

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Monday, February 12, 2024

TIME: 8:00 A.M.

PLACE: Room C310

MEMBERS PRESENT: Senators Co-chairman Grow, Bjerke, Burtenshaw, Lent, Cook, VanOrden, Adams, Herndon, Ward-Engelking, and Just

Representatives Co-chairman Horman, Miller, Bundy, Raybould, Furniss, Handy, Lambert, Petzke, Tanner, and Green

ABSENT/ EXCUSED: None

CONVENED: **Co-Chair Grow** called the meeting of the Joint Finance-Appropriations Committee (Committee) to order at 7:59 a.m.

UNANIMOUS CONSENT: Requested by **Co-Chair Horman**, granted by unanimous consent, the budget setting portion of the meeting agenda was reordered to take up items 6, 7, 8, 12, 13, 14, and 15 during the meeting, February 12, 2004.

LSO STAFF PRESENTATION: **COLLEGE OF WESTERN IDAHO (CWI), LBB 1-75; Keith Bybee, Division Manager, Legislative Services Office (LSO), Budget & Policy Analysis**

Mr. Bybee provided a Base review for the College of Western Idaho (CWI) including organizational structure and budget detail (see, attachment 1). CWI is a public, comprehensive community college in Southwestern Idaho with its primary campus locations in Boise and Nampa. College of Western Idaho strives to provide quality, innovative, and cost-effective programming for students – leading to economic and social mobility and meeting evolving community needs. He explained that there are four community colleges included in same appropriations bill: College of Eastern Idaho, College of Southern Idaho, College of Western Idaho, and North Idaho College.

He provided a Five-year comparison of appropriations and expenditures for FY 20 – FY 24, showing an increase in FY 21 and FY 22 estimated expenditures due to Legislative appropriation for federal Covid–19 federal appropriations. The appropriation was provided, but does not show up as expended as federal funds were utilized by the college but did not pass through the Idaho State Treasury.

He shared FY 23 Expenditures of \$19,295,000, categorized as trustee and benefits payments. He provided the five-year base snapshot for FY 20 – FY 24, showing the CWI budget has grown from \$14.1 million in FY 20 to \$20.8 million in FY 24. He outlined FY 23 and FY 24 Budget Enhancements. FY 23 budget enhancements totaled \$598,100 including: CWI Student Retention enhancement of \$342,100 and CWI student success and support enhancement for \$256,000. FY 2024 budget enhancements totaled \$1,183,600 including: CWI Increased Nursing Capacity enhancement of \$297,700, CWI – STEM Student Capacity Increase Enhancement of \$443,300, CWI Student Outreach and Recruitment Enhancement of \$288,800, and Additional CEC for Institutions Enhancement of \$153,800.

The budget requests for FY 25 included: Operational Capacity Enhancements for \$275,300 and Open Education Initiative Program Enhancement for \$100,000, for FY 25 budget request total of \$375,300. He provided background and detail on the Open Education Initiative Program.

DISCUSSION:

Representative Tanner asked if LSO has the ability to audit once money is transferred to community college boards of trustees. **Mr. Bybee** stated that community colleges have third party audits and the Committee has access to those audits.

Gordon Jones, College of Western Idaho President stood to answer questions from the Committee. **Senator Ward-Engelking** asked how many courses at CWI provide free material for students. **President Jones** referred to **Denise Cannata, CWI VP of Academic Affairs**. **Ms. Cannata** stated there are 40 courses.

Representative Bundy asked for an overview of how CEC affects CWI. **President Jones** stated the 3% CEC equals \$400,000 or 40% of CWI personnel and stated that with increased growth and cost of living, it is important to prioritize pay increases.

Senator Cook asked for detail on the FY 25 Operational Capacity Budget Request. **President Jones** stated the \$275,300 request is for academic advisors that are critical to student success. The advisors make \$40,000 per year and the budget request is to bring their salaries up to \$45,000 per year.

In response to a question from **Representative Lambert**, **President Jones** provided detail on the CWI Superbowl advertisement.

In response to a question from **Senator Herndon**, **President Jones** stated he would get back to Senator Herndon with percentages on the average pay increase for positions, resulting from the Governor's \$441,200 Operational Capacity FY 25 Enhancement request. He also stated that adjunct professors are practitioners who teach CWI courses in addition to their professional work. The pay to adjunct professors is \$3,000 per college course.

Co-Chair Horman asked for an update on Applied Degrees. **President Jones** stated there are 22 other states that have created Applied Bachelors Degrees for workforce to help individuals access the job market where a Bachelors Degree is required. CWI will offer a Bachelors Degree in Business Administration with fall, 2024 as the planned start date.

