

**MINUTES**  
**Approved by the Committee**  
**Funding Construction of Public Schools**  
**Thursday, October 06, 2022**  
**12:00 P.M.**  
**Room WW53**  
**Boise, Idaho**

Members in attendance: Cochairs Senator Dave Lent and Representative Jason Monks; Senators Lori Den Hartog, Kevin Cook, Jeff Agenbroad, and Janie Ward-Engelking; Representatives Julie Yamamoto, Matthew Bundy, and Sally Toone. Absent/excused: Representative Paul Amador. Legislative Services Office (LSO) staff in attendance: Trevor Ahrens, Jared Tatro, and Grace King.

Note: Presentations and handouts provided by the presenters/speakers are posted to the Idaho Legislature's website <https://legislature.idaho.gov/sessioninfo/2022/interim> and copies of those items are on file at the Legislative Services Office in the State Capitol. Recordings of the meeting may be available under the committee's listing on the website.

Cochair Lent called the meeting to order at 12:03 p.m.; a silent roll call was taken.

### **Opening Remarks**

Cochairs Lent and Monks made opening remarks on the importance of funding the construction of public schools and the goals of the committee.

### **Historical Task Team Synopsis**

Andy Grover, Executive Director of the Idaho Association of School Administrators (IASA), gave an overview of school facilities funding. He detailed discussions he and other professionals had when they addressed the issue of funding school facilities a few years prior. It was agreed that the State of Idaho should leave the Bond Equalization Fund program in place, change the Plant Facility Levies system to allow up to 20 years instead of 10, and create a School Capital Improvement Matching Program that would provide matching facility grants to districts who pass bonds for construction projects. He summarized the mechanics and benefits of the School Capital Improvement Matching Program, including reducing property taxes and helping districts struggling to pass bonds to update their facilities.

- Cochair Lent asked Mr. Grover about his priorities. Mr. Grover stated that his priority would be to make districts more equitable across the state by making it easier for them to pass bonds and levies. Cochair Lent referred to a 2005 Idaho Supreme Court Ruling that stated the Legislature had not preformed its constitutional duty of creating a uniform system of public education in regards to school facilities and that the Legislature cannot place the primary burden of funding school facilities on the local property taxpayer or the school districts. He commented that the bond and levy system currently in place does just that. He proposed the committee dedicate October to discovery, November for analysis, and December for recommendations for the next session.
- Representative Toone wondered how to make the districts more equitable. Mr. Grover responded that he believed helping rural districts communicate their needs to their communities in order to help pass the bonds and levies needed.
- Representative Bundy inquired as to whether the School Capital Improvement Matching Program would apply to schools that receive federal funding, such as the one located on the Mountain

Home Air Force Base. Mr. Grover explained that the parameters of the program could be set to include schools that receive federal funds.

- Senator Ward-Engelking remarked that bonds and levies also have had a difficult time passing in urban areas and wondered if an initial appropriation of \$100 million that Mr. Grover requested would be enough to get the program started. Mr. Grover responded that \$100 million was a low amount to request based on the current situation and he estimated that the needed costs would be more likely around \$250 million. Senator Ward-Engelking wondered if school districts ever recovered the funds lost after the change the Legislature made to the funding system in 2006 and the recession that hit soon after. Mr. Grover stated that school districts have not fully recovered from the 2008 recession but the investments in K-12 education from the previous year have helped. Senator Ward-Engelking explained that bonds and levies were intended to be used for supplemental funding but now were relied on as a primary source of funding.
- Senator Agenbroad asked if Mr. Grover supported a shift to a state-controlled system of funding school facilities or maintain local-control but change the requirements to make it easier for bonds and levies to pass. Mr. Grover advocated for maintaining local control on some level but acknowledged that the school districts want whatever help they can get to properly fund school facilities.
- Representative Yamamoto wondered if Mr. Grover knew how school districts felt about the idea where school districts create different floor plans to be decided upon, and if the district chose to go with a different plan, it would have to provide for the difference in costs. Mr. Grover explained that school districts have a similar system for other costs such as school buses but land and supply costs need to be considered when it applies to building school facilities.
- Senator Den Hartog asked what kind of concessions school districts would be willing to make if the state were to take a larger role in providing funding for school facilities. Mr. Grover responded that, after the investment in K-12 education made in the last year, school districts were going to be in a better place to make whatever concessions were needed for the state to be more involved.

### **Public School Construction and Bonding Trends Presentation**

Paul Headlee, Deputy Director of the Legislative Services Office, gave a presentation regarding public school construction and bonding trends. He detailed the types of new construction, square footage of new construction, estimated costs of new construction, bonding, and the Bond Levy Equalization Program. He approximated that the square footage of expansions, conversion or additions of existing space was around 1,000 to 40,000 square feet and new schools would be around 40,000 to 265,000 square feet. He found that 749,110 square feet of new construction of student-occupied space was built in the 2021-2022 school year and that the cost per square foot in 2021-2022 was between \$300 to \$350 for a total of \$224,733,000 to \$262,188,500. He explained that there was \$2.2 billion Total Bond Indebtedness and \$175 million total bond payments in the 2021-2022 school year. He detailed the history of the Bond Levy Equalization Program and stated that \$20.5 million was provided to school districts through the program the previous year.

- Cochair Monks wondered about the total amount spent on expansions, conversions and additions. Mr. Headlee stated that he would send that information to the committee later that day. Cochair Monks asked about the annual total cost of new construction. Mr. Headlee estimated that new construction costs totaled about \$300 million annually.

### **Committee Discussion**

Cochair Lent invited the committee to discuss to scope and schedule of the committee moving forward.

- Senator Ward-Engelking wondered if anyone had researched the number of schools the state would need to build in the next 10 years to keep up with demand. Cochairs Monks and Lent assured that they would try to have that information available to the committee for the next meeting.
- The committee discussed potential meeting dates and times.
- Cochair Monks encouraged the committee to ask questions so that the cochairs could find presenters to help provide them that information.

With no further business, the meeting was adjourned at 1:04 p.m.