

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 755

BY EDUCATION COMMITTEE

AN ACT

1 RELATING TO EDUCATION; REPEALING SECTION 33-1017, IDAHO CODE, RELATING
2 TO THE SCHOOL SAFETY AND HEALTH REVOLVING LOAN AND GRANT FUND; AMEND-
3 ING CHAPTER 10, TITLE 33, IDAHO CODE, BY THE ADDITION OF A NEW SECTION
4 33-1017, IDAHO CODE, TO ESTABLISH PROVISIONS REGARDING THE PUBLIC EDU-
5 CATION FACILITIES FUND; AMENDING SECTION 33-906, IDAHO CODE, TO REMOVE
6 CODE REFERENCES; AMENDING SECTION 33-1613, IDAHO CODE, TO REMOVE CODE
7 REFERENCES; AND DECLARING AN EMERGENCY AND PROVIDING AN EFFECTIVE DATE.
8

9 Be It Enacted by the Legislature of the State of Idaho:

10 SECTION 1. That Section 33-1017, Idaho Code, be, and the same is hereby
11 repealed.

12 SECTION 2. That Chapter 10, Title 33, Idaho Code, be, and the same is
13 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
14 ignated as Section 33-1017, Idaho Code, and to read as follows:

15 33-1017. PUBLIC EDUCATION FACILITIES FUND. (1) There is hereby cre-
16 ated a fund in the state treasury to be known as the public education facili-
17 ties fund to which shall be credited all moneys that may be appropriated, ap-
18 portioned, allocated, and paid back to such fund. Moneys in the fund shall
19 be distributed as need-based grants to school districts for the purposes of
20 financing the construction, remodel, and maintenance of school facilities
21 directly related to the school district's core educational mission. No such
22 funds shall be used for facilities with a primary athletic purpose. Grants
23 from such fund shall be distributed to school districts as provided in this
24 section. The fund shall be managed by the state treasurer.

25 (2) (a) A school district demonstrating financial need may apply to the
26 state treasurer to receive grant funds from the public education facili-
27 ties fund to finance the construction, remodel, or maintenance of pub-
28 lic school facilities pursuant to subsection (1) of this section. An
29 application for such grant shall be submitted to the state treasurer and
30 shall include the following information:

31 (i) A detailed plan that outlines the location, design, plans,
32 and specifications of the proposed school facility construction,
33 remodel, or maintenance project that is the basis of the grant ap-
34 plication;

35 (ii) Details concerning any unsafe or unhealthy conditions as de-
36 scribed in section 33-1613, Idaho Code, that would be abated with
37 the proceeds of the grant;

38 (iii) The projected cost of the proposed school facilities
39 project, which shall include any costs to finance the project if
40 the funding were to be secured through a bond levy pursuant to
41 chapter 8, title 33, Idaho Code;

1 (iv) Whether the applicant school district has failed to approve a
2 bond levy for the proposed school facility project;

3 (v) The financial condition of the applicant school district as
4 shown by copies of its budgets for the preceding three (3) years;
5 and

6 (vi) Any other relevant details regarding the financial need of
7 the applicant school district.

8 (b) The state treasurer shall review all applications for grant funds
9 pursuant to this section to determine whether to approve any such ap-
10 plication. In doing so, the state treasurer shall consult with the
11 state division of occupational and professional licenses, the state
12 fire marshal, the state department of administration, the state board
13 of education, the state department of education, and any other knowl-
14 edgeable persons to promulgate rules, subject to legislative approval,
15 prescribing a scoring matrix to determine which applicants have demon-
16 strated financial need and shall have priority to receive grant funds.
17 Such rules shall be based on the following criteria:

18 (i) Whether an applicant school district has attempted to raise
19 funds through a bond levy for the proposed school facilities
20 project that is the basis of the grant application;

21 (ii) The unsafe or unhealthy conditions as described in section
22 33-1613, Idaho Code, that would be abated if the grant funds are
23 approved;

24 (iii) The projected cost of the proposed school facilities
25 project;

26 (iv) The financial condition of the applicant school district;
27 and

28 (v) The number of students in the district who will benefit from
29 the proposed school facilities project.

30 (c) The state treasurer shall prescribe forms for applying for the
31 grant pursuant to this section.

32 (3) To determine the maximum grant amount that may be approved for an
33 applicant school district pursuant to this section, the dollar amount of the
34 projected cost of the proposed facilities project shall be divided by the
35 taxable value of the property in the school district in the state of Idaho
36 with the highest taxable value as of the year immediately preceding the year
37 in which the grant application is submitted. The resulting number shall then
38 be multiplied against the same year's market value of the property within the
39 boundaries of the school district applying for the grant. This amount shall
40 then be subtracted from the projected cost of the proposed school facili-
41 ties project, and the resulting number shall be the maximum allowable grant
42 amount that may be approved for an applicant school district. The treasurer
43 may partially approve an application for grant funds in an amount less than
44 what was requested by the applicant school district.

