

IN THE SENATE

SENATE BILL NO. 1088

BY EDUCATION COMMITTEE

AN ACT

RELATING TO SCHOOL DISTRICTS; PROVIDING LEGISLATIVE INTENT; AMENDING CHAPTER 3, TITLE 33, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 33-310C, IDAHO CODE, TO ESTABLISH PROVISIONS RELATING TO A REQUIRED AUDIT, TO ESTABLISH PROVISIONS RELATING TO CONSOLIDATION PROTOCOLS, TO ESTABLISH PROVISIONS RELATING TO REDUCED STATE ALLOCATION TO CERTAIN DISTRICTS, TO ESTABLISH PROVISIONS RELATING TO INCREASED ALLOCATION TO CERTAIN DISTRICTS, TO ESTABLISH PROVISIONS RELATING TO ONE OR MORE SCHOOL DISTRICTS CHOOSING NOT TO PARTICIPATE IN CONSOLIDATION, TO DEFINE A TERM AND TO PROVIDE FOR RULES.

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

SECTION 1. LEGISLATIVE INTENT. It is the intent of the Legislature that this act will encourage, where appropriate, the consolidation of services provided by contiguous school districts. The consolidation of services should be considered where it would result in cost savings and increased efficiencies for districts, students and parents. It is expressly not the intent of this act to consolidate schools in contiguous districts.

SECTION 2. That Chapter 3, Title 33, Idaho Code, be, and the same is hereby amended by the addition thereto of a NEW SECTION, to be known and designated as Section 33-310C, Idaho Code, and to read as follows:

33-310C. DISTRICT SERVICES CONSOLIDATION -- AUDIT -- FUNDING.

(1) (a) If a school district has less than five thousand (5,000) students enrolled in a school year, there shall be a biennial audit performed by the legislative services office to assess the costs of such district consolidating with contiguous districts. Such audit would compare costs incurred by the current stand-alone district against estimated costs incurred from a consolidated district.

(b) If the audit provided for in this section finds that district consolidation of services would likely result in a savings of seven percent (7%) or more of the district's most recent annual budget, the state department of education shall commence the following consolidation protocols:

(i) A letter reflecting the audit findings shall be sent to the district, via certified mail, within twenty (20) days of the audit's publication;

(ii) The district shall be notified that it has six (6) months from the date of receipt of the audit to submit a proposal to the state department of education and the legislative services office audit division that it will achieve savings, comparable to those in the audit finding, through its own efforts to reduce costs without consolidating. Such proposal may not include reductions in

1 salaries and benefits for certificated staff, unless such reduc-
2 tions were agreed upon by all parties who negotiated the previous
3 master contract agreement;

4 (iii) The district's proposal shall be reviewed by the legislative
5 services office audit division for feasibility. If determined to
6 be a feasible proposal, the district shall have two (2) years to
7 implement the provisions of the proposal. During this two (2) year
8 period, the district shall submit to the state department of edu-
9 cation and the legislative services office audit division annual
10 reports reflecting changes implemented and cost savings achieved.

11 (c) (i) If the district, after the two (2) year period, is unable
12 to reduce costs to the amount found in the audit provided for in
13 paragraph (b) of this subsection, the state shall reduce the allo-
14 cation of state moneys to such district by an amount equal to seven
15 percent (7%) of the district's budget from the immediately preced-
16 ing year. Such reduction shall be implemented over a two (2) year
17 period, with fifty percent (50%) of such reduction being imposed
18 in each of the two (2) years. Such reduction in state moneys may be
19 stopped if the board of trustees votes to move forward with consol-
20 idation efforts as identified in the audit. In the event of such
21 a vote, the consolidation process would commence as provided for
22 elsewhere in this section;

23 (ii) If the district chooses to consolidate services with another
24 contiguous district identified in the audit, then for two (2) con-
25 secutive years the state shall allocate an additional five percent
26 (5%) in state moneys to each consolidating district above what
27 those districts would have otherwise received. These additional
28 moneys shall be provided to pay for the costs associated with im-
29 plementing consolidation efforts;

30 (iii) In a situation where one (1) or more districts identified in
31 the audit agree to consolidate but one (1) or more districts iden-
32 tified in the audit choose not to participate in the consolida-
33 tion, the state would eliminate the two (2) year funding benefit
34 described in paragraph (c) (ii) of this subsection and would revert
35 to a lower allocation of moneys to each district choosing not to
36 consolidate. Such lower allocation of moneys shall be in an amount
37 described in paragraph (c) (i) of this subsection. However, for
38 any district that had agreed to consolidate, the state shall grant
39 such district a five (5) year waiver of such reduced funding in or-
40 der to give the district time to align with the forthcoming reduced
41 allocation.

42 (2) For purposes of this section, "school district consolidation"
43 means the consolidation of district services between contiguous districts.
44 It does not mean the consolidation of schools.

45 (3) The state board of education shall promulgate rules to implement
46 the provisions of this section.