

TITLE 33
EDUCATION

CHAPTER 9
SCHOOL FUNDS

33-901. SCHOOL PLANT FACILITIES RESERVE FUND. The board of trustees of any school district may create and establish a school plant facilities reserve fund by resolution adopted at any regular or special meeting of the board. All moneys for said fund accruing from taxes levied under section [33-804](#), Idaho Code, together with interest accruing from the investment of any moneys in the fund and any moneys allowed for depreciation of school plant facilities as are appropriated from the general fund of the district, shall be credited by the treasurer to the school plant facilities reserve fund.

Disbursements from said fund may be made from time to time as the board of trustees may determine, for purposes authorized in section [33-1102](#), Idaho Code, and for lease and lease purchase agreements for such purposes and to repay loans from commercial lending institutions extended to pay for the construction of school plant facilities, but no expenditure for remodeling existing buildings shall be authorized and made unless the estimated cost thereof shall exceed five thousand dollars (\$5,000). Lease purchase agreements shall not extend beyond the period designated for any existing school plant facilities reserve fund levy. Expenditures may also be made from this fund for participation by the school district in any local improvement district in which the school district may be situate, but any such participation shall not create a lien upon any of the property owned by the school district.

Should any school district having a balance in its school plant facilities reserve fund be consolidated with one or more school districts to form a new school district, the moneys in such fund shall be used to retire any bonds issued by it and outstanding at the time of the consolidation. If there are no bonds outstanding, any balance in its school plant facilities reserve fund shall accrue to the new district to be added to or to create and establish a school plant facilities reserve fund.

Should any school district having a balance in its school plant facilities reserve fund be divided so as to create two (2) or more new districts the said fund may be used to retire any bonds issued by it and outstanding at the time of the division, or the said fund may be divided among the new school districts, as may be approved by the electors at the time of the division. If the fund is divided among the new districts, a school plant facilities reserve fund is thereby created and established for each district.

The board of trustees of any school district having a school plant facilities reserve fund created and established under any of the provisions of this section, may discontinue the same by resolution adopted at any regular meeting of the board. Upon such discontinuance, any balance in the fund shall be used to retire any outstanding bonds, if any; otherwise, the balance may be transferred to the general fund of the district.

Moneys in the school plant facilities reserve fund being held for future use may be invested in the manner of section [57-127](#), Idaho Code.

A detailed financial report of the operations in and the condition of the school plant facilities reserve fund shall be included in the annual report of each district. Forms for such reporting shall be provided by the

state board of education. Such report shall be published as provided by law for the publication of annual reports of school districts.

[33-901, added 1963, ch. 13, sec. 117, p. 27; am. 1970, ch. 167, sec. 1, p. 493; am. 1975, ch. 136, sec. 1, p. 300.]

33-902. PUBLIC SCHOOL PERMANENT ENDOWMENT FUND. (1) There is established in the state treasury the public school permanent endowment fund. This fund is perpetually appropriated for the beneficiaries of the endowment. The fund shall be managed and invested by the endowment fund investment board according to law and the policies established by the state board of land commissioners. The fund principal shall forever remain intact. The fund shall be a permanent fund and shall consist of the following:

(a) Proceeds from the sale of lands granted to the state by the federal government, known as public school endowment lands, and lands granted in lieu of public school endowment school lands;

(b) Lands, money or other property acquired by gift or grant from any person or corporation or under any law or grant of the federal government for general educational purposes;

(c) All other grants of lands or money made to the state from the federal government for general educational purposes where no other purpose is indicated in the grant;

(d) All estates or distributive shares of estates that may escheat to the state;

(e) All unclaimed shares and dividends of any corporation incorporated under the laws of the state;

(f) Proceeds of royalties arising from the extraction of minerals on public school land owned by the state;

(g) Other proceeds and avails as are required by law of the federal government or of the state of Idaho to be made a part of the fund; and

(h) Moneys allocated from the public school earnings reserve fund.

