

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Tuesday, February 26, 2019

TIME: 8:00 A.M.

PLACE: Room C310

MEMBERS PRESENT: Senators Co-chairman Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, and Nye.

Representatives Co-chairman Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Wintrow, and Toone.

**ABSENT/
EXCUSED:** None

CONVENED: **Chairman Bair** called the Joint Finance-Appropriations Committee (Committee) (JFAC) to order at 8:00 a.m.

AGENCY PRESENTATION: **LAND BOARD OF COMMISSIONERS
Department of Lands**

LSO STAFF PRESENTATION: **Rob Sepich, Analyst, Legislative Services Office (LSO)**

CARRIED: Moved by **Rep. Raybould**, for the Department of Lands beginning with the FY 2020 Base, an increase of \$7,200 for benefit costs, an increase of \$6,300 for inflationary adjustments, an increase of \$1,874,500 for replacement items, an increase of \$9,300 for statewide cost allocation, and an increase of \$681,200 for change in employee compensation. Also included are the following line items: 1.00 FTP and \$83,900 for a Right-of-Way Agent. 1.00 FTP and \$86,600 for an IT Systems Coordinator. \$391,600 for Tree Coolers. 0.67 FTP and \$32,400 for the Eastern Area Office FTP. \$26,200 for the Timber Protective Association CEC and Inflation. \$357,000 for the Forest Practices Act. A transfer of \$20,000,000 to the Fire Suppression Deficiency Fund. \$23,600 for GOV TECH 1. The totals for this motion for FY 2020 are 323.82 FTP, \$6,355,200 from the General Fund, \$46,957,700 from dedicated funds, and \$6,942,300 from federal funds for a grand total of \$60,255,200, seconded by **Sen. Burtenshaw**.

DISCUSSION: Rep. Raybould explained that this motion represents a 5.5% increase from the General Fund and a 1.5% increase in all funds. It includes funding to replace 13 vehicles and accessories, five fire engines, networking and computer equipment, communication equipment, and inflationary costs associated with rent at the Capitol Park Plaza. This motion includes dedicated funds to hire a right-of-way agent to focus on cooperative agreements with federal and industrial partners to acquire access. Line item 2 adds dedicated funds for an IT Systems Coordinator to address cyber security issues and address the growth in technical assistance requests. Line item 3 includes funds to build two insulated tree cooler buildings to prevent heat stress on 1 million saplings annually. Line item 4 brings a temporary and unbenefited position to a permanent part-time position to address turnover in the Eastern Area Office. This motion includes the addition of a 3% CEC and inflationary adjustment for

the Clearwater-Potlatch and Southern Idaho Timber Protective Associations. Line item 7 includes the fiscal impact of the Forest Practices Act (H44 of 2019), which increased the maximum assessment allowable on forested lands. Line item 8 provides a \$20 million transfer to the Fire Suppression Deficiency Fund as that fund is estimated to have a \$6.2 million deficiency. The GOV TECH item provides for the agency's share of the cost to replace the state's core network equipment as recommended by the Governor with the exception of \$2,600 from the Technology Infrastructure Stabilization Fund (TISF), which will be funded through the Office of Information Technology Services budget.

AYES: 20

Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Wintrow, and Toone

NAYS: 0

ABSENT/EXCUSED: 0

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 **Sen. Bair**.

CONSENT:

Requested by **Rep. Raybould**, granted by unanimous consent, the section of standard bill language was adopted, as follows:

Standard Language for Department of Lands Budget:

EXEMPTIONS FROM OBJECT TRANSFER LIMITATIONS. The Department of Lands is hereby exempted from the provisions of Section 67-3511(1) and (3), Idaho Code, allowing unlimited transfers between object codes for all moneys appropriated for the Forest and Range Fire Protection Program for the period July 1, 2019, through June 30, 2020. Legislative appropriations shall not be transferred from one fund to another fund unless expressly approved by the Legislature.

DISCUSSION:

Rep. Raybould explained that this standard intent allows for the budget in the Forest and Range Fire Protection Program to be lump sum, meaning that the department may transfer appropriation between objects, such as from operating expenditures to personnel costs. This allows flexibility when fighting fires.

CONSENT:

Requested by **Rep. Raybould**, granted by unanimous consent, the section of new bill language was adopted, as follows:

New Bill Language:

CASH TRANSFER FOR FIRE SUPPRESSION COSTS. There is hereby appropriated to the Department of Lands and the State Controller shall transfer \$20,000,000 from the General Fund to the Fire Suppression Deficiency Fund as soon as practicable for the period July 1, 2019, though June 30, 2020. Such moneys shall be used to reimburse costs incurred by the Range and Forest Fire Protection Program in the Department of Lands pursuant to Sections 38-131 and 38-131A, Idaho Code.

