ISBA 2027 - FLOOR RESOLUTION
PRESENTED DURING THE 2026 ANNUAL BUSINESS SESSION

EQUALIZING MEDICAL SUPPORT UNIT FUNDING TO ADDRESS TRUST SHORTFALLS

WHEREAS, the Idaho Department of Insurance is responsible for the oversight of health benefit plans operating within the state, but did not adequately oversee the Idaho School Benefit Trust, leading to late-identified financial discrepancies; and

WHEREAS, the 2026 Idaho Legislature provided a 14.4% increase to Local Education Agencies (LEAs) for medical support units that were part of the State Insurance pool, while providing only a 10.83% increase to all other LEAs for Fiscal Year 2027; and

WHEREAS, this disparate legislative action created an inequitable 3.57% funding gap between school districts utilizing different insurance structures; and

WHEREAS, due to the delayed identification of the actual insurance cost increases for Fiscal Year 2026—which were not fully realized until after the Fiscal Year 2027 budgets were already approved—LEAs are now forced to retroactively absorb a shortfall exceeding $13 million;

NOW, THEREFORE, BE IT RESOLVED, that the Idaho School Boards Association membership urges the 2027 Idaho Legislature to approve a retroactive funding adjustment to ensure all LEAs receive the full 14.4% increase for Fiscal Year 2027 medical support units; and

BE IT FURTHER RESOLVED, that the Idaho Legislature appropriate the remaining 3.57% balance to those LEAs that only received the 10.83% increase, thereby rectifying the $13+ million shortfall and restoring funding equity to all Idaho public school students and staff.

STATEMENT OF PURPOSE

The purpose of this resolution is to request that the Idaho Legislature equalize the funding increase for medical support units across all Idaho Local Education Agencies (LEAs) for FY27. Discrepancies in state oversight and delayed financial data forced non-state-pool LEAs to absorb a retroactive collective shortfall of over $13 million. Partially rectifying this 3.57% gap ensures that local educational funding is not disproportionately diverted from classrooms to cover structural healthcare discrepancies.

FISCAL IMPACT

- **State Impact:** The Idaho Legislature would need to allocate a supplemental appropriation during the 2027 legislative session to fund the **3.57% differential** for all non-state-pool LEAs, partially resolving the **$13,051,304.64 statewide deficit** that was passed down to local districts.
- **Local Impact:** For the 108 participating school districts, charter schools, and educational organizations, this measure would provide approximately an additional **$22 per employee/ dependent monthly** that currently comes out of existing general funds or is paid for by levy dollars.

SUBMITTED BY:
West Bonner County School District No. 83
Boundary County School District No. 101

PASSED

AYES 7812

NAYS 604