(2) Public school endowment land sale proceeds may be deposited into the land bank fund established in section [58-133](#), Idaho Code, to be used to acquire other lands within the state for the benefit of the endowment beneficiaries. If proceeds from the sale of public school endowment lands are not used to acquire other lands in accordance with section [58-133](#), Idaho Code, the proceeds from the sale shall be deposited into the public school permanent endowment fund along with any earnings on the proceeds.

(3) Earnings from the investment of the public school permanent endowment fund shall be distributed according to the provisions of section [57-723A](#), Idaho Code.

[33-902, added 1998, ch. 256, sec. 7, p. 829.]

33-902A. PUBLIC SCHOOL EARNINGS RESERVE FUND. (1) There is established in the state treasury the public school earnings reserve fund. The fund shall be managed and invested by the endowment fund investment board according to law and the policies established by the state board of land commissioners. The public school earnings reserve fund shall consist of the following:

(a) All earnings of the public school permanent endowment fund;

(b) Proceeds of the sale of timber on public school endowment lands;

(c) Proceeds of leases of public school endowment lands;

(d) Proceeds of interest charged upon deferred payments on public school endowment lands or timber on those lands;

(e) Earnings on contracts for the sale of timber and the sale of lands related to the public school endowment; and

(f) All other proceeds received from the use of public school endowment lands and not otherwise designated for deposit in the public school permanent endowment fund.

(2) Moneys shall be distributed out of the public school earnings reserve fund only to support the beneficiaries of the public school endowment, including distributions by the state board of land commissioners to the public school permanent endowment fund and the public school income fund; provided, that funds shall not be appropriated by the legislature from the public school earnings reserve fund except to pay for administrative costs incurred managing the assets of the public school endowment including, but not limited to, real property and monetary assets.

[33-902A, added 1998, ch. 256, sec. 8, p. 830.]

33-903. PUBLIC SCHOOL INCOME FUND. (1) The public school income fund is that fund in the treasury of the state of Idaho to which are credited the following:

(a) Moneys distributed from the public school earnings reserve fund and other sources the legislature deems appropriate;

(b) Proceeds of all state taxes levied for public school purposes;

(c) Grants of moneys from the federal government for public school purposes when other disposition is not specified by law;

(d) Ninety percent (90%) of any moneys received by any department of state government from the federal government from sales, royalties, bonuses or rentals of oil, gas or mineral lands;

(e) Legislative appropriations in support of the public schools, and other moneys required by the law of the federal government or of the state of Idaho to be made a part of and credited to the fund.

(2) Earnings on the investment of idle moneys in the public school income fund shall be paid to the public school income fund.

(3) Moneys in the public school income fund shall be used for the benefit of beneficiaries of the public school endowment and distributed to current beneficiaries of the public school endowment pursuant to legislative appropriation.

[33-903, added 1963, ch. 13, sec. 119, p. 27; am. 1976, ch. 28, sec. 1, p. 63; am. 1984, ch. 180, sec. 1, p. 426; am. 1990, ch. 377, secs. 1, 4, p. 1042; am. 1998, ch. 256, sec. 9, p. 830.]

33-904. COUNTY SCHOOL FUND. The county school fund is that fund in the treasury of each county in the state to which are credited the proceeds of moneys collected from fines, forfeitures or breaches of the penal laws of the state when other disposition is not provided by law; and such other proceeds and avails as may be required by law to be credited thereto.

[33-904, added 1963, ch. 13, sec. 120, p. 27; am. 1967, ch. 243, sec. 4, p. 707; am. 1978, ch. 291, sec. 1, p. 713; am. 1979, ch. 254, sec. 4, p. 663.]

33-907. PUBLIC EDUCATION STABILIZATION FUND. There is hereby created in the state treasury a fund to be known as the public education stabilization fund, which shall function as a fund detail of the public school income fund. The fund shall consist of moneys transferred to the fund according to the provisions of sections [33-1018](#) and [33-1018C](#), Idaho Code, and any other moneys made available through legislative transfers or appropriations. Moneys in the fund are hereby continuously appropriated for the purposes stated in section [33-1018](#), Idaho Code, and shall only be expended for the purposes stated in sections [33-1018](#) and [33-1018A](#), Idaho Code. Any accumulated balances in the fund that are in excess of fifteen percent (15%) of the current fiscal year's total appropriation of state funds for public school support shall be transferred to the school district facilities fund. Interest earned from the investment of moneys in the fund shall be retained in the fund.

