

CAPITOL



By Jess Harrison, Director of Government Affairs

“To the extent that we are all educated and informed, we will be more equipped to deal with the gut issues that tend to divide us.” -Caroline Kennedy

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Issue 8**

HELLO, IT'S ME... AGAIN

I wanted to take a brief moment to let the readers of *Capitol Notes* know that I, Jess Harrison, am back writing another issue for 2017. It was a busy week at the Capitol, and Karen and I appreciate your ongoing support as we enter what we hope are the final few weeks of the session.

JFAC SETS PUBLIC SCHOOLS BUDGET

The Joint Finance and Appropriations Committee (JFAC) took action last week to set the public schools budget. JFAC approved a 6.3% increase in general funds for fiscal year 2018 which equates to approximately \$100.6 million in new dollars for public schools. The budget included \$1.7 billion in general funds representing approximately half of the state's spending. JFAC funded the third phase of the career ladder at close to \$62 million, a 3% increase for classified and administrative staff salaries, \$5 million to increase classroom technology, and a \$4.25 million increase for teacher professional development.

The only contentious issue in the budget setting process centered on whether to create a separate line item for health insurance premium increases. The lengthy debate resulted in two competing motions. The one from Senator Mortimer to create a line item dedicated to health care costs failed. Instead, JFAC voted to adopt Representative Horman's proposal to divide operational funds into two separate pots for the purposes of tying one pot of money to health insurance. Her plan will bring the discretionary funds up from \$25,696 to \$26,748. \$15,506 of

the \$26,748 will remain as discretionary spending. The remaining \$11,242 can be used for the district/charter employer costs for health premiums. If districts/charters spend less than \$11,242 on health insurance then they can use the remaining balance at their discretion. The proposal increases discretionary funds overall by \$15.9 million which is a 4.1% increase over the current fiscal year. The intent language included with this piece of the budget directs the Superintendent of Public Instruction to collect data on district/charter health insurance costs.

ISBA was pleased to see another year with over \$100 million in new general fund dollars going to K-12 education, along with the full funding of the career ladder and increases in operational funds. Additionally, we were glad that JFAC started down the path of compressing line items to give you all more flexibility in your local budgets.

UPDATE ON SCHOOL-BASED MEDICAID

Last week, Karen spent two afternoons negotiating the last pieces of the school-based Medicaid legislation. As with all negotiations, there is a lot of give and take. But, we believe that we have come to terms on the bill with both the State Department of Education and the Department of Health and Welfare. The draft language has been crafted and attorneys at both agencies are currently reviewing it. Once the attorneys have signed off, the bill will be placed on the agenda in the Senate Education Committee. Should we be successful, the bill will be sent to the amending order on the floor.

As for the bill itself, we were able to secure two major victories. First, a new policy committee will be formed that will include representatives from ISBA and the Idaho Association of School Administrators. The governance and mission of that committee is spelled out in the law. Furthermore, the first two tasks of that committee will be to tackle the two things we had to give up in order to get the legislation passed. One was Medicaid Administrative Claiming and the other was civil monetary penalties. We were able to win the day on receiving reimbursement for services from the day the service is provided. We will work that out in administrative rule and will begin that work next Thursday.

Karen always says that legislation is the art of negotiation. That was definitely the case here. You win some, you lose some. But, we moved the needle on this one for the first time in years. And, with the formation of this committee, we believe we will have the ability to move the needle on the other parts of this issue. Karen worked extremely hard to represent all of you on this important issue and her tenacity has won the day. Thanks Karen!

"SCHOLARSHIP" TAX CREDITS – HB234

This week the House Revenue and Taxation Committee agreed to print HB234 that would establish a scholarship granting organization and provide tax credits to those who donate to the "scholarships". The tax credit would equal 80% of the donation. I want to note the difference

between a tax credit and a tax deduction. Tax deductions reduce your tax liability or, in other words, the amount that you owe. So, you can use tax deductions to get the amount you owe down to zero. Tax credits on the other hand equal money that comes back to you. Thus, if you had enough tax deductions to get you to zero dollars owed and you had a tax credit, that's money the state would pay back to you. So, if you donated \$1,000 to the scholarship organization, you would get \$800 back in a credit from the state. This complicated tax scheme would then provide scholarships for students in private and/or religious schools. These scholarships would equal approximately 70% of the annual statewide average per pupil expenditure.

