

# CAPITOL



By Karen Echeverria, Executive Director

**“Just as they did in Philadelphia when they were writing the constitution, sooner or later, you've got to compromise. You've got to start making the compromises that arrive at a consensus and move the country forward.” -Colin Powell**

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## **JUST WHEN WE THOUGHT...**

When I left the office on Thursday night, I thought the Legislature would be done on time (March 24) and maybe even early. The Senate was on the floor and about to begin work on the tax bill that had been sent to the amending order. While in committee, it was clear that this was the deal leadership believed had been agreed upon.

By the time I had driven home, the big domed building in downtown Boise had been turned upside down. While all the education related legislation was essentially completed, the “deal” that had been cut on taxes had completely fallen apart. I’ll include more about that below.

As I indicated last week, the going home legislation will relate to taxes (as always) and transportation (not education). Those two pieces of legislation are still in play. While the education appropriation bills have not yet passed both houses, I still firmly believe they will eventually move forward in their current form. But, they won’t move forward until both chambers have come to terms on what taxes and transportation will look like next year.

### **What Now?**

For the most part, any legislation that we either supported or opposed is complete. There are a few pieces that will go to the opposite chamber but we are neutral on those and they will likely pass. We feel like we had a good year this year. While we did not run much legislation, we played a lot of defense. We killed a lot of legislation that would have been bad for public schools. We feel good about that.

The Government Affairs Committee finished their work last Friday. And, this will be the 2<sup>nd</sup> to last issue of Capitol Notes. The last issue will do a final recap of the tax legislation noted above and include the table of the legislation we have been tracking. That table will indicate the final outcome of each piece.

### **Thank you, thank you, thank you!**

I do want to take a minute and thank all of you for reaching out to your legislators on several different bills. It made a huge difference and it worked! Because of your efforts, we were able to keep several bad pieces of legislation from moving forward.

Jess and I always say that we can't do this on our own. We need you and your efforts paid off this session. So, thank you again for all your hard work. We really appreciate it.

### **Education bills – we finished this week**

#### **SB1103 - Trustee Elections**

This is the legislation that would have moved trustee elections to November of even years with the Presidential election and required zone lines to be drawn along precinct lines. Because of your hard work, the sponsor realized she did not have the votes on the floor of the Senate to get it passed. As such, she pulled the bill back and it was not debated on the floor of the Senate.

With that said, I don't think this legislation will go away and will be back next year. I think ISBA will need to be proactive and see if there is anything that we can do to head this off at the pass by running some legislation of our own next year related to elections.

#### **HB270 (formerly HB189 and formerly HB134) Election Communications**

This legislation made it through the House. Despite being amended, we still had significant concerns about some of the language in the bill and continued to oppose it.

Once again, because of your efforts, we have heard that the Senate Chairman will not hear the bill. We believe the bill is dead for this year. As with SB1103 above, we believe we will need to be proactive on this topic as well for next year.

ISBA bond counsel has indicated they believe some clarity in the law would be helpful. Obviously, this bill was not it but we can work on language for next year.

#### **HB67 – Income Tax Reduction**

The following information was compiled with the assistance of the Idaho Association of Cities.

In a dramatic turn of events Thursday afternoon, the Senate amended an income tax relief bill to strip out the income tax provisions and replace those provisions with repealing the sales tax on food. In addition to repealing the sales tax on food, the bill also repeals the grocery tax credit. House Bill 67 as amended will be debated and voted on soon on the Senate floor, perhaps as early as this morning.

### Impact on Cities and Counties

The amendment provides no replacement revenue for local governments' sales tax revenue sharing and would result in a major financial hit to cities, counties and non-school special districts when fully implemented. The Association of Idaho Cities is working to ascertain the exact fiscal impact to cities and counties on this legislation and will be making legislators aware of the same.

Sales tax revenue sharing to cities and counties dates back to 1967 when the Legislature exempted business inventory from property taxation. To hold local property tax budgets harmless, the Legislature began sharing state sales tax revenues with cities and counties. Since that time, the Legislature has dedicated sales tax revenue as replacement funding for revenue lost to local government budgets due to tax exemptions (i.e.: loss of federal revenue sharing, agricultural equipment property tax replacement funding, business personal property tax replacement funding, property tax reduction program, etc.). They are asking that the Legislature continue with this tradition and provide replacement funding to cities for any loss of revenue sharing attributed to the grocery tax.

### Impact on the State General Fund

Repealing the sales tax on groceries means the state will collect less in sales tax revenue. Some estimates indicate that total sales tax collections may drop by as much as 15%. Most of the lost sales tax revenues will be offset by savings to the state by no longer offering the income tax credit. The estimate of the actual impact of this legislation from various sources ranges widely from only \$18 million in the first year up to close to \$50 million.

There is also a valid concern about stability of sales tax revenue. The revenue from the sales tax on food is the most stable part of the state's sales tax revenue. Obviously, we will be watching closely to monitor any proposed impact to the general fund.

