

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Thursday, February 18, 2016
TIME: 8:00 A.M.
PLACE: Room C310
MEMBERS PRESENT: Senators Co-chairman Keough, Bair, Mortimer, Brackett, Nuxoll, Johnson, Thayn, Guthrie, Schmidt, Lacey
Representatives Co-chairman Bell, Gibbs, Miller, Youngblood, Burtenshaw, Horman, Malek, Monks, King, Gannon
ABSENT/EXCUSED: None
CONVENED: **Chairman Bell** called the meeting to order 8:00 AM.

STATEWIDE BUDGET DECISIONS — JFAC ADJUSTED

PRESENTER: **Paul Headlee, Deputy Director of the Division of Budget and Policy Analysis**
FY 2016 General Fund Revenue for Budget Setting

Mr. Headlee explained to the committee that the Joint Finance-Appropriations Committee is to adopt and use the Governor's and Economic Outlook & Revenue Assessment Committee's recommended General Fund revenue projection of \$3,183,609,000 for the purpose of setting and modifying state agency budgets.

CARRIED: **Original Motion**

FY 2016 General Fund Revenue for Budget Setting
Language

Moved by **Johnson**, seconded by **Keough**, to approve to Adopt Gov's Rec and EORAC revenue projection \$3,183,609,000

Ayes: 19

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 1

Malek

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell**.

PRESENTER: **Paul Headlee, Deputy Manager, Division of Budget and Policy Analysis**

FY 2017 General Fund Revenue for Budget-Setting

Mr. Headlee then explained to the committee for FY 2017, the Joint Finance-Appropriation Committee is to adopt and use the Governor's and Economic Outlook & Revenue Assessment Committee's recommended General Fund revenue projection of \$3,340,372,000 for the purpose of setting state agency budgets.

CARRIED: **Original Motion**

FY 2017 General Fund Revenue for Budget Setting

Language

Moved by **Gibbs**, seconded by **Johnson**, to approve for introduction \$0 General Funds, \$0 Dedicated Funds, \$0 Federal Funds for a total of \$0 with FTP of 0.00 Adopt Gov's Rec and EORAC revenue projection \$3,340,372,000

Ayes: 19

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 1

Malek

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell**.

PRESENTER: **Paul Headlee, Deputy Manager, Division of Budget and Policy Analysis**

SECTION 1. BENEFIT CHANGES:

To include \$1,040 increase for health insurance per eligible full-time FTP, changes in variable benefits, and fund shifts by agency as recommended by the Governor.

CARRIED: **Original Motion**

JFAC Adjusted FY 2017

Appropriation

Moved by **Keough**, seconded by **Bair**, to approve for introduction \$10,335,000 General Funds, \$7,179,000 Dedicated Funds, \$3,470,100 Federal Funds for a total of \$20,984,100 with FTP of 0.00, for Benefit Changes

Ayes: 18

Keough, Johnson, Bair, Mortimer, Brackett, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Monks, Burtenshaw, King, Gannon

Nays: 1

Nuxoll

Ab/Ex: 1
Malek

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell**.

**UNANIMOUS
CONSENT:**

On request by **Gibbs**, granted by unanimous consent, to accept the following language:

SECTION 2. INFLATIONARY ADJUSTMENTS:

Inflationary Adjustments: The JFAC Body will not include the agency's request or the Governor's recommendation for money from the General Fund, dedicated funds, or federal funds for inflationary adjustments in the JFAC Adjusted. Committee members may, at their discretion, add back funding in their motions on a case-by-case basis.

**UNANIMOUS
CONSENT:**

On request by **Mortimer**, granted by unanimous consent, to accept the following language for Section 3 and Section 4:

SECTION 3. REPLACEMENT ITEMS:

The Joint Financial-Appropriations Committee will not include the agency's request or the Governor's recommendation for one-time funding for replacement operating expenditures and capital outlay from the General Fund, dedicated, or federal funds. Committee members may, at their discretion, add funding in their motions on a case-by-case basis.

SECTION 4. STATEWIDE COST ALLOCATION:

To include the Governor's recommendation for adjustments for fees for the Attorney General, risk management, State Controller, and State Treasurer.

**UNANIMOUS
CONSENT:**

On request by **Keough**, granted by unanimous consent, to approve for introduction \$1,829,300 General Funds, \$964,600 Dedicated Funds, \$178,300 Federal Funds for a total of \$2,972,200 with FTP of 0.00
Unanimous Consent Statewide Cost Allocation (SWCAP).

SECTION 5. ANNUALIZATIONS:

To include the Governor's recommendation of \$5,500 for statewide elected officials salary increases, \$73,800 to the Judicial Branch to complete the funding for new magistrate judge positions partially funded in FY 2016, \$270,400 for the full costs of the supplemental approved to the Department of Lands for fire preparedness, and adjustments to the Department of Health and Welfare, the Board of Pharmacy, the Department of Agriculture, and to the Idaho Transportation Department.

UNANIMOUS CONSENT: On request by **Keough**, and granted by unanimous consent, to approve for introduction \$(493,200) General Funds, \$8,709,000 Dedicated Funds, \$5,600,800 Federal Funds for a total of \$13,816,600 with FTP of 0.00 for Annualizations

SECTION 6. CHANGE IN EMPLOYEE COMPENSATION:

To include funding for a 3% pay increase for permanent employees for state agencies and institutions, the onetime costs for the 3% CEC associated with the 27th payroll, and ongoing fund shifts as recommended by the Governor and the CEC Committee.

