

CAPITOL



By Karen Echeverria, Executive Director

“A great economy requires great public schools.”
- Doug Ducey

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Issue 4

TWO MORE WEEKS FOR BILL PRINTING

Wow! I can hardly believe that the deadline to print bills is only two weeks away. We are hearing that leadership has already told the Chairs to get everything printed in that time frame. There are, of course, privileged committees where legislation can be printed after that two week time frame, but leadership is trying to keep that to a minimum.

That indicates that the session will be a short one. That is good news and bad news. It means that we only have two weeks to get our school-based Medicaid legislation printed so that puts some pressure on. It also means that the Legislature will be working hard to push legislation through quickly – like tax legislation. It won't give us much time to work against legislation that we don't think will be beneficial to school districts and charter schools.

THREE MAIN AREAS OF FOCUS **TAXES, SCHOOL BASED MEDICAID, AND EXECUTIVE SESSION**

In order to be as effective as we can with legislation, we try to focus on those items that will either have the biggest benefit or could cause the greatest harm. During the Government Affairs Committee (GAC) meeting this past Friday, staff asked the GAC to prioritize our main issues. All three of these issues will have significant opposition to ISBA's position. That means we are going to need to have all of you help us. While we will talk with legislators at the Capital, it is much more effective if they hear from you. It is also much more impactful on their decision making. After much discussion the GAC chose these three issues and asked that we focus on them in the following order:

School-Based Medicaid Reimbursement

I know that I spent considerable time in last week's issue discussing this topic, so I won't do so again in this issue. If you missed last week's issue, they are all available on our website. The GAC voted to focus on this issue because it could have the greatest positive financial impact on school districts and charter schools. As discussed below, we aren't quite ready to print the bill but when we do, we will reach out to you to contact your legislators.

HB67 – Income Tax Reduction

Last week the House passed HB67 which reduces the individual income tax rate and corporate rate for the top bracket from 7.4% to 7.2% as well as eliminates the tax on the first \$750 of taxable household income. This legislation moved very quickly from print to bill hearing to being passed on a party line vote with all House Republicans voting in favor and all House Democrats voting against it.

The legislation would reduce Idaho's general fund revenue by \$51 to \$56 million dollars annually. As you all know, a majority of general fund spending supports education. Furthermore, the Idaho Center for Fiscal Policy conducted an analysis of the impact of this legislation that you can find here: <http://idahocfp.org/house-bill-67-fiscal-analysis-and-idahos-current-budget-context/>. This analysis demonstrates that most Idaho households would not see a significant change in their tax bill from this legislation.

A recent public opinion survey, conducted by Boise State's School of Public Service, found a majority of Idahoans prefer to either save additional revenue or invest those funds in other areas of the budget, especially education. Additionally, business leaders continue to call for a stronger education system and most Idahoans are satisfied with our current tax system.

HB67 would have a significant impact on the main source of revenue for Idaho's public schools. We urge you to contact your Senator and request that they oppose this legislation. You can find a list of Senators as well as their email addresses here: <https://legislature.idaho.gov/senate/membership/>.

We cannot stop this legislation in the Senate without your help!

Executive Session

We actually have two executive session resolutions – one from last year to be able to discuss the sale of public property in executive session and one from this year related to being able to use a simple majority rather than a 2/3 majority to go into executive session.

Both issues are being opposed by the Newspaper Association and the simple majority issue has also raised some concerns with the Attorney General.

The executive session law impacts all public entities, not just charter schools and school districts. As such, if we make amendments to that statute, it would go through the State Affairs Committee and not the Education Committee. We are not as familiar with the State Affairs

Committee as we are with the Education Committee. As such, we tried to carve out an exception for school districts and put that in the Education Code.

We continue to work to see if we can carve out an exception that would be acceptable to everyone. The biggest issue for most school districts is what happens if/when you have two vacancies. The law allows you to continue to do business because you have a quorum but you can't go into executive session because you don't have a 2/3 majority. I'm hopeful that we can at least carve out that exception.

As you can imagine, the Newspaper Association is a powerful lobbying group. Not only can they use their newspapers to convince people that our legislation is good or bad, they can also support or oppose legislators. That makes it hard for legislators to vote against them.

We will keep you posted if we are able to find an exemption and get some legislation printed. At that time, we will ask that you contact your legislator.

OTHER LEGISLATION WE ARE WATCHING

While we try to keep our main focus on legislation related to our resolutions, there are several other pieces of legislation that we watch closely. You can always review the list of all education related legislation on the last page of this document. However, there is one that I would like to bring to your attention.

SB1041 – Public Education Stabilization Fund. This is the fund that is accessed at the end of the year – either to return funds or withdraw funds. When the public education budget is built each year, the State Department of Education and the Governor estimate how many more support units we will need to deal with growth. If they over estimated those support units, the excess funds that were appropriated are deposited into the account. If they under estimate those support units, they withdraw from the fund to pay for the under-estimation.

In addition to the yearly withdrawal or deposit, this fund was drained dry during the recession in an effort to provide as much money to school districts and charter schools. Over the last few years both withdrawals and deposits have occurred. There have been more withdrawals than there have been deposits.

This legislation would require that we deposit as much money into the fund as is withdrawn each year. In other words, if \$5 million is withdrawn to cover an underestimation in support units, then \$5 million would need to be deposited.

REMINDERS

Day on the Hill is scheduled for February 20-21 and will be held at the Grove Hotel again this year. In addition to testifying in front of the House and Senate Education Committees, Lt. Governor Brad Little will be our Keynote Speaker on Monday. He has indicated that he will talk for 15 minutes or so and will take questions for the remainder of the hour.

You can find all details regarding Day on the Hill on the website at: <http://idsba.org/dayonthehill>. This includes the agenda, registration, and more. And, bring your questions for the Lt. Governor! We hope to see you there!

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) – Legislation Needed - Legislation

Status: After spending two years trying to work with the Department of Health and Welfare to find a resolution to this issue, we have decided to run legislation. The legislation is drafted and we have secured at least one sponsor. *We met with both of the Education Chairs and several other legislators this past week. The Education Chairs are meeting with representatives of the Department of Health and Welfare on Monday. We will meet again next week and decide what our next steps should be.*

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) – SBOE is drafting legislation

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 will be printed this week and we will stand in support.*

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, we have decided not to move forward with this legislation this year. The district has some ideas about how to address this. They would like to work with the Interim Funding Formula Committee to see if they can provide some relief for school construction as well as get input from districts throughout the State on their proposal.*

Reducing the Supermajority for School District Bonds (2017) – Legislation Needed

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. We believe we have a sponsor for this Constitutional Amendment and are working on moving it forward.

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

Status: *We received the final version of this legislation. As we discussed last week, the legislation will only provide funding for up to three years for any "Rural Support Network". In addition, we are still not sure where the funding will be placed. The GAC voted to support the legislation if the funding comes from the Superintendent of Public Instruction budget. They also wanted a yearly report to the Legislature as to whether or not the Network was a benefit to the school districts or charters that participated in it.*

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>

