

Budget writers approve \$8M for possible broadband settlement

By KIMBERLEE KRUESI, Associated Press

BOISE, Idaho (AP) — State budget writers signed off on a surprise \$8 million request Tuesday from top legislative leaders to pay for a possible settlement over an illegal statewide contract for broadband in public schools.

The Joint Finance Appropriations Committee voted 19-1 to approve the request from House Speaker Scott Bedke and Senate President Pro Tem Brent Hill. It comes after the state Supreme Court upheld a decision earlier this month that voided the \$60 million contract.

"The bulk of what we're requesting today is for a settlement," Hill said, adding that any remaining funds could be funneled toward other pending litigation.

A consortium of telephone companies called Syringa Networks sued the state over the broadband contract in 2009, contending that the Idaho Department of Administration illegally handled the contract to install the infrastructure in schools.

A district judge ruled in February 2015 that the broadband contract was illegal and violated the state's procurement laws. Idaho then lost its appeal to the state's highest court.

Idaho already has agreed to pay around \$1 million for Syringa Networks' legal fees. The state also has spent nearly another \$1 million on its own failed legal defense.

Amid the court battle, officials have been negotiating with the main vendors, Education Networks of America and Qwest, to come up with a fair dollar amount to cover the work the companies did under the contract but were not yet paid for.

The House speaker says the Legislature will likely adjourn over the next few days, and he wants flexibility to settle with the vendors in the interim.

"The \$8 million signals nothing," Bedke told The Associated Press. "But, obviously, we believe (the settlement) is going to happen when we're not here."

Bedke and Hill declined to comment further about the progress of the settlement.

"In the beginning, we were going to set \$20 million aside," said Rep. Maxine Bell, R-Jerome, co-chairwoman of the powerful budget-setting committee. "There's still a lot up in the air. I just know it's reasonable to give the flexibility for what could happen."

However, Sen. Dan Schmidt, D-Moscow, raised concerns about publicizing how much the state had to pay for a settlement.

"We're putting \$8 million into a pot here," he said. "Wouldn't it be wiser to keep our cards close rather than put you guys in a spot where we're making a commitment?"

The possible settlement funds will be placed in a little-known account called the Legislative Legal Defense Fund, whose expenses are approved by only the House speaker and Senate president pro tem. Since its inception in 2012, the fund has been used to pay for outside legal counsel instead of relying on the attorney general's office.

The fund originally received \$200,000 to split between the House and Senate and an additional \$1 million last year. It's never been used for settlements or court fees.