			

¹ SUPPLEMENTAL COLUMNS INCLUDE BUDGET STABILIZATION LEVIES

FY 2010 Financial Summaries - 19 Districts of Region 6

SCHOOL DISTRICT	FULL-TERM A.D.A.	MARKET VALUE / FULL-TERM A.D.A	\$ PER A.D.A WITHOUT SUPPLEMENTAL	\$ PER A.D.A WITH SUPPLEMENTAL	SUPPLEMENTAL LEVY PER A.D.A	SUPPLEMENTAL LEVY PER \$100k MARKET VALUE	PERCENT OF M&O FROM SUPPLEMENTAL
SWAN VALLEY ELEMENTARY ¹	63	\$3,504,511	\$10,401	\$12,510	\$2,108	\$60	16.9%
CHALLIS JOINT	394	\$2,173,098	\$7,484	\$8,118	\$634	\$29	7.8%
TETON COUNTY	1,519	\$1,408,731	\$5,113	\$6,825	\$1,712	\$122	25.1%
SOUTH LEMHI	86	\$807,115	\$13,556	\$13,556			
SALMON	796	\$698,640	\$6,149	\$6,589	\$440	\$63	6.7%
FREMONT COUNTY JOINT	2,191	\$698,352	\$5,558	\$5,558			
MACKAY JOINT	202	\$685,120	\$8,194	\$9,432	\$1,238	\$181	13.1%
CLARK COUNTY JOINT	184	\$629,160	\$8,741	\$8,741			
IDAHO FALLS	9,718	\$303,160	\$4,777	\$5,477	\$700	\$231	12.8%
BUTTE COUNTY	448	\$288,545	\$6,580	\$6,781	\$201	\$70	3.0%
WEST JEFFERSON	576	\$280,153	\$6,618	\$6,618			
MADISON	4,570	\$254,096	\$4,704	\$4,704			
BONNEVILLE JOINT	9,270	\$247,357	\$4,707	\$4,977	\$270	\$109	5.4%
FIRTH	713	\$226,961	\$5,708	\$5,708			
RIRIE JOINT	628	\$210,301	\$5,893	\$5,893			
JEFFERSON COUNTY JOINT	4,449	\$203,490	\$4,931	\$4,931			
SHELLEY JOINT	2,050	\$190,744	\$4,853	\$4,853			
SUGAR-SALEM JOINT	1,409	\$175,782	\$5,188	\$5,188			
BLACKFOOT	4,090	\$160,877	\$5,037	\$5,520	\$483	\$300	8.7%

¹ SUPPLEMENTAL COLUMNS INCLUDE BUDGET STABILIZATION LEVIES

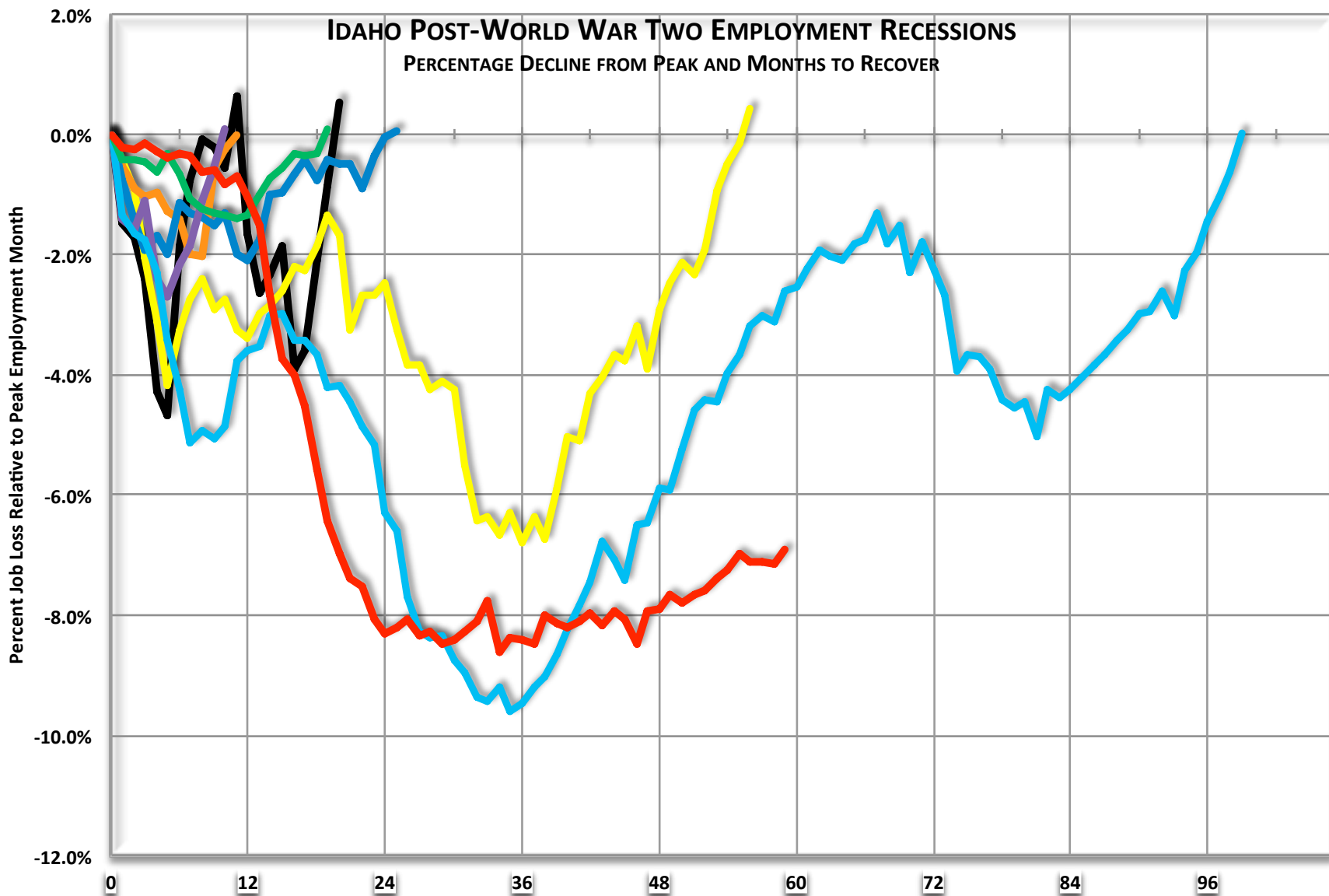
FY 2010 Financial Summaries - 14 Districts of Region 2