REAPPROPRIATION AUTHORITY FOR THE LAND INFORMATION MANAGEMENT SYSTEM. There is hereby reappropriated to the Department of Lands any unexpended and unencumbered balances appropriated to the Department of Lands from the Department of Lands Fund for the Land Information Management System for fiscal year 2019, in an amount not to exceed \$250,000, to be used for nonrecurring expenditures related to the Land

Information Management System for the period July 1, 2019, through June 30, 2020.

REAPPROPRIATION AUTHORITY FOR THE PRIVATE FIRE SYSTEM. There is hereby reappropriated to the Department of Lands any unexpended and unencumbered balances appropriated to the Department of Lands from the Department of Lands Fund for the Private Fire and Hazard Management System for fiscal year 2019, in an amount not to exceed \$250,000, to be used for nonrecurring expenditures related to the Private Fire and Hazard Management System for the period July 1, 2019, through June 30, 2020. See [Presentation](#) and [Audio](#).

DISCUSSION: The first section of new bill language appropriates and transfers \$20 million from the General Fund to the Fire Suppression Deficiency Fund for FY 2020. The second section authorizes reappropriation or carryover of unused appropriation from FY 2019 to FY 2020 for the Land Information Management System, not to exceed \$250,000. The final section authorizes reappropriation of unused appropriation from FY 2019 to FY 2020 for the Private Fire System, also not to exceed \$250,000.

AGENCY

PRESENTATION: DEPARTMENT OF ENVIRONMENTAL QUALITY

LSO STAFF Rob Sepich, Analyst, LSO

PRESENTER:

CARRIED: **Moved by Sen. Ward-Engelking**, for the Department of Environmental Quality, beginning with the FY 2020 Base, an increase of \$90,000 for benefit costs, an increase of \$425,800 for replacement items, an increase of \$240,700 for statewide cost allocation, and an increase of \$855,000 for change in employee compensation. Also included are the following line items: 3.00 FTP and \$757,300 for the Idaho Pollution Elimination Discharge System. A transfer of \$1,500,000 from the Water Pollution Control Fund for the Triumph Mine. A reduction of \$1,345,300 from the Water Pollution Control Fund and an increase of \$1,050,400 in the General Fund for a total decrease of \$294,900 for the Beneficial Use Reconnaissance Program and the Lakes Management Plan. A net reduction of \$100,000 in federal funds and an object shift from operating expenditures to personnel costs for the Environmental Remediation Match. \$167,200 for Arsenic Water Quality Monitoring. \$50,100 for a boat and trailer. The totals for this motion for FY 2020 are 389.00 FTP, \$22,576,600 from the General Fund, \$16,613,700 from dedicated funds, and \$28,885,300 from federal funds for a grand total of \$68,075,600, seconded by **Rep. Amador**.

DISCUSSION: **Sen. Ward-Engelking** explained that this motion represents a 10.3% increase on the General Fund and a 1.7% increase in all funds. It includes an increase of 3.00 FTP as the final part of the planned buildout of the IPEDS program, which Idaho assumed primacy over in June of 2018. Line item 1 also includes a reduction of \$83,800 in federal funds and an increase of \$537,800 from the dedicated IPEDS Program Fund and \$303,300 in General Funds as the program shifts from federal to state management. The dedicated portion of this line item was originally requested and recommended in the DEQ Receipts Fund, however this motion appropriates from the dedicated fund directly. Line item 2 provides \$1.5 million from the Water Pollution Control Fund to be transferred to the Environmental Remediation (Triumph Mine) Fund rather than the standard Environmental Remediation (Basin) Fund in response to

a lawsuit from the Idaho Conservation League charging that the mine was discharging contaminated water. This transfer delays the annual transfer to the Basin fund by one year, which is expected to be needed for the next 17 years to provide the state's 10% match requirement for Superfund projects in the Coeur d'Alene Basin. Line item 3 includes a reduction of \$200,000 from the Water Pollution Control Fund for water quality monitoring that was neither requested nor recommended as it was added in FY 2019 by the Legislature. As the Water Pollution Control Fund balance decreases, this appropriation would go unused as there is not enough cash to back up the appropriation. The BURP program was shifted from the General Fund to the Water Pollution Control Fund in 2010 and the LMP was shifted in 2009. Line item 4 reduces federal appropriation by \$100,000 and moves appropriation from operating expenditures to personnel costs to meet the \$6 million in remaining match obligations for cleanup of the Coeur d'Alene Basin contaminated by mining. Line item 5 provides \$167,200 from the General Fund to collect data on naturally occurring arsenic in waterways to establish a statewide criteria for safe arsenic levels over an estimated three year period. Line item 6 was incorrectly included in the replacement items decision unit, despite it being a new purchase rather than a replacement item. This boat was recommended by the Governor, and allows the department to monitor and respond to time-critical issues such as harmful algal blooms and provide access to the Snake River for water quality monitoring. GOV TECH 1 will be provided in the OITS budget as that was recommended from the Technology Infrastructure Stabilization Fund (TISF).

