

Legislative Report

January 25, 2008 • 3rd Week

News to Use:

iSTARS Decision to come Monday: Superintendent of Public Instruction Tom Luna presented his plan for teacher compensation to a joint meeting of the House and Senate Education Committees on Monday of this week. The IEA continues to strongly oppose the plan and has offered its alternative, referred to as weTEACH. Both plans offer a new system of teacher pay that would include incentives for performance and additional education. The major disagreement in the plans is the portion of Luna's plan that would offer incentives to teachers to go to a multi-year contract rather than the current tenure system. After a week of public testimony, the Senate Committee will make its decision on Monday the 28th. Support for the iSTARS measure weakened a bit within the committee when Sen. Bastian of Eagle contemplated withdrawing his co-sponsorship of the Luna plan. IACI testified on Wednesday, siding with a large number of school administrators, school boards and teachers from around the state. Following is what IACI stated, "Thank you again for the privilege of speaking to the joint Committee. The issue of compensation for educators is a significant piece of the overall reforms we believe are necessary to expand the opportunities for our children. We believe the state of Idaho does a pretty good job of funding education. We believe the crux of the current problem is in allocation. iSTARS is just a part of an overall overhaul needed within our education system. According to the National Education Association (NEA) "Rankings of States 2004 and Estimates of School Statistics 2005" analysis reports that:

- Idaho ranks #2 in the percentage increase in average salaries of public school teachers from 1993 to 2004;
- Idaho ranks #10 in the percentage of revenue for K-12 schools from state government coffers;
- Idaho ranks #10 in per capita spending per student.

In actual dollars:

- The average Idahoan makes \$27,098;
- The average Idaho teacher makes \$41,080;
- The average school superintendent makes almost \$84,000.

The Legislature and taxpayers have consistently increased state support, yet Idaho finds itself near the bottom in the effectiveness of those expenditures. For example:

- Idaho ranks last in the number of high school graduates who will attend post-secondary education;
- Our colleges and universities subsequently spend hundreds of thousands of dollars in remedial education because of our kids being unprepared for basic higher education courses;
- Students who choose to enter the workforce rather than pursuing additional education require expensive employer-based remedial training.

The business community and the Legislature have worked hard to offer cost-effective ideas for systemic change to improve education. Why does Utah spend 25% less on education per-capita, yet produce students who out-perform our students? This is not an indictment of dedicated teachers. It's a factual reflection of an expensive system that fails our children.

The bottom line is we don't believe we should pay highly-qualified and the not-so-qualified teachers exactly the same. The iSTARS system does not take anything away from our educators. It offers a new path for compensation, and provides at least two levels of opportunity before educators would be asked to refuse tenure in favor of a multi-year contract. Our views are supported by a poll of Idaho citizens that was performed by Bob Moore Information: 61% of Idahoans *disagree* that lifetime tenure for public school teachers is good for education. And 80% agree that job performance should be part of the compensation package—largely that performance should be tied to improvement in student performance, where 70% of our citizens agree. The current system inhibits achievement through a lack of incentives. We believe the system as contemplated within iSTARS gives local districts the ability to retain those great teachers and recruit those who will be great teachers.”

Personal Property Tax Legislation: IACI staff is continuing to work with a large group of business organizations and legislators to develop the final language that will appear in the personal property tax legislation. Some of the recent conversations have brought up the possibility of including an economic “trigger” mechanism which would be tied to the overall general fund revenues. Due to the very positive general fund numbers we have witnessed over the last several years, this possibility may be a good tool to move forward and finally eliminate the personal property tax in Idaho. While some of the ideas on how we get there may change, the goal of this legislation remains consistent. We want to permanently eliminate the personal property tax business machinery, furnishings, and tools while holding local governments and taxpayers harmless through replacement money in the state sales tax.

As the grocery tax credit debate continues and looks to be getting close to a resolution, we will begin preparing to print the property tax legislation. We are very aware that the grocery tax issue must be taken care of for us to move this legislation forward. We hope that all of this is able to happen in the very near future; please stay tuned for further details.

Environment Committee Contemplates Sulfur Dioxide Emissions: The IACI Environment Committee met on January 23rd to discuss the possibility of adding a new rule that would give the DEQ the flexibility to authorize the use of varying fuel types and blends as long as the emissions of sulfur dioxide could be demonstrated to be equal or lesser than the current requirements. IACI staff has been directed to take the inquiry to the DEQ to gauge their interest in adding the new rule.

Upcoming IACI Meetings:

Legislative Committee: The Legislative Committee will meet weekly on **Tuesdays at 10:00am** throughout the Legislative session. All members are eligible attend and vote on action items. The next meeting is scheduled for **January 29th**. All members will receive notice.

Executive Committee: The IACI Executive Committee is scheduled for Friday, **February 1st, at 1:30pm**.

Board of Directors: The IACI Board of Directors is scheduled for Thursday, **February 7th, at 9:00am**.

