

LEGISLATIVE COUNCIL

**Capitol Building
House Majority Caucus Room – E403
Boise, Idaho
June 4, 2010**

MINUTES

The meeting was called to order at 8:00 a.m. by Co-chair Speaker Lawrence Denney. Members of the Legislative Council in attendance were Co-chair Pro Tem Robert Geddes, Senators Bart Davis, Patti Anne Lodge, Kate Kelly and Nichole LeFavour; and Representatives Mike Moyle, Gary Collins, Eric Anderson, John Rusche, Anne Pasley-Stuart and Donna Pence.

Also in attendance or participating in the meeting were Senator Joe Stegner and Representative Scott Bedke; Mary Sue Jones, Senate staff; Bonnie Alexander and Sue Frieders, House staff; Rakesh Mohan, Office of Performance Evaluations; Legislative Services Office staff in attendance included Jeff Youtz, Sheila Ison, Glenn Harris, Cathy Holland-Smith, Mike Nugent, Don Berg, Robyn Lockett, Kristin Ford, Keith Bybee and Paul Headlee.

Minutes of the November 6, 2009 Legislative Council meeting were approved on a motion by Representative Collins and a second by Senator Lodge.

LSO Director's Report

Mr. Youtz reported the Legislative Services Office is operating on a budget 25 percent less than it was three years ago. To stay within that lower budget, the office left four positions unfilled and LSO staff took five unpaid furlough days last fall. He thanked the Pro Tem and Speaker for providing additional moneys to the office through budget stabilization funds, which allowed LSO staff to forego another round of furloughs this spring.

Several cost-cutting measures were initiated as a result of a budget-driven reevaluation of operations. Mr. Youtz said costs were cut by limiting the number of publications printed and by hiring fewer session-only staff, in addition to the continued four full-time positions that remain unfilled. He noted that the office had additional responsibilities this year, including operation of the information and copy centers, the mail room, welcome desk, legislative dining room and the new gift shop. Mr. Youtz informed the Council that there are fewer legislative budget analysts and bill drafting staff supporting the Legislature now than there were 25 years ago. He went on to say how proud he is of LSO staff for their professional and efficient performance during such challenging

budget times. When the economy recovers, he noted, he expects to begin discussions related to filling the positions now on hold to enhance the ability of LSO to meet expectations of the Legislature expeditiously without the overtime hours now required.

Mr. Youtz then informed the Council of Marshall Pinkston's impending retirement and thanked Marshall for his many years of outstanding service with LSO's Information Technology Division. He said Marshall's network administration position is essential to the Legislature and he will be recruiting to fill that position in the fall. He concluded his remarks by introducing Michelle O'Brien, a recent graduate of Boise State University, who was hired to assist with LSO front desk duties, accounting and various Capitol service operations. She began her work for the Legislature during the 2010 session at the Capitol welcome desk.

Legislative Services Office Division Managers then reviewed their work during the session and plans for the interim.

Information Technology Division

Manager Glenn Harris reported that the IT staff was kept very busy moving and installing computers, as well as audio/video and teleconferencing equipment to the renovated Capitol Building. A move to the Ethernet Network required reconfiguration of network addressing, and staff completed the move from the GroupWise e-mail system to Novel Netware for all legislators and staff. New desktop computers were configured and installed for House attachés, the Secretary of the Senate and the Information Center. New printers and scanners were installed, and older wireless laptop computers were set up for all House committee secretaries. Working with the Office of the Chief Information Officer, IT staff installed a new public wireless system for the Capitol. They supported an increasing number of smart phones being used by legislators, enhanced the House and Senate voting systems and successfully addressed network problems as they arose.

In response to a question from Representative Rusche, Mr. Harris said his staff would be working to improve scanning methods. Senator LeFavour asked about the possibility of further enhancements to the co-sponsor portions of GEMS. She will send Glenn an e-mail describing the problem, which he will forward to the GEMS team for action over the interim.

Speaker Denney thanked the IT staff for all their work during the move back to the Capitol and said he was grateful to them for ensuring the seamless operation of the Legislature's computer systems.

