

STATEMENT OF PURPOSE

RS32537C1 / H0338

This legislation makes the first significant changes to provisions governing the usage of the Public School Facilities Cooperative Fund since its creation in HB 743 (2006), nearly 20 years ago. By providing a state backstop for remediating unsafe school facilities, should local efforts fail, this legislation helped to end a long-running school facilities lawsuit in the Legislature's favor. Since 2006, the fund has been used only once, to address an unsafe school facility in the Plummer-Worley School District. The primary reason it has been little-used is the provision requiring the state to appoint a District Supervisor over the school district while the state-funded project is being completed. This legislation removes the requirement for the state to appoint a District Supervisor for smaller projects, which are more commonly needed at smaller schools in rural Idaho. This is important because rural Idaho school districts, which often have large, untaxable tracts of federally owned land within their boundaries, sometimes do not have enough bonding capacity to replace an entire building. For this reason, the legislation expands the use of this fund to allow school districts to access it for a project for which their authorized bond is inadequate to complete the project. This legislation also changes the mechanism by which most of the costs are repaid by school districts into the fund. The law currently provides for a state-imposed plant facilities levy, which runs for the shorter of 20 years or the full repayment of the school district's share of the project costs. Under this legislation, the school's share of the costs would instead be repaid from the school district's Public Schools Facilities Fund distributions, after the usage of such funds for any bonds already issued prior to July 1, 2025.

FISCAL NOTE

This legislation does increase or decrease revenues overall, although it does transfer \$25 million from the Bond Levy Equalization Fund to the Public School Facilities Cooperative Fund (PSFCF), bringing the balance in the PSFCF to \$50.5 million. Because the PSFCF includes a mechanism by which most of the costs would likely be repaid to the fund, it is unlikely that any additional money will be needed to replenish the fund for several years.

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DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).