In response to a request from **Co-Chairman Grow** to provide detail for the benefit of the public about the origination of funds CWI receives from the state versus property taxes, **President Jones** stated community colleges have different sources of funding to allow operations including property taxes, tuition, philanthropy, and state appropriation. CWI has 31,000 students and an \$80 million budget, with \$12 million coming from property tax funds. Due to the modest mill rate for assess property in the CWI area, there is necessity for funding beyond property taxes.

President Jones spoke to the success and expansion of CWI, stating his institution is dedicated to affordable, employable education. He also spoke about moving away from leasing, and establishing CWI's permanent campus.

LSO STAFF PRESENTATION: COLLEGE OF EASTERN IDAHO (CEI), LBB 1-75; Keith Bybee, Division Manager, Legislative Services Office (LSO), Budget & Policy Analysis

Mr. Bybee provided a Base review for College of Eastern Idaho (CEI), including organizational structure and budget detail (see, attachment 2). Located in Idaho Falls, CEI is a comprehensive community college that provides access to affordable, quality education that meets the needs of students, regional employers, and the community. The institution, previously known as Eastern Idaho Technical College, received support from Bonneville County voters in 2017 to become Idaho's fourth community college. Funding for the college comes from a variety of sources, including the state General Fund, property taxes from the taxing district (Bonneville County), county tuition, tuition and fees, and state liquor funds. He shared the Five-Year appropriations and expenditures FY 20 – FY 24, showing increased estimated expenditures in FY 21 and FY 22 from Legislative appropriation for federal appropriations anticipated by the agency. FY 23 expenditures were 100% Trustee and Benefits. Appropriation for community colleges includes personnel costs, operating expenditures, and capital outlay; pursuant to Idaho statutes, community college appropriations are transferred to the college's Board of Trustees as 'Trustee and Benefits' and expended as such.

The Five-Year Base snapshot for FY 20 – FY 24 showed a FY 20 \$5.2 million Base and a \$7 million FY 24 Base appropriation, with Increases driven by CEC benefit costs and line items. The budget enhancements for FY 23 included \$77,200 Math faculty and \$77,200 Biological Sciences Faculty for total ongoing Base change from enhancements of \$154,400. The FY 24 budget enhancements were CEI- Compensation Equalization of \$82,200 and Additional CEC for Institutions of \$58,700 for total ongoing Base change from enhancements of \$140,900. The FY 25 Budget Requests included: Operational Capacity Enhancement of \$96,800 and Open Education Initiative Program of \$100,000 for a total of \$196,800.

DISCUSSION: Rick Aman, President of College of Eastern Idaho stood to answer questions from the Committee. In response to a question from **Senator Lent**, President Aman stated CEI is working toward rolling out two Applied Bachelor's degrees in January, 2025; one in Cyber Forensics and one in Operations Management. These degrees would be tailored to eastern Idaho working professionals in high tech firms and technicians looking to get into supervisor positions. In response to a question from **Representative Furniss**, President Aman stated adequate faculty is the important component to increasing capacity to meet demand, and stated he would like to see expansion of four programs at CEI including: cybersecurity, post training, medical assisting, and energy systems.

In response to a question from **Senator Burtenshaw** about faculty pay, President Aman stated that CEI faculty is paid a base salary of \$50,000–\$60,000 and he will get back to the committee on how faculty pay compared with four-year university professors.

In response to a question from **Senator Lent** about CEI's involvement in community in workforce training, President Aman stated community college caters to three student groups: students enrolled in lower division planning

transfer to university, dual credit students, and career technical students. In response to a question from **Senator Cook** regarding cybersecurity, President Aman stated CEI is located within a high tech nuclear part of Idaho and as such it has emphasized cyber security, going from zero cyber security technician graduates to over 80 within the last two years. what doing with cyber security. In response to a question from **Co-Chair Horman** about faculty salary, President Aman asked his CFO to respond. **Byron Miles**, CEI CFO stated the average K-12 salary in Idaho is over \$60, 000 and the average CEI faculty salary is \$55,000. **President Aman** asked for the Committee's support of the entire Governor's recommended CEI budget, speaking to the necessity for the 3% CEC in retaining employees and funding for deferred maintenance for 30 year old facilities, as well as funding to address inflation, turnover, mental health of students and student counseling.

LSO STAFF PRESENTATION: GENERAL FUND UPDATE; Keith Bybee, Division Manager, Legislative Services Office (LSO), Budget & Policy Analysis

Mr. Bybee provided the Daily Fund Update to the Committee (see, attachment 3). He discussed legislation impacting revenues or requiring additional appropriation from the Committee including H 521, S 1249, and S 1271 and provided revenue, expenditure, and appropriation detail.