UNANIMOUS CONSENT: On request by **Mortimer**, and granted by unanimous consent to introduce \$18,114,600 General Funds, \$13,099,900 Dedicated Funds, \$6,024,200 Federal Funds for a total of \$37,238,700 with FTP of 0.00 for Change in Employee Compensation (CEC).

SECTION 7. 27TH PAYROLL:

To include one-time funding for the 27th payroll for state agencies and institutions for state agencies and institutions; and one-time fund shifts as recommended by the Governor and the CEC Committee.

UNANIMOUS CONSENT: On request by **Bair**, and granted by unanimous consent to approve for introduction \$20,210,300 General Funds, \$15,515,100 Dedicated Funds, \$6,895,600 Federal Funds for a total of \$42,621,000 with FTP of 0.00, for the 27th Payroll.

SECTION 8. ELECTED OFFICIALS PAY INCREASE:

To include funding for pay raises for statewide elected officials and judges approved in prior legislative sessions.

UNANIMOUS CONSENT: On request by **Keough**, and granted by unanimous consent, to approve for introduction \$46,700 General Funds, \$0 Dedicated Funds, \$0 Federal Funds for a total of \$46,700 with FTP of 0.00, for Elected Officials Pay Increase.

SECTION 9. 3% BASE SALARY INCREASE FOR THE CLASSIFIED STAFF AND ADMINISTRATORS IN PUBLIC SCHOOLS:

The 3% base salary increase for classified staff and administrators in Public Schools: This would be to include the staff recommendation for funding a 3% base salary increase for classified staff and administrators in Public Schools.

UNANIMOUS CONSENT: On request by **Horman**, and granted by unanimous consent, to approve for introduction \$6,338,700 General Funds, \$0 Dedicated Funds, \$0 Federal Funds for a total of \$6,338,700 with FTP of 0.00 for the 3% Base Salary Increase for Classified Staff and Administrators in Public Schools.

PRESENTER: **Paul Headlee, Deputy Manager, Division of Budget and Policy Analysis**
FY 2017 JFAC Adjusted Continued:

NONDISCRETIONARY ADJUSTMENTS:

**UNANIMOUS
CONSENT:**

On request by **Horman**, and granted by unanimous consent, to approve for introduction \$64,680,700 General Funds, \$36,402,500 Dedicated Funds, \$41,286,500 Federal Funds for a total of \$142,369,700 with FTP of 0.00 for Nondiscretionary Adjustments.

ENDOWMENT ADJUSTMENTS:

**UNANIMOUS
CONSENT:**

On request by **Mortimer**, and granted by unanimous consent, to approve for introduction \$(3,262,700) General Funds, \$4,438,000 Dedicated Funds, \$0 Federal Funds for a total of \$1,175,300 with FTP of 0.00 for Endowment Adjustments.

PUBLIC HEARING FOR BUDGET RELATED ISSUES

PRESENTER:

Rob Winslow, Executive Director, Idaho Association of School Administrators:

Mr. Winslow opened his testimonial by thanking JFAC for their commitment to the education of the students in the state of Idaho. There are two major priorities for association this year. The first, is the strong support shown for the Idaho Career Ladder that certainly supports recruitment and retention and second, the operational funding that is so vital for the fiscal stability of our school districts.

PRESENTER:

Wayne Hoffman, President, Idaho Freedom Foundation

Mr. Hoffman shared with the Budget Committee many concerns associated with the economic platform of JFAC and the possible recession projected to occur at the end of this fiscal year. He urged the committee to consult what might be considered a more realistic spending practice and made mention that public notice should be made available to specific morning meetings.

Objection was made to the comments about public notification, as it is the protocol of the JFAC administrative staff to post agendas publicly and welcome members of the public to the proceedings.

PRESENTER:

Robin Nettinga, Associate Executive Director, Idaho Education Association

Director Nettinga began her testimonial by expressing her gratitude and the heartfelt thanks offered on behalf of the IEA for the opportunities funded in previous sessions. Every student should have the opportunity at excellence and the association thanks the Budget Committee for the priority they have placed on Idaho's public schools.

Training and maintaining qualified staff continues to be a major priority. **Director Nettinga** urged the committee to continue placing high priority on Idaho's teachers to further the recruitment of qualified applicants to the teaching field and keep the best and brightest teaching graduates in Idaho. IEA is asking the Budget Committee to consider the following priorities while making budget decisions for Idaho's Public Schools: 1) The Career Ladder Funding; 2) Operational Funding; and 3) Professional Development Programs.

The Director concluded by thanking the Budget Committee again for their hard work and high priority placed in Idaho's public schools.

PRESENTER: **Karen Echeverria, Executive Director, Idaho School Boards Association**

Director Echeverria briefly testified on behalf of the Education Committee the exciting news that in November of 2014, Idaho included charter schools as full members of the association and remain the only State in the United States that has done that. Idaho School Board Association represents 114 of the 115 school districts and 36 of the 48 charter schools that exist in Idaho.

Director Echeverria echoed the priorities previously stated regarding the Career Ladder Funding and the Operational Funding so vital to the training and professional development of Idaho's teachers. She then stood for questions regarding the activity of the Idaho School Boards Association.

ADJOURN: There being no further business to come before the committee, **Chairman Bell** adjourned the committee at 9:48 AM.

Representative Bell
Chair

Christi Cox
Secretary