Budget and Policy Analysis Division

Manager Cathy Holland-Smith briefed the Council on the budget process during the 2010 legislative session. She noted that the three weeks allotted this session for budget setting gave JFAC and staff more time to draft appropriation bills and resulted in fewer mistakes than in years when just two weeks were scheduled. She said that staff held

daily meetings with the committee co-chairs to keep up with the rapidly changing revenue picture. Staff drafted 101 appropriation bills, 25 fewer than the previous year.

Mrs. Holland-Smith said combining all education appropriations into one bill, after JFAC had made decisions individually for each subject area, was found to be a more efficient process for the committee. There were 10 complex Health and Welfare bills, and she recommended working during the interim to allow for combining some Health and Welfare bills next session. In response to a question from Senator Kelly, Cathy said it was likely four or five bills for Health and Welfare would be required next session.

Senator Kelly said she thought combining bills was a policy decision that should be further considered, since the House and Senate would not have the same ability to analyze the information in the detailed manner JFAC does. Noting that she had one less analyst this session due to budget constraints, Cathy explained that it was her job to manage staff and develop the best products possible for JFAC. The decision of whether consolidated bills are acceptable to both bodies is up to the Legislature.

Representative Rusche stressed that consolidation of appropriation bills is really a policy issue. A brief discussion ensued about it having been difficult for legislators to get assistance from analysts during the session for non-appropriation bills. Mrs. Holland-Smith reported that budget analysts, who worked as many as 70 hours a week during the session, had little time for analysis of anything other than matters directly related to JFAC. Mr. Youtz said it's a challenge to provide the quality and quantity of assistance legislators need and expect given the limited staff. He concluded by saying that when the economy improves he will have that discussion with the Legislature.

Research and Legislation Division

Manager Mike Nugent briefed the Council on the work of the Research and Legislation Division. He said the division had produced the same level of service with two fewer staff than the year before, as two part-time proofreading positions remained unfilled due to budget constraints. It helped that the quantity of legislation was down by 113 bills this session. It was also helpful to staff workload that no interim committees met during the session.

Senator Lodge said she had noticed legislation this session without fiscal notes, although the legislation, if passed, would clearly have a fiscal impact. Mr. Nugent responded by saying statements of purpose and fiscal notes are the responsibility of legislators and of committees considering bills. In response to a question from Senator Lodge, Mr. Nugent said the cost of developing a bill is approximately \$500 per 10 page bill.

Representative Rusche said he would like to have better fiscal analysis, which would require some staff assistance. Senator Kelly asked if Budget and Policy Analysis staff is available to analyze legislation from a fiscal standpoint. Mr. Youtz said that while JFAC

requires much of staff's time, budget analysts can assist other committees as time permits; however, legislative staff is not responsible for developing fiscal notes. Speaker Denney added that legislators also rely on the Tax Commission and other experts for such assistance, that determining fiscal impacts of legislation is a function of the committee and not a floor debate discussion. Representative Pasley-Stuart concluded the discussion by noting the importance of figuring out the cost of legislator time as well as staff time and said not having assistance with fiscal notes slows the process down.

Capitol Services

Capitol Services Coordinator Robyn Lockett reported on activities of the Legislative Information Center, Copy Center, Tour Program, Gift Shop and Dining Room – all of which have been consolidated into “Capitol Services” within the Legislative Services Office. During the session, one staff person worked at the Welcome Desk, one in the Copy Center and four in the Information Center. Thousands of phone and e-mail messages were processed and nearly 300,000 copies were made for the Senate, House, LSO and the public. As a cost-saving measure next session, no one will be hired to staff the Welcome Desk; instead, the four staff members in the Information Center will cover the desk on a rotating basis.

One-hour guided tours of the Capitol were given to over 11,600 visitors during the session by 40 volunteer tour guides. Representative Moyle asked about the protocol for recruiting volunteers and said he was concerned because someone who was running for office was giving tours. Mrs. Lockett explained that it is one of her responsibilities to recruit volunteer tour guides and that she was unaware that a volunteer was a candidate for office but would look into the matter further. Subsequent inquiry showed that the extent of that person's involvement in the tour program consisted of leading three tour groups in February, one of which, Melba High School, was for people from the district in question. All three legislators in the district had been notified of the date and time people from their district would be at the Capitol and were offered the opportunity to meet with them. Senator LeFavour voiced her hope that someone who's running for office wouldn't automatically be excluded from volunteering. Senator Davis concluded the discussion by suggesting that every legislator have a copy of the tour guide training book, which Mrs. Lockett agreed to provide in both hard copy and electronic format. The protocol for recruiting and training volunteers will be reviewed during the interim.

Mrs. Lockett reported that the new Capitol gift shop is currently self-supporting, based on sales during the session and the early spring. She expects to add to sales by launching an online version of the gift shop during the interim. The shop has generated more than \$38,000 in sales since opening in January. To be fully self-sustaining, the shop must continue to generate \$350 in sales each day. The base operating cost is about \$175, including salaries, benefits and purchase of inventory. Pro Tem Geddes suggested the shop look for more ways to generate additional revenue and suggested

thought be given to ways of encouraging one-time customers to return. He suggested selling U.S. and state flags and said how popular lapel pins are with legislators. Mrs. Lockett said she is exploring opening the gift shop for additional events in the community, such as First Thursday and Saturday's downtown farmer's market. Representative Rusche added that the online shop could be promoted statewide to encourage more sales.

Mrs. Lockett told the Council the Legislative Dining Room made enough sales to enable Roosters, the contracted operator, to make a profit of \$1,000. Representative Moyle questioned whether that amount is after-salary profit and said he thinks it's important to make sure the contractor is making enough money to want to continue. Mrs. Lockett said she had spoken with the contractor and was assured she wants to continue her work with the Legislature. The contractor is also making money from event catering in the Capitol, both during session and in the interim. Enhancements planned for the dining room next session include addition of a salad and soup bar and an improved credit card system.

CSG-*WEST* Meeting in Sun Valley

LSO Director Jeff Youtz updated the Council on preparations for Idaho to host the Council of State Governments-*WEST* (CSG-*WEST*) meeting in Sun Valley September 11-14. Legislative staff and the Idaho Host Committee are now heavily engaged on planning for the conference, registration brochures have been distributed and fundraising efforts are underway. Attendance at the conference is expected to be in the 400-500 range, and Mr. Youtz noted what a great opportunity the meeting is to showcase Idaho. He recognized Senator Davis for his extensive work chairing CSG in 2009 and Representative Wills, chair of CSG-*WEST*, who is also the chair of the Idaho Host Committee. Early registration for the conference ends July 31, and Idaho legislators are eligible to register for a discounted rate of \$280; the fee for accompanying spouses or guests is \$150. The next meetings of the Host Committee and Fundraising Subcommittee are scheduled in late June. Speaker Denney urged legislators to submit their travel requests as soon as possible. Pro Tem Geddes said he had spoken with Roy Eiguren, who is heading up fundraising efforts. Mr. Eiguren reported the difficulty in raising funds during this difficult financial time, and Pro Tem Geddes asked legislators to think about any companies or other contacts who might be willing to contribute, and to put them in touch with Mr. Eiguren or members of the Host Committee.

Capitol Services Committee Recommendations

Senator Joe Stegner and Representative Scott Bedke, co-chairs of the Capitol Services Committee reviewed issues discussed at the committee's meeting the day before the Council meeting. Regarding the dining room, the committee decided to utilize the gift card payment option for one more year, extend hours of operation, open the dining room to the public, and negotiate a longer term contract with Roosters to facilitate

long-term planning. Representative Rusche asked that consideration be given to allow legislators more flexibility, perhaps allowing them to “speed gate” or otherwise speed up the process. Representative Bedke noted that congestion would be alleviated by the self-serve salad and soup bar, as well as the improved credit card system to be installed. In response to a question from Senator Lodge, Representative Bedke said the dining room would be open to lobbyists as well as general members of the public.

The Council then had a general discussion of recommendations from the Capitol Services Committee for projects to be completed during the interim and paid for with restoration project funds (bond money). Council approval was asked on the following recommendations:

- ▶ adding panic buttons to the offices of the Senate and House Sergeants at Arms, the office of the Senate Minority Chief of Staff and the office of the House Fiscal Officer (approximate cost \$6,000);
- ▶ placing glass in each committee hearing room door (approximate cost \$10,000); and
- ▶ adding cameras and desktop monitors in the House and Senate to enable the Speaker and Lt. Governor to view the gallery seating area from their podiums (approximate cost \$4,000).

Senator Davis made a motion to adopt all three recommendations and Representative Anderson seconded the motion. Representative Rusche made a substitute motion to accept the three recommendations, but to specify that the glass to be put in committee hearing room doors would be large, clear window glass and as sound proof as practicable. Senator LeFavour seconded the motion, which passed unanimously.

FY 2010 and FY 2011 State Budget Update

Manager Cathy Holland-Smith, Budget and Policy Analysis Division, presented information on the current status of state revenue and the challenges the Legislature faces in balancing the FY 2010 budget. May tax revenue receipts were \$4 million more than forecast, resulting in a revised estimate for the FY 2010 ending balance — a shortfall of \$9,409,400. The Legislature passed a year-end contingency plan in S 1445 making it possible for the Board of Examiners to access moneys from the Budget Stabilization, Economic Recovery Reserve and Permanent Building funds if there is insufficient revenue to balance the general fund by June 30.

Mrs. Holland-Smith outlined possible budget scenarios for FY 2011. Assuming revenue growth of 3.6 percent (DFM estimate), increased collections resulting from the Tax Compliance Initiative (H 698), transfers from the Budget Stabilization and Economic Recovery Reserve funds, and FY 2011 appropriations, the estimated ending balance is \$1,638,200. She assured legislators that the situation is manageable, but cautioned that the budget picture for FY 2011 would have many challenges, including increased Medicaid costs. By being cautious in its budget forecast and appropriations

during the 2010 session, the Legislature has placed itself in a good position to weather the economic fluctuations that will, hopefully, lead to economic recovery.

Interim Committees

No new interim study committees were authorized by the Legislature during the 2010 session. There are ongoing committees and task forces, including those for natural resources, energy and health care. Pro Tem Geddes encouraged the membership, given the particularly limited resources this year, to meet no more than once or twice during the interim.

Constitutional Amendment Ballot Statements and Arguments

Director Youtz briefed the Council on draft ballot statements and arguments for four proposed constitutional amendments to the Idaho Constitution that will be voted on in the general election. Section 67-453, Idaho Code, requires the Legislative Council to prepare a “brief statement” setting forth in “simple, understandable language” the meaning and purpose of the proposed amendment, as well as a “concise presentation” of the arguments advanced by the proponents and opponents. Only the brief statement of meaning will appear on the November ballot, while both the brief statement as well as the arguments for and against will be included in the publications that the Secretary of State is required to publish prior to the election to help inform the electorate. The Legislative Council is required to submit these statements and arguments to the Secretary of State 120 days prior to the election, which is July 9, 2010.

Mr. Youtz described the process taken by Council staff in LSO’s Research and Legislation Division to produce the drafts. In response to a question from Senator Kelly, he said Council staff asked for input from Council members and from stakeholders in each subject area, including those who testified at committee hearings for and against each measure. Council was notified in early March of the process and timeline for developing statements. In mid March a letter was mailed to all legislators, statewide elected officials, and interested groups and citizens, soliciting arguments for and against the proposed amendments. By late April staff had completed the first drafts and they were sent to Legislative Council members for review. Comments came back from one Council member, and staff incorporated that input into new drafts, which were prepared for and mailed to Council members for review and comment prior to the June meeting.

Following the process review presented by Mr. Youtz, the Council considered statements and arguments for each proposed amendment individually and suggested edits based on input from Council members and from interested parties in attendance. During the meeting, Legislative Research Analyst Katharine Gerrity prepared mark-ups of the language in each draft, based on Council input.

SJR 101 Ballot Question

Shall Section 10, Article IX, of the Constitution of the State of Idaho be amended to permit the Board of Regents of the University of Idaho to impose rates of tuition and fees on all students enrolled in the University of Idaho as authorized by law?

Representative Rusche moved, subject to approval of the final draft, acceptance of the statements and arguments for and against SJR 101, as amended during the meeting. Representative Pasley-Stuart seconded the motion, which passed unanimously.

HJR 4 Ballot Question

Shall Section 3C, Article VIII, of the Constitution of the State of Idaho be amended to authorize public hospitals, ancillary to their operations and in furtherance of health care needs in their service areas, to incur indebtedness or liability to purchase, contract, lease or construct or otherwise acquire facilities, equipment, technology and real property for health care operations, provided that no ad valorem tax revenues shall be used for such activities?

Senator Davis moved, seconded by Representative Rusche, to accept the statements and arguments for HJR 4, as amended during the meeting. Representative Moyle voiced opposition because a proponent of the amendment was in attendance and presented information at the meeting, but opponents were not in attendance. The Speaker commented that Council meetings are open to the public, the agenda is posted on the Legislature's website in advance, and everyone is welcome to participate. The motion to accept the language as amended passed, with one no vote from Representative Moyle.

HJR 5 Ballot Question

Shall Article VIII, of the Constitution of the State of Idaho be amended by the addition of a new Section 3E, to provide for the issuance of revenue and special facility bonds by political subdivisions of the state and regional airport authorities as defined by law, if operating an airport to acquire, construct, install, and equip land, facilities, buildings, projects or other property, which are hereby deemed to be for a public purpose, to be financed for, or to be leased, sold or otherwise disposed of to persons, associations or corporations, or to be held by the subdivision or regional airport authority, and may in the manner prescribed by law issue revenue and special facility bonds to finance the costs thereof; provided that any such bonds shall be payable solely from fees, charges, rents, payments, grants, or any other revenues derived from the airport or any of its facilities, structures, systems, or projects, or from any land, facilities, buildings, projects or other property financed by such bonds, and shall not be secured by the full faith and credit or the taxing power of the subdivision or regional airport authority?

On a motion made by Senator Davis, seconded by Senator Lodge, the statements and arguments for and against HJR 5, as amended during the meeting, were accepted unanimously.

HJR 7 Ballot Question

Shall Article VIII, of the Constitution of the State of Idaho be amended by the addition of a New Section 3D to provide that any city owning a municipal electric system may:

(a) acquire, construct, install and equip electric generating, transmission and distribution facilities for the purpose of supplying electricity to customers located within the service area of each system established by law and for the purpose of paying the cost thereof, may issue revenue bonds with the assent of a majority of the qualified electors voting at an election held as provided by law; and

(b) incur indebtedness or liability under agreements to purchase, share, exchange or transmit wholesale electricity for the use and benefit of customers located within such service area;

provided that any revenue bonds, indebtedness or liability shall be payable solely from the rates, charges or revenues derived from the municipal electric system and shall not be secured by the full faith and credit or the taxing power of the city, the state or any political subdivision?

Senator Davis moved to accept the statements and arguments for HJR 7, as amended during the meeting, and Senator LeFavour seconded the motion, which passed unanimously.

***Please note:** Following the meeting, staff incorporated each change approved during the Council meeting into the draft statements and arguments, then sent them to each Council member for a final chance to review and suggest changes. No additional changes have been approved by the Council. The final ballot statements as approved by Legislative Council are attached to these minutes.*

Legislative Audit Division Update

Manager Don Berg briefed the Council on operations in his division. The state is required to have a federal compliance “Single Audit” completed each year as a condition of receiving federal grant funds. He described the scope of audit work for FY 2009. The Statewide Financial Audit (CAFR) accounted for \$6.6 billion in state agency expenditures; the Single Audit accounted for \$2.6 billion in expenditures. Staff is also required to audit ARRA stimulus funds for FY 2010. Of the \$1.2 billion authorized to the state of Idaho, \$447 million had been expended through the end of March. The stimulus funds resulted in creation of nine additional major programs to the Single Audit workload, and new requirements have shortened the due date for the audit from nine to six months after the end of the fiscal year.

In addition to the increased workload and new auditing requirements Mr. Berg described, he is short two auditors on his staff due to budget reductions. He described the situation his division faces as the “perfect tsunami.” Efforts to address the increased workload include removing several entities from the audit lineup by having them audited by outside CPA firms. In response to a question from Senator Lodge, Mr. Berg said his staff was auditing nine fewer entities, including Idaho Correctional Industries and commodity programs such as the Wheat, Barley and Hops commissions. Staff will be starting to work on the audits earlier, and he will authorize increased compensatory time for staff who will be working longer hours to meet the workload increase and shorter due dates now required for audit report completion.

Citizens’ Committee on Legislative Compensation

Legislative Research Analyst Paige Parker briefed the Council on plans for the Citizens’ Committee on Legislative Compensation. The six-member committee, which sets the rate of compensation and allowable expenses for legislators for each two-year term of office, is required to meet on or before November 30th of each even-numbered year. The appointments of three current committee members will expire June 30, 2010, one a Governor’s appointment and two Court appointments. He is in contact with both offices and, as soon as the appointments are made, will work with the committee to schedule a meeting. The soonest a meeting likely could be held will be August, and he will inform legislators as soon as one is scheduled.

Redistricting Update

Librarian Kristin Ford briefed the Council on preparations underway for Idaho’s redistricting effort to follow the 2010 U.S. Census. She and Budget Analyst Keith Bybee are charged with staffing the project for the Idaho Legislature. Preparations during 2010 include LSO testing, purchasing and training on redistricting software, and preparation of budget and plans for the computer technology and staffing needs of the Idaho Commission on Redistricting. New software will be used in the redistricting effort that will make it possible to post draft maps online so anyone can access and review the same information the commission is looking at. Mr. Bybee presented an Idaho map outlining participation in 2010 Census mail returns by each county. The Idaho 2010 Census participation rate is 75 percent, while the national participation rate is 72 percent.

Office of Performance Evaluations

Director Rakesh Mohan, Office of Performance Evaluations, described two evaluations his office is working on for completion in December 2010. The first evaluation examines what opportunities exist for Idaho to reduce costs, improve efficiencies, and maximize services to seniors. The second evaluation focuses on the governance of Emergency Medical Service agencies in Idaho. A third evaluation, due for completion in January 2011, is a review of the management of Idaho’s Liquor Division. The office

is also conducting two follow-up studies on the Parole Commission and the Idaho Transportation Department.

Speaker Denney adjourned the meeting at 4:30 p.m.

SJR 101
Proposed Amendment to Section 10, Article IX,
Constitution of the State of Idaho

SJR 101 Ballot Question

Shall Section 10, Article IX, of the Constitution of the State of Idaho be amended to permit the Board of Regents of the University of Idaho to impose rates of tuition and fees on all students enrolled in the University of Idaho as authorized by law?

Meaning, Purpose and Result to be Accomplished

This proposed amendment will clarify that the Board of Regents of the University of Idaho may charge students tuition, as authorized by law. Currently, the University of Idaho charges student fees to undergraduate students, but not tuition. Student fees cannot be used to pay for classroom instruction. All of the other state-supported colleges and universities in Idaho have the authority to charge tuition, and this amendment specifies that the University of Idaho will have the same authority.

Statements FOR the Proposed Amendment

1. Currently the University of Idaho can charge student fees, but those fees cannot be used to help pay for the cost of classroom instruction. This amendment will allow the University of Idaho to charge tuition, which can be used to pay for classroom instruction, a practice that is allowed at all other state-supported Idaho colleges and universities.
2. This amendment will not establish any rates of tuition or fees. The authority for determining rates of tuition and fees will continue to rest with the State Board of Education, sitting as the Board of Regents of the University of Idaho.
3. This amendment allows all Idaho's higher education state-supported institutions the uniform authority to charge tuition.

Statements AGAINST the Proposed Amendment

1. The University of Idaho is Idaho's land-grant university and predates statehood. The framers of the Constitution envisioned a free education for University of Idaho undergraduate students, and that historic precedent should not be changed.
2. Rather than amending the Constitution, the state could provide the additional funding to cover the costs of classroom instruction at the University of Idaho.
3. Changes to the Constitution should be made only for major issues of interest to the state or in the event of a constitutional crisis.

HJR 4
Proposed Amendment to Section 3C, Article VIII,
Constitution of the State of Idaho

HJR 4 Ballot Question

Shall Section 3C, Article VIII, of the Constitution of the State of Idaho be amended to authorize public hospitals, ancillary to their operations and in furtherance of health care needs in their service areas, to incur indebtedness or liability to purchase, contract, lease or construct or otherwise acquire facilities, equipment, technology and real property for health care operations, provided that no ad valorem tax revenues shall be used for such activities?

Meaning, Purpose and Result to Be Accomplished

This proposed amendment will allow public hospitals to acquire facilities, equipment, technology and real property through a variety of means that aid the public hospital operations, as long as the acquisitions are paid for solely from charges, rents or payments derived from the existing or financed facilities and are not funded by property taxes. Under current Idaho constitutional provisions, public hospitals, as subdivisions of the state of Idaho, have limited ability to incur debt without the approval of a two-thirds vote at an election held for that purpose. This proposed amendment will provide a limited alternative to that two-thirds vote requirement. The use of tax dollars to finance these kinds of investments is prohibited.

Statements FOR the Proposed Amendment

1. The proposed amendment will allow Idaho's public hospitals, which are primarily located in small towns and rural areas, to invest in new medical equipment, facilities and technology to better meet the health care needs of patients in their communities, strengthening Idaho's entire health care system.
2. The proposed amendment will help give public hospitals the resources they need to attract the best medical personnel, spur the economy by creating jobs, and increase operational efficiency through long-term contracts.
3. The proposed amendment keeps in place the safeguards provided in the Idaho Constitution in two ways. First, no tax dollars can be used to finance these investments. Second, the amendment strictly forbids obligating taxpayers or any state, county or other governmental entity with these investments.

Statements AGAINST the Proposed Amendment

1. The existing Idaho constitutional requirement mandating a two-thirds assent of the voters before a public hospital can enter into long-term debt is an important safeguard for all Idaho citizens.

2. Adoption of the proposed amendment will limit the right of voters to approve certain debt incurred by the public hospitals.
3. Changes to the Constitution should be made only for major issues of interest to the state or in the event of a constitutional crisis.

HJR 5
Proposed Amendment, New Section 3E, Article VIII,
Constitution of the State of Idaho

HJR 5 Ballot Question

Shall Article VIII, of the Constitution of the State of Idaho be amended by the addition of a new Section 3E, to provide for the issuance of revenue and special facility bonds by political subdivisions of the state and regional airport authorities as defined by law, if operating an airport to acquire, construct, install, and equip land, facilities, buildings, projects or other property, which are hereby deemed to be for a public purpose, to be financed for, or to be leased, sold or otherwise disposed of to persons, associations or corporations, or to be held by the subdivision or regional airport authority, and may in the manner prescribed by law issue revenue and special facility bonds to finance the costs thereof; provided that any such bonds shall be payable solely from fees, charges, rents, payments, grants, or any other revenues derived from the airport or any of its facilities, structures, systems, or projects, or from any land, facilities, buildings, projects or other property financed by such bonds, and shall not be secured by the full faith and credit or the taxing power of the subdivision or regional airport authority?

Meaning, Purpose and Result to be Accomplished

Currently, local governmental entities that operate airports and regional airport authorities cannot incur indebtedness without the approval of a two-thirds vote at an election held for that purpose. This proposed amendment will allow local governmental entities that operate airports and regional airport authorities to issue revenue and special facility bonds to acquire, construct, install and equip land, facilities, buildings, projects or other property. Voter approval will not be required to incur such indebtedness, as long as the bonds are paid for by fees, charges, rents, payments, grants or other revenues derived from the airport or its facilities. The use of tax dollars to repay such bonds is prohibited.

Statements FOR the Proposed Amendment

1. Public airports should have the ready ability to construct needed facilities, such as terminals, runways, parking structures and hangars, which provide travelers with better services and accommodations and attract industries to Idaho as long as the users pay for these facilities.
2. Political subdivisions and regional airport authorities need the ability to efficiently address operational needs as they arise. Adoption of this amendment will provide this ability without the use of tax dollars to repay any debt or liability incurred.
3. The inability of political subdivisions and regional airport authorities to incur indebtedness and liability without voter approval has been a contributing factor in driving regional aviation-related industries to conduct business in neighboring states. If the proposed

amendment is not adopted, Idaho could continue to lose similar economic development opportunities.

4. Public airports are a vital part of economic development and commerce in the state of Idaho. In 2009, aviation contributed an estimated \$2.1 billion to Idaho's economy. Properties and facilities funded by special facility bonds will attract and expand industries, such as maintenance, manufacturing and cargo operations, which will create new jobs and foster economic development in Idaho. Modern and efficient airports are essential to Idaho's prosperity.

Statements AGAINST the Proposed Amendment

1. The existing Idaho constitutional requirement mandating a two-thirds assent of the voters before a political subdivision or regional airport authority can incur debt is an important safeguard for all Idaho citizens.
2. Adoption of the proposed amendment will allow political subdivisions and regional airport authorities to acquire, construct, install and equip land, facilities, buildings and projects that are not specifically limited to airport operations.
3. Buildings and land owned by the government are not taxed and therefore provide no revenues to schools, cities, counties or other levying authorities. Adoption of the proposed amendment could result in an increase in property exempt from taxation.
4. Changes to the Constitution should be made only for major issues of interest to the entire state or in the event of a constitutional crisis.

HJR 7
Proposed Amendment, New Section 3D, Article VIII,
Constitution of the State of Idaho

HJR 7 Ballot Question

Shall Article VIII, of the Constitution of the State of Idaho be amended by the addition of a New Section 3D to provide that any city owning a municipal electric system may:

(a) acquire, construct, install and equip electric generating, transmission and distribution facilities for the purpose of supplying electricity to customers located within the service area of each system established by law and for the purpose of paying the cost thereof, may issue revenue bonds with the assent of a majority of the qualified electors voting at an election held as provided by law; and

(b) incur indebtedness or liability under agreements to purchase, share, exchange or transmit wholesale electricity for the use and benefit of customers located within such service area;

provided that any revenue bonds, indebtedness or liability shall be payable solely from the rates, charges or revenues derived from the municipal electric system and shall not be secured by the full faith and credit or the taxing power of the city, the state or any political subdivision?

Meaning, Purpose and Result to Be Accomplished

This proposed amendment has two parts. The first part will allow any city owning a municipal electric system to acquire, construct, install and equip electrical generating, transmission and distribution facilities for the purpose of supplying electricity to customers within its service area. The city will be authorized to issue revenue bonds to pay for such facilities, with the assent of a majority of the qualified voters, provided that these bonds are paid for by the electrical system rates and charges, or revenues derived from the municipal electric system, and not with tax dollars.

The second part of this proposed amendment will allow any city owning a municipal electric system to enter into agreements to purchase, share, exchange or transmit wholesale electricity to customers within its service area, without voter approval. Any indebtedness or liability from these agreements will be paid for by the electrical system rates and charges, or revenues derived from the municipal electric system, and not with tax dollars.

Statements FOR the Proposed Amendment

1. This amendment will clarify that a city owning a municipal electric system may enter into contracts or agreements for the purchase of wholesale electricity, helping to ensure that its citizens have low-cost and stable electric utility rates.

2. This amendment will allow a city owning a municipal electric system to responsibly upgrade and modernize electricity-related facilities and help to stabilize electric rates. Such cities will be allowed to issue revenue bonds, with the assent of a majority of voters, in order to finance investment in electric generation, transmission and distribution infrastructure.
3. This amendment provides that voter-approved revenue bonds and other indebtedness or liability shall be payable solely from the revenues derived from the municipal electric system. The amendment specifically provides that the revenue bonds and other indebtedness or liability shall not be secured by the taxing power of the city, state or any political subdivision.

Statements AGAINST the Proposed Amendment

1. The existing Idaho constitutional requirement mandating a two-thirds assent of the voters before a city owning a municipal electric system can enter into agreements resulting in debt is an important safeguard for all Idaho citizens.
2. Currently, the Constitution requires two-thirds assent of the voters of a city to approve the issuance of revenue bonds by a city owning a municipal electric system. If adopted, the proposed amendment will require only a majority of the voters to approve the issuance of revenue bonds by the city to finance electric generating, transmission and distribution facilities.
3. Changes to the Constitution should be made only for major issues of interest to the entire state or in the event of a constitutional crisis.