## IN THE SENATE

## SENATE BILL NO. 1210

## BY EDUCATION COMMITTEE

AN ACT

RELATING TO HIGHER EDUCATION; AMENDING SECTION 33-107B, IDAHO CODE, TO RE-VISE PROVISIONS REGARDING RETIREMENT PROGRAMS FOR COMMUNITY COLLEGES; REPEALING SECTIONS 33-2208 THROUGH 33-2210, IDAHO CODE, RELATING TO EASTERN IDAHO TECHNICAL COLLEGE; AMENDING SECTION 33-2211, IDAHO CODE, TO REMOVE A REFERENCE TO EASTERN IDAHO TECHNICAL COLLEGE AND TO MAKE TECHNICAL CORRECTIONS; REPEALING SECTION 33-2212, IDAHO CODE, RELATING TO AN ADVISORY COUNCIL FOR EASTERN IDAHO TECHNICAL COLLEGE; AMENDING SECTION 33-3726, IDAHO CODE, TO REVISE PROVISIONS REGARDING THE HIGHER 

EDUCATION STABILIZATION FUND; AMENDING SECTION 67-5302, IDAHO CODE, TO REMOVE A REFERENCE TO EASTERN IDAHO TECHNICAL COLLEGE AND TO MAKE TECHNICAL CORRECTIONS; AND AMENDING SECTION 67-9203, IDAHO CODE, TO REMOVE A REFERENCE TO EASTERN IDAHO TECHNICAL COLLEGE AND TO MAKE TECHNICAL

CORRECTIONS.

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

SECTION 1. That Section 33-107B, Idaho Code, be, and the same is hereby amended to read as follows:

- 33-107B. BOARD MAY ESTABLISH AN OPTIONAL RETIREMENT PROGRAM FOR COMMUNITY COLLEGES AND POSTSECONDARY CAREER TECHNICAL EDUCATION INSTITUTIONS. (1) The state board of education may establish an optional retirement program under which contracts providing retirement and death benefits may be purchased for members of the teaching staff and officers of community colleges and postsecondary career technical education institutions, including north Idaho college, college of southern Idaho and eastern Idaho technical college of eastern Idaho, hired on or after July 1, 1997; provided however, that no such employee shall be eligible to participate in an optional retirement program unless he would otherwise be eligible for membership in the public employee retirement system of Idaho. The benefits to be provided for or on behalf of participants in an optional retirement program shall be provided through annuity contracts or certificates, fixed or variable in nature, or a combination thereof, whose benefits are owned by the participants in the program.
- (2) The state board of education is hereby authorized to provide for the administration of the optional retirement program and to perform or authorize the performance of such functions as may be necessary for such purposes. The board shall designate the company or companies from which contracts are to be purchased under the optional retirement program and shall approve the form and contents of such contracts. In making the designation and giving approval, the board shall consider:
  - (a) The nature and extent of the rights and benefits to be provided by such contracts for participants and their beneficiaries;

- (b) The relation of such rights and benefits to the amount of contributions to be made;
- (c) The suitability of such rights and benefits to the needs of the participants and the interests of the institutions in the recruitment and retention of staff members; and
- (d) The ability of the designated company to provide such suitable rights and benefits under such contracts.
- (3) Elections to participate in an optional retirement program shall be as follows:
  - (a) Eligible employees are the teaching staff and officers initially appointed or hired on or after the effective date of this chapter. All eligible employees, except those who are vested members of the public employee retirement system of Idaho, shall participate in the optional retirement program.
  - (b) Eligible employees who are vested members of the public employee retirement system of Idaho may make a one (1) time irrevocable election to transfer to the optional retirement program. The election shall be made in writing and within sixty (60) days of the date of initial hire or appointment, or one hundred fifty (150) days after the effective date of this chapter, whichever occurs later. The election shall be filed with the administrative officer of the employing institution. The election shall be effective not later than the first day of the second pay period following the date of the election.
  - (c) Teaching staff and officers employed by the institution the day before the effective date of this chapter may make a one (1) time irrevocable election to participate in the optional retirement program. The election shall be made in writing and within one hundred fifty (150) days after the effective date of this chapter. The election shall be filed with the administrative officer of the employing institution. The election shall be effective not later than the first day of the second pay period following the date of the election.
  - (d) The accumulated contributions of employees who make the one (1) time irrevocable election or are required to participate in the optional retirement program may be transferred by the public employee retirement system of Idaho to such qualified plan, maintained under the optional retirement program, as designated in writing by the employee.
  - (e) An election by an eligible employee of the optional retirement program shall be irrevocable and shall be accompanied by an appropriate application, where required, for issuance of a contract or contracts under the program.
  - (4) (a) Each institution shall contribute on behalf of each participant in its optional retirement program the following:
    - (i) To the designated company or companies, an amount equal to seven and eighty-one hundredths percent (7.81%) of each participant's salary, reduced by any amount necessary, if any, to provide contributions to a total disability program provided either by the state or by a private insurance carrier licensed and authorized to provide such benefits, or any combination thereof, but in no event less than five percent (5%) of each participant's salary;

