

REPORT TO THE GOVERNOR AND
SUPERINTENDENT OF PUBLIC
INSTRUCTION

From the
School Facilities Task Force

February 2003

Introduction

The School Facilities Task Force, created jointly by the Governor and Superintendent of Public Instruction, was directed to examine Idaho's system of funding and maintaining school facilities. The Task Force met four times and found the following:

- The supermajority threshold of 66 $\frac{2}{3}$ affirmative to pass a school bond levy is in some cases prohibitive.
- On occasion, serious safety hazards exist in schools and there is no fail-safe method for local school district's board of trustees to remediate the hazard.
- There is a huge disparity among school districts in their ability to retire long-term debt on their own.
- Two of the leading causes of school facility deterioration are inadequate and neglected maintenance.

These four points summarize the Task Force's findings regarding school facilities in Idaho. Based on these findings, the Task Force has made four recommendations. Each recommendation requires that legislation be drafted in more detail, but the basic structure is complete and the Task Force believes it provides an adequate, fair system of school facility finance.

Recommendation 1 – School District Bond Approval Percentage

The legislature pass a resolution proposing an amendment to the Constitution of the State of Idaho to provide that a school district may incur indebtedness with the assent of sixty percent of the qualified electors if the election is held on one of the four uniform election dates as currently prescribed in law. Alternatively, a school district may incur indebtedness with the assent of two-thirds of the qualified electors at an election held on any other date.

Recommendation 2 - Emergency Safety Levy

The local school district board of trustees be given the option of imposing an emergency safety levy without voter approval based on the following criteria:

- The school district has received a written report from the Division of Building Safety or other appropriately licensed entity identifying and documenting an imminent or serious safety hazard.
- The school district has maximized its levying authority and exhausted its current funds, including lottery funds, plant facility funds, and any other available fund balance, to fix the safety hazard.
- The school district has asked its patrons to approve an additional levy to fix the safety hazard and it was rejected in an election.
- The school district has asked a district court judge for judicial review to determine if its cost estimates to fix the safety hazard are valid and if an emergency safety levy is a reasonable solution to the problem.
- If all the above steps have been completed and the judicial review finds in favor of the emergency safety levy, the school district board of trustees may proceed.

Recommendation 3 – Bond Levy Equalization Support Program Modification

Part A

The value index calculation for the bond levy equalization program be modified to provide that when it is more advantageous for a school district, the district's free and reduced lunch participation percentage may be substituted for county unemployment and per capita income data.

Part B

The value index below which school districts are eligible to receive additional (more than 10%) state financial assistance for the cost of annual bond interest and redemption payments be changed from 1.0 to 1.15.

Part C

Implementation would be the same as the specified in current statute, i.e., those bonds passed on or after September 15, 2002.

Part D

The state contribution be shown as a separate category in the public school appropriation and not included in the calculation of the distribution factor.

Recommendation 4 – Maintenance Fund

Part A

School districts be required to create a maintenance fund equal to one and one-half percent of the replacement value of their school buildings. The state would annually contribute one-half of the total of all such district funds. Of the state's portion, one-half would be based on each school district's school building replacement value and one-half would be based on the foundation program calculation ratio as determined each year by the State Department of Education. Each school district would contribute the remaining amount annually to bring its fund balance to the 1½ percent replacement value required. Any dollar amount in excess of the total needed for maintenance may be expended for school building capital improvement projects.

Part B

A 5-year implementation time frame be utilized to fully establish the maintenance fund, starting with 20 percent the first year and escalating to 100 percent by year five and thereafter.

Part C

Implementation would begin with fiscal year 2005.

Part D

The state contribution be shown as a separate category in the public school appropriation and not included in the calculation of the distribution factor.

Recommendation 5 – Settlement Agreement

It is the finding of this Task Force that should all facets of the four recommendations provided herein be enacted into law, the ISEEO lawsuit should be withdrawn. In this regard, the Task Force recommends that counsel for the ISEEO plaintiffs, counsel for the Governor, and counsel for the State Superintendent of Public Instruction convene and draft an agreement stipulating all of the requirements for said withdrawal.

The Task Force voted on each part of each of the above recommendations and on the report as a whole. The only circumstance where the vote was less than unanimous was on Part A of Recommendation 4, with the dissent being that the entire state's portion of the maintenance fund should be equalized rather than only half.

Task Force Members

Darrell Deide, Education Advisor, Office of the Governor

Jerry Evans, Director, School District Council

Mike Friend, Executive Director, Idaho Association of School Administrators

Nick Hallett, Superintendent, Minidoka County Jt. School District No. 331

Stan Kress, Superintendent, Cottonwood Jt. School District No. 242

Randy Nelson, President, Associated Taxpayers of Idaho

Milford Terrell, Owner, DeBest Plumbing

Geoffrey Thomas, Superintendent, Madison Jt. School District No. 321