

State of Idaho Department of Administration

C.L. "BUTCH" OTTER
Governor
ROBERT L. GEDDES
Director

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July 25, 2016

The Honorable Lawrence G. Wasden Attorney General State of Idaho Boise, Idaho 83720-0001

Dear Attorney General Wasden,

On March 1, 2016, the Idaho Supreme Court issued 2016 Opinion No. 22, more commonly referred to as Syringa II. This decision overturned the Idaho Education Network contracts (statewide blanket purchase orders 1308 and 1309) making them null and void.

The District Court ruling that preceded Syringa II created significant challenges for the state in ensuring that broadband services continued for public schools and our state agencies until new agreements were reached and funding was appropriated. Fortunately, we were able to work with providers to avoid any interruption in services for our schools. The decision also left two major questions unresolved: what is the definition of "advanced;" and who is the state official contemplated by the court's decision?

Based on a common definition of "advanced," namely whether the state paid for services before they were rendered by the vendors and our state billing practices, I do not believe money was paid prior to services being provided under the state service contracts. I have been unable to discern if the same is true for services independently contracted by school districts. In addition to this concern, when both contracts were determined to be void, the vendors continued to provide services to the state and public schools far past any periods for which the state was billed. In fact, as discussed above, the vendors continued to provide services for a significant period of time for which they have received no payment from the state. Therefore, I believe even if anything was advanced it was reconciled during our billing process and falls short of the revenue the vendors did not receive for providing services while the contracts were being litigated.

As Director of the Idaho Department of Administration I have many obligations to fulfill. I take these obligations seriously and carry them out to the best of my abilities in service to the citizens of the state. After careful review of the terms of the contracts and the payments that were made, my conclusion is that all invoices paid were for services rendered. Through this determination I have fulfilled the obligations imposed by Idaho code and no demand of repayment will be made.

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Sincerely,

Robert L. Geddes, Director

Department of Administration

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cc: Governor C.L. "Butch" Otter

Senator Brent Hill, President ProTem

Representative Scott Bedke, Speaker of the House David Hensley, Chief of Staff, Office of the Governor