DISCUSSION: **Mr. Bybee** provided an overview of the budget setting format including omnibus bills and motions to increase omnibus amounts. In response to a question from **Senator Just** regarding whether the Committee needs to formally open each budget, **Co-Chairman Grow** answered no.

LSO STAFF PRESENTATION: BUDGET SETTING -BOARD OF TAX APPEALS; LBB 6-179; Tim Hibbard, Analyst, LSO Budget and Policy Analysis

Mr. Hibbard presented the FY 25 budget for the Board of Tax Appeals before the Committee.

MOTION: Moved by **Representative Furniss** , for the Board of Tax Appeals, beginning with the FY 2025 JFAC Maintenance Budget, add \$4,400 for replacement items and \$7,200 for the 2% CEC. For the Board of Tax Appeals for FY 2025, totalling an additional \$11,600 from the General Fund; seconded by **Senator Herndon**.

DISCUSSION: **Representative Furniss** stated the Board Member Per Diem Increase enhancement requires a policy bill to pass both the House and Senate before action by the Committee can be taken. The FY 2025 Program Maintenance line can be found in H 459, page 9, line 18.

CARRIED:

AYES: 20

Senators Grow, Bjerke, Burtenshaw, Lent, Cook, VanOrden, Adams, Herndon, Ward-Engelking, and Just
Representatives Horman, Miller, Bundy, Raybould, Furniss, Lambert, Tanner, Petzke, Handy, and Green

NAYS: 0

ABSENT/EXCUSED: 0

The majority having voted in the affirmative, the motion passed and without objection carried a **DO PASS** recommendation. There being no objection, it was so ordered by **Co-Chairman Grow**.

**LSO STAFF
PRESENTATION:**

BUDGET SETTING - STATE TAX COMMISSION, LBB 6-185; Tim Hibbard, Analyst, LSO Budget and Policy Analysis

Mr. Hibbard presented the FY 25 budget for the Idaho State Tax Commission before the Committee.

MOTION:

Moved by **Senator Bjerke**, for the Idaho State Tax Commission, beginning with the FY 2025 JFAC Maintenance Budget, add \$3683,100 for IT equipment modernization, a net-zero program transfer for a technology and innovation bureau, and add \$363,100 for replacement items and \$654,500 for the 2% CEC. For the Idaho State Tax Commission for FY 2025, totalling an additional \$1,177,600 from the General Fund and \$223,100 from dedicated funds for a total of \$1,400,700; seconded by **Representative Tanner**.

DISCUSSION:

Senator Bjerke stated OITS Equipment Modernization is for equipment that the Office of Information Technology Services determined was “end of support” and needed to be replaced outside of the usual replacement cycle, which is why the agency requested the equipment as an enhancement and not part of the replacement items portion of the budget. Of the total amount \$347,200 is onetime for the equipment, and \$35,900 is ongoing for annual maintenance. Technology and Innovation Bureau creates a new technology and innovation bureau within the General Services budgeted program. The agency is using existing personnel and resources. Commissioner CEC requires a policy bill to pass both the House and Senate before action by the Committee can be taken. Replacement Items include vehicles, computers, and computer equipment as part of the usual replacement cycle. The FY 2025 Program Maintenance line can be found in H 459, page 11, line 9.

CARRIED:

AYES: 20

Senators Grow, Bjerke, Burtenshaw, Lent, Cook, VanOrden, Adams, Herndon, Ward-Engelking, and Just
Representatives Horman, Miller, Bundy, Raybould, Furniss, Lambert, Tanner, Petzke, Handy, and Green

NAYS: 0

ABSENT/EXCUSED: 0

The majority having voted in the affirmative, the motion passed and without objection carried a **DO PASS** recommendation. There being no objection, it was so ordered by **Co-Chairman Grow**.

LSO STAFF PRESENTATION: **BUDGET SETTING -DIVISION OF FINANCIAL MANAGEMENT, LBB 6-77; Tim Hibbard, Analyst, LSO Budget and Policy Analysis**

Mr. Hibbard presented the FY 25 budget for the Division of Financial Management (DFM) before the Committee. DFM is the financial department for the office of the Governor.

MOTION: Moved by **Representative Tanner**, for the Division of Financial Management, beginning with the FY 2025 JFAC Maintenance Budget, add \$45,800 for the 2% CEC. For the Division of Financial Management for FY 2025, an additional \$33,200 from the General Fund, \$10,400 from dedicated funds, and \$2,200 from federal funds, for a total of \$45,800; seconded by **Senator Herndon**.