- (ii) To the public employee retirement system, an amount equal to three and eighty-three hundredths percent (3.83%) of salaries of members who are participants in the optional retirement program. This amount shall be paid until July 1, 2011, and is in lieu of amortization payments and withdrawal contributions required pursuant to chapter 13, title 59, Idaho Code; and
- (iii) Effective on and after July 1, 2011, the institutional contribution optional retirement program rate shall be equal to the PERSI public employee retirement system of Idaho contribution rates.
- (b) For the purposes of section 59-1322, Idaho Code, the term "projected salaries" shall include the sum of the annual salaries of all participants in the optional retirement program established pursuant to this section.
- (c) Each participant shall contribute an amount equal to six and ninety-seven hundredths percent (6.97%). Employee contributions may be made by employer pick-up pursuant to section 59-1332, Idaho Code.
- (5) Any person participating in the optional retirement program shall be ineligible for membership in the public employee retirement system of Idaho so long as he remains continuously employed in any teaching staff position or as an officer with any of the institutions under the jurisdiction of the state board of education.
- (6) A retirement, death or other benefit shall not be paid by the state of Idaho or the state board of education for services credited under the optional retirement program. Such benefits are payable to participants or their beneficiaries only by the designated company or companies in accordance with the terms of the contracts.
- SECTION 2. That Sections  $\underline{33-2208}$  through  $\underline{33-2210}$ , Idaho Code, be, and the same are hereby repealed.
- SECTION 3. That Section 33-2211, Idaho Code, be, and the same is hereby amended to read as follows:
- 33-2211. POWERS OF STATE BOARD FOR CAREER TECHNICAL EDUCATION. The state board for career technical education shall have the power:
- (1) To adopt rules for its own government, the government of the Eastern Idaho Technical College and any career technical or vocational rehabilitation program, including programs under chapters 22 and 23, title 33, Idaho Code;
- (2) To employ professional and nonprofessional persons and to prescribe their qualifications;
- (3) To acquire and hold, and to dispose of, real and personal property, and to construct, repair, remodel and remove buildings;
- (4) To contract for the acquisition, purchase or repair of buildings, in the manner prescribed for trustees of school districts pursuant to section 33-601, Idaho Code;
- (5) To dispose of real and personal property in the manner prescribed for trustees of school districts pursuant to section 33-601, Idaho Code;
- (6) To convey and transfer real property of the college upon which no buildings used for instruction are situated, to nonprofit corporations,

school districts, community college housing commissions, counties or municipalities, with or without consideration; to rent real or personal property for the use of the college, its students or faculty, for such terms as may be determined by the state board for career technical education; and to lease real or personal property of the college not actually in use for instructional purposes on such terms as may be determined by the state board for career technical education;

(7) To acquire, hold, and dispose of water rights;