### **School-based Medicaid Reimbursement**

As I indicated last week, we reached an agreement with the Governor's office related to this issue. As such, the Governor signed an Executive Order yesterday that creates the Interagency Student Services Support Committee (ISSSC). One of the co-chairs will be from either the Idaho School Boards Association or the Idaho Association of School Administrators. That means that education will be represented as a co-chair. That is good news!

In addition to the committee, the Idaho Department of Health and Welfare is working on a rule that will allow public schools to bill for services from the date they begin providing them as long as the IEP is signed within 30 days. We will watch this rule closely and keep you updated through the interim but it could bring significant dollars back to our public schools.

## **ISBA LEGISLATION BASED ON RESOLUTIONS**

Below is our progress on each of the ISBA Resolutions. If there is a change from last week, that text is *italicized*.

### **Public Notice Alternatives (2016) – Legislation Needed**

**Status:** The Newspaper Association is adamantly opposed to this legislation. We have tried to find some language that they might be able to support but have, thus far, been unsuccessful.

### **Discussion of Sale of Public Property within Executive Session (2016) – Legislation Needed**

**Status:** We attempted to come to consensus with the Newspaper Association on this issue last year, but were unable to do so. We are currently working with some of our partners who are also impacted by this legislation to assure that they are in agreement as well. We remain hopeful that we can draft legislation that will meet everyone's needs.

### **Optimize the Reimbursement of School-Based Medicaid Program (2016) – SB1095**

**Status:** *See the notes above on this legislation*

### **Administrators in Districts with Remote Schools (2016) – Legislation Needed**

**Status:** We continue to have discussions with the Senate Education Chair and the main sponsoring school district on this issue. We do not believe the Chair will hear this legislation.

### **Beyond the Smarter Balanced Assessment Consortium Test (2016) – Work with the State Department of Education and the State Board of Education**

**Status:** We continue to work with the State Department of Education and the State Board of Education to assure that we are involved in discussions with any next steps when it comes to statewide student testing.

### **Information on Past Job Performance Requirements (2016) – Held at the request of the sponsoring school district**

**Status:** The sponsoring school district (Moscow), has asked us to hold off on legislation for this year.

### **Retention of Retired Teachers (2017) – HB113**

**Status:** The State Board of Education has drafted legislation that will allow school districts to rehire teachers who have retired at the age of 60 – it is currently age 62. This legislation passed the House and the Senate and is awaiting the Governor's signature.

## **Funding School Construction (2017) – Legislation Needed**

**Status:** The sponsoring district is working with their local legislator in hopes of drafting some legislation to address this issue. There are several ways to address it but most would include a tax increase. After meeting with the sponsoring district, West Ada, they have decided not to move forward with this legislation this year. The district has some ideas about how to address this, but they would like to get input from districts throughout the State on their proposal and try to move it through the Public School Funding Formula Committee.

## **Reducing the Supermajority for School District Bonds (2017) – HJR3**

**Status:** It requires a constitutional amendment so would take 2/3 of the House and 2/3 of the Senate to approve it. At that time, it would go on the ballot for the citizens to determine if this is good public policy. As noted previously, HJR3 printed, but has been held at the desk. We will continue to see if we can make progress on this issue.

## **Reduce the 2/3 Majority Vote Requirement to go into Executive Session – Legislation Needed**

**Status:** This legislation is drafted. As we feared, the Newspaper Association is opposed to this legislation. We are also hearing that the Attorney General may be opposed as well. The Newspaper Association is opposed to anything that allows Boards to do business behind closed doors. We are still working to see if we can narrow the language down to include instances when there are so many vacancies on the Board that the remaining Board members would not be able to make the 2/3 majority. For instance, if there are two vacancies on a five member Board, that constitutes a quorum but does not meet the 2/3 majority requirement.

## **Opposition to Amending Article IX Section V of the Idaho Constitution (Blaine Amendment)**

**Status:** This resolution requires ISBA to oppose any legislation that would ask for an amendment to the constitution. This amendment would allow public funds to flow to private and parochial schools. We are hearing that this legislation will not receive a hearing this year.

## **Rural School Centers – HB223**

**Status:** This bill passed the House and is headed to the Senate. However, neither the public education budget nor Superintendent Ybarra's budget contained funding for rural schools. *Chair Mortimer has indicated that he is not going to hear the bill. However, he has formed an ad-hoc committee that he hopes will work on this issue over the interim. The committee will meet for the first time tomorrow and we will be represented.*

## **Salary Based Apportionment for Classified Employees – Legislation Needed**

**Status:** There are many ways to address an increase in funding for classified staff. That could include changing the factor or simply increasing the total dollars in this line item. Because of the significant amount that will likely be placed in teacher's salaries this year, we may need to

wait until next year before we begin addressing this issue. We will, however, continue to ensure that the Funding Formula Interim Committee is aware of our needs in this area.