45 (4) If the state treasurer approves a grant application, the local
46 board of trustees of the applicant school district, at the next election
47 held pursuant to section 34-106, Idaho Code, shall submit the question to
48 the qualified electors of the school district to approve a bond in the amount
49 of the projected cost of the proposed school facilities project, less the
50 grant amount approved for distribution to the applicant school district by

1 the state treasurer. Notwithstanding any other provision of law to the con-
2 trary, the school district may provide details concerning the approved grant
3 funds in the ballot question presented to the voters. The applicant school
4 district shall use the funds in accordance with the plan submitted pursuant
5 to subsection (2) (a) (i) of this section.

6 (5) All payments from the public education facilities fund shall be
7 paid out directly to the school district by the state treasurer. Idle mon-
8 eys in the public education facilities fund shall be invested by the state
9 treasurer in the same manner as provided pursuant to section 67-1210, Idaho
10 Code. Interest earned on moneys in the fund shall be returned to the public
11 education facilities fund.

12 SECTION 3. That Section 33-906, Idaho Code, be, and the same is hereby
13 amended to read as follows:

14 33-906. BOND LEVY EQUALIZATION SUPPORT PROGRAM. (1) Pursuant to sec-
15 tion 33-906B, Idaho Code, school districts with a value index below one (1)
16 shall be eligible to receive additional state financial assistance for the
17 cost of annual bond interest and redemption payments made on bonds passed on
18 or after September 15, 2002. However, any school district with a value index
19 of less than one and one-half (1.5), shall receive no less than ten percent
20 (10%) of the interest cost portion of the annual bond interest and redemption
21 payment for bonds passed on or after September 15, 2002. The state depart-
22 ment of education shall disburse such funds to school districts from mon-
23 eys appropriated from the bond levy equalization fund. The department shall
24 disburse the funds by no later than September 1 of each year for school dis-
25 tricts in which voters have approved the issuance of qualifying bonds by no
26 later than January 1 of that calendar year, and which are certifying a qual-
27 ifying bond interest and redemption payment for the fiscal year in which the
28 disbursement is made. For districts with a value index below one (1), the
29 percentage of each annual bond interest and redemption payment that is paid
30 by the state shall be determined by dividing the difference between one (1)
31 and the school district's value index by one (1).

32 (2) For the purposes of this section, the annual bond interest and re-
33 demption payment shall be determined by dividing the total payment amounts
34 by the number of fiscal years in which payments are to be made. The inter-
35 est cost portion of the annual bond interest and redemption payment shall be
36 determined by dividing the total interest paid by the number of fiscal years
37 in which payments are to be made. For school districts not qualifying for
38 a state payment in the first year of the bond interest and redemption pay-
39 ment schedule, due solely to the January 1 eligibility deadline, the state
40 department of education shall distribute an additional payment in the next
41 fiscal year, in the amount of such funds that the school district would have
42 otherwise qualified for in the current fiscal year.

43 (3) The provisions of this section may not be utilized to refinance
44 existing debt or subsidize projects previously subsidized by state grants,
45 unless the existing debt being refinanced is a bond passed on or after
46 September 15, 2002; provided however, that any school district that has
47 issued qualifying bonds prior to June 30, 2004, in conformance with this sec-
48 tion shall not be deemed to be refinancing existing debt when the qualifying
49 bonds are utilized to finance the acquisition of public school facilities

1 previously leased or financed through means other than the issuance of gen-
 2 eral obligation bonds approved by a two-thirds (2/3) vote at an election
 3 called for that purpose subject to subsection (5) of this section.

4 (4) School districts shall annually report the status of all qualifying
 5 bonds to the state department of education by January 1 of each year, includ-
 6 ing bonds approved by the voters, but not yet issued. Information submitted
 7 shall include the following:

8 (a) The actual or estimated bond interest and redemption payment sched-
 9 ule;

10 (b) Any qualifying bond that has been paid off;

11 (c) Other information as may be required by the state department of edu-
 12 cation.

13 (5) No school district project eligible for participation in the bond
 14 levy equalization support program shall be deemed ineligible for participa-
 15 tion due to that school district project's eligibility and prior participa-
 16 tion in the safe school facilities loan and grant program or the Idaho safe
 17 schools facilities program under section 33-804A, ~~33-1017~~ or 33-1613, Idaho
 18 Code, provided that:

19 (a) Such school district notifies the state department of education of
 20 its desire and eligibility to participate in the bond levy equalization
 21 support program; and

22 (b) Such school district shall receive no state financial assistance
 23 for the project under the bond levy equalization support program until
 24 the amount to which it would otherwise have been entitled to receive
 25 shall equal the amounts received by the school district under the safe
 26 school facilities loan and grant program or the Idaho safe schools fa-
 27 cilities program under section 33-804A, ~~33-1017~~ or 33-1613, Idaho Code.