[33-907, added 2003, ch. 372, sec. 8, p. 988; am. 2006, ch. 311, sec. 5, p. 962; am. 2006, 1st Ex. Sess., ch. 1, sec. 7, p. 47; am. 2017, ch. 211, sec. 1, p. 514; am. 2021, ch. 348, sec. 3, p. 1050; am. 2024, ch. 237, sec. 13, p. 829.]

33-909. PUBLIC SCHOOL FACILITIES COOPERATIVE FUNDING PROGRAM -- FUND CREATED. (1) In fulfillment of the constitutional requirement to provide a general, uniform and thorough system of public, free common schools, it is the intent of the state of Idaho to advance its responsibility for providing a safe environment conducive to learning by providing a public school facilities funding program to enable qualifying school districts to address unsafe facilities identified as unsafe under the standards of the Idaho uniform school building safety act.

(2) Participation in the program, for the purpose of obtaining state financial support to abate identified school building safety hazards, requires submission of an application to the public school facilities cooperative funding program panel. Application can be made by:

(a) Any school district that has failed to approve at least one (1) or more bond levies for the repair, renovation or replacement of existing unsafe facilities within the two (2) year period immediately preceding submission of the application; or

(b) The administrator of the division of occupational and professional licenses for a school district that has failed to address identified unsafe facilities as provided in [chapter 80, title 39](#), Idaho Code.

(3) There is hereby created within the office of the state board of education the Idaho public school facilities cooperative funding program panel, hereafter referred to as the panel. The panel shall consist of the administrator of the division of occupational and professional licenses, the administrator of the division of public works and the executive director of the state board of education, or a designee appointed by a panel member. It shall be the duty of the panel to consider all applications made to it and to approve, modify or reject an application based upon the most economical solution to the problem, as analyzed within a projected twenty (20) year time frame.

(4) The application shall contain the following information:

(a) The identified school building safety hazards and such other information necessary to document the deficiencies;

(b) The school district's plan for abating the defects, including costs and sources and amounts of revenue available to the school district;

(c) The market value for assessment purposes of the school district; and

(d) A detailed accounting of all bond and plant facility levies of the school district and the revenues raised by such levies.

For applications initiated by the administrator of the division of occupational and professional licenses pursuant to subsection (2)(b) of this section, the school district shall provide the information required in this subsection if such information is not available to the administrator.

(5) (a) If the panel determines that it requires additional plans and information, it may authorize the expenditure of up to one hundred fifty thousand dollars (\$150,000) per application from the public school facilities cooperative fund for the procurement thereof. In considering an application, the panel shall determine whether the plan as proposed is acceptable, is acceptable with modifications as determined by the panel, or should be rejected. If the application is approved or approved with modifications, any expenditures authorized by the panel pursuant to this subsection shall be added to the project. The panel shall notify the applicant of its decision, in writing, within ninety (90) days of receiving the application. At the same time the panel notifies the applicant, the panel shall send notification of an approved application or a modified application to the state board of education, along with the panel's specifications for the project and its cost.

(b) The panel may, upon the recommendation of the district supervisor, authorize modifications to the approved plan at any time prior to the completion of the project, giving consideration to the interests of the school district, the students and the electors in its determination. Such modification may alter the scope of work or terminate the approved plan. All modifications must meet the standards as outlined in this section.

(6) If an application received from a school district is accepted or modified by the panel, the local board of trustees of that school district, at the next election held pursuant to section [34-106](#), Idaho Code, shall submit the question to the qualified electors of the school district of whether to approve a bond in the amount of the cost of the project as approved by the panel.