## **STAY TUNED**

You can view any bills that are moving through the Legislature at the following link:

<https://legislature.idaho.gov/sessioninfo/2017/legislation/>

If you want to listen in to committee meetings or watch debate in JFAC or on the floor of either chamber, that link can be found at:

<http://idahoptv.org/insession/leg.cfm>

## **ISBA Bill Tracker 2017**

Bills highlighted in purple are based on ISBA Resolutions

Bills highlighted in red are dead

Bills highlighted in green have become law

Bill #	TITLE	STATUS	POSITION
HB37	Vacant Land Owned by School Districts		Neutral
HB67	Income Tax Reduction		Oppose
HB68	Business Personal Property Tax Exemption	Reprinted as HB117	Oppose
HB70	STEM School Designation		Neutral
HB74	Public Charter School Commission Appointment		Neutral
HB105	Teacher Preparation Programs		Neutral
HB113	Retired Teachers		Support
HB117	Business Personal Property Tax Exemption		Oppose
HB134	Public Expenditures on Elections	Reprinted as HB189	Oppose
HB181	Local Government Investment Pool		Neutral
HB186	Education Opportunity Act – Wireless Resources Added		Neutral
HB189	Government Interference in Elections	Reprinted as HB270	Oppose
HB196	School Closure on Election Dates	Died in Committee	Oppose
HB199	Pay for Success		Neutral
HB223	Rural Support Networks		Support
HB228	Parental Portal		Neutral
HB234	Scholarship Tax Credits		Oppose
HB240	Firearm Safety in Schools	Died in Committee	Neutral
HB241	Charter School Petitions and Exemptions		Oppose
HB242	Instructional Hours Waiver		Support
HB252	Student Data Security Systems		Neutral
HB253	Defining Instructional Staff		Neutral
HB254	Removing Term Limits on Charter School Commissioners		Neutral
HB258	Charter Schools – Removal of Teacher Certification	Pulled by the Sponsor	Oppose
HB262	Funding Distribution for Counseling Support		Neutral
HB264	Labor Negotiations – 50% +1 requirements		Neutral
HB270	Nongovernment Interference – Bonds and Levies		Oppose
HB271	Quality Educator Program		Neutral
HB279	Charter School Petitions		Neutral
HB284	Appropriations – Administrators		Support
HB285	Appropriations – Teachers		Support
HB286	Appropriations – Operations		Support
HB287	Appropriations – Children’s Services		Support
HB298	Appropriations – Facilities		Support
HB289	Appropriations – Central Services		Support
HB290	Appropriations – School for the Deaf and the Blind		Support
HB295	Appropriations – SBOE – CTE		Neutral
HB298	Appropriations – STEM Action Center		Neutral
HJR3	Reducing 2/3rds Requirement for Bonds		Support
HCR12	Reauthorize Funding Formula Committee		Support
HCR14	Idaho Questions on Civics Test		Neutral
HCR26	Sonia Galaviz Recognized, Teacher of the Year		Neutral
SB1014	School Technology Plans		Neutral
SB1015	Education Definitions Revised		Neutral
SB1018	School Accountability Report Cards - Repeal		Neutral
SB1019	School Safety Patrol Penalties – Repeal		Neutral
SB1029	Defining Academic Credit to Mean Career Technical as well		Neutral
SB1030	Clarifies that Non-public students can utilize dual Enrollment in Charter Schools		Neutral
SB1033	Clarification in Student Data Privacy Requirements		Neutral
SB1034	Broadband Infrastructure Improvement Grant		Neutral
SB1041	Public Education Stabilization Fund		Neutral
SB1050	Immunization Exemptions		Oppose

<b>SB1059</b>	Master Educator Premiums		Neutral
<b>SB1074</b>	Procurement		Support
<b>SB1094</b>	Teacher Applicants – Criminal History Checks		Support
<b>SB1095</b>	School-Based Medicaid Reimbursement		Support
<b>SB1096</b>	Health Insurance Reimbursement – Line Item	Not funded by JFAC	Neutral/Support
<b>SB1097</b>	Master Schools Premium		Oppose
<b>SB1103</b>	School District Elections – Zone Boundaries, Date Change		Oppose
<b>SB1121</b>	Safe Routes to Schools		Neutral
<b>SB1123</b>	Activities Transportation		Neutral
<b>SB1140</b>	ParaPro Pathways to Certification	Pulled by the Chairman	Neutral
<b>SB1148</b>	Continuous Improvement		Neutral
<b>SB1149</b>	Career and Technical Ed Performance Measures		Neutral
<b>SCR117</b>	Rejection of Literacy Plans and Mentoring Plans Rules		Neutral
<b>SCR118</b>	Rejection of School Bus Operation Rules		Neutral
<b>SCR119</b>	Rejection of portions of the High School Graduation Requirements		Neutral