28 (6) Any school district formed as a result of the consolidation of two
 29 (2) or more school districts that passes an eligible bond within three (3)
 30 years of the successful consolidation election shall participate in the bond
 31 levy equalization support program at the district's actual value index minus
 32 twenty-five hundredths (.25). This adjustment shall apply for the duration
 33 of the bond interest and redemption payment schedule. If a school district
 34 advantaged by this subsection (6) deconsolidates either during the appli-
 35 cable bond interest and redemption payment schedule, or within a three (3)
 36 year period thereafter, each deconsolidated district shall, upon deconsol-
 37 idation, repay to the bond levy equalization fund all additional subsidies
 38 received pursuant to this subsection (6). The proportions owed by each de-
 39 consolidated district shall be determined by the proportion that each dis-
 40 trict's market value for assessment purposes bears to the whole.

41 SECTION 4. That Section 33-1613, Idaho Code, be, and the same is hereby
 42 amended to read as follows:

43 33-1613. SAFE PUBLIC SCHOOL FACILITIES REQUIRED. (1) Definition. As
 44 used in this section, "public school facilities" means the physical plant of
 45 improved or unimproved real property owned or operated by a school district,
 46 a charter school, or a school for children in any grades kindergarten through
 47 twelve (12) that is operated by the state of Idaho, including school build-
 48 ings, administration buildings, playgrounds, athletic fields, etc., used by
 49 schoolchildren or school personnel in the normal course of providing a gen-

1 eral, uniform and thorough system of public, free common schools, but does
2 not include areas, buildings or parts of buildings closed from or not used
3 in the normal course of providing a general, uniform and thorough system of
4 public, free common schools. The aspects of a safe environment conducive
5 to learning as provided by section 33-1612, Idaho Code, that pertain to the
6 physical plant used to provide a general, uniform and thorough system of pub-
7 lic, free common schools are hereby defined as those necessary to comply with
8 the safety and health requirements set forth in this section.

9 (2) Inspection. It is the duty of the board of trustees of every school
10 district and the governing body for other schools described in subsection
11 (1) of this section at least once in every school year to require an indepen-
12 dent inspection of the school district's or other entity's school facilities
13 to determine whether those school facilities comply with codes addressing
14 safety and health standards for facilities, including electrical, plumbing,
15 mechanical, elevator, fire safety, boiler safety, life safety, structural,
16 snow loading, and sanitary codes, adopted by or pursuant to the Idaho uni-
17 form school building safety act, chapter 80, title 39, Idaho Code, adopted
18 by the state fire marshal, adopted by generally applicable local ordinances,
19 or adopted by rule of the state board of education and applicable to school
20 facilities. The inspection shall be done pursuant to chapter 80, title 39,
21 Idaho Code, or by an independent inspector professionally qualified to con-
22 duct inspections under the applicable code. The results of the inspection
23 shall be presented to the administrator of the division of occupational and
24 professional licenses and the board of trustees or other governing body for
25 its review and consideration.

26 (3) Abatement required -- Reporting. The board of trustees or other
27 governing body shall require that the unsafe or unhealthy conditions be
28 abated and shall instruct the school district's or other entity's person-
29 nel to take necessary steps to abate unsafe or unhealthy conditions. The
30 board of trustees or other governing body must issue a report in the same
31 school year in which the inspections are made declaring whether any unsafe
32 or unhealthy conditions identified have not been abated. The state board
33 of education shall, by rule, provide for uniform reporting of unsafe and
34 unhealthy conditions and for uniform reporting of abatement or absence of
35 abatement of unsafe and unhealthy conditions. Copies of such reports shall
36 be provided to the administrator of the division of occupational and profes-
37 sional licenses and the board of trustees of the school district.

38 (4) Costs of and plan of abatement. If the school district or other en-
39 tity described in subsection (1) of this section can abate all unsafe or un-
40 healthy conditions identified with the funds available to the school dis-
41 trict or other entity, it shall do so, and it need not separately account for
42 the costs of abatement nor segregate funds expended for abatement. If the
43 school district or other entity cannot abate all unsafe or unhealthy condi-
44 tions identified with the funds available to it, the board of trustees or
45 other governing body shall direct that a plan of abatement be prepared. The
46 plan of abatement shall provide a timetable that shall begin no later than
47 the following school year and that shall provide for abatement with all de-
48 liberate speed of unsafe and unhealthy conditions identified. The abatement
49 plan shall be submitted to the administrator of the division of occupational
50 and professional licenses. The school district or other entity shall imme-

1 diately begin to implement its plan of abatement and must separately account
2 for its costs of abatement of unsafe and unhealthy conditions and separately
3 segregate funds for the abatement of unsafe and unhealthy conditions as re-
4 quired by subsection (5) of this section.