AYES: 20

Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Wintrow, and Toone

NAYS: 0

ABSENT/EXCUSED: 0

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 **Sen. Bair**.

CONSENT:

Requested by Sen. Ward-Engelking, granted by unanimous consent, the following bill language was adopted:

Standard Bill Language for DEQ budget:

CASH TRANSFER FOR WASTE REMEDIATION. There is hereby appropriated to the Department of Environmental Quality and the State Controller shall transfer \$1,500,000 from the Water Pollution Control Fund to the Environmental Remediation (Triumph Mine) Fund through monthly installments or as practicable for the period July 1, 2019, through June 30, 2020, to be used for remediation, maintenance, and monitoring of conditions at the Triumph Mine.

REMEDATION PROJECT REPORTING REQUIREMENTS. Moneys deposited into the Environmental Remediation (Basin) Fund shall be used for remediation of the Coeur d'Alene Basin in accordance with the Superfund contract with the Environmental Protection Agency. The Department of Environmental Quality shall file an annual report with the Governor, Legislature, and Coeur d'Alene Basin Environmental Improvement Project Commission on the remediation progress and the expenditures involved.

USES OF THE WATER POLLUTION CONTROL FUND. The appropriation of moneys from the Water Pollution Control Fund in this act shall specifically supersede the provisions of Section 39-3630, Idaho Code.

AGRICULTURAL BEST MANAGEMENT PRACTICES. As appropriated in Section 1 of this act, \$500,000 of the ongoing General Fund moneys appropriated to the Water Quality Program for trustee and benefit payments shall be used for a statewide grant program to support implementation of agricultural Best Management Practices (BMPs) in high-priority watersheds throughout Idaho. The department shall administer this funding through existing BMP grant procedures and personnel. Funding shall be used by farmers and ranchers to modify their agricultural practices in order to improve water quality and help meet the objectives of Total Maximum Daily Loads (TMDLs).

REAPPROPRIATION. There is hereby reappropriated to the Department of Environmental Quality any unexpended and unencumbered balances appropriated to the Department of Environmental Quality for Agricultural Best Management Practices for fiscal year 2019, in an amount not to exceed \$300,000 from the General Fund, to be used for nonrecurring expenditures related to Agricultural Best Management Practices for the period July 1,

DISCUSSION:

Sen. Ward-Engelking explained that the first section provides the transfer of cash to the Waste Remediation (Triumph Mine) Fund for monitoring and remediation in Blaine County. The second section provides reporting requirements to the Legislature, the Governor, and the Coeur d'Alene Basin Environmental Improvement Project Commission on the progress of Superfund remediation projects. The fourth section removes any doubt that the Water Pollution Control Fund is authorized to be used on projects such as remediation in the Coeur d'Alene Basin, waste water projects, or water quality programs. The fifth section directs that \$500,000 of trustee & benefit payments go toward agricultural Best Management Practices (BMPs). The final section provides onetime General Fund reappropriation or legislative carryover for the agricultural BMPs outlined in the previous section. [See Presentation](#) and [Audio](#).

**AGENCY
PRESENTATION:**

**STATE BOARD OF EDUCATION
Colleges and Universities**

**LSO STAFF
PRESENTER:**

Janet Jessup, Analyst, LSO

CONSENT:

Requested by Rep. Amador, granted by unanimous consent, the 2019 budget for the State Board of Education, was reopened.

CONSENT:

Requested by Rep. Amador, granted by unanimous consent, the following additional language was adopted to be included in the FY 2019 appropriation:
STUDENT TUITION AND FEES. Notwithstanding the provisions of Section 67-3516(2), Idaho Code, the Division of Financial Management may approve the expenditure of dedicated state funds pursuant to the noncognizable process for student tuition and fees during fiscal year 2019. Each of the institutions' budget requests for fiscal year 2020 shall reflect all adjustments so approved by the Division of Financial Management.

CARRIED: Moved by **Rep. Amador** for the State Board of Education, College and Universities, beginning with the FY 2020 Base, an increase of \$127,500 for benefit costs, an increase of \$2,764,700 from dedicated funds for inflationary adjustments, and increase of \$116,700 from dedicated funds for replacement items, an increase of \$106,200 for the statewide cost allocation, an increase of \$11,652,600 for change in employee compensation, an increase of \$3,685,800 for nondiscretionary adjustments, and an increase of \$287,100 for endowment adjustments. Also included are the following line items: \$50,000 for open education resources in line item 3; \$150,000 for the higher education dual enrollment system as requested in line item 7; and 3.18 FTP and \$887,800 for occupancy costs as recommended in line item 8. The totals for this motion for FY 2020 are 4,753.54 FTP, \$306,026,000 from the General Fund and \$298,269,400 from dedicated funds, for a grand total of \$604,295,400. This motion includes carryover authority for previously appropriated non-General Fund moneys; exceptions to budget laws allowing transfer of funds among object class codes and programs; and there is no FTP cap. Lastly, there is legislative language to accompany this motion, seconded by **Sen. Ward-Engelking**.

DISCUSSION: **Rep. Amador** explained that Line item 3 includes \$50,000 onetime from the General Fund to pilot the development of open education resources, a no-cost or low-cost electronic textbook option for students. There is language related to this line item. Line item 7 includes \$150,000, in ongoing operating expenditures, from the General Fund, for Idaho's postsecondary institutions to join a dual enrollment registration system. Funding would enable the Office of the State Board of Education to purchase a statewide software license and create a single platform that students can use to enroll for dual credit courses. Line item 8 includes 3.18 FTP and \$887,800 ongoing from the General Fund (\$115,900 for personnel costs, \$771,900 for operating expenditures) for occupancy costs. This line item includes appropriation to Boise State University, Idaho State University, and University of Idaho.

AYES: 20

Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Wintrow, and Toone

NAYS: 0

ABSENT/EXCUSED: 0

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 **Sen. Bair**.

CONSENT: Requested by Rep. Amador, granted by unanimous consent, the following standard appropriation language was adopted:

SECTION 3. SYSTEMWIDE NEEDS. Of the amount appropriated in Section 1, Subsection V. of this act, the following amounts may be used as follows: (1) an amount not to exceed \$902,600 may be used by the Office of the State Board of Education for systemwide needs that benefit all of the four-year institutions including, but not limited to, projects to promote accountability and information transfer throughout the higher education system; and (2) an amount of approximately \$1,960,500 may be used for the mission and goals of the Higher Education Research Council as outlined in State Board of Education Policy III.W., which includes awards for infrastructure, matching grants, and competitive grants through the Idaho Incubation Fund program.

CONSENT:

Requested by Rep. Amador, granted by unanimous consent, the following new appropriation language was adopted:

SECTION 4. OPEN EDUCATION RESOURCES. Notwithstanding the provisions of Section 33-4303, Idaho Code, and any other provision of law to the contrary, of the amount appropriated in Section 1 of this act for open education resources, up to \$50,000 from the General Fund shall be used to pilot open education resources for post-secondary courses. Selection of the eligible course(s) for the pilot shall include consideration of the number of students taking the course system-wide, the cost of traditional textbooks associated with the course, and availability of the course to secondary students through advanced opportunities. Development of the open education resources shall be collaborative and serviceable to general education courses at no less than four (4) post-secondary institutions.

SECTION 5. STUDENT TUITION AND FEES. Notwithstanding the provisions of Section 67-3516(2), Idaho Code, the Division of Financial Management may approve the expenditure of dedicated state funds pursuant to the noncognizable process for student tuition and fees during fiscal year 2020. Each of the institutions' budget requests for fiscal year 2021 shall reflect all adjustments so approved by the Division of Financial Management. See [Supplemental](#), [Presentation](#) and [Audio](#).

Health Education Programs

**LSO STAFF
PRESENTER:**

Janet Jessup, Analyst, LSO

CONSENT:

Requested by Rep. Horman, granted by unanimous consent, the 2019 Budget for the State Board of Education, Health Education Programs was reopened.

CONSENT:

Requested by Rep. Horman, granted by unanimous consent, the following language for the State Board of Education, Health Education Programs was included in the division's FY 2019 appropriation:

STUDENT TUITION AND FEES. Notwithstanding the provisions of Section 67-3516(2), Idaho Code, the Division of Financial Management may approve the expenditure of dedicated state funds pursuant to the noncognizable process for student tuition and fees during fiscal year 2019. Each of the programs' budget requests for fiscal year 2020 shall reflect all adjustments so approved by the Division of Financial Management.

MOTION:

Original Motion

Moved by **Rep. Horman** for the Office of the State Board of Education, Health Education Programs, beginning with the FY 2020 Base, a reduction of \$1,500 for benefit costs, an increase of \$411,600 for contract inflation, an increase of \$7,000 for replacement items, and an increase of \$111,100 for change in employee compensation. Also included are the following line items: \$90,800 for year four of the medical seat build-out as recommended in line item 2; \$22,700 for student leave of absence at the University of Utah School of Medicine as recommended in line item 3; \$180,000 for psychiatry resident expansion as requested in line item 4; 2.00 FTP and \$450,000 for resident support through Family Medical Residencies as recommended in line item 5; \$227,500 for resident support and expansion through Boise Internal Medicine in line item 6; \$550,000 for resident support and expansion through Eastern Idaho Medical Residencies in line item 7; \$110,000 for resident support and expansion through Bingham Internal Medicine residencies in line item 8; and 1.50 FTP and \$300,000 ongoing from the General Fund for the rural training track for residents through Family Medical Residencies. The totals for this motion for FY 2020 are 35.15 FTP, \$21,081,700 from the General Fund and \$329,000 from dedicated funds, for a grand total of \$21,410,700, seconded by **Rep. Raybould**.

DISCUSSION:

Rep. Horman provided further details regarding Line Items 2–9.

SUBSTITUTE MOTION:

Substitute Motion

Moved by **Rep. Wintrow**, for the addition of \$215,000 for Project ECHO Idaho under WWAMI, seconded by **Rep. Troy**.

DISCUSSION:

Rep. Wintrow explained that Project ECHO is an extension program operated through the University of Idaho, and modeled after a telehealth program in New Mexico. The program establishes a network of physicians that rural physicians can consult with when facing issues in their communities such as substance abuse or infectious disease outbreaks. The \$215,000 onetime request would keep this program operating until a longer term funding solution can be found. **Rep. Troy** spoke in favor of the motion.

Rep. Horman spoke in favor of the program, but against the motion, stating that Health Education Budgets are for pre-service physicians and the ECHO program supports doctors already in practice.

CARRIED:

AYES: 14

Johnson, Lee, Agenbroad, Crabtree, Woodward, Ward-Engelking, Nye, Youngblood, Anderson, Kauffman, Syme, Troy, Wintrow, and Toone

NAYS: 6

Bair, Burtenshaw, Grow, Horman, Amador, Raybould

ABSENT/EXCUSED: 0

The majority having voted in the affirmative, the Substitute Motion has passed and, without objection, will carry a DO PASS recommendation. There being no objection, it was so ordered by **Sen. Bair**. See [Supplemental, Presentation](#) and [Audio](#).

CONSENT:

Requested by **Rep. Wintrow**, granted by unanimous consent, the following standard Health Education Program language was adopted:

SECTION 3. EXEMPTIONS FROM OBJECT TRANSFER LIMITATIONS. The State Board of Education and the Board of Regents of the University of Idaho for Health Education Programs are hereby exempted from the provisions of Section 67-3511(1) and (3), Idaho Code, allowing unlimited transfers between object codes for dedicated fund moneys appropriated for the period July 1, 2019 through June 30, 2020. Legislative appropriations shall not be transferred from one fund to another fund unless expressly approved by the Legislature.

SECTION 4. REAPPROPRIATION AUTHORITY. There is hereby reappropriated to the State Board of Education and the Board of Regents of the University of Idaho for Health Education Programs any unexpended and unencumbered balances appropriated or reappropriated to the State Board of Education and the Board of Regents of the University of Idaho for Health Education Programs from dedicated funds for fiscal year 2019 to be used for nonrecurring expenditures for the period July 1, 2019, through June 30, 2020.

CONSENT:

Requested by **Rep. Wintrow**, granted by unanimous consent, the following new Health Education Program language was adopted:

Section 5. STUDENT TUITION AND FEES. Notwithstanding the provisions of Section 67-3516(2), Idaho Code, the Division of Financial Management may approve the expenditure of dedicated state funds pursuant to the noncognizable process for student tuition and fees during for the fiscal year 2020. Each of the programs' budget requests for fiscal year 2021 shall reflect all adjustments so approved by the Division of Financial Management.

See [Supplemental](#), [Presentation](#) and [Audio](#).

ADJOURNED:

Having no further business before the Committee, Chairman Bair adjourned the meeting at 8:45 a.m.

Senator Bair
Chair

Elaine Leedy
Secretary