Rep. John Vander Woude, who sponsored the bill, indicated that this bill would actually generate an increase in the general fund because of the 30% difference between what it costs the state to educate a public school student and the 70% of the per pupil expenditure given by the scholarships.

Even though this legislation is couched in terms of tax credits and scholarships, it's essentially another way of getting a voucher system in Idaho. ISBA Government Affairs Committee (GAC) is strongly opposed to this bill. Tax credits are a use of public funds and they should not be used as a way to siphon funds away from our public schools to private and religious schools with no oversight or accountability. We hope you will join us in contacting your legislators to oppose this legislation!

OTHER TAX ISSUES STILL OUT THERE

We still have yet to see movement on the two other tax bills that are of concern. HB67 regarding Income Tax Reduction has passed the House floor and remains in the drawer of the Senate Local Government and Taxation Chair Dan Johnson. HB117 Business Personal Property Tax Exemption Increase has printed but has not yet been heard by the Revenue and Taxation Committee on the House side.

Another tax proposal surfaced this week in the form of a press conference to push for repeal of the sales tax on groceries and the corresponding grocery tax credit. There were 18 senators and representatives who met with the press to push for repealing the 6% sales tax on groceries. At the press conference, they announced they have 48 cosponsors for the bill, 16 in the Senate and 32 in the House.

They have not yet printed a bill and the Chair of the House Revenue and Taxation Committee, where all tax measures have to start, was non-committal on whether he would give their proposal a hearing. We hope we don't have to have this battle this late in the session, but we will keep you posted if any legislation prints.

UPDATE ON ELECTION BILL BATTLES

HB189 (formerly HB134) Election Communications

This legislation was heard in the House State Affairs Committee. ISBA and IASA testified in opposition to this bill that prevents public funds, resources, or property from being used to influence elections. It severely limits what information you could provide your patrons regarding bonds and levies. After a lengthy debate and hearing that spilled over into a second day, the Committee sent the bill to the amending order. While, there were some positive changes to the legislation in the amending order, we still do not believe that changes were enough to change our position. The GAC voted to continue to oppose this legislation. As such, we will be testifying in opposition if it gets a hearing in the Senate State Affairs Committee.

SB1103 - Trustee Elections

Senator Souza's legislation moving the date of the election and requiring that zone boundaries align with precincts has been sent to the Senate Education Committee. It will be heard this afternoon. ISBA, IASA, and the Association of Idaho Counties will all be testifying in opposition. We'd appreciate if you could contact members of the Senate Education Committee today and register your opposition.

CHARTER SCHOOL PETITIONS HB241

As we have previously discussed, we were aware that the Charter School Network (CSN) was going to bring legislation that will completely change the petitioning process, the renewal process, and exempt certain charter schools from many of the laws and rules related to education. Last week, a bill printed in the House Education Committee on Wednesday morning that made significant changes to the petition process and included an exemption for charter schools from most laws and rules.

Despite being told by the CSN lobbyist that we would be included on any legislation, that was not the case. Therefore, when the bill was quickly brought up for hearing Friday morning, ISBA testified in opposition to the bill on the basis that we had not yet had time to review the legislation and present it to our GAC and that we were not included in the drafting of the legislation prior to print.

When the GAC reviewed the legislation on Friday, they voted to oppose the bill because of issues related to very short time frames for districts to be notified about a charter petition and the exemption for laws and rules. The House Education Committee agreed to hold the bill at the call of the chair so that we would have time to work with the CSN and the other stakeholders and see if we could come to consensus on the language of the petition process piece. That meeting has been set for this afternoon. We are hopeful that, as we had requested, now that all stakeholders will work together we can get a bill that everyone can live with.

OTHER LEGISLATION

HB240 – Firearm Safety

This legislation was printed by Rep. Ron Nate. It authorizes and encourages school districts to adopt and offer an elective course in firearms safety education. It does not require school districts to offer these courses, it's completely optional and therefore the GAC did not feel the legislation was needed.