IACI Contact information: Following is a list of contacts within the IACI organization. If there are issues with or questions on IACI policy, please do not hesitate to contact any of the following:

Alex LaBeau, IACI President
(208) 343-1849 Ext. 12

Jayson Ronk, IACI Vice President
(208) 343-1849 Ext. 16

Mike Reynoldson, Micron Technology
Chair, Legislative & Public Policy Committees
(208) 368-4344

Ed Lodge, Qwest Communications
Chair, Tax & Fiscal Responsibility Committee
(208) 385-2154

Pat Armstrong, Idaho Sand and Gravel
Chair, General Business Committee
(208) 465-4003

Susan Somers, Potlatch Corp.
Chair, Environment Committee
(208) 799-1404

Legislative Tracking sheet follows.



LEGISLATION TRACKING SHEET – 1/25/08

(IACI Position: **(+)** Support, **(-)** Oppose, **(M)** Monitoring, **(N)** Neutral)

Bold=Final Action on Bill

Bill	Description	House	Senate	Final
H360 (M)	(By Sen. Brad Little) Establishing retailer nexus – This legislation amends Section 63-3611 of the Idaho Code to provide that a "retailer engaged in business in this state" be defined as any retailer with substantial nexus in this state, and creates a new Section 63-3615A of the Idaho Code to define substantial nexus for any retailer having a franchisee or licensee operating under its tradename or owned by the same entity or corporation in the State of Idaho be required to collect taxes from its customers.	Rev/Tax		
S1249 (M)	(By Sen. Keough, Reps. Eskridge, Anderson) North Idaho Adjudication amendments: This legislation Amends existing law relating to water rights adjudication to delete reference to water rights adjudication in the Kootenai and Clark Fork-Pend Oreille river basin. The purpose of this legislation is to remove Basins # 96, 97, 98, from the NIA.		Resources & Environment	
S1278 (M)	(By Sens: Broadsword, Keough, Reps. Eskridge, Anderson, Mary Lou Shepherd, Harwood) Rathdrum Prairie Adjudication Nattowing: This legislation would narrow the focus of the North Idaho Water Adjudication to the Rathdrum Prairie.		Resources & Environment	
S1279 (M)	(By Sen: Broadsword, Reps. Mary Lou Shepherd, Harwood) North Idaho Adjudication repeal: This legislation would repeal the Idaho Code relating to the northern Idaho water right adjudication.		Resources & Environment	
S1283 (-)	(By Human Rights Commission) Allows attorney fees in discrimination cases: This legislation would provide that a district court may issue an order for attorney's fees in a civil action filed by the Human Rights Commission or filed by a person alleging unlawful discrimination. IACI believes this would lead to an unsubstantiated increase in the number of claims by setting up plaintiffs firms to receive bounties.		Judiciary & Rules	
S1289 (-)	(By Sen. Stennett) Nuclear facility election: This legislation would require a vote of the people to construct a nuclear facility in Idaho		State Affairs	
S1291 (-)	(By Sens. Stennett, Langhorst, Kelly, Burkett, Werk, Bilyeu, Sagness) Personal financial disclosure: This legislation would require elected officials and candidates for public office to file personal financial disclosure statements with the Secretary of State.		State Affairs	
S1292 (-)	(By Sens. Stennett, Langhorst, Kelly, Burkett, Werk, Bilyeu, Sagness) "Fair" elections act: This legislation would establish an alternative campaign financing option by creating the Idaho Fair Elections Trust Fund.		State Affairs	
S1293 (-)	(By Sens. Stennett, Langhorst, Kelly, Burkett, Werk, Bilyeu, Sagness) Energy facility siting: This legislation provides for an energy facility siting panel to approve or disapprove sites for the proposed construction and operation of large merchant electric generation facilities.		State Affairs	
S1302 (-)	(By Sen. Kelly) Lobbying prohibition for elected officials: This legislation would require a one-year "cooling off" period before a former legislator or executive official could register as a lobbyist.		State Affairs	

S1303 (-)	(By Sen. Kelly) Lobbying door prohibition for public officials: This legislation would require a one-year "cooling off" period for former government officers and employees before lobbying the groups they previously worked with.		State Affairs	
S1304 (-)	(By Sens. Stennett, Langhorst, Kelly, Burkett, Werk, Sagness) Raises homestead exemption to \$150,000: This legislation would increase the homeowner property tax exemption to \$150,000.		Local Government & Taxation	
S1314 (-)	(By Sens. Stennett, Langhorst, Kelly, Burkett, Werk,) Moratorium on merchant power plants: This bill would place a two (2) year moratorium on applying for or issuance of permits, licenses or construction of a merchant thermal power plant.		State Affairs	
S1315 (-)	By Sens. Stennett, Langhorst, Kelly, Burkett, Werk, Bilyeu, Sagness, Corder) Sunset to all sales or income tax exemptions: This legislation proposes to implement a "zero-based tax exemption" system which would apply to all Idaho statutory tax credits, deductions, and exemptions. It provides for the expiration of all such credits, deductions, and exemptions on a periodic basis unless they are reauthorized by statute.		Local Government & Taxation	