- (8) To accept grants or gifts of money, materials, or property of any kind from any governmental agency, or from any person, firm, or association, on such terms as may be determined by the grantor;
- (9) To cooperate with any governmental agency, or any person, firm or association in the conduct of any educational program; to accept grants from any source for the conduct of such program, and to conduct such program on, or off, campus;
- (10) To employ a president of the college and, with his advice, to appoint such assistants, instructors, specialists and other employees as are required for the operation of the college; to fix salaries and prescribe duties; and to remove the president or other employees in accordance with the policies and rules of the state board of education;
- (11) With the advice of the president, to prescribe the courses and programs of study, the requirements for admission, the time and standards for completion of such courses and programs, and to grant certificates or associate of applied science degrees for those students entitled thereto;
- (12) To employ architects or engineers in planning the construction, remodeling or repair of any building or property and, whenever no other agency is designated by law so to do, to let contracts for such construction, remodeling or repair and to supervise the work thereof; and
- (13) To have at all times general supervision and control of all property, real and personal, appertaining to the college, and to insure the same.
- SECTION 4. That Section  $\underline{33-2212}$ , Idaho Code, be, and the same is hereby repealed.
- SECTION 5. That Section 33-3726, Idaho Code, be, and the same is hereby amended to read as follows:
- 33-3726. HIGHER EDUCATION STABILIZATION FUND. There is hereby created in the state treasury a fund to be known as the higher education stabilization fund. The higher education stabilization fund shall consist of four (4) separate accounts as follows:
- (1) An account designated the strategic interest account shall consist of interest earnings from the investment of moneys deposited with the state treasurer into unrestricted current fund 0650-00, as designated by the state controller in the statewide accounting and reporting system. Annually on July 1, or as soon thereafter as is practicable, the state controller shall transfer such interest earnings to the strategic interest account. All moneys so transferred shall be expended for the maintenance, use and support of institutions that have deposited moneys into unrestricted current fund 0650-00. All such expenditures shall be subject to legislative appropriation. Institutions shall receive a pro rata share of a legislative appro-

priation based upon the amount of moneys any such institution has deposited into unrestricted current fund 0650-00 in the current fiscal year compared to the total amount deposited by all institutions in the current fiscal year. Interest earned from the investment of moneys in the strategic interest account shall be retained in the strategic interest account.

- (2) An account designated the surplus stabilization account shall consist of any other moneys made available through legislative transfers, appropriations or otherwise provided by law, or from any other governmental source. All such moneys shall be expended for the maintenance, use and support of institutions named in section 33-3803, Idaho Code. Such expenditures shall be made subject to legislative appropriation to the state board of education for college and universities. Distribution of such moneys to institutions shall be based upon the state board of education's established practices for the allocation of moneys to such institutions. Interest earned from the investment of moneys in this surplus stabilization account shall be retained in this surplus stabilization account.
- An account designated the surplus stabilization account for Eastern Idaho Technical Ccollege of eastern Idaho, Noorth Idaho Scollege, €college of \Southern Idaho and \€college of \Wwestern Idaho shall consist of any other moneys made available through legislative transfers, appropriations or otherwise provided by law, or from any other governmental source. All such moneys shall be expended for the maintenance, use and support of Eastern Idaho Technical Coollege of eastern Idaho, Noorth Idaho Goollege, Ecollege of Southern Idaho and Ecollege of Wwestern Idaho. Such expenditures shall be made subject to legislative appropriation to Eastern Idaho Technical College, through the appropriation to the division of career technical education, and to the community colleges. Distribution of such moneys shall be based upon established practices for the allocation of moneys to Eastern Idaho Technical College through the division of career technical education, or on the state board of education's established practices for the allocation of moneys to the community colleges. Interest earned from the investment of moneys in this surplus stabilization account shall be retained in this surplus stabilization account.
- (4) An account designated the community college start-up account shall consist of any other moneys made available through legislative transfers, appropriations or otherwise provided by law, or from any other governmental source. All such moneys shall be expended for the establishment, use and support of a community college in eastern Idaho. Distribution of such moneys shall be based upon voter approval of a community college district and appointment of a local board of trustees by the state board of education. Such expenditures shall be made subject to legislative appropriation to the state board of education. Interest earned from the investment of moneys in this community college start-up account shall be retained in this community college start-up account.