(7) Within thirty-five (35) calendar days of receiving notification from the panel that an application submitted by the administrator of the division of occupational and professional licenses pursuant to subsection (2)(b) of this section has been approved or modified by the panel, or within thirty-five (35) calendar days of receiving certification from the panel that the question submitted to the electorate pursuant to subsection (6) of this section was not approved in the election, the state board of education shall appoint a district supervisor for interim state supervision of the local school district. The district supervisor shall be responsible for ensuring that the project, as approved by the panel, is completed and shall regularly report to the panel in a manner as determined by the panel upon approval of the project. The district supervisor shall also have the authority granted to said position by the provisions of section [6-2212](#), Idaho Code. A district supervisor's term of service shall continue for the duration of the project, and such person appointed as a district supervisor shall serve at the pleasure of the state board of education.

(8) The abatement of unsafe public school facilities through the public school facilities cooperative funding program shall be performed exclu-

sively in accordance with the regular permitting, plan review and inspection requirements of the division of occupational and professional licenses. The state fire marshal shall have exclusive authority to perform the powers and duties prescribed in section [41-254](#), Idaho Code, for such facilities while the unsafe condition is being abated and under the jurisdiction of the panel-appointed district supervisor. The Idaho building code board shall function as a board of appeals for the division of occupational and professional licenses for such construction in accordance with the provisions of section [39-4107](#), Idaho Code. Upon successful completion of the construction in accordance with applicable building codes, a certificate of occupancy shall be issued by the administrator of the division of occupational and professional licenses. Upon issuance of a certificate of occupancy, responsibility for ensuring the safety of the facility or portion thereof so constructed will then be returned to the school district and responsibility for ensuring subsequent compliance with building codes returned to the authority having jurisdiction.

(9) Upon approval of an application or a modified application submitted by the administrator of the division of occupational and professional licenses pursuant to subsection (2) (b) of this section, or upon receipt of certification from the county that the question submitted to the electorate pursuant to subsection (6) of this section was not approved in the election, the panel shall certify the cost of the project, as approved by the panel, to the state department of education.

(a) The total cost of the project shall initially be paid by the state from the public school facilities cooperative fund. If the district supervisor determines that the amount approved by the panel is insufficient to complete the project in a satisfactory manner, the panel may request a legislative appropriation of additional moneys from the public school facilities cooperative fund. If such an appropriation is approved, these additional moneys shall be added to the cost of the project.

(b) The district's share of costs shall be based upon actual funds expended. The district's share of costs that may be repaid through the levy provisions of this section shall not exceed the district's share of bond payment costs as calculated for the bond levy equalization support program in the fiscal year in which the application is made. Interest shall be charged on the unpaid balance of the district's share of costs, as such balance exists at the end of each fiscal year, at the rate of interest earned by the state treasurer on the investment of idle funds in that fiscal year.

(c) It shall be the responsibility of the state department of education to calculate a state-authorized plant facilities levy rate in accordance with the provisions of subsection (10) of this section, which, when imposed over a maximum period not to exceed twenty (20) years, may yield the revenues needed to repay the school district's share of the cost of the project.

(d) The levy rate calculated by the state department of education shall be certified by the department to the county or counties wherein the boundaries of the school district are contained for assessment of the levy and collection of the revenues by such county or counties in the manner provided by law. The revenues collected by imposition of the state-authorized plant facilities levy shall be remitted to the state treasurer for deposit to the public school facilities cooperative fund.

(10) The annual state-authorized plant facilities levy rate shall be limited to the greater of:

(a) The difference between the school district's combined bond and plant facilities levy rates and the statewide average bond and plant facility levy rates; or

(b) The statewide average plant facility levy rate.

The initial levy rate so calculated shall be established as the minimum levy rate that shall be imposed for the amount of time required to reimburse the state for the school district's share of the project cost, but not to exceed twenty (20) years, even if this period would not provide reimbursement of the entire amount of the school district's share of the cost of the project. The state department of education is authorized and directed to recalculate the levy rate on an annual basis and is authorized to increase or decrease the levy rate according to the scheduled payback, but the levy rate shall not be less than the levy rate initially imposed. Provided however, if the levy rate calculated is estimated to raise more money than would be necessary to repay the district's share of costs, then the state department of education shall certify to the county or counties wherein the boundaries of the school district are contained the moneys necessary to repay the district's share of costs.