SCHOOL DISTRICT	FULL-TERM A.D.A.	MARKET VALUE / FULL-TERM A.D.A	\$ PER A.D.A WITHOUT SUPPLEMENTAL	\$ PER A.D.A WITH SUPPLEMENTAL	SUPPLEMENTAL LEVY PER A.D.A	SUPPLEMENTAL LEVY PER \$100k MARKET VALUE	PERCENT OF M&O FROM SUPPLEMENTAL
HIGHLAND JOINT	163	\$773,920	\$9,945	\$11,224	\$1,279	\$165	11.4%
NEZPERCE JOINT	140	\$668,321	\$10,287	\$11,855	\$1,568	\$235	13.2%
WHITEPINE JOINT	267	\$659,021	\$7,969	\$10,491	\$2,522	\$383	24.0%
MOSCOW	2,203	\$553,762	\$4,986	\$8,443	\$3,458	\$624	41.0%
OROFINO JOINT	1,051	\$543,516	\$6,721	\$8,138	\$1,418	\$261	17.4%
POTLATCH	410	\$514,982	\$6,835	\$8,395	\$1,560	\$303	18.6%
KENDRICK JOINT	229	\$477,531	\$7,972	\$10,688	\$2,716	\$569	25.4%
LEWISTON INDEPENDENT	4,678	\$468,733	\$5,149	\$7,670	\$2,521	\$538	32.9%
GENESEE JOINT	279	\$459,691	\$7,415	\$9,094	\$1,679	\$365	18.5%
CULDESAC JOINT	113	\$455,053	\$10,827	\$12,380	\$1,553	\$341	12.5%
KAMIAH JOINT	512	\$410,914	\$6,276	\$6,276			
TROY	301	\$371,140	\$7,201	\$9,201	\$2,000	\$539	21.7%
COTTONWOOD JOINT	389	\$344,863	\$6,905	\$7,290	\$385	\$112	5.3%
LAPWAI	491	\$279,039	\$6,188	\$6,799	\$611	\$219	9.0%

Thank You!

IDAHO POST-WORLD WAR TWO EMPLOYMENT RECESSIONS

PERCENTAGE DECLINE FROM PEAK AND MONTHS TO RECOVER



— Sep'48-May'50

— Apr'51-Dec'55

— Apr'60-Mar'61

— May'62-Jun'64

— Sep'74-Jul'75

— Nov'79-Feb'88

— Mar'01-Oct'02

— Aug'07-Present

Sales Tax Swap for Property Tax, Net Revenue Change, \$millions

	Sales Tax 1-cent of gross	Property Tax 3 mils	net revenue loss
FY08	223.2	283.8	-60.6
FY09	200.2	335.9	-135.7
FY10	187.3	353.1	-165.8
FY11	194.4	333.0	-138.6
FY12	198.6	297.8	-99.2
FY13	211.9	281.4	-69.5