DISCUSSION: **Representative Tanner** stated the FY 2025 Program Maintenance line can be found in H 459, page 6, line 9.

CARRIED: **AYES: 20**
Senators Grow, Bjerke, Burtenshaw, Lent, Cook, VanOrden, Adams, Herndon, Ward-Engelking, and Just
Representatives Horman, Miller, Bundy, Raybould, Furniss, Lambert, Tanner, Petzke, Handy, and Green
NAYS: 0
ABSENT/EXCUSED: 0

The majority having voted in the affirmative, the motion passed and without objection carried a **DO PASS** recommendation. There being no objection, it was so ordered by **Co-Chairman Grow**.

LSO STAFF PRESENTATION: **BUDGET SETTING — PUBLIC CHARTER COMMISSION, LBB 1–139; Jared Tatro, Deputy Division Manager, LSO Budget and Policy Analysis**

Mr. Tatro presented the FY 25 budget for the Public Charter Commission before the Committee. The Public Charter Commission has seven members appointed by the Governor and confirmed by the Senate and oversee charter school authorizations.

MOTION: Moved by **Representative Bundy**, for the Charter School Commission, beginning with the FY 2025 JFAC Maintenance Budget \$8,900 for the 2% CEC. For the Charter School Commission for FY 2025 an additional \$2,400 from the General Fund, and \$6,500 from dedicated funds, for a total of \$8,900; seconded by **Senator Adams**.

CARRIED: **AYES: 20**
Senators Grow, Bjerke, Burtenshaw, Lent, Cook, VanOrden, Adams, Herndon, Ward-Engelking, and Just
Representatives Horman, Miller, Bundy, Raybould, Furniss, Lambert, Tanner, Petzke, Handy, and Green
NAYS: 0
ABSENT/EXCUSED: 0

The majority having voted in the affirmative, the motion passed and without objection carried a **DO PASS** recommendation. There being no objection, it was so ordered by **Co-Chairman Grow**.

**LSO STAFF
PRESENTATION**

**BUDGET SETTING -OFFICE OF ENERGY/MINERAL RESOURCES,
LBB 6-71; Frances Lippitt, Analyst, LSO Budget and Policy Analysis**

Ms. Lippitt presented the FY 25 budget for the Office of Energy/ Mineral Resources to the Committee, which serves as a clearinghouse for information on Idaho's energy resources and infrastructure. The office requested \$1.4 million for technical education for technicians and electricians, which would be sub-granted through the Workforce Development Council. The office also requested \$4.4 million in additional funding for electric grid modernization. This funding was made available through the Infrastructure Investment and Jobs Act, and would allow the office to more rapidly issue awards to grid operators and energy distributors for improvements to the grid. The budget would also include the additional 2% CEC.

MOTION:

Moved by **Representative Handy**, for the Office of Energy and Mineral Resources, beginning with the FY 2025 JFAC Maintenance Budget add \$4,400,000 for electric grid modernization and \$19,900 for the 2% CEC. For the Office of Energy and Mineral Resources for FY 2025, an additional \$8,600 from dedicated funds and \$4,411,300 from federal funds for a total of \$4,419,900; seconded by **Senator Bjerke**.

DISCUSSION:

Representative Handy stated this motion provides additional grant funding to modernize the electric grid and the additional 2% CEC needed as a result of the committee's action on CEC on February 1. The FY 2025 Program Maintenance total can be found in H 459, page 5, line 25.

CARRIED:

AYES: 20

Senators Grow, Bjerke, Burtenshaw, Lent, Cook, VanOrden, Adams, Herndon, Ward-Engelking, and Just
Representatives Horman, Miller, Bundy, Raybould, Furniss, Lambert, Tanner, Petzke, Handy, and Green

NAYS: 0

ABSENT/EXCUSED: 0

The majority having voted in the affirmative, the motion passed and without objection carried a **DO PASS** recommendation. There being no objection, it was so ordered by **Co-Chairman Grow**.

**UNANIMOUS
CONSENT:**

Requested by **Representative Handy**, granted by unanimous consent, the following intent language was adopted:

**INTENT
LANGUAGE:**

SECTION __. RESILIENT GRID GRANTS. Of the moneys appropriated in Section 1 of this act from the Federal Grant Fund for Infrastructure Investment and Jobs Act of 2021 Resilient Grid Grants, no funds shall be expended for promotion, advertisement, enforcement, or adoption of International Energy Conservation codes beyond the 2018 energy conservation codes already in effect, pursuant to Section 39-9701, Idaho Code.

