

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 608

BY EDUCATION COMMITTEE

AN ACT

1 RELATING TO EDUCATION; AMENDING SECTION 33-909, IDAHO CODE, TO REVISE PRO-
2 VISIONS REGARDING THE PUBLIC SCHOOL FACILITIES COOPERATIVE FUNDING
3 PROGRAM; AND DECLARING AN EMERGENCY AND PROVIDING RETROACTIVE APPLICA-
4 TION.
5

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

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

9 33-909. PUBLIC SCHOOL FACILITIES COOPERATIVE FUNDING PROGRAM -- FUND
10 CREATED. (1) In fulfillment of the constitutional requirement to provide a
11 general, uniform and thorough system of public, free common schools, it is
12 the intent of the state of Idaho to advance its responsibility for providing
13 a safe environment conducive to learning by providing a public school facil-
14 ities funding program to enable qualifying school districts to address un-
15 safe facilities identified as unsafe under the standards of the Idaho uni-
16 form school building safety act.

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

21 (a) Any school district that has failed to approve at least one (1) or
22 more bond or plant facility levies for the repair, renovation, or re-
23 placement of existing unsafe facilities within the two (2) year period
24 immediately preceding submission of the application;

25 (b) The administrator of the division of occupational and professional
26 licenses for a school district that has failed to address identified un-
27 safe facilities as provided in chapter 80, title 39, Idaho Code; or

28 (c) Any school district that has approved one (1) or more bond or plant
29 facility levies, within the two (2) year period immediately preceding
30 submission of the application, for the repair, renovation, or replace-
31 ment of existing unsafe facilities, where the cost of such abatement ex-
32 ceeds the amount of moneys available from such levy or levies.

33 (3) There is hereby created within the state department of education
34 the Idaho public school facilities cooperative funding program panel, here-
35 after referred to as the panel. The panel shall consist of the administra-
36 tor of the division of occupational and professional licenses, the adminis-
37 trator of the division of public works, and the superintendent of public in-
38 struction, or a designee appointed by a panel member. It shall be the duty
39 of the panel to consider all applications made to it and to approve, modify
40 or reject an application based upon the most economical solution to the prob-
41 lem, as analyzed within a projected twenty (20) year time frame.

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

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

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

5 (c) The market value for assessment purposes of the school district;
6 and

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

9 For applications initiated by the administrator of the division of occu-
10 pational and professional licenses pursuant to subsection (2) (b) of this
11 section, the school district shall provide the information required in this
12 subsection if such information is not available to the administrator.

13 (5) (a) If the panel determines that it requires additional plans and
14 information, it may authorize the expenditure of up to one hundred fifty
15 thousand dollars (\$150,000) per application from the public school fa-
16 cilities cooperative fund for the procurement thereof. In considering
17 an application, the panel shall determine whether the plan as proposed
18 is acceptable, is acceptable with modifications as determined by the
19 panel, or should be rejected. If the application is approved or ap-
20 proved with modifications, any expenditures authorized by the panel
21 pursuant to this subsection shall be added to the project. The panel
22 shall notify the applicant of its decision, in writing, within ninety
23 (90) days of receiving the application. At the same time the panel no-
24 tifies the applicant, the panel shall send notification of an approved
25 application or a modified application to the state department of edu-
26 cation, along with the panel's specifications for the project and its
27 cost.

28 (b) The panel may authorize modifications to the approved plan at any
29 time prior to the completion of the project, giving consideration to the
30 interests of the school district, the students and the electors in its
31 determination. Such modification may alter the scope of work or ter-
32 minate the approved plan. All modifications must meet the standards as
33 outlined in this section.

34 (6) If ~~either~~ an application received pursuant to subsection (2) (b) of
35 this section is accepted or modified by the panel ~~or the amount approved by~~
36 ~~the panel is less than the smallest levy amount rejected pursuant to subsec-~~
37 ~~tion (2) (a) of this section,~~ then the local board of trustees of that school
38 district, at the next election held pursuant to section 34-106, Idaho Code,
39 shall submit the question to the qualified electors of the school district of
40 whether to approve a bond or plant facility levy in the amount of the cost of
41 the project as approved by the panel. If the question to the qualified elec-
42 tors is not approved at the election, the department shall remit payment to
43 the district pursuant to subsection (9) (a) of this section.

