

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Tuesday, January 08, 2019

TIME	DESCRIPTION	PRESENTER
8:00 - 8:30	Welcome and Introductions Committee Seat Selection	JFAC Committee Co-Chairs
8:30 - 9:20	Review of JFAC Budget Hearing Schedule and Process Layout of Legislative Budget Book (LBB)	Paul Headlee, Division Manager <i>LSO, Budget & Policy Analysis</i>
9:20 - 9:30	<i>Break</i>	
9:30 - 10:45	Review of Governor's FY 2019 and FY 2020 Budget Recommendation	Alex Adams, Administrator <i>Office of the Governor, Division of Financial Management</i>

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Tuesday, January 08, 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: **Co—Chairman Bair** called the meeting of the Joint Finance and Appropriations (JFAC) (Committee) to order at 8:00 a.m. He welcomed members of the Committee and introduced the Pages who will assist the Committee for the first six weeks.

Senate Page Emily White is a Senior at New Plymouth High School where she serves on the Business Professionals Club. Emily loves to ski and hopes to attend the University of Washington, majoring in Education.

House Page Arlie Bledsoe is a Senior at Compass Honors High School who loves writing and government. She plans to major in International Relations and hopes one day to work as a diplomat for the United States Foreign Service.

Chairman Bair noted the Rules governing JFAC and explained that the proceedings of each meeting will be recorded as the official Minutes. In addition, the Committee Secretaries will prepare written Minutes for the Legislative Library. Roll call voting will be conducted according to seniority.

LSO STAFF PRESENTATION: **JFAC BUDGET HEARING SCHEDULE AND PROCESS; REVIEW OF LEGISLATIVE BUDGET BOOK (LBB)**

PRESENTER: **Paul Headlee**, Division Manager, Legislative Services Office (LSO) Mr. Headlee, introduced his staff and budget analysts, and described the logistics and processes covering the first nine weeks of the Legislative Session.

During the first six weeks, state agencies will present their budgets to the Committee in a standardized format, comparing the 2018 appropriations, 2018 actual expenses, 2019 appropriations budget and the projected 2020 budget, together with details of the 2020 requests. During that time, the Committee will also address supplemental budget requests.

During weeks seven, eight and nine (7, 8 and 9), the Committee will vote on the budget requests. Decisions by the Committee result in appropriation bills. During weeks 10 and eleven (10 and 11), additional trailer appropriations may be addressed.

Mr. Headlee reviewed each of the Rules Governing the Joint Finance Appropriations Committee. In response to questions by Representative Anderson, **Mr. Headlee** confirmed that the Vice Chair of the presiding body will chair the Committee only in the absence of both Chairs. The call of the Chair is the final decision in all matters of the governing Rules.

Mr. Headlee noted additional resources and publications, including the LSO Website, the Legislative Budget Book (LBB), budget hearing packets and the daily update "Green Sheet".

The Idaho 2019 Legislative Budget Book (LBB) is the primary reference document used by JFAC in setting the Idaho State Budget. Section I of this document contains statewide summary reports, charts, graphs and historical tables. Section II provides a detailed description of agency budget requests for the Executive, Judicial and Legislative Branches. The LBB provides the Legislature with a side-by-side comparison of each agency's budget request and the Governor's budget recommendation in a single, inclusive document.

Mr. Headlee reviewed Section I, the State Budget Process, with emphasis on the Idaho Decision Unit (DU) Budget Model and its benchmarks, the Fiscal Year (FY) 2019 and FY 2020 General Fund Summaries and other statewide reports. See [Presentation](#) and [Audio](#).

**AGENCY
PRESENTATION:**

**REVIEW OF GOVERNOR'S F7 2019 AND FY 2020 BUDGET
RECOMMENDATION**

PRESENTER:

Alex Adams, Administrator, Office of the Governor, Division of Financial Management

Mr. Adams restated Governor Little's commitment to ensuring the best opportunities for the citizens of Idaho. The Governor's Budget reflects that vision.

The Financial Management staff includes Shelby Kerns, Budget Bureau Chief; Sara Stover, Senior Policy Advisor, Policy Division, Sara Stover, Senior Financial Management Analyst; Gideon Tolman, Analyst, and others.

The largest revenue source to the General Fund comes from individual income tax (49 percent), followed by sales tax (40 percent), corporate income tax (six (6) percent) and other sources (five (5) percent). General Fund revenue in the first five months of FY 2019 was \$62.9 million below projections, which appears to be a timing issue since other economic indicators are generally positive. The State's chief economist expects that the shortfall will be offset by individual income tax filing payments in Spring 2019. The Governor's budget has an ending balance for FY 2019 of more than \$97 million, which will offset any unanticipated expenses or revenue shortfalls. The Governor's FY 2020 budget has an estimated ending balance of \$172,600,000.

On the expenditure side, the Governor has budgeted \$171 million from the General Fund to maintain current operations, including education. Of that, non-discretionary adjustments including Medicaid growth, public school growth, the teacher career ladder and other similar items, total \$132 million which is the largest portion of operations maintenance. Other categories serviced from the General Fund include replacement items, inflation, six-month Department of Human Resources (DHR) fee holiday, a three (3) percent employment compensation adjustment, a two (2) percent pay structure shift, and adjustments to health benefits.

Higher Education Initiatives include an enrollment workload adjustment, Opportunity Scholarship, graduate medical education and occupancy costs. These initiatives increase the Governor's overall higher education budget by 4.72 percent.

Strategic Investments include a First-Time Home Buyers Savings Account and a program to combat opioid abuse in Idaho.

The Governor's budget implements Proposition 2 with a net-zero impact on the state's General Fund while covering approximately 91,000 adults in the expansion population. Medicaid expansion's targeted start date is January 1, 2020, allowing lead time for the Department of Health and Welfare (DHW) to develop its state plan amendment, receive approvals and make changes necessary for implementation.

The Governor's budget supports programs to help reduce overcrowding in the prison population and to increase education for at-risk youth.

The Governor continues to emphasize strengthening the state's cyber-security infrastructure through training and replacement of the state's core network equipment to ensure reliable network operations. Modernization will enhance security, lessen cyber-vulnerability and provide long-term savings.

The Governor proposes \$80 million in General Fund transfers to various dedicated funds such as the Public Education Stabilization Fund, fire suppression, peace officer standards and training, the Public Defense Commission and others.

The Governor is committed to build the state's reserve funds with a projected FY 2020 ending balance of approximately \$510 million.

DISCUSSION:

In answer to questions by Representative Wintrow specifically relating to Proposition 2, **Mr. Adams** and **Ms. Stover** affirmed that the Health & Human Services budget, as currently structured, does not include sideboard additions, While the Governor is open to discussion, such additions would not be covered by a 90/10 match from the state and federal governments.

In answer to questions by Senator Ward-Engelking, **Mr. Adams** and **Mr. Tolman** confirmed that the \$48 million increase for the fifth year of the Career Ladder would benefit all teachers, from first year residency to experienced, professional levels.

In answer to questions by Representative Kaufman, **Ms. Kerns** explained that by consolidating IT personnel from various agencies into a newly formed Office of Information Technology Services (ITS), an \$87,500 savings can be realized in personnel efficiencies. The ITS would then bill each agency their respective share from dedicated federal funds.

Ms. Kerns explained that a General Fund transfer was utilized in creating the new Public Defense Commission General Fund appropriation of \$11 million to address the problem of carryover reimbursements from one fiscal year to the next.

In answer to questions by Representative Raybold, **Mr. Adams** and **Ms. Stover** explained that the \$5 million increase for the Catastrophic (CAT) Fund presumes its current form. The budget increase addresses the number of people served as well as the cost of the claims. The Governor recommends a one-time increase with anticipated savings by 2022. See [Presentation](#) and [Audio](#).

ADJOURNED: There being no further business at this time, **Chairman Bair** adjourned the meeting at 10:42 a.m.

Senator Bair
Chair

Elaine Leedy
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Wednesday, January 09, 2019

TIME	DESCRIPTION	PRESENTER
8:00 - 9:30	General Fund FY 2019 – FY 2020 Budget Review Idaho Statutes Relating to JFAC and Budget Process Budget Development Structure – Benchmarks State Government Structure	Paul Headlee, Manager <i>LSO, Budget & Policy</i> Jared Tatro, Principal Analyst <i>LSO, Budget & Policy</i>
9:30 - 9:45	<i>Break</i>	
9:45 - 10:15	Deficiency Warrants, Supplementals, and Rescissions 1. Deficiency and Supplemental Comparison Reports 2. Order of Consideration 3. 2/3 Majority of JFAC to Reopen Budget	Rob Sepich, Senior Analyst <i>LSO, Budget & Policy</i>
10:15 - 10:45	The Public Education Stabilization Fund (PESF), §33-1018C, IC	Robyn Lockett, Principal Analyst <i>LSO, Budget & Policy</i>

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Wednesday, January 09, 2019

TIME: 8:00 A.M.

PLACE: Room C310

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

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

**ABSENT/
EXCUSED:** None

CONVENED: **Chairman Youngblood** called the meeting to order at 8:00 a.m.

LSO STAFF PRESENTATION: **Paul Headlee**, Manager LSO, Budget & Policy

Paul Headlee presented a general overview of the General Fund FY 2019–2020 and briefly reviewed the Idaho Statue relating to JFAC and the budget process.

To listen to this presentation please [click here](#).

LSO STAFF PRESENTATION: **Jared Tatro**, Principal Analyst LSO, Budget & Policy

Jared Tatro explained the process of the budget development structure as follows:

- **Benchmark 1 Original Appropriation:** The amount appropriated last session for the current fiscal year, which begins July 1. It is the amount of spending authority specified in the original appropriation bill.
- **Benchmark 2 Total Appropriation:** The amount specified in the original appropriation bill plus re-appropriations (carryover), supplemental appropriations, and other adjustments made by the Legislature.
- **Benchmark 3 Estimated Expenditures:** The expenditure class detail (personnel costs, operating expenditures, capital outlay, and trustee & benefit payments) of how an agency intends to expend its current year appropriation. Includes the total appropriation plus all current year adjustments.
- **Benchmark 4 Base:** The base is the major benchmark in the appropriations process. The Base reflects current year estimated expenditures plus base adjustments minus one-time funding. It is the starting point in building an agency's appropriation for the next fiscal year.
- **Benchmark 5 Maintenance of Current Operations (MCO):** This includes an agency's Base budget plus the appropriate "maintenance adjustments" that may be required to maintain current service levels. This level of funding does not support the expansion or addition of program services.
- **Benchmark 6 Original Appropriation:** The total funding appropriated for the coming fiscal year, that will begin on July 1, 2019 and end on June 30, 2020. It includes an agency's base budget plus any maintenance adjustments to support

current service levels plus any authorized line items to expand service levels or add new services.

Jared Tatro reviewed the State of Idaho Organization Chart stating that Article II, Section 1, Idaho State Constitution: The powers of the government of this state are divided into three distinct departments, the legislative, executive, and judicial; and no person or collection of persons charged with the exercise of powers properly belonging to one of these departments shall exercise any powers properly belonging to either of the others, except as in this constitution expressly directed or permitted. Article III, Legislative Department consists of the Senate and House which makes up the Legislative Council known here as JFAC. This Committee is the only one that can set an appropriation, decide what money can be spent, what agencies get funded, the Governor makes a recommendation and agencies make a request but JFAC is the only committee to make the final decision. Article IV, Executive Department: Article IV, Section 20 limits the number of executive departments to 20. Section 67- 2402, Idaho Code, lists the 20 executive departments of state government. Divisions and bureaus are the standard subunits of executive departments. Article V. Judicial Department: Is in charge of interpreting the laws.

To listen to this presentation please [click here](#).

**LSO STAFF
PRESENTATION:**

Rob Sepich, Senior Analyst LSO, Budget & Policy

Rob Sepich explained that Deficiency Warrants are expenditures that are authorized under Idaho Code, where appropriations are not made until after the expenditure amount is known. Mr. Sepich reviewed with the committee how to reopen a budget; it needs unanimous consent or a 2/3 majority to reopen a budget and the budget does close at the adjournment for that day.

To listen to this presentation please [click here](#).

**LSO STAFF
PRESENTATION:**

Robyn Lockett, Principal Analyst LSO, Budget & Policy

Robyn Lockett presented a review of the Public Education Stabilization Fund (PESF) and §33–1018C, IC. Ms. Lockett stated the PESF was created in 2003 in order to stabilize the payments made to school districts and charter schools when there are unexpected downturns in the economy or higher than expected in expenditures. The appropriations for public schools are built on numerous program estimates because appropriations will not be known until the end of the fiscal year. Other than deposits to PESF due to excess appropriation, there is no automatic transfer of moneys into the fund. The PESF balance peaked in FY 2008.

Robyn Lockett stated that by having this hearing, JFAC is meeting the requirement of **S#1041**. This requires JFAC to consider transferring money into the savings account to cover any withdrawals; but are not required to take action, at this time.

To listen to this presentation please [click here](#).

ADJOURN: There being no further business to come before the Committee, **Chairman Youngblood** adjourned the meeting at 9:13 am.

Representative Youngblood
Chair

Donna Warnock
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Thursday, January 10, 2019

TIME DESCRIPTION	PRESENTER
8:00 Budget Process Personnel Structure in State Government	Robyn Lockett, Principal Analyst <i>LSO, Budget & Policy</i>
Cost Allocation for Agencies Providing Services to Other Agencies	Christine Otto, Budget Analyst <i>LSO, Budget & Policy</i>
BUDGET HEARINGS	
8:45 Office of the Governor Executive Office of the Governor Division of Financial Management	Alex Adams, Administrator <i>Division of Financial Management</i>
Legislative Branch Legislative Services Office	Eric Milstead, Director <i>Legislative Services Office</i>
9:30 <i>Break</i>	
9:40 Deficiency Warrants / Supplemental Appropriations	
DEPARTMENT OF AGRICULTURE (p.2, #1) Pest Control Deficiency Warrants, LBB p.5-7	Rob Sepich, Senior Analyst <i>LSO, Budget & Policy</i>
OFFICE OF THE GOVERNOR Military Division (p.2, #2) HazMat Deficiency Warrants, LBB p.6-91	Christine Otto, Budget Analyst <i>LSO, Budget & Policy</i>
SELF-GOVERNING AGENCIES Division of Building Safety (p.17, #26) Fund Shift Between Programs, LBB p.5-57	Christine Otto, Budget Analyst <i>LSO, Budget & Policy</i>
DEPARTMENT OF ADMINISTRATION Permanent Building Fund (p.24, #47) ISU Eames Complex, LBB p.6-24	Jill Randolph, Budget Analyst <i>LSO, Budget & Policy</i>
INDUSTRIAL COMMISSION (p.16, #24) Chinden Campus Relocation, LBB p.5-29	Maggie Smith, Budget Analyst <i>LSO, Budget & Policy</i>
PUBLIC UTILITIES COMMISSION (p.17, #25) Chinden Campus Relocation, LBB p.5-49	
* (page, item #s) refer to Deficiency Warrants & Supplemental Requests Packet distributed on Jan. 9	

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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, Syme, Troy, Wintrow, and Toone.

**ABSENT/
EXCUSED:** Representative Raybould

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

LSO STAFF

PRESENTATION: **PERSONNEL STRUCTURE IN STATE GOVERNMENT**

PRESENTER: **Robyn Lockett, Principal Analyst, LSO, Budget and Policy**

The State of Idaho employs approximately 19,000 appropriated individuals in Idaho state agencies at a cost of over \$1.7 billion annually. In addition, the State employs an additional approximately 6,000 persons at other agencies, colleges and universities who are not appropriated, for a total of about 25,000 people. About half of those persons are “classified” and subject to merit examination and selection promotion retention, as well as dismissal requirements which are very specific.

Personnel costs are addressed annually. Idaho Code Section §67-5309C requires the Division of Human Resources to conduct salary and benefit surveys within relevant labor markets and to submit a Change in Employee Compensation Committee (CEC) recommendation to the Governor of proposed salary changes and their annual estimated costs. The Governor then submits his own recommendation to the Legislature prior to the seventh legislative day. By concurrent resolution, or another method, the Legislature may accept, modify or reject the CEC recommendations.

The term Full Time Position, or FTP, is typically 40 hours per week and may refer to a single person or two half-time positions working in the agency.

In formulating compensation, FTP and benefits recommendations, the Division of Human Resources compiles reports which address market related changes to stay competitive with relevant labor markets, specific occupations inequities, merit increases and benefits package.

For Fiscal Year (FY) 2020, the Governor recommends a three percent (3%) CEC based on merit. The Governor also recommends \$11,020 per eligible FTP for health insurance, which is a decrease of \$630, or 5.4 per cent from the previous year. The Governor’s recommendation would leave approximately \$33 million in the Reserve Fund. The Governor further recommends a two percent (2%) in the salary structure at all pay grades. Employer-paid benefit changes include a 5.5 percent increase for the Public Employees Retirement System of Idaho (PERSI) due to increases in contribution rates for both employer and employee.

During the budget-setting process, the Committee will vote on agency appropriation dollars, the number of authorized FTP at each state agency and the compensation and benefits package for each state agency. See [Presentation](#) and [Audio](#).

In answer to questions from the Committee, Ms. **Lockett** confirmed that the federal government has previously questioned excess funds and/or requested repayment of excess funds in Idaho. See [Presentation](#) and [Audio](#).

LSO STAFF

PRESENTATION: STATEWIDE COST ALLOWANCE PLAN (SWCAP)

PRESENTER: Christine Otto, Analyst, LSO

The purpose of SWCAP is to ensure that neither the state or federal government overpays cost expenditures, but rather is allocated and expensed in an equitable, proportionate and justified manner. See: §67–3524 and 67–3531, Idaho Code. SWCAP plan includes the Central Services Agencies – Attorney General, State Controller and State Treasurer – which provide services to all State agencies. Costs are recovered from the Attorney General based on allowable billable hours; from the State Controller from accounting and payroll services; and from the State Treasurer based on the number of warrants. Generally, an agency will request the total expenditures as its base for the next year in its budget requests. The Governor also recommends an allocation.

A review of FY 2016–2018 shows actual expenditures and informs the 2020 budget setting process to ensure that sufficient funds are allocated for each agency. See [Presentation](#) and [Audio](#).

AGENCY

PRESENTATION: EXECUTIVE OFFICE OF THE GOVERNOR

PRESENTERS: Alex Adams, Administrator, Department of Financial Management and Brian Wonderlich, General Council, Office of the Governor.

Mr. Adams reviewed the organization chart for the Office of the Governor and introduced the budget for the Executive Office of the Governor. The Governor’s office has four divisions: General Council; Communications; Intergovernmental Affairs; and Policy and Assistant Legal Council.

LSO STAFF

PRESENTER:: Keith Bybee, Deputy Division Manager, LSO.

Mr. Bybee stated that for budgeting purposes, the Governor’s office is broken down into four budget areas: Administration/Governor’s Office; Acting Governor Pay; Expense Allowance; and Transition Program (now inactive).

In FY 2018, the Administration of the Governor's office was a total of \$2,324,900. Overall, the Government's Administration expenditures were 9.8 per cent less than their original appropriation.

In FY 2019, JFAC appropriated a base total of 2,428,500 to the Executive Office of the Governor. Changes to 2019 Benefits Costs, Statewide Cost Allocation and Program Maintenance and Line Items from the General Fund resulted in a revised FY 2019 appropriation of \$2,428,500.

The proposed FY 2020 appropriation base removes the one-time costs (public service announcements and Governor-Elect transition), leaving an FY 2020 base of \$2,203,500, which supported by both the agency and the Governor's recommendation.

Adjustments to the FY 2020 base include Benefit Costs, Statewide Cost Allocation, Annualizations, Changes in Employee Compensation (CEC); Public Employees Retirement System of Idaho (PERSI); and Program Maintenance.

Executive Office of the Governor requests reduce the FY 2020 Base by \$190,000 (7.8 per cent), for a total of \$2,238,500. The Governor's recommendations reduce the FY 2020 Base by \$147,800 (6.1 percent), for a total of \$2,280,700. See [Presentation](#) and [Audio](#).

AGENCY

PRESENTATION: DIVISION OF FINANCIAL MANAGEMENT, OFFICE OF THE GOVERNOR

PRESENTER:

Alex Adams, Administrator, Division of Financial Management (DFM); David Fulkerson, Deputy Administrator of the State Financial Office.

Mr. Adams stated that the primary function of the DFM is to assist the Governor with his duties as Chief Budget Officer for the State of Idaho. The DFM is headed by an administrator, with 15 FTPs from three bureaus: the Budget Bureau, the Management Services Bureau, and the Economic Analysis Bureau.

LSO STAFF PRESENTER:

Keith Bybee, Deputy Division Manager, LSO, stated that the total appropriation for the DFM in FY 2018 was \$1,928,300. The Division spent approximately 6.3 per cent less than their total in Benefits Cost and moved money into operating expenditures and capital outlay.

In FY 2019, one new line item was approved for the Information Technology Office. The Legislature allocated \$5,000 from the general fund to cover DFM's share. The total appropriation for FY 2019 increased to \$1,958,700, which is an increase of an 8.4 per cent increase over actual 2018 expenditures.

Both the Governor and the DFM recommend a FY 2020 Base of \$1,958,700. See [Presentation](#) and [Audio](#).

LSO STAFF

PRESENTATION: LEGISLATIVE SERVICES OFFICE.

PRESENTER:

Eric Milstead, Director, Legislative Services Office

Mr. Headlee introduced his staff: **April Renfro**, Division Manager, Legislative Audits; **Paul Headlee**, Division Manager, Budget & Policy Analysis; **Kristin Ford**, Division Manager, Research & Legislation; and **Glenn Harris**, Division Manager, Information Technology.

The mission of the Legislative Services Office is to provide efficient, non-partisan support services to Idaho's citizen legislators, to carry out legislative policies, and to assist the Legislature in carrying out its constitutional responsibilities. The Legislative Services Office provides committees and legislators with professional staff support, to increase communication and efficiency, and enhance coordination and productivity within the legislative branch of government. Under the direction of the Director of Legislative Services, the office consists of the Division of Research and Legislation, Division of Budget and Policy Analysis, the Legislative Audit Division, and the Information Technology Division.

The total appropriation in 2018 was \$8,812,100. FY 2018 Estimated Expenditures, less removal of onetime expenditures, was \$7,777,700, forming the Base for FY 2019.

Adjustments to the 2019 base in Program Maintenance, Benefit Costs, Statewide Allocation Cost, CEC and Program Maintenance, and Line item exemptions for the Information Center Staffing and Operations resulted in a total FY 2019 appropriation of \$8,061,700, a 3.2 per cent change from the original appropriation.

Additional requests and reductions from both LSO and the Governor further modified the LSO request to \$8,010,500, and the Governor's recommendation to \$8,088,600. See [Presentation](#) and [Audio](#).

DEFICIENCY WARRANTS/SUPPLEMENTALS

AGENCY

PRESENTATION: DEPARTMENT OF AGRICULTURE, PEST CONTROL

PRESENTER:

Rob Sepich, Senior Analyst, LSO, Budget & Policy

Funding is requested to reimburse actual expenditures incurred in FY 2018 for exotic or invasive species monitoring and control including potato cyst nematode, Japanese Beetle, and other exotic pests. The existence of exotic or invasive pests in the state, and the lack of information about the distribution of those pests, can cause economic losses to the public by the direct effects of the pests and the placement of quarantines and import restrictions by other states and countries. These programs are carried out under the deficiency warrant authority provided in Chapters 19 and 20, Title 22, Idaho Code. Grasshopper and Mormon Cricket control continue to be covered by a federal grant, which has a free fund balance of \$417,600, and is anticipated to cover expenses through FY 2019. FY 2018 costs included \$21,500 for exotic pest monitoring and \$118,700 for Japanese Beetle treatment.

**UNANIMOUS
CONSENT:**

On the request of Rep. Kauffman, granted by unanimous consent, FY 2019 budget for the Department of Agriculture was reopened.

CARRIED:

Original Motion:

Moved by **Rep. Kauffman** for the appropriation and transfer of \$140,200 from the General Fund to the Pest Control Deficiency Warrant Fund for Fiscal Year 2019, seconded by **Sen. Burtenshaw**.

AYES: 18

NAYS: 0

ABSENT/EX: 2

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

AGENCY

PRESENTATION: **OFFICE OF THE GOVERNOR, MILITARY DIVISION, OFFICE OF EMERGENCY MANAGEMENT**

PRESENTER: **Christine Otto, Budget Analyst, LSO,**

The Hazardous Substance Emergency Response Fund had . twelve incidents totaling \$41,500 of which \$9,700 was recovered, leaving the net amount charged to the deficiency warrant account for FY 2018 at \$31,800. Additionally, there was a beginning balance of \$5,000 leaving a deficit of \$26,800 in the fund.. As such, the Military Division requests the difference of \$26,800 be transferred from the General Fund to the Hazard Substance Emergency Response Fund to reimburse the expenditures incurred during FY 2018 for hazardous materials cleanup projects. These programs are carried out under the statutory authority provided in Chapter 71, Title 39, Idaho Code.

UNANIMOUS CONSENT:

On the request of Rep. **Syme**, granted by unanimous consent, FY 2019 budget for the Office of the Governor, Military Division, Office of Emergency Management was reopened.

CARRIED:

Original Motion

Moved by Rep. **Syme** for FY 2019, for the Military Division, in the Office of Emergency Management Program, the appropriation and transfer of \$26,800 onetime from the General Fund to the continuously appropriated Hazard Substance Emergency Response Fund, seconded by Sen. Ward-Engelking.

AYES: 18

NAYS: 0

ABSENT/EX: 2

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 Bair. See [Presentation](#) and [Audio](#).

AGENCY

PRESENTATION: **SELF-GOVERNING AGENCIES, DIVISION OF BUILDING SAFETY**

PRESENTER: **Christine Otto, Budget Analyst, LSO**
The Division of Building Safety (DBS) requests an ongoing fund shift in the amount of \$60,100 in personnel costs from the Miscellaneous Revenue/Industrial Safety Fund to the Miscellaneous Revenue/Logging Fund. This shift is requested to reflect the anticipated personnel needs for the Logging Safety Program, for a net change of zero dollars. DBS has seen an increase in the Logging Safety Program due to increased activity and the Industrial Safety Fund has excess appropriation for this shift.

UNANIMOUS CONSENT: On the request of **Sen. Johnson**, granted by unanimous consent, the FY 2019 budget for the Division of Building Safety was reopened.

CARRIED: Original Motion
Moved by **Sen. Johnson**, for FY 2019, for the Division of Building Safety, an ongoing addition of \$60,100 in personnel costs to the Miscellaneous Revenue/Logging Fund; further for an ongoing reduction of \$60,100 in personnel costs from the Miscellaneous Revenue/Industrial Safety Fund, for a net impact of zero; seconded by Rep. **Horman**.

AYES: 18

NAYS: 0

ABSENT/EX: 2

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 Bair. See [Presentation](#) and [Audio](#).

AGENCY PRESENTATION: **DEPARTMENT OF ADMINISTRATION, DIVISION OF PUBLIC WORKS, PERMANENT BUILDING FUND**

PRESENTER: **Jill Randolph, Analyst, LSO**
A Supplemental Request is made to repurpose a prior appropriation, made during the 2017 Legislative Session. In 2017, the Permanent Building Fund Advisory Council recommended, and the Legislature approved, \$10,000,000 for the remodel of the Gale Life Sciences Building. After construction bids came in over the estimated total project cost, Idaho State University requested permission to use the \$10,000,000 to remodel the Eames Complex, also on the ISU campus. Due to the nature of the capital projects in the PBF appropriation bill, legislation is needed to change the use of the funds. The money remains in a continuously appropriated fund, so there is no attached dollar amount to this request. This repurposing of the prior appropriation has the consent of the PBFAC and the Governor.

UNANIMOUS CONSENT: On the request of **Rep. Anderson**, granted by unanimous consent, the FY 2019 budget for the Department of Administration, Permanent Building Fund was reopened.

UNANIMOUS CONSENT: On the request of **Rep. Anderson**, granted by unanimous consent, the language as show on the screen regarding repurposing of appropriation from the Permanent Building Fund was applied to the Department of Administration for the Division of Public Works from the Permanent Building Fund's FY 2019 appropriation.

Without objection, the request for unanimous consent has passed and will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bair. See [Presentation](#) and [Audio](#).

AGENCY

PRESENTATION: INDUSTRIAL COMMISSION, CHINDEN CAMPUS RELOCATION

PRESENTER: Maggie Smith, Budget Analyst, LSO

The Industrial Commission requests a onetime supplemental appropriation to relocate its offices to the Chinden Campus. The agency's original request was for \$967,900, but the Governor's recommends \$847,400 as some of the agency's build-out costs were eligible to be covered by amounts pre-paid from its FY 2018 appropriation. The lease for the agency's current office space will expire on June 30, 2019. The commission expects to move by June 2019 when its newly constructed space in Building 2 of the Chinden Campus is completed. This request will fund the purchase and installation of new office equipment and furnishings, moving costs, and one month of dual lease payments on its current and new office spaces during the transition in June 2019.

**UNANIMOUS
CONSENT:**

On the request of Sen. **Crabtree**, granted by unanimous consent, the FY 2019 budget for the Industrial Commission was reopened.

CARRIED:

Original Motion

Moved by Sen. **Crabtree** for FY 2019, for the Industrial Commission, in the Compensation Program, an additional \$132,800 in operating expenditures and \$489,800 in capital outlay from the Industrial Administration Fund; in the Crime Victims Compensation Program, an additional \$13,100 in operating expenditures and \$85,000 in capital outlay from the Crime Victims Compensation Fund; and in the Adjudication Program, an additional \$126,700 in capital outlay from the Industrial Administration Fund, for a grand total of \$847,400 from dedicated funds; seconded by Sen. **Lee**.

AYES: 18

NAYS: 0

ABSENT/EX: 2

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 Bair. See [Presentation](#) and [Audio](#).

AGENCY

**PRESENTATION: PUBLIC UTILITIES COMMISSION, CHINDEN CAMPUS
RELOCATION**

PRESENTER:

Maggie Smith, Budget Analyst, LSO, Budget and Policy:

The Public Utilities Commission (PUC) requests \$2,419,300 from the Public Utilities Commission Fund to remodel office space at the Chinden Campus and relocate the agency by August 31, 2019. The lease for the PUC's current office space will expire on May 31, 2019. In April 2018, the Department of Administration's Division of Public Works (DPW) issued a request for proposals (RFP) on behalf of the PUC for new office space. During the RFP process, the Department of Administration was made aware that the Sykes Corporation, a tenant operating a call center at the Chinden Campus, desired to amend its lease of Building 8, including vacating the first and second floors. DPW submitted a response to the PUC's RFP for the soon-to-be-vacant space, which the agency selected as its preferred option due to its lower long-term cost and the stability of being in a state-owned facility. The agency paid \$595,000 for a pre-bill to DPW from its FY 2018 appropriation to be applied to its anticipated remodeling costs in FY 2019. In July 2018, a request for quotation was issued for a design/build team and in September 2018, the Permanent Building Fund Advisory Council approved the selected design/build team of CSHQA/McAlvain.

**UNANIMOUS
CONSENT:**

On the request of **Sen. Crabtree**, granted by unanimous consent, the FY 2019 budget for the Public Utilities Commission was reopened.

CARRIED:

Original Motion

Moved by **Sen. Crabtree** for FY 2019 for the Public Utilities commission, an additional \$1,692,700 in operating expenditures and \$726,600 in capital outlay, for a total of \$2,419,300 from the Public Utilities Commission Fund; seconded by **Sen. Lee**.

AYES: 18

NAYS: 0

ABSENT/EX: 2

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 Bair. See [Presentation](#) and [Audio](#).

ADJOURNED:

There being no further business, **Chairman Bair** adjourned the meeting at 10:40 a.m.

Senator Bair
Chair

Elaine Leedy
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Friday, January 11, 2019

TIME	DESCRIPTION	PRESENTER
8:00	Economic Outlook & Revenue Assessment Committee (EORAC) Report to JFAC	Senator Fred Martin and Representative Wendy Horman, EORAC Co-Chairs
	BUDGET HEARINGS	
	Idaho Tax Commission, LBB p. 6-155	Ken Roberts, Chairman
	Board of Tax Appeals, LBB p. 6-149	Steve Wallace, Director
	SPECIAL HEARING	
	General Fund Revenue Collection Administration	Ken Roberts, Chairman <i>Idaho Tax Commission</i>
	<i>Break</i>	
	BUDGET HEARINGS	
	State Treasurer, LBB p. 6-171	Julie Ellsworth, <i>Idaho State Treasurer</i>
	Secretary of State, LBB p. 6-165	Lawrence Denney, <i>Idaho Secretary of State</i>
	Industrial Commission, LBB p. 5-27	Thomas Limbaugh, Chairman

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Friday, January 11, 2019

TIME: 8:00 A.M.

PLACE: Room C310

MEMBERS Senators Co-chairman Bair, Johnson, Lee, Agenbroad, Crabtree, Grow,

PRESENT: Burtenshaw, Woodward, Ward-Engelking, Nye

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

**ABSENT/
EXCUSED:** Rep. Raybould

CONVENED: **Chairman Youngblood** called the meeting to order at 8:00 am.

PRESENTER: **Rep. Wendy Horman**, Co-chairman of the Economic Outlook and Revenue Assessment Committee (EORAC).

Rep. Horman reported the Committee reviewed and analyzed business, tax, financial data, and trends relating to the state's economy, and obtained testimony from economic, business, and industry experts regarding those aspects of the state's economy and revenues. Rep. Horman continued the Committee recommends revenue of \$3,750.3 million dollars for fiscal year 2019 and \$3,964.2 million dollars forecasted for fiscal year 2020.

Senator Johnson requested unanimous consent the Joint Finance Appropriations Committee (JFAC) accept the report from the Economic Outlook and Revenue Assessment Committee (EORAC). **Co-chairman Youngblood** called for any objections; hearing no objections, it was so ordered.

To listen to this presentation please [click here](#).

AGENCY **Idaho Tax Commission**
PRESENTATION:

Chairman Roberts introduced his fellow Commissioners, **Tom Katsillometes, Elliot Werk and Janet Moyle**. Other introductions were **Mark Poppler and Glenda Smith** from the Financial Offices.

Chairman Roberts gave an overview of what the Tax Commission mission is. Mr. Roberts continued the Tax Commission administers the tax laws in an accurate, fair, timely and cost effective manner to benefit all Idaho citizens. Mr. Roberts stated the Governor approved the publishing of the Idaho specific W-4 form, which is a shorter and simpler form to help tax payers figure their appropriate tax withholding level. The Tax Commission is the revenue tax collector for the General Fund. There are eighteen tax types and approximately 70% of the revenue comes in electronically and the other 30% is from cash and checks.

Chairman Roberts continued the Tax Commission does provide services and over site to the counties in performing their property tax responsibilities to help ensure uniform assessment and fairness in tax through out the state. Mr. Roberts continued that there are approximately 459 authorized positions state wide and they are growing at only half the rate of the population growth for the State of Idaho. There are five major divisions in the agency; Audit, Collections, Revenue Operations, Property Tax and General Services and there are five field offices through out the state.

Chairman Roberts updated the Committee on the Tax Commission fraud protection & ID theft software and explained that there are several tools on the website to help taxpayers.

Chairman Roberts reported the Tax Commission is in the process of moving to the HP campus and the move should be completed by the end of October.

**LSO STAFF
PRESENTATION:**

Keith Bybee, Deputy Manager LSO, Budget & Policy Analysis

Mr. Bybee stated the Tax Commission has five budgeted programs and they are mostly funded by the General Fund and also receive funding from the Multi-state Tax Compact fund and Administration Accounting Fund. Mr. Bybee reviewed the actual expenditures of FY 2018 and the current FY 2019 JFAC action.

Chairman Roberts reviewed the two line items for FY 2019 as follows: 1) Automated Systems Coordinator position was filled in early July 2019. This position helps the accounting staff stay current with documenting, testing, and explain quarterly updates. 2) The three positions in the Collection Division helps address the increase in accounts receivable and collection cases. Mr. Bybee continued his review of the FY 2020 budget requests and Governor's recommendations. Chairman Roberts addressed the following requests: 1) Additional Moving Costs, expenses that were not anticipated 2) Trailer to **H#492** of 2018, and 3) Property Tax Education.

Mr. Bybee reviewed the following budget by decision unit; 1) The replacement items, which are on a five year replacement cycle. 2) Annualizations, the Governor did recommends an annualization for the technical records specialist but does not recommend the LUMA coordinator in General Services.

Chairman Roberts discussed the following FY 2020 Program Maintenance requests: 1) Improve Field Office Security, this will bring the last two field offices up to safety standards, 2) Batch Monitoring Services, will increase efficiency, 3) Additional Processing Staff, these positions' workload increases are proportionately related to population growth in the state, 4) Taxpayer Services Positions, this position is moving from halftime to a full-time position, 5) Additional Auditors, these positions will help increase voluntary tax compliance,

Mr. Bybee discussed the Commissioner CEC stating the salaries are set by statute.

Mr. Alex Adams and Mr. Jeff Weak reviewed the GOV TECH Network Equipment Replacement and Modernization programs. The goal is to increase security, drive efficiency and save money.

Mr. Bybee concluded they will need re-appropriation authority granted by JFAC for the move to the Chinden campus from the 2019 budget to the 2020 budget.

Co-Chairman Bair requested from **Mr. Adams** a summary list pertaining to the transfers from inside agencies to ITS.

To listen to this presentation please [click here](#).

**AGENCY
PRESENTATION:**

Director of the Board of Tax Appeals

Director Steve Wallace introduced the board members and his staff. Director Wallace continued that the Board of Tax Appeals provides taxpayers a popular means to bring appealed tax assessments before a fully independent and judicial-like body and is a fully independent body not subject to the supervision or control of the State Tax Commission.

**LSO STAFF
PRESENTATION:**

Keith Bybee, Deputy Manager LSO, Budget & Policy Analysis

Mr. Bybee reviewed the actual expenditures of FY 2018, the budget for FY 2019, and the budget requests and the Governor's recommendations for FY 2020. For FY 2018 the Board of Tax Appeals spent a total of \$577,200 of their original appropriation, \$606,700. For FY 2019 the Board of Tax Appeals did not have any requested line items. Mr. Bybee continued with his review of the Historical Summary, which is a three year look of expenditures and what the Governor's request is for the current fiscal year.

Director Wallace commented on the FY 2019 appropriation and annualization for FY 2020 stating the appropriation for FY 2019 is for an increase in operating expenditures to pay for the cost of a new lease at a new location and the supplemental in FY 2020 is also for the new leased office space for the remainder of FY 2020. In response to committee questions, Director Wallace, stated the agency has a large number of bench marks and some of those bench marks are not achievable due to different circumstances.

To listen to this presentation please [click here](#).

**SPECIAL
HEARING:**

Chairman Idaho Tax Commission

Chairman Ken Roberts stated there are substantial tax changes that are affecting the tax payers and their need to realign their tax withholding. Chairman Roberts continued to explain the following: 1) effects on taxpayer's withholding of doubling the standard deduction, 2017 to 2018, and 2) loss of personal exemptions impact on withholding 2017 to 2018. Chairman Roberts explained the Idaho State Tax Commission 2010-2018 historical fiscal year-to-date sales tax revenue distributed to the General Fund and the anticipated FY 2019 revenues, the total revenue distributed to the General Fund and the anticipated FY 2019 revenues, FY 2018 & 2019 monthly refunds from the Refund Fund, Idaho Department of Labor Quarterly wages & Idaho State Tax Commission quarterly withholding receipts from 2009 with 2019 & 2020 projection, FY 2019 individual Income Tax General Fund impact, the General Fund estimates for FY 2019-2020.

In response to committee questions, **Chairman Roberts** stated it is required by Idaho law that written permission is needed giving authority for their legislator to discuss their personal tax issue.

To listen to this presentation please [click here](#).

AGENCY PRESENTATION: Idaho State Treasurer

State Treasurer Julie Ellsworth gave an overview of the functions the State Treasurer's Office is in charge of administering.

LSO STAFF PRESENTATION: Maggie Smith, Budget Analyst reviewed the actual expenditures of FY 2018, FY 2019 JFAC action noting there were no line item requests and there was one trailer appropriation, the comparative summary noting the agency request and the Governor's recommendations. Ms. Smith stated the agency requested intent language to be included in its FY 2020 appropriation bill.

To listen to this presentation please [click here](#).

AGENCY PRESENTATION: Idaho Secretary of State

Secretary of State Lawrence Denney gave an overview on the election systems upgrade to put the statewide voter registration system on a GIS platform; the Federal government completed their funding of the Help America Vote Act and gave the state a \$3.2 million grant which is to be used for election systems upgrades and cyber security issues related to elections. The entire upgrade is under contract and should be completed in time for the Presidential Primary Election in 2020. Secretary of State Denney continued the focus this year will be on cyber security and they will be requesting two FTE's.

LSO STAFF PRESENTATION: Maggie Smith, Budget Analyst reviewed the actual expenditures of FY 2018 and there was a one-time carryover re-appropriation from the previous year, FY 2019 JFAC action, five line items were funded and one trailer appropriation. In FY 2020 there were seven line item requests with five having the Governor's recommendation.

Secretary of State Denney reviewed the following requests for FY 2020: 1) Cyber Security Policy Analyst, this is for one FTP and \$98,600, 2) Communication Coordinator, this is for one FTP and \$73,800, which is not recommended by the Governor, 3) Elections System Maintenance, request is for \$90,000 in ongoing operating expenditures for the new election system and voter registration database, this is not recommended by the Governor, 4) Increase Operating Expenditures to address deferred increase requests in operating expenditures, 5) Federal HAVA Grant Match required to provided a 5% cash or in-kind matching contribution by March 2020, 6) Publication of Idaho Blue Book, \$40,000 onetime from the General Fund to offset the cost of publishing the Idaho Blue Book, and 7) Conference Costs, \$12,700 in onetime expenditures to attend the annual National Conference of Commissioners on Uniform State Laws.

In response to committee questions, **Secretary of State Denney** stated they are now same day or next day wait time on the filings; there was a transition period. The salary for the Communication Coordinator is being paid from the HAVA funds but can't be used for ongoing wages. Secretary of State Denney stated Microsoft offers a G5 for security.

To listen to this presentation please [click here](#)

AGENCY **Industrial Commission**
PRESENTATION:

Chairman Thomas Limbaugh stated the Industrial Commission administers the Workman Compensation Law under Title 72 Idaho Code. Chairman Limbaugh continued there are four divisions, 1) Compensation, 2) Rehabilitation, 3) Crime Victims Compensation, and 4) Adjudication.

LSO STAFF **Maggie Smith, Budget Analyst** reviewed the actual expenditures of FY 2018,
PRESENTATION: FY 2019 JFAC action, there were two supplementals, no line item requests and there were two trailer appropriations. In FY 2020 there are five requested line items, all were recommended by the Governor. Ms. Smith continued the Governor recommended a 3% salary increase for commissioners and three requests for the Governor’s IT initiative.

To listen to this presentation please [click here](#).

ADJOURN: There being no further business to come before the Committee, **Chairman Youngblood** adjourned the Committee at 10:45 am.

Representative Youngblood
Chair

Donna Warnock
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Monday, January 14, 2019

TIME	DESCRIPTION	PRESENTER
8:00 - 8:30	General Fund Daily Update 1. LBB Front End Report: General Fund Revenue Estimates 2. General Fund Daily Update (green sheet)	Keith Bybee, Deputy Manager LSO, Budget & Policy Analysis
8:30	BUDGET HEARINGS	
	Office of the Governor Commission on the Arts, LBB 6-47	Michael Faison, Executive Director
	Self-Governing Agencies Commission for Libraries, LBB 5-75	Ann Joslin, State Librarian
	<i>Break</i>	
	Office of the Governor Office of Drug Policy, LBB 6-55	Melinda Smyser, Administrator
	Self-Governing Agencies Division of Veterans Services, LBB 5-117	Marv Hagedorn, Administrator
	Office of the Governor STEM Action Center, LBB 6-170	Dr. Angela Hemingway, Ph.D., Executive Director

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Monday, January 14, 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: **Co-Chairman Bair** called the Joint Finance-Appropriations Committee (Committee) (JFAC) to order at 8:00 a.m.

LSO STAFF

PRESENTATION: GENERAL FUND DAILY UPDATE

PRESENTER: Keith Bybee, Deputy Manager, LSO, Budget and Policy Analysis
Mr. Bybee reviewed elements of the 2019 Legislative Budget Book (LBB), including a historical perspective on general fund revenues and expenditure reconciliation over the past six years.
Mr. Bybee also reviewed the General Fund Daily Update, known as the “green sheet” which is revised first weekly, and then daily throughout the session. The green sheet covers both the Fiscal Year (FY) 2019 and FY 2020 budgets. The green sheet compares anticipated revenue, the Governor’s appropriation recommendations and any action taken by JFAC or the Legislature. As supplemental appropriations are approved early in the session, the FY 2019 estimated ending balance will adjust. During the major budget setting portion of the Legislative Session, when FY 2020 funding bills are passed and sent to the Governor for signature, the total estimated ending balance will diminish further. See [Audio](#).

AGENCY

PRESENTATION: OFFICE OF THE GOVERNOR: COMMISSION ON THE ARTS

PRESENTER: Michael Faison, Executive Director, Office of the Governor, Commission on the Arts
Also attending: Commission Chair, Kay Hardy of Boise, Commissioner Marshall Garrett of Boise, former Commission Chair Laurel Sayer, and former Commission Chair Mark Hofflund; Deputy Director Stuart Weiser.
The Arts Commission is Idaho's principal cultural agency. Administratively under the Office of the Governor, it includes 13 volunteer commissioners appointed by the Governor from throughout the state; up to five at-large citizen-advisers selected by the Chair, and an executive director and a staff of nine in their offices at the Historic Warden's House of the Old State Penitentiary.

The Arts Commission supports Idaho's cultural legacy and artistic innovations through grant services represented in the Trustee and Benefits section of our budget and through non-granting, direct services, budgeted from our Operating Expenditures.

The Commission disburses and manages matching grants to individuals and organizations. The agency also delivers non-granting, professional services in the form of technical assistance and training to Idaho arts managers, to professionals in all artistic disciplines, and to classroom teachers. The Commission expands the portfolio of Idaho teachers' instructional resources and teaching strategies through Arts Education Project grants and the "Making Learning Visible" online reporting and instructional strategy-sharing tool.

All of this is accomplished through a unique state-federal partnership with the National Endowment for the Arts. Through its State Partnership Agreements, the Endowment allocates over 40 percent of its budget directly to the states.

In answer to questions from Sen. Bair, **Mr. Faison** reported that the \$25,000 in Trustee & Benefits has been used for Fiscal Year (FY) 2019 grants for arts and art education programs. Salary savings were also applied to grants. The Line Item has been fully expended.

Mr. Faison cited the economic impact of the National Oldtime Fiddlers' Contest and Festival in Weiser, doubling Washington County's population for two weeks every Summer and adding significantly to county revenues from the tourism. He cited the economic benefits of traditional western artists' businesses in Salmon, and he noted the large proportion of Boise's population who annually attend and do business at the Idaho Shakespeare Festival in Boise. He stressed the role of cultural traditions in the economic future of rural America and Idaho.

Speaking on behalf of the Commission on the Arts, **Mr. Faison** said that the Commission strongly supports the Governor's 2020 budget recommendation.

**LSO STAFF
PRESENTER:**

Jill Randolph, Analyst, LSO reviewed the FY 2018 income and expenditures. FY 2019 Program Maintenance lines items show Enhancement of Grant Funds in the amount of \$25,000. Line items recommended for FY 2020 include Enhancement of Grant Funds in the amount of \$25,000, as well as technical enhancements to network equipment, security and modernization. See [Packet](#) and [Audio](#).

AGENCY

PRESENTATION: SELF-GOVERNING AGENCIES: COMMISSION FOR LIBRARIES

PRESENTER:

Ann Joslin, State Librarian, Commission for Libraries

The Commission for Libraries was established in 1901 and, today, it helps build the capacity of more than 850 public school academic and special libraries to better serve their communities. **Ms. Joslin** reviewed the Commission's numerous programs and accomplishments, including "Read-to-Me", summer reading programs, online books and the "Talking Books" program. Part of the commission's goal is to assist libraries in acquiring and maintaining sufficient broadband services through Libraries Linking Idaho (LiLI), which provides free access to a wide range of online resources and provides more Idahoans access to rich opportunities for learning.

**LSO STAFF
PRESENTER:**

Jill Randolph, Analyst, LSO.

The Commission for libraries has one budgeted program with three appropriated funds sources: the General Fund accounts for about 70 percent of their total appropriation. Dedicated funding accounts for about 1 percent, and Federal funds account for 29 percent. **Ms. Randolph** reviewed statutory language governing the Talking Books Service and its impact for FY 2019 and FY 2020. See [Packet](#) and [Audio](#).

AGENCY

PRESENTATION: OFFICE OF THE GOVERNOR, OFFICE OF DRUG POLICY

Melinda Smyser, Administrator, Office of the Governor, Office of Drug Policy

The Governor's Office of Drug Policy is the agency responsible for the oversight of substance abuse prevention in Idaho and is tasked with consulting decision makers regarding the best policy initiatives to reduce substance use. Their primary duties are to (1) coordinate substance abuse programs; (2) cooperate and consult with counties, cities and law enforcement; (3) serve as a repository of agreements, contracts and plans and facilitate exchange of information and data with relevant entities; (4) provide input and comment on plans, agreements and policies relating to illegal drug and substance abuse; and (5) develop, create and promote statewide campaigns to reduce or eliminate substance abuse.

**LSO STAFF
PRESENTER:**

Jarad Tatro, Principal Analyst, LSO

The Office of Drug Policy is funded by Idaho's General Fund, dedicated funds and federal funds. The FY 2018 total appropriation was \$4,878,400 with \$4,231,000 in actual expenses. The FY 2019 total appropriation was \$4,823,500.

The FY 2020 base is \$4,688,600. In addition, The Office of Drug Policy requests \$97,800 in federal fund trustee and benefit payments for the Partnership for Success Grant. This grant is estimated to serve approximately 1.6 million people. It aims to prevent and reduce substance abuse and its related problems and to build prevention capacity at the state and community levels. The grant total is for \$2.6 million over five years. The office already has sufficient FTP and associated personnel funding in the FY 2020 Base to implement this request if approved, because this grant is the replacement for the Strategic Prevention Framework Grant that was awarded in 2013. See [Packet](#) and [Audio](#).

AGENCY

PRESENTATION: SELF-GOVERNING AGENCIES, DIVISION OF VETERANS SERVICES

PRESENTER: Marv Hagedorn, Administrator, Division of Veterans Services

The Idaho Division of Veterans Services assists veterans and their families by operating the veterans homes in Boise, Lewiston, and Pocatello; managing the state veterans cemetery; providing medical and assisted-living care to veterans; extending financial relief and assistance to disabled or destitute wartime veterans and their dependents; administering programs offered by the United States Department of Veterans Affairs; and providing training and other educational assistance to veterans. The division also assists veterans and their families in navigating federal processes to obtain non-state benefits to which they are entitled.

The Idaho State Veterans Cemetery has the mission to provide respectful interment services for eligible veterans and their families, appropriately mark and record gravesites, and maintain the cemetery as a place of honor for veterans as well as a place of remembrance and reflection for the citizens of Idaho.

Mr. Hagedorn outlined several challenges facing Veterans Services: decreasing revenue due to decreases in Medicaid reimbursements; complex regulations and emergency preparedness requirements; increasing number of veterans seeking care and benefits; and the nationwide nursing shortage which causes difficulties in staff recruitment, retention and competitive compensation with surrounding states. Critical staffing needs also affect the number of veterans who can be served in Idaho's three Veteran's Homes. Construction of a fourth Veterans Home is planned in Post Falls, ID.

**LSO STAFF
PRESENTER:**

Jarad Tatro, Principal Analyst, LSO.

Veterans Services was granted carryover for its unencumbered and unspent appropriation for a second Veterans cemetery to be located in Blackfoot, Idaho. Carryover was approved from FY 2018 into FY 2019 in the amount of \$7,496,100 from the Federal Grant Fund. Carryover is approved on a onetime basis and removed before calculating the FY 2020 Base. Additional adjustments to the FY 2019 appropriations and removal of all onetime appropriations created a FY 2020 Base of \$33,503,800.

The Division of Veterans Services requests \$553,000 for Staff Market Equity for personnel, and an additional 3.00 Full Time Positions (FTP) from dedicated and federal funds to hire three new permanent positions and temporary group positions; \$103,300 for new Capital Outlay; \$200,000 for changes in Medicaid billing process; \$100,000 to award several onetime grants from the Veterans Recognition Income Fund; and \$43,023,400 in onetime operating expenditures for the construction of a 57-bed home in Post Falls.

The total FY 2020 agency request is \$78,746,100. The Governor recommends \$78,375,100. See [Packet,Flyers](#) and [Audio](#).

AGENCY

PRESENTATION: OFFICE OF THE GOVERNOR, STEM ACTION CENTER

PRESENTER:

Angela Hemingway, Idaho STEM Action Center (STEM AC)

Ms. Hemingway reported that impact numbers for the STEM AC have grown significantly over the past 3 years. Fund-raising efforts combined with state appropriations helped to facilitate over 12 thousand educator interactions last fiscal year which in turn impacted hundreds of thousands of Idaho students. Participation in a STEM AC program costs just \$14.37 per interaction and changes the trajectories for educators, students and communities.

Idaho must continue to work collectively to provide a STEM pipeline for industry. The number of unfilled STEM jobs in 2018 was an astonishing 6,328 jobs. At a median wage of \$31.37 per hour, Idaho's economic losses were staggering. In 2018, these 6,328 unfilled positions meant Idahoans lost over \$400,000,000 in personal income and the state missed out on an estimated \$22,000,000 in tax revenues. These are losses that Idaho simply cannot afford. The STEM AC is working to provide a pipeline that more closely matches industry needs.

**LSO STAFF
PRESENTER:**

Janet Jessup, Analyst, LSO

FY 2018 actual expenditures were \$6,019,700. The FY 2019 total appropriation was \$5,676,600. Director Hemingway discussed FY 2019 line items and reported on the progress of the STEM AC in aligning their training and tools to legislative computer standards. Removal of onetime expenditures resulted in an FY 2020 Base of \$4,669,100.

The STEM AC requests two line items in FY 2020. The agency requests \$2,000,000 ongoing from the General Fund to support the Computer Science (CS) Initiative pursuant to § 33-1633, Idaho Code. This initiative promotes and supports increased CS activities in schools and communities, and will support the needs of educators and industry in the form of grants, outreach and research. The Governor recommends \$1,000,000 for this line item.

The agency also requests \$5,000 from the STEM Education Fund for a data and outcomes research analyst who would be responsible for data collection and analysis, management, and integrated research.

Ms. Jessup noted a final \$1,000,000 cash transfer recommended by the Governor from the General Fund into the STEM Education Fund which offsets the Governor's \$1,000,000 recommendation for the Computer Science Initiative. Last year, the recommended transfer amount was \$2,000,000 to offset last year's \$2,000,000 recommendation in that initiative. The net effect of this transfer is to reduce the percentage increase on the General Fund.

The FY 2020 agency request totals \$6,681,500. The Governor recommends \$4,696,800. See [Packet](#) and [Audio](#).

DISCUSSION:

In answer to questions from Rep. Anderson, **Dr. Hemingway** reported that members of the Department of Commerce sit on the STEM AC board and are keenly aware of the work of the Center. They collaborate to ensure that industries considering location in Idaho, or to expanding current businesses, know about the opportunities that exist in the STEM AC.

In answer to questions from Rep. Troy, **Dr. Hemingway** reported that the STEM AC works synergistically with the University of Idaho, 4-H and other youth groups

Noting the \$1,000,000 reduction in the Computer Science Initiative, **Rep. Wintrow** asked what gaps would occur without that additional funding. **Dr. Hemingway** replied that the STEM AC will carefully analyze their programs and shift funds to highly successful programs. She also noted that the STEM AC has been increasingly successful in fundraising and have been very competitive in grant writing to ensure that their programs continue.

ADJOURNED:

Having no further business, **Chairman Bair** adjourned the meeting at 10:56 a.m.

Senator Bair
Chair

Elaine Leedy
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Tuesday, January 15, 2019

TIME	DESCRIPTION	PRESENTER
	BUDGET HEARINGS	
8:00	Department of Commerce, LBB 5-17	Tom Kealey, Director
8:30	Department of Labor, LBB 5-39	Jani Revier, Director
9:00	Workforce Development Council, LBB 6-117	Wendy Secrist, Executive Director
9:20	Department of Finance, LBB 5-21	Gavin Gee, Director
9:40	<i>Break</i>	
9:50	Department of Insurance, LBB 5-33	Dean Cameron, Director
10:10	JFAC Action on Supplemental Appropriations	
	SELF-GOVERNING AGENCIES Idaho State Historical Society (p.19, #31) Idaho State Museum, LBB p. 5-69	Jill Randolph, Budget Analyst <i>LSO, Budget & Policy</i>
	OFFICE OF THE GOVERNOR Commission for the Blind & Visually Impaired (p.24, #48) Adaptive Aids and Appliances, LBB p.6-51	Jill Randolph, Budget Analyst <i>LSO, Budget & Policy</i>
	SELF-GOVERNING AGENCIES Medical Boards (p.20, #34) Database Upgrade & Completion LBB, p.5-89	Maggie Smith, Budget Analyst <i>LSO, Budget & Policy</i>
	SELF-GOVERNING AGENCIES Medical Boards (p.20, #35) Retirement Vacation Payout, LBB p.5-89	Maggie Smith, Budget Analyst <i>LSO, Budget & Policy</i>
	OFFICE OF THE GOVERNOR STEM Action Center (p.25, #50) Approp for Private Contributions, LBB p.6-107	Janet Jessup, Senior Budget Analyst <i>LSO, Budget & Policy</i>

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Tuesday, January 15, 2019

TIME: 8:00 A.M.

PLACE: Room C310

MEMBERS PRESENT: Senators Co-chairman Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye
Representatives Co-chairman Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Wintrow, Toone

ABSENT/ EXCUSED: None

CONVENED: **Chairman Youngblood** called the meeting to order at 8:00 am.

AGENCY PRESENTATION: **Department of Commerce**

Tom Kealey, Director stated he is the new director of the Department of Commerce of Idaho and he introduced his staff. He continued to give an overview of his department stating the Idaho Department of Commerce is dedicated to aiding in the creation of jobs, generating economic growth, creating economic opportunities, and advancing the well-being and prosperity of Idaho citizens.

Director Kealey reviewed the FY 2020 budget stating the Governor's recommendation is a total of \$42,406,400 this is an increase of .2% over FY 2019. He continued he is anticipating a 9% increase in tourism receipts. Director Kealey continued stating he supports the Change in Employee Compensation (CEC), cyber security and technology improvements.

Matt Borud, Administrator of Marketing & Innovation stated there has been a strong multi-year growth stretch. In FY 2016 growth was 13.4%, FY 2017 growth was 12.4% and this years growth is at 10.3%.

LSO STAFF PRESENTATION: **Keith Bybee, LSO Deputy Division Manager,**

Mr. Bybee reviewed the following: 1) organizational chart stating the Department of Commerce is a one budgeted program, 2) current employee status, 43 FTP with 2 vacancies. Mr. Bybee continued his review of FY 2018, FY 2019 JFAC action and the Historical summary which includes FY 2018 actual, FY 2019 appropriations, FY 2020 requests and the Governor's recommendations.

To listen to this presentation please [click here](#).

AGENCY PRESENTATION: **Department of Labor**
Jani Revier, Director

Director Jani Revier gave a brief overview of the Department of Labor and a few of the challenges and opportunities this department is facing. The Department of Labor administers the Unemployment Insurance program, the Employment Workforce services, Wage and Hour unit, the Human Rights Commission, and Serve Idaho. Director Revier highlighted two new programs in the Department of Labor; the US Department of Labor has funded Apprenticeship Idaho with a \$1.4 million grant in Federal funds, the purpose of this program is to help Idaho businesses develop customized training programs specific to local needs. The Department of Labor was recently awarded a three year Federal grant for the state operated job core experimental project which will partner with the College of Western Idaho.

**LSO STAFF
PRESENTATION:**

Keith Bybee, LSO Deputy Division Manager, reviewed FY 2018 actual expenditures, FY 2019 budget appropriations, and budget requests and Governor's recommendations for FY 2020. For FY 2018, the percent deference from total appropriation was about 37.8% that was not spent. For FY 2019 there were two line items requested and funded by JFAC.

To listen to this presentation please [click here](#).

**AGENCY
PRESENTATION:**

**Workforce Development Council
Wendy Secrist, Executive Director**

Executive Director Secrist gave an overview of the Workforce Development Council stating this Council was created under the Office of the Governor last year. One key achievement of the Council the past year is completing an update and review of the Workforce policy and training fund. Executive Director Secrist continued with the requirements, goals, and objective of the Workforce Development Council which are as follows: 1) increase public awareness of and access to career education and training opportunities; 2) improve the effectiveness, quality, and coordination of programs and services designed to maintain a highly skilled workforce; 3) provide for the most efficient use of Federal, State, and local workforce development resources; 4) fulfill the requirements of the State Workforce Investment Board as set forth in the Workforce Opportunity and Innovation Act (WIOA); and 5) develop and oversee procedures, criteria, and performance measures for the Workforce Development Training Fund.

**LSO STAFF
PRESENTATION:**

Keith Bybee, LSO Deputy Division Manager

Mr. Bybee reviewed Historical Summary, Grant Awards available, and the Governor's recommendations for FY 2020.

To listen to this presentation please [click here](#).

**AGENCY
PRESENTATION:**

**Department of Finance
Gavin Gee, Director**

Director Gee introduced his management team and gave a brief overview of his department. The Department of Finance is a dedicated fund agency; funded entirely by the fees paid by the industries they regulate. He continued the Department of Finance self funds for the next fiscal year and contribute to the General Fund all salary and revenue savings that exceed 125% of their next year's budget. He continued the department was audited last year for FY 2015 through 2017 and there were no findings or recommendations. Director Gee continued they administer 23 laws and regulate 15 financial industries.

LSO STAFF PRESENTATION: Keith Bybee, LSO Deputy Division Manager

Mr. Bybee reviewed the actual expenditures of FY 2018, the budget for FY 2019, and the budget requests and the Governor’s recommendations for FY 2020. For FY 2018, the Department of Finance spent a total of \$7,958,300 of their original appropriation, \$8,355,300. In review of the FY 2019, Mr. Bybee stated a new position was approved by JFAC for this department. He continued his review of the Historical Summary, which is a three year look of expenditures and what the Governor’s request is for the current fiscal year. He continued to discuss the replacement items request of software subscriptions, copier leases, backup system, fire wall maintenance, reference materials and laptop computers. To listen to this presentation please [click here](#).

AGENCY PRESENTATION: Department of Insurance Dean Cameron, Director

Director Cameron introduced his staff and gave an overview of the Department of Insurance. Director Cameron continued that the mission of the Department of Insurance is to serve and protect Idahoans equitable, effectively and efficiently. The department has two budgeted programs, consists of three bureaus and one section (IT) overseen by a Deputy Director.

LSO STAFF PRESENTATION: Keith Bybee, LSO Deputy Division Manager

Mr. Bybee reviewed the actual expenditures of FY 2018, the budget for FY 2019, and the budget requests and the Governor’s recommendations for FY 2020. For FY 2018, the Department of Finance spent a total of \$7,483,400 of their original appropriation, \$9,690,600. In review of the FY 2019, Mr. Bybee stated there were no line items in the budget but there was a large line item for Replacement Items which were the replacement of cubicles. He continued his review of the Historical Summary, which is a three year look of expenditures and what the Governor’s request is for the current fiscal year. For FY 2020, there were some replacement items requested, the largest were two light trucks for the State Fire Marshal, some smaller items are monitors, two high-end computers, nine laptops, one chrome book, docking stations, network printer, label printers, desktop scanners and seven task chairs. Mr. Bybee continued there were two Governor recommendations for the technology initiative; Network Equipment Replacement and Modernization — Consolidate.

To listen to this presentation please [click here](#).

UNANIMOUS CONSENT: On request by Rep. Wintrow, granted by unanimous consent, the FY 2019 budget for the Idaho State Historical Society, was reopened.

Original Motion

**Idaho State Historical Society
Idaho State Museum**

Supplemental

CARRIED: Moved by Rep. Wintrow, seconded by Sen. Nye, to move for fiscal year 2019, for the Idaho State Historical Society, an additional \$1,500,000 in onetime operating expenditures from the Miscellaneous Revenue Fund.

Ayes: 20

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

Nays: 0

Ab/Ex: 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 **Chairman Youngblood**.

**UNANIMOUS
CONSENT:**

On request by **Rep. Toone**, granted by unanimous consent, the FY 2019 budget for the Commission for the Blind and Visually Impaired, was reopened.

Supplemental

CARRIED:

Moved by **Rep. Toone**, seconded by **Sen. Ward-Engelking** for fiscal year 2019, for the Commission for the Blind and Visually Impaired, an additional \$15,000 in ongoing operating expenditures from the Adaptive Aids and Appliances Fund.

Ayes: 20

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

Nays: 0

Ab/Ex: 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 **Chairman Youngblood**.

**UNANIMOUS
CONSENT:**

On request by **Sen. Agenbroad**, granted by unanimous consent, the FY 2019 budget for the Medical Boards, was reopened.

Supplemental

CARRIED:

Moved by **Sen. Agenbroad**, seconded by **Sen. Ward-Engelking**, for fiscal year 2019, for the Board of Medicine, an additional \$178,500 in operating expenditures from the State Regulatory Fund.

Ayes: 20

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

Nays: 0

Ab/Ex: 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 **Chairman Youngblood**.

CARRIED:

Moved by **Sen. Agenbroad**, seconded by **Sen. Ward-Engelking**, for fiscal year 2019, for the Board of Nursing, an additional \$20,600 in personnel costs from the State Regulatory Fund.

Ayes: 20

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

Nays: 0

Ab/Ex: 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 **Chairman Youngblood**.

**UNANIMOUS
CONSENT:**

On request by **Rep. Horman**, granted by unanimous consent, the FY 2019 budget for the STEM Action Center, was reopened.

Supplemental

CARRIED:

Moved by **Rep. Horman**, seconded by **Sen. Agenbroad**, for fiscal year 2019, for the STEM Action Center an addition of \$1,000,000 onetime in operating expenditures from the STEM Education Fund, a dedicated fund.

Ayes: 20

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

Nays: 0

Ab/Ex: 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 **Chairman Youngblood**.

ADJOURN:

There being no further business to come before the Committee, **Chairman Youngblood** adjourned the meeting at 10:27 am.

Representative Youngblood
Chair

Donna Warnock
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Wednesday, January 16, 2019

TIME	DESCRIPTION	PRESENTER
8:00	Governor's Revised Recommendation for FY 2019 and FY 2020	Alex Adams, Administrator <i>Division of Financial Management</i>
	BUDGET HEARINGS	
8:15	Judicial Branch <i>(LSO Analyst: Jared Hoskins)</i>	
	Court Operations, LBB 3-53	Sara Thomas, Administrative Director of the Courts
	Guardian Ad Litem, LBB 3-63	Jaime Hansen, Executive Director <i>4th District Family Advocates</i>
	Judicial Council, LBB 3-67	Tony Cantrill, Executive Director
9:00	<i>Break</i>	
9:10	Department of Water Resources, LBB 4-49 <i>(LSO Analyst: Rob Sepich)</i>	Gary Spackman, Director
9:50	Department of Agriculture, LBB 5-5 <i>(LSO Analyst: Rob Sepich)</i>	Celia Gould, Director
10:30	Wolf Depredation Control Board, 6-113 <i>(LSO Analyst: Rob Sepich)</i>	Carl Rey, Board Member

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Wednesday, January 16, 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: Co-Chairman Bair call the Joint Finance-Appropriations Committee (JFAC) (Committee) to order at 8:00 a.m.

AGENCY

PRESENTATION: GOVERNOR'S REVISED RECOMMENDATION FOR FY 2019 AND FY2020

PRESENTER: **Alex Adams, Administrator, Division of Financial Management**
Mr. Adams reviewed revisions to the Governor's FY 2019 and FY 2020 Executive Budget and highlighted several non-technical changes:
FY 2019 Impact of Executive Legislation: The Tax Commission will be introducing tax conformity legislation with a one-time General Fund revenue impact of (\$320,000).
Department of Lands, Lands and Waterways: The Governor recommends 1.0 FTP, dedicated fund spending authority, and one-time Capital Outlay for a right-of-way agent position.
Bond Payments: The Idaho State Building Authority re-financed the prison Facilities Project Bond, and more favorable terms resulted in a lower annual payment. The Governor recommends a \$400,000 ongoing General Fund reduction to capture these savings.
Career Technical Education, General Programs: The Governor recommends \$200,000 for Middle School Career Technical Education and \$200,000 for Workforce Readiness Incentive Grants. In addition, he recommends reappropriation from FY 2019 into FY 2020 for General Fund Trustee/Benefit Payments in General Programs. The timeline for reimbursing schools for Career Technical Education Programs does not follow the state fiscal year.
DISCUSSION: In answer to questions from Sen. Grow, **Shelby Kerns**, Division of Financial Management stated that the \$39,017,100 in the Capital Budget is a decrease from the original budget recommendation.

In answer to questions from Rep. Horman, **Amber Christofferson**, Division of Financial Management, stated that the dedicated funds for the Department of Lands recommended in the Governor’s recommendations come from the Endowment Earnings Administration Fund. The Governor discouraged use of dedicated funds for the Office of Information Technology. **Mr. Adams** explained that the \$8,600,000 reduction in the Public Education Stabilization Fund is reflected in the overall Executive Budget, leaving a projected ending balance of \$169,781,000.

In answer to questions from Rep. Wintrow, **Mr. Adams** explained that such a large projected ending balance is to ensure available funds in a time of financial uncertainty. In FY 2021, the Governor hopes to use some of those funds as a starting point of discussions to repeal the grocery tax which will affect overall revenue by \$60–90,000 annually. See [Information](#) and [Audio](#).

AGENCY

PRESENTATION: JUDICIAL BRANCH

PRESENTERS: Sara Thomas, Administrative Director of the Courts; Jaime Hansen, Executive Director 4th District Family Advocates (Guardian ad Litem Program); Tony Cantrill, Executive Director, Judicial Council

Ms. Thomas explained the structure of the Idaho Judiciary which was granted authority for adjudication and administration under Article 5 of the Idaho Constitution. One challenge of court administration over the past five years has been the complete replacement of the courts’ case management system. The replacement included new business processes, electronic filing for attorneys and complete electronic files for the Courts and equired investments in bandwidth, software, hardware and training. The basic system is now complete and functional in 43 of Idaho’s 44 counties. More work needs to be completed over the next several years to expand and enhance the system.

Addressing the FY 2020 budget request, **Ms. Thomas** detailed the critical shortage of court reporters in Idaho, and the difficulty in recruiting due to salary disparities among neighboring states. This shortage also affects overcrowding in prisons because the lack of court reporters affects the trial calendar.

Judicial salaries also are among the lowest of neighboring states, creating a shortage of judges at a time of population explosion, especially in the 4th District and in Ada County where the time from petition to hearing in Family Court can be close to one year. Shortages in Magistrate Courts affect civil protection orders, criminal arraignments and a large influx of criminal cases. Magistrates have been “borrowed” from other counties to assist in the workload.

Idaho Code §1805 sets the number of judges for the 4th Judicial District, and the court will be seeking an amendment to the statute to add an additional judge. Ms. Thomas fielded questions from the Committee concerning the Judicial Branch’s FY 2020 budget request.

**LSO STAFF
PRESENTER:**

Jared Hoskins, Principal Analyst, Legislative Services Office (LSO)

Mr. Hoskins reviewed the FY 2018 Total Appropriation of \$71,124,100. A total transfer of \$2,100,000 was made from out of capital outlay and personnel costs into operating expenditures to cover costs related to the core technology implementation plan discussed by Ms. Thomas. Actual expenditures were \$65,339,000, which was 8.1% less than the original appropriation.

The 2019 Original Appropriation for court operations was \$72,501,900. Removal of onetime expenditures (\$3,479,300) resulted in an FY 2020 Base of \$69,022,600. Several line item adjustments are requested for a total FY 2020 request of \$72,469,800. The Governor recommends \$73,119,800. See [Presentation](#) and [Audio](#).

**AGENCY
PRESENTER:**

Jaime Hansen, Executive Director, 4th District Family Advocates (Guardian ad Litem)

Ms. Hansen described the services of Court Appointed Special Advocates (CASA), a national program of volunteers who represent children of abuse, neglect, abandonment, or who have been deemed in imminent danger and removed from their homes. These children are placed in foster care or institutions depending on their circumstances. The program operates under significant fund-raising efforts and allocations from the state. In some counties, a guardian ad litem can only represent a child if a pro bono attorney is also present.

Ms. Hansen reviewed the FY 2020 budget request. On behalf of various guardian ad litem (GAL) programs, the Idaho Supreme Court requests \$70,000 in ongoing trustee and benefit payments from the General Fund to hire a full-time advocate coordinator for GAL proceedings under the Child Protective Act (CPA). Of the total amount requested, \$50,000 would fund the advocate coordinator in the Fourth Judicial District, \$10,000 would fund interpreter services in the Fourth Judicial District, and \$10,000 would be used toward training in the Sixth Judicial District. The total FY 2020 budget request is \$1,179,400. Ms. Hansen answered questions from the Committee. See [Presentation](#) and [Audio](#).

**AGENCY
PRESENTER:**

Tony Cantrill, Executive Director, Judicial Council

The Idaho Judicial Council is empowered by statute to nominate persons to the Governor for appointment to vacancies on the Supreme Court, Court of Appeals, and District Courts and make recommendations to the Supreme Court for the removal, discipline, and retirement of judicial officers. **Mr. Cantrill** stated that the Committee had appropriated the same sum, \$130,800, for the past six years, and has spent less than its appropriation. The Judicial Council again requests the amount of \$130,800, and the Governor supports this recommendation. See [Presentation](#) and [Audio](#).

**AGENCY
PRESENTATION: DEPARTMENT OF WATER RESOURCES**

PRESENTER: **Gary Spackman, Director, Department of Water Resources**
Mr. Spackman advised the Committee that, in his view, the management of Idaho's water is more secure than it has been in decades. Major water user groups have struck agreements to prevent potential litigation. They have further agreed to manage surface water and ground water to mitigate shortfalls in supply. **Mr. Spackman** detailed some of the projects which have been completed or are in progress and the funds which are managed by the Idaho Water Resource Board. The Water Board is working hard to exercise its stewardship of state funds entrusted to them.

LSO STAFF
PRESENTER: **Rob Sepich, Analyst, LSO**
The FY 2018 Appropriation was \$26,611,800 with 160 Full Time Positions (FTPs). Actual 2018 expenditures were \$24,281,200 which included General, Dedicated and Federal Funds. The FY 2019 appropriation was \$26,461,800. Requests in FY 2019 included the addition of three FTPs, which are now filled and operational. With removal of onetime expenditures, the FY 2020 base is \$25,890,100.

Adjustments to the FY 2020 base are inflationary adjustments, both general and contract inflation; replacement items, statewide cost allocation, and Change in Employee Compensation (CEC). FY 2020 line item requests include Aquifer Measuring and Monitoring, Software Application Development, VoIP Phone System Update, WIFI in Regional Offices, Data Entry Automation, Offsite Disaster Recovery, Network Equipment Replacement and Cash Transfers. The Agency requests a total FY 2020 appropriation of \$26,922,500. The Governor recommends \$26,921,700. **Mr. Sepich** explained each request in detail and stated that inflationary adjustments are requested by some agencies, but not all. In this case, the Department of Water Resources is housed in the Idaho Water Center, a rent-to-own space, with fixed inflation built into the annual payment. See [Presentation](#) and [Audio](#).

AGENCY

PRESENTATION: DEPARTMENT OF AGRICULTURE

PRESENTER: **Celia Gould, Director, Idaho State Department of Agriculture(ISDA)**
Ms. Gould noted that the Idaho Department of Agriculture is celebrating its 100th anniversary this year, and remains committed to streamlining its services to best fulfill its mission and meet the needs of its customers. The ISDA has no regional offices. During busy seasons more than 70 per cent of ISDA employees work somewhere other than Boise. During the past decade, the agency has decreased its General Fund reliance by 42 percent which demonstrates its commitment to responsible stewardship of taxpayer dollars. The majority of ISDA services are paid by those using them. Even with reliance on dedicated funds, the agency has not regularly raised fees. Idaho's extraordinary yields and productivity have been its driving force in financial viability.

The Legislature authorized 217 Full Time Positions (FTPs) for the ISDA in 2019. The ISDA has 17 current vacancies. This figure does not include part time help for inspectors during harvest time. During peak times, the Department could hire as many as 600 part time employees. Efforts are underway to convert some positions to full time for greater efficiency.

**LSO STAFF
PRESENTER:**

Rob Sepich, Analyst, LSO

Mr. Sepich reviewed enhancements to the FY 2019 total appropriation, including a Lab Quality Assurance Manager, Dairy Program Inspectors, Marketing Personnel Costs, Food Safety Grant, Office Space and General Fund Support. The total FY 2019 appropriation was \$44,815,300, a reduction of .03 percent from FY 2018.

Mr. Sepich also pointed out language which was included in the appropriation bill for the last two years which directed the department to do whatever necessary to prevent the spread of zebra and quagga mussels into the State of Idaho. A number of checkpoints now operate throughout the state, some which run 24 hours per day. This language will likely be added to the FY 2020 bill.

Mr. Sepich reviewed several replacement items requested in the ISDA's FY 2020 budget request, including eight vehicles for field inspectors, and a 10-wheel truck for specialized needs. The department also requests replacement of 66 computers, monitors and network equipment and software and specific use scientific instruments. Program Maintenance requests three new FTPs: a Seed Analyst, Weights and Measures Inspector, and an Animal Health Lab technical records specialist. The ISDA also requests an increase for livestock disease control, and network equipment replacement.

The total FY 2020 Agency request is \$44,800,200. The Governor's recommendation is \$44,964,400.

In answer to questions from the Committee concerning invasive species, **Lloyd Knight**, Administrator of the Division of Plan Industries stated that over 110,000 watercraft inspections were conducted in 2018. Fifty vessels carried quagga or zebra mussels. None of the 50 vessels carried live mussels, and all 50 had prior notification and treatment which means that a cooperative effort is occurring between federal and state agencies.

Ms. Gould addressed questions concerning increases in federal fees on agricultural inspections. The ISDA is closely monitoring the fees because along with those increases, larger demands are being placed on their current inspectors. The agricultural industries have asked them to watch dairy nutrient management plans to assure Idahoans of the best possible regulatory environment and safety. See [Presentation](#) and [Audio](#).

AGENCY

PRESENTATION: WOLF DEPREDATION CONTROL BOARD

PRESENTER: Carl Rey, Board Member, Wolf Depredation Control Board

Other board members present: Richard Savage representing the livestock industry; Tony McDermott, representing sportsmen's interests; Ed Schriver, Director, Idaho Fish and Game, and Celia Gould, Director, ISDA.

The Office of the Governor created the Wolf Depredation Control Board (Board) in 2014. It is tasked with directing and managing funds for depredation control throughout the state. Those funds come from brand registration fees in the sheep and cattle industries, from fishing and hunting license fees, a surcharge on wool, and from the State's General Fund. Historically, the State's General Fund Match has been \$400,000.

**LSO STAFF
PRESENTER:**

Rob Sepich, Analyst, LSO

Mr. Sepich explained the various onetime fund transfers which occur throughout the year. The Wolf Depredation Control Board request would authorize a \$400,000 match transfer from General Funds into its operating funds. The Governor recommends an FY 2020 General Fund match of \$200,000. See [Presentation](#) and [Audio](#).

ADJOURN:

Having no further business before the Committee, Chairman Bair adjourned at 10:50 a.m.

Senator Bair
Chair

Paul Headlee
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Thursday, January 17, 2019

TIME	DESCRIPTION	PRESENTER
8:00	State Board of Education <i>(LSO Analyst: Janet Jessup)</i> Small Business Development Centers, LBB 1-113	Doug Covey, Executive Director
8:15	TechHelp, LBB 1-113	Steve Hatten, Executive Director
8:30	Career-Technical Education, LBB 1-95	Dwight Johnson, Administrator
	Office of the Governor	
9:00	PERSI, LBB 6-97 <i>(LSO Analyst: Maggie Smith)</i>	Don Drum, Director
9:30	<i>Break</i>	
9:40	State Controller, LBB 6-33 <i>(LSO Analyst: Maggie Smith)</i>	Brandon Woolf <i>State Controller</i>
10:10	Lieutenant Governor, LBB 6-143 <i>(LSO Analyst: Maggie Smith)</i>	Janice McGeachin <i>Lieutenant Governor</i>
10:30	Office of Energy and Mineral Resources, LBB 6-59 <i>(LSO Analyst: Maggie Smith)</i>	John Chatburn, Administrator

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Thursday, January 17, 2019

TIME: 8:00 A.M.

PLACE: Room C310

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

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

**ABSENT/
EXCUSED:** None

CONVENED: **Chairman Youngblood** called the meeting to order at 8:00 am.

State Board of Education

AGENCY **Small Business Development Centers (SBDC)**

PRESENTATION: **Doug Covey, Executive Director**

Executive Director Covey introduced his team and gave an overview of his program. He shared that the Small Business Development Center opened in 1986 with their first office at Boise State University, they now have six offices. Executive Director Covey continued the Idaho Small Business Development Centers (SBDC) provide counseling, training, research, and technical support services to small businesses and entrepreneurs.

LSO STAFF PRESENTATION: **Janet Jessup, LSO Budget & Policy Analyst**, reviewed the FY 2018 actual expenditures, FY 2019 budget appropriations and **Executive Director Covey** discussed the one line item for the Small Business Development of \$53,500. Ms. Jessup continued reviewing the Historical Summary, which is a three year look of expenditures and what the Governor's request is for the current fiscal year. In the Comparative Summary, there was one line item that was not included in the Governor's recommendation. The SBDC did have one transfer of \$350,000 from personnel costs to operating expenditures. Moneys were used for salary and benefits through contracts with the regional offices with Boise State University. Ms. Jessup continued with FY 2020 stating there was one line item request for SBDC and TechHelp (TH) for 1.00 FTP and this was not recommended by the Governor.

In response to Committee questions, **Ms. Jessup** stated the Opportunity Scholarship is recommended by the Governor and is part of the Scholarship and Grants program. The Opportunity Scholarship sits under the umbrella of the Office of State Board of Education, but it is treated as a separately budgeted program.

To listen to this presentation please [click here](#).

AGENCY **TechHelp**

PRESENTATION: **Steve Hatten, Executive Director**

Executive Director Hatten provided an overview of his program. He continued by stating the mission of the TechHelp organization is to provide assistance to Idaho's small and medium size manufacturing companies. They hope to help them grow their revenues and increase their productivity, performance, and strengthen their global competitiveness. Since 1996 the TechHelp team has achieved this mission with the partnership of Boise State University, Idaho State University and the University of Idaho. The TechHelp team is made up of 24 individuals, 12 full-time and 12 part-time. TechHelp uses their state funding to cover part of the salary and benefits of their state wide team.

**LSO STAFF
PRESENTATION:**

Janet Jessup, LSO Budget & Policy Analyst, reviewed the actual expenditures of FY 2018, noting there was one General Fund reversion, she continued with FY 2019 JFAC action, noting there was one line item, for TechHelp, Business Development in the amount of \$188,000. **Executive Director Hatten** commented that TechHelp has not yet completed the hiring of the two manufacturing specialist. Ms. Jessup continued with the Historical Summary, which is a three year look of expenditures and what the Governor's request is for the current fiscal year. Ms. Jessup stated the Small Business Development Centers (SDBC) and TechHelp (TH), in collaboration, are requesting 1.00 FTP and \$137,000 from the General Fund for a cybersecurity specialist and the funding for this position would be split equally between SBDC and TH. This was not recommended by the Governor.

To listen to this presentation please [click here](#).

**AGENCY
PRESENTATION:**

Career-Technical Education
Dwight Johnson, Administrator

Administrator Johnson introduced the staff members who were present. He continued that 2019 marks the 100th year anniversary of Career Technical Education (CTE) in Idaho. Administrator Johnson continued that the mission of CTE is to prepare adults for high skilled in demand careers, support CTE programs in high schools across Idaho and in the colleges.

**LSO STAFF
PRESENTATION:**

Janet Jessup, LSO Budget & Policy Analyst, reviewed the actual expenditures of FY 2018, noting there was a General Fund reversion. **Administrator Johnson** reviewed just a portion of FY 2019 JFAC action line items: 1) Postsecondary Capacity Expansion 2) CTE Middle School Quality Program 3) Program Alignment 4) Online CTE Course Development. Ms. Jessup continued with the review of the Comparative Summary, which shows the agency request and the Governor's recommendations. Ms. Jessup highlighted the replacement items stating the Governor has recommended all the items the agency requested. Administrator Johnson touched briefly on the following FY 2020 line items the Governor recommended: 1) Program Alignment 2) Middle School CTE 3) Nuclear Energy and Adv Reactor Adjust 4) Perkins Federal Grant 5) Offset of Projected Shortfall

To listen to this presentation please [click here](#).

**AGENCY
PRESENTATION:**

Office of the Governor
Don Drum, Director
PERSI

Director Drum began his presentation by stating the Public Employee Retirement System (PERSI) ended the fiscal year 2018 with a 91.2% funded status and a 13.9 year amortization period. He continued the market has been volatile and the board made the decision in October to allow the 1% contribution rate that was proposed in 2016 to take effect July 01, 2019 and the cost-of-living (COLA) was postponed.

Director Drum continued with the following FY 2020 request. 1) Oracle Database Upgrade, this would allow for encryption of data at rest. This is recommended by the Governor, 2) Comprehensive Annual Financial Reports (CAFR) Software, is for an ongoing operating expenditures from the PERSI Administrative Fund for annual licensing costs of software to produce the agency's annual financial report. This is recommended by the Governor.

To listen to this presentation please [click here](#).

AGENCY

Office of the Governor

PRESENTATION: Brandon Woolf, State Controller

State Controller Woolf stated his office has four divisions: Administration, Statewide Accounting, Statewide Payroll, and the Computer Service Center. He continued they are in the final stages of hiring for the position of statewide payroll lead. State Controller Woolf continuing stating there were no findings for the FY 2017 Comprehensive Annual Financial Report. He continued he appreciates the focus and commitment the legislature is placing on employees total compensation through the work of the CEC because employees are the most important asset in his agency. State Controller Woolf stated he likes to leave a couple of things for the future and they are as follows: 1) to ensure there is transparency on how tax dollars are spent across the state, 2) as we move closer to the go live dates for the Luma project in fiscal year 2022 and fiscal year 2024 a hard look will be needed to review the resources needed for ongoing operations of the new centralized systems, and 3) every eleven years the state is faced with the budgetary need to cover the fiscal calendar years 27 pay periods versus the typical fiscal year 26 pay periods. The next instance occurs in fiscal year 2028.

LSO STAFF

PRESENTATION

Maggie Smith, LSO Budget & Policy Analyst, reviewed the actual expenditures of FY 2018, the budget for FY 2019, and the budget requests and the Governor's recommendations for FY 2020. For FY 2018, the total appropriation was \$16,158,600. In FY 2019 JFAC action there was one line item funded. She continued her review of the Historical Summary, which gives a three year look at appropriation, expenditures, the agency request and what the Governor's recommendation is for the next fiscal year. For FY 2020, there was one line item, the GOV TECH 1. Network Equip Replacement.

To listen to this presentation please [click here](#).

AGENCY

Office of the Governor

PRESENTATION: Janice McGeachin, Lieutenant Governor

Lieutenant Governor McGeachin stated the Office of the Lieutenant Governor's budget allows for three budgeted positions which includes the Lieutenant Governor. Lieutenant Governor McGeachin continued she has only filled one of the two positions because she would like to get a better understanding of her role and the demands of her job before hiring the second position.

Lieutenant Governor McGeachin reviewed her FY 2020 budget with the following information: 1) GOV TECH 1. Network Equip Replacement, the Governor recommends onetime funding for the replacement of the state's core network equipment and this amount reflects this agency's share of the cost, 2) GOV TECH 2. Mobile Device Security, the Governor recommends onetime funding to provide security of state information that is used on mobile technology, 3) GOV TECH 4. Modernization — Admin Billing, the Governor recommends ongoing funding for agency billings from the Office of Information Technology Services, and 4) Budget Law Exemptions, LUMP SUM: this allows for the lump sum spending authority.

To listen to this presentation please [click here](#).

AGENCY Office of the Governor
PRESENTATION: Office of Energy and Mineral Resources
John Chatburn, Administrator

Administrator Chatburn gave a brief overview of the Office of Energy and Mineral Resources stating they coordinate the energy and mineral planning policy development for the State of Idaho. They coordinate the comments on Federal environmental impact statements Federal National Environmental Policy Act processes and bring all the state agencies together.

LSO STAFF **Maggie Smith, LSO Budget & Policy Analyst** reviewed the organizational
PRESENTATION: chart, then moved into FY 2018 actual expenditures noting the Office of Energy and Mineral Resources does not receive any General Fund money and is funded entirely from dedicated fund sources. They receive a Federal grant for this department.

To listen to this presentation please [click here](#).

ADJOURN: There being no further business to come before the Committee, **Chairman Youngblood** adjourned the meeting at 10:37 am.

Representative Youngblood
Chair

Donna Warnock
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Friday, January 18, 2019

TIME	DESCRIPTION	PRESENTER
BUDGET HEARINGS		
8:00	Department of Environmental Quality, LBB 4-3 <i>(LSO Analyst: Rob Sepich)</i>	John Tippetts, Director
8:40	Soil and Water Conservation Commission, LBB 5-11 <i>(LSO Analyst: Rob Sepich)</i>	Teri Murrison, Administrator
9:00	Self-Governing Agencies , LBB 5-53 Division of Building Safety <i>(LSO Analyst: Christine Otto)</i>	Chris Jensen, Division Administrator
9:20	<i>Break</i>	
9:30	Regulatory Boards , LBB 5-53 Board of Accountancy	Kent Absec, Executive Director
9:45	Board of Professional Engineers & Land Surveyors	Keith Simila, Executive Director
9:55	Bureau of Occupational Licenses	Kelley Packer, Bureau Chief
10:15	Outfitters & Guides Licensing Board	Lori Thomason, Executive Director
10:20	Real Estate Commission	MiChell Bird, Executive Director
10:30	JFAC Actions on Supplemental Appropriations	
	IDAHO TRANSPORTATION DEPARTMENT Transportation Services (p.22, #41) D5 Headquarters Roof Replacement, LBB 5-133	Christine Otto Budget Analyst <i>LSO, Budget & Policy</i>
	IDAHO TRANSPORTATION DEPARTMENT Contract Construction/Right-of-Way Acquisition (p.23, #42) Strategic Initiatives Program Fund, LBB 5-153	Christine Otto Budget Analyst <i>LSO, Budget & Policy</i>
	IDAHO TRANSPORTATION DEPARTMENT Contract Construction/Right-of-Way Acquisition (p.23, #43) FHWA Grant I-84 Projects, LBB 5-153	Christine Otto Budget Analyst <i>LSO, Budget & Policy</i>

DEPARTMENT OF FISH AND GAME
(p.15, #23) Endangered Species Habitat Projects, LBB 4-13

Rob Sepich
Senior Budget Analyst
LSO, Budget & Policy

DEPARTMENT OF ADMINISTRATION
(p.23, #44) Chinden Campus, LBB 6-9

Jill Randolph
Budget Analyst
LSO, Budget & Policy

DEPARTMENT OF ADMINISTRATION
(p.24, #45) Project Management Software, LBB 6-9

Jill Randolph
Budget Analyst
LSO, Budget & Policy

DEPARTMENT OF ADMINISTRATION
(p.24, #46) Postal Increase, LBB 6-9

Jill Randolph
Budget Analyst
LSO, Budget & Policy

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Friday, January 18, 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(Anderson), Amador, Kauffman, Raybould, Syme, Troy, Wintrow, and Toone.

**ABSENT/
EXCUSED:** None

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

AGENCY

PRESENTATION: **DEPARTMENT OF ENVIRONMENTAL QUALITY**

PRESENTER: **John Tippets, Director**

The Department of Environmental Quality (DEQ) protects public health in the environment through administration of environmental laws and directives from the federal Environmental Protection Agency (EPA). The directives include the Clean Air Act, Clean Water Act, Safe Drinking Water Act, Resource Conservation Recovery Act, and the Comprehensive Environmental Response Conservation and Liability Act, passed by Congress in the 1960s. Administration of a fourth program was added in 2016, the National Pollutant Discharge Elimination System which regulates discharge into waters of the United States. Idaho named this program the Idaho Pollutant Discharge Elimination System (IPDES). Simply stated, the DEQ administers environmental laws for air quality, water quality, and waste management. Funding for the DEQ comes from the General Fund, Dedicated Funds and Federal Funds.

The DEQ's headquarters in Boise houses approximately 200 Full Time Positions (FTPs) with approximately 190 FTPs in six regional offices. The legislature appropriated 396 FTPs in 2019.

LSO STAFF

PRESENTER:

Rob Sepich, Analyst, LSO

The FY 2018 total appropriation and estimated expenditures were \$67,899,900. Removal of onetime expenditures and a \$7,500,000 reduction in federal funds created a 2019 Base of \$69,457,400. Adjustments for benefit costs, replacement items, statewide cost allocation and CEC, plus line item requests, and a supplemental appropriation of \$250,900 created an FY 2019 total appropriation of \$67,211,000. Removal of onetime expenses resulted in an FY 2020 Base of \$65,884,400.

The FY 2020 agency request includes benefit costs, statewide cost allocation, CEC and replacement items totalling \$605,300. The replacement items include \$108,600 for 104 computers, \$163,400 for network equipment and software, \$110,600 for three light trucks, and \$172,600 to replace various specific use scientific instruments. **Mr. Sepich** noted that \$50,100 is requested to replace a boat and trailer was mistakenly included in replacement items, when in fact, the purchase is for new equipment. **Mr. Sepich** also noted that the Governor did not recommend Windows Server licenses, 26 computers, Cisco LAN switches and replacement backup tapes at the State Controller's Office, and two multi-parameter water sensors.

The agency also requests five line items for Idaho Pollution Discharge Elimination System (IPDES) enhancements; Triumph Mine Remediation; Beneficial Use Reconnaissance Program (BURP) and the Coeur d'Alene Lake Management Plan (LMP) fund shift; Environmental Remediation Match; and Water Quality Monitoring for Arsenic.

The total agency request for FY 2020 is \$67,963,100. The Governor's recommendations total \$68,064,100. See [Presentation](#) and [Audio](#).

AGENCY

PRESENTATION: **SOIL AND WATER CONSERVATION COMMISSION**

PRESENTER: **Teri Murrison, Administrator**

The Soil and Water Conservation Commission (Commission) provides technical and financial assistance to farmers and ranches to properly care for their lands and resources and to balance the economic health of communities with their natural resources. Idaho lands provide energy and transportation corridors, provide fish habitat for fish and wildlife and contribute to water quality. Approximately 30 percent of Idaho lands are privately owned.

Voluntary stewardship projects across the state are undertaken by local, state and federal partnerships which include the Natural Resource Conservation Service and water conservation districts. Funding comes from legislative allocations and community partners. In FY 2019, approximately \$1,500,000 was allocated for the districts' financial support. The average allocation to districts was \$25,000. The districts, in turn, seek grants for additional support. The Commission is working on a two and one-half year federal grant from the National Fish and Wildlife Foundation to restore meadow habitat in partnership with the National Resource Council, Office of Species Conservation, Idaho Fish and Game, and others.

LSO STAFF **Rob Sepich, Analyst, LSO**

PRESENTER:

The FY 2018 total appropriation was \$3,150,900 which included a \$25,000 Sagebrush Restoration Grant. Noncognizable fund and transfers added an additional \$179,000. Estimated FY 2018 expenditures were \$3,329,900. Removal of onetime expenditures produced an FY 2019 Base of \$3,035,300. Benefits costs, inflationary adjustments, replacement items, statewide cost allocation and CEC, plus line item requests resulted in a total FY 2019 appropriation of \$3,324,400. Removal of onetime expenditures and base adjustments produced an FY 2020 Base of \$3,311,700.

In addition to standard expenditures for benefit costs, inflationary adjustments, replacement items, statewide cost allocation and CEC, the Commission requests two line items for moving a financial specialist to full time, and a district allocation increase. The Governor's recommendation did not include these line item requests, but did include network equipment replacement, mobile device security and modernization.

The agency requests \$3,692,300. The Governor recommends \$3,435,200. See [Presentation](#) and [Audio](#).

**AGENCY
PRESENTATION:**

**SELF-GOVERNING AGENCIES:
DIVISION OF BUILDING SAFETY**

PRESENTER:

Chris Jensen, Division Administrator

The Division of Building Safety oversees 10 programs across the state with 148 authorized full time positions. Programs include electrical, plumbing, HVAC, and building inspections; elevator, industry, logging and school safety; licensing and permits; and energy, building and compliance programs. Eight Boards of Directors engage 71 members in 35 scheduled meetings every year.

**LSO STAFF
PRESENTER:**

Christine Otto, Analyst, LSO

The Division of Building Safety (Division) has one budgeted program. In FY 2018, the Division received 97 percent of their appropriation as dedicated funds, with approximately one percent as general funds and approximately one percent in federal funds. The total FY 2018 appropriation was \$14,050,100. The Division spent \$13,313,200, a difference of 5.2 percent from their original appropriations.

The Division's annual audit produced two findings, which have been corrected and reported back to the auditors.

In FY 2019, six line items were funded, including 6.0 FTPs for building inspectors. Currently in FY 2019, the Division has 147 FTE's which is above the appropriated amount; however, employee turnover has left six vacancies. Additional approved line items included Educational Curriculum, SQL Server software update, upgrade of remote desktop server, Public Utilities Commission Memorandum of Understanding and a RIM Grant. The total FY 2019 appropriation was \$14,590,800. An additional \$220,000 and FTP in noncognizable funds and transfers, less removal of onetime expenditures, produced an FY 2020 Base.

Adjustment to the FY 2020 base includes benefit costs, inflationary adjustments, replacement items, statewide cost allocation and CEC. Four line items are requested for the Northwest Energy Efficiency Alliance grant; a school security analyst, a School Violence Threat Assessment (STOP) grant, and a school safety grant. The Governor also recommends network equipment replacement and technical modernization.

The total agency request is \$15,249,000. The Governor recommends \$15,121,100.

DISCUSSION: In answer to questions by Sen. Johnson, **Mr. Jensen** explained that the school safety and security plan called for school security analysis every third year on all schools. The program has been operating for three years with consulting hours increasing from a few hundred hours to well over a thousand hours. The agency requests an additional full time consultant to assist with the increased workload.

Additional questions concerned the timing of licensing certification, inflationary adjustments, replacement items and follow up questions on school safety inspections. See [Presentation](#) and [Audio](#).

REGULATORY BOARDS

AGENCY

PRESENTATION: **BOARD OF ACCOUNTANCY**

PRESENTER: **Kent Absec, Executive Director, Board of Accountancy**

The Board of Accountancy's mission is to protect the public by ensuring that Certified Public Accountants (CPAs) guide the licensing process for public accountants and brokerage firms to ensure they are licensed and registered in Idaho and adhere to statutes and rulings. The agency has four full-time staff and seven board members. Idaho has granted licenses to approximately 2,800 individual and approximately 219 brokerage firms. The agency authorizes testing for the uniform CPA exam for Idaho candidates.

LSO STAFF

PRESENTER: **Christine Otto, Analyst, LSO**

Ms. Otto explained that the Regulatory Boards are considered one division with five agencies, each having their own budgeted programs. The agencies are: Board of Accountancy; Outfitters and Guides Licensing Board; Real Estate Commission; Board of Professional Engineers and Land Surveyors; and Bureau of Occupational Licenses. The Legislative Budget Book combines all five of those programs into one budget.

In FY 2018, the Board of Accountancy received a total appropriation of \$550,900; actual expenditures were \$449,700, a difference of 18.4 percent. It maintained its budget with no replacement or line items.

The Board of Accountancy requests a onetime appropriation of \$125,000 for a new licensing database software programs which the Board believes will dramatically improve efficiency, accuracy and completeness that is used both internally and externally. See [Presentation](#) and [Audio](#).

AGENCY

PRESENTATION: **BOARD OF PROFESSIONAL ENGINEERS AND LAND SURVEYORS**

PRESENTER: **Keith Simila, Executive Director, Board of Professional Engineers and Land Surveyors**

The first licensing of engineers began in 1919. As reported by other agencies, construction in Idaho is booming. The work load of engineers and land surveyors who support Idaho's growing economy has increased exponentially.

LSO PRESENTER: Christine Otto, Analyst, LSO

In FY 2018, the Board of Professional Engineers and Land Surveyors (IPELS) received a total appropriation of \$761,000. Actual expenditures were \$750,500, a 1.4% difference. In FY 2019, the agency requested, and was granted, two line items for attorney fee increases and for a Deputy Director of Land Surveying. **Mr. Simila** reported that the new Deputy Director is in place and operating fully.

For FY 2020, the agency requests \$5,800 from the State Regulatory Fund for contract inflation due to increased lease costs for new office space related to an additional employee. The agency also requests \$4,800 to replace four printers.

In 2020 Program Maintenance, IPELS requests two line items: an ongoing appropriation of \$44,000 from the State Regulatory Fund to contract with an administrative hearing officer. IPELS does not have legal counsel on staff. It relies on contracted attorneys to mitigate civil cases and to work with the Attorney General on criminal matters. IPELS also requests an ongoing appropriation of \$5,000 for additional compensation to board members. See [Presentation](#) and [Audio](#).

AGENCY

PRESENTATION: BUREAU OF OCCUPATIONAL LICENSES

PRESENTER: Kelly Packer, Bureau Chief, Bureau of Occupational Licenses

The Bureau of Occupational Licenses (IBOL) serves 28 of Idaho's self-supporting licensing boards, and one commission which together serve 69,791 licensees. All boards are comprised of one public member and other licensed professionals or those with board governance experience. These board verify that all applicants meet minimum requirements prior to licensing and respond to complaints from the public.

LSO STAFF PRESENTER: Christine Otto, Analyst, LSO

The total FY 2018 appropriation was \$4,615,200 with expenditures of \$4,081,200. In FY 2019, IBOL requested \$1,021,000 for database upgrade and will request a carry over of that amount.

Due to the increasing number of complaints requiring investigation, IBOL requests 1.00 FTP, or \$58,900 in ongoing personnel costs, and a \$4,400 onetime capital outlay from the State Regulatory Fund to hire an additional investigator and to provide appropriate workspace. IBOL further requests 1.00 FTP, or \$42,800, in ongoing personnel costs and a \$2,400 onetime capital outlay to hire an additional Office Specialist 2 and to provide appropriate workspace.

DISCUSSION:

In answer to questions from the Committee, **Dawn Hall**, Business Support Manager, IBOL, explained that since five agencies operate within one accounting structure, transfers can be made from one to another in order to balance each board's individual bottom line. This practice protects member boards while they take mitigating steps to return to profitable margins. Overall, the regulatory boards are financially sound.

Ms. Hall also reported that the IBOL's goal is to complete investigations within one year or less, and the addition of an investigator and office specialist will aid in that endeavor.

Alex Adams, Department of Financial Management, Office of the Governor, explained that, with respect to the Licensing Freedom Act, Lieutenant Governor issued a report last fall which posed 241 recommendations for improving licenses by either eliminating barriers to entry or renewal. Many of those are moving forward in rules and are before policy committees. The Governor delivered 20 additional universal recommendations that he wishes all boards and commissions to consider. See [Presentation](#) and [Audio](#).

AGENCY

PRESENTATION: **OUTFITTERS AND GUIDES LICENSING BOARD**

PRESENTER: **Lori Thomason, Executive Director, Outfitters and Guides Licensing Board**
The Outfitters and Guides Licensing Board regulates the industry in order to safeguard the the public. In doing so, it contributes to the conservation of Idaho’s fish, wildlife and natural resources. The Board consists of five members, three from the outfitting industry and one from the public, appointed by the Governor, and one appointed by the Idaho Fish and Game Department. In 2018, the Board licensed 418 outfitters, 436 designated agents, and 2,575 guides. The Board has not requested a fee increase since 2004 and may propose an increase.

LSO STAFF

PRESENTER: **Christine Otto, Analyst, LSO**
In FY 2018, the legislature appropriated \$610,000 to the Outfitters and Guides Licensing Board. Expenditures totalled \$470,600, or a difference of 22.9%. The Board had a maintenance budget for FY 2019 with no line item requests. The FY 2019 total appropriation was \$610,900. The FY 2020 budget carries no line item requests.

AGENCY

PRESENTATION: **REAL ESTATE COMMISSION**

PRESENTER: **MiChell Bird, Executive Director, Real Estate Commission (Commission)**
The Idaho Real Estate Commission was created in 1947 to regulate real estate brokerages, protect the public in real estate transactions, and to educate and license real estate brokers and sales associates. Funding primarily stems from license application fees and renewals. The Commission receives no General Fund monies. The Commission consists of five members who meet approximately eight times per year to establish policies and to hear and decide enforcement matters. Fourteen employees serve three departments: Administration, Education, and Licensing and Enforcement. Due to the booming housing market, the Commission issues approximately 135 new licenses each month.

LSO STAFF

PRESENTER: **Christine Otto, Analyst, LSO**
The total appropriation for FY 2018 was \$1,596,800. Actual expenditures were \$1,373,800. In FY 2019, the Commission requested one replacement item for purchase of an SUV.

The Commission received one finding in its annual audit and has worked with the State Controller’s office to develop a more vigorous monthly reconciliation process.

In FY 2020, the Commission requests \$16,100 from the State Regulatory Fund to replace computer equipment. In FY 2020, the Commission requests one line item for a hearing officer and for additional attorney fees. See [Presentation](#) and [Audio](#).

SUPPLEMENTAL BUDGET REQUESTS

**LSO
PRESENTATION:**

**Christine Otto, Analyst, LSO
Idaho Transportation Department, Division of Transportation Services,
Capital Facilities, Program District 5 Headquarters Roof Replacement**

The department requests \$330,000 in onetime capital outlay to replace the roof at its District 5 headquarters located in Pocatello. The roof was installed 25 years ago and temporary repairs were completed in 2017. The roof continues to leak and the department has decided to go out for bid in early 2019. The replacement was originally appropriated for FY 2018, but the Department of Administration's Division of Public Works did not initiate the project due to a backlog of other projects.

On the request of Sen. Burtenshaw, granted by unanimous consent, the FY 2019 budget for the Idaho Transportation Department, Division of Transportation Services was reopened.

CARRIED:

Original Motion

Moved by Sen. Burtenshaw, for FY 2019, for the Idaho Transportation Department, in the Capital Facilities Program, an addition of \$330,000 onetime from the State Highway (Dedicated) Fund to be expensed for capital outlay, seconded by Sen. Nye.

AYES: 20

NAYS: 0

ABSENT/EX: 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 Chairman Bair.

**LSO STAFF
PRESENTATION:**

**Christine Otto, Analyst, LSO
Idaho Transportation Department, Division of Contract Construction and
Right-of-Way Acquisition, Strategic Initiatives Program Fund**

The department requests a onetime supplemental appropriation of \$62,160,300 from the Strategic Initiatives Program (SIP) Fund. This represents the amount transferred from the General Fund, plus interest, at the close of FY 2018 as a result of the surplus eliminator. H312 in 2015 required any excess cash balance from the General Fund to be split equally and deposited into the Budget Stabilization Fund and the Strategic Initiatives Program Fund at the end of the fiscal year. The surplus eliminator clause in H312 of 2015 was due to sunset on May 30, 2017, but S1206 of 2017 extended the surplus eliminator for two years. S1206 of 2017 also required that funds be split 60/40 between the Idaho Transportation Department (ITD) and the local units of government for the Strategic Initiative Program. The surplus eliminator is set to expire

May 30, 2019. This request also includes interest calculated by using the State Treasurer's IDLE Pool.

The total amount requested to be appropriated to ITD's Strategic Initiatives Program Fund is \$37,697,800 (\$35,177,800 is 60%, plus interest of \$1,243,000).

The total amount requested to be appropriated to the local units of government's Strategic Initiatives Program Fund is \$24,462,500 (\$24,118,600 is 40%, plus interest of \$325,900).

CARRIED:

Original Motion

Moved by Sen. Crabtree, for FY 2019, for the Idaho Transportation Department, in the Contract Construction and Right-of-Way Acquisition program, the addition of \$37,697,800 onetime from the Strategic Initiative Program (Dedicated) Fund to be expended on capital outlay; and for the addition of \$24,462,500 onetime from the Strategic Initiative Program (Local) Fund to be expended for trustee and benefit payments; seconded by Rep. Kauffman.

DISCUSSION:

In answer to questions from Sen. Nye, **Ms. Otto** clarified that the surplus eliminator expires in May, 2019. The cash transfer of \$37,697,800 represents the last cash transfer for FY 2018.

In answer to questions from Rep. Syme, **Ms. Otto** stated that a large portion of these funds will be used on the I-84/Karcher Road interchange to Franklin Boulevard in Nampa. Smaller projects will be funded as well.

Rep. Youngblood declared a Rule 38 Conflict of Interest and stated that he would vote on the motion.

AYES: 20

NAYS: 0

ABSENT/EX: 0

Sen. Nye stated that he voted in the affirmative subject to legal review of how the money is spent.

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 Bair.

**LSO STAFF
PRESENTATION:**

**Christine Otto, Analyst, LSO
Idaho Transportation Department, Contract Construction and
Right-of-Way Acquisition, FHWA Grant I-84 Projects**

The department requests \$90,240,000 in onetime federal funds from a Federal Highway Administration Infrastructure for Rebuilding America grant which was awarded to the department on August 29, 2018. These funds are expected to finance approximately 60% of the project to ease congestion on Interstate 84 between the Karcher Interchange and Franklin Boulevard. This project includes widening I-84 to three lanes in each direction for 2.8 miles, adding auxiliary lanes, replacing and widening an overpass and an under-sized canal structure, replacing and expanding two bridges over a railroad and a canal, performing ramp improvements, reconstructing an interchange, and rebuilding a bridge over the freeway.

CARRIED:

Original Motion

Moved by Rep. Wintrow, for FY 2019, for the Idaho Transportation Department, in the Contract Construction and Right-of-Way Acquisition Program, the addition of \$90,240,000 onetime from the State Highway (Federal) Fund to be expended for capital outlay, seconded by Sen. Johnson.

AYES: 20

NAYS: 0

ABSENT/EX: 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 Chairman Bair.

**LSO STAFF
PRESENTATION:**

Rob Sepich, Analyst, LSO

Department of Fish and Game, Fisheries Program, Endangered Species Habitat Projects

The department requests a onetime supplemental appropriation of \$1,825,100 in operating expenditures to address time-sensitive habitat improvement projects for salmon and steelhead listed under the Endangered Species Act (ESA). Funding is from the National Oceanic Atmospheric Administration's (NOAA) Pacific Coastal Salmon Recovery Fund (PCSRF) and the Bonneville Power Administration (BPA) Fish and Wildlife Program administered by the Office of Species Conservation. The habitat improvement projects are currently underway and located in the Lemhi, Pahsimeroi, North Fork Salmon, and Potlatch river drainages. These voluntary projects are the culmination of years of planning and coordination with local landowners who ranch or farm in these drainages. Since these rivers contain ESA listed fish, the allowable work window is very short beginning mid-July to the end of August. The department claims that this line item is an emergency due to the short time period for work, and risk to relationships made with local stakeholders if projects are not completed as promised. This funding would allow the department to purchase pivots, pipes, pumps, habitat materials, and culvert replacement contracts ahead of the working season to ensure timely completion. Work that could be postponed to FY 2020 has been removed from this request and rescheduled. This supplemental was recommended by the Governor.

**UNANIMOUS
CONSENT:**

Moved by Sen. Burtenshaw, granted by unanimous consent, the fiscal year 2019 budget for the Department of Fish and Game was reopened.

CARRIED:

Original Motion

Moved by Sen. Burtenshaw, fiscal year 2019, for the Department of Fish and Game in the Fisheries Program, an additional \$1,825,100 for operating expenditures from the Fish and Game (Other) Fund, seconded by Rep. Troy.

AYES: 20

NAYS: 0

ABSENT/EX: 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 Chairman Bair.

**LSO STAFF
PRESENTATION:**

**Jill Randolph, Analyst, LSO
Department of Administration, Division of Public Works, Chinden
Campus**

The agency requests a transfer of \$158,500 from operating expenditures to personnel costs within the dedicated Administrative and Accounting Services Fund, and an additional 1.00 FTP. This request is to accommodate state personnel currently assigned to the Chinden Campus. Currently 2.00 FTP are stationed at the Chinden Campus, with one of those FTP being borrowed from Capitol Mall staff. The two positions are a facility services manager and a building superintendent. The State Tax Commission moved into temporary space in November 2018, and the agency asserts these positions will support tenants as more move into the Chinden Campus.

**UNANIMOUS
CONSENT:**

Moved by Rep. Anderson, granted by unanimous consent, the 2019 budget for the Department of Administration was reopened.

CARRIED:

Moved by Rep. Anderson, for fiscal year 2019, for the Department of Administration's Division of Public Works, 1.00 FTP and a fund shift of \$158,500 from operating expenditures to personnel costs within the Administration and Accounting Services Fund, seconded by Sen. Lee.

AYES: 20

NAYS: 0

ABSENT/EX: 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 Chairman Bair.

**LSO STAFF
PRESENTATION:**

**Jill Randolph, Analyst, LSO
Department of Administration, Division of Public Works, Project
Management Software**

The agency requests an additional \$181,000 ongoing from the dedicated Permanent Building Fund to pay a contractual obligation for project management software installed in FY 2018. In FY 2016, a \$280,000 onetime appropriation from the Permanent Building Fund was granted for the installation of a construction project management system. The agency did not request or recommend ongoing costs associated with this project. The software was purchased, installed, and operational in FY 2018. There are 400 annual licenses associated with this software, for an annual cost of \$180,200. Users of this software include all design and construction employees at the Division of Public Works and external agencies, design professionals, contractors, and vendors who do business with the Division of Public Works for project management.

DISCUSSION:

In answer to questions from Rep. Raybould, **Keith Reynolds**, Department of Administration explained that the need for ongoing licensing renewal cost was inadvertently overlooked in the FY 2018 budget process. The oversight was discovered in June 2018 upon receipt of an invoice for annual maintenance. No funds were available at that time, and payment was delayed until FY 2019.

Original Motion

Moved by Sen. Woodward, for fiscal year 2019, for the Department of Administration's Division of Public Works, an additional \$181,000 ongoing operating expenditures within the Permanent Building Fund, seconded by Sen. Lee.

AYES: 20

NAYS: 0

ABSENT/EX: 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 Chairman Bair.

**LSO STAFF
PRESENTATION:**

**Jill Randolph, Analyst, LSO
Department of Administration, Division of Purchasing, Postal Increase**

The agency requests \$80,700 ongoing and \$7,100 onetime from the dedicated Administration and Accounting Services Fund for Central Postal Services cost increases. In FY 2019, Central Postal Services began providing services to the Idaho Transportation Department and the Idaho State Tax Commission. The addition of these large agencies resulted in increased costs and the need for larger equipment. The amount requested would be spent as follows: \$32,400 for meter ink and labels for the 2.2 million piece increase on metered mail and the 9,000 piece increase of packages; \$32,200 for inserter leasing charges to accommodate a new lease for the larger equipment to replace an expiring lease; \$7,100 onetime and \$1,900 ongoing for an upgraded shipment tracking system to reduce staff time by automating the internal package delivery process; and \$14,200 for new meter leasing charges. The agency asserts that Central Postal Services allows the state to save money by servicing mail needs in-house. If not funded, Central Postal Services will be unable to provide the level and options of services it currently offers.

CARRIED:

Original Motion

Moved by Sen. Lee, for fiscal year 2019, for the Department of Administration's Division of Purchasing, an additional \$80,700 in ongoing operating expenditures and \$7,100 in onetime operating expenditures, for a total of \$87,800 from the Administration and Accounting Services Fund, seconded by Rep. Anderson.

AYES: 20

NAYS: 0

ABSENT/EX: 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 Chairman Bair.

AJDOURN:

Having no further business before the Committee, **Chairman Bair** adjourned the meeting at 10:59 a.m.

Senator Bair
Chair

Elaine Leedy
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Monday, January 21, 2019

TIME	DESCRIPTION	PRESENTER
	<u>IDAHO HUMAN RIGHTS DAY - STATE HOLIDAY</u>	
8:00	State Board of Education Overview	Dr. Linda Clark, President <i>State Board of Education</i>
	State Board of Education <i>(LSO Analyst: Janet Jessup)</i>	
8:15	Office of the State Board of Education, LBB 1-47 Community Colleges, System-wide Programs, LBB 1-71	Matt Freeman, Executive Director <i>State Board of Education</i>
8:40	College of Southern Idaho, LBB 1-55	Jeff Fox, Institution President
9:10	<i>Break</i>	
9:20	North Idaho College, LBB 1-55	Rick MacLennan, Institution President
9:50	College of Western Idaho, LBB 1-55	Bert Glandon, Institution President
10:20	College of Eastern Idaho, LBB 1-55	Rick Aman, Institution President

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Monday, January 21, 2019

TIME: 8:00 A.M.

PLACE: Room C310

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

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

**ABSENT/
EXCUSED:** None

CONVENED: **Chairman Youngblood** called the meeting to order at 8:00 am.

EDUCATION WEEK

AGENCY **Dr. Linda Clark, President, State Board of Education**

PRESENTATION: **President Clark** provided an extensive review of the Idaho State Board of Education. Dr. Clark continued the State Board of Education has oversight of almost \$2.3 billion dollars. Her presentation included information on dual credit registration, the Opportunity Scholarship, Complete College America (CCA), and a tuition increase.

To listen to this presentation please [click here](#).

AGENCY **State Board of Education**

PRESENTATION: **Matt Freeman, Executive Director**

Matt Freeman, Executive Director introduced staff and gave an in-depth overview of the State Board of Education. Presentation included a snapshot of what the board and his office does such as; oversight of the Public Charter School Commission, teacher evaluations, administer the State scholarship programs, the Accountability Oversight Committee, and the Dual Credit Legislative Report. Presentation furthered insight on the Governor's recommended line items that are appropriately focused on teacher quality and it enables his office to deploy student center initiatives and strategies focused on student success. Executive Director Freeman concluded with thanking the Governor for his recommended 3% Change in Employee Compensation (CEC).

LSO STAFF **Janet Jessup, LSO Budget and Policy Analyst** reviewed the actual expenditures of FY 2018, there were several reversions, the budget for FY 2019, noting there were six line items and the budget requests and the Governor's recommendations for FY 2020.

Executive Director Freeman discussed the following FY 2019 line items: 1) IT/Telecommunications, 2) accreditation for Psychology Internship, 3) Graduate Medical Education Council, 4) Systems Integration Consultant, 5) Transfer Career Information System (CIS) to Board of Education, and 6) Idaho National Laboratory (INL) lease payments. Executive Director Freeman continued with FY 2020 noting the recommendations by the Governor. The recommended line items are as follows: 1) Associate Chief Academic Officer will oversee the development of policy and implementation of student success initiatives; 2) Career Information System (CIS) Enhancements, which the agency is requesting \$20,000 in ongoing operating expenditures for enhancements to the CIS. The contract for this operating system is scheduled for renegotiated in FY 2020. The requested funds will also cover the cost of regular updates necessary to maintain the CIS website, 3) Mater Education Premium Portfolio Review, in FY 2020, the Master Education Premium established pursuant to **Section 33-1004(I), Idaho Code**, will go into effect. This will require teachers to create and submit a portfolio that will be reviewed to determine if the applying teacher meets the standards to receive the premium and 4) K-12 Task Force will be a task force to evaluate next steps in the strategic funding of public schools for the future.

To listen to this presentation please [click here](#).

AGENCY **Community Colleges, System-wide Programs**
PRESENTATION: **Matt Freeman, Executive Director**

LSO STAFF **Janet Jessup, LSO Budget and Policy Analyst**, stated this is a new budgeted
PRESENTATION: program, so there no historical summary. Ms. Jessup continued there is one line item for FY 2020. The Systemwide Expenses line item includes a reduction of \$10,000 from each of the community colleges and nets to zero. This transfer goes to the State Board of Education to be used for system wide needs.

To listen to this presentation please [click here](#).

AGENCY **College of Southern Idaho**
PRESENTATION: **Jeff Fox, President**

President Fox recognized the Board of Trustees and staff that were present. President Fox provided an overview of the programs offered, stating about 80% of students are part-time and most of the students are female. President Fox continued enrollment for 18–19 year old’s is about 70% and seeing a decline from the 20–34 year old’s.

LSO STAFF **Janet Jessup, LSO Budget and Policy Analyst**, reviewed the actual expenditures
PRESENTATION: of FY 2018, noting there were no reversions and all the funds were expended, she continued with FY 2019 JFAC action, noting the one negative adjustment and one line item. **President Fox** gave a brief overview of the negative adjustment and the line item. Ms. Jessup continued with the Historical Summary, noting for FY 2020, the request is for \$14,337,300 and the Governor’s recommendation is for \$14,540,200. Ms. Jessup noted the onetime expenditure in FY 2019, in the amount of \$210,000 for Capital Outlay purchases, she also noted the inflationary adjustment requests, which were not recommended by the Governor, the Change in Employee Compensation there was a request to shift \$1,300 and in the Nondiscretionary Adjustments the Governor requested an increase of \$203,300.

President Fox continued with the FY 2020 Budget Proposal outlining the Governor’s priority.

Ms. Jessup reviewed the Budget Law Exemption, stating it is common for all the community colleges. This restricts the transfer of appropriation between programs and among personnel costs, operating expenditures, capital outlay, and trustee and benefit payments and this authority requires legislative approval.

In response to committee questions **David Hahn, DFM**, stated CSI and NIC do not participate in the State Health Plan, they did share in the years of over appropriation that created an excess in the health plan reserve in the State and they should share in the years of low appropriation. Mr. Hahn stated the alternative to OBF, for the Governor, was \$7 million in the Opportunity Fund.

To listen to this presentation please [click here](#).

AGENCY North Idaho College
PRESENTATION: **Rick MacLennan, President**

President, MacLennan began by introducing staff members present at the meeting. President MacLennan then gave an overview highlighting the support of entrepreneurship and the perennial problem of students showing up to college not prepared, which leads to a high chance of the student not making it through the first semester or year. President MacLennan reviewed FY 2019 JFAC action, stating with the funding they were able to build up capacity in the Computer Science program, equip the Science Computer lab and hire one full-time position. Continuing with FY 2020, President MacLennan stated the \$117,400 Occupancy Costs is for the North Idaho Collaboration Education Facility and he is in full support of the Governor's recommendations.

LSO STAFF **Janet Jessup, LSO Budget and Policy Analyst**, reviewed the FY 2019 actual
PRESENTATION: expenditures, noting North Idaho College expended 100% of their appropriation.

In response to committee questions **President MacLennan** stated the Computer Science program in North Idaho has seen an increase in enrollment.

To listen to this presentation please [click here](#).

AGENCY College of Western Idaho
PRESENTATION: **Bert Glandon, President**

President Glandon began by introducing his administrative team and trustees present at the meeting. President Glandon stated the Governor's recommendations for the Nondiscretionary Adjustments is an increase of \$1,096,300. He continued his presentation stating about 32% of enrollment is from dual credit.

LSO STAFF **Janet Jessup, LSO Budget and Policy Analyst** reviewed the actual expenditures
PRESENTATION: of FY 2018, College of Western Idaho spent 100% of their appropriation, the budget for FY 2019, noting there was one Nondiscretionary Adjustment for \$1,293,900, and the budget requests and the Governor's recommendations for FY 2020.

Ms. Jessup reviewed the Budget Law Exemption, stating it is common for all the community colleges. This restricts the transfer of appropriation between programs and among personnel costs, operating expenditures, capital outlay, and trustee and benefit payments and this authority requires legislative approval.

In response to committee questions **President Glandon** stated about 20–30% of the real cost is funded through the Change in Employee Compensation (CEC). President Glandon explained when there is a recession there is an uprise of enrollment when the State doesn't have money and when the enrollment goes down then the State has money.

To listen to this presentation please [click here](#).

AGENCY College of Eastern Idaho
PRESENTATION: **Rick Aman, President**

President Aman began by introducing his staff members present at the meeting. President Aman began his presentation by thanking JFAC for the approximate \$3.9 million appropriation last year to begin Idaho's newest community college. He continued there was a \$1.1 million transfer from CTE and the majority of those funds were used for the transition from Eastern Idaho Technology College. College of Eastern Idaho has a \$1.7 million grant from the Maeck Foundation that is being used in the area of nursing.

LSO STAFF **Janet Jessup, LSO Budget and Policy Analyst** reviewed FY 2019 JFAC action, **PRESENTATION:** she brought to the committee's attention the Community Colleges Taxing District chart for all the community colleges, noting there is no information on Eastern Idaho College because they are not anticipating any revenue from the levy until a partial payment in January and a full payment in July 2019. Ms. Jessup continued with the FY 2020, noting the benefit cost, Change in Employee Compensation, Nondiscretionary Adjustments, noting that there was no enrollment workload adjustment (EWA) for CEI. Ms. Jessup continued her presentation with the FY 2020 line items, noting the agency requested \$55,000 onetime from the Higher Education Surplus Stabilization fund to purchase instructional equipment. This is a dedicated fund.

Ms. Jessup reviewed the Budget Law Exemption; stating it is common for all the community colleges. This restricts the transfer of appropriation between programs and among personnel costs, operating expenditures, capital outlay, and trustee and benefit payments and this authority requires legislative approval.

To listen to this presentation please [click here](#).

ADJOURN: There being no further business to come before the Committee, **Chairman Youngblood** adjourned the meeting at 10:20 am.

Representative Youngblood
Chair

Donna Warnock
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Tuesday, January 22, 2019

TIME	DESCRIPTION	PRESENTER
	BUDGET HEARINGS <i>(LSO Analyst: Janet Jessup)</i>	
8:00	Idaho State University, LBB 1-55	Kevin Satterlee, Institution President
8:40	Museum of Natural History, LBB 1-113	Dr. Leif Tapanila, Museum Director
8:55	Idaho Dental Education Program, LBB 1-87	Dr. Jeff Ybarguen, Program Director
9:10	<i>Break</i>	
9:20	Lewis-Clark State College, LBB 1-55	Cynthia Pemberton, Institution President
10:00	STAFF UPDATES	
	Governor's Technology Initiatives Line Items	Paul Headlee <i>LSO Budget & Policy</i> Jeff Weak, <i>Office of Information Technology Services</i>
	General Fund Daily Update (Green Sheet)	Keith Bybee <i>LSO, Budget & Policy</i>

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Tuesday, January 22, 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: **Co-Chairman Bair** called the Joint Finance-Appropriation Committee (Committee) to order at 8:00 a.m.

**AGENCY
PRESENTATION:** **IDAHO STATE UNIVERSITY**

PRESENTER: **Kevin Satterlee, Institution President, Idaho State University (ISU)**
President Satterlee reported on the success of Complete College Idaho initiatives developed in 2012 in response to the State Board of Education's goal that 60% of Idahoans ages 25–34 with a degree or certificate by 2020. The initiatives built long term systemic changes into how students move through the post-secondary pipeline. Prior to the implementation of Complete College Idaho initiatives, ISU had a six-year graduation rate of 29 percent. With the completion of the 2018 academic year, the graduation rate rose to 33 percent. While graduation rates continue as a standard measure of student success, finishing college in four years may not be right for everyone. ISU's goal is to find the pathways that helps students get to the right place at their pace to enable their future success.

**LSO STAFF
PRESENTER:** **Janet Jessup, Analyst, LSO**

ISU received a FY 2018 total appropriation of \$231,055,600 with expenses of \$143,023,300. ISU reverted \$6,158,100. The FY 2019 total appropriation was \$149,286,700 which included two line item requests. President Slatterlee discussed the clinical psychopharmacology master's degree program which arose from industry demand. The program is delivered at the Skaggs Health Science Center in Meridian. The line item request of \$680,600 has been used to hire six new faculty in professional positions.

ISU has requested \$150,574,400 in FY 2020. The Governor recommends \$149,268,800. Additional sources of funding include federal and state grants and contracts, gifts, other student fees, among others.

Regarding the minus \$5,712,700 in non-cognizable tuition or fees on page 9 of the packet, Ms. Jessup explained that tuition and fees were less than expected. President Slatterlee explained further that ISU has had a general decline in students. In addition, a large cohort of international students paid less in fees, creating an imbalance between projected student fees and the amount actually collected.

In FY 2020 line items, ISU requested \$58,800 ongoing occupancy costs from the General Fund and \$876,200 ongoing from dedicated funds for general inflation. This request also includes \$234,300 ongoing from the General Fund for library inflation. The Governor recommended the \$876,200 from dedicated funds, but not the request from the General Fund. Similarly with replacement items, the Governor did not include ISU's request for \$33,226,900 from General Funds in his recommendation.

ISU requested \$188,800 ongoing from the General Fund for the Meridian cadaver lab expansion, the Engineering Project Center and the Public Safety Infill. The Governor recommends a net increase of \$94,400.

In answer to questions from Sen. Bair regarding the Governor's proposed three percent CEC increase for employees funded from the General Fund, **President Slatterlee** replied that since some employees are not funded from the General Fund, he would have two choices: find a way to distribute the three percent among all employees or find another source of revenue so that everyone can receive a full three percent. **President Slatterlee** estimated that approximately 50 percent of employees are not covered by the General Fund.

In answer to a question from Sen. Grow concerning medical residencies, **President Slatterlee** reported that a medical professional is more likely to practice in the location where they fulfill residency or clinical studies. An investment in medical facilities will be a leading factor in bringing more medical providers to the State of Idaho.

AGENCY

PRESENTATION: IDAHO MUSEUM OF NATURAL HISTORY

PRESENTER: Dr. Lief Tapanila, Museum Director, Idaho Museum of Natural History

The Idaho Museum of Natural History (Museum), now in its 85th year, is embarking on a new mission and strategic plan: to preserve the materials of the past to be used in the present for education, research and to advance Idahoans into the future. Collection of artifacts is fundamental to that mission.

In the past year, two new employees were hired and have made tremendous impact. The first is an education specialist who spent 25 years as an Idaho K-12 educator in Idaho Falls. She has been instrumental in generating excitement to more students. As a result, attendance is on a 20 percent growth trajectory over three years. Secondly, the Museum hired a director of development, and she has increased fundraising by approximately 250 percent in just 12 months.

The Museum is finding new opportunities to work with artifacts and with new tools and technology. Last year, the Museum's Dinosaur Camp trained young teenagers in an art digitization lab utilizing the same software used in Hollywood movies for special effects. From that project, students built 220 bones in a small dinosaur, once found in eastern Idaho, and digitally printed a replica for the Museum's permanent collection. The Museum is developing a traveling exhibit program in partnership with local libraries and developing a weekly podcast.

LSO STAFF

PRESENTER:

Janet Jessup, Analyst, LSO

Ms. Jessup noted that in FY 2018, the Museum utilized all of its budgeted appropriation.

The agency requests an FY 2020 appropriation of \$664,100. The request included general inflation costs and \$42,500 in capital outlay from the General Fund for specialized computer equipment. The Governor's recommendation did not include the inflation requests, and reduced the capital outlay to \$26,300. The Governor recommendation totals \$651,300.

DISCUSSION:

In answer to questions from the Committee, **Director Tapanila** replied that the Museum hosts traveling exhibits from the Smithsonian Institute. These exhibits are quite popular and tax the use of Museum space. The Museum's exhibit space is approximately 1,500 square feet as opposed to a typical museum whose displays cover 20,000 or more. The museum adds to its collections frequently, and does not have enough space to meet demand for the public to visit exhibits or to take part in educational opportunities.

In regard to the Museum's request to replace computer equipment, **Director Tapanila** confirmed that the requested equipment would replace five year old equipment with the latest technology. Mid-year range equipment would be utilized for appropriate projects until their replacement dates.

AGENCY

PRESENTATION:

IDAHO DENTAL EDUCATION PROGRAM

PRESENTER:

Dr. Jeff Ybarguen, Program Director, Idaho Dental Education Program (Program)

LSO STAFF

PRESENTER:

Janet Jessup, Analyst, LSO

Idaho health education appropriation budget contains of nine separate programs. Not all are the same types of programs. Some, such as the Idaho Dental Education Program, are school classroom programs. Others are residency programs.

Dr. Ybarguen stated that the Idaho Dental Education Program began in 1981 and currently maintains a cooperative program between Idaho State University (ISU) and Crieghton University in Omaha, NE. First year student coursework takes place at ISU, and the second through fourth years take place at Crieghton University in Omaha where students receive their degree. Eight new students join the program each year for a total of 32 students.

The Program's mission is to provide residents of Idaho with ready access to a high quality dental education at a relatively affordable price and to provide Idahoans with ready access to high quality care. One hundred percent of students have passed written and clinical board exams on the first attempt, and approximately 64 percent of students return to Idaho to practice.

Ms. Jessup stated that the Program's FY 2018 total appropriation was \$2,650,000 against actual expenditures of \$1,920,500.

The FY 2019 total appropriation was \$1,828,400. The Idaho Dental Education Program requests an FY 2020 of \$1,892,600. The Governor recommends \$1,897,500. See [Presentation](#) and [Audio](#).

In closing remarks, **Dr. Ybarguen** detailed the challenge of student debt. The average student debt from the Idaho Dental Education Program is \$240,000. If graduating solely from Creighton University, student debt averages \$280,000. If graduating from a private dental school, debt averages \$341,000. This debt load affects student decisions on where to practice.

AGENCY

PRESENTATION: LEWIS-CLARK STATE COLLEGE (LCSC)

PRESENTER: Cynthia Pemberton, Institution President

Lewis-Clark State College focuses its mission on developing successful leaders, engaged citizens, and lifelong learners through a commitment to opportunity through access and affordability. LCSC provides opportunities through GED, career-technical education certificates and bachelor's degrees, as well as workforce training and community education. LCSC partners with other two and four year Idaho institutions to streamline admissions and transfers between Idaho schools and institutions.

LSO STAFF

PRESENTER: Janet Jessup, Analyst, LSO

The total FY 2018 appropriation was \$55,682,000. **Ms. Jessup** noted a reverted appropriation of \$406,300 which resulted from anticipated versus actual tuition and fees. In FY 2019, LCSC received one line item in the amount of \$186,400 for a career counselor and for faculty in social work.

LCSC requests an FY 2020 appropriation of \$37,247,100. The Governor recommends \$36,540,500. LCSC did not request line items, but did request a budget exemption which provides the ability to move funds between personnel and operating expenses. LCSC also requested both general and dedicated funds for general inflation. The Governor recommended the dedicated funds, but not general funds. The Governor recommended CEC adjustments, nondiscretionary adjustments and endowment adjustments. The Governor did not recommend \$1,144,700 for replacement of technology equipment.

In answer to questions from Rep. Armador, **President Pemberton** explained LCSC's need for replacement technology items. Because institutions now serve broad geographic areas, they must maintain up-to-date technology to serve the needs of students who are unable to attend class on campus.

David Hahn, Division of Financial Management, Office of the Governor, reminded the Committee and President Pemberton that the Legislature appropriated technology replacements for LCSC in FY 2016, 2017 and 2018. Amid numerous agency requests for capital replacements, the Governor made recommendations on a case-by-case basis within statewide needs. Mr. Hahn further noted that LCSC was the only institution to receive technology appropriations in FY 2017 and 2018.

STAFF UPDATES

PRESENTATION: GOVERNOR'S TECHNOLOGY INITIATIVES LINE ITEMS

PRESENTER: Jeff Weak, Administrator, Office of Information Technology Services, Office of the Governor

Mr. Weak described the Governor's IT Modernization Initiative which will dramatically improve cybersecurity, create efficiencies and lead to future cost savings.

Mr. Weak explained that development of the Office of Information Technology Services (ITS) arose during the course of routine modernization planning across the state. Planners identified eight agencies with IT departments and 48 positions which overlapped. Further investigation revealed that, if consolidated, only 36 positions were needed, saving the state approximately \$887,000 in personnel costs.

GOV. TECH. 1 State Network Core Equipment Replacement

Mr. Weak explained the critical need for a stable, robust network. The network is utilized by nearly every government agency as well as the State's executive and judicial branches. The current network has reached the end of its lifecycle and is approaching unacceptable levels of instability. The network must be replaced to ensure current and future levels of productivity and security.

GOV. TECH. 2 Mobile Device Management and Security

A stable network is critical to the security of state mobile devices. New software will extend policies and protections to remote users and provide the same security as if they were operating of the state network.

GOV. TECH. 3 Information Technology Modernization — Technology Consolidation

By streamlining and improving information technology operations across the state, state agencies will no longer be providers of IT services. Instead, they can focus on their core missions while enjoying enhanced security, functionality and cost efficiencies. Eight state agencies' IT services will join the new service structure in FY 2019.

GOV. TECH. 4 Information Technology Modernization — Administration Billing

The Department of Administration had been heavily subsidizing small agencies with IT support. By consolidating IT services in ITS, the Department of Administration's annual billing will be reduced by \$353,300. Those costs, in turn, will be billed to the proper agencies.

DISCUSSION: In response to questions from the Committee, **Mr. Weak** described plans to move 37 employees of the Office of Information Technology Services to the new Chinden Campus. The department has outgrown its space in the LBJ Building. Five to seven service personnel will remain in the LBJ Building for maintenance and specific services which may be needed on the Capitol Mall. **Mr. Weak** anticipates that approximately seven additional agencies will be brought under the ITS in the next year. Some larger agencies, such as Health and Welfare and Idaho Transportation Department may retain their IT personnel. **Mr. Weak** described implementation and moving logistics for various agencies. **Paul Headlee**, Budget & Policy Manager, LSO described funding for the project. See [Presentation](#) and [Audio](#).

PRESENTATION: GENERAL FUND DAILY UPDATE (Green Sheet)

PRESENTER: Keith Bybee, Deputy Division Manager, LSO
Mr. Bybee detailed changes to the General Fund Budget as of January 17, 2019.

ADJOURNED: Having no further business before the Committee, **Co-Chairman Bair** adjourned the meeting at 10:22 a.m.

Senator Bair
Chair

Elaine Leedy
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Wednesday, January 23, 2019

TIME	DESCRIPTION	PRESENTER
	BUDGET HEARINGS	
	<i>(LSO Analyst: Janet Jessup)</i>	
8:00	University of Idaho, LBB -1-55 University of Idaho: Special Programs, LBB 1-113	Chuck Staben, Institution President
8:40	Geological Survey	Chuck Staben, Institution President
8:55	Forest Utilization Research	Dr. Dennis Baker, Interim Dean <i>College of Natural Resources</i>
9:10	Agricultural Research and Extension Service, LBB 1-49	Michael Parrella, Dean <i>College of Agricultural & Life Sciences</i>
9:30	<i>Break</i>	
	Health Education Programs, LBB 1-87	
9:40	Washington-Idaho-Montana-Utah (WIMU) Veterinary Education	Michael Parrella, Dean <i>College of Agricultural & Life Sciences</i>
9:50	WWAMI Medical Education	Dr. Mary Barinaga & Dr. Jeff Seegmiller
10:05	University of Utah Medical Education	Dr. Benjamin Chan, Associate Dean of Idaho Affairs
10:20	Family Medicine Residencies	Dr. Ted Epperly, Executive Director
10:35	Eastern Idaho Medical Residencies	Dr. Melissa "Moe" Hagman, Chair <i>Graduate Medical Education Council</i>
10:45	Bingham Internal Medicine Residencies	Dr. Shields Stutts <i>Bingham Memorial Hospital</i>

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Wednesday, January 23, 2019

TIME: 8:00 A.M.

PLACE: Room C310

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

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

**ABSENT/
EXCUSED:** None

CONVENED: **Chairman Youngblood** called the meeting to order at 8:00 am.

AGENCY PRESENTATION: **College & Universities — University of Idaho**

Chuck Staben, President, provided an overview of the mission and institutional highlights of the University of Idaho. President Staben continued with a brief presentation on grants and scholarships.

**LSO STAFF
PRESENTATION:**

Janet Jessup, Budget & Policy Analyst, reviewed FY 2018 actual expenditures, noting there were no reversions from the University of Idaho (U of I), FY 2019 JFAC, action stating there were two line items, FY 2020 the U of I requested \$184,680,700 and the Governor's recommendation was for \$183,625,000. Ms. Jessup continued discussing the non-cognizable funds and transfers noting this is related to enrollment and the tuition/fee dollars, in benefit costs there is about an \$2.8 million decrease recommended by the Governor, in inflationary adjustments U of I requested funding from the General Fund and dedicated funds. The Governor recommended only dedicated funds for inflationary adjustments and replacement items. Ms. Jessup stated the Governor recommended \$608,900 for the U of I for the enrollment workload adjustment (EWA) and they will also be receiving money from the endowment adjustments. Ms. Jessup reviewed the following line item for FY 2020, Occupancy Costs.

Ms. Jessup concluded the University of Idaho requests an appropriation that is exempt from **Section 67-3511, Idaho Code**, which restricts the transfer of appropriation between programs and among personnel costs, operating expenditures, capital outlay, and trustee and benefit payments. This authority requires legislative approval.

To listen to this presentation please [click here](#).

**AGENCY
PRESENTATION:**

**Special Programs— Geological Survey
Chuck Staben, Institution President**

President Staben, stated this year the Geological Survey is headed by an Interim Director, so he will make the presentation. President Staben provided an overview of the Idaho Geological Survey (IGS) program. The Idaho Geological Survey (IGS) collects, analyzes, and disseminates geologic and mineral-based asset data for the State of Idaho.

**LSO STAFF
PRESENTATION:**

Janet Jessup, Budget & Policy Analyst, reviewed the following FY 2018 actual expenditures, noting there were no reversions, FY 2019 JFAC action there was one requested line item, which was not funded. FY 2020 a request was made for inflationary adjustments which was not recommended by the Governor. There was a request for replacement items in the amount \$17,400 in capital outlay from the General Fund. The Governor recommended \$8,600 in capital outlay from the General Fund.

To listen to this presentation please [click here](#).

**AGENCY
PRESENTATION:**

**Special Programs— Forest Utilization Research
Dr. Dennis Becker, Interim Dean, College of Natural Resources**

Interim Dean, Dr. Becker gave an overview of the Forest Utilization Research (FUR) program. The FUR conducts research and analyzes policy to increase the productivity of Idaho's forests and rangelands.

**LSO STAFF
PRESENTATION:**

Janet Jessup, Budget & Policy Analyst, reviewed the FY 2018 actual expenditures, noting there were no reversions, FY 2019 JFAC action, there were two line item requests, neither were funded. In the FY 2020 budget, there were two line item requests and one of those were included in the Governor's recommendation. FUR did request inflationary adjustments in the amount of \$2,200 for general inflation, this was not recommended by the Governor and there were no replacement items request.

In response to Committee questions, **Dean Becker** commented that the national estimate of engineered wood products used in commercial building could grow up to 30–40% across the United States, the State of Idaho's resources are part of that market and see it as a good opportunity for the state.

To listen to this presentation please [click here](#).

**AGENCY
PRESENTATION:**

**Agricultural Research and Extension Service
Michael Parrella, Dean**

Dean Parrella provided an extensive overview of the College of Agricultural and Life Sciences (CALs). He then briefly spoke on some of the issues facing Idaho agriculture and state wide mandates.

**LSO STAFF
PRESENTATION:**

Janet Jessup, Budget & Policy Analyst, reviewed FY 2018 actual expenditures, noting there was a \$24,000 reversion, FY 2019 JFAC action, noting there was one line item request, which was funded through the Permanent Building Fund within the Department of Administration. Ms. Jessup reviewed the FY 2020 line item requests, noting the Governor recommended two of the three requests.

Dean Parrella stated the Governor's recommended funding will provide for the critical operation in management activities necessary to continue expanding on the education research and outreach efforts that take place at the Rinker Rock Creek Ranch.

In response to Committee questions **David Hahn, DFM** stated the Governor fully supports the 4–H program in STEM. Mr. Hahn continued the Governor put an additional one million dollars into spending authority for the STEM action center.

To listen to this presentation please [click here](#).

AGENCY **Michael Parrella, Dean**
PRESENTATION: **College of Agricultural & Life Sciences**

Dean Parrella provided an overview of the Washington-Idaho-Montana-Utah (WIMU) education program. Dean Parrella stated the program provides funding for 44 Idaho students.

LSO STAFF **Janet Jessup, Budget & Policy Analyst.** reviewed the FY 2018 actual
PRESENTATION: expenditures, noting there were no reversions, FY 2019 JFAC action, noting there was contract inflation. Ms. Jessup continued with FY 2020, noting the inflationary adjustment request in the amount of \$10,800 for general inflation and \$32,500 for contract cost escalation with Washington State University College of Veterinary Medicine, the Governor's recommendation is for this amount.

To listen to this presentation please [click here](#).

AGENCY **WWAMI Medical Education**
PRESENTATION: **Dr. Mary Barinaga & Dr. Jeff Seegmiller**

Dr. Barinaga provided an overview of the WWAMI program which serves as a regional medical education program.

LSO STAFF **Janet Jessup, Budget & Policy Analyst,** reviewed the FY 2018 actual
PRESENTATION: expenditures, noting there were no reversions, FY 2019, noting there was one line item in the amount of \$802,200. Ms. Jessup continued with FY 2020 stating there was one line item request, but was not included in the Governor's recommendation.

Dr. Seegmiller discussed the implementation of FY 2019 line item. Dr. Seegmiller stated the request was for personal costs, operating expenses and capital outlay related to class expansion and the new 18 month curriculum expansion.

To listen to this presentation [click here](#).

AGENCY **University of Utah Medical Education**
PRESENTATION: **Dr. Benjamin Chan, UUSOM Associate Dean of Idaho Affairs**

Dean Chan gave an overview of the Utah School of Medicine, which is a four year school. Dean Chan continued students attend Utah School of Medicine after completing four years of college and there are 125 medical students per year. The school of medicine receives approximately 4,000 applications per year for the 125 positions.

Dr. Beth Botts stated she is a child psychiatrist, an inpatient hospitalist at the University of Utah and the new Training Director of the Utah-Idaho residency tract. Dr. Botts continued this is a collaborative program between the University of Utah and Idaho State University aimed at training psychiatrist in Southeast Idaho.

**LSO STAFF
PRESENTATION:**

Janet Jessup, Budget & Policy Analyst, reviewed the FY 2018 actual expenditures, noting there were no reversions, FY 2019 JFAC action there was an appropriation in the amount of \$87,600 for the third year of the build out. Ms. Jessup continued with FY 2020 and the Governor's recommendation is for year four of the build out. Ms. Jessup reviewed the inflationary adjustment which included a request of \$61,400 for contract cost escalation with the University of Utah School of Medicine and this was included in the Governor's recommendation. There were three line item requests for FY 2020: 1) Year 4 build-out, 2) leave of absence and 3) psychiatry resident.

To listen to this presentation [click here](#).

**AGENCY
PRESENTATION:**

**Family Medicine Residencies
Dr. Ted Epperly, MD Executive Director**

Director Epperly gave an in-depth overview of the Family Practice Residency program. Director Epperly discussed the 10 year General Medical Education (GME) plan and they are in the second year of the build out. This build out plan will take them from nine residency programs in the State of Idaho to twenty-one. Those residency are in the specialties of family medicine, internal medicine, psychiatry, general surgery and emergency medicine. This program will bump their graduation numbers from 52 graduates to 154 graduates per year. The importance of this program, is that 50–75% of the graduates stay within a 100 miles of where they do their residency training.

**LSO STAFF
PRESENTATION:**

Janet Jessup, Budget & Policy Analyst, reviewed FY 2018 actual expenditures, noting there were no reversions, FY 2019 JFAC action, there was an appropriation in the amount of \$565,000. Ms. Jessup continued the FY 2020 request in the amount of \$6,400,200 is the combined request from all the programs within the Family Medicine Residencies. The Governor's recommendation was for \$5,867,800 of the request. Ms. Jessup reviewed in further detail the line item for Resident Support. The request was for \$990,000 to extend the residency program, the Governor recommended \$450,000 and 2 Ftp's. **Dr. Epperly** stated the reason the request was in the amount \$990,000 was for the build out and growth of the existing residency in the state. They were increasing the support to the programs from \$35,000 to \$45,000 per resident. With the Governor's recommendation they modified the support to \$35,000 to \$40,000 per resident.

To listen to this presentation [click here](#).

**AGENCY
PRESENTATION:**

**Eastern Idaho Medical Residencies
Dr. Melissa Hagman, MD, Graduate Medical Education Council Chair**

Dr. Hagman gave a brief introduction of herself and the Eastern Idaho Medical Residencies program.

**LSO STAFF
PRESENTATION:**

Janet Jessup, Budget & Policy Analyst, reviewed the FY 2019 JFAC action, noting this was a new program last year. Ms. Jessup stated the \$455,000 appropriation was for the residency program creation.

Dr. Hagman stated the \$650,000 Governor's recommendation for FY 2020 will be used to bring in another class of ten.

To listen to this presentation [click here](#).

AGENCY **Bingham Internal Medicine Residencies**
PRESENTATION: **Dr. Shields Stutts**

Dr. Stutts gave a brief overview of Bingham Internal Medicine Residencies. Dr. Stutts stated they will be getting their review in the coming months after having been accredited for two years.

LSO STAFF **Janet Jessup, Budget & Policy Analyst**, reviewed the FY 2019 JFAC action, **PRESENTATION:** noting this was a new program last year. Ms. Jessup stated the \$525,000 appropriation was for the residency program creation. Ms. Jessup continued with the FY 2020 line item request, which the Governor recommended in the amount of \$120,000 which would increase the support for the medical residencies in Idaho and expand residency offerings.

To listen to this presentation [click here](#).

ADJOURN: There being no further business to come before the Committee, **Chairman Youngblood** adjourned the meeting at 10:49 am.

Representative Youngblood
Chair

Donna Warnock
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Thursday, January 24, 2019

TIME	DESCRIPTION	PRESENTER
	<i>(LSO Analyst: Robyn Lockett)</i>	
8:00	Public School Support , LBB 1-3 Public School Support - Questions and Answers	Sherri Ybarra, Superintendent of Public Instruction
9:30	<i>Break</i>	
9:40	Superintendent of Public Instruction (Department of Education), LBB 1-121	Sherri Ybarra, Superintendent
10:10	Educational Services for the Deaf & Blind, LBB 1-41	Brian Darcy, Administrator

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Thursday, January 24, 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: **Co-Chairman Bair** called the Joint Finance-Appropriations Committee (Committee) (JFAC) to order at 8:00 a.m.

AGENCY

PRESENTATION: **STATE DEPARTMENT OF EDUCATION (SDE)**

PRESENTER: **Sherri Ybarra, State Superintendent of Public Instruction**

The State Department of Education's three strategic goals supports its vision of sustaining schools and aligning resources to provide strong local education systems. The strategic goals are: (1) all Idaho students persevere in life and are ready for college and careers; (2) all education stakeholders in Idaho are mutually responsible for accountability and student progress; and (3) Idaho attracts and retains great teachers and leaders. The Fiscal Year (FY) 2020 budget request reflects these goals and the priorities of superintendents, principals, teachers, trustees, business leaders, parents and students.

Ms. Ybarra reflected on progress stemming from the Governor's Task Force for Improving Education recommendations of 2013, including the teacher career ladder, mastery-based education, technology devices and software, teacher training, Advanced Opportunity programs, and early literacy support. The Legislature also funded training for teachers on new science standards.

High school graduation rates over the past five years are at 82 percent, and 18 schools achieved 100 percent graduation for 2018.

LSO STAFF

PRESENTER: **Robyn Lockett, Analyst, Legislative Services Office (LSO)** Ms. Lockett reviewed the FY 2018 appropriations and expenditures, and the FY 2019 appropriation.

Ms. Ybarra reviewed highlights from the SDE's FY 2020 budget request of \$1,916,000,000, a 6.8 percent increase in General Fund dollars, excluding the Idaho School for the Deaf and the Blind. Most of the proposed increase for FY 2020 would be spent on statutory requirements, including a \$48,000,000 increase for the teacher career ladder in order to retain and recruit qualified teachers. **Ms. Ybarra** stressed the importance of a continued investment in the career ladder.

In addition to the career ladder, the SDE requests \$11,900,000 to fund the first year of master education premiums for teachers who meet certain requirements and show evidence of mastery in instructional techniques and professional practices. Approximately 25 percent of Idaho educators may qualify for this premium. The State Board of Education will oversee review of qualifications to determine premium awards.

Other significant line item requests include Idaho Safe & Drug-Free Schools; Advanced Opportunities; Mastery-Based Education; Math Initiative, Technology, Professional Development; Teacher Pipeline Initiative; Keep Idaho Students Safe; and increases in operational funding.

DISCUSSION:

In answer to questions from the Committee, **Ms. Ybarra** and **Karen Seay**, SDE, Director of Federal Programs, confirmed that neither the state nor the federal government dictates curriculum in Idaho public schools. Federal dollars do support Title I schools, serving low-income communities, with additional resources and professional development.

Gideon Tolman, Division of Financial Management, Office of the Governor, explained that the Governor did not recommend the SDE's FY 2020 request of \$1,050,000 for expansion of mastery based education. The Governor plans to form a public education task force to engage all stakeholders, educators and interested parties to review programs and to recommend future needs.

Additional funding in mastery-based education would expand the program from 19 incubator schools to a total of forty. **Ms. Ybarra** suggested that up to 50 school districts are waiting to be included in the program. The SDE is reviewing federal testing requirements to ensure that the program meets standards while still maintaining flexibility.

Tim Hill, Deputy Superintendent, Public School Finance, SDE, fielded questions and responded in depth concerning growth in student population and funding needs.

Chris Campbell, Chief Technology Officer, SDE, discussed school technology needs.

Ms. Ybarra stated that she has served on the Interim School Funding Formula Committee. Legislation is now in committees and until the legislation is finalized, she cannot predict how the funding formula may impact the FY 2020 budget request.

Ms. Ybarra emphasized the progress that has been made in Idaho which now ranks 25th in the nation for achievement. Its mastery-based education program has attracted attention from several states desiring to emulate Idaho's model. Idaho's reading achievement outpaces all other states, except two. **Ms. Ybarra** urged the Committee to stay the course on current programs to advance positive outcomes. In speaking with parents, teachers, students and stakeholders around the state, **Ms. Ybarra** relayed their concern and priorities regarding educator shortages and school safety.

A detailed discussion ensued concerning proposed changes in the school funding formula and its implications. See [Presentation](#) and [Audio](#).

AGENCY

PRESENTATION: **SUPERINTENDENT OF PUBLIC INSTRUCTION**

PRESENTER: **Sherri Ybarra, Superintendent of Public Instruction**

Ms. Ybarra reported that the proposed FY 2020 technical budget for the Superintendent of Public Instruction (Superintendent) is a maintenance budget with no enhancements other than standard replacement items and one Full Time Position (FTP).

Three guiding principles direct the Superintendent: (1) the needs of children must drive any necessary change; (2) every student can learn and must have a highly effective teacher in every classroom; and (3) current and new resources must focus on the demands of the 21st Century.

LSO STAFF

PRESENTER: **Robyn Lockett, Analyst, LSO**

Ms. Lockett reviewed the FY 2018 budget and expenditures. The Superintendent received a total appropriation of \$38,818,000. A transfer of \$375,100 was made from operating expenditures to capital outlay and trustee and benefit payments to purchase miscellaneous equipment. The Superintendent reverted \$8,820,100, approximately 23 percent of the budget, which was in the federal grant fund and other dedicated funds. Total FY 2018 expenditures were \$30,005,000.

In FY 2019, the Superintendent received a Program Maintenance budget of \$39,663,000 that included funding for two line items and 142 full time positions. A legislative requirement restricted any funding from this appropriation for a statewide wireless contract.

Ms. Ybarra presented the Superintendent's FY 2020 budget request of \$40,059,000 which includes an FY 2019 supplemental request for an additional FTP for a crisis communication counselor. The Governor did not recommend this position.

Other requests: \$203,200 in replacement items which includes four network servers, switches and other technology equipment; statewide cost allocation; annualizations and Change in Employee Compensation (CEC).

The Superintendent's request totals \$40,059,000. The Governor's recommends \$40,021,800.

AGENCY

PRESENTATION: EDUCATIONAL SERVICES FOR THE DEAF AND BLIND

PRESENTER: Brian Darcy, Administrator, Educational Services for the Deaf and Blind
Mr. Darcy explained that the Idaho Bureau of Educational Services for the Deaf and Blind (Idaho Bureau) provides a continuum of supplemental educational services for all students across the state who are deaf, blind, or impaired, from birth to age 21. Services are based on the need of service, not necessarily the severity of the disability. Services include hearing or visual enhancement devices for those in public school, as well as a residential campus in Gooding, ID. At the present time, the Idaho Bureau serves approximately 2,100 students plus 95 students at the residential campus. The Idaho Bureau works closely with the Department of Health and Welfare to identify infant children and to teach parents compensatory skills for their child to lay the foundation for future education. The Idaho Bureau currently serves 114 babies and toddlers.

In addition to core education, the Idaho Bureau provides guidance in job interviewing and behavior, interviewing skills, and summer jobs, funded by a vocational rehabilitation grant. Twenty-seven students have participated in the program, and all were hired into positions after their summer employment. The National Deaf Center has identified the Idaho Bureau in the top five for numbers of students graduating from high school, top five for number of students obtaining employment, and number one for students completing their bachelor's degrees.

LSO STAFF

PRESENTER: Robyn Lockett, Analyst, LSO
The FY 2018 total appropriation and estimated expenditures were \$10,884,300. After adjustments for replacement items, CEC and Endowments, less benefits cost, the FY 2019 base Program Maintenance Budget was \$10,763,500. The Idaho Bureau received three line items for career ladder equivalence, a hydraulic snowplow attachment and portable auditory response testing equipment resulting in a FY 2019 request of \$10,979,400.

Mr. Darcy underscored the need for teachers who both have a degree in communication skills for the deaf and compensatory skills, such as Braille and orientation mobility for blind students. The Idaho Bureau competes nationally for qualified teachers.

Ms. Lockett reviewed specific FY 2020 budget requests for replacement items totalling \$147,600: an ongoing General Fund request of \$279,800 to bring Idaho Bureau teachers to public school salary equivalency; ongoing General Fund request of \$86,700 for a speech-language pathologist to address increasing campus enrollment; an ongoing General Fund request of \$76,700 for an IT specialist; a ongoing General Fund request of \$79,500 for a licensed sign language interpreter for the campus program; an ongoing General Fund request of \$69,200 to move temporary paraprofessional positions to permanent paraprofessional positions; an ongoing operating expenditure for technology funding and an ongoing General Fund request of \$82,300 for a certified orientation and mobility instructor.

The Idaho Bureau FY 2020 request totals \$11,673,500. The Governor recommends \$11,373,200.

DISCUSSION: A discussion followed which elaborated on early detection outreach, teacher training, language development, and transportation logistics of the resident school in Gooding, ID. See [Presentation](#) and [Audio](#).

ADJOURNED: Having no further business before the Committee, **Chairman Bair** adjourned the meeting at 10:23 a.m.

Senator Bair
Chair

Elaine Leedy
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Friday, January 25, 2019

TIME	DESCRIPTION	PRESENTER
BUDGET HEARINGS		
<i>(LSO Analyst: Janet Jessup)</i>		
8:00	Scholarships and Grants, LBB 1-113	Matt Freeman, Executive Director <i>State Board of Education</i>
8:15	Boise State University, LBB 1-55	Martin Schimpf, Interim Institution President
Office of the State Board of Education		
8:55	Systemwide Programs – Colleges & Universities, LBB 1-113	Matt Freeman, Executive Director <i>State Board of Education</i>
9:05	Boise Internal Medicine Residencies, LBB 1-87	Dr. Melissa "Moe" Hagman, Program Director
9:25	Psychiatry Residencies, LBB 1-87	Dr. Kirsten Aaland, Program Director
9:45	<i>Break</i>	
9:55	Division of Vocational Rehabilitation, LBB 1-127 <i>(LSO Analyst: Jill Randolph)</i>	Jane Donnellan, Administrator
10:15	Commission for the Blind and Visually Impaired, LBB 6-51 <i>(LSO Analyst: Jill Randolph)</i>	Beth Cunningham, Administrator

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Friday, January 25, 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: Co-Chairman Youngblood called the Joint Finance-Appropriations Committee (Committee) (JFAC) to order at 8:00 a.m.

AGENCY PRESENTATION: **SCHOLARSHIPS AND GRANTS, OFFICE OF THE STATE BOARD OF EDUCATION**

PRESENTER: **Matt Freeman, Executive Director, Office of the State Board of Education**
The Office of the State Board of Education (OSBE) manages the state funded scholarships and grants among five “special” programs for students attending Idaho post-secondary institutions. One and one-half Full Time Positions oversee the \$15,000,000 budget.

LSO STAFF PRESENTER: **Janet Jessup, Analyst, LSO**
Ms. Jessup reviewed the Fiscal Year (FY) 2018 appropriation and expenditures. OSBE reverted \$2,457,800 primarily in federal funds. In FY 2019, OSBE received one line item that added \$3,500,000 for Opportunity Scholarships.
Director Freeman reported that, in FY 2019, nearly \$12,500,000 has been spent on Opportunity Scholarships; however, no funds are available for an additional 221 students who have earned awards. **Director Freeman** projected that OSBE will fully expend its Opportunity Scholarship appropriation in FY 2019.
In FY 2020, OSBE requested \$23,155,300 in scholarships and grants. The Governor recommends \$27,756,200 due to specific line item requests. OSBE requests \$1,400,000 for GEARUP scholarships, which the Governor also recommends. **Director Freeman** commented that the \$1,400,000 for GEARUP scholarships constitutes spending authority for this federal grant.
In addition, the Governor recommends \$7,000,000 ongoing from the General Fund to expand the Opportunity Scholarship to serve more eligible applicants. The \$7,000,000 recommended by the Governor for Opportunity Scholarships would fund another 2,000 scholarship at the full award amount of \$3,500. The award is merit and need based, and would constitute significant help in addressing access and affordability. **Director Freeman** discussed award timing for the scholarship.

OSBE requested \$2,400,000 for the College Bridge Grant; however, this appropriation was not recommended by the Governor. See [Presentation](#) and [Audio](#)

AGENCY

PRESENTATION: **BOISE STATE UNIVERSITY**

PRESENTER: **Martin Schimpf, Interim Institution President**

President Schimpf described his deep roots and strong affinity for Idaho and especially for Boise State University (BSU) which has grown from a commuter college of 10,000 students into a doctoral research university now serving over 30,500 students. More students living on and around campus has created a vibrant living and learning environment. To reach those students who cannot attend classes on campus, BSU now offers 40 different degree programs that can be fully accessed online. To assist adults returning to college, BSU has partnered with CapEd credit union to provide an online undergraduate degree at a reduced cost.

BSU provides workshops and short courses for both on campus and online students that encourages students in the arts and humanities to develop skills beyond those of their majors, such as accounting, business leadership and basic computer coding. Similarly, BSU offers STEM students soft skills such as collaboration, communication and teamwork. These programs promote workplace readiness. The Legislature's previous support for Complete College Idaho has yielded a retention rate above the national average, and has called attention to BSU as one of the top fifty most innovative national universities.

BSU's budget request includes \$680,000 in occupancy costs for three new buildings on campus which were funded in part by the state private donors such as Micron. This amount represents half of the need for occupancy. Full funding is critical to maintain the level of coursework and support so that students to finish on time and on budget.

Interim President Schimpf also urged support for Opportunity Scholarships to ensure Idaho's economic prosperity.

LSO STAFF

PRESENTER:

Janet Jessup, Analyst, LSO

BSU's FY 2018 total appropriation was \$234,572,400 with expenditures of \$204,677,100. No reversions occurred in FY 2018.

In FY 2019, BSU was authorized to reappropriate \$37,009,100 of its unencumbered and unspent appropriation in dedicated from from FY 2018 into FY 2019. Nondiscretionary adjustments totalled \$2,362,600, and \$214,100 was appropriated for occupancy costs at BSU.

In FY 2020, the Governor recommended that inflationary adjustments and replacement items be funded from dedicated funds rather than the General Fund. Nondiscretionary adjustments total \$2,489,100 for an enrollment workload adjustment generated by calculating student credit hour levels over three consecutive years.

BSU requested a net increase of \$1,367,400 from the General Fund for occupancy costs associated with the Fine Arts Building, Micron Center for Materials Research Building, Campus Planning and Facilities Building, and the Alumni and Friends Center. The Governor recommended \$683,700 ongoing from the General Fund.

DISCUSSION:

In answer to questions from Rep. Raybould concerning “other student fees”, **President Schimpf** explained that these fees are separate from standard tuition and student fees. They include a graduate student fee, a non-resident fee, and a facilities fee.

In answer to questions from Rep. Amador, **President Schimpf** anticipates a tuition increase of approximately two percent. Approximately 50 percent of BSU’s operating budget is funded by tuition. A total of 5.2 percent would cover the inflationary funds shift and other mandatory items. Without those increases, BSU would need to cut spending from other areas.

In answer to questions from Senator Johnson regarding occupancy costs, **Director Freeman** summarized the recent history of the occupancy cost formula dating back to 2008 which is codified in State Board policy. Based on the Governor’s recommendation, the State Board of Education will review the formula and work with the Division of Financial Management to develop findings and recommendations.

A discussion ensued concerning the Governor’s funding strategies, tuition increases, and professional compensation. See [Presentation](#) and [Audio](#).

**AGENCY
PRESENTATION:
PRESENTER:**

**OFFICE OF THE STATE BOARD OF EDUCATION (State Board)
Systemwide Programs — Colleges and Universities**

Matt Freeman, Executive Director, State Board of Education

Director Freeman explained that the college and universities budget contains standard intent language that provides funds for projects and initiatives that benefit four-year institutions. Examples include the direct admissions program, Apply Idaho, a scholarship management system and online program inventory. Any funds not used for these tools and resources are distributed back to the institutions.

**LSO STAFF
PRESENTER:**

Janet Jessup, Analyst, LSO

In FY 2018, \$2,700 was reverted. In FY 2019, the State Board received funding for two line items: the Idaho Regional Optical Network (IRON) for \$800,000, and the Degree Audit and Data System for \$350,000.

Director Freeman reported that the \$800,000 for IRON covered increased maintenance and operations of IRON’s enhanced infrastructure and high speed connectivity for Idaho’s universities. The institutions will continue to cover their share of existing costs of participation through their individual budgets.

The Degree Audit and Data System was recommended by the 2013 Governor’s Task Force for Improving Education to provide the State Board with a centralized ability to assess student progress for degree-seeking populations and to serve a monitoring system to determine the rate at which students complete 25 percent of their bachelor’s degree in the first year. The system would also track students who take longer than six years to complete.

Director Freeman restated that his number one budget priority is to hire an Associate Chief Academic Officer to assist the current Chief Academic Officer whose work is overloaded.

**LSO STAFF
PRESENTER:**

Janet Jessup, Analyst, LSO

For Systemwide Programs, the State Board requested \$21,898,800. The Governor recommended \$6,375,800. Eight line items were requested; the Governor recommended only the Higher Education Dual Enrollment System in the amount of \$150,000.

Director Freeman explained that the dual enrollment registration system would create a single platform to allow students to easily navigate available courses, explore and select colleges, manage deadlines and thereby encourage participation. It would serve as a powerful recruitment tool for students and would improve access for rural and low-income student populations. **Director Freeman** noted the correlation between this platform and the Advanced Opportunities scholarship program.

The Committee asked several questions concerning cost savings. **Director Freeman** stated that the State Board's hope lies not particularly in cost savings, but in efficiencies. If savings occur, the State Board would want to reinvest in other student success initiatives.

The Committee asked several questions concerning dual credit courses and the impact on both students and community colleges. See [Presentation](#) and [Audio](#).

**AGENCY
PRESENTATION:**

Boise Internal Medicine Residencies (BIM)

PRESENTER:

Dr. Mellissa "Moe" Hagman, Program Director

BIM's 10-year strategic plan addresses a shortage of Idaho physicians by providing a three-year residency program in Boise after graduation from medical school. Residents receive training at the Veterans Administration Hospital and through the St. Luke's and St. Alphonsus health care systems. Ninety percent of internal medicine residents trained in Boise continue in adult primary care either in outpatient facilities or in hospitals. Ten percent of residents continue to fellowship training in specialties. Sixty-three percent of all graduating BMI residents remain in Idaho. BIM accepts nine applicants per year out of 1,200 applications.

**LSO STAFF
PRESENTER:**

Janet Jessup, Analyst, LSO

In FY 2018, BIM spent 100% of its appropriation. In FY 2019, one line item was appropriated as part of the 10-year strategic plan to increase the number of residents from eight to nine per year, and increase per resident support.

For FY 2020, BIM requested \$1,132,500. The Governor recommended \$875,000. The Governor approved of one line item at a recommended amount of \$257,500 from the General Fund to increase support for medical residencies in Idaho and to expand residency offerings. The recommendation would increase resident support from \$17,500 to \$20,000 per resident. The Veterans Administration will match this increase, moving the total support per resident from \$35,000 to \$40,000 for existing residents. Additionally, the recommendation would support three new residents at a rate of \$60,000 per resident.

The Committee asked questions concerning applicant recruiting and placement of medical students. See [Presentation](#) and [Audio](#).

AGENCY

PRESENTATION: **Psychiatry Residencies**

PRESENTER: **Dr. Kirsten Aaland, Program Director, Psychiatry Residencies**

Psychiatry treats mental health conditions such as depression, anxiety, substance use disorders, suicidal thoughts, and hallucinations. Psychiatrists complete four years of medical school and four years of residency training. Upon graduation, they have logged approximately 12,000 hours of supervised patient treatment. Idaho has one of the highest suicide rates in the country. Suicide is the second leading cause of death of Idahoans aged 15 to 34. Idaho has only 115 licensed psychiatrists

To address this need, the Psychiatry Residencies program was established in 2007 in partnership with the University of Washington. Typically residents spend their first two years of residency in Seattle and then transfer to Boise for their last two years where they train at the Veterans Administration Medical Center, St. Lukes and St. Alphonsus health care system, and at community sites. The Psychiatry Residencies program envisions a complete four year program in Idaho in FY 2021 with an increase from four to six residents per year.

LSO STAFF

PRESENTER:

Janet Jessup, Analyst, LSO

In FY 2018, the Psychiatry Education Program spent 100 percent of their appropriation. In FY 2019, the Program received a total appropriation of \$397,800 which included one line item of \$240,000 for residency costs. For 2020, the Psychiatry Education Program again requests \$397,800. The Governor recommends \$397,800.

AGENCY

PRESENTATION: **Division of Vocational Rehabilitation**

PRESENTERS: **Jane Donnellan, Administrator; Dr. Steven Snow, Executive Director**

The Division of Vocational Rehabilitation (Division) administers three distinct programs: vocational rehabilitation, extended employment services, and the Council for the Deaf and Hard of Hearing. Vocational Rehabilitation (VR), the Division's largest program, prepares individuals to obtain or retain employment based on their unique skills and abilities while meeting the needs of the employer. It receives both state and federal funds. Working with community employers, such as HP, the VR assists students in preparing for computer science positions. VR and WinCo are developing a training program to meet the demands of its business.

Increased fiscal and program requirements continue to strain the program. Without sufficient funds in the future, the VR would be required to create wait lists for services and, in turn, would hinder individuals from returning to work and becoming self-sufficient. VR faces difficulties in recruitment and training to retain qualified staff.

The Council for the Deaf and Hard of Hearing creates an environment for individuals to fully participate as citizens of Idaho. The extended employment services program supports employment for individuals with the most significant disabilities, including traumatic brain injury, specific learning disabilities and chronic mental illness.

**LSO STAFF
PRESENTER:**

Jill Randolph, Analyst, LSO

The Division' funding proportions are: Deaf and Hard of Hearing, approximately one percent; Extended Employment Services, approximately 15.6 percent, and VR which represents approximately 83.4 percent of total Division appropriation.

The FY 2018 appropriation included three adjustments: a net object transfer of \$12,300 for facilitated meetings requested by the providers; a net transfer from the VR to the Council for the Deaf and Hard of Hearing for personnel costs; and a receipt to appropriation for the sale of a vehicle and two small insurance adjustments. The Division reverted approximately 10.7 percent of their overall appropriation.

In answer to questions from the Committee, **Ms. Donnellan** stated that the Division of Vocational Rehabilitation does not have a waiting list for services.

Ms. Donnellan explained that, at the close of the 2018 Legislative Session, the Division initiated a series of meetings that included all providers, as well as Medicaid, to discuss long term employment support for those with the most significant disabilities. These meetings uncovered a significant cost difference between the reimbursement provision for extended employment services and reimbursement that the Medicaid waiver provides. The intent and purpose of both programs is the same. A subcommittee has developed several cost studies to investigate further.

The Division had four audit findings for FY 2017. Corrective action has been taken on all items. A final audit report is expected soon.

In FY 2019, the Division requested two line items: a half-time community outreach coordinator and a full-time Social Security reimbursement coordinator.

Dr. Steven Snow reported that the community outreach coordinator has had a very positive impact on accessibility issues and increased quality of life for deaf people throughout the state. Ms. Donnellan stated that without the services of the Social Security Reimbursement Coordinator, VR would not have been able to capture the full amount of Social Security reimbursements available and would not have been able to pursue the cost reimbursement program as a revenue stream. In school year 2018, the program was able to capture almost one million dollars in Social Security reimbursements.

Ms. Randolph detailed the FY 2020 budget requests, which includes a carryover of unencumbered and unspent appropriation of dedicated fund for FY 2018 into FY 2019 for a onetime rate increase to community rehabilitation providers in the amount of \$80,000. The carryover received legislative approval. The agency requested \$114,100 in replacement items; the Governor recommended \$94,100. The agency also requested, and the Governor recommended, \$8,000 from the General Fund to support the Idaho Council for the Deaf and Hard of Hearing to provide training opportunities for licensed interpreters. Dr. Snow explained that the \$8,000 would provide required online training and distance learning to licensed providers in rural areas.

Rep. Wintrow asked Dr. Snow why, as Director, he did not have a full time interpreter and how that impacted his job. **Dr. Snow** replied that their budget is very limited and he must prioritize with whom he can meet or which meetings to attend. Some meetings are time sensitive, yet it takes almost a week to schedule an interpreter. Lack of an interpreter is a definite barrier to communicating his expertise to other partners who are without the ability of access the deaf community. Funding for an interpreter has always been an issue.

AGENCY

PRESENTATION: **Commission for the Blind and Visually Impaired**

PRESENTER: **Beth Cunningham, Administrator**

The Commission for the Blind and Visually Impaired (Commission) provides vocational rehabilitation empowers the blind and visually impaired to pursue full and productive lives. The Commission serves the entire state, with offices in Boise, Twin Falls, Pocatello, Idaho Falls, Coeur d'Alene and Lewiston. The Commission also offers an assessment and training center in Boise where students come to learn computer literacy, braille, mobility with a cane, travel, industrial arts, job search skills and activities of daily living. The Commission provides independent living services to the older blind population, as well as vocational skills for students. The Commission employs 41.12 Full Time Positions.

LSO STAFF

PRESENTER: **Jill Randolph, Analyst, LSO**

The Commission is funded by six sources: the General Fund accounts for 29 percent of the total agency budget; federal funds are 64 percent, and approximately 7 percent is from four additional dedicated funds. In 2018, the Commission transferred \$68,800 from personnel costs into various other parts of their budget due to salary savings from retirements and leave without pay. In the General Fund, the Commission used salary savings for replacement of a vehicle. The Commission reverted \$204,700.

Ms. Cunningham reported that two 2017 audit findings have been corrected and will be closed at the next audit.

In FY 2019, the Commission requested one line item for IT/Telecommunications.

For FY 2020, the Commission requested \$27,900 to replace a passenger van which has 140,000 miles. The Governor has supported this request. The Commission also requested \$9,600 to upgrade to Microsoft 365 to assist with security and functionality of their computer system.

The total FY 2020 agency request was \$5,073,700; The Governor recommended \$5,096,300.

DISCUSSION: In answer to questions from Rep. Kauffman, **Ms. Cunningham** reported that the Boise training facility generally serves 12 students at a time, age 18 to 70.

ADJOURNED: Having no further business before the Committee, **Chairman Bair** adjourned the meeting at 10:46 a.m.

Senator Bair
Chair

Elaine Leedy
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Monday, January 28, 2019

TIME	DESCRIPTION	PRESENTER
	BUDGET HEARINGS <i>(LSO Analyst: Jared Tatro)</i>	
8:00	Department of Health and Welfare, LBB 2-7 Director's Overview	Dave Jeppesen, Director
8:20	Indirect Support Services, LBB 2-27	David Taylor, Deputy Director
8:45	Public Health Services, LBB 2-57	Elke Shaw-Tulloch, Division Administrator
9:30	<i>Break</i>	
9:40	Health Care Policy Initiatives, LBB 2-81	Lisa Hettinger, Deputy Director
10:00	Licensing and Certification, LBB 2-85	Tamara Prisock, Division Administrator

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Monday, January 28, 2019
TIME: 8:00 A.M.
PLACE: Room C310
MEMBERS PRESENT: Senators Co-chairman Bair, Johnson, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, and Nye.
Representatives Co-chairman Youngblood, Horman, Anderson (Nate Anderson), Amador, Kauffman, Raybould, Syme, Troy, Wintrow, and Toone.
ABSENT/ EXCUSED: Senator Lee
CONVENED: **Co-Chairman Bair** called the Joint Finance-Appropriations Committee (Committee) (JFAC) to order at 8:00 a.m.

AGENCY PRESENTATION: **DEPARTMENT OF HEALTH AND WELFARE**
Director's Overview

PRESENTER: **Dave Jeppesen, Director**
The Department of Health and Welfare's (DHW) key strategic goal is to promote healthier, safer and self-sufficient Idahoans by delivering accessible and affordable health care to vulnerable Idaho children and adults in partnership with private services providers.

DHW includes several divisions, including family and community services, welfare, Medicaid, public health care policy, behavioral health, licensing and certification, and others.

Director Jeppesen emphasized DHW's five budget priorities for FY 2020:
(1) suicide prevention to decrease suicide in Idaho by 20 percent by 2025;
(2) child welfare initiative to help children and families to gain stability;
(3) children's development disability services to reach children earlier in life;
(4) healthcare reform to provide affordable health care by rewarding providers for healthy outcomes rather than volume; and
(5) workplace safety improvements, including building improvements, security officers and technology to keep DHQ offices safe and violence free.

Medicaid expansion, approved by voters in November 2018, expanded eligibility requirement to all Idahoans with incomes up to 138 percent of the federal poverty level. Implementation of the expanded program is targeted for January 1, 2020 and will require additional funding.

LSO STAFF PRESENTER: **Jared Tatro, Analyst, LSO**
The DHW Organization Chart shows twelve budgeted areas, plus Independent Councils which is grouped into DHW for budget purposes only. Each budget division will present separately to JFAC.

For the entire DHW, the Legislature appropriated 2,922.71 Full Time Positions (FTPs) in its original FY 2019 appropriation. Requested changes for FY 2019 and FY 2020 would increase the agency's FTP to 2,940.11. The Governor recommended 2,931.11. As of January 8, 2019, DHW had 205.19 vacancies, or approximately 5%.

In FY 2018, the appropriation totalled \$2,920,934,800, broken down by budget division. The FY 2019 appropriation totalled \$3,053,280,000. Personnel and operating expenditures account for 14.5 percent of the FY 2019 appropriation.

The proposed DFW FY 2020 budget totalled \$3,221,872,000 which included 35 line items. The Governor recommended \$3,394,290,600.

The committee requested clarification of several figures concerning Medicaid expansion. See [Presentation](#) and [Audio](#).

AGENCY

PRESENTATION: **Indirect Support Services**

PRESENTER: **David Taylor, Deputy Director**

LSO STAFF

PRESENTER: **Jared Tatro, Analyst, LSO**

The Indirect Support Services (ISS) division provides department-wide management and support for the DHW's twelve budgeted divisions. It includes Financial Services, Audit and Investigations, Information Technology, and Operational Services, such as human resources, contracting and procurement. Indirect Support Services operates with 299.60 FTP and has 14.70 vacancies. Funding sources include the General Fund, and dedicated and federal funds.

In FY 2018, ISS received a total appropriation of \$46,381,700 and reverted \$3,120,200. Total expenditures were \$43,565,900.

In FY 2019, ISS received a total appropriation of \$48,720,200, which included six approved line items: Cisco Enterprise license agreement, State Controller's Office mainframe costs; criminal history unit new staff, Medicaid integrity unit new staff, fraud analysis new staff and criminal history unit grant. **Deputy Director Taylor** updated the Committee on the status of the line items.

For FY 2020, ISS requested \$3,042,400 in replacement items which included facility alteration and repair projects, vehicles, firewall clusters, and computer equipment. The Governor did not recommend replacement of computer equipment. ISS also requested \$345,200 from the General Fund and \$345,200 in federal funds for workplace safety improvements. This request would cover year two of a three-year strategic initiative to serve customers in a safe environment by providing employees with tools and resources for preventing or responding to potentially violent situations. **Deputy Director Taylor** provided details of this initiative. The Governor recommended this line item.

For FY 2020, ISS requests a total appropriation of \$50,143,500. The Governor recommended \$49,877,800.

Deputy Director Taylor fielded questions from the Committee concerning personnel vacancies. See [Presentation](#) and [Audio](#).

AGENCY
PRESENTATION: PUBLIC HEALTH SERVICES
PRESENTER: Elke Shaw-Tulloch, Division Administrator

LSO STAFF
PRESENTER:

Jared Tatro, Analyst, LSO

Public Health Services (PHS) is divided into four budgeted areas: physical health services, emergency medical services, laboratory services and suicide prevention and awareness. In addition, PHS is further divided into ten different bureaus, or centers. Funding sources include federal grants, dedicated funds, statutory distributions from the General Fund and commercial rebates. PHS works in cooperation with seven public health districts to implement many of the federal grants. PHS currently operates with 237.02 FTPs and have requested 6.0 more FTPs for FY 2019 and 1.0 FTP for FY 2020. Current vacancies are 11.25 FTPs.

In FY 2018, PHS received a total appropriation of \$166,831,700. PHS reverted \$17,247,100, primarily from dedicated funds. Actual expenditures were \$99,816,100, and \$17,015,600 remained unspent. Some of the unspent funds resulted from timing issues with federal grants and from the dedicated Vaccine Fund which is subject to the number of children eligible for vaccines.

Ms. Shaw-Tulloch explained a 2017 audit finding concerning payroll documentation. Corrective action was implemented on July 1, 2018.

In FY 2019, PHS received a total appropriation of \$120,787,300, including nine line items. **Ms. Shaw-Tulloch** detailed progress on several items, including the Women, Infants and Children program implementation which will replace a paper voucher system for an electronic benefit system.

Ms. Shaw-Tulloch reported on increased efforts for suicide prevention and awareness in schools. In granting appropriation for suicide prevention, the Legislature added specific intent language requiring Office of Suicide Prevention and Awareness Program to submit a complete plan by August, 2018, and to present a budget request to the 2019 legislative session that would fully implement the plan. **Ms. Shaw-Tulloch** reported that PHS developed a five-year suicide prevention plan which included twelve goals and over 60 objectives. Continued refinements and an FY 2019 one-year prioritized action plan provided a foundation for the 2020 budget request.

For FY 2020, PHS requested, and the Governor recommended, \$1,026,100 ongoing from the General Fund for Suicide Prevention and Awareness, and \$259,700 from the General Fund for the Tuberculosis Program. **Ms. Shaw-Tulloch** spoke in depth about these programs.

The Governor recommended increased funding for 1.0 FTP for a Chronic Disease Health Education Specialist but did not recommend the addition of 1.0 FTP for the Food Protection Program. **Ms. Shaw-Tulloch** discussed PHS's request for \$116,000 for the Cancer Data Registry. PHS has determined they can redirect some existing funding into this program and, therefore withdrew the request.

For FY 2020, PHS requested a total of \$125,113,000. The Governor recommended \$125,243,900.

In answer to questions from the Committee, **Ms. Shaw-Tulloch** discussed tuberculosis in Idaho and an advanced directive registry. See [Presentation](#) and [Audio](#).

AGENCY

PRESENTATION: HEALTHCARE POLICY INITIATIVES

PRESENTER: Lisa Hettinger, Deputy Director

LSO STAFF

PRESENTER: Jarad Tatro, Analyst, LSO

The Healthcare Policy Initiatives Program (Department) was established in 2015 to administer the State Healthcare Innovation Plan (SHIP) and other statewide health policy initiatives focused on improving Idaho's health care system. The SHIP funding was a 5-year grant. When it was originally funded, JFAC had the understanding that, at the conclusion of the grant, all of the federal dollars and FTPs would need new funding and JFAC would reevaluate the Department's function moving forward. The SHIP grant will end on June 30, 2019.

In FY 2018, JFAC appropriated \$255,700 from the General Fund, and the SHIP grant provided an additional \$12,687,000 to the Department. Actual expenditures were \$10,141,600 and \$2,801,100 was reverted.

In FY 2019, the Department received an original appropriation of \$17,945,400, which included \$5,000,000 from federal funds (SHIP grant). Two supplemental requests were (1) a program transfer of \$3,100,000 in federal funds from the Health Care Policy Initiatives Program to the Physical Health Services Program for eleven previously awarded federal grants, and (2) a rescission of \$375,000 in ongoing trustee and benefit payments for Graduate Medical Education at Idaho State University.

The Department submitted its 2019 annual report to the Legislative Services Office and the Division of Financial Management on January 31, 2018 to JFAC on January 24, 2019.

For FY 2020, the department requests 7.00 FTP and \$795,900 to continue payment reform for health care related costs. The request includes \$605,300 in ongoing personnel costs and \$190,600 in ongoing operating expenditures. Funding for the request includes \$396,800 from the General Fund and \$399,100 from dedicated funds, with dedicated revenue anticipated from private and public grants. The department does not have any financial commitments from these sources. The Governor recommended \$799,400, with a shift of \$185,100 from the General Fund to federal funds.

Ms. Hettinger urged the Committee to persevere to slow the growth of insurance premiums, co-pays and deductibles while improving the quality of care without restricting access to Idaho's provider community. Health care industry leaders have formed the Healthcare Transformation Council of Idaho (HTCI) and are committed to making difficult changes within their organizations to achieve the goal of affordable healthcare. They have requested that HTCI continues.

DISCUSSION:

In response to questions from the Committee, **Ms. Hettinger** expanded on the work of HTCI. See [Presentation](#) and [Audio](#)

AGENCY

PRESENTATION: LICENSING AND CERTIFICATION

PRESENTER: Tamara Prisock, Division Administrator

LSO STAFF

PRESENTER: Jared Tatro, Analyst, LSO

The Licensing and Certification Division (Division) was established in 2013. The program surveys, inspects, licenses and certifies health care facilities that require certification or licensure by either state or federal requirements. The work includes initial site visits, staffing plan review, complaint investigation and training for facilities and providers.

Revenue for this program is generated from applicant fees and other federal sources, primarily Title 18 Medicare and Title 19 Medicaid. The Division currently operates with 71.90 FTPs with seven vacancies.

In FY 2018, the Division received \$6,895,700 in appropriations. Expenditures were \$6,938,400.

In FY 2019, the Division received \$7,321,500 which included the addition of two FTPs to conduct surveys at assisted living facilities.

Ms. Prisock explained that the Division of Licensing and Certification struggles to hire register nurses with credentials and expertise to survey skilled nursing and other facilities. In order to perform the Division's function, it transferred personnel costs from unfilled positions to contract with outside surveyors. The Division is actively recruiting for its unfilled positions.

Initial surveys are usually completed within 90 days of notice from the facilities. The Division prioritizes initial certifications but does have overdue recertifications for nursing and assisted living facilities. Other priority work involves facilities with deficiencies which could lose funding if correction and recertification is delayed.

Mr. Tatro stated that the biannual report on the status of facility licensing and certifications and work issues was submitted to the Legislative Services Office and Division of Financial Management on December 21, 2018 and provided to JFAC on January 24, 2019.

For FY 2020, the Division requested 3.0 FTPs. Two of these positions would provide technical assistance and training to facilities seeking certification or recertification. The Governor did not recommend this request. In answer to questions from **Sen. Agenbroad, Sara Stover**, Analyst, Division of Financial Management (DFM), Office of the Governor, explained that since the positions requested were support for the survey teams, other priorities within the agency and the Governor's budget statewide took priority.

For FY 2020, the Division requested \$7, 636,300. The Governor recommended \$7,450,000.

ADJOURNED: Having no further business before the Committee, **Chairman Bair** adjourned the meeting at 10:55 a.m.

Senator Bair
Chair

Elaine Leedy
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Tuesday, January 29, 2019

TIME	DESCRIPTION	PRESENTER
	BUDGET HEARINGS <i>(LSO Analyst: Jared Hoskins)</i>	
8:00	State Appellate Public Defender, LBB 5-113	Eric Fredericksen, State Appellate Public Defender
8:30	Public Defense Commission, LBB 5-97	Kathleen Elliot, Executive Director
9:00	Attorney General, LBB 6-27	Lawrence Wasden, Attorney General
9:30	<i>Break</i> <i>(LSO Analyst: Rob Sepich)</i>	
9:40	Department of Fish and Game, LBB 4-11	Ed Schriever, Director
10:40	Office of Species Conservation, LBB 6-103	Scott Pugrud, Administrator

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Tuesday, January 29, 2019

TIME: 8:00 A.M.

PLACE: Room C310

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

Representatives Co-chairman Youngblood, Horman, Anderson(Anderson), Amador, Kauffman, Raybould, Syme, Troy, Wintrow, Toone

ABSENT/ EXCUSED: None

CONVENED: **Chairman Youngblood** called the meeting to order at 8:00 am.

AGENCY PRESENTATION: **State Appellate Public Defender**

Eric Fredericksen, Appellate Public Defender

Mr. Fredericksen gave an overview of the State Appellate Public Defender (SAPD) program stating it was developed to take the burden off of counties for handling appeals.

LSO STAFF PRESENTATION: **Jared Hoskins, Principal Budget & Policy Analyst**, reviewed the organization chart, noting the difference between the Capital Unit and the Appellate unit. He continued with the FY 2018 actual expenditures, highlighting the reversions, net object transfer and the analysis of fund balances. Mr. Hoskins noted for FY 2019, there was a removal of onetime expenditures for replacement items for computer equipment and office furniture associated with the new legal assistant. He continued there were inflationary adjustments and replacement item requests. Mr. Hoskins noted the FY 2020 Governor Tech enhancements.

Mr. Fredericksen reviewed the FY 2019 line items and provided an update on the status of their implementation.

1. Legal Assistant — position has been filled.
2. Hearing Travel Costs — a portion of this money has been used.

In response to Committee questions **Mr. Hoskins** responded the Capital Crimes Defense Fund (CCDF) is managed by the Association of Counties.

To listen to this presentation please [click here](#).

AGENCY PRESENTATION: **Public Defense Commission**

Kathleen Elliot, Executive Director

Executive Director Elliot stated the Public Defense Commission was created pursuant to **Section 19-849, Idaho Code**, the commission consists of nine members.

LSO STAFF PRESENTATION: **Jared Hoskins, Principal Budget & Policy Analyst**, reviewed the organization chart, noting it is one budgeted division, program and fund source. He continued with the FY 2018 actual expenditures, highlighting the reversions, net object transfer and the trustee and benefit payments.

Mr. Hoskins reviewed the language that has been used the last two years in the appropriation bill of the Public Defense Commission. He noted Section 3 is the language that specifies trustees benefit payments and Section 4 prohibits the transfer and encumbrance of amounts appropriated as trustee and benefit payments. Mr. Hoskins continued in 2017 the prior Executive Director had approved some prior distributions for extraordinary litigation costs, that were related to expert witness fees, those were anticipated to be used in the following eighteen months. The agency encumbered those funds without services being provided and there was approximately \$15,300 in encumbrances were erroneously liquidated in the same year they were encumbered. That led to double counting of those funds in expenditures and encumbrance that caused some accounting issues which lead to some transparency issues. Although, the merit of distributing the funds for the extraordinary litigation cost, expert witness fees, has never been questioned, the Legislature did add language to the agencies appropriation bill to prohibit encumbrances in conformance with the technical requirements, **Section 67-3521, Idaho Code**. The LSO staff and JFAC members have been working with the new Director and Division of Financial Management (DFM) to help the agency find alternative ways to distribute the ELC funds.

In response to Committee questions, **Mr. Hoskins** stated that aside from the Office of Technology Information and the Workforce Council was created, the Public Defense Commission was the newest agency created, and has since had an austere budget.

To listen to this presentation please [click here](#).

AGENCY

Attorney General

PRESENTATION: Lawrence Wasden, Attorney General

Attorney General Wasden gave a brief overview of the Attorney General's office, stating there are two important functions of the Attorney General's office. One is to provide legal advice before clients make a decision and second is to advocate on behalf of clients after they make a decision. Attorney General Wasden continued his presentation speaking on continuing litigation, the Consumer Protection Division enforcement matters, settlements and Medicaid recoveries. Attorney General Wasden reviewed the FY 2018 actual expenditure line items, the following FY 2020 line items: E-Discovery Software, Data Backup, Administrative Assistant increase in hours and criminal disability investigations. Attorney General Wasden stated the lump sum spending authority is a critical tool for actively managing the Attorney General's office budget by providing resources where they are needed most.

To listen to this presentation please [click here](#).

AGENCY

Department of Fish and Game

PRESENTATION: Ed Schriever, Director

Director Schriever introduced staff that were present and he continued with an overview of the Department of Fish and Game. Director Schriever stated no tax dollars or general fund dollars are used to fund this department, it comes from revenue of licenses and fees.

LSO STAFF

Rob Sepich, Budget & Policy Analyst reviewed the organizational chart, the FY 2018 actual expenditures, noting the net object transfer and reversions. Mr. Sepich continued with the comparative summary of the agency requests and the Governor's recommendation.

Director Schriever reviewed the larger FY 2019 JFAC action line items and the following FY 2020 line items: 1) Endangered Species Habitat Projects, 2) Albeni Falls Mitigation Project, 3) New Headquarters Lease Payments, 4) Fish Screening and Angler Access, 5) Hagerman Hatchery Biosecurity, 6) Hatchery Trout Production Increases and 7) Fort Boise Water Control Structure.

In response to Committee questions, **Director Schriever** responded the \$350,000 is for replacement of housing at the Tex Creek Wildlife Management Area. Director Schriever continued the trespass bill is being enforced with current staff.

To listen to this presentation please [click here](#).

AGENCY **Office of Species Conservation**
PRESENTATION: **Scott Pugrud, Administrator**

Administrator Pugrud gave an overview of the Office of Species Conservation stating **Section 67–818, Idaho Code** is to provide coordination and cooperation among and between various state and federal agencies with responsibilities for species management under the Endangered Species Act.

LSO STAFF **Rob Sepich, Budget & Policy Analyst** reviewed the organizational chart, **PRESENTATION:** the following FY 2018 actual expenditures, noting the net object transfer and reversions. Mr. Sepich continued with the comparative summary of the agency requests and the Governor’s recommendation. Mr. Sepich continued with the FY 2020 Governor’s recommendation for Gov Tech 1 — Network Equip Replacement, Gov Tech 2 — Mobile Device Security and Gov Tech 4 — Modernization, Admin Billing.

Administrator Pugrud discussed the FY 2019 JFAC action line items and the following line item for FY 2020; Salmon Habitat Grant for \$640,000, which was also recommended by the Governor.

To listen to this presentation please [click here](#).

ADJOURN: There being no further business to come before the Committee, **Chairman Youngblood** adjourned the meeting at 10:31 am.

Representative Youngblood
Chair

Donna Warnock
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Wednesday, January 30, 2019

TIME	DESCRIPTION	PRESENTER
	<i>(LSO Analyst: Jill Randolph)</i>	
8:00	Department of Administration, LBB 6-7	Bryan Mooney, Director
8:30	Bond Payment Program, LBB 6-17	Jill Randolph, Budget Analyst <i>LSO Budget & Policy</i>
8:40	Permanent Building Fund, LBB 6-21	Jan Frew, Administrator <i>Division of Public Works</i>
9:10	Capitol Commission, LBB 6-13	Andy Erstad, Chairman
9:20	<i>Break</i>	
9:30	Idaho Public Television, LBB 1-105	Ron Pisaneschi, General Manager
9:50	Commission on Hispanic Affairs, LBB 5-63	Margie Gonzales, Executive Director
10:05	JFAC Action on Supplemental Appropriations	
	DEPARTMENT OF HEALTH & WELFARE	
	I) Public Health Services (p.10, #12) Various Federal Health Grants, LBB 2-59	Jared Tatro, Principal Analyst <i>LSO Budget & Policy</i>
	II) Division of Services for Developmentally Disabled (p.8, #6) Various Federal Health Grants, LBB 2-21	
	III) Division of Medicaid (p.9, #10) Various Federal Health Grants, LBB 2-37	
	IV) Division of Welfare (p.12, #15) Various Federal Health Grants, LBB 2-79	
	(V) Healthcare Policy Initiatives (p.12, #16) Various Federal Health Grants, LBB 2-83	
	DEPARTMENT OF REVENUE & TAXATION Board of Tax Appeals (p.26, #54) New Lease-New Space, LBB 6-152	Keith Bybee, Deputy Manager <i>LSO Budget & Policy</i>
	DEPARTMENT OF REVENUE & TAXATION State Tax Commission (p.27, #55) Additional Moving Costs, LBB 6-159	Keith Bybee, Deputy Manager <i>LSO Budget & Policy</i>

DEPARTMENT OF REVENUE & TAXATION
State Tax Commission
(p.27, #57) Trailer to H492 of 2018, LBB 6-159

Keith Bybee, Deputy Manager
LSO Budget & Policy

DEPARTMENT OF REVENUE & TAXATION
State Tax Commission
(p.28, #58) Property Tax Education, LBB 6-160

Keith Bybee, Deputy Manager
LSO Budget & Policy

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Wednesday, January 30, 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: **Co-Chairman Bair** called the Joint Finance-Appropriations Committee (Committee) (JFAC) to order at 8:00 a.m.

**AGENCY
PRESENTATION:** **DEPARTMENT OF ADMINISTRATION**

**AGENCY
PRESENTER:** **Bryan Mooney, Director, Department of Administration (Department)**
The Department of Administration provides central business management and support services to state government agencies and policymakers. The Department procures goods and services at the best price, provides health, dental and life insurance for state employees, adjudicates claims for disability arising from workplace injury, and delivers Statehouse mail. In addition, the Department helps state agencies design, construct and remodel facilities under appropriate codes, including the Department of Corrections, Capitol Mall, Chinden Campus, and state office buildings in Lewiston and Idaho Falls.

**LSO STAFF
PRESENTER:** **Jill Randolph, Analyst, Legislative Services Office (LSO)**
In FY 2018, the Department received a total appropriation of \$27,922,800 and reported expenditures of \$23,016,100. A total of 17.6 percent of their total appropriation was reverted.

In FY 2019, the Department received a total appropriation of \$23,698,200, and three supplemental appropriations: a transfer of \$158,500 from operating expenditures to personnel costs and the addition of 1.0 FTP for the Chinden Campus staff, project management software to manage property and casualty, and a postal increase.

For FY 2020, the Department requested a total of \$24,277,500 which included replacement computer equipment.

In answer to previous questions from the Committee, **Director Mooney** provided background on the Statewide Cost Allocation and Building Services space charges. The Permanent Building Fund Advisory Council voted to increase rental rates by 16.6% for those agencies in the Capitol Mall and state owned buildings in Lewiston and Idaho Falls. The increase will be used to address deferred maintenance costs of approximately \$22,200,000 at the Capitol Mall.

The Department also requested two line items: (1) eight additional FTPs, half immediately, and a net-zero transfer of \$477,200 from operating expenditures to personnel costs for maintenance staff at the Chinden Campus, and (2) three additional FTPs and \$234,800 from dedicated funds for contract administration personnel at the Division of Purchasing. **Director Mooney** described the Chinden Campus and its current and future tenants and needs. Director Mooney also addressed the need for three additional FTPs for the Division of Purchasing to provide dedicated contract duties. **Director Mooney** anticipated that these positions would also work in collaboration with the Office of Information Technology. **Sarah Hilderbrand**, Division of Purchasing, described the wide variety of complex service contracts and processes, some of which take years to develop, and the need for experts in contract administration. The Governor recommended the Purchasing staff positions and the Maintenance staff positions at Chinden.

For FY 2020, the Department requested \$24,512,300. The Governor recommended \$24,215,200.

Director Mooney and **Ms. Hildebrand** answered additional questions from the Committee concerning the Chinden Campus and contract administration. See [Presentation](#) and [Audio](#).

**AGENCY
PRESENTATION: BOND PAYMENT PROGRAM**

**LSO STAFF
PRESENTER: Jill Randolph, Analyst, LSO**

The Department of Administration's Bond Payments Program (Bond Program) consolidates payment of the state's bonded indebtedness for the construction of buildings. The bond-funded buildings include: Prison Complex (Idaho State Correctional Center); Department of Parks and Recreation headquarters; Idaho School and Hospital; Idaho State University Rendezvous Center; College of Western Idaho (formerly Boise State University Academic West); University of Idaho Learning Center; Lewis-Clark State College Activity Center; North Idaho College Health Building; College of Southern Idaho Fine Arts Building; Idaho State Police Post Academy; College of Eastern Idaho (formerly Eastern Idaho Technical College); Capitol Mall Parking Garage Number II; and the Idaho State Chinden Campus.

In 2018, the Bond Program received an appropriation of \$12,303,000 and expended \$11,409,300. The Bond Program reverted \$893,700 due to the difference in interest rates for certain bonds.

In 2019, the Bond Program received \$11,877,000 and had no line item requests.

For FY 2020, the Bond Program requested \$20,177,000, including \$8,300,000 from the Permanent Building Fund to pay the annual debt service to the Idaho State Building Authority for the Chinden Campus. Rental income from private tenants and state agencies is expected to cover the debt service. The Governor recommended this request.

Ms. Randolph noted a listing of all bonds currently paid through the Bond Program. See [Presentation](#) and [Audio](#).

AGENCY

PRESENTATION: PERMANENT BUILDING FUND

PRESENTER: Jan Frew, Administrator, Division of Public Works

The Permanent Building Fund is dedicated to building needed structures, renovations, repairs, and remodeling of existing structures at the several state institutions and agencies. The Division of Public Works administers the Permanent Building Fund. The division also includes the statewide leasing program and Capitol Mall Facilities group that operates and maintains the Capitol Mall buildings, state office buildings in Idaho Falls and Lewiston, and the State of Idaho Chinden Campus.

LSO STAFF

PRESENTER: Jill Randolph, Analyst, LSO

Seven statutory sources of revenue fund the Permanent Building: (1) tax returns, (2) Sales Tax Fund, (3) cigarette tax revenue, (4) beer tax, (5) state lottery earnings, (6) interest earned from the Permanent Building Fund, and (7) interest earnings from the Budget Stabilization Fund. Funds for the Permanent Building Fund are continuously appropriated since projects span more than one year.

In FY 2018, the Permanent Building Fund received a total appropriation \$118,671,000. Expenditures were \$31,414,400 and reappropriation to FY 2019 was \$87,256,600.

In FY 2019, the Permanent Building Fund received \$77,772,000 which included nine line items:

- (1) IDOC waste water lagoon upgrade,
- (2) CSI Canyon building remodel,
- (3) Division of Military's MWR facility,
- (4) New Public Safety Communications site,
- (5) IDOC community re-entry center,
- (6) General Fund for capital projects,
- (7) CWI Nampa Health Sciences building,
- (8) Nuclear seed potato facility, and
- (9) IDOC facility expansions.

Ms. Frew detailed progress on each of these line items.

For FY 2020, the Permanent Building Fund Advisory Council requested three line items:

- (1) Department of Agriculture Pathology Lab: \$8,000,000 to construct a new lab building for the Idaho State Department of Agriculture animal health lab, plant pathology lab and dairy lab. The Governor recommended this line item.

(2) Division of Military TFRC Site Utilities: \$1,200,000 to install electric, gas, data, water and sewer utilities at the future Twin Falls Readiness Center. The Governor recommended this line item.

(3) Public Safety Mica Peak Communication Site: \$630,000 to replace and upgrade the building and communication tower at the Mica Peak site in Coeur d'Alene.

In addition, the Governor recommended three line items:

(4) IDOC Wastewater Lagoon Repair of \$1,904,800;

(5) 12,200,000 for a IDOC North Idaho reentry Center; and

(6) \$7,400,000 for IDOC St. Anthony facility expansion.

The Governor recommended \$21,504,800 to be transferred from the General Fund to the Permanent Building fund to cover the cost of the three additional recommended projects. **Administrator Frew** detailed the line item projects.

For FY 2020, the Permanent Building Fund Council requested a total appropriation of \$48,773,700. The Governor recommended \$70,370,500.

Ms. Frew and **Ms. Randolph** answered questions from the Committee. See [Presentation](#) and [Audio](#).

AGENCY

PRESENTATION: **CAPITOL COMMISSION**

PRESENTER: **Andy Erstad, Chairman**

The Capitol Commission (Commission) was established in 1998 to develop a master plan for the restoration and refurbishment of the Capitol. Design and construction took place from 2007, and the Capitol was rededicated in 2010. Today, the Commission oversees the preservation and use of the Capitol. Funding for maintenance is provided from endowment land funds and investments.

LSO STAFF

PRESENTER: **Jill Randolph, Analyst, LSO**

In FY 2018, the Commission received a total appropriation of \$2,484,000. Expenditures totalled \$435,000, and the Commission reverted \$2,048,700.

In FY 2019, the Commission received a total appropriation of \$2,484,000.

For FY 2020, the Commission requested a total appropriation of \$2,484,000. The Governor recommended the same amount. See [Presentation](#) and [Audio](#).

AGENCY

PRESENTATION: **IDAHO PUBLIC TELEVISION**

PRESENTER: **Ron Pisaneschi, General Manager**

Idaho Public Television (IPTV), a state agency under the Board of Education, operates the only statewide television network and reaches 99.7 percent of households in Idaho. IPTV features a robust online presence on virtually all new devices. Staying current requires a major undertaking, and in the future, state funding will be needed to address changing technologies. While the majority of ITPV's funding comes from private contributions and grants, IPTV is absolutely dependent on funding from the General Fund.

IPTV divides its operations into two main areas: (1) the transmission side, including online distribution, which is funded largely by the General Fund; and (2) the content side which is funded from private contributions and grants. Other areas, such as administration, are funded from a combination of general and dedicated funds.

Over the past five years, IPTV has focused in three major areas: (1) enhanced local productions; (2) expanded service for teachers, students and parents; and (3) ensuring that content is available on all new technologies.

The 2020 budget request includes operation funding for these efforts from private, dedicated funds. The capital replacement request includes \$155,000 for a new camera package to upgrade editing equipment. ITPV is engaged in five major education initiatives and was recently notified that it received a competitive grant to hire an additional education outreach position to work with parents to help them prepare their children for school. The Governor has recommended funding for this new line item. Following an FCC decision to auction TV stations 34–68, ITPV continues to spend a significant amount of time and resources to repackage its broadcast transmitters and translators into a smaller number of TV channels.

**LSO STAFF
PRESENTER:**

Jill Randolph, Analyst, LSO

In FY 2018, ITPV received a total appropriation of \$9,633,100, consisting of approximate 34 percent from the General Fund and approximately 65 percent from dedicated funds. ITPV received non-cognizable increase of \$238,800 in federal funds for the FCC repackaging of its stations. ITPV reverted eight percent of its total appropriation.

Mr. Pisaneschi reported on the 2016 and 2017 audit findings. Both findings were minor and have been corrected.

In FY 2019, received appropriation for four line items. **Mr. Pisaneschi** reported that the 1.0 FTP for an FCC engineer has been difficult to fill. A year-long search only produced one viable candidate who then accepted another position for 35 percent higher salary. ITPV has had success with training recent military veterans and is now working with the Idaho Department of Labor to fill the position. The Office of Special Education and Rehabilitation Services Grant, Idaho Experience Grant, and American Graduate Grant show great progress.

For FY 2020, ITPV requested an inflationary adjustment for a 12.2% rental increase at the its Boise Headquarters. ITPV also requested \$1,032,900 in replacement items. The Governor recommended \$839,000 for these items.

FY 2020 line items included (1) Education Outreach; (2) Digital Media Technician; and (3) Federal Video Production Grant. The Governor recommended the production grant, and added an additional recommendation of 1.0 FTP and \$66,900 in personnel costs for a limited service education specialist position to provide community literacy resources for children age 3–5 years through a Public Broadcasting Service grant.

For FY 2020, ITPV requested a total appropriation of \$9,806,200. The Governor recommended \$9,565,500.

Mr. Pisaneschi answered questions from the Committee. See [Presentation](#) and [Audio](#).

AGENCY

PRESENTATION: COMMISSION ON HISPANIC AFFAIRS

PRESENTER: Margie Gonzalez, Executive Director

The Idaho Commission on Hispanic Affairs (Commission) was established in 1987 as an independent entity of state government to serve as a link between the Hispanic community and government entities to improve Hispanic work life quality. The Hispanic population represents approximately 13 percent of Idaho's total population and approximately 18 percent of total public K-12 enrollment. The Commission's work focuses on narrowing the academic achievement gap between Hispanics and non-Hispanic students as measured by graduation rates, and use of health care as measured by greater access, insurability and reduced incidences of at risk behavior. Ms. Gonzalez reported that the Commission 2017 audit contained one finding which has been corrected.

LSO STAFF

PRESENTER: Jill Randolph, Analyst, LSO

In FY 2018, the Commission received a total appropriation of \$337,600 which included a shift of \$26,000 and 0.30 FTP from federal funds to the General Fund. Through a net object transfer of \$4,000, the Commission's three FTPs are now fully funded from the General Fund. The Commission reverted 12.1 percent of their total appropriation.

In FY 2019, the Commission received a total appropriation of \$330,600 which included one line item for statewide outreach efforts, and a fund shift and reduction which reduced the appropriation by \$8,000.

For FY 2020, the Commission requested a total appropriation of \$333,200. The Governor's recommended \$339,700 which included onetime funding for GOV TECH 1, 2 and 3.

Ms. Gonzales answered questions from the Committee. See [Presentation](#) and [Audio](#).

JFAC ACTION ON SUPPLEMENTAL APPROPRIATIONS

DEPARTMENT OF HEALTH AND WELFARE

Public Health Services

LSO STAFF

PRESENTER: Jared Tatro, Analyst, LSO

The Physical Health Services Program requests a supplemental appropriation of 6.00 FTP and a net increase of \$5,850,000 in ongoing federal funds to administer 11 federal grants. The request includes an additional \$550,000 in ongoing personnel costs, an additional \$6,800,000 in operating expenditures, and a decrease of \$1,500,000 in trustee and benefit payments. The department is also requesting \$5,850,000 in program transfers, which will make the request net-zero for the department. The department-wide request for this supplemental appropriation is 6.00 FTP and \$0. Grants and associated FTP included in the request are for opioids (1.00 FTP), AIDS, oral health (1.00

FTP), physical activity and nutrition, chronic disease innovation (1.00 FTP), the National Violent Death Registry System (2.00 FTP), immunizations, sexual risk avoidance or abstinence (1.00 FTP), and for the maternal, infant and early childhood home visiting program. The six requested FTP will be limited service positions and will be requested for removal by the department upon completion of each associated grant.

Rather than requesting new appropriation, the department was able to identify existing appropriation amounts in several programs that are in excess of estimated needs. As a result, this department-wide request has an overall net-zero impact on the department's federal fund appropriation. The appropriation will increase in the Physical Health Services Program by 6.00 FTP and \$5,850,000. The appropriation will be reduced by \$5,850,000 in five programs and includes \$1,000,000 from Self-Reliance Operations, \$300,000 from Emergency Medical Services, \$3,100,000 from Healthcare Policy Initiatives, \$750,000 from the Southwest Idaho Treatment Center, and \$700,000 from Medicaid Administration.

CONSENT: On request by **Sen. Lee**, granted by unanimous consent, the FY 2019 budget for the Department of Health and Welfare, Public Health Services, was reopened.

CARRIED: Original Motion
Moved by **Sen. Lee** for the Department of Health and Welfare, for fiscal year 2019, the addition of \$5,850,000 for the Physical Health Services Program; a reduction of \$750,000 for the Southwest Idaho Treatment Center Program; a reduction of \$700,000 from the Medicaid Administration and Medical Management Program; a reduction of \$300,000 from the Emergency Medical Services Program; a reduction of \$1,000,000 from the Self-Reliance Operations Program; and a reduction of \$3,100,000 from the Healthcare Policy Initiatives Program, with all adjustments from the Cooperative Welfare (Federal) Fund and ongoing, seconded by **Sen. Agenbroad**.

DISCUSSION: **Sen. Lee** stated that the department has sufficient appropriation for these grants, just not in the correct object, and this action allows for the program to implement the grants without additional appropriation. This motion provides for a department-wide net-zero change of appropriation with the specifics of the motion reflected in the table. Further the department overall, has sufficient FTP authority and the ability to transfer those FTP between programs to implement the grants, therefore no additional FTP were added.

AYES: 19
Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy, and Toone.

NAYS: 0

ABSENT/EXCUSED: 1 Rep. Wintrow

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 Bair**. See [Presentation](#) and [Audio](#).

DEPARTMENT OF REVENUE AND TAXATION
Board of Tax Appeals, New Lease-New Space

**LSO STAFF
PRESENTER**

Keith Bybee, Deputy Manager, LSO

This request is for a \$9,900 ongoing increase in operating expenditures to pay for the cost of a new lease in new office space located at 1673 W. Shoreline Dr., Suite 120 in Boise. There is an annualization for \$3,300 to cover the annual cost of the lease because the new landlord gave the board the first month of rent free.

CONSENT:

On request by **Rep. Kauffman**, granted by unanimous consent, the FY 2019 budget for the Department of Revenue and Taxation, Board of Tax Appeals was reopened.

CARRIED:

Original Motion

Rep. Kauffman moved for fiscal year 2019, for the Board of Tax Appeals, \$9,900 from the General Fund, seconded by **Rep. Amador**.

AYES: 19

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

NAYS: 0

ABSENT/EXCUSED: 1 Rep. Wintrow

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 Bair**. See [Presentation](#) and [Audio](#).

Department of Revenue and Taxation, State Tax Commission, General Services; Additional Moving Costs

**LSO STAFF
PRESENTER:**

Keith Bybee, Deputy Manager, LSO

This request is for additional costs to move from the MK/WGI Plaza to the Chinden Campus. Of the request, \$175,000 is for an additional year of common area maintenance charges or "CAM" charges at MK/WGI. CAM charges are costs shared by tenants for items like utilities, facility maintenance, grounds upkeep, use of common areas, etc. Because the Chinden Campus was not completely available for the Tax Commission to move there, these costs are unanticipated for the current fiscal year as it requires an additional year of CAM charges at MK/WGI Plaza. Also included in this request is \$100,000 for servers, \$57,400 for front counter security, \$75,000 for additional furniture for new common auditorium space, \$125,000 for new cubicles, \$50,000 for badge readers, and \$80,000 for rolling files. [Onetime]

CONSENT:

On request by **Sen. Grow**, granted by unanimous consent, the FY 2019 budget for the Department of Revenue and Taxation, State Tax Commission was reopened.

CARRIED:

Original Motion

Moved by **Sen. Grow** for fiscal year 2019, for the State Tax Commission, in the General Services Program, \$500,000, onetime, from the General Fund, seconded by **Rep. Horman**.

DISCUSSION:

Sen. Grow stated that this motion provides the agency with additional appropriation to help with moving costs to the Chinden Campus. This motion reflects the Governor's recommendation for this supplemental request.

AYES: 19

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

NAYS: 0

ABSENT/EXCUSED: 1 Rep. Wintrow

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 Bair**. See [Presentation](#) and [Audio](#).

Department of Revenue and Taxation, State Tax Commission, Property Tax, Trailer Appropriation for H492 of 2018

LSO STAFF PRESENTER:

Keith Bybee, Deputy Manager, LSO

The agency requests 0.25 FTP, \$11,900 in personnel costs, and \$1,300 in operating expenditures for one quarter position to implement H492 of 2018 as directed in the fiscal note. H492 created an additional property tax reduction for disabled veterans. This legislation enabled disabled veterans to apply for property tax relief through the circuit breaker program. The agency requires an additional technical records specialist to process these applications in addition to alleviating other work that has increased in the Property Tax Program. In total this request is for 1.00 FTP, \$47,200 in personnel costs, and \$5,000 in operating expenditures for a total of \$52,200 from the General Fund if approved as a supplemental, and annualized for the other three-quarters of the position in FY 2020.

CARRIED:

Original Motion

Moved by **Sen. Grow** for fiscal year 2019, for the State Tax Commission, in the Property Tax Program, 0.25 FTP and \$13,200, ongoing, from the General Fund, seconded by **Rep. Horman**.

DISCUSSION:

Sen. Grow stated that this motion provides the agency with an additional FTP for the remainder of FY 2019. If this supplemental is approved, the full cost of the FTP will be added to the FY 2020 appropriation to the State Tax Commission for this purpose.

AYES: 19

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

NAYS: 0

ABSENT/EXCUSED: 1 Rep. Wintrow

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 Bair**. See [Presentation](#) and [Audio](#).

Department of Revenue and Taxation, State Tax Commission, Property Tax, Property Tax Education

**LSO STAFF
PRESENTER:**

Keith Bybee, Deputy Manager, LSO

This request is to increase the appropriation from the Property Tax Education Fund to match the increased cash received in FY 2018. As the economy has improved, more county assessors are participating in the property tax education courses and the need to hire trainers has increased as a result. This training is a semi-annual event for county officials and employees who work with property assessments and valuations. Money is paid into this fund by the attendees to cover the cost of instructors, rented classrooms, materials, and other items necessary to conduct training.

CARRIED:

Original Motion

Moved by **Sen. Grow** fiscal year 2019, for the State Tax Commission, in the Property Tax Program, \$40,000, ongoing, from dedicated funds, seconded by **Rep. Horman**.

DISCUSSION:

Sen. Grow stated that this motion provides the agency with sufficient spending authority over the next few years to pay for trainings for county assessors.

AYES: 19

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

NAYS: 0

ABSENT/EXCUSED: 1 Rep. Wintrow

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 Bair**. See [Presentation](#) and [Audio](#).

ADJOURNED:

Having no further business before the Committee, **Chairman Bair** adjourned the meeting at 10:28 a.m.

Senator Bair
Chair

Elaine Leedy
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Thursday, January 31, 2019

TIME	DESCRIPTION	PRESENTER
	Department of Health and Welfare <i>(LSO Analyst: Jared Tatro)</i>	
8:00	Child Welfare, LBB 2-13 Child Welfare System Update	Miren Unsworth, Division Administrator
9:00	Services for the Developmentally Disabled, LBB 2-19	Miren Unsworth, Division Administrator
9:20	Service Integration, LBB 2-65	Miren Unsworth, Division Administrator
9:30	<i>Break</i>	
9:40	Office of the Governor Division of Human Resources, LBB 6-71 <i>(LSO Analyst: Robyn Lockett)</i>	Susan Buxton, Administrator
	Office of Information Technology Services, LBB 6-77 <i>(LSO Analyst: Robyn Lockett)</i>	Jeff Weak, Administrator

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Thursday, January 31, 2019
TIME: 8:00 A.M.
PLACE: Room C310
MEMBERS PRESENT: Senators Co-chairman Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye
Representatives Co-chairman Youngblood, Horman, Anderson(Anderson), Amador, Kauffman, Raybould, Syme, Troy, Wintrow, Toone
ABSENT/ EXCUSED: None
CONVENED: **Chairman Youngblood** called the meeting to order at 8:00 am.

Department of Health and Welfare

AGENCY **Child Welfare**
PRESENTATION: **Child Welfare System Update**
Miren Unsworth, Division Administrator

LSO STAFF PRESENTATION: **Jared Tatro, Principal Budget & Policy Analyst**, gave a brief overview of the Child Welfare Division. Mr. Tatro continued explaining that the primary role for child protection is to assess the child's safety and ensure they are in a safe environment. The foster care program provides support to the children and families that are caring for them.

Mr. Tatro reviewed the FY 2018 actual expenditures, the net object transfers and the FY 2019 JFAC action. Mr. Tatro continued with the one audit finding; **Administrator Unsworth** stated the division has now established control points and have revised all new contracts and have implemented quarterly checks on all existing vendors.

Mr. Tatro reminded the Committee of the two sections of intent language that was added to the appropriation bill for this division.

Administrator Unsworth reviewed the details of the line item request, Child Welfare Initiative, (ESPI) for FY 2020, it was recommended by the Governor in the amount of \$11,504,000.

To listen to this presentation please [click here](#).

Services for the Developmentally Disable
Miren Unsworth, Division Administrator

LSO STAFF PRESENTATION: **Jared Tatro, Principal Budget & Policy Analyst**, gave a brief overview of the Service for the Developmentally Disabled noting there are two budget programs, the Community Based program and the Southwest Idaho Treatment Center (SWITC).

Mr. Tatro reviewed the following: organizational chart, noting there are 304.71 FTP and 32.71 vacant FTP, the FY 2018 actual expenditures, the FY 2019 JFAC action, noting there were two approved line items and the historical summary.

Administrator Unsworth discussed the FY 2019 JFAC action items. Ms. Unsworth stated the infant toddler program and the division of Medicaid are both required to provide access and funding for early intervention services to children from birth to age 3. Ms. Unsworth continued last year JFAC supported a transfer of two provisions and funding for the transfer from the Southwest Idaho Treatment Center to the Community Developmental Disabilities programs Crisis Prevention and court services team.

Administrator Unsworth reviewed the details of the line item request, Replacement Items. The Southwest Idaho Treatment Center requested \$131,800 from the General Fund to replace two vehicles and perform alteration and repairs on the campus. The Governor recommends funding to replace one vehicle in the amount of \$27,400.

To listen to this presentation please [click here](#).

Service Integration

Miren Unsworth, Division Administrator

LSO STAFF PRESENTATION: **Jared Tatro, Principal Budget & Policy Analyst**, gave a brief overview of the Service Integration Program, which oversees the 211 Careline.

Mr. Tatro reviewed the FY 2018 actual expenditures and he noted there were no FY 2019 line items. Mr. Tatro continued his review noting the corrected appropriation bill language. He continued with the Historical Summary moving into the agency request of \$6,099,600 with the Governor's recommendation of \$6,113,100, which is related to benefit costs. Mr. Tatro stated there were no line items or replacement items, everything pertaining to this budget is what would be called a maintenance budget.

To listen to this presentation please [click here](#).

AGENCY Office of the Governor

PRESENTATION: Division of Human Resources

Susan Buxton, Administrator

Administrator Buxton gave an overview of the Division of Human Resources. She stated they are part of the Executive Office of the Governor. They administer the personnel system to the state work force of approximately 25,541 employees.

LSO STAFF PRESENTATION: **Robyn Lockett, Principal Budget & Policy Analyst**, gave a brief overview stating the Division of Human Resources has one program and one funding source. The program is funded with fees that are paid by state agencies with classified positions. Ms. Lockett continued with the FY 2018 actual expenditures, noting the total appropriation, transfers and the total reversions, the FY 2019 appropriation for CPM Personnel Reclassification and the FY 2020 benefit costs.

Administrator Buxton reviewed the FY 2019 JFAC action items, noting a human resource specialist was hired to assist with providing consulting services and investigations to all agencies, IT/Telecommunications, and job classification salary surveys. Administrator Buxton continued with the FY 2020 agency request for statewide cybersecurity training, as well as the other line items recommended by the Governor.

To listen to this presentation please [click here](#).

Office of Information Technology Services
Jeff Weak, Administrator

Administrator Weak gave a brief overview of the Office of Information Technology Services. Administrator Weak stated a new procurement process has been created as well as a new comprehensive incident response program. Administrator Weak continued they have partnered with the Department of Human Resources to create the state's first mandatory statewide cybersecurity awareness training program.

LSO STAFF PRESENTATION: **Robyn Lockett, Principal Budget & Policy Analyst**, reviewed the FY 2018 actual expenditures and the FY 2019 JFAC action noting, there were six line items totally \$5,870,200.

Administrator Weak spoke on the following FY 2019 JFAC line items: 1) Network Core Equipment Replacement, 2) SecureWatch Cybersecurity Software, 3) Mobile Device Management and Security and 4) Chinden Campus Data Center Space. These were all recommended by the Governor. Administrator Weak then discussed his request and the Governor's recommendation for the FY 2020 appropriation.

To listen to this presentation please [click here](#).

ADJOURN: There being no further business to come before the Committee, **Chairman Youngblood** adjourned the Committee at 10:43 am.

Representative Youngblood
Chair

Donna Warnock
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Friday, February 01, 2019

TIME	DESCRIPTION	PRESENTER
	BUDGET HEARINGS <i>(LSO Analyst: Christine Otto)</i>	
8:00	Idaho Transportation Department Transportation Services, LBB 5-131 Motor Vehicles, LBB 5-141 Highway Operations, LBB 5-145 Contract Construction and Right-of-Way Acquisition, LBB 5-151	Brian Ness, Director
9:15	<i>Break</i> <i>(LSO Analyst: Rob Sepich)</i>	
9:25	Department of Lands, LBB 4-29	Dustin Miller, Director
10:10	Endowment Fund Investment Board, LBB 4-23	Chris Anton, Manager of Investments

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Friday, February 01, 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: Co-Chairman Bair called the Joint Finance-Appropriations Committee (Committee) (JFAC) to order at 8:00 a.m.

AGENCY PRESENTATION: **IDAHO TRANSPORTATION DEPARTMENT (ITD)
Transportation Services**

PRESENTER: **Brian Ness, Director**

Director Ness reviewed changes which have occurred since he became director in 2009. At that time, ITD had too many layers of supervision and bureaucracy which hampered decision making and stifled innovation. Pay levels were so low that ITD was unable to recruit and retain good employees. Under Director Ness, ITD studied its organizational structure, job positions and career paths to create operational efficiencies. ITD has cut its workforce by more than 10 percent since 2010, yet has increased productivity while providing excellent customer service. ITD's budget request affirms its commitment to improved performance and fiscal responsibility.

ITD's 2020 line item requests focus on four areas: (1) improving safety to Idaho citizens; (2) maintaining buildings and operating Idaho's infrastructure; (3) increasing customer service, and (4) addressing the rapidly growing population of Idaho. See [Audio](#).

**LSO STAFF
PRESENTER:**

Christine Otto, Analyst, LSO

Ms. Otto explained that the Department of Transportation is divided into four budgeted divisions: Transportation Services, Motor Vehicles, Highway Operations, and Contract Construction and Right-of-Way Acquisition.

Transportation Services

The Transportation Services Division includes the following three programs: (1) Administration develops long-range budgetary plans; develops legislation; operates information systems; provides employee services, financial services, and facilities management; and coordinates research activities. (2) Capital Facilities administers the design, building, and maintenance of department facilities.

(3) Aeronautics assists Idaho municipalities in developing their airports and operates the state's air fleet.

In FY 2018, Transportation Services received a total appropriation of \$39,750,400. Throughout the year, Transportation Services transferred funds between programs. ITD Actual expended \$36,213,700, reverted \$2,733,700, and reappropriated \$908,500.

Ms. Otto noted one finding in the audit report which has been corrected.

In FY 2019, Transportation Services received a total appropriation of \$37,450,000 which included six line items: (1) Increase to Idaho Airport Aid Program; (2) Statewide Capital Facilities Needs; (3) Target Operating Model for technology; (4) Configuration Management Database; (5) Increase to Federal Funding; and (6) New Aircraft. **Director Ness** reported that he anticipated these items will be fulfilled by the end of FY 2019.

For FY 2019, Transportation Services requested \$330,000 in supplemental funding to replace a roof at headquarters. Transportation Services may request approval at a later date for a onetime cash transfer of up to \$1,176,000 to transfer cash from the GARVEE Capital Project Fund to the State Highway Fund.

For FY 2020, Transportation Services requested \$1,906,300 in replacement items. The Governor recommend \$1,906,300.

Transportation also requested ten line items.

- (5) Increase to Idaho Airport Aid Program;
- (6) Video Conferencing Equipment to upgrade statewide systems;
- (9) Statewide Capital Facilities Needs;
- (10) D3 Material Lab Testing Facility;
- (11) D4 Headquarters Building.
- (12) Additional Data Storage
- (13) Software License Compliance;
- (14) Network Access Security;
- (16) Info Tech Service Management
- (17) Integration Service Layer for Software

Director Ness commented on each request.

The Committee asked several questions concerning accessibility, building maintenance, computer equipment, and the Department of Motor Vehicles' computer shut down in August 2018. See [Presentation](#), [Audio 1](#) and [Audio 2](#).

Department of Motor Vehicles

The Division of Motor Vehicles (DMV) manages driver's licenses, vehicle registrations, license plates, and vehicle titles. This division also works to meet the needs and expectations of motor vehicle customers and the county sheriffs and assessors who work as the department's agents.

In FY 2018, the Department of Motor Vehicles (DMV) received a total appropriation of \$38,444,000. They expended \$35,635,100 and reverted \$2,848,000.

In FY 2019, the DMV received appropriation for replacement items and three line items: (1) DMV VOIP system upgrade, (2) County equipment and (3) software for DMV computers. **Director Ness** reported that these line items are complete or on schedule to complete by June 30, 2019.

For FY 2020, the agency requested \$730,200 in replacement items and two line items: (1) \$8,800 to acquire workstations for the county licensing and motor vehicles offices, and (2) \$45,600 to acquire equipment for identification card issuance at certain Department of Corrections facilities.

For FY 2020, the DMV requested a total appropriation of \$37,571,000. The Governor recommended \$37,645,100. See [Presentation](#), [Audio 1](#) and [Audio 2](#).

Highway Operations

The Highway Operations Division performs statewide highway maintenance functions, directs highway improvements; administers federal-aid safety improvement projects; protects highways from oversize, overweight, and dangerous usage; manages federal transit grant program ; develops projects to improve state and local highway systems to save lives; and coordinates transportation research efforts.

In FY 2018, Highway Operations received a total appropriation of \$199,562,000. They expended \$189,723,800 and reverted \$10,978,900.

In FY 2019, Highway Operations received a total appropriation of \$194,166,500, which included five line items: (1) behavioral safety funding; (2) highway operation equipment; (3) purchase new TAMS system; (4) FAST Act increase; (5) decrease in personnel costs. **Director Ness** reported that one item is complete, and three are scheduled for completion by the end of FY 2019. Highway Operations decided to upgrade the TAMS system rather than purchase a new one.

For FY 2020, Highway Operations requested restoration of \$1,475,000 in a personnel cost appropriation that was reduced temporarily in FY 2019 to assist the Aeronautics Division. The Governor did not recommend the restoration in personnel costs, but did recommend that \$1,475,000 ongoing be used for highway construction.

For FY 2020, Highway Operations requested \$20,774,700 in replacement items for computer equipment and various heavy equipment and road equipment. Some of the trucks are eligible for a buyback program.

For FY 2020, Highway Operations requests five line items:

- (1) Highway operations equipment;
- (2) Onetime operation expenditures for a federal grant received from the American Association of State Highway and Transportation Officials (AASHTO) to develop a data analytics module of ASSHTOware software;
- (3) Geographic Information Systems (GIS) integration;
- (4) Fixing America's Surface Transportation (FAST) Act increase; and
- (5) Public Transportation Federal grants.

For FY 2020, Highway Operations requests a total appropriation of \$202,972,400. The Governor recommends \$202,123,100. See [Presentation](#), [Audio 1](#) and [Audio 2](#).

Contract Construction and Right-of-Way Acquisition

The Contract Construction and Right-of-Way Acquisition Division (Division) manages for the funds necessary for highway construction projects that maintain and improve the state's highway system. The current and useful life of the state's infrastructure depends on sufficient funding and efficient expenditure of these funds on necessary improvements.

Reappropriated funds authorized projects which were in progress, but not yet completed by the end of the fiscal year.

In FY 2018, the Division received a total appropriation of \$796,809,800. The Division expended \$433,397,400 and carried over \$363,412,300 to FY 2019.

Director Ness answered questions from the Committee regarding carryover funds.

In FY 2019, the Division received a total appropriation of \$43,597,600, which included one line item for excess revenue and receipts. **Director Ness** reported that all excess revenue has been used.

For FY 2020, the Division requested two line items: (1) spending authority from the Transportation Expansion and Congestion Mitigation (TECM) Fund; and (2) excess revenue and receipts.

For FY 2020, the Division requested a total appropriation of \$431,706,700. The Governor recommended \$446,231,700.

Director Ness discussed the Strategic Initiatives Program, specifically projects which separate pedestrians from traffic, future funding for the Idaho Transportation Department and departmental vacancies. See [Presentation](#), [Audio 1](#) and [Audio 2](#).

AGENCY

PRESENTATION: DEPARTMENT OF LANDS

PRESENTER: **Dustin Miller, Director**

The Idaho Department of Lands (IDL) employs 321 permanent and 250 seasonal employees to implement its two-part mission. Under the direction of the Board of Land Commissioners, IDL maintains approximately 2,400,000 acres of state endowment lands and 3,300,000 acres of endowment mineral land under a Constitutional mandate to maximize long-term financial returns to a variety of state institutions, primarily public schools. Revenue sources include timber harvest and production, land leasing for livestock grazing, mineral, oil and gas extraction, and other activities.

IDL provides technical assistance to owners of private timber land and navigable waterways. It administers the Idaho Forest Practices Act, Oil and Gas Conservation Act, Idaho Surface Mining Act, Dredge and Placer Mining Act as well as the Abandoned Mine Reclamation Act. The Good Neighbor Authority works with the Forest Service to reduce fuel buildup, improve forest and watershed health, reduce threats to adjacent state and private lands, and create jobs. Assistance and protection programs are funded by a combination of dedicated funds and general funds.

**LSO STAFF
PRESENTER:**

Rob Sepich, Analyst, LSO

In FY 2018, IDL received a total appropriation of \$54,734,100. They expended \$47,151,900 and reverted \$7,644,700 in federal appropriations.

In FY 2019, IDL received a total appropriation of \$59,362,800 which included ten line items. **Director Miller** reported that all items are being implemented.

Director Miller and **David Gresham**, Deputy Director, IDL answered questions, at length, concerning the Good Neighbor Authority and timber sales.

For FY 2020, IDL requested ten line items:

- (1) Right of Way agent;
- (2) IT support analyst;
- (3) Tree coolers;
- (4) Eastern Area office FTP;
- (5) Replacement of St. Joe facility;
- (6) Timber Protective Association CEC and Inflation;
- (7) Forest Practices Act; and
- (8) Fire Suppression.

In November, 2018 the Permanent Building Fund Advisory Council did not recommend funding for the new St. Joe Facility, and IDL will not pursue this item. The Governor recommended the first four line items and added line items 6 through 8 above.

For FY 2020, IDL requested a total appropriation of \$60,587,000. The Governor recommended \$59,954,500. See [Presentation](#) and [Audio](#).

**AGENCY
PRESENTATION:
PRESENTER:**

ENDOWMENT FUND INVESTMENT BOARD

Chris Anton, Manager of Investments

The Endowment Fund Investment Board (EFIB) is responsible for managing the investments of the land grant endowment funds, the State Insurance Fund, and other moneys as required by law. These include Ritter Island and Trail of the Coeur d'Alenes for the Idaho Department of Parks and Recreation, Idaho Department of Fish and Game, and investments for the Kellogg institutional controls program for the Idaho Department of Environmental Quality. The State Legislature created the Endowment Fund Investment Board in 1969. **Mr. Anton** detailed key investment activity.

In FY 2018, EFIB received a total appropriation of \$753,600. EFIB expended \$685,800 and reverted \$67,800.

In FY 2019, EFIB received a total appropriation of \$722,700. No line items were requested.

For FY 2020, EFIB requested \$2,000 in replacement items. It also requested a continuous appropriation for consulting fees, bank custodial fees and portfolio-related external costs.

For FY 2020, EFIB requested a total appropriation of \$715,900. The Governor recommended \$743,100. See [Presentation](#) and [Audio](#).

ADJOURNED: Having no further business before the Committee, **Chairman Bair** adjourned the meeting at 10:29 a.m.

Senator Bair
Chair

Elaine Leedy
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Monday, February 04, 2019

TIME	DESCRIPTION	PRESENTER
	<i>(LSO Analyst: Jared Hoskins)</i>	
8:00	Department of Juvenile Corrections, LBB 3-71	Monty Prow, Director
	Department of Health and Welfare	
	<i>(LSO Analyst: Jared Tatro)</i>	
8:30	Domestic Violence Council, LBB 2-23	Nicole Fitzgerald, Executive Director
8:45	Developmental Disabilities Council, LBB 2-23	Christine Pisani, Executive Director
8:55	Mental Health Services, LBB 2-45	Ross Edmunds, Division Administrator
9:25	<i>Break</i>	
9:35	Psychiatric Hospitalization, LBB 2-49	Ross Edmunds, Division Administrator
10:00	Substance Abuse Services, LBB 2-69	
10:30	Health & Welfare Department Comments	Dave Jeppesen, Director

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Monday, February 04, 2019

TIME: 8:00 A.M.

PLACE: Room C310

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

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

**ABSENT/
EXCUSED:** None

CONVENED: **Chairman Youngblood** called the meeting to order at 8:00 am.

AGENCY PRESENTATION: **Department of Juvenile Corrections**

Monty Prow, Director

Director Prow gave an overview of the Department of Juvenile Corrections and stated it is their passion and dedication in assisting families and improving lives in the communities.

LSO STAFF PRESENTATION: **Jared Hoskins, Principal Budget & Policy Analyst**, explained the Department of Juvenile Corrections is divided into four budgeted programs: Administration, Community, Operations, and Program Services (COPS), Community-Based Substance Abuse Treatment and Institutions, with a total of 414 FTP. In FY 2018, Department of Juvenile Corrections received a total appropriation of \$52,776,400, with net objection transfers of \$232,600, there were no transfers between programs and a reversion of \$1,646,500 out of the General Fund with most of the money coming from the Trustee and Benefit payments.

In FY 2019 the agency was provided with the following line items: 1) Instructor Pay — Phase 2, 2) Clinician, and 3) IT/Telecommunications. **Director Prow** gave a brief summary of each line item.

Mr. Hoskins continued with the overview of the FY 2019 noncognizable funds and transfers, removal of onetime expenditures and base adjustments.

For FY 2020 the Department of Juvenile Corrections requested \$720,200 in replacement items with the Governor's recommendation.

Department of Juvenile Corrections also requested seven line items with the Governor's recommendation for two. The Governor included one additional line item for network equipment replacement. Those line items are as follows: 1) Education Program Manager Pay and 2) Instructor Pay — Phase 3.

To listen to this presentation please [click here](#).

DEPARTMENT OF HEALTH AND WELFARE

AGENCY

Domestic Violence Council

PRESENTATION: **Nicole Fitzgerald, Executive Director**

Executive Director Fitzgerald stated this state agency is responsible for administering both State and Federal funds for victims of crime. These funds help support communities and provide services to victims of domestic violence, sexual assault and human trafficking.

LSO STAFF

PRESENTATION: **Jared Tatro, Principal Budget & Policy Analyst**, explained the Domestic Violence Council is included in the budget for the Department of Health and Welfare, and they receive budgetary assistance and financial assistance but do not report to the director of Health and Welfare.

In FY 2018, the Domestic Violence Council received a total appropriation of \$8,312,100 and spent all but approximately 3%. In the past this Committee had required additional language to be included in the appropriation bill for the Domestic Violence Council to account for the increase in Victims of Crime Act (VOCA) funds because those dollars went from about \$4 million to \$8 million and now they are close to \$17 million.

In FY 2019, the Domestic Violence Council did not have any replacement items or other enhancements. They were all Statewide adjustment decisions. **Mr. Tatro** continued with the overview of the FY 2019 noncognizable funds and transfers. For FY 2020 the line item request is for the VOCA Grant; this request is for \$4,000,000 in ongoing trustee and benefit payments from federal funds for increased distributions from the VOCA Fund. Currently, the VOCA funding for the council is \$6,560,400. This request will allow for increased distributions to providers throughout the state.

In response to Committee questions, **Executive Director Fitzgerald** stated if grant money goes away there is some money from prior year grants and dedicated funds.

To listen to this presentation please [click here](#).

AGENCY

Christine Pisani, Executive Director

PRESENTATION: **Developmental Disabilities Council**

Executive Director Pisani stated the role of the state council's is to serve an advocacy role, engage in capacity building activities and work toward improved service systems that serve children and adults. The councils are required to monitor systems, policies and advocate for improved services.

LSO STAFF

PRESENTATION: **Jared Tatro, Principal Budget & Policy Analyst**, explained the Developmental Disabilities Council is included in the budget for the Department of Health and Welfare, and they receive budgetary assistance but do not report to the director of Health and Welfare. Mr. Tatro reviewed the organization chart for the Developmental Disabilities Council, noting they have 6 FTP with one vacant FTP at .38.

In FY 2018, Developmental Disabilities Council received a total appropriation of \$771,000. They expended \$722,900 and reverted \$48,100.

In FY 2019, Developmental Disabilities Council had no line items or requests, just changes in personnel costs.

To listen to this presentation please [click here](#).

AGENCY **Mental Health Services**
PRESENTATION: **Ross Edmunds, Division Administrator**, reviewed the following FY 2019 JFAC action items: 1) Community Crisis Center and 2) Jeff D. settlement implementation.

LSO STAFF **Jared Tatro, Principal Budget & Policy Analyst**, explained the Mental Health
PRESENTATION: Services is comprised of the Children’s Mental Health Program and Adult Mental Health Program.
The Children’s Mental Health Program provides crisis intervention, case management and other supports to increase capacity for children with serious emotional disturbances.
The Adult Mental Health services in Idaho are community-based, consumer-guided, and organized through a system of care for adult citizens who experience serious and persistent mental illness.
In FY 2018, Mental Health Services reversions were \$3,472,500 General Fund, \$543,500 Dedicated funds and \$2,059,700 Federal funds. JFAC transferred \$1.8 million out through a supplemental appropriation last year. Mr. Tatro noted, approximately \$6.3 million appropriated funds had not been expended.
Mr. Tatro continued his review on the Intent Language for the Mental Health Division and moves into the FY 2020 for the Crisis Centers Annualization request for \$2,592,500 in ongoing trustee and benefit payments from the General Fund.
To listen to this presentation please [click here](#).

AGENCY **Psychiatric Hospitalization**
PRESENTATION: **Ross Edmunds, Division Administrator** reviewed the following FY 2019 JFAC action line items: 1) Medical Director Pay Increase and 2) Reduction for IDOC beds.

LSO STAFF **Jared Tatro** reviewed the organization chart and the three hospitals budget and
PRESENTATION: moves into the FY 2018 expenditures, the FY 2019 JFAC action and the FY 2020 line item requests. Mr. Tatro continued with the discussion of Appropriation Language.
Mr. Tatro reviewed the operating budget for the agency and reviews the FY 2020 budget and line items.
Administrator Edmunds reviewed the line items in detail.
To listen to this presentation please [click here](#).

AGENCY **Substance Abuse Services**
PRESENTATION: **Ross Edmunds, Division Administrator** reviewed the following FY 2019 JFAC action line items: 1) Provider Rate Increase, 2) Opioid Crisis Grant and 3) Tobacco Compliance Checks.

LSO STAFF **Jared Tatro, Principal Budget & Policy Analyst**, reviewed the organization
PRESENTATION: chart, moves into the FY 2018 expenditures, the FY 2019 JFAC action and the FY 2020 line item requests. Mr. Tatro continued with his overview of the FY 2020 line items requests and **Administrator Edmunds** spoke in further detail of those requests.
Mr. Tatro reviewed the audit finding and **Administrator Edmunds** discussed the details of the audit finding.
To listen to this presentation please [click here](#).

ADJOURN: There being no further business to come before the Committee, **Chairman Youngblood** adjourned the meeting at 10:51 am.

Representative Youngblood
Chair

Donna Warnock
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Tuesday, February 05, 2019

TIME	DESCRIPTION	PRESENTER
	<i>(LSO Analyst: Maggie Smith)</i>	
8:00	Medical Boards , LBB 5-89	
	Board of Dentistry	Susan Miller, Executive Director
	Board of Medicine	Anne Lawler, Executive Director
	Board of Nursing	Susan Odom, Interim Executive Director
	Board of Pharmacy	Berkeley Fraser, Interim Executive Director
	Board of Veterinary Medicine	Jeremy Brown, Executive Director
8:40	State Liquor Division, LBB 6-83	Jeff Anderson, Director
9:00	Idaho Lottery, LBB 5-83	Jeff Anderson Director
9:15	Public Utilities Commission, LBB 5-47	Paul Kjellander, Commission President
	<i>(LSO Analyst: Jill Randolph)</i>	
9:30	Historical Society, LBB 5-69	Janet Gallimore, Executive Director
9:50	Break	
	<i>(LSO Analyst: Jill Randolph)</i>	
10:05	State Independent Living Council, LBB 2-97	Mel Leviton, Executive Director
10:20	Commission on Aging, LBB 6-41	Judy Taylor, Administrator

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Tuesday, February 05, 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: **Co-Chairman Bair** called the Joint Finance-Appropriations Committee (Committee) (JFAC) to order at 8:00 a.m.

AGENCY PRESENTATION: **MEDICAL BOARDS
Board of Dentistry**

LSO STAFF PRESENTATION: **Maggie Smith, Analyst, Legislative Services Offices (LSO)**
Medical Boards is comprised of five separate boards. While each has its own director, staff, revenues and expenses, Medical Boards are grouped together as one for budgeting purposes. See [Presentation](#) and [Audio](#) for all Medical Board Presentations.

AGENCY PRESENTER: **Susan Miller, Executive Director Board of Dentistry**
The Board of Dentistry (Board) protects the public through licensure, regulation and educational standards. Idaho currently licenses 3,544 dentists and dental hygienists.

Ms. Smith reported that in FY 2018, the Board received a total appropriation of \$573,400. It expended \$508,200 and reverted \$65,200, or about 11 percent.

In FY 2019, the Board received a total appropriation of \$567,200.

For FY 2020, the Board requested a total appropriation of \$569,800. The Governor recommended \$578,100.

Board of Medicine

AGENCY PRESENTER: **Anne Lawler, Executive Director**
The Board of Medicine (Board) was established in 1897 to protect and enhance public health safety by establishing and maintaining standards of excellence in medicine through licensure, discipline and education. Recognizing the rapid increase in Idaho population, the Board of Medicine is updating all of its rules to eliminate unnecessary regulation and barriers to licensure while continuing to protect public health and safety.

**LSO STAFF
PRESENTER:**

Maggie Smith, Analyst, Legislative Services Offices (LSO)

The Board of Medicine operates with 16 full-time positions (FTPs) and requested one additional position for FY 2020.

In FY 2018, the Board received a total appropriation of \$2,275,200. It expended \$1,977,900 and reverted \$297,300 which related to an FY 2019 supplemental request for database upgrades. The upgrade had been authorized in 2018, but only part of the project was completed in FY 2018. The FY 2019 supplemental request reauthorized completion of the project.

Director Lawler discussed two audit findings from FY 2015, 2016 and 2017 concerning excess cash balances and sales tax. Both issues have been resolved.

In FY 2019, the Board received a total appropriation of \$6,110,700 which included three line items: cyber insurance, a licensing manager position and a work station. Director Lawler stated that licensure of physicians and medical residents increased 97 percent since 2009, and licensure of physicians assistants increased 60 percent. The addition of a licensing manager has greatly improved efficiency in the medical application process.

For FY 2020, the Board requested four line items, two of which were recommended by the Governor: (1) a full-time Management Assistant to support the Board's management and legal team, and (2) an additional Board member together with additional compensation, meeting costs and computer equipment for Board members. **Director Lawler** explained that the Board will propose legislation to update its Medical Practice Act to add a physician assistant member to the Board and to the Physician Assistant Advisory Committee.

Board of Nursing

**AGENCY
PRESENTER:**

Susan Odom, Interim Executive Director

The Board of Nursing (Board) was established in 1911 to safeguard public health safety by establishing qualifications for and licensing of over 29,000 nurses. Idaho's nursing education programs continue to meet established standards, and Idaho's nursing population has steadily increased. The Board of Nursing operates with dedicated funds generated through licensure and related fees.

**LSO STAFF
PRESENTER:**

Maggie Smith, Analyst, Legislative Services Offices (LSO)

The Board of Nursing operates with 12.0 authorized FTPs. Current vacancies include the executive director and one associate director. The Board requested one additional FTP for FY 2020.

In FY 2018, the Board received a total appropriation of \$1,544,300.

Interim Director Odom discussed one audit finding concerning excess cash balances and answered questions from the Committee.

In FY 2019, JFAC funded one line item for IT and telecommunications. **Interim Director Odom** reported that hardware, software and related equipment have been installed.

For FY 2020, the Board of Nursing requested four line items, three of which were recommended by the Governor: (1) six cell phones for staff and board members who are required to conduct business away from the office and whose conversations may contain sensitive information; (2) a full-time administrative assistant; and (3) upgrade to Microsoft 365.

Board of Pharmacy

AGENCY

PRESENTER:

Berkeley Fraser, Interim Executive Director

The Board of Pharmacy (Board) was established in 1905 to regulate pharmacy and drug outlets that manufacture, distribute or dispense drugs. It administers regulatory provisions of the Uniform Controlled Substance Act and, in this capacity, aims to minimize prescription drug abuse. The Board oversees a controlled substance prescription monitoring program which contains all controlled substances dispensed in the state. The Board is self-governing and operates with dedicated funds from application, renewal and inspection fees.

LSO STAFF

PRESENTER:

Maggie Smith, Analyst, Legislative Services Offices (LSO)

For FY 2018, the Board received an total appropriation of \$2,336,500, which included an authorized carry forward of \$250,000, one time, for the agency's licensing system upgrade. The system upgrade was appropriated in 2017, but due to delays, was expended in 2018. Additionally, the agency received a supplemental appropriation for the prescription drug overdose prevention contract. The current FY 2018 actual expenditures for the Board are \$2,611,000.

In FY 2019, the Board requested two line items for prescriber reports and a contract extension with the Department of Health and Welfare (DHW). **Director Fraser** described how the prescriber report cards are generated and used. **Director Fraser** provided details concerning the DHW gateway contract.

For FY 2020, the Board requested two line items which were recommended by the Governor: (1) Licensing management system maintenance; and (2) Microsoft 365 upgrade.

Board of Veterinary Medicine

AGENCY

PRESENTER:

Jeremy Brown, Executive Director

The Board of Veterinary Medicine (Board) promotes public health and safety of people and animals of Idaho by establishing and enforcing professional standards for the veterinary profession. The Board oversees approximately 1300 veterinarians, technicians and certified euthanasia technicians and agents. The Board's euthanasia program certifies and trains professionals who euthanize animals. The program, the first of its kind, provides a model for numerous other states.

LSO STAFF

PRESENTER:

In FY 2018, the Board received a total appropriation of \$302,400. They expended \$283,400 and reverted \$19,000.

In FY 2019, the Board received funding for one line item: online licensing software.

For FY 2020, the Board requested no line items.

AGENCY

PRESENTATION: STATE LIQUOR DIVISION
Jeffrey R. Anderson, Director

LSO

PRESENTER:

Maggie Smith, Analyst, Legislative Services Offices (LSO)

The Idaho State Liquor Division (ISLD) is organized under the Office of the Governor. Under statutory authority of Section 23–203, Idaho Code, the Division is authorized to:

- a) Regulate liquor traffic: permit, license, inspect, and regulate the manufacture, importation, transportation, storage, sale, and delivery of alcoholic liquor;
- (b) Traffic in liquor: buy, import, transport, store, sell, and deliver alcoholic liquor;
- (c) Operate liquor stores: establish, maintain, and discontinue warehouses, state liquor stores and distribution stations;
- (d) Acquire real estate: acquire, buy and lease real estate, and improve and equip the same for the conduct of its business;
- (e) Acquire personal property: acquire, buy, and lease personal property necessary and convenient for the conduct of its business; and
- (f) Report: report to the Governor annually, or as requested, concerning the condition, management, and financial transactions of the agency.

ISLD derives its funding from the Liquor Control Fund. Funds needed for variable costs based on sales are continuously appropriated, while the Legislature appropriates funds needed for administration and operations, including personnel, warehouse and office operations. Net proceeds are distributed pursuant to Section 23–404, Idaho Code to the General Fund, counties, cities, court funds, Welfare Fund, Public School Income Fund, community colleges, and the Substance Abuse Treatment Fund.

The Legislative Services Office conducts an annual audit of ISLD.

Director Anderson stated that in FY 2018, ISLD distributed a record dividend of \$78,512,000, and forecasted an FY 2019 dividend of \$82,000,000. Absent changes in the law, **Director Anderson** anticipates FY 2020 distributions at \$86,000,000.

Ms. Smith stated that in FY 2018, ISLD received a total appropriation of \$10,156,400. One mid-year net object transfer of \$96,700 related to one-half of the director's salary which was divided between the State Lottery Division and ISLD. ISLD reverted \$705,800.

The FY 2017 financial audit returned one significant finding. **Director Anderson** reported that documentation issues have been corrected. The FY 2018 audit returned no findings.

In FY 2019, ISLD received a total appropriation of \$21,410,900 which included nine funded line items: (1) relocate or remodel seven stores; (2) add two new liquor stores; (3) hire additional labor for liquor stores; (4) perform warehouse improvements (5) restore Deputy Director position; (6) purchase online training resources; (7) furnish newly built office space; (8) purchase software enhancements; and (9) restructure the warehouse career ladder. **Director Anderson** reported that all of the items have been completed or will be completed by the end of FY 2019.

For FY 2020, ISLD requested six line items, four of which were also recommended by the Governor: (1) relocate or remodel nine stores; (2) convert group positions to full-time positions; (3) hire four new warehouse employees; and (4) purchase two rider pallet jacks. **Director Anderson** explained these requests in detail.

For FY 2020, ISDL requested a total appropriation of \$22,865,800. The Governor recommended \$22,229,200.

In answer to questions from the Committee, **Director Anderson** stated that the distribution of dividends are set in statute, both as fix dollar amounts and as percentages based on total net profits. See [Presentation](#) and [Audio](#).

AGENCY

PRESENTATION: IDAHO STATE LOTTERY

PRESENTER: Jeffrey R. Anderson, Director

The Idaho State Lottery (Lottery) was established by citizen initiative in 1988 and offers games through 3,300 private sector retail partners throughout all of Idaho. It also oversees charitable gaming and has general compliance oversight of tribal gaming. Lottery beneficiaries are Idaho Public Schools, the Bond Levy Equalization Fund and the Permanent Building Fund. Last year, the Lottery returned a record \$54,500,000 in net dividends to the State of Idaho.

LSO STAFF

PRESENTER: Maggie Smith, Analyst, Legislative Services Offices (LSO)

The Lottery receives continuous appropriation for variable costs based on sales, such as prize payouts, retailer commissions, advertising and promotion, etc. The Legislature appropriates operational expenditures such as personnel costs.

In FY 2018, the Lottery received a total appropriation of \$6,189,300. The agency renegotiated its office lease with considerable savings and reverted \$1,163,800.

In FY 2019, the Lottery received a total appropriation of \$6,057,700 which included a base reduction of \$42,500 associated with office lease savings.

For FY 2020, the agency requested removal of onetime expenditures and a base adjustment resulting from cybersecurity software which had been budgeted, but not needed. No line were requested.

For FY 2020, the agency requested a total appropriation of \$6,099,600. The Governor recommended \$6,130,700. See [Presentation](#) and [Audio](#).

AGENCY

PRESENTATION: PUBLIC UTILITIES COMMISSION

PRESENTER: Paul Kjellander, Commission President

The Idaho Public Utilities Commission (IPUC) was established by the Legislature in 1913 to ensure access to safe, adequate and reliable utility services at fair and reasonable prices. The IPUC regulates investor-owned Idaho utilities which include electric, natural gas, water and some telecommunications. Idaho Code grants IPUC judicial and executive powers to set rates, establish and enforce rules for utilities. It does not regulate publicly owned, municipal or co-operative utilities. The IPUC is funded from fees assessed on regulated utilities and railroads and from a federal pipeline grant.

LSO STAFF

PRESENTER: Maggie Smith, Analyst, Legislative Services Offices (LSO)

In FY 2018, IPUC received a total appropriation of \$6,572,800. It transferred \$397,500 from personnel cost savings into operating expenses, and used these funds to pay a pre-bill option to the Division of Public Works in the Department of Administration, to be used for anticipated construction costs for the agency's move to the Chinden Campus, which was approved as a supplemental appropriation earlier in the 2019 Legislative Session.

In FY 2019, IPUC received a total appropriation of \$6,671,200 which included a 3 percent Change in Employee Compensation (CEC) increase to commissioners by request of the Governor.

In FY 2020, IPUC requested a total appropriation of \$6,740,800 with no line items. The Governor recommends \$6,602,500. See [Presentation](#) and [Audio](#).

AGENCY

PRESENTATION: IDAHO STATE HISTORICAL SOCIETY

PRESENTER: Janet Gallimore, Executive Director

The Idaho State Historical Society (ISHS) was founded in 1881 and was established as an agency by the legislature in 1907. It includes the Idaho State History Museum, Idaho State Archives, State Historic Preservation Office, Old Idaho Penitentiary and other state-wide historic sites. Signature collections at the State Archives include, among others, 100,000 territorial, city, county and state government records, the Idaho Constitution, Capital Commission records, signed documents from President Lincoln, Idaho Governor papers, Idaho Supreme Court transcripts, session records and legislative papers spanning 100 years from the territorial era. The Old Pen serves over 75,000 visitors annually, is one of only four territorial prisons, including Montana, Wyoming and Arizona, that are open to the public as museums. The Idaho State Museum houses over 50,000 state artifacts that chronicle the story of Idaho and connects events of today with those of the past. Over \$4,300,000 in private funds from 550 donors were raised to support the new museum as an essential resource for learning, education and inspiration.

LSO STAFF

PRESENTER: Jill Randolph, Analyst, LSO

In FY 2018, ISHS received a total appropriation of \$15,210,900 which included a \$1,000,000 general fund reappropriation to allow the State Historical Museum sufficient cash flow during construction. ISHS reverted \$4,916,700 which related to timing in the opening of the new museum.

In FY 2019, ISHS received a total appropriation of \$7,516,100, which included one line item for cybersecurity protection.

For FY 2019, ISHS requested a \$1,500,000 onetime supplemental appropriation from dedicated funds to reduce donated funds, close out the contract held for the museum exhibitions, and finish final touches on the Idaho State Museum. This supplemental request was approved by JFAC in Senate Bill 1016 during the current legislative session.

For FY 2020, ISHS requested replacement of computer hardware and for seating at the Idaho History Center. ISHS requested eight line items. Three were recommended by the Governor. (1) Museum maintenance craftsman for the new state museum; (2) a museum educator, and (3) security and fire vulnerability assessment for all agency buildings in the Treasure Valley.

For FY 2020, ISHS requested a total appropriation of \$8,673,400. The Governor recommended \$7,586,100.

In answer to questions from the Committee, **Director Gallimore** stated that several of ISHS's current vacancies resulted from employees leaving for higher paying jobs. ISHS recently lost its Grants manager, Development and Marketing Administrator, Librarian and Visitor Services Specialist. ISHS is recruiting for all twelve vacancies. See [Presentation](#) and [Audio](#).

AGENCY

PRESENTATION: STATE INDEPENDENT LIVING COUNCIL

PRESENTER: Mel Leviton, Executive Director

The State Independent Living Council (SILC) promotes independent living for Idahoans with disabilities. SILC conducts a statewide needs assessment at least every three years; advocates for services provided through state and federal programs for individuals with disabilities; conducts studies and analysis, including statewide needs assessments; develops model policies; conducts training and outreach to underserved populations, particularly in rural regions; and develops and pursues a public policy agenda for positive systemic change for people with disabilities throughout Idaho.

SILC works with and supports Idaho's three non-profit centers for independent living. These centers provide valuable services to people with disabilities which include personal assistance services that help people remain in their homes and avoid costly institutional placements.

LSO STAFF

PRESENTER: Jill Randolph, Analyst, LSO

In FY 2018, SILC received a total appropriation of \$741,100. It receives approximately 31 percent of its total appropriation from the General Fund, 17 percent from federal funds, and 52 percent from dedicated funds. SILC reverted approximately 42 percent of their FY 2018 total appropriation due to a 100 percent reversion in their federal grant.

In FY 2019, SILC received a total appropriation of \$697,800 which included a base reduction in federal funds of \$55,700, an inflationary adjustment for rental increase, and two line items: a Title VII Grant administrative fee, and IT/telecommunications costs.

For FY 2020, SILC requested a total appropriation of \$704,200, which included an inflationary adjustment for increased office space rent. See [Presentation](#) and [Audio](#).

AGENCY

PRESENTATION: COMMISSION ON AGING

PRESENTER: Judy Taylor, Administrator

The Idaho Commission on Aging (ICOA) consists of 13.0 FTPs and seven statewide commissioners appointed by the Governor to advise on issues related to older Idahoans. The Idaho Department of Labor estimates that the senior population will increase by 94,000, or 24 percent, by the year 2025. While many will remain vital, healthy and active contributors to their communities, others face malnutrition, social isolation, chronic diseases, falls, or abuse, neglect or exploitation. As authorized by § 67–50003, ICOA assists seniors in remaining as independent as possible in their homes and communities. By supporting seniors' ability to age in their place of choice, families and taxpayers who fund Medicaid spending save significant dollars. When aging in place is not possible, ICOA advocates for the rights of seniors who reside in 365 assisted living and skilled nursing facilities.

LSO STAFF

PRESENTATION: Jill Randolph, Analyst, LSO

In FY 2018, ICOA received a total appropriation of \$12,558,400, consisting of approximately 36 percent from the General Fund and 64 percent from federal funds. ICOA expended \$12,153,200 and reverted \$405,200, or 3.2 percent of their total appropriation.

In FY 2018, ICOA received a total appropriation of \$13,594,400, which included three line items: (1) Adult protection evaluation and design; (2) Server upgrade to Office 365; and (3) authorized spending authority from federal grants for contracted obligations. **Ms. Taylor** stated that ICOA secured a \$600,000 competitive grant to thoroughly research, test and identify the best adult protective services model to meet needs of aging and vulnerable adults. This research will inform ICOA's future plans.

For FY 2020, ICOA requested \$5,700 for computer replacements which the Governor recommended. ICOA requested two line items: (1) costs associated with moving ICOA's office space; and (2) ongoing funding to develop and maintain a statewide family caregiver program. In answer to questions from the committee, **Sara Stover**, Senior Financial Analyst, Office of the Governor, Division of Financial Management, explained that the Governor did not recommend ICOA's office move at this time. Other state agencies are moving which may open appropriate space for ICOA in the future.

For FY 2020, ICOA requested a total appropriation of \$13,705,800. The Governor recommended \$13,629,000. See [Presentation](#) and [Audio](#).

ADJOURNED: Having no further business before the committee, **Chairman Bair** adjourned the meeting at 9:37 a.m.

Senator Bair
Chair

Elaine Leedy
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Wednesday, February 06, 2019

TIME	DESCRIPTION	PRESENTER
	<i>(LSO Analyst: Jared Hoskins)</i>	
8:00	Department of Correction Management Services, LBB 3-7 State Prisons, LBB 3-13 County and Out-of-State Placements, LBB 3-21 Correctional Alternative Placement Program, LBB 3-25 Community Corrections, LBB 3-29 Community-Based Substance Abuse Prevention, LBB 3-37 Medical Services, LBB 3-41	Josh Tewalt, Director
9:50	<i>Break</i>	
10:00	Commission for Pardons and Parole, LBB 3-45	Ashley Dowell, Executive Director
10:30	CEC Committee Report to JFAC	Senator Jim Patrick & Representative Neil Anderson, Committee Co-Chairs

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Wednesday, February 06, 2019

TIME: 8:00 A.M.

PLACE: Room C310

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

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

ABSENT/ EXCUSED: None

CONVENED: **Chairman Youngblood** called the meeting to order at 8:00 am.

AGENCY PRESENTATION: **DEPARTMENT OF CORRECTION**

PRESENTER: **Josh Tewalt, Director**

Director Tewalt stated there are nine state prisons, four community re-entry centers and seven parole & probation districts. They are in the process of matching their resources with where the needs are.

LSO STAFF PRESENTATION: **Jared Hoskins, Principal Budget & Policy Analyst**

Mr. Hoskins explained the Department of Correction is divided into seven budgeted divisions: Management Services, State Prisons, Community Corrections, Community-Based Substance Abuse Treatment, County & Out-of-State Placement, Correctional Alternative Placement and Medical Services and within those budgeted divisions there are seventeen budgeted programs with a total of 2,002.85 FTP.

Management Services

LSO STAFF PRESENTATION: **Jared Hoskins, Principal Budget & Policy Analyst**

Mr. Hoskins reviewed the organization chart for Management Services stating there are 142 FTP, he continued with the review of the FY 2018 actual expenditures noting a total appropriation of \$16,690,300, net object transfer of \$408,000 and all but \$139,200 was spent of the total appropriation.

In FY 2019, Management Services received a total appropriation of \$16,690,300 which included two line items:

- 1) Offender Management System (OMS) Replacement Year 1 of 3
- 2) Data Storage

Director Tewalt gave a brief overview of each line item.

State Prisons

LSO STAFF

PRESENTATION:

Jared Hoskins, Principal Budget & Policy Analyst,

Mr. Hoskins reviewed the organization chart noting there are 1,425.50 FTP and is composed of ten budgeted programs, he continued with the review of the FY 2018 actual expenditures noting a total appropriation of \$119,841,300 between five different fund sources: General Fund, three dedicated funds and the Federal Grant fund. The net object transfer was \$1,865,300.

For FY 2019, State Prisons received a total appropriation of \$ \$120,650,200 which included six line items:

- 1) Facility Expansions
- 2) Common Fare No-Touch Menu
- 3) Instructional Assistants
- 4) Rec Area Slab & Cover
- 5) Catering Units
- 6) Rec Area at SBWCC

Director Tewalt commented on each request.

For FY 2020, State Prisons requested \$2,601,600 in replacement items. The Governor's recommendation is for \$124,851,100.

State Prisons also requested five line items with three being recommended by the Governor:

- 1) Correctional Officers (CO) Entry-Level Pay Phase 1 of 2
- 2) Inmate Pay
- 3) Discretionary Funds

Director Tewalt commented on each request.

To listen to this presentation please [click here](#).

AGENCY

PRESENTATION:

County and Out-of-State Placements

LSO STAFF

PRESENTATION:

Jared Hoskins, Principal Budget & Policy Analyst,

Mr. Hoskins reviewed the FY 2018 actual expenditures noting a total appropriation of \$12,487,700 from the General Fund and no object transfers.

For FY 2019, County & Out-of-State Placement included two line items:

- 1) Population-Driven Costs
- 2) County Jail Per Diem (**H533**)

Director Tewalt commented on each request.

For FY 2020, **Mr. Hoskins** reviewed the Population-Driven Costs: Comparison chart.

To listen to this presentation please [click here](#).

AGENCY

PRESENTATION:

Correctional Alternative Placement Division

LSO STAFF

PRESENTATION:

Jared Hoskins, Principal Budget & Policy Analyst, stated the Correctional Alternative Placement Program is a privately owned and operated facility.

For FY 2018, total appropriation was \$9,794,500 which is funded by the General Fund and total reversions were \$189,800.

For FY 2019, there was one line item request for Population Driven Cost in the amount of \$192,000.

To listen to this presentation please [click here](#).

**AGENCY
PRESENTATION:**

Community Corrections

**LSO STAFF
PRESENTATION:**

Jared Hoskins, Principal Budget & Policy Analyst, reviewed the organizational chart noting there are two budgeted programs with a total of 417.35 FTP

For FY 2018, total appropriation was \$33,651,200 and the net object transfers were \$202,800.

For FY 2019, there were three line item requests:

- 1) Facility Expansions
- 2) Common Fare No-Touch Menu
- 3) Maximizing State Reforms Grant

Director Tewalt commented on each request.

Mr. Hoskins gave a brief review of the onetime expenditures, replacement items and the inflationary adjustments for FY 2019.

For FY 2020, Community Corrections requested \$34,764,100 in line items and the Governor's recommendation was for \$34,683,000. **Director Tewalt** commented on the following agency requests and the Governor's recommendations:

- 1) CO Entry-Level Pay Phase 1 of 2
- 2) Probation and Parole Officers
- 3) Presentence Investigators
- 4) Electronic Monitoring

Director Tewalt commented on each request.

To listen to presentation please [click here](#).

**AGENCY
PRESENTATION:**

Community-Based Substance Abuse Prevention

**LSO STAFF
PRESENTATION:**

Jared Hoskins, Principal Budget & Policy Analyst, reviewed the organizational chart noting there are 18 FTP for this division.

For FY 2018, total appropriation was \$9,717,000 between three fund sources, net transfers between programs were \$120,000 and total reversions were \$2,300.

For FY 2019, there were two line item requests:

- 1) Millennium Fund Replacement
- 2) SUDS Provider Rate Increase

For FY 2020, there was one request for a budget enhancement, this was the Governor's recommendation to reduce the department's Substance Use Disorder (SUDS) funding due to the fiscal impact of Proposition 2.

Director Tewalt gave a brief overview of this request.

To listen to presentation please [click here](#).

AGENCY **Medical Services**

PRESENTATION:

LSO STAFF
PRESENTATION: **Jared Hoskins, Principal Budget & Policy Analyst**, stated the Medical Services Division accounts for costs paid per diem, for profit private medical services provider. There is an ongoing appropriation for certain costs that does not fit into the “four corners” of the contract.

For FY 2018, total appropriation was \$47,533,800 between two fund sources, net object transfer for \$6,600 and total reversions were for \$725,200.

For FY 2019, there were two line item requests:

- 1) Mental Health Unit Expansion
- 2) Population-Driven Costs

For FY 2020, there were two supplemental requests:

- 1) Population-Driven Costs
- 2) SICI North Dorm Conversion

To listen to this presentation please [click here](#).

AGENCY **Commission for Pardons and Parole**

PRESENTATION:

Ashley Dowell, Executive Director, stated her position supports seven Commissioners from across the state. They are the ones who make the actual decisions related to parole, pardons, commutation and early releases.

LSO STAFF
PRESENTATION: **Jared Hoskins, Principal Budget & Policy Analyst**, stated the Commission for Pardons and Parole is one budgeted division and program with 37 FTP.

For FY 2018, total appropriation was \$3,319,500, net object transfer for \$12,000 and total reversions for \$123,600 from the General Fund.

For FY 2019, there were two line items:

- 1) Office Lease Costs
- 2) Commissioner Pay

Executive Director Dowell commented on each request.

For FY 2020, **Mr. Hoskins** reviewed inflationary adjustments, statewide cost allocation and change in employee compensation.

The agency requested two line items and the Governor’s recommendation for Gov Tech 1:

- 1) Parole Instrument Validation
- 2) IT Consulting

Executive Director Dowell commented on each request.

To listen to this presentation please [click here](#).

AGENCY PRESENTATION: CEC Committee Report to JFAC
Co-Chairmen Rep. Anderson and Sen. Patrick

Sen. Patrick stated the Committee has ten members, five from the Senate and five from the House. Sen. Patrick continued the goal of Idaho's total compensation system for state employees is to fund a competitive salary and benefit package that will attract qualified applicants to the work force, retain employees who have a commitment to public service excellence, motivate employees to maintain high standards of productivity, and reward employees for outstanding performance within the means reasonably available to the state. To that end, and in accordance with **Section 67-5309C(4), Idaho Code.**

Rep. Anderson reviewed the Committee's recommendations to JFAC and to the House and Senate Commerce and HR Committees:

- a) Market Related Changes Necessary to Address System-Wide Salary Structure Adjustments
- b) Market Related Changes to Address Specific Occupational Inequities
- c) Merit Salary Increase
- d) Across-the-Board Salary Increase
- e) Changes to the Employee Benefit Package

UNANIMOUS CONSENT: On request by **Sen. Bair**, granted by unanimous consent, to adopt the Change in Employee Compensation Committee (CEC) report.
Hearing no objection, it was so ordered by **Chairman Youngblood.**

To listen to this presentation please [click here.](#)

ADJOURN: There being no further business to come before the Committee, **Chairman Youngblood** adjourned the meeting at 10:55 am.

Representative Youngblood
Chair

Donna Warnock
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Thursday, February 07, 2019

TIME	DESCRIPTION	PRESENTER
	BUDGET HEARINGS	
	<i>(LSO Analyst: Jared Tatro)</i>	
8:00	Millennium Fund Recommendations, LBB 6-179	Senator Patti Anne Lodge, Co-Chair Representative Fred Wood, Co-Chair
	<i>(LSO Analyst: Paul Headlee)</i>	
8:15	Office of Performance Evaluations, LBB 6-133	Rakesh Mohan, Director
	<i>(LSO Analyst: Rob Sepich)</i>	
8:35	Department of Parks and Recreation, LBB 4-39	Steve Martin, Fiscal Officer
	<i>(LSO Analyst: Rob Sepich)</i>	
9:20	Lava Hot Springs Foundation, LBB 4-45	Devanee Morrison, Director
9:40	<i>Break</i>	
	<i>(LSO Analyst: Jared Tatro)</i>	
9:50	Public Health Districts, LBB 2-89	Doug Zenner, Nez Perce County Commissioner Carol Moehrle, District 2 Director
10:00	Catastrophic Health Care Fund, LBB 2-3	Kathryn Mooney, Program Director

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Thursday, February 07, 2019
TIME: 8:00 A.M.
PLACE: Room C310
MEMBERS PRESENT: Senators Co-chairman Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye
Representatives Co-chairman Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Wintrow, Toone
ABSENT/EXCUSED: None
CONVENED: **Chairman Bair** called the meeting to order at 8:01 am.

AGENCY PRESENTATION: **Millennium Fund Recommendations**
Sen. Patti Anne Lodge

Sen. Lodge presented the annual report and recommendations from the Joint Legislative Millennium Fund Committee. **Sen. Lodge** stated the Committee made a motion to provide a recommendation to JFAC which is the Governor's budget recommendation with the following exceptions:

- 1) Remove funding for the Cancer Data Registry
- 2) Provide \$893,400 for the Recovery Centers as requested through the application process and with these funds to be taken from the Medicaid Expansion portion of the Governor's recommendation
- 3) To work with the Department of Health and Welfare on programs that focus on youth prevention of vaping.

The Governor's recommendation included the continued funding for Project Filter, the Public Health Districts, tobacco compliance checks, staff for the Attorney General, and investment fees for the State Treasurer. The Governor's recommendation also included funding for [traditional] Medicaid and for approximately half of the state's share of paying for Medicaid Expansion. The motion passed the committee 6-4.

UNANIMOUS CONSENT: **Sen. Johnson** asked for unanimous consent to accept the Committee Report of the Millennium Fund Committee. **Chairman Bair** called for any objections; hearing no objections, it was so ordered.

AGENCY PRESENTATION: **Office of Performances Evaluations**
Rakesh Mohan, Director

Director Mohan gave a brief overview of the Office of Performance Evaluations (OPE) which is a nonpartisan legislative office that promotes accountability and confidence in state government, works under the general direction of the Joint Legislative Oversight Committee (JLOC) and consists of equal number of legislators from both political parties and both houses.

Director Mohan reviewed the following FY 2020 agency request:

- 1) Ongoing Personnel Funding for \$17,800 ongoing from the General Fund for personnel costs to promote an existing evaluator and to increase the rate of pay for an evaluator at entry-level
- 2) LexisNexis Annual Subscription for \$5,600 ongoing in operating expenditures from the General Fund. There is no funding in the base for this request
- 3) Software Maintenance Costs is for \$2,600 in ongoing operating expenditures from the General Fund for annual maintenance costs of software.

Director Mohan stated there was one Replacement Item request for \$2,400 for one high-end laptop/tablet computer and \$400 for one Adobe Acrobat license.

**LSO STAFF
PRESENTATION:**

Paul Headlee, LSO Division Manager reviewed the Organizational Chart noting there are 8 FTP authorized with one vacant position, he continued with the FY 2018 actual expenditures stating this agency is funded through the General Fund, it is a single funded department and they spent all appropriations. Mr. Headlee continued his presentation with FY 2019, JFAC action noting there were no line items, and the Comparative Summary.

Paul Headlee, LSO Division Manager finished his presentation discussing the Budget Law Exemptions, Lump Sum: The agency requests an appropriation that is exempt from **Section 67–3511, Idaho Code**, which restricts the transfer of appropriation between programs and among personnel costs, operating expenditures, capital outlay, and trustee and benefit payments. This authority requires legislative approval.

To listen to this presentation please [click here](#).

**AGENCY
PRESENTATION:**

Department of Parks and Recreation

Steve Martin, Fiscal Officer stated the Director was unable to attend today's meeting. Mr. Martin continued there are 30 state parks and regional Trailways throughout Idaho that the Department of Parks and Recreation manages. The mission of the Department of Parks and Recreation is to improve the quality of life in Idaho through outdoor recreation and resources stewardship.

**LSO STAFF
PRESENTATION:**

Rob Sepich, Budget & Policy Analyst, reviewed the organizational charting noting how the boards are split between the Northern and Southern regional administrator and the various parks. Mr. Sepich continued there are approximately 156.64 FTP and 6.50 FTP are currently vacant.

For FY 2018, **Mr. Sepich** reviewed the net object transfer, the reverted appropriation of \$6,400,700 and the current year appropriation of \$9,546,800.

For FY 2019, there was approximately \$43,000,000 appropriated. **Mr. Martin** spoke on the requested line item, Billingsley Creek (BC) Visitor Center. In response to Committee questions, Mr. Martin stated the Billingsly Creek project is going to be in partnership with the National Park Service. **Mr. Sepich** noted the Governor did not recommend any General Fund repair or replacement items with the exception of \$600,000 to replace the Ritter Island Bridge. In response to Committee questions, Mr. Martin stated whatever they feel can not be covered with dedicated funds then they make a request from the General Fund and \$600,000 request would come from the General Fund.

Mr. Sepich continued with the explanation of two pieces of intent language that was included in the appropriation bill for 2019.

For FY 2020, there were six line item requests:

- 1) Equity Pay Increase for Rangers
- 2) Lake Cascade Office FTP
- 3) Convert Part-Time to Full-Time
- 4) Thousand Springs Administrative Center
- 5) Lake Cascade Accessibility Projects
- 6) Registration Pass-Through Funding
- 7) Gov Tech 1

Mr. Sepich spoke briefly on each line item and **Mr. Martin** spoke briefly on the Thousand Springs Administrative Center.

To listen to this presentation please [click here](#).

AGENCY

PRESENTATION:

Lava Hot Springs Foundation

Devanee Morrison, Director, gave an overview of the Lava Hot Springs Foundation. She briefly discussed the different facilities and how their revenue is generated.

LSO STAFF

PRESENTATION:

Rob Sepich, Budget & Policy Analyst, gave an overview of the Lava Hot Springs Foundation stating they are organized under the Department of Parks and Recreation. They do have their own appropriation.

For FY 2018, **Mr. Sepich** reviewed the organizational chart noting there are 15.80 FTP and seasonal employees. Mr. Sepich reminded the Committee there was a supplemental approved last year for \$25,000. The division reverted \$174,300 of their total appropriation of \$2.3 million dollars.

For FY 2019, the Foundation requested two line items:

- 1) Pavilion Construction Costs
- 2) Restroom Facility Feasibility Study

Director Morrison commented on each item.

Mr. Sepich noted the base adjustment which will reduce \$100,000 in the Lava Hot Springs Foundation Fund that was previously paid to the Idaho State Building Authority that financed the installation of water speed slides. The agency was granted the appropriation to make extra payments and pay off the capital lease sooner.

For FY 2020, **Mr. Sepich** reviewed the replacement items in the amount of \$90,000 and the statewide cost allocation.

The Lava Hot Springs Foundation requested two line items:

- 1) Hardscaping Main Entrance
- 2) Public Restroom Facility

Director Morrison commented on each request.

In response to Committee questions, Director Morrison stated they are having the idea of geothermal heat versus electric heat supplying the restrooms looked at with the study that is being conducted.

To listen to this presentation please [click here](#).

AGENCY

PRESENTATION:

Public Health Districts

Doug Zenner, Nez Perce County Commissioner

Carol Moehrle, District 2 Director

Commissioner Zenner and Director Moehrle gave an overview of the Public Health Districts. Director Moehrle stated they work cooperatively but independently from the Department of Health and Welfare and the Department of Environmental Quality. There are seven health districts under the direction of the Board of Health. Director Moehrle continued the State's General Fund is approximately 17 percent of their overall combined budgets. The support from the State and Counties is critical to each district.

LSO STAFF

PRESENTATION:

Jared Tatro, Principal Budget & Policy Analyst, stated the health districts have five funds they spend from. The Legislature appropriates from two of them, the General Fund and the Idaho Millennium Income Fund.

For FY 2018, **Mr. Tatro** reviewed the actual expenditures in the amount of \$57,974,100 noting they spend all of their General Fund every year and there was a small reversion of \$7,400 from their Millennium Income Funds, which are used for tobacco cessation services.

Director Moehrle discussed the one open audit finding and stated they have implemented corrective actions to address the finding.

For FY 2019, Director Moehrle addressed the one line item, which was a trailer appropriation bill for citizen review panels. The legislature also included language that required the Department of Health and Welfare to transfer on an ongoing basis, \$20,000 from the Federal CAPTA Grant to the Health Districts. The health districts also received in **S 1326** \$1.6 million from the General Fund to the Health Districts (through the DHW: Child Welfare Program), for the Home Visitation Program.

For FY 2020, the Public Health District requested one line item, Improved Health Transformations. Public Health District 3 & 4 requested \$120,100 onetime form the General Fund to continue with health care transformation efforts for work related to the Department of Health and Welfare's SHIP Grant.

To listen to this presentation please [click here](#).

AGENCY

PRESENTATION:

Catastrophic Health Care Fund

Kathryn Mooney, Program Director, gave a brief overview of the Catastrophic Health Care Board stating it is ran by a Board of Directors. The Board is required to provide the Legislature with an annual report.

LSO STAFF

PRESENTATION:

Jared Tatro, Principal Budget & Policy Analyst, reviewed the organizational chart noting the board includes two Senators and two Representatives, one from each party, and the Health and Welfare Director.

For FY 2018, the Catastrophic Health Care Program received a total appropriation of \$17,999,500. They expended \$19,993,200, \$2.5 to \$3 million came from the seat belt income, reimbursements, and refunds.

For FY 2019, the Catastrophic Health Care Program received a total appropriation of \$9,999,700.

For FY 2020, the Catastrophic Health Care Program had one line item request for an additional \$10,000,000 from the General Fund for estimated increases in catastrophic claims. This request represents a 50% increase in appropriation, but only a 5% increase in claims payments above the estimated expenditures for FY 2019. The Governor's recommendation was \$5,000,000 onetime from the General Fund.

ADJOURN:

There being no further business to come before the Committee, **Chairman Bair** adjourned the meeting at 10:15 am.

Senator Bair
Chair

Donna Warnock
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Friday, February 08, 2019

TIME	DESCRIPTION	PRESENTER
8:00	JFAC Action on Supplemental Appropriations	
	STATE BOARD OF EDUCATION Health Education Programs (p.7, #4) FMR Net Object Transfer, LBB 1-90	Janet Jessup, Senior Analyst
	DEPARTMENT OF CORRECTION I) County & Out-of-State Placement (p.13, #18) Population Driven Costs, LBB 3-23 II) Correctional Alternative Placement (p.14, #19) Population Driven Costs, LBB 3-27 III) Medical Services (p.14, #20) Population Driven Costs, LBB 3-43	Jared Hoskins, Principal Analyst
	SELF-GOVERNING AGENCIES Division of Veterans Services (p.22, #39) Approp. Adjust - Match Revenue, LBB 5-119	Jared Tatro, Principal Analyst
	SELF-GOVERNING AGENCIES Division of Veterans Services (p.22, #40) 4th Veterans Home Design Costs, LBB 5-119	
	OFFICE OF THE GOVERNOR Office of Information Technology Services (p.25, #50) Moving Costs, LBB 6-79	Robyn Lockett, Principal Analyst
	OFFICE OF THE GOVERNOR Office of Information Technology Services IT Modernization	
	LEGISLATIVE BRANCH Redistricting Commission (p.26, #53) Redistricting Costs, LBB 6-141	Paul Headlee, Division Manager
8:45	STATEWIDE BUDGET DECISIONS PACKET REVIEW	Paul Headlee, Division Manager

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Friday, February 08, 2019

TIME: 8:00 A.M.

PLACE: Room C310

MEMBERS PRESENT: Senators Co-chairman Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye
Representatives Co-chairman Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Wintrow, Toone

ABSENT/ EXCUSED: Representative(s) Amador

CONVENED: **Chairman Youngblood** called the meeting to order at 8:02 am.
State Board of Education
Health Education Programs
Supplemental

LSO STAFF PRESENTATION: **Janet Jessup, Budget & Policy Analyst**, presented background information pertaining to the State Board of Education supplemental. Ms. Jessup stated with the passage of **S 1366** of 2018, the Legislature provided a General Fund appropriation for additional support to medical residencies. Among these appropriations was \$235,000 in trustee and benefit payments to the Family Medical Residency Program at Idaho State University. The agency requests moving moneys from trustee and benefit payments to personnel costs to reflect spending expectations.

UNANIMOUS CONSENT: On request by **Sen. Ward-Engelking**, granted by unanimous consent, the FY 2019 budget for State Board of Education, was reopened.

MOTION: **Original Motion**
Moved by **Sen. Ward-Engelking**, seconded by **Rep. Horman**, to move for fiscal year 2019 for the State Board of Education, Division of Health Education, the addition of \$235,000 ongoing for personnel costs and the reduction of \$235,000 ongoing trustee and benefit payments from the General Fund.

CARRIED: **Ayes: 19**
Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Kauffman, Raybould, Syme, Troy, Wintrow, Toone
Nayes: 0
Ab/Ex: 1
Amador
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 Youngblood**.
To listen to this presentation please [click here](#).

Department of Correction
County & Out-of-State Placement
Correctional Alternative Placement
Medical Services
Supplemental

LSO STAFF PRESENTATION: **Jared Hoskins, Principal Budget & Policy Analyst**, presented background information pertaining to the Department of Correction. Mr. Hoskins stated there are three divisions, Out-of-State Placement (COSP), Correctional Alternative Placement (CAP), and Medical Services (MS) account for updated offender forecasts, bed utilization counts, and per diem amounts.

UNANIMOUS CONSENT: On request by **Rep. Wintrow**, granted by unanimous consent, the FY 2019 budget for the Department of Correction, was reopened.

MOTION: **Original Motion**

Moved by **Rep. Wintrow**, seconded by **Sen. Crabtree**, to move for fiscal year 2019, for the Department of Correction, an ongoing increase of \$2,627,200 in operating expenditures from the General Fund in the County and Out-of-State Placement Program; an ongoing increase of \$15,400 in operating expenditures from the General Fund in the Correctional Alternative Placement Program; and an ongoing decrease of \$447,400 in operating expenditures from the General Fund in the Medical Services Program, for a total net increase of \$2,195,200, for the purpose of population-driven costs.

CARRIED: **Ayes: 19**

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

Nays: 0

Ab/Ex: 1

Amador

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 Youngblood**.

To listen to this presentation please [click here](#).

Self-Governing Agencies

Division of Veterans Services

Fund Shift — Align Appropriation with Anticipated Revenue

Supplemental

LSO STAFF PRESENTATION: **Jared Tatro, Principal Budget & Policy Analyst**, stated this is a fund shift to align the +appropriation with the anticipated revenue source. As part of the Governor's recommendation, he recommended the Miscellaneous Revenue Fund to be reduced by \$1,200,000 and the Federal funds be increased by that amount. Mr. Tatro continued the state veterans homes receive revenue based upon residents' pay types such as Medicaid, Medicare, VA, and private pay. Medicare and VA payments are appropriated as Federal funds while Medicaid and private pay payments are appropriated from the miscellaneous revenue or dedicated funds. A resident's pay type may change from one type to another.

UNANIMOUS CONSENT: On request by **Sen. Agenbroad**, granted by unanimous consent, the FY 2019 budget for the Division of Veterans Services, was reopened.

MOTION: **Original Motion**

Moved by **Sen. Agenbroad**, seconded by **Rep. Kauffman**, to move to the Division of Veterans Services, the addition of \$1,200,000 from federal funds and the reduction of \$1,200,000 from dedicated funds, both in personnel costs for fiscal year 2019.

CARRIED: **Ayes: 19**

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

Nayes: 0

Ab/Ex: 1

Amador

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 Youngblood**.

To listen to this presentation please [click here](#).

Office of the Governor

Office of Information Technology Services

Moving Costs

Supplemental

LSO STAFF PRESENTATION: **Robyn Lockett, Principal Budget & Policy Analyst**, stated this supplemental request was included in the Governor's recommendation.

UNANIMOUS CONSENT: On request by **Rep. Raybould**, granted by unanimous consent, the FY 2019 budget for the Office of Information Technology Services, was reopened.

MOTION: **Original Motion**

Moved by **Rep. Raybould**, seconded by **Sen. Ward-Engelking**, to move for fiscal year 2019, for the Office of Information Technology Services, an additional \$282,000 in onetime operating expenditures from the Administration and Accounting Services Fund.

CARRIED: **Ayes: 19**

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

Nayes: 0

Ab/Ex: 1

Amador

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 Youngblood**.

To listen to this presentation please [click here](#).

MOTION: **Original Motion**
Office of the Governor
Office of Information Technology Services
IT Modernization
Supplemental

Moved by **Rep. Raybould**, seconded by **Sen. Ward-Engelking**, to move for fiscal year 2019, for the Office of Information Technology Services, an additional \$28,400 and 1.00 FTP from the Administration and Accounting Services Fund.

CARRIED: **Ayes: 19**
Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Kauffman, Raybould, Syme, Troy, Wintrow, Toone

Nayes: 0

Ab/Ex: 1
Amador

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 Youngblood**.

To listen to this presentation please [click here](#).

Legislative Branch
Redistricting Commission
Supplemental

LSO STAFF PRESENTATION: **Paul Headlee, Division Manager**, presented a brief overview of the Redistricting Commission supplemental request. Mr. Headlee stated the Redistricting Commission requested \$45,000 onetime in operating expenditures from the General Fund to hire a Geographic Information System (GIS) contractor to assist with providing data to the US Census Bureau in preparation for the decennial census. The contractor will be responsible for converting county voting districts (precincts) to US Census geographic boundary files and providing that information to the Census Bureau. **Section 72–1506 (7), Idaho Code**, requires that district boundaries retain the local voting precinct boundary lines to the extent those lines comply with **Section 34–306, Idaho Code, et al.** Funding will also be needed for limited staff training related to current GIS software and programming.

UNANIMOUS CONSENT: On request by **Sen. Johnson**, granted by unanimous consent, the FY 2019 budget for the Legislative Branch, was reopened.

MOTION: **Original Motion**

Moved by **Sen. Johnson**, seconded by **Rep. Troy**, to move for \$45,000 onetime from the General Fund to the Redistricting Commission for FY 2019 for necessary costs related to redistricting.

CARRIED: **Ayes: 19**
Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Kauffman, Raybould, Syme, Troy, Wintrow, Toone

Nayes: 0

Ab/Ex: 1

Amador

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 Youngblood**.

To listen to this presentation please [click here](#).

AGENCY **Statewide Budget Decisions Packet Review**

PRESENTATION: Paul Headlee, Division Manager

Mr. Headlee reviewed the FY 2019 and FY 2020 General Fund Revenue for Budget Setting and Proposed JFAC Statewide Decisions for FY 2020 stating there will be no action taken at this meeting. Mr. Headlee continued, this is the next step to prepare for setting budgets. The packet is split into two decision areas, 1) choosing a revenue number for setting budgets and 2) statewide decisions, which is the maintenance area of the budget.

To listen to this presentation please [click here](#).

ADJOURN: There being no further business to come before the Committee, **Chairman Youngblood** adjourned the meeting at 9:10 am.

Representative Youngblood
Chair

Donna Warnock
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Monday, February 11, 2019

TIME	DESCRIPTION	PRESENTER
	<i>(LSO Analyst: Jared Tatro)</i>	
8:00	Department of Health and Welfare Division of Welfare, LBB 2-75	Julie Hammon, Division Administrator
8:40	Division of Medicaid, LBB 2-33	Matt Wimmer, Division Administrator
9:20	<i>Break</i>	
9:30	Division of Medicaid - Continued	Matt Wimmer, Division Administrator
10:40	Department Comments and Summarization	Dave Jeppesen, Director

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Monday, February 11, 2019
TIME: 8:00 A.M.
PLACE: Room C310
MEMBERS PRESENT: Senators Co-chairman Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye
Representatives Co-chairman Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Maurin(Troy), Wintrow, Toone
ABSENT/ EXCUSED: None
CONVENED: Co-Chairman Bair called the Joint Finance-Appropriations Committee (Committee) (JFAC) to order at 8:00 a.m.

AGENCY PRESENTATION: **DEPARTMENT OF HEALTH AND WELFARE**
Division of Welfare

PRESENTER: **Julie Hammon, Division Administrator**
The Department of Health and Welfare's budget includes two major programs: (1) the Self-Reliance Operations Program, which handles personnel, operations and capital outlay expenditures; and (2) the Benefit Payments Program that track benefits intended to provide support options for low income families and individuals while encouraging and supporting participants to become more self-reliant.
Programs include Child Support Services, Supplemental Nutrition Assistance Program (SNAP), child care assistance, temporary assistance for families, and Idaho's Aid to the Blind and Disabled. The Division also oversees the eligibility portions for Medicaid and determines Advance Premium Tax Credit (APTC) to purchase private insurance.
The Self-Reliance Operations Program employs 619.50 Full Time Positions (FTPs). One position was transferred to Indirect Support Services, bringing the FY 2020 request to 618.50 FTPs. The Division of Welfare has 58 current vacancies, or about 9 percent. DHW employs 400 self-reliance specialists and customer service representatives who serve over 600,000 individuals every year. **Ms. Hammond** explained that turnover is typically high in call centers, and the vacancy rate is typically five percent. The Division of Welfare is preparing for Medicaid expansion implementation to serve an additional 91,000 Idahoans. Its staffing design allows DHW to absorb this work without additional administrative funding.

LSO STAFF PRESENTATION: **Jared Tatro, Analyst, Legislative Services Offices (LSO)**
In FY 2018, the Division of Welfare received a total appropriation of \$172,320,100. It expended \$161,478,500 and reverted \$10,106,600.

The 2016–2017 Audit returned six findings to the Division of Welfare. **Ms. Hammond** stated that corrective actions have been taken and expects these items to close.

In FY 2019, the Division of Welfare received a total appropriation of \$175,037,800 of which \$78,233,000 was for self-reliance operations and \$96,804,800 was for benefit payments. The FY 2019 agency request also included two line items: Child support system modernization and SNAP employment and training services.

Ms. Hammond reported that three years of Child Support Project funding has drastically improved operations. It has achieved all of its goals with a few automation releases remaining. The Office of Child Support Enforcement Services reviewed the new system and concluded that Idaho’s approach was not only the least expensive modernization project in the country, but also produced the best results and functionality. In addition, the new system allowed the Division of Welfare to transfer 10.0 FTPs to the child welfare program, and transferred nearly \$600,000 from personnel costs to operating expenses in order to ensure the new modernized system remains relevant.

The SNAP Employment and Training has allowed DHW to coordinate workforce development efforts through community partners. Once training is complete, these partners work with individuals to gain long-term employment. This program serves approximately 30,000 individuals. About half drop off the program and lose their benefits. Of the remaining half, approximately 40 percent leave the program with employment, training or education.

For FY 2020, the Division of Welfare requested a 5.6 percent appropriation decrease, to \$165,245,300, as a result of savings realized from the Child Support system modernization project. The Governor recommended a total appropriation of \$165,469,500.

Ms. Hammond explained that Division of Welfare did not request line items for Medicaid expansion for two reasons: (1) the manner in which the cost allocation and federal match rates work with integrated eligibility programs; and (2) the design of its workforce staffing to adjust to changing workloads, and, in the case of Medicaid expansion, do so without additional funding. See [Presentation](#) and [Audio](#).

AGENCY

PRESENTATION: **Division of Medicaid**

PRESENTER: **Matt Wimmer, Division Administrator**

The Division of Medicaid (Division) administers comprehensive health care coverage for eligible Idahoans in accordance with Titles 19 and 21 of the Social Security Act. It contracts with individual health care providers, agencies, institutions and managed care entities to provide health services for low income families, including children, pregnant women, the elderly and people with disabilities. The Division is separated out into four budgeted programs: Medicaid administration, which includes personnel costs, operating expenditures and capital outlay and a small portion of trustee and benefit payments. The other three programs are trustee and benefit payments only: The Basic plan covers pregnant women and children, Idaho’s Children Health Insurance Program (CHIP) and other children in Medicaid. The Basic Plan accounts for three quarters of the caseload. The Enhanced Plan is made up of children and non-elderly adults with

disabilities or other special health needs, including foster children, and accounts for approximately 16 percent of caseload. The Coordinated Plan includes those who are aged 65 and older. The passage of Proposition 2 created a fifth budgeted program for Medicaid Expansion.

**LSO STAFF
PRESENTER:**

Jared Tatro, Analyst, LSO

The Division employs 216.0 FTPs and requested an additional 5.0 FTPs for FY 2020. The Governor recommended three additional positions related to Medicaid expansion.

In FY 2018, the Division received a total appropriation of \$2,343,605,500. They expended \$2,316,908,000, and reverted \$26,697,500 as unspent appropriation. This amount is the subject of an FY 2019 Supplemental appropriation.

The 2017 Audit returned one finding. This item has been corrected.

In FY 2019, the Division received a total appropriation of \$2,449,450,500 which included nine line items:

- (6) MMIS Independent Verification;
- (7) Jeff D Settlement Implementation;
- (15) Provider-Data Software Improvements;
- (27) Infant Toddler Early Intervention Services;
- (33) Provider Entrollment Changes;
- (38) Children's DDA Rate Change;
- (39) Assisted Living Facility-personal Care Services;
- (57) Provider Rate Increase-Supported Living; and
- (58) Trailer for H465 —Restore Dental.

Mr. Wimmer detailed the status of these line items and answered questions from the Committee.

Mr. Tatro discussed proposed language for the appropriation bill.

Mr. Wimmer discussed FY 2020 cost control efforts.

In addition to the original FY 2019 appropriation of \$2,449,450,500, the Division of Medicaid requested, and the Governor recommended:

- (1) a onetime supplemental appropriation of \$9,307,400 to cover claims not paid at the end of FY 2018;
- (2) \$2,321,600 to fund recently completed contract extension for the Medicaid Management Information System (MMIS);
- (3) a program transfer of \$700,000 in federal funds from the Medicaid Administration and Medical Management Program to the Physical Health Services Program for 11 federal grants; and
- (4) an additional \$32,505,600 in ongoing trustee and benefit payments to account for estimated increases in service utilization.

For FY 2020, the Division of Medicaid requested:

Nondiscretionary Adjustments

The Division of Medicaid requests \$108,354,700 from all funds in the following nondiscretionary adjustments. This includes an increase of \$52,697,400 from the General Fund, a decrease of \$5,342,400 in dedicated funds, and an increase of \$60,999,700 in federal funds.

COST-BASED PRICING: Increases of \$9,416,300 from the General Fund and \$23,983,100 in federal funds. Medicaid reimburses certain entities such as hospitals, nursing facilities, home health, and prescription drug companies for the cost of providing the good or service. Other providers are often paid based on the established Medicaid approved rate. Cost-surveys are conducted frequently to ensure that the reimbursement amount is accurate.

MANDATORY PRICING: Increases of \$83,700 from the General Fund and \$213,200 in federal funds. Mandatory pricing relates to Medicaid being required to pay for services at a federally designated rate; this includes Federally Qualified Health Centers (FQHC), Rural Health Clinics (RHC), and Indian Health Clinics (IHC).

CASELOAD: Increases of \$4,703,100 from the General Fund and \$11,978,700 in federal funds. Caseload is the number of estimated new Idahoans eligible for Medicaid services. Caseload is expected to increase from 284,532 in FY 2019 to 289,810 in FY 2020.

UTILIZATION: Increases of \$6,813,300 from the General Fund and \$17,353,300 in federal funds. Utilization is the estimated change for the use of services provided in Medicaid.

DEDICATED RECEIPTS: Decrease of \$5,534,000 in dedicated funds and offsetting increases of \$1,661,500 from the General Fund and \$3,872,500 in federal funds. Dedicated receipts come from hospital cost settlements, pharmaceutical rebates, and other refunds and reimbursements

FMAP ADJUSTMENT: An increase of \$13,219,100 from the General Fund and a decrease of a like amount in federal funds to reflect a decrease in the blended Federal Medical Assistance Percentage (FMAP) rate, which is the federal share of eligible Medicaid payments for the majority of services provided. The rate will change from 71.13% to 70.34% for FY 2020.

CHIP FMAP ADJUSTMENT: The request also shifts \$6,840,800 from federal funds with \$6,649,200 added to the General Fund and \$191,600 added to dedicated funds for changes in the FMAP rate for the CHIP Program. CHIP has been funded 100% from federal funds for the past few years, but with passage of the federal Bipartisan Budget Act of 2018, the match rate for CHIP changed from 100% to 93.5% in federal fiscal year 2020 and will change to 82% for federal fiscal year 2021.

53RD CLAIMS PAYMENT CYCLE: A onetime increase of \$10,151,200 from the General Fund and a onetime increase of \$23,658,800 in federal funds. Because the calendar year is actually divisible by 52.1786 weekly pay periods (and not 52), every five or six years there are 53 weekly periods.

The Division of Medicaid requested a Program Maintenance Budget of \$2,584,950,900. The Governor recommended \$2,585,082,900.

Mr. Wimmer discussed and answered questions from the Committee. See [Presentation](#) and [Audio](#).

For FY 2020, the Division of Medicaid requested thirteen line items. The Governor also recommended six of the thirteen:

(1) Children’s DD Services Process Change: \$2,860,000 to improve services for children with autism and other intellectual or developmental disabilities. The request includes \$488,400 in ongoing operating expenditures and \$2,371,600 in ongoing trustee and benefit payments.

(2) MMIS Independent Verification: \$1,000,000 in ongoing appropriation for an independent verification and validation (IVV) vendor. The IVV will provide an independent and unbiased perspective on the progress of the Medicaid Management and Information System (MMIS) development and the integrity and functionality of the system.

(3) Health Data Exchange Connections: \$5,924,600 in onetime operating expenditures to connect providers to the Idaho Health Data Exchange (IHDE) and improve the capabilities of the IHDE. Medicaid relies on the IHDE for data on Medicaid providers and services monitoring.

(4) NEMT Rate Increase: \$6,892,200 to increase the provider rates for non-emergency medical transportation (NEMT) by 28%, and the contractual administration fee of 20%. This request is being made as a result of language added to the FY 2019 appropriation bill for Medicaid. The Governor recommended \$7,973,300.

(5) School Based Services Rate Increase: \$5,628,900 from dedicated and federal funds to increase the rates for school districts that provide Medicaid services in the school setting to comparable businesses that provide these services in the community. The Governor recommended \$3,702,700.

(6) The Governor recommended 3.00 FTP and \$197,307,900 for the implementation and ongoing operations of Medicaid Expansion.

For FY 2020, the Division of Medicaid requested a total appropriation of \$2,620,263,700. The Governor recommended \$2,803,258,900.

Mr. Wimmer discussed and answered numerous questions from the Committee concerning the budget request and Medicaid Expansion. See [Presentation](#) and [Audio](#).

Director Dave Jeppesen offered closing remarks.

Senator Bair
Chair

Elaine Leedy
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Tuesday, February 12, 2019

TIME	DESCRIPTION	PRESENTER
	<i>(LSO Analyst: Christine Otto)</i>	
	Office of the Governor	
8:00	Military Division, LBB 6-89	Brigadier General Michael Garshak, Commanding General
	Idaho State Police	
8:30	Division of Idaho State Police, LBB 3-87	Colonel Kedrick Wills
9:05	POST Academy, LBB 3-97	Brad Johnson, Administrator
9:25	<i>Break</i>	
9:35	Racing Commission, LBB 3-103	Jim Hammond, Racing Commission Chair
9:45	Brand Inspection, LBB 3-83	Cody Burlile, State Brand Inspector
9:55	STATEWIDE BUDGET DECISIONS	Paul Headlee, Division Manager

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Tuesday, February 12, 2019
TIME: 8:00 A.M.
PLACE: Room C310
MEMBERS PRESENT: Senators Co-chairman Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye
Representatives Co-chairman Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Wintrow, Toone
ABSENT/ EXCUSED: None
CONVENED: **Chairman Youngblood** called the meeting to order at 8:00 am.

AGENCY PRESENTATION: **Office of the Governor**
Military Division
Brigadier General Michael Garshak, Commanding General
Brigadier General Garshak stated the three core missions are to fight and win our nation's wars, secure the homeland and build enduring partnerships. The Orchard Combat Training Center (OCTC) has continued to develop after receiving more than \$80 million in Federal funds for construction and modernization. Brigadier General Garshak continued he anticipates the continued investment of Federal funds, potentially up to \$300 million over the next three years to bring improvements to Gowen Field.

LSO STAFF PRESENTATION: **Christine Otto, Budget & Policy Analyst**
In FY 2018, the Military Division received a total appropriation of \$92,143,200, there was a noncognizable increase of \$35,000,000 in Federal funds and reverted \$16,815,900.
In FY 2019, the Military Division received a total appropriation of \$104,971,900 which included eleven line items:
1) Youth ChalleNGe Staff
2) Emergency Data Routers
3) Family Support Positions — 13 FTP
4) Idaho STARBASE Program
5) Training Facility OCTC
6) CFMO Positions — 6 FTP
7) Environmental Positions — 3 FTP
8) ITAM Positions — 3 FTP
9) RTLTP Positions — 23 FTP
10) Telecommunications Specialist
11) Security Patrol Specialists
Brigadier General Garshak commented on each request.
Ms. Otto noted the bill language that is added to the military's appropriation bill every year for continuous appropriation for hazardous substance incidents.

For FY 2020, the Military Division requested twelve line items with the Governor only recommending eleven:

- 1) Land Leases
- 2) Supervisory HR Specialist
- 3) SWIC Position
- 4) Purchasing Agent
- 5) Software Engineer
- 6) Youth Challenge Cadre Team Leaders
- 7) Armory Revenue Fund Increase
- 8) Construction and Maintenance
- 9) Environmental Protection Technicians
- 10) OCTC Equipment
- 11) Funding for 12 positions

Brigadier General Garshak commented on each request.

To listen to this presentation please [click here](#).

**AGENCY
PRESENTATION:**

**Division of Idaho State Police
Colonel Kedrick Wills**

**LSO STAFF
PRESENTATION:**

Christine Otto, Budget & Policy Analyst

In FY 2018, the Division of Idaho State Police received a total appropriation of \$70,349,700, there was a net object transfer of \$187,100 and reverted \$3,642,600.

Colonel Wills discussed the update on the division's audit findings stating the follow up work has been completed.

In FY 2019, the Division of Idaho State Police received a total appropriation of \$75,776,000 which included twelve line items. **Colonel Wills** commented on the following line items:

- 1) Patrol Officers
- 2) Forensic Scientists
- 3) Purchase of Watertower Lots
- 4) Sex Offender Registry System Update

In FY 2020, the Division of Idaho State Police requested eighteen line items, eleven of those were fully recommended by the Governor. Four were partially recommended by the Governor and three were not recommended by the Governor. **Colonel Wills** commented on the following line items:

- 1) Project Choice Expansion
- 2) Statewide Motor Units
- 3) RMS Evaluation
- 4) Security System Upgrade
- 5) Cybersecurity Software Maintenance
- 6) Taser Assurance Plan
- 7) Resident Trooper Housing Unit
- 8) Forensic Scientists
- 9) Radio Communication Maintenance
- 10) Software and Instrument Maintenance
- 11) WIN Membership Fees
- 12) Federal Grants

To listen to this presentation please [click here](#).

AGENCY

POST Academy

PRESENTATION: Brad Johnson, Administrator

Administrator Johnson stated the POST was created in 1969 funded by \$240,000 of surplus State Liquor funds along with \$73,000 on a bi-annual basis from the State General Fund. The POST dedicated fund was established effective for FY 1984, through a three dollar fee imposed on all felonies, misdemeanor infractions and ordinance violations. The POST Academy is organized and funded as a division of the Idaho State Police. POST continues to rely on dedicated funds to operate.

LSO STAFF

Christine Otto, Budget & Policy Analyst

PRESENTATION: In FY 2018, POST Academy received a total appropriation of \$4,688,700 they expended \$3,698,900, and reverted \$1,008,500.

In FY 2020, POST Academy requested \$441,300 in replacement items. The Governor's recommendation was for \$441,300.

POST Academy also requested two line items:

- 1) Fund Shift Due to Declining Revenue
- 2) POST Replacement Items

To listen to this presentation please [click here](#).

AGENCY

Racing Commission

PRESENTATION: Jim Hammond, Racing Commission Chair

Mr. Hammond gave an overview of the Racing Commission stating the commission is composed of three board members. The commission is funded through fees collected from licenses and pari-mutuel wagering. The Commission's primary objectives are to build a strong and credible industry to operate the commission as efficiently and economically as possible.

LSO STAFF

Christine Otto, Budget & Policy Analyst

PRESENTATION: In FY 2018, the Racing Commission received a total appropriation of \$650,100 they expended \$395,100, and reverted \$255,000.

In FY 2019, the Racing Commission had no line item requests or approved. The commission has requested one supplemental for \$40,900. There is an annualization request for an additional \$19,900 in ongoing operating expenditures that coincides with the supplemental.

To listen to this presentation please [click here](#).

AGENCY

Brand Inspection

PRESENTATION: Cody Burlile, State Brand Inspector

Inspector Burlile gave a brief overview of the Brand Inspection division.

LSO STAFF

Christine Otto, Budget & Policy Analyst

PRESENTATION: In FY 2018, the Brand Inspection division received a total appropriation of \$3,427,100, they expended \$3,078,600 and reverted \$382,800.

Inspector Burlile discussed the audit findings for FY's 2015, 2016 and 2017.

In FY 2019, the Brand Inspection division had no line item requests, it was purely a maintenance budget.

For FY 2020, the Brand Inspection division requested \$181,600 in replacement items for five pickup trucks and computer equipment.

To listen to this presentation please [click here](#).

STATEWIDE BUDGET DECISIONS

LSO STAFF PRESENTATION: **Paul Headlee, Division Manager**, stated the Governor's and EORAC's recommendation is to increase revenue 0.5% above FY 2018 actual collections of \$3,731,606,400.

MOTION: **Original Motion**
FY 2019 General Fund Revenue for Budget Setting
Moved by **Sen. Bair**, seconded by **Sen. Grow** for FY 2019 that the Joint Finance-Appropriations Committee adopt the Governor's and the Economic Outlook & Revenue Assessment Committee's recommended General Fund revenue projection of \$3,750,320,500 for the purpose of setting state agency budgets.

CARRIED: **Ayes: 20**
Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Wintrow, Toone
Nays: 0
Ab/Ex: 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 ordered by **Chairman Youngblood**.

LSO STAFF PRESENTATION: **Paul Headlee, Division Manager**, stated there are three options for the FY 2020 General Fund Revenue, the Governor's recommendation, the EORAC's recommendation, and the last option is a mid-range option with a General Fund revenue projection of 7 percent above the FY 2019 forecast.

MOTION: **Original Motion**
FY 2020 General Fund Revenue for Budget Setting
Moved by **Sen. Bair**, seconded by **Sen. Grow** for FY 2020 that the Joint Finance-Appropriations Committee adopt the General Fund revenue projection of \$4,012,842,900 for the purpose of setting state agency budgets.

CARRIED: **Ayes: 20**
Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Wintrow, Toone
Nays: 0
Ab/Ex: 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 ordered by **Chairman Youngblood**.

LSO STAFF PRESENTATION: **Paul Headlee, Division Manager**, stated there are two options for the statewide decision on benefits. The first option is the Governor's revised FY 2020 funding recommendation and the second option is the Employee Compensation Committee's recommendation.

MOTION:

Original Motion

JFAC Statewide Decisions FY 2020

Benefits

Moved by **Rep. Anderson**, seconded by **Sen. Agenbroad** to adopt the Change in Employee Compensation Committee's FY 2020 funding recommendation to maintain the current appropriated amount for health insurance per eligible full-time FTP at \$11,650, and include the Governor's revised recommendation for changes in variable benefits and fund shifts by agency, which total an increase of \$7,608,900 from the General Fund, an increase of \$836,000 from dedicated funds, and an increase of \$513,700 from federal funds, for a total increase of \$8,958,600.

CARRIED:

Ayes: 18

Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Toone

Nays: 2

Wintrow and Ward-Engelking

Ab/Ex: 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 ordered by **Chairman Youngblood**.

**LSO STAFF
PRESENTATION:**

Paul Headlee, Division Manager, stated the statewide decisions there are inflationary adjustments and historically the Committee has addressed those by not adopting the inflationary items but to allow the motion makers to add those back on a case by case basis.

**UNANIMOUS
CONSENT:**

On request by **Rep. Horman**, not to include the agency's request or the Governor's recommendation for inflationary adjustments in the JFAC Statewide Decisions. Committee members may, at their discretion, add funding in their motions on a case-by-case basis.

**LSO STAFF
PRESENTATION:**

Paul Headlee, Division Manager, stated the statewide decisions there are replacement items and historically the Committee has addressed those by not adopting the replacement items but to allow the motion makers to add those back on a case by case basis.

**UNANIMOUS
CONSENT:**

On request by **Sen. Johnson**, not to include the agency's request or the Governor's revised recommendation for one-time funding for replacement operating expenditures and capital outlay. Committee members may, at their discretion, add funding on a case-by-case basis.

**LSO STAFF
PRESENTATION:**

Paul Headlee, Division Manager, stated the Statewide Cost Allocation adjustments are for Attorney General fees, State Controller fees, Treasurer fees, building service space charges and risk management costs.

MOTION:

Original Motion

JFAC Statewide Decisions FY 2020

Statewide Cost Allocation

Moved by **Rep. Horman**, seconded by **Sen. Ward-Engelking** to include the Governor's FY 2020 recommendation adjusting Attorney General fees, State Controller fees, State Treasurer fees, building services space charges, and risk management costs, for an increase of \$2,775,900 from the General Fund, \$1,998,500 from dedicated funds, and \$695,800 from federal funds, for a total of \$5,470,200.

CARRIED:

Ayes: 20

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

Nays: 0

Ab/Ex: 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 ordered by **Chairman Youngblood**.

**LSO STAFF
PRESENTATION:**

Paul Headlee, Division Manager, stated the annualizations is for the statewide elected official salary increase and adjustments to the Department of Health and Welfare, the Department of Correction, the Judicial Branch and Department of Revenue and Taxation.

DISCUSSION:

Sen. Johnson invoked Rule 39 stating a possible conflict of interest but would be voting on the motion.

MOTION:

Original Motion

JFAC Statewide Decisions FY 2020

Annualizations

Moved by **Sen. Johnson**, seconded by **Sen. Bair** to include the Governor's revised FY 2020 recommendations for statewide elected official's salary increases, adjustments to the Department of Health and Welfare, Department of Correction, the Judicial Branch, and Department of Revenue and Taxation, including 0.75 FTP, \$2,718,100 from the General Fund, and \$136,500 from dedicated funds, for a total of \$2,854,600.

CARRIED:

Ayes: 20

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

Nays: 0

Ab/Ex: 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 ordered by **Chairman Youngblood**.

**LSO STAFF
PRESENTATION:**

Paul Headlee, Division Manager, stated there are two options for the Change in Employee Compensation (CEC). First option is the Governor's recommendation and the second is from the CEC committee.

DISCUSSION: **Rep. Syme** invoked Rule 38 stating a possible conflict of interest but he would be voting on the motion.
In response to Committee questions, **Mr. Headlee** explained the motion would allow the Executive Branch Division of Financial Management to assure there is sufficient funding with each CEC plan with each agency that executes the CEC plan.

MOTION: **Original Motion**
JFAC Statewide Decisions FY 2020
Change in Employee Compensation (CEC)
Moved by **Rep. Anderson**, seconded by **Sen. Crabtree** to include the equivalent funding amount from the Governor's revised recommendation for a 3% pay increase for permanent employees of state agencies, institutions, public health districts, and the Idaho Bureau of Educational Services for the Deaf and the Blind. Notwithstanding the provisions of **Section 67-5309, Idaho Code**, and any other provision of law to the contrary, state agencies and institutions shall increase the ongoing annual salaries of their permanent state employees by no less than five hundred fifty dollars (\$550.00) effective by July 1, 2019. The remaining amounts so appropriated shall be distributed to state employees based on merit at the discretion of agency heads and institution presidents, subject to sufficient funding pursuant to **Section 67- 5304, Idaho Code**. This motion includes funding to shift the compensation schedule upwards by three percent at the minimum, policy, and maximum pay rates by (3%) beginning on July 1, 2019. The exception to the change is that the minimum wage would remain at \$7.25 per hour in pay grade D. This motion maintains the job classifications currently on payline exception to address specific employee recruitment or retention issues and includes funding for the Governor's recommended fund shifts. Funding in this motion includes \$20,510,500 from the General Fund, \$14,807,500 from dedicated funds, and \$6,350,200 from federal funds for a total of \$41,668,200.

CARRIED: **Ayes: 20**
Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Wintrow, Toone
Nays: 0
Ab/Ex: 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 ordered by **Chairman Youngblood**.

LSO STAFF PRESENTATION: **Paul Headlee, Division Manager**, stated there is a proposed 3% base salary increase for classified staff and administrators in public schools, it does excludes the instructors and teachers who are on the career ladder.

MOTION: **Original Motion**
JFAC Statewide Budget Decisions FY 2020
3% Base Salary Increase for Classified Staff & Administrators in Public Schools
Moved by **Sen. Ward-Engelking**, seconded by **Rep. Horman** for FY 2020, the Governor's revised recommendation for a 3% pay increase for Public Schools classified employees and administrators in the amount of \$7,346,500 from the General Fund.

CARRIED:

Ayes: 20

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

Nays: 0

Ab/Ex: 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 ordered by **Chairman Youngblood**.

**LSO STAFF
PRESENTATION:**

Paul Headlee, Division Manager, stated the nondiscretionary adjustments which includes public schools enrollment, workload adjustment for college and universities, Community Colleges, Federal caseload, utilization, and federal match rate adjustments in Health & Welfare and Medicaid.

MOTION:

Original Motion

JFAC Statewide Decisions FY 2020

Nondiscretionary Adjustments

Moved by **Sen. Bair**, seconded by **Sen. Grow** for FY 2020, the Governor's revised nondiscretionary adjustment recommendations for Public Schools, enrollment workload adjustment (EWA) for College and Universities and Community Colleges, and caseload, utilization, and federal match rate adjustments in Health & Welfare and Medicaid for an increase of \$132,274,300 from the General Fund, an increase of \$6,475,900 from dedicated funds, and an increase of \$60,802,300 from federal funds for a total of \$199,552,500.

CARRIED:

Ayes: 20

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

Nays: 0

Ab/Ex: 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 ordered by **Chairman Youngblood**.

**LSO STAFF
PRESENTATION:**

Paul Headlee, Division Manager, stated the endowment adjustments are for public schools, college & universities, and the Department of Health and Welfare.

MOTION:

Original Motion

JFAC Statewide Decisions FY 2020

Endowment Adjustment

Moved by **Rep. Horman**, seconded by **Sen. Bair** for FY 2020, to include changes in spending of Endowment Funds for Public Schools, College and Universities, and the Department of Health and Welfare resulting in a decrease of \$1,795,200 from the General Fund and an increase of \$2,082,300 from dedicated funds for total of \$287,100.

CARRIED:

Ayes: 20

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

Nays: 0

Ab/Ex: 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 ordered by **Chairman Youngblood**.

To listen to the Statewide Decision motions please [click here](#).

ADJOURN:

There being no further business to come before the Committee, **Chairman Youngblood** adjourned the meeting at 10:52 am.

Representative Youngblood
Chair

Donna Warnock
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Wednesday, February 13, 2019

TIME	DESCRIPTION	PRESENTER
	GERMANE COMMITTEE REPORTS TO JFAC	
8:00	House and Senate Health & Welfare Committees	Representative Fred Wood and Senator Fred Martin
8:15	House Resources and Conservation Committee	Representative Marc Gibbs
8:30	JFAC Action on Supplemental Appropriations	
	STATE BOARD OF EDUCATION Health Education Programs (p.7, #3) FMR, Rural Training Track, LBB 1-90	Janet Jessup, Senior Analyst
	SELF-GOVERNING AGENCIES Division of Veterans Services (p.22, #40) 4th Veterans Home Design, LBB 5-119	Jared Tatro, Principal Analyst
	DEPARTMENT OF HEALTH & WELFARE Division of Welfare/Child Welfare Net Zero Transfer	
	DEPARTMENT OF HEALTH & WELFARE Public Health Services (p.11, #13) Additional EMS Grants, LBB 2-59	
	DEPARTMENT OF HEALTH & WELFARE Healthcare Policy Initiatives (p.13, #17) Graduate Medical Education, LBB 2-83	
	SELF-GOVERNING AGENCIES Division of Building Safety (p.18, #27) Receipt of Donations, LBB 5-57	Christine Otto, Budget Analyst
	SELF-GOVERNING AGENCIES Division of Building Safety (p.18, #29) Damage Prevention Program, LBB 5-57	
	SELF-GOVERNING AGENCIES Division of Building Safety (p.18, #30) PUC Sub Grant, LBB 5-58	
9:15	<i>Break</i>	

GERMANE COMMITTEE REPORTS TO JFAC(cont'd)

9:30	Senate Education Committee	Senator Dean Mortimer
9:45	House Education Committee	Representative Lance Clow
10:00	Senate Judiciary and Rules Committee	Senator Todd Lakey
10:15	House Judiciary, Rules, and Administration	Representative Thomas Dayley

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Wednesday, February 13, 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, Maurin(Troy), Wintrow, and Toone.

**ABSENT/
EXCUSED:** None

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

PRESENTATION: **JOINT HOUSE AND SENATE COMMITTEE CHAIR PRESENTATIONS**

PRESENTERS: **Rep. Fred Wood, Chair, House Health and Welfare Committee**
Sen. Fred Martin, Chair, Senate Health and Welfare Committee
Chairman Wood recommended the top budget priorities of the House Health and Welfare Committee (House Committee):
(1) Behavioral health, especially suicide prevention;
(2) Child welfare and child care initiatives;
(3) Dental provider requests;
(4) Non-Emergency medical transportation; and
(5) Advanced care planning initiative.

Chairman Wood stated that if the advanced care planning initiative were budgeted, the House Committee would introduce appropriate legislation. The House Committee expressed concern about the Southwest Idaho Treatment Center and the need for a future new facility and staffing.

Chairman Martin spoke strongly in favor of suicide prevention. See [Audio](#).

PRESENTER: **Rep. Marc Gibbs, Chair, House Resources and Conservation Committee**
Chairman Gibbs reminded the JFAC Committee of the 2017 flood conditions in Idaho. In FY 2018, JFAC appropriated funds for flood control which covered 15 projects throughout the state. The House Resources and Conservation Committee requested that JFAC again appropriate \$1,000,000, onetime, to finish the flood management program and to review bids on Snake River water quality projects.

The Water Resources Board may require \$29,000,000 to hold in a fund for use as matching dollars for two federal project grants. The first, the Water and Infrastructure Improvement for the Nation (WIIN) provides up to 50/50 grant money for reclamation projects. The second program addresses flood management, drought mitigation, and water efficiencies. The Water Resources Board has been working on the two projects – one to raise the Anderson Ranch Rock Dam, and to pump water from the Snake River to the Mountain Home Air Force Base. Total cost would be approximately \$40,000,000, and Idaho would need on hand \$20,000,000 to create the federal match. The project to bring water to the Mountain Home Air Force Base would cost between \$9,000,000 and \$20,000,000. The government will participate in that project if the state delivers the water to the base. See [Audio](#).

JFAC ACTIONS ON SUPPLEMENTAL APPROPRIATIONS

AGENCY PRESENTATION: **STATE BOARD OF EDUCATION**
Health Education Programs

Chairman Bair announced that the Health Education Programs Supplemental Appropriation hearing would be rescheduled.

AGENCY PRESENTATION: **SELF-GOVERNING AGENCIES**
Division of Veterans Services: 4th Veterans Home Design

LSO STAFF PRESENTER: **Jared Tatro, Analyst, Legislative Services Office (LSO)**

CONSENT: Requested by **Sen. Johnson**, granted by unanimous consent, the budget of the Division of Veterans Service was reopened.

CARRIED: Moved by **Sen. Johnson** for the Division of Veterans Services, the addition of \$800,000 onetime operating expenditures from the Veterans Recognition Income Fund for fiscal year 2019, seconded by **Rep. Amador**.

DISCUSSION: **Sen. Johnson** explained that approval of this supplemental will allow for the division to begin the process of constructing a fourth veterans home in northern Idaho which includes the architecture and design process.

AYES: 20
Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Maurin(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 **Chairman Bair**.

CONSENT: On request of Senator Johnson, granted by unanimous consent, the following cash transfer language was approved:

Notwithstanding the provisions of Section 65-703(2), Idaho Code, or any other provision of law to the contrary, there is hereby appropriated and the administrator of the Division of Veterans Services shall request the State Controller to make a transfer or transfers from the Idaho Veterans Recognition Fund to the Idaho Veterans Recognition Income Fund in an amount not to exceed a total of \$800,000 for the purpose of providing the state's required match for the establishment of a fourth veterans home in north Idaho for the period July 1, 2018, through June 30, 2019. Further, notwithstanding the provisions of Section 65-704(5), Idaho Code, or any other provision of law to the contrary, any funds remaining in the Veterans Recognition Income Fund at the end of fiscal year 2019 shall remain in the Veterans Recognition Income Fund and shall not be transferred back to the Idaho Veterans Recognition Fund.
See [Presentation](#) and [Audio](#).

AGENCY PRESENTATION: **DEPARTMENT OF HEALTH AND WELFARE
Self-Reliance Operations and Foster & Assistance Payment**

LSO STAFF PRESENTER: **Jared Tatro, Analyst, LSO**

CONSENT: Requested by **Sen. Lee**, granted by unanimous consent, the FY 2019 budget for the Department of Health and Welfare, Division of Welfare and Child Welfare, was reopened.

CARRIED: Moved by **Sen. Lee** for fiscal year 2019, the addition of \$1,000,000 for the Foster and Assistance Payments Program and the reduction of \$1,000,000 from the Self-Reliance Operations Program, all from federal funds, seconded by **Rep. Wintrow**.

DISCUSSION: **Sen. Lee** explained that this action will rearrange the appropriation without increasing the budget for the department.

AYES: 20

Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Maurin(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 **Chairman Bair**. See [Presentation](#) and [Audio](#).

AGENCY PRESENTATION: **Public Health Services, Emergency Medical Services**

LSO STAFF PRESENTER: **Jared Tatro, Analyst, LSO**

CARRIED: Moved by **Sen. Lee** for the Department of Health and Welfare for the Emergency Medical Services Program, the addition of \$300,000 from the Emergency Medical Services Three Fund, for fiscal year 2019, seconded by **Rep. Wintrow**.

DISCUSSION: **Sen. Lee** explained that this addition will allow the program to provide additional grants for the purpose of acquiring vehicles and equipment for use by emergency medical services personnel in the performance of their duties, which include highway safety and emergency responses to motor vehicle accidents.

AYES: 20

Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Maurin(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 **Chairman Bair**. See [Presentation](#) and [Audio](#).

AGENCY

PRESENTATION: **Health Care Policy Initiatives: Graduate Medical Education**

LSO STAFF

PRESENTER: **Jared Tatro, Analyst, LSO**

CARRIED: Moved by **Rep. Amador**, for the Department of Health and Welfare in the Health Care Policy Initiatives Program a reduction of \$107,800 from the Cooperative Welfare (General) Fund and a reduction of \$267,200 from the Cooperative Welfare (Federal) Fund for fiscal year 2019, seconded by **Sen. Lee**.

DISCUSSION: **Rep. Amador** explained that this motion removes funding that was appropriated in FY 2018 for Graduate Medical Education (GME) and Medicaid eligible services, as those services are not available for reimbursement at the Idaho State University Family Medicine Residency Program as originally recommended.

AYES: 19

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

NAYS: 1 Nye

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 **Chairman Bair**. See [Presentation](#) and [Audio](#).

AGENCY

PRESENTATION: **SELF-GOVERNING AGENCIES
Division of Building Safety — Receipt of Donations, Damage Prevention,
and PUC Sub Grant**

LSO STAFF

PRESENTER: **Christine Otto, Analyst, LSO**

CONSENT: Requested by **Sen. Woodward**, granted by unanimous consent, the FY 2019 budget for the Division of Building Safety was reopened.

CARRIED: Moved by **Sen. Woodward** for fiscal year 2019, for the Division of Building Safety, an additional \$42,700 in ongoing personnel costs, and \$57,000 in ongoing operating expenditures, for a total of \$99,700 from the State Regulatory Fund, seconded by **Rep. Horman**.

AYES: 20

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

NAYS: 1 Anderson

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 **Chairman Bair**. See [Presentation](#) and [Audio](#).

PRESENTATION: SENATE EDUCATION COMMITTEE

PRESENTER: Sen. Dean Mortimer, Chairman

After extensive review, the Senate Education Committee (Committee) recommended: (1) continuation of the career ladder; (2) teacher healthcare; and (3) funding of new support units. Together these recommendations would represent a continued prepaid appreciation and encouragement to teachers, pupils and service staff who work so hard to educate and encourage Idaho students.

A fourth recommended item was literacy. The Committee recognized the approximate \$13,000,000 which has already been budgeted for literacy in the last few years. Because data to determine effectiveness is lacking, the Committee did not recommend a specific dollar amount.

The Committee recognized other areas of importance in the education process, such as mastery based learning, technology, advanced opportunities, professional development, career counseling, and remediation. While the Committee considered them significant, they did not designate them priorities.

The Committee further agreed that the \$16,600,000 which was taken out of the Public Education Stabilization Fund for last year's funding needed to be replaced. The fund needs to be rebuilt to its pre-recession levels.

Chairman Mortimer answered questions from the Committee regarding the education funding formula and Advanced Opportunity Scholarships. See [Audio](#).

PRESENTATION: HOUSE EDUCATION COMMITTEE

PRESENTER: Rep. Lance Clow, Chairman, House Education Committee

Chairman Clow spoke in favor of funding the teachers' career ladder, literacy proficiency, alternative routes for teachers, and career-technical education. Noting the rapid increase in Idaho population in general, and students in particular, **Chairman Clow** urged that teacher salaries be competitive with other states. See [Audio](#).

PRESENTATION: SENATE JUDICIARY AND RULES COMMITTEE

PRESENTER: Sen. Todd Lakey, Chairman, Senate Judiciary and Rules
The primary need lies in reinvestment efforts in the criminal justice system. **Sen. Lakey** supported the Governor’s recommendation for 17 additional probation and parole officers in order to help ensure that those who are released from the system have opportunities for success. Housing and transportation are key components. Transitional facilities enable people to obtain and keep employment. **Sen. Lakey** supported increased judicial compensation and the request for additional judicial judges and magistrates. The state has a constitutional authority to provide representation for those who cannot afford it through the Defense Commission. See [Audio](#).

PRESENTATION: HOUSE JUDICIARY, RULES AND ADMINISTRATION

PRESENTER: Rep. Thomas Dayley, Chairman House Judiciary, Rules and Administration
Rep. Dayley concurred with Sen. Lakey on the need for a dedicated fund through the Defense Commission and for additional judges. See [Audio](#).

ADJOURNED: Having no further business before the Committee, **Chairman Bair** adjourned the meeting at 10:21 a.m.

Senator Bair
Chair

Elaine Leedy
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Friday, February 15, 2019

BUDGET SETTING

SUBJECT	DESCRIPTION	PRESENTER
LBB 5-21	Department of Finance	Keith Bybee, Deputy Division Manager
LBB 5-33	Department of Insurance	
LBB 6-149	Board of Tax Appeals	
LBB 2-89	Public Health Districts	Jared Tatro, Principal Analyst
LBB 5-117	Division of Veterans Services	
LBB 6-55	Office of Drug Policy	
	JFAC Action on Supplemental Appropriations	
	DEPARTMENT OF HEALTH & WELFARE Division of Medicaid (p.9, #8) MMIS Contract Extensions, LBB 2-36	Jared Tatro, Principal Analyst
	(I.) DEPARTMENT OF HEALTH & WELFARE Division of Medicaid (p.8, #7) FY 2018 Medicaid Held Payments, LBB 2-36	
	(II.) DEPARTMENT OF HEALTH & WELFARE Division of Medicaid (p.9, #9) Hospital Audit Fund Adjustment, LBB 2-36	
	(III.) DEPARTMENT OF HEALTH & WELFARE Division of Medicaid (p.10, #11) Increase in Utilization of Services, LBB 2-37	

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Friday, February 15, 2019

TIME: 8:00 A.M.

PLACE: Room C310

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

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

**ABSENT/
EXCUSED:** None

CONVENED: **Chairman Youngblood** called the meeting to order at 8:00 am.

PRESENTER: **Department of Finance
Keith Bybee**

Mr. Bybee stated the Department of Finance was originally created by the State Legislature in 1905 and the Department of Finance is a regulatory agency. Funding for the operation of the department comes from a wide variety of fees. The department also manages two small funds, the Mortgage Recovery Fund and the Security Investment Fund. **Mr. Bybee** continued the Department of Finance requested one line item this year and it was recommended by the Governor.

Original Motion

Department of Finance

MOTION: Moved by **Rep. Anderson**, seconded by **Sen. Grow**, for the Department of Finance, beginning with the FY 2020 Base, an increase of \$15,500 for benefit costs, an increase of \$31,000 for replacement items, a decrease of \$2,400 for statewide cost allocation, and an increase of \$178,800 for change in employee compensation. Also included are the following line items: Line item 1 for \$384,000 for Moving Costs. Line item 2 for a net zero transfer of \$81,900 from personnel costs to operating expenditures for ongoing costs. Gov Tech 1 for \$6,100. Gov Tech 3 reducing 4.00 FTP and reducing \$179,000. The totals for this motion for FY 2020 are 63.00 FTP, and \$8,934,800 from dedicated funds.

DISCUSSION: **Rep. Anderson** stated this motion is a 3.3% increase over the FY 2019 appropriation. It reduces replacement items to include capital replacement items only. This motion also reduced line item 1 by \$57,000 and asks that costs for IT and voice data lines be paid with existing appropriation. It includes an additional line item to transfer \$81,900 from personnel costs to ongoing operating expenditures to pay for annual services like software subscriptions, firewall maintenance, reference materials, copier leases, Microsoft Enterprise Support, and a backup system. This motion also includes the Department's portion of the network equipment replacement for OITS and finally includes the Governor's initiative for technology modernization and consolidation. For the Department of Finance, the analysis by OITS inadvertently left two IT FTP in the budget. This motion reduces all four IT FTP at the Department of Finance and reduces

personnel costs \$347,200 while increasing operating expenditures \$168,200 for a net reduction of \$179,000.

CARRIED:

Ayes: 18

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

Nays: 0

Ab/Ex: 2

Burtenshaw and Woodward

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 Youngblood**.

**UNANIMOUS
CONSENT:**

On request by **Sen. Johnson**, granted by unanimous consent, to accept the intent language as shown...

**INTENT
LANGUAGE:**

SECTION 3. CONTINUOUS APPROPRIATION AUTHORITY. The Department of Finance is hereby granted continuous appropriation authority for reimbursement of persons to whom an Idaho court awards actual damages resulting from acts constituting violations of the Idaho Residential Mortgage Practices Act by a mortgage broker, mortgage lender, or mortgage loan originator who was licensed or required to be licensed according to Section 26-31-109, Idaho Code.

To listen to this presentation please [click here](#).

PRESENTER:

Department of Insurance

Keith Bybee

Mr. Bybee stated the Department of Insurance has two budgeted departments, the Insurance Regulation Division and the State Fire Marshall's Office. The Department of Insurance receives funding from the US Department of Health and Human Services, collects insurance premium taxes.

Original Motion

Department of Insurance

MOTION:

Moved by **Sen. Grow**, seconded by **Rep. Anderson**, for the Department of Insurance, beginning with the FY 2020 Base, an increase of \$12,700 for benefit costs, an increase of \$192,500 for replacement items, a decrease of \$11,300 for statewide cost allocation, and an increase of \$154,200 for change in employee compensation. Also included are the following line items: \$7,100 for the Department's share of Network Equipment Replacement. A reduction of 5.00 FTP and \$252,300 for Technology Modernization. The totals for this motion for FY 2020 are 71.5 FTP, \$9,091,800 from dedicated funds, and \$685,200 from federal funds for a grand total of \$9,777,000.

DISCUSSION: **Sen. Grow** stated this motion is a 4.2% decrease from the FY 2019 original appropriation. It includes a reduction of \$431,900 in personnel costs, and 5.00 FTP and an increase of \$179,600 in operating expenditures for a net reduction of \$252,300. It also includes the Department's share of the cost to replace the state's core network equipment. Also included in this motion is replacement items as requested which includes \$40,500 for computers; \$3,600 for edge boxes at field offices; \$101,600 for two light trucks; \$27,300 for printers and equipment; \$4,800 for task chairs; and \$14,700 for server half-blades.

CARRIED: **Ayes: 18**
Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Wintrow, Toone

Nays: 0

Ab/Ex: 2

Burtenshaw and Woodward

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 Youngblood**.

PRESENTER: **Department of Insurance**
Keith Bybee

Original Motion

Department of Tax Appeals

MOVED: Moved by **Sen. Grow**, seconded by **Rep. Anderson**, for the Board of Tax Appeals, beginning with the FY 2020 Base, an increase of \$1,300 for benefit costs, a transfer of \$1,400 from personnel costs to operating expenditures for inflationary adjustments, an increase of \$300 for statewide cost allocation, an increase of \$3,300 for an annualization, and an increase of \$12,300 for change in employee compensation. Also included are the following line items: \$1,100 for Office 365 Licenses and \$3,100 for Technology Modernization. The totals for this motion for FY 2020 are 5.00 FTP, and \$635,600 from the General Fund.

DISCUSSION: **Sen. Grow** stated this motion is a 4.3% increase over the FY 2019 original appropriation. It transfers \$1,400 from personnel costs to operating expenditures to cover the cost of inflationary adjustments and realigns the budget to more closely match expenditures. The motion asks that if computers need replaced, that the Board use existing resources to cover those costs. It provides \$1,100 for the ongoing cost of Office 365 licenses. Finally, this motion includes \$3,100 for additional billing for the Governor's technology modernization initiative. The Network Equipment Replacement and Mobile Device Security will be covered in the appropriation to the Office of Information Technology Services.

CARRIED: **Ayes: 18**
Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Wintrow, Toone

Nays: 0

Ab/Ex: 2

Burtenshaw and Woodward

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 Youngblood**.

PRESENTER: **Department of Public Health Districts**
Jared Tatro, Principal Budget & Policy Analyst

Original Motion
Department of Public Health Districts

MOTION: Moved by **Rep. Troy**, seconded by **Rep. Amador**, for the Public Health Districts, beginning with the FY 2020 Base, an increase of \$17,200 for benefit costs, the addition of \$10,200 for inflationary adjustments, an increase of \$22,500 for statewide cost allocation, and an increase of \$211,400 for the change in employee compensation. Then add a line item for \$104,500 from the General Fund for Citizen Review Panels. The totals for this motion for FY 2020 are \$9,768,500 from the General Fund, and \$768,900 from dedicated funds for a grand total of \$10,537,400.

DISCUSSION: **Rep. Troy** stated this motion reflects the agency's request with adjustments for personnel costs as recommended by the Legislative CEC Committee and adopted by JFAC. The state's share for GOV TECH 1 can be found in the budget for the Office of Information Technology Services. Also included is an additional \$104,500 from the General Fund for Citizen Review Panels. Last session money was added for the panels as a starting point until the panels became operational. This addition is to make that process whole and allow the panels to be fully functional.

MOTION: Substitute Motion
Moved by **Sen. Lee**, seconded by **Rep. Wintrow**, for the Public Health Districts, beginning with the FY 2020 Base, an increase of \$17,200 for benefit costs, the addition of \$10,200 for inflationary adjustments, an increase of \$22,500 for statewide cost allocation, and an increase of \$211,400 for the change in employee compensation. Also included is line item 1 for \$119,400 for Improved Health Transformation. Then add a line item for \$104,500 from the General Fund for citizen review panels. The totals for this motion for FY 2020 are \$9,768,500 from the General Fund, and \$768,900 from dedicated funds for a grand total of \$10,537,400.

DISCUSSION: **Sen. Lee** stated the only difference in the two motions, is the Improved Health Transformation line item.

CARRIED: Substitute Motion
Ayes: 10
Bair, Lee, Agenbroad, Grow, Ward-Engelking, Nye, Youngblood, Syme, Wintrow, Toone
Nays: 8
Johnson, Crabtree, Horman, Anderson, Kauffman, Troy, Amador, Raybould
Ab/Ex: 2
Burtenshaw and Woodward

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 Youngblood**.

**UNANIMOUS
CONSENT:**

On request by **Sen. Lee**, granted by unanimous consent, to accept the funding formula language as follows.

1) MILLENNIUM FUND FUNDING. Of the amount appropriated in Section 1 of this act, \$119,400 shall be distributed to Public Health District 4 for the purpose of improving health transformations. These moneys shall not be considered general state aid for the purpose of **Section 39-425, Idaho Code**, and shall not be allocated through a board of trustees formula pursuant to **Section 39-411, Idaho Code**. 2) There is hereby appropriated to the Public Health Districts \$768,900 from the Idaho Millennium Income Fund for the period July 1, 2019, through June 30, 2020, for the purpose of no-cost cessation services to Idahoans who want to quit tobacco use, with a primary emphasis on youth and pregnant women. These moneys shall not be considered general state aid for the purpose of **Section 39-425, Idaho Code**. 3) CITIZEN REVIEW PANELS. Of the amount appropriated in Section 1 of this act, \$136,500 shall be distributed to each Public Health District at one-seventh (1/7) of the total amount, which shall be used for the Citizen Review Panels pursuant to Senate Bill No. 1341, as enacted by the Second Regular Session of the Sixty-fourth Idaho Legislature. These moneys received by the Public Health Districts shall not be considered general state aid pursuant to **Section 39-425, Idaho Code**, nor shall the moneys be allocated through a board of trustees formula pursuant to **Section 39-411, Idaho Code**.

PRESENTER:

**Division of Veterans Services
Jared Tatro, Principal Budget & Analysis**

Mr. Tatro gave a brief overview of the Division of Veterans Services stating they provide support services for veterans within the State of Idaho. This is done through three homes, located in Lewiston, Pocatello and Boise. The agency request was for \$78,746,100 and \$1,164,300 was from the General Fund, they also receive approximately 3% from endowment dollars. There was six line item requests and the Governor supported all six line items and the two initiatives related to technology.

Original Motion
Division of Veterans Services

MOTION:

Moved by **Rep. Syme**, seconded by **Rep. Kauffman**, for the Division of Veterans Services, beginning with the FY 2020 Base, an increase of \$76,000 for benefit costs, an increase of \$98,800 for statewide cost allocation, and an increase of \$556,600 for the change in employee compensation. Also included are the following line items: line item 1 that adds \$871,100 for staff market equity; line item 2 that adds 3.00 FTP and \$551,900 for additional staffing positions; line item 3 that adds \$103,300 for new capital outlay items; line item 4 that adds \$200,000 for Medicaid related expenditures and intergovernmental transfers; line item 5 that adds \$100,000 for the Veterans Recognition Fund awards; and line item 6 that adds \$42,223,400 to construct a fourth veterans home in Post Falls. Then add \$27,900 for the network equipment replacement as recommended in GOV TECH 1. Then reduce 5.00 FTP and add a net increase of \$279,300 for the GOV TECH Initiative 3 to consolidate the state's IT positions and provide for recommended billings. The totals for this motion for FY 2020 are 344.00 FTP, \$1,224,200 from the General Fund, \$30,705,400 from dedicated funds, and \$46,662,500 from federal funds for a grand total of \$78,592,100.

DISCUSSION: **Rep. Syme** stated this motion includes personnel cost adjustments adopted by JFAC, and both of the Governor's technology initiatives, but without the state share in GOV TECH 1 as that money should be directly appropriated in the Office of Information Technology Services budget. This motion includes all agency requested line items.

CARRIED: **Ayes: 20**
Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Wintrow, Toone

Nays: 0
Ab/Ex: 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 **Chairman Youngblood**.

UNANIMOUS CONSENT: On request by **Rep. Kauffman**, granted by unanimous consent, to accept the Cash Transfer Language as follows.

Division of Veterans Services - Cash Transfer Language — Notwithstanding the provisions of **Section 65-703(2), Idaho Code**, or any other provision of law to the contrary, there is hereby appropriated and the administrator of the Division of Veterans Services shall request the State Controller to make a transfer or transfers from the Idaho Veterans Recognition Fund to the Idaho Veterans Recognition Income Fund in an amount not to exceed a total of \$14,258,200 for the purpose of providing the state's required match for the establishment of a fourth veterans home in north Idaho for the period July 1, 2019, through June 30, 2020. Further, notwithstanding the provisions of **Section 65-704(5), Idaho Code**, or any other provision of law to the contrary, any funds remaining in the Veterans Recognition Income Fund at the end of fiscal year 2020 shall remain in the Veterans Recognition Income Fund and shall not be transferred back to the Idaho Veterans Recognition Fund.

UNANIMOUS CONSENT: On request by **Rep. Kauffman**, granted by unanimous consent, to accept the Reappropriation Authority as follows.

Division of Veterans Services - Carryover Language REAPPROPRIATION AUTHORITY. There is hereby reappropriated to the Division of Veterans Services any unexpended and unencumbered balances appropriated to the Division of Veterans Services from the Federal Grant Fund for a second veterans cemetery for fiscal year 2019, in an amount not to exceed \$7,496,100, to be used for nonrecurring expenditures related to the addition of a second veterans cemetery in southeastern Idaho for the period July 1, 2019, through June 30, 2020.

PRESENTER: **Office of Drug Policy**
Jared Tatro, Principal Budget & Analysis

Mr. Tatro gave a brief overview of the Office of Drug Policy was created during the 2007 Legislative session. The agencies requests includes standard adjustments, state wide cost allocations, a request for \$97,800 Federal funds, ongoing for the Partnership Success Grant.

CARRIED:

Original Motion
Office of Drug Policy

Moved by **Rep. Troy**, seconded by **Sen. Crabtree**, moved for the Office of Drug Policy, beginning with the FY 2020 Base, an increase of \$2,000 for benefit costs, an increase of \$4,600 for statewide cost allocation, and an increase of \$13,500 for the change in employee compensation. Also included is line item 1 that adds \$97,800 for the Partnership for Success Grant. Then add \$2,800 for Mobile Device Security in GOV TECH 2 and add \$3,000 for GOV TECH 4 to modernize IT Billings. The totals for this motion for FY 2020 are 6.00 FTP, \$334,600 from the General Fund, \$24,500 from dedicated funds, and \$4,453,200 from federal funds for a grand total of \$4,812,300.

Ayes: 20

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

Nays: 0

Ab/Ex: 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 **Chairman Youngblood**.

PRESENTER:

Department of Health & Welfare
Jared Tatro, Principal Budget & Analysis

Original Motion
Department of Health & Welfare
Medicaid Administration & Medical Management
Supplemental

**UNANIMOUS
CONSENT:**

On request by **Sen. Lee**, granted by unanimous consent, to reopen FY 2019 budget for the department of Health and Welfare, was reopened.

MOTION:

Moved by **Sen. Lee**, seconded by **Sen. Agenbroad**, to the Department of Health and Welfare for the Medicaid Administration and Medical Management Program the addition of \$580,400 from the Cooperative Welfare (General) Fund, and the addition of \$1,741,200 from the Cooperative Welfare (Federal) Fund, for a total of \$2,321,600 in ongoing operating expenditures for fiscal year 2019.

CARRIED:

Ayes: 20

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

Nays: 0

Ab/Ex: 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 **Chairman Youngblood**.

Original Motion
Department of Health & Welfare
Trustee & Benefit Payments Adjustments
Supplemental

MOTION: Moved by **Rep. Wintrow**, seconded by **Sen. Agenbroad**, to the Department of Health and Welfare for the Enhanced Medicaid Plan Program the addition of \$42,481,800 from the Cooperative Welfare (General) Fund; the addition of \$4,055,200 from the Idaho Millennium Income Fund; the addition of \$61,439,000 from the Cooperative Welfare (Federal) Fund; and the reduction of \$56,766,000 from the Cooperative Welfare (Dedicated) Fund. All adjustments are in trustee and benefit payments, with \$22,762,600 in onetime appropriation with \$11,075,500 from the Cooperative Welfare (General) Fund, \$4,055,200 from the Idaho Millennium Income Fund, and \$7,631,900 from the Cooperative Welfare (Federal) Fund, and the remaining \$28,447,400 is for ongoing appropriations, for a total net amount of \$51,210,000 for fiscal year 2019.

CARRIED: **Ayes: 20**
Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Wintrow, Toone
Nays: 0
Ab/Ex: 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 **Chairman Youngblood**.

ADJOURN: There being no further business to come before the Committee, **Chairman Youngblood** adjourned the meeting at 9:00 am.

Representative Youngblood
Chair

Donna Warnock
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:30 A.M.
Room C310
Monday, February 18, 2019

BUDGET SETTING

SUBJECT	DESCRIPTION	PRESENTER
	STATE HOLIDAY - PRESIDENTS DAY	
8:30 LBB 1-11	Public School Support/Financing Administrators	Robyn Lockett, Principal Analyst
LBB 1-15	Teachers	
LBB 1-21	Operations	
LBB 1-27	Children's Programs	
LBB 1-31	Facilities	
LBB 1-35	Central Services	
LBB 1-41	Education Services for the Deaf & Blind	
	Self-Governing Agencies	Jill Randolph, Budget Analyst
LBB 5-63	Commission on Hispanic Affairs	
	Office of the Governor	
LBB 6-51	Commission for the Blind & Visually Impaired	

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Monday, February 18, 2019

TIME: 8:30 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: **Co-Chairman Bair** called the Joint Finance and Appropriations Committee (Committee) (JFAC) to order at 8:30 a.m.

AGENCY PRESENTATION: **2020 IDAHO PUBLIC SCHOOL SUPPORT PROGRAM APPROPRIATION (K-12)**

LSO STAFF PRESENTER: **Robyn Lockett, Analyst, Legislative Services Office (LSO)**
Administrators

CARRIED: Original Motion
Moved by **Rep. Horman** for the Administrators Division of the Public School Support Program, beginning with the FY 2020 Base, to include \$498,400 for the increased cost of benefits, \$2,829,100 for a 3% base salary increase for administrators, and \$1,518,300 for nondiscretionary adjustments. The grand total for this motion for FY 2020 is \$98,570,500 from the General Fund, seconded by **Sen. Ward-Engelking**.

DISCUSSION: **Rep. Horman** explained that nondiscretionary adjustments include an enrollment increase based on a projected increase of 254 support units. No line items are included in this motion. This motion results in a 5.2% increase from the General Fund. Intent language accompanies this motion.

AYES: 20
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.

NAYS: 0

ABSENT/EX: 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 **Chairman Bair**.

CONSENT: On request by **Rep. Horman**, granted by unanimous consent, the Committee incorporated intent language. See [Motion](#) and [Audio](#).

Teachers

CARRIED:

Original Motion

Moved by **Sen. Ward-Engelking** for the Teachers Division of the FY 2020 Public School Support Program, beginning with the FY 2020 Base, an increase of \$4,972,300 for variable benefit rate increases and \$58,144,900 for nondiscretionary adjustments. The totals for this motion for FY 2020 are \$1,018,196,800 from the General Fund and \$15,000,000 from federal funds for a grand total of \$1,033,196,800 seconded by **Rep. Raybould**.

DISCUSSION:

Sen. Ward-Engelking stated that the nondiscretionary adjustments in this motion include \$49,681,500 for instructors and pupil services staff for year five of the five-year phase-in of the career ladder compensation system. Also included is \$627,100 for leadership awards and premiums for additional full-time equivalent instructional and pupil service positions, and \$660,900 for additional high school math and science requirements. Also included is \$7,175,400 for the estimated impact of the Master Educator Premium payments. This motion results in a 6.6% increase from the General Fund. Intent language accompanies this motion.

AYES: 20

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.

NAYS: 0

ABSENT/EX: 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 **Chairman Bair**.

CONSENT:

On request by **Sen. Ward-Engelking**, granted by unanimous consent, the Committee incorporated intent language. See [Motion](#) and [Audio](#).

Operations

CARRIED:

Original Motion

Moved by **Sen. Crabtree** for the Operations Division for the FY 2020 Public School Program, beginning with the FY 2020 Base, an increase of \$795,800 for benefit costs, \$4,517,400 for a 3% base salary increase, and a net increase of \$12,007,300 for nondiscretionary adjustments. The endowment adjustment included a decrease of \$934,400 from the General Fund and an increase of \$934,400 from dedicated funds.

Also included in the motion were the following line items: Line item #2 increases the ongoing discretionary funding for health insurance by \$7,454,900. Line item #3 increases the ongoing discretionary funding by \$7,134,400. Line item #5 removes \$100,000 for the Innovation Schools distribution. Also included in this motion are the following line items: Line item #2 increases the ongoing discretionary funding for health insurance by \$7,454,900. Line item #3 increases the ongoing discretionary funding by \$7,134,400. Line item #5 removes \$100,000 for the Innovation Schools distribution.

The totals for this motion for FY 2020 are \$660,315,600 from the General Fund and \$59,260,000 from dedicated funds for a grand total of \$719,575,600, seconded by **Rep. Horman**.

DISCUSSION:

Sen. Crabtree explained that this is an increase of 4.4 percent from the General Fund and 4.6 percent from all funds. Of the nondiscretionary amounts, \$7,200,000 is needed to maintain discretionary funding at \$27,481 per support unit, \$2,482,600 is for salaries and benefits, and \$2,324,700 is needed for the increase in pupil transportation. The combination of funding in line items #2 and #3 increases discretionary funding to \$28,416 per support unit, which is a 3.4% increase over the current year. Individually, the \$7,454,900 from the General Fund is for health insurance and is the result of several calculations and analyses of school district health insurance costs, rate increases, and staffing levels, just like last year. The \$7,134,400 in additional discretionary dollars is tied to the 2018 Consumer Price Index (CPI) increase of 2.9%.

The intent language shows, among other things, how the \$28,416 per support unit of discretionary funding is further allocated. Note that the \$100,000 distribution for Innovation Schools is being moved out of this budget and into the State Dept. of Education's appropriation. It is still fully funded. Intent language accompanies this Motion.

AYES: 20

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.

NAYS: 0

ABSENT/EX: 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 **Chairman Bair**.

CONSENT:

On request by **Sen. Crabtree**, granted by unanimous consent, the Committee incorporated intent language. See [Motion](#) and [Audio](#).

Children's Programs

CARRIED:

Original Motion

Moved by **Sen. Grow**, for Children's Programs of the FY 2020 Public School Support Program, beginning with the FY 2020 Base, an increase of nondiscretionary adjustments from the General Fund of \$5,435,800. This includes \$2,065,700 for the Idaho Digital Learning Academy, \$370,100 for Exceptional Contracts and Tuition Equivalents, and \$3,000,000 for an increase in the Advanced Opportunities Program. Also included is line item #2 for an increase of \$13,156,500 for Literacy Proficiency, of which \$10,000,000 is ongoing from the General Fund and \$3,156,500 is onetime from the dedicated Opportunity Scholarship Program Account.

This motion also includes line item #3 for \$650,000 for Content, Curriculum and Credit Recovery. The totals for this motion for FY 2020 are \$72,990,500 from the General Fund, \$7,181,400 from dedicated funds, and \$249,115,000 from federal funds for a grand total of \$329,286,900, seconded by **Rep. Raybould**.

AYES: 20

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.

NAYS: 0

ABSENT/EX: 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 **Chairman Bair**.

CONSENT: On request by **Sen. Grow**, granted by unanimous consent, the Committee incorporated intent language. See [Motion](#) and [Audio](#).

Facilities

CARRIED: Original Motion
Moved by **Sen. Woodward** for the Facilities Division of the FY 2020 Public School Support Program, beginning with the FY 2020 Base, a nondiscretionary decrease of \$1,303,500 from the General Fund and an increase of \$6,932,200 from dedicated funds. There are no line items in this motion. The totals for this motion for FY 2020 are \$20,883,000 from the General Fund and \$38,291,400 from dedicated funds for a grand total of \$59,174,400.

DISCUSSION: **Sen. Woodward** explained that this motion funds the Bond Levy Equalization Program, the Charter School Facilities Program, and the School Facilities Maintenance Program. It results in a General Fund decrease of 5.9% and an increase of 22.1% from dedicated fund sources. The funding sources and amounts for the individual programs are as follows and net to \$5,628,700:

1. An increase of \$199,000 from the General Fund and \$4,280,000 from the Idaho Lottery dividend for the school facilities maintenance match requirement;
2. An increase of \$2,652,200 for the Bond Levy Equalization Program from dedicated sources, resulting in an overall General Fund decrease of \$2,448,800 for the program; and
3. An increase of \$946,300 from the General Fund for charter school facilities.

Based on the three adjustments above, the FY 2020 estimated cost of the Bond Levy Equalization Program is \$23,387,900 and is funded from a mix of \$7,939,000 from the General Fund (transferred from cigarette tax revenue), \$13,625,000 of Idaho Lottery proceeds directed by statute to the Bond Levy Equalization Program, and a cash balance in the Bond Levy Equalization Fund of \$1,823,900. The estimated cost for charter school facilities is \$8,840,000, all from the General Fund. The estimated cost of the state facilities maintenance match is \$26,946,500 and is funded from a combination of \$4,104,000 from the General Fund and \$22,842,500 from the School District Building Account, which receives moneys directly from the Idaho Lottery.

AYES: 20

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.

NAYS: 0

ABSENT/EX: 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 **Chairman Bair**.

CONSENT: On request by **Sen. Woodward**, granted by unanimous consent, the Committee incorporated intent language. See [Motion](#) and [Audio](#).

Central Services

CARRIED:

Original Motion

Moved by **Rep. Raybould**, for the Division of Central Services for the FY 2020 Public School Support Program, beginning with the FY 2020 Base, the following three line items: a reduction of \$650,000 for line item #5, a reduction of \$166,200 for legacy reading indicator costs, and a reduction of \$150,000 for online class portals. The grand total for this motion for FY 2020 is \$12,667,600 from the General Fund, seconded by **Sen. Ward-Engelking**.

DISCUSSION:

Rep. Raybould explained that this motion is an overall decrease of 12.5% from the General Fund. It moves \$650,000 of the content, curriculum, and credit recovery dollars out of this Division and into the Division of Children's Programs so it can be distributed to school districts and charters. It removes \$166,200 for legacy reading indicator costs that are no longer needed. Additionally, the online class portals will be moved into the State Department of Education's budget, where the bulk of it is then passed through to the Idaho Digital Learning Academy. Both items are still fully funded, they have just been moved within the budgets. Intent language follows this motion.

AYES: 20

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.

NAYS: 0

ABSENT/EX: 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 **Chairman Bair**.

CONSENT: On request by **Rep. Raybould**, granted by unanimous consent, the Committee incorporated intent language. See [Motion](#) and [Audio](#).

Educational Services for the Deaf and Blind

CARRIED: Original Motion
Moved by **Rep. Toone**, for the Idaho Educational Services for the Deaf and the Blind, beginning with the FY 2020 Base, an increase of \$11,100 from the General Fund for benefit costs, an increase of \$147,600 for replacement items, and an increase of \$103,000 from the General Fund for a change in employee compensation.

Also included are the following line items: Line item #1 for \$279,800 from the General Fund for career ladder equivalence, line item #2 for \$86,100 from the General Fund for a speech-language pathologist, line item #4 for \$79,500 for a sign language interpreter, and line item #5 for \$61,600 for paraprofessional classified staff.

The totals for this motion for FY 2020 are \$10,987,000 from the General Fund, \$329,500 from dedicated funds, and \$223,500 from federal funds for a grand total of \$11,540,000, seconded by **Sen. Grow**.

DISCUSSION: **Rep. Toone** explained that this budget is an overall increase of 5.1% from the current year and provides funding for much needed staff positions at the agency.

AYES: 20

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.

NAYS: 0

ABSENT/EX: 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 **Chairman Bair**. See [Motion](#) and [Audio](#).

SELF-GOVERNING AGENCIES

AGENCY: **Commission on Hispanic Affairs**

LSO STAFF

PRESENTER: **Jill Randolph, Analyst, LSO**

CARRIED: Original Motion
Moved by **Rep. Kauffman**, for the Commission on Hispanic Affairs, beginning with the FY 2020 Base, an increase of \$600 for benefit costs, an increase of \$300 for statewide cost allocation, and an increase of \$4,600 for change in employee compensation.

Also included are the following line items: \$30,000 ongoing for Statewide Outreach Efforts; \$1,000 for Gov Tech 2 for mobile device security; and \$3,200 for Gov Tech 4 for Modernization and Department of Administration Billings.

The totals for this motion for FY 2020 are 3.00 FTP, \$223,800 from the General Fund, \$111,500 from dedicated funds, and \$35,000 from federal funds, for a grand total of \$370,300, seