

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 578

BY EDUCATION COMMITTEE

AN ACT

1 RELATING TO PUBLIC SCHOOL FACILITIES; AMENDING SECTION 33-909, IDAHO CODE,
2 TO REVISE PROVISIONS RELATING TO PARTICIPATION IN THE PUBLIC SCHOOL FA-
3 CILITIES COOPERATIVE FUNDING PROGRAM, TO PROVIDE FOR APPLICATION OF LAW
4 AND TO MAKE TECHNICAL CORRECTIONS; AMENDING CHAPTER 9, TITLE 33, IDAHO
5 CODE, BY THE ADDITION OF A NEW SECTION 33-909A, IDAHO CODE, TO ESTABLISH
6 PROVISIONS RELATING TO THE PUBLIC SCHOOL FACILITIES COOPERATIVE FUND
7 LOAN PROGRAM, TO ESTABLISH PROVISIONS RELATING TO OBTAINING A LOAN, TO
8 PROVIDE FOR A MAXIMUM LOAN AMOUNT, TO PROVIDE FOR LOAN REPAYMENT, TO
9 PROVIDE FOR A CERTIFICATION, TO PROVIDE FOR RULES; AND PROVIDING A SUN-
10 SET DATE.
11

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

13 SECTION 1. That Section 33-909, Idaho Code, be, and the same is hereby
14 amended to read as follows:

15 33-909. PUBLIC SCHOOL FACILITIES COOPERATIVE FUNDING PROGRAM -- FUND
16 CREATED. (1) In fulfillment of the constitutional requirement to provide a
17 general, uniform and thorough system of public, free common schools, it is
18 the intent of the state of Idaho to advance its responsibility for providing
19 a safe environment conducive to learning by providing a public school facil-
20 ities funding program to enable qualifying school districts to address un-
21 safe facilities identified as unsafe under the standards of the Idaho uni-
22 form school building safety act.

23 (2) Participation in the program, for the purpose of obtaining state
24 financial support to abate identified school building safety hazards, re-
25 quires submission of an application to the public school facilities coopera-
26 tive funding program panel. Application can be made by:

27 (a) Any school district that has failed to approve at least one (1) ~~or~~
28 ~~more~~ bond ~~levies~~ levy for the repair, renovation or replacement of ex-
29 isting unsafe facilities, within the two (2) year period immediately
30 preceding submission of the application; or

31 (b) The administrator of the division of building safety, for a school
32 district that has failed to address identified unsafe facilities as
33 provided in chapter 80, title 39, Idaho Code.

34 The provisions of this subsection shall not apply to or affect a district's
35 participation in the loan program established in section 33-909A, Idaho
36 Code.

37 (3) There is hereby created within the office of the state board of
38 education the Idaho public school facilities cooperative funding program
39 panel, hereafter referred to as the panel. The panel shall consist of the
40 administrator of the division of building safety, the administrator of the
41 division of public works and the executive director of the state board of
42 education, or a designee appointed by a panel member. It shall be the duty of

1 the panel to consider all applications made to it, and to approve, modify or
2 reject an application based upon the most economical solution to the prob-
3 lem, as analyzed within a projected twenty (20) year time frame.

4 (4) The application shall contain the following information:

5 (a) The identified school building safety hazards and such other infor-
6 mation necessary to document the deficiencies;

7 (b) The school district's plan for abating the defects, including costs
8 and sources and amounts of revenue available to the school district;

9 (c) The market value for assessment purposes of the school district;
10 and

11 (d) A detailed accounting of all bond and plant facility levies of the
12 school district and the revenues raised by such levies.

13 For applications initiated by the administrator of the division of building
14 safety pursuant to subsection (2) (b) of this section, the school district
15 shall provide the information required in this subsection ~~(4)~~ if such infor-
16 mation is not available to the administrator.

17 (5) If the panel determines that it requires additional plans and in-
18 formation, it may authorize the expenditure of up to one hundred fifty thou-
19 sand dollars (\$150,000) per application from the public school facilities
20 cooperative fund for the procurement thereof. In considering an applica-
21 tion, the panel shall determine whether the plan as proposed is acceptable,
22 or is acceptable with modifications as determined by the panel, or should be
23 rejected. If the application is approved or approved with modifications,
24 any expenditures authorized by the panel pursuant to this subsection shall
25 be added to the project. The panel shall notify the applicant of its deci-
26 sion, in writing, within ninety (90) days of receiving the application. At
27 the same time the panel notifies the applicant, the panel shall send noti-
28 fication of an approved application or a modified application to the state
29 board of education, along with the panel's specifications for the project
30 and its cost.

31 (6) If an application received from a school district is accepted or
32 modified by the panel, the local board of trustees of that school district,
33 at the next election held pursuant to section 34-106, Idaho Code, shall sub-
34 mit the question to the qualified electors of the school district of whether
35 to approve a bond in the amount of the cost of the project as approved by the
36 panel.

37 (7) Within thirty-five (35) calendar days of receiving notification
38 from the panel that an application submitted by the administrator of the di-
39 vision of building safety pursuant to subsection (2) (b) of this section has
40 been approved or modified by the panel, or within thirty-five (35) calendar
41 days of receiving certification from the panel that the question submitted
42 to the electorate pursuant to subsection (6) of this section was not approved
43 in the election, the state board of education shall appoint a district su-
44 pervisor for interim state supervision of the local school district. The
45 district supervisor shall be responsible for ensuring that the project, as
46 approved by the panel, is completed and shall regularly report to the panel
47 in a manner as determined by the panel upon approval of the project. The dis-
48 trict supervisor shall also have the authority granted to said position by
49 the provisions of section 6-2212, Idaho Code. A district supervisor's term
50 of service shall continue for the duration of the project, and such person

1 appointed as a district supervisor shall serve at the pleasure of the state
2 board of education.

3 (8) The abatement of unsafe public school facilities through the pub-
4 lic school facilities cooperative funding program shall be performed exclu-
5 sively in accordance with the regular permitting, plan review and inspec-
6 tion requirements of the division of building safety. The Idaho building
7 code board shall function as a board of appeals for the division of build-
8 ing safety for such construction in accordance with the provisions of sec-
9 tion 39-4107, Idaho Code. Upon successful completion of the construction in
10 accordance with applicable building codes, a certificate of occupancy shall
11 be issued by the administrator of the division of building safety. Upon is-
12 suance of a certificate of occupancy, responsibility for ensuring the safety
13 of the facility or portion thereof so constructed will then be returned to
14 the school district and responsibility for ensuring subsequent compliance
15 with building codes returned to the authority having jurisdiction.

16 (9) Upon approval of an application or a modified application submitted
17 by the administrator of the division of building safety pursuant to subsec-
18 tion (2) (b) of this section, or upon receipt of certification from the county
19 that the question submitted to the electorate pursuant to subsection (6) of
20 this section was not approved in the election, the panel shall certify the
21 cost of the project, as approved by the panel, to the state department of edu-
22 cation.

23 (a) The total cost of the project shall initially be paid by the state
24 from the public school facilities cooperative fund. If the district
25 supervisor determines that the amount approved by the panel is insuf-
26 ficient to complete the project in a satisfactory manner, the panel
27 may request a legislative appropriation of additional moneys from the
28 public school facilities cooperative fund. If such an appropriation
29 is approved, these additional moneys shall be added to the cost of the
30 project.

31 (b) The district's share of costs that may be repaid through the levy
32 provisions of this section shall not exceed the district's share of bond
33 payment costs as calculated for the bond levy equalization support pro-
34 gram in the fiscal year in which the application is made. Interest shall
35 be charged on the unpaid balance of the district's share of costs, as
36 such balance exists at the end of each fiscal year, at the rate of inter-
37 est earned by the state treasurer on the investment of idle funds in that
38 fiscal year.

39 (c) It shall be the responsibility of the state department of educa-
40 tion to calculate a state-authorized plant facilities levy rate in ac-
41 cordance with the provisions of subsection (10) of this section, which,
42 when imposed over a maximum period not to exceed twenty (20) years, may
43 yield the revenues needed to repay the school district's share of the
44 cost of the project.

45 (d) The levy rate calculated by the state department of education shall
46 be certified by the department to the county or counties wherein the
47 boundaries of the school district are contained, for assessment of the
48 levy and collection of the revenues by such county or counties in the
49 manner provided by law. The revenues collected by imposition of the

1 state-authorized plant facilities levy shall be remitted to the state
2 treasurer for deposit to the public school facilities cooperative fund.

3 (10) The annual state-authorized plant facilities levy rate shall be
4 limited to the greater of:

5 (a) The difference between the school district's combined bond and
6 plant facilities levy rates, and the statewide average bond and plant
7 facility levy rates; or

8 (b) The statewide average plant facility levy rate.

9 The initial levy rate so calculated shall be established as the minimum levy
10 rate that shall be imposed for the amount of time required to reimburse the
11 state for the school district's share of the project cost, but not to exceed
12 twenty (20) years, even if this period would not provide reimbursement of
13 the entire amount of the school district's share of the cost of the project.
14 The state department of education is authorized and directed to recalculate
15 the levy rate on an annual basis and is authorized to increase or decrease
16 the levy rate according to the scheduled payback, but the levy rate shall not
17 be less than the levy rate initially imposed. Provided however, if the levy
18 rate calculated is estimated to raise more money than would be necessary to
19 repay the district's share of costs, then the state department of education
20 shall certify to the county or counties wherein the boundaries of the school
21 district are contained, the moneys necessary to repay the district's share
22 of costs.

23 (11) There is hereby created in the state treasury a public school fa-
24 cilities cooperative fund. The fund shall contain such moneys as may be di-
25 rected pursuant to appropriation. Moneys in the fund shall be used exclu-
26 sively to finance the public school facilities cooperative funding program
27 and the public school facilities cooperative fund loan program established
28 by section 33-909A, Idaho Code, and are hereby continuously appropriated for
29 such purposes as authorized by this section. Moneys in the fund shall be in-
30 vested by the state treasurer in the same manner as provided under section
31 67-1210, Idaho Code, with respect to other idle moneys in the state treasury.
32 Interest earned on the investments shall be credited to the school district
33 building account.

34 SECTION 2. That Chapter 9, Title 33, Idaho Code, be, and the same is
35 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
36 ignated as Section 33-909A, Idaho Code, and to read as follows:

37 33-909A. PUBLIC SCHOOL FACILITIES COOPERATIVE FUND LOAN PRO-
38 GRAM. (1) In addition to the program provided for in section 33-909, Idaho
39 Code, there is hereby created the public school facilities cooperative fund
40 loan program. Participation in the loan program, for the purpose of ob-
41 taining moneys provided in the public school facilities cooperative fund,
42 requires submission of an application as described in subsection (2) of this
43 section. Participation in the loan program shall be restricted to school
44 districts with enrollment of two thousand (2,000) or fewer students as
45 counted in the most recent school year.

46 (2) (a) To obtain a loan pursuant to the program, a school district
47 shall submit an application to the Idaho public school facilities co-
48 operative funding program panel established in section 33-909, Idaho
49 Code. Such application shall identify the specific facility upgrade or

1 facility improvement that the applicant district seeks to make. In or-
2 der to qualify for a loan pursuant to this section, the facility upgrade
3 or facility improvement must be directly related to school security and
4 safety or energy efficiency. The maximum amount of a loan to a school
5 district pursuant to the program shall be two hundred thousand dollars
6 (\$200,000). The maximum amount of loans to all school districts per
7 year shall be one million dollars (\$1,000,000).

8 (b) Any loan awarded pursuant to the program shall be paid back to the
9 fund no later than five (5) years following the date of the award of the
10 loan. Any loan awarded pursuant to this program shall be charged inter-
11 est in the same manner as provided in section 33-909, Idaho Code. Moneys
12 for any loan shall be disbursed from the public schools facility cooper-
13 ative fund established in section 33-909, Idaho Code.

14 (c) If a loan is not repaid within five (5) years as required by this
15 section, the state department of education shall deduct an amount equal
16 to the remaining unpaid loan payments from the district's discretionary
17 funding allocation for the next fiscal year and deposit the moneys into
18 the public school facilities cooperative fund.

19 (3) Upon approval of an application by the panel, the panel shall cer-
20 tify the cost of the project to the state department of education.

21 (4) A school district awarded a loan pursuant to the program may combine
22 the loan amount with other moneys available to the district for the facility
23 upgrade or improvement described in the loan application.

24 (5) The state board of education shall develop an application form for
25 the program, including criteria to judge applications, and shall promulgate
26 rules to implement the provisions of the program.

27 SECTION 3. The provisions of Section 2 of this act shall be null, void
28 and of no force and effect on and after July 1, 2019. Provided however, that
29 any loan repayments shall continue until such loan is repaid in full and in
30 accordance with the provisions of Section 2 of this act as that section ex-
31 isted on June 30, 2019.