44 (7) For applications approved or modified by the panel that are submit-
45 ted pursuant to subsection (2) (b) of this section or those that exceed five
46 million dollars (\$5,000,000) in cost, within thirty-five (35) calendar days
47 of receiving notification from the panel that an application submitted by
48 the administrator of the division of occupational and professional licenses
49 pursuant to subsection (2) (b) of this section has been approved or modified
50 by the panel, or within thirty-five (35) calendar days of receiving certifi-

1 ~~ection from the panel that the question submitted to the electorate pursuant~~
2 ~~to subsection (6) of this section was not approved in the election,~~ the su-
3 perintendent of public instruction shall appoint a district supervisor for
4 interim state supervision of the local school district. The district super-
5 visor shall be responsible for ensuring that the project, as approved by the
6 panel, is completed and shall regularly report to the panel in a manner as de-
7 termined by the panel upon approval of the project. The district supervisor
8 shall also have the authority granted to said position by the provisions of
9 section 6-2212, Idaho Code. A district supervisor's term of service shall
10 continue for the duration of the project, and such person appointed as a dis-
11 trict supervisor shall serve at the pleasure of the superintendent of public
12 instruction.

13 (8) The abatement of unsafe public school facilities through the pub-
14 lic school facilities cooperative funding program shall be performed exclu-
15 sively in accordance with the regular permitting, plan review and inspection
16 requirements of the division of occupational and professional licenses. The
17 state fire marshal shall have exclusive authority to perform the powers and
18 duties prescribed in section 41-254, Idaho Code, for such facilities while
19 the unsafe condition is being abated. The Idaho building code board shall
20 function as a board of appeals for the division of occupational and profes-
21 sional licenses for such construction in accordance with the provisions of
22 section 39-4107, Idaho Code. Upon successful completion of the construc-
23 tion in accordance with applicable building codes, a certificate of occu-
24 pancy shall be issued by the administrator of the division of occupational
25 and professional licenses. Upon issuance of a certificate of occupancy, re-
26 sponsibility for ensuring the safety of the facility or portion thereof so
27 constructed will then be returned to the school district and responsibility
28 for ensuring subsequent compliance with building codes returned to the au-
29 thority having jurisdiction.

30 (9) Upon approval of an application or a modified application ~~submitted~~
31 ~~by the administrator of the division of occupational and professional li-~~
32 ~~enses pursuant to subsection (2) (b) of this section, or upon receipt of~~
33 ~~certification from the county that the question submitted to the electorate~~
34 ~~pursuant to subsection (6) of this section was not approved in the election,~~
35 the panel shall certify the cost of the project, as approved by the panel, to
36 the state department of education.

37 (a) The total cost of the project, less any school district funds being
38 provided, including bond or plant facility funds available pursuant
39 to an application made under subsection (2) (c) of this section, shall
40 initially be paid by the state from the public school facilities co-
41 operative fund. If the panel determines that the amount it approved
42 is insufficient to complete the project in a satisfactory manner, the
43 panel may request a legislative appropriation of additional moneys from
44 the public school facilities cooperative fund. If such an appropria-
45 tion is approved, these additional moneys shall be added to the cost of
46 the project.

47 (b) ~~The district's share of costs shall be based upon actual funds ex-~~
48 ~~pended.~~ The district's share of costs that may be repaid through the
49 payment provisions of this section shall not exceed the district's
50 share of bond payment costs as would have been calculated for the bond

1 levy equalization support program, as if such program still existed,
2 in the fiscal year in which the application is made. ~~Interest~~ If the
3 bond levy equalization fund index for the district is less than 1.00,
4 the district share shall be discounted by the percentage difference
5 between the index value and 1.00. However, if the index value is 1.50 or
6 below, the discount shall be no less than ten percent (10%) of the sim-
7 ple interest, as calculated by the department over a term not to exceed
8 twenty (20) years based on the interest rate charged pursuant to the
9 provisions of this paragraph. Simple interest shall be charged on the
10 unpaid balance of the district's share of costs, as such balance exists
11 at the end of each fiscal year, at the average rate of interest earned by
12 the state treasurer on the investment of idle funds in that the fiscal
13 year in which the application is made. For the first year, the simple
14 interest calculation shall be based on the actual number of days since
15 the initial payment to the district.