SECTION 6. That Section 67-5302, Idaho Code, be, and the same is hereby amended to read as follows:

67-5302. DEFINITIONS. As used in this chapter, and other applicable sections of the Idaho Code, each of the terms defined in this section shall

have the meaning given in this section unless a different meaning is clearly required by the context. Such terms and their definitions are:

- (1) "Administrative employee" means any person, nonclassified or classified, appointed to a position which that meets the criteria set forth in the federal fair labor standards act, 29 U.S.C. section 201, et seq. Final designation of a classified position as "administrative" within this definition shall be made by the administrator of the division of human resources. Exceptions to this designation which that do not violate the federal fair labor standards act, 29 U.S.C. section  $201_{7}$  et seq., may be made by the administrator.
- (2) "Administrator" means the administrator of the division of human resources in the governor's office.
- (3) "Appointing authority" means the officer, board, commission, person or group of persons authorized by statute or lawfully delegated authority to make appointments to or employ personnel in any department.
- (4) "Class" means a group of positions sufficiently similar as to the duties performed, degree of supervision exercised or required, minimum requirements of training, experience or skill, and other characteristics, that the same title, the same tests of fitness and the same schedule of compensation may be applied to each position in the group.
- (5) "Classified officer or employee" means any person appointed to or holding a position in any department of the state of Idaho, which position is subject to the provisions of the merit examination, selection, retention, promotion and dismissal requirements of chapter 53, title 67, Idaho Code.
  - (6) "Commission" means the Idaho personnel commission.
- (7) "Compensatory time" means approved time off from duty provided in compensation for overtime hours worked.
- (8) "Computer worker" means any person, nonclassified or classified, appointed to a position which that meets the criteria set forth in the federal fair labor standards act, 29 U.S.C. section  $201_{7}$  et seq. Final designation of a classified position as "computer worker" within this definition shall be made by the administrator of the division of human resources. Exceptions to this designation that do not violate the federal fair labor standards act, 29 U.S.C. section  $201_{7}$  et seq., may be made by the administrator.
- (9) "Department" means any department, agency, institution or office of the state of Idaho.
  - (10) "Disabled veteran" is as defined in section 65-502, Idaho Code.
- (11) "Eligible" means a person who has been determined to be qualified for a classified position and whose name has been placed on the register of eligibles.
- (12) "Executive employee" means any person, nonclassified or classified, appointed to a position equivalent to a bureau chief or above as provided in section 67-2402, Idaho Code, or any employee meeting the following criteria:
  - (a) An individual whose primary duty is management of a department, division or bureau; and
  - (b) Who customarily and regularly directs the work of at least two (2) or more other employees therein; and

- (c) Who has the authority to hire and fire, or to recommend hiring and firing; or whose recommendation on these and other actions affecting employees is given particular weight; and
- (d) Who customarily and regularly exercises discretionary powers; and
- (e) Who is classified to a position allocated to the pay grade equivalent to two hundred sixty (260) points or higher pursuant to the rating system established by rule.
- (f) Final designation of a classified position as "executive" in this definition shall be made by the administrator. Exceptions to this designation which that do not violate the federal fair labor standards act, 29 U.S.C. section  $201_7$  et seq., may be made by the administrator.
- (13) "Exempt employee" means any employee, classified or nonclassified, who is determined to be an executive, professional or administrative employee as defined herein, or who qualifies for any other exemption from cash compensation for overtime under applicable federal law. Final designation of a classified position as exempt shall be made by the administrator.
- (14) "Full-time employee" means any employee working a forty (40) hour  $\frac{1}{2}$  workweek.
  - (15) "Holiday" means the following:
    January 1 (New Year's Day);
    Third Monday in January (Martin Luther King, Jr.-Idaho Human Rights Day);
    Third Monday in February (Washington's Birthday);
    Last Monday in May (Memorial Day);
    July 4 (Independence Day);
    First Monday in September (Labor Day);
    Second Monday in October (Columbus Day);
    November 11 (Veterans Day);
    Fourth Thursday in November (Thanksgiving);
    December 25 (Christmas).

