

## RESPONSE TO P.A.G.E. EMAIL: "BOND BALLOT ?S"

Date: October 19, 2023



On Monday, October 16, 2023 representatives from the Pocatello for Accountable Government Entities submitted an email to the Pocatello/Chubbuck School District 25 Board of Trustees with the subject line: Bond Ballot ?s. That email and its attachment, which are included on the following pages, questions the District's application of Idaho Statute 33-911 and the "required priority application School District Facility Funds which identifies a significantly different priority order between an "existing" bond (#1) and a "new" bond (#4)."

In response to the email, Dr. Douglas Howell, Superintendent, Mr. Jonathan Balls, Director of Business Operations, and Mrs. Courtney Fisher, Director of Communications, consulted with legal counsel, Nicolas G. Miller, Partner, Hawley Troxell. Mr. Miller directed the District to the Idaho State Tax Commission because counsel believed that the Tax Commission would confirm the analysis that the District had previously received from counsel.

Following counsel's direction, District representatives reached out to the Idaho State Tax Commission to provide an analysis of the issue. After reviewing the P.A.G.E. email submission, The Tax Commission provided the following statement to the District.

This statement supports previous legal bond counsel that the district has received regarding the potential application of fund from Idaho Statute 33-911 if the bond is voter-approved on Tuesday, November 7.

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Staff at the Tax Commission, after consulting with legal counsel, have concluded that the phrase "existing school bonds" in Idaho Code § 33-911(2)(a) includes all bonds that exist at the time money from the school district facilities fund is distributed. This phrase is not limited to only school bonds that existed at the time House Bill 292 (2023) was passed.

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In summary, the District's interpretation of Idaho Statute 33-911 aligns with analysis of the Idaho State Tax Commission as detailed above.

**FINANCIAL TAX IMPACT DISCLOSURE:** The interest rate anticipated on the proposed bond issue is 3.71% per annum. The total amount estimated to be repaid over the life of the bonds, based on the anticipated interest rate, is \$42,497,957, consisting of \$45,000,000 in principal and \$14,057,750 of interest, less \$16,559,793 in estimated bond levy equalization payments. The term of the bonds will not exceed fifteen (15) years from the date of issuance. The estimated average annual cost to the taxpayer on the proposed bond is a tax of \$37 per \$100,000 of taxable assessed value, per year, based on current conditions. However, the District expects to receive from the State of Idaho school district facilities funds in an amount each year that will exceed the annual payments on the bonds and must first be used to repay the District's bonds. Consequently, the actual estimated tax impact of the bond is \$0 per \$100,000 of taxable assessed value, per year, based on current conditions. As of November 7, 2023, the total existing bonded indebtedness of the District, including interest accrued, is \$0.00.

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## [Board Copy] Bond Ballot ?'s

1 message

**Accountable 2Pocatello** <ally2.page@gmail.com>

Mon, Oct 16, 2023 at 3:18 PM

To: facerji@sd25.us, vitalepa@sd25.us, "clarkehe@sd25.us" <clarkehe@sd25.us>, "oliveran@sd25.us" <oliveran@sd25.us>, "judyde@sd25.us" <judyde@sd25.us>

Dear Pocatello-Chubbuck School District 25 Board of Trustees:

Do you see what we see in the (attached) Idaho Statute 93-911?

In this one-page statute (created by HB292), there's a very clearly enumerated **required priority order** for the application of School District Facility Funds which identifies a significantly different priority order between an **"existing"** bond (#1) and a **"new"** bond (#4).

Reclassifying a "new" bond as an "existing" bond is what enabled the SD25 Bond language to include this statement in the bond language: **"Consequently, the actual estimated tax impact of the bond is \$0 per \$100,000 of taxable assessed value, per year, based on current conditions."**

How is this misapplication of these new state SD Facility Funds not in direct contradiction with Idaho Statute 33-911 and possibly Idaho Statute 34-913? What are we supposed to think? How do you plan to remedy this?

We await your response.

Sincerely,

Kelly Boodry, Heather Disselkoen, and Lydia Noble  
on behalf of Pocatello for Accountable Government Entities. (P.A.G.E.)



**Section 33-911 – Idaho State Legislature - HL.pdf**

137K



# Idaho Statutes

Idaho Statutes are updated to the web July 1 following the legislative session.

TITLE 33  
EDUCATION  
CHAPTER 9  
SCHOOL FUNDS

33-911. **SCHOOL DISTRICT FACILITIES FUND.** (1) There is hereby created in the state treasury the school district facilities fund. The fund shall consist of moneys provided pursuant to sections 57-811 and 63-3638, Idaho Code, and any other legislative transfers or appropriations. Interest earned from the investment of moneys in the fund shall be returned to the fund.

(2) The moneys in the fund shall be distributed by the state controller to the state department of education by August 1 each year for the purpose of construction or renovation of school facilities. The moneys shall be distributed by the state department of education to each school district, as defined in section 33-1001(21), Idaho Code, on a per-pupil basis, using the average daily attendance calculation provided in section 33-1003A, Idaho Code, except that a student attending less than half-time through a virtual learning program shall not be counted toward that school district's average daily attendance calculation. The state department of education shall transfer the moneys by no later than August 31 each year to each school district. Such moneys shall be used in place of property tax levy moneys and shall be expended by a school district for one (1) or more of the purposes set forth in paragraphs (a) through (d) of this subsection. **Moneys in the fund must be used by a school district in the following order of priority:**

(a) Payment of **existing school bonds** authorized pursuant to chapter 11, title 33, Idaho Code;

(b) Payment of supplemental school levies authorized pursuant to section 33-802, Idaho Code, excluding indefinite term supplemental levies described in section 33-802(5), Idaho Code;

(c) Saved in a reserve account by the school district for future school facility construction or renovation needs; and

(d) For use in securing and making payments on a **new school facilities bond**.

(3) The amount of moneys received by a school district pursuant to this section must be deducted from a school levy that would otherwise have been paid by property taxpayers. Such moneys may not be duplicated by the collection of property tax, and no property taxes may be collected in order to make extra payments on expenses described in subsection (2) of this section in excess of required amounts.

(4) Each school district shall identify the amount received in the current year pursuant to this section in the certification of its budget in accordance with section 63-803, Idaho Code. Said amount must be subtracted from the amount to be levied. The amount of moneys thereby saved from being collected by a property tax levy shall be reported on each property tax notice pursuant to section 63-902, Idaho Code.

(5) Each school district shall report annually to the state department of education, in a manner prescribed by it, on the expenditure of moneys it has received pursuant to this section. The state department of education shall present the reports to the legislature each January.

History:

[33-911, added 2023, ch. 200, sec. 2, p. 542.]

How current is this law?

**Search the Idaho Statutes and Constitution**