5 (5) Special provisions for implementation of plan of abatement.

6 (a) Notwithstanding any other provisions of law concerning expenditure
7 of lottery moneys distributed to the school district or other entity,
8 all lottery moneys provided to the school district or other entity for
9 a school year in which the school district cannot abate unsafe or un-
10 healthy conditions identified and not legally encumbered to other uses
11 at the time and all lottery moneys for following school years shall be
12 segregated and expended exclusively for abatement of unsafe and un-
13 healthy conditions identified until all of the unhealthy and unsafe
14 conditions identified are abated, ~~provided, if the school district~~
15 ~~has obtained a loan from the school safety and health revolving loan~~
16 ~~and grant fund, the provisions of section 33-1017, Idaho Code, and the~~
17 ~~conditions of the loan shall determine the use of the school district's~~
18 ~~lottery moneys during the term of the loan.~~

19 (b) If the lottery moneys referred to in paragraph (a) of this subsec-
20 tion will, in the board of trustees' or other governing bodies' esti-
21 mation, be insufficient to abate the unsafe and unhealthy conditions
22 identified, the plan of abatement shall identify additional sources of
23 funds to complete the abatement of the unsafe and unhealthy conditions.
24 The board of trustees may choose from among the following sources, or
25 from other sources of its own identification, but the plan of abatement
26 must identify sufficient sources of funds for abatement.

27 (i) If the school district is not levying under chapter 8, ti-
28 tle 33, Idaho Code, at the maximum levies allowed by law for levies
29 that may be imposed by a board of trustees without an election, the
30 board of trustees may increase any of those levies as allowed by
31 law for the school year following the school year in which it was
32 unable to abate unsafe or unhealthy conditions identified.

33 (ii) If the school district is levying under chapter 8, title 33,
34 Idaho Code, at the maximum levies allowed by law for levies that
35 may be imposed by the board of trustees without an election; or,
36 if after increasing those levies to the maximum levies allowed by
37 law for levies that may be imposed by the board of trustees with-
38 out an election, there will still be insufficient funds to abate
39 unsafe or unhealthy conditions identified, the school district,
40 after giving notice and conducting a hearing, may declare a finan-
41 cial emergency and/or may apply for a loan or, if eligible, an in-
42 terest grant from the school safety and health revolving loan and
43 grant fund as provided in section 33-1017, Idaho Code, to obtain
44 funds to abate the unsafe or unhealthy conditions identified.

45 (iii) Upon the declaration of a financial emergency, the board of
46 trustees shall have the power to impose a reduction in force, to
47 freeze some or all salaries in the school district, and/or to sus-
48 pend some or all contracts that may be legally suspended upon the
49 declaration of a financial emergency; provided, that when a board
50 of trustees declares a financial emergency, ~~or when a declaration~~

1 ~~of a financial emergency is imposed by the state treasurer pur-~~
2 ~~suant to section 33-1017, Idaho Code,~~ and there is a reduction in
3 force, some or all salaries are frozen, or some contracts are sus-
4 pended, the payments to the school district under the foundation
5 program of chapter 10, title 33, Idaho Code, and in particular the
6 staff allowances under that chapter, shall not be reduced during
7 the duration of the financial emergency as a result of a reduction
8 in force, frozen salaries, or suspended salaries from what the
9 staff allowance would be without the reduction in force, frozen
10 salaries or suspended contracts.

11 (c) All costs of abatement for a program implementing plans of abate-
12 ment under subsection (5) of this section must be separately accounted
13 for and documented with regard to abatement of each unsafe or unhealthy
14 condition identified. ~~Funds obtained under section 33-1017, Idaho~~
15 ~~Code, must be used exclusively to abate unsafe or unhealthy conditions~~
16 ~~identified. Funds obtained pursuant to section 33-1017, Idaho Code,~~
17 ~~in excess of funds necessary to abate unsafe or unhealthy conditions~~
18 ~~identified must be returned as provided in section 33-1017, Idaho Code.~~
19 ~~Return of these funds shall be judicially enforceable as provided in~~
20 ~~section 33-1017, Idaho Code.~~

21 SECTION 5. An emergency existing therefor, which emergency is hereby
22 declared to exist, this act shall be in full force and effect on and after
23 July 1, 2024.