In addition, the term "holiday" shall mean any day so designated by the president of the United States or the governor of this state for a public fast, thanksgiving or holiday.

In the event that a holiday occurs on a Saturday, the preceding Friday shall be a holiday, and if the holiday falls on a Sunday, the following Monday shall be a holiday.

A holiday is a day of exemption from work granted to nonexecutive employees during which said employees shall be compensated as if they actually worked. Employees classified as executive exempt are entitled to ten (10) paid holidays per year. If such an employee works on one (1) of the official holidays listed in this subsection, then such employee may take an alternative day off but shall not receive additional compensation.

- (16) "Hours worked" means those hours actually spent in the performance of the employee's job on any day including holidays and shall not include vacation or sick leave or other approved leave of absence.
- (17) "Nonclassified employee" means any person appointed to or holding a position in any department of the state of Idaho, which position is exempted from the provisions of chapter 53, title 67, Idaho Code, as provided for in section 67-5303, Idaho Code.

(18) "Normal work week workweek" means any forty (40) hours worked during a particular one hundred sixty-eight (168) hour period as previously established by the employee's appointing authority.

- (19) "Open competitive examination" means an examination  $\frac{\text{which}}{\text{that}}$  may be taken by qualified applicants to compete on an equal basis for listing on the register of eligibles.
- (20) "Overtime work" means time worked on holidays and time worked in excess of forty (40) hours in a period of one hundred sixty-eight (168) consecutive hours, except that in the case of those employees engaged in law enforcement, correctional and fire protection activities characterized by irregular shift work schedules, time worked in excess of one hundred sixty (160) hours in a period of twenty-eight (28) consecutive days shall constitute overtime work within the meaning of this chapter. Such employees may also be paid overtime for specific hours worked in addition to their normal schedules upon emergency declaration by the governor or with the approval of the appointing authority and the board of examiners.
- (21) "Participating department" means any department of the state of Idaho  $\frac{1}{2}$  that employs persons in classified positions subject to the merit examination, selection, retention, promotion and dismissal requirements of this chapter.
- (22) "Part-time employee" means any employee whose usually scheduled work is less fewer than forty (40) hours in a period of one hundred sixtyeight (168) consecutive hours, and who shall not be entitled to sick leave accruals provided in section 67-5333, Idaho Code, vacation leave provided in section 67-5334, Idaho Code, nor holiday pay as defined in subsection (15) of this section, unless contributions are being made to the public employee retirement system in accordance with chapter 13, title 59, Idaho Code, and rules promulgated by the public employee retirement system board.
- (23) "Personnel system" means the procedure for administering employees in accordance with this chapter.
- (24) "Political office" means a public office for which partisan politics is a basis for nomination, election or appointment.
- (25) "Political organization" means a party that sponsors candidates for election to political office.
- (26) "Position" means a group of duties and responsibilities legally assigned or delegated by one (1) or more appointing authorities and requiring the employment of one (1) person.
- (27) "Professional employee" means any person, nonclassified or classified, appointed to a position that meets the criteria set forth in the federal fair labor standards act, 29 U.S.C. section 201, et seq. Final designation of a classified position as "professional" within this definition shall be made by the administrator. Exceptions to this designation that do not violate the federal fair labor standards act, 29 U.S.C. section 201, et seq., may be made by the administrator.
- (28) "Provisional appointment" means appointment to a classified position pending the establishment of a register for such position, and employment shall not be continued in this status longer than thirty (30) days after establishment of a register.
- (29) "Public education entity" means community colleges, public school districts, public charter schools and the Idaho digital learning academy.

- (30) "Qualifying examination" means an examination or evaluation given to a selected person to determine eligibility for reclassification or appointment to a position in a classification.
- (31) "Register" means a list of names of persons who have been determined to be eligible for employment in a classified position as determined on the basis of examination and merit factors as established by the administrator.
- (32) "Seasonal appointment" means an appointment to a position that is permanent in nature  $\tau$  but that has intermittent work periods throughout the year.
- (33) "Service rating" means a recorded evaluation of work performance and promotional potential of an employee by his supervisor.
- (34) "State educational agency" means the following state agencies and educational institutions supervised by the Idaho state board of education:
  - (a) Boise state university;
  - (b) Idaho state university;
  - (c) University of Idaho;

- (d) Lewis-Clark state college;
- (e) Eastern Idaho technical college;
- (f) Idaho public television;
- (qf) The division of vocational rehabilitation;
- (hg) The division of career technical education;
- $(\pm h)$  The office of the state board of education; and
- $(\dot{\neg}i)$  The department of education.
- (35) "Temporary appointment" means appointment to a position that is not permanent in nature, and in which employment will not exceed one thousand three hundred eighty-five (1,385) hours during any twelve (12) month period. No person holding a temporary appointment may work in excess of one thousand three hundred eighty-five (1,385) hours during a twelve (12) month period of time for any one (1) department, except upon petition by the appointing authority of the department of lands that demonstrates good cause, the administrator of the division of human resources may extend the one thousand three hundred eighty-five (1,385) hour limit for employees of the department who are required to perform fire suppression activities.
- (36) "Vacation leave" means a period of exemption from work granted to employees during which time said employees shall be compensated. The term shall not include compensatory time for overtime work.
  - (37) "Veteran" is as defined in section 65-502, Idaho Code.
- SECTION 7. That Section 67-9203, Idaho Code, be, and the same is hereby amended to read as follows:
  - 67-9203. DEFINITIONS. As used in this chapter:
  - (1) "Acquisition" means the process of procuring property.
- (2) "Administrator" means the administrator of the division of purchasing as created by section 67-9204, Idaho Code.
- (3) "Agency" means all officers, departments, divisions, bureaus, boards, commissions and institutions of the state, including the public utilities commission, but excluding:
  - (a) The legislative and judicial branches of government;

- (b) The governor, lieutenant governor, secretary of state, state controller, state treasurer, attorney general and superintendent of public instruction; and
- (c) A state institution of higher education that complies with the provisions of section 67-9225, Idaho Code.
- (4) "Bid" means a written offer to perform a contract to sell or otherwise supply property in response to a solicitation.

- (5) "Bidder" means a vendor who has submitted a bid on property to be acquired by the state.
- (6) "Contract" means an agreement for the acquisition of property, including a purchase order.
  - (7) "Contractor" means a vendor who has been awarded a contract.
- (8) "Director" means the director of the department of administration as created by section 67-5701, Idaho Code.
- (9) "Lowest responsible bidder" means the responsible bidder whose bid reflects the lowest acquisition price to be paid by the state, except that when specifications are valued or comparative performance evaluations are conducted, the results of such examinations and the relative score of valued specifications will be weighed, as set out in the specifications, in determining the lowest acquisition price.
- (10) "Open contract" means a contract awarded by the state through the division of purchasing as a result of a competitive solicitation to one (1) or more vendors who have agreed to allow all agencies to procure specified property under the terms and conditions set forth in the contract.
- (11) "Procure" means to obtain property for state use in a manner other than by gift including, but not limited to, purchase, lease or rent.
- (12) "Property" means goods, services, parts, supplies and equipment, both tangible and intangible, including, but not limited to, designs, plans, programs, systems, techniques and any rights or interests in such property.
- (13) "Sole source" means the only vendor from whom specific property is available to procure.
- (14) "Solicitation" means an invitation to bid, a request for proposal or a request for quote issued pursuant to this chapter for the purpose of procuring property.
- (15) "Specifications" means the standards or requirements for property to be procured as explicitly stated in a solicitation or contract.
- (16) "State institution of higher education" means Boise  $\underline{s}\underline{s}$ tate  $\underline{u}$ niversity,  $\underline{E}$ astern Idaho  $\underline{T}$ echnical College, Idaho  $\underline{s}\underline{s}$ tate  $\underline{u}$ niversity or Lewis-Clark  $\underline{s}\underline{s}$ tate  $\underline{c}\underline{c}$ ollege.
- (17) "Vendor" means a person or entity capable of supplying property to the state.