(11) There is hereby created in the state treasury a public school facilities cooperative fund. The fund shall contain such moneys as may be directed pursuant to appropriation. Moneys in the fund shall be used exclusively to finance the public school facilities cooperative funding program and are hereby continuously appropriated for such purposes as authorized by this section. Moneys in the fund 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 credited to the school district building account.

[33-909, added 2006, ch. 311, sec. 6, p. 962; am. 2012, ch. 221, sec. 1, p. 604; am. 2013, ch. 32, sec. 1, p. 70; am. 2014, ch. 11, sec. 1, p. 14; am. 2023, ch. 15, sec. 3, p. 68.]

33-910. BROADBAND INFRASTRUCTURE IMPROVEMENT GRANT FUND -- RULEMAKING -- DEFINITIONS. (1) There is hereby created in the state treasury a fund to be known as the broadband infrastructure improvement grant fund. The fund shall consist of moneys made available through legislative transfers or appropriations and from any other governmental source. Interest earned from the investment of moneys in the fund shall be retained in the fund. Subject to appropriation, moneys in the fund shall be expended to invest in special construction projects for high-speed broadband connections to E-rate eligible entities that receive E-rate funding.

(2) The state board of education shall create and make available a grant application form for moneys in the fund. The state board of education may determine eligibility qualifications and applicant priority. Any E-rate eligible entity may apply to the state department for a grant from the fund for up to ten percent (10%) of the cost of an eligible special construction project.

(3) The state board of education may promulgate rules to implement the provisions of this section. Such rules shall be consistent with the federal communications commission's second E-rate modernization order that provides for additional category one funding up to ten percent (10%) to match

state funding for special construction charges for high-speed broadband connections.

(4) For the purposes of this section, "E-rate eligible entity" means Idaho public schools grades K through 12, the Idaho digital learning academy, the Idaho department of juvenile corrections education programs, the school for the deaf and the blind and the Idaho public libraries.

[33-910, added 2016, ch. 183, sec. 1, p. 495; am. 2017, ch. 89, sec. 1, p. 236; am. 2024, ch. 178, sec. 1, p. 664.]

33-911. SCHOOL DISTRICT FACILITIES FUND. (1) There is hereby created in the state treasury the school district facilities fund. The fund shall consist of moneys provided pursuant to sections [57-811](#), [63-3638](#), and [67-7434](#), Idaho Code, and any legislative transfers or appropriations. Interest earned from the investment of moneys in the fund shall be returned to the fund.

(2) The moneys in the fund shall be distributed by the state controller to the state department of education by August 1 each year for the purpose of construction or renovation of school facilities. The moneys shall be distributed by the state department of education to each school district, as defined in section [33-1001](#) (21), Idaho Code, first as provided in subsection (7) of this section and then on a per-pupil basis using the average daily attendance calculation provided in section [33-1003A](#), Idaho Code, for each student in kindergarten through grade 12 at physical facilities that are part of and on school grounds of the school district in which the student is enrolled with verification, as needed, by the office of the state board of education. Upon formal approval by the state board of education, a school district may receive an exemption to the physical facility requirement pursuant to this subsection if the student would have attended a physical facility in the school district if not for a stated emergency. The state department of education shall transfer the moneys by no later than August 31 each year to each school district. Such moneys shall be used in place of property tax levy moneys and shall be expended by a school district for one (1) or more of the purposes set forth in paragraphs (a) through (d) of this subsection. Moneys in the fund must be used by a school district in the following order of priority:

- (a) Payment of existing school bonds authorized pursuant to [chapter 11, title 33](#), Idaho Code;
- (b) Payment of supplemental school levies authorized pursuant to section [33-802](#), Idaho Code, excluding indefinite term supplemental levies described in section [33-802](#) (5), Idaho Code;
- (c) Payment of school plant facility levies authorized pursuant to sections [33-804](#) and [33-804A](#), Idaho Code; and
- (d) Any moneys that remain following the payments provided in paragraphs (a) through (c) of this subsection may be: used for construction of a new school facility, renovation, or maintenance needs; used to secure and make payments on a new school facilities bond; or saved in a reserve account by the school district for future school facility needs. Uses of funds shall include regular and routine facilities maintenance, including preventive maintenance, building repairs, and building security, and periodic major facilities projects that involve planning, design, construction, renovation, retrofitting, and replacing of buildings and building systems, components, and features, as well as site acquisition, site improvements, and new construction.

