

MINUTES
HOUSE STATE AFFAIRS COMMITTEE

DATE: Monday, January 27, 2020

TIME: 9:00 A.M.

PLACE: Room EW40

MEMBERS: Chairman Harris, Vice Chairman Armstrong, Representatives Crane, Palmer, Barbieri, Holtzclaw, Monks, Zito, Scott, Andrus, Hartgen, Young, Smith, Gannon, Green

**ABSENT/
EXCUSED:** None

GUESTS: Karen Echeverria, Idaho School Board Association; Philip Neuhoff, Jonathan Gillen, Steve Smylie, West Ada County; Patrick Charlton, Vallivue School District; Craig Woods, Emmett School District; Jayme Sullivan, City of Boise; Russ Johnson, Canyon County School District; Fred Birnbaum, Idaho Freedom Foundation; Marilyn Whitney, State Department of Education; Russell Westerberg, Bob Van Armen, Lindsey Zea

Chairman Harris called the meeting to order at 9:00 AM.

MOTION: **Rep. Andrus** made a motion to approve the minutes of the meeting on January 21, 2020. **Motion carried by voice vote.**

H 344: **Rep. Monks** said **H 344** is incomplete and inaccurate and requested it be returned to sponsor or held in committee.

MOTION: **Rep. Palmer** made a motion to **HOLD H 344** in committee. **Motion carried by voice vote.**

RS 27458: **Rep. Monks** said **RS 27458** reflects the fact that the name of the Department of Disaster Relief and Civil Defense was changed to the Bureau of Homeland Security and subsequently changed again to the Office of Emergency Management, which is its current name. This proposed legislation clarifies the reporting structure used to file information on emergency interim successors for legislators.

MOTION: **Rep. Palmer** made a motion to introduce **RS 27458** and recommend it be sent directly to the second reading calendar. **Motion carried by voice vote. Rep. Monks** will sponsor the bill on the floor.

H 347: **Rep. Scott** said **H 347** would prohibit a taxing district from rerunning a bond election within 11 months of a previous failed bond election of the same kind or subject. **H 347** protects voters from aggressive taxing districts and saves taxpayer money.

In response to committee concerns about infringing on local control, **Rep. Scott** said ignoring the decisions of the voters is ignoring local decision-making and the ballot box should be respected.

In response to committee questions, **Rep. Scott** said taxing districts disrespect the voice of the people by timing elections. Rep. Scott said she was not aware of any other election process in which the results are not respected. Emergencies are determined by the directors of the agencies as well as the voters.

Karen Echeverria, Executive Director of the Idaho School Board Association testified in opposition to **H 347**. Ms. Echeverria explained that **H 347** addresses only a small percentage of school districts. If school were prevented from running bonds, they cannot choose their interest rate. In addition to the primary and general election dates, the school district can use two other dates. Ms. Echeverria expressed concern with wording in **H 347** that may impact interpretation of the bill and requested the bill be held in committee.

In response to committee questions, **Ms. Echeverria** said the reason for the extra election dates is timing. Schools need to set budgets, salaries and benefits before May. Bond money is typically spent on building upkeep and housing for a growing student population.

Philip Neuhoff, a school trustee in West Ada School District, testified in opposition to **H 347**. Mr. Neuhoff said he did not believe **H 347** was in the best interest of children and was just unnecessary. He said the only mechanism the district has to build new facilities is through bond elections and even after bonds are passed, they take time to implement. Mr. Neuhoff said when they bring bonds to voters, there is a pressing need and they do not bring a new bond every few months.

In response to committee questions, **Mr. Neuhoff** said the bond process is not quite as nimble as they need it to be and while they do not put bonds forward every few months, running a bond election in nine months instead of 11 months can get a school open maybe a year earlier.

Jonathan Gillen, CFO for West Ada County testified that waiting 11 months could mean additional construction costs and interest rates. Mr. Gillen said that districts meet with multiple stakeholders before putting a bond forward and the bond process already requires a 2/3 majority to pass.

In response to committee questions, **Mr. Gillen** said they can refinance bonds if interest rates change.

Patrick Charlton, Superintendent of Vallivue School District, said the district was building schools about every two years and has the lowest tax rate it has had. Mr. Charlton is concerned that if a bond election did fail and they were required to wait eleven months, they would fall behind in the construction necessary to keep up with the growing population.

In response to committee questions, **Mr. Charlton** said if a bond failed, they would go back to the taxpayers and gather feedback to restructure the bond and put it forward again the next year. Mr. Charlton said they are strategic in the best time to pass bonds and they also rely on a supplemental levy.

Craig Woods, Superintendent of the Emmett School District, testified that a school building in his district has been determined unsafe for students to be in and they are planning on running a bond election in May. Mr. Woods said that while this repair is necessary, it does not constitute an emergency. He said he believed this bill was unnecessary.

Steve Smylie, West Ada School Board Trustee, said the government that is closest to the people is the most effective. Mr. Smylie said running bond elections is a practical matter for districts who are experiencing overcrowding in schools. He said the state already has a very high standard for passing bonds and this bill creates a burden.

Bob Van Arnem, self, testified about the impact of bond elections on property taxes.

Russ Johnson from Canyon County School District said if there was a problem with an aggressive taxing district, the voters have a chance to replace them.

Fred Birnbaum, Idaho Freedom Foundation, testified in support of **H 347** because he believes it is logical. Mr. Birnbaum said funding schools is important, but this is not the way to do it.

In response to committee questions, **Mr. Birnbaum** said the bond elections as a tool would not disappear, but the districts are using them differently. He said those who support rerunning bond elections within a few months are betting that a lower voter turnout will allow the bond to pass. This isn't a perfect answer, but it is an improvement on the current plan.

Lindsay Zea, self, testified that taxpayers pay for elections to be run while the districts ask for more and more money.

Rep. Scott testified in closing that although there are not many aggressive taxing districts, they should be held accountable. The taxing districts should be shouldering the costs of educating the public, not the school boards or the counties. She argued that schools are not growing as quickly as reported and they can plan ahead to run bonds.

MOTION: **Rep. Gannon** made a motion to **HOLD H 347** in committee.

During discussion, committee members noted that the system was working well for those who wanted to serve their constituents and those who were misusing it could be voted out of office.

SUBSTITUTE MOTION: **Rep. Zito** made a substitute motion to send **H 347** to the floor with a **DO PASS** recommendation.

During discussion on the motion, committee members indicated they were in favor of local control and did not want to tie the hands of local government. Constituents have expressed voter fatigue. Members supported the motion to send **H 347** to the floor, but reserved their right to vote differently on the floor.

ROLL CALL VOTE: **Rep. Smith** requested a roll call vote on **H 347**. **Motion carried by a vote of 12 AYE and 3 NAY. Voting in favor** of the motion: **Reps. Harris, Armstrong, Crane, Palmer, Barbieri, Holtzclaw, Monks, Zito, Scott, Andrus, Hartgen, Young. Voting in opposition** to the motion: **Reps. Smith, Gannon, Green. Rep. Scott** will sponsor the bill on the floor.

ADJOURN: There being no further business to come before the committee, the meeting adjourned at 10:34 AM.

Representative Harris
Chair

Devon Powers
Secretary