HB242 – Waiver of Minimum Instructional Hours

This bill would allow school districts to request a waiver of the minimum instructional hours from the State Board of Education when the entire district is impacted by unforeseen circumstances as a result of a natural occurrence and a county or state emergency declaration is declared. This legislation will help districts that were recently impacted by snow days. The GAC voted to support this legislation.

HCR14 – Idaho Questions on Civics Test

Starting with the 2016-2017 school year, graduating seniors in Idaho public schools and charter schools are required to pass a civics test. This House Concurrent Resolution requests that the Idaho State Board of Education adopt a rule providing that at least 20% of the questions on that test will be specific to Idaho state government and history.

SB1094 – Background Checks

This legislation allows the State Department of Education (SDE) to share the results of an educator's background check with the employing school district or public charter school. This practice will allow one set of fingerprints and one background check to count for both initial certification and employment. As the law currently stands, potential employees or the school districts or public charter schools have to pay for two background checks. The legislation would allow districts/charters to receive a copy of the background check results from the SDE in order to make employment decisions. The GAC voted to support this legislation.

SB1121 – Safe Routes to School

This legislation would establish a funding mechanism for future distribution to the Safe Routes to School Healthy Kids Program from potential state or other funding that will be deposited in the fund created by the State Treasury and distributed by the Local Highway Technical Assistance Council. Those funds would then be available for projects to build infrastructure and education programs providing access and encouragement for children to walk and bike to school safely.

SB1123 – Activities Transportation

During the economic downturn the transportation reimbursement model for public school districts and public charter schools was changed. This change prohibited the transportation costs for the mileage unrelated to transporting students to and from school thereby eliminating state funding for field trips. The purpose of this legislation is to restore funding to public school districts and public charter schools for travel expenses of field trips and other off-site learning opportunities.

UPDATE ON RULES

The two Education Committees have finally gotten through the last two rules this session. Unfortunately, we are not quite done, as the rule for college and career advising and literacy plans will have to go through a process for concurrence since the House and Senate Committees took different action in the portions each rejected. The Senate Education Committee rejected the same climate change portion of the new science standards as the House so the new science standards will go forward without references to climate change.

YOU CAN REALLY MAKE A DIFFERENCE

This is the point in the session where things start to move fast. Thus, it's even more important that we have your support in our advocacy efforts. We always say that we can't do this alone. **It is your calls and your efforts that really hit home with legislators and have an impact on their vote!**

So, don't stop your efforts. We still need you to contact your legislators to oppose election bills (HB189, SB1103) and tax bills (HB67, HB117) and HB234 on tax credit vouchers.

In case you don't know how to contact your legislators, here is a link to the Idaho State Legislature page. It can help you find out who your legislators are and then lets you contact them from this link:

<https://legislature.idaho.gov/legislators/>

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: 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. *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 Education Committee and is on the Senate Floor.*

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: *The State Department of Education printed and had a hearing on this legislation in the House Education Committee this week. The funding was not included in the public schools budget, and the fiscal note indicated the funds would come from the Superintendent of Public Instruction's budget pursuant to ISBA's resolution. Therefore, we supported the bill which passed out of Committee and is now headed to the House Floor.*

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		Oppose
HB196	School Closure on Election Dates		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		Neutral
HB241	Charter School Petitions and Exemptions		Oppose
HB242	Instructional Hours Waiver		Support
HJR3	Reducing 2/3rds Requirement for Bonds		Support
HCR12	Reauthorize Funding Formula Committee		Support
HCR14	Idaho Questions on Civics Test		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
SB1059	Master Educator Premiums		Neutral
SB1074	Procurement		Support
SB1094	Teacher Applicants – Criminal History Checks		Support
SB1095	School-Based Medicaid Reimbursement		Support
SB1096	Health Insurance Reimbursement – Line Item		Neutral/Support
SB1097	Master Schools Premium		Oppose
SB1103	School District Elections – Zone Boundaries, Date Change		Oppose
SB1121	Safe Routes to Schools		Neutral
SB1123	Activities Transportation		Neutral