SECTION __. ENERGY RESILIENCY SUBGRANT REPORTING. Relating to the moneys appropriated in Section 1 of this act from the Federal Grant Fund for IJA subgrants, and Section __ (reapprop) of this act from the Miscellaneous Revenue Fund for energy resiliency subgrants, the Office of Energy and Mineral Resources shall provide a written report to the Joint Finance-Appropriations

Committee no later than December 1, 2024, detailing the distribution and use of these funds.

**LSO STAFF
PRESENTATION**

**BUDGET SETTING - IDAHO COMMISSION ON THE ARTS, LBB 6-53;
Frances Lippitt, Analyst, LSO Budget and Policy Analysis**

Ms. Lippitt presented the FY 25 budget for the Idaho Commission on the Arts before the Committee. The Idaho Commission on the Arts, through educational programming and financial assistance, promotes and encourages the arts in Idaho and for FY 25 requested \$50,000 in federal funds for additional National Endowment for the Arts grant funding. This funding was approved on a one time basis for FY 24, and the requested enhancement item would make that increase ongoing. Also included is the additional 2% increase for CEC.

DECLARATION: **Senator Just** declared a Senate Rule 39(H).

MOTION: Moved by **Co-Chair Horman**, for the Commission on the Arts, beginning with the FY 2025 JFAC Maintenance Budget, add \$50,000 for grants from the National Endowment for the Arts and include a transfer of \$50,000 in dedicated funds from operating expenditures to trustee and benefits payments for the state's match. Add \$15,400 for the 2% CEC. For the Commission on the Arts for FY 2025, totals of \$7,200 from the General Fund and \$58,200 from federal funds for a total of \$65,400; seconded by **Senator Ward-Engelking**.

CARRIED:

AYES: 18

Senators Grow, Bjerke, Burtenshaw, Lent, Cook, VanOrden, Adams, Ward-Engelking, and Just

Representatives Horman, Miller, Bundy, Raybould, Furniss, Tanner, Petzke, Handy, and Green

NAYS: 2

Senator Herndon

Representative Lambert

ABSENT/EXCUSED: 0

The majority having voted in the affirmative, the motion passed and without objection carried a **DO PASS** recommendation. There being no objection, it was so ordered by **Co-Chairman Grow**.

**LSO STAFF
PRESENTATION:**

**BUDGET SETTING - PUBLIC UTILITIES COMMISSION, LBB 5-55;
Frances Lippitt, Analyst, LSO Budget and Policy Analysis**

Ms. Lippitt presented the FY 25 budget for the Public Utilities Commission before the Committee. The Public Utilities Commission regulates investor owned utilities and pipelines within Idaho and for FY 25 requested \$69,600 for technology replacement items such as monitors, laptops, and desktop computers, and an additional 2% for CEC.

MOTION:

Moved by **Senator Herndon**, for the Public Utilities Commission, beginning with the FY 2025 JFAC Maintenance Budget add \$69,600 for replacement items and \$87,200 for the 2% CEC. For the Public Utilities Commission for FY 2025, an additional \$153,600 from dedicated funds and \$3,200 from federal funds for a total of \$156,800; seconded by **Representative Petzke**.

DISCUSSION: **Senator Herndon** stated this motion provides replacement items and the additional 2% CEC as a result of the committee's action on CEC on February 1. This motion does not include line item 1, Commissioners' CEC. The commissioners' salary will be addressed through a separate action. The FY 2025 Program Maintenance total can be found in S 1270, page 9, line 7.

CARRIED: **AYES: 20**
Senators Grow, Bjerke, Burtenshaw, Lent, Cook, VanOrden, Adams, Herndon, Ward-Engelking, and Just
Representatives Horman, Miller, Bundy, Raybould, Furniss, Lambert, Tanner, Petzke, Handy, and Green
NAYS: 0
ABSENT/EXCUSED: 0

The majority having voted in the affirmative, the motion passed and without objection carried a **DO PASS** recommendation. There being no objection, it was so ordered by **Co-Chairman Grow**.

DISCUSSION: **Co-Chair Horman** stated the fiscal notes will capture all action taken on an agency's budget. There will be a fully transparent look at the total spending for the agency broken out into two pieces. 1% of CEC is included in the maintenance, and 2% of CEC is in each agency's budget.

ADJOURNED: There being no further business before the Committee, **Co-Chairman Grow** adjourned the meeting at 9:50 a.m.

Senator Grow
Chair

Linsy Heiner
Secretary