16 (c) It shall be the responsibility of the state department of educa-
17 tion to calculate a payment in accordance with the provisions of subsec-
18 tion (10) of this section, which, when imposed over a maximum period not
19 to exceed twenty (20) years, may yield the revenues needed to repay the
20 school district's share of the cost of the project. The provisions of
21 this paragraph shall not apply to owed payments that are not made by the
22 district pursuant to subsection (10) (a) of this section.

23 (d) The payment calculated by the state department of education shall
24 be certified by the department to the school district. The revenues
25 collected by imposition of the payment from the school district facili-
26 ties fund in section 33-911, Idaho Code, shall be remitted to the state
27 treasurer for deposit to the public school facilities cooperative fund.

28 (10) (a) The annual payment shall be the amount received by the school
29 district pursuant to section 33-911, Idaho Code, that is applied pur-
30 suant to section 33-911 (2) (b), Idaho Code. This payment shall be remit-
31 ted annually by September 15 of each year. If payments are not made by
32 the district pursuant to section 33-911(2) (b), Idaho Code, the twenty
33 (20) year term outlined in subsection (9) (b) of this section shall be
34 extended by the number of annual payments not made by the district if
35 there was a distribution made pursuant to section 33-911(2) (b), Idaho
36 Code.

37 (b) ~~The amount calculated for the initial payment pursuant to paragraph~~
38 ~~(a) of this subsection shall be established as the minimum payment that~~
39 ~~payment shall be made for the amount of time required to reimburse the~~
40 ~~state for the school district's share of the project cost, but not to~~
41 ~~exceed twenty (20) years, unless payments are not made as outlined in~~
42 ~~subsection (9) (a) of this section, even if this period would not provide~~
43 ~~reimbursement of the entire amount of the school district's share of~~
44 ~~the cost of the project, including any appropriate interest. The state~~
45 ~~department of education is authorized and directed to recalculate the~~
46 ~~payment on an annual basis and is authorized to increase or decrease the~~
47 ~~payment according to the payment schedule, but the payment shall not be~~
48 ~~less than the payment initially imposed. Provided however, if the pay-~~
49 ~~ment calculated is estimated to raise more money than would be necessary~~
50 ~~to repay the district's share of costs, then the state department of~~

1 education shall certify to the school district the moneys necessary to
2 repay the district's share of costs.

3 (c) Within sixty (60) days of the issuance of the certificate of occu-
4 pancy pursuant to subsection (8) of this section, the school district
5 shall report to the state department of education the total amount of
6 any project savings based on the difference between the amount origi-
7 nally paid pursuant to subsection (9) (a) of this section for the project
8 and the actual costs incurred, including any contracted costs not yet
9 paid. The state department of education shall verify the reported
10 savings. Upon verification, project savings shall be returned by the
11 school district to the public school facilities cooperative fund within
12 thirty (30) days of receiving notice of verification from the state
13 department of education. The amount returned shall then be applied to
14 reduce the school district's remaining unpaid share of costs pursuant
15 to the payment schedule calculated in subsection (10) of this section.

16 (11) There is hereby created in the state treasury a public school fa-
17 cilities cooperative fund. The fund shall contain such moneys as may be
18 directed pursuant to appropriation. Moneys in the fund shall be used exclu-
19 sively to finance the public school facilities cooperative funding program,
20 except as provided in subsection (9) (a) of this section, and are hereby
21 continuously appropriated for such purposes as authorized by this section.
22 Moneys in the fund shall be invested by the state treasurer in the same manner
23 as provided under section 67-1210, Idaho Code, with respect to other idle
24 moneys in the state treasury. Interest earned on the investments shall be
25 retained by the fund.

26 SECTION 2. An emergency existing therefor, which emergency is hereby
27 declared to exist, this act shall be in full force and effect on and after its
28 passage and approval, and retroactively to June 1, 2025.