(3) The amount of moneys received by a school district pursuant to this section must be deducted from a school levy that would otherwise have been paid by property taxpayers. Such moneys may not be duplicated by the collection of property tax, and no property taxes may be collected in order to make extra payments on expenses described in subsection (2) of this section in excess of required amounts.

(4) Each school district shall identify the amount received in the current year pursuant to this section in the certification of its budget in accordance with section [63-803](#), Idaho Code. Said amount must be subtracted from the amount to be levied. The amount of moneys thereby saved from being collected by a property tax levy shall be reported on each property tax notice pursuant to section [63-902](#), Idaho Code.

(5) Each school district shall report annually to the state department of education, in a manner prescribed by it, on the expenditure of moneys it has received pursuant to this section. The state department of education shall present the reports to the legislature each January.

(6) For the purposes of this section, the Idaho school for the deaf and the blind shall be considered a school district and shall receive a distribution based on the average daily attendance of the school.

(7) (a) For state fiscal year 2025 only, any school district that would have received support from the bond levy equalization support program for a qualified bond passed prior to January 1, 2024, and for which property taxes were levied in property tax year 2023 pursuant to the amount intended by the bond shall receive a distribution of funds from the distribution provided under subsection (2) of this section of at least as much as would have been provided through bond levy equalization support on July 1, 2024.

(b) For state fiscal year 2026 only, any school district that would have received support from the bond levy equalization support program for a qualified bond passed prior to January 1, 2024, and for which property taxes were levied in property tax year 2024 pursuant to the amount intended by the bond shall receive a distribution of funds from the distribution provided under subsection (2) of this section of at least as much as would have been provided through bond levy equalization support on July 1, 2025.

(c) The state department of education may adjust distributions for remaining districts proportionally as necessary pursuant to this paragraph. On and after July 1, 2024, school districts may use funds provided in this section and section [33-913](#), Idaho Code, to offset the bond levy equalization support.

[33-911, added 2023, ch. 200, sec. 2, p. 542; am. 2024, ch. 237, sec. 4, p. 825; am. 2024, ch. 302, sec. 2, p. 1012.]

33-912. SCHOOL MODERNIZATION FACILITIES FUND. (1) There is hereby created in the state treasury the school modernization facilities fund. The fund shall consist of moneys provided pursuant to section [63-3638](#)(19), Idaho Code.

(2) Moneys in the fund are hereby continuously appropriated solely for the purpose of making annualized distributions to school districts electing to receive distributions and for paying the principal, interest, and other amounts required for education bonds issued by the Idaho state building authority for the state department of education in accordance with the provisions of this chapter.

(3) Moneys in the fund shall be paid by the state department of education to districts electing annual distributions and to the Idaho state building authority as required for annual debt service and other expenses relating to the bonds issued pursuant to section [33-913](#), Idaho Code.

(4) The state treasurer shall invest the idle moneys of the school modernization facilities fund, and the interest earned on such investment shall be retained by the school modernization facilities fund.

[33-912, added 2024, ch. 237, sec. 14, p. 829.]

33-913. ISSUANCE OF BONDS -- SCHOOL MODERNIZATION FACILITIES FUND. (1) The Idaho state building authority is hereby authorized to issue bonds from time to time as needed for the state department of education, secured by unobligated moneys in the school modernization facilities fund established in section [33-912](#), Idaho Code, for the purpose of providing funds to the state department of education for distribution to eligible school districts as provided in this section.

(2) Bonds shall be issued with maturities of no more than ten (10) years from the date of issuance.

(3) (a) The annual debt service and related expenses of the Idaho state building authority for bonds issued under this section may not exceed the amount available from continuing appropriations of the school modernization facilities fund minus the annualized distributions elected by school districts.

(b) In times of economic recession in which sales tax receipts fall below prior year levels, the legislature may consider temporarily ceasing annualized distributions for those districts electing such annualized distributions. In the case of school districts that elect a lump sum, annual debt service and related expenses of such bonds may be covered during the economic recession by withholding other payments that would be made available to the district in response to the economic recession, such as distributions of rainy day funds or federal recovery funds.

[33-913, added 2024, ch. 237, sec. 15, p. 829.]

33-914. ANNUALIZED OR LUMP SUM DISTRIBUTION -- SCHOOL MODERNIZATION FACILITIES FUND. (1) School districts may elect to receive their distribution as a lump sum from the net proceeds of the bonds paid to the state department of education. School districts may alternatively request to receive their distribution in annualized amounts, which shall be subject to the order of priority specified for the school district facilities fund established in section [33-911](#), Idaho Code. The state department of education shall establish a process for school districts to elect a lump sum or annualized distribution or a combination thereof in alignment with the dates specified in section [33-911](#), Idaho Code. Annualized distributions shall be distributed to school districts no later than August 31 each year, to those school districts electing such distributions prior to that date.

(2) If a school district elects not to receive either an annualized distribution or a lump sum amount or fails to make a selection by July 1, 2025, the amount the school district would have received shall be transferred to the school district facilities fund created in section [33-911](#), Idaho Code, for distribution to all schools according to the provisions of section [33-911](#), Idaho Code.

[33-914, added 2024, ch. 237, sec. 16, p. 830.]

33-915. FIXED DISTRIBUTION -- SCHOOL MODERNIZATION FACILITIES FUND. [EFFECTIVE UNTIL JUNE 30, 2034] (1) The state department of education shall establish a fixed distribution of funds to be made available for voluntary election to each school district subject to the conditions in this section.

(a) The distribution shall be calculated in state fiscal year 2025 for each school district, as defined in section [33-1001](#)(21), Idaho Code, that is in operation as of July 1, 2024.

(b) The distribution shall be calculated by multiplying the following two (2) factors, both of which shall be based on the most recent data available in the state fiscal year coinciding with the distribution calculation:

- (i) Calculate the per-pupil amount, using the average daily attendance calculation provided in section [33-1003A](#), Idaho Code, for each student in kindergarten through grade 12 at physical facilities that are part of and on school grounds of the school district in which the student is enrolled with verification, as needed, by the office of the state board of education. Upon formal approval by the state board of education, a school district may receive an exemption to the physical facility requirement pursuant to this subsection if the student would have attended a physical facility in the school district if not for a stated emergency; and
- (ii) Calculate, together with the Idaho state building authority, the total amount that a bond issuance would generate, based on the amount established in section [63-3638](#)(19), Idaho Code.

(c) In no case shall the amount awarded to any school district be less than twenty-five thousand dollars (\$25,000) over the ten (10) year period.

(d) In no case shall the amount awarded to any school district with an active charter district maintenance and operation levy pursuant to section [33-802](#)(6), Idaho Code, or a charter district supplemental maintenance and operation levy pursuant to section [33-802](#)(4), Idaho Code, exceed forty million dollars (\$40,000,000) over the ten (10) year period. Excess funds shall be distributed proportionately according to the factors established in paragraph (b) of this subsection to remaining school districts that received initial allocations below forty million dollars (\$40,000,000). Any districts receiving reallocations under this paragraph shall not exceed forty million dollars (\$40,000,000).

(e) For the purposes of this section, the Idaho school for the deaf and the blind shall be considered a school district and shall receive a distribution based on the average daily attendance of the school.

(2) The provisions of this section shall be null, void, and of no force and effect on and after June 30, 2034.

[33-915, added 2024, ch. 237, sec. 17, p. 831.]

33-916. ELIGIBILITY OF SCHOOL DISTRICTS FOR SCHOOL MODERNIZATION FACILITIES FUND DISTRIBUTIONS. The state department of education shall not approve school district requests for annualized distributions or for distribution from the applicable bond proceeds until the following conditions are satisfied:

(1) The school district has submitted a ten (10) year facilities plan in accordance with provisions of section [33-918](#), Idaho Code;

(2) The school district attests that it meets the minimum student instructional day or hour requirements of the state board of education, which requirements shall be adopted no later than August 1, 2024, and implemented no sooner than July 1, 2025. The state board of education may phase in such requirements over a multi-year period; and

(3) The school district attests compliance with the dignity and nondiscrimination in public education requirements specified in section [33-138](#), Idaho Code, and further attests that the school district does not require job applicants to sign written diversity statements.

[33-916, added 2024, ch. 237, sec. 18, p. 832; am. 2024, ch. 302, sec. 3, p. 1013.]

33-917. SCHOOL DISTRICT USE OF FUNDS -- SCHOOL MODERNIZATION FACILITIES FUND.

(1) (a) Moneys distributed to a school district shall be used for school facility construction, renovation, or maintenance needs or, in the case of school districts electing annualized distributions, funds shall be used subject to section [33-911](#), Idaho Code. Uses of funds shall include regular and routine facilities maintenance, including preventive maintenance, building repairs, and building security, and shall also include periodic major facilities projects that involve planning, design, construction, renovation, retrofitting, and replacing of buildings and building systems, components, and features, as well as site acquisition, site improvements, and new construction.

(b) Any funds distributed by the state to school districts for facilities must be used only for the purposes described in this subsection. Any funds intended for facilities but used for another purpose shall be returned to the state by the school district and deposited to the school modernization facilities fund. If the school district fails to return such funds, an amount equivalent to the misused funds shall be deducted from the state's next payment to the school district pursuant to this chapter or [chapter 52, title 33](#), Idaho Code.

(2) All funds shall be used for school facilities directly related to the school district's core educational mission. No funds shall be used for facilities with a primary athletic purpose.

(3) Each school district shall annually report to the state department of education, in a manner prescribed by the state department of education, on the planned and actual expenditure of moneys it has received pursuant to this section.

(4) A model school facility council shall be created by July 1, 2024, to research, adopt, and recommend a model school facility plan that schools shall abide by when using school modernization facilities fund moneys pursuant to the plan adopted in paragraph (c) of this subsection. The council shall:

(a) Be chaired by the executive director of the office of the state board of education, with administrative support provided by the office of the state board of education;

(b) Consist of nine (9) members, with three (3) members appointed by the governor, three (3) members appointed by the speaker of the house of representatives, and three (3) members appointed by the president pro tempore of the senate; and

(c) Adopt a model school facility plan and submit it to the legislature by July 1, 2026, that:

- (i) Outlines a clear plan for school facility construction, including standardization for elementary schools, middle schools, and high schools;
- (ii) Considers potential variability of school properties, objectives, and goals; and
- (iii) Consults all necessary experts to develop a thorough plan for school facilities to guide the use of funds from the school modernization facilities fund.

[33-917, added 2024, ch. 237, sec. 19, p. 832; am. 2024, ch. 302, sec. 4, p. 1014.]

33-918. BEST PRACTICES PLAN FOR SCHOOL FACILITIES. The state department of education shall draft a best practices maintenance plan for school facilities that shall be supplied to the superintendent of each school district. Based on the best practices plan, each school district shall develop a ten (10) year plan and submit it to the state department of education for approval outlining its anticipated construction, renovation, and maintenance needs. Such plan shall be submitted in advance of receiving a distribution from the school modernization facilities fund, pursuant to the provisions of this chapter. The plan shall outline the resources and steps necessary for all school buildings in the school district to be in good or perfect condition. The plan shall also take into consideration population trends and changing preferences in the delivery of education within the school district.

[33-918, added 2024, ch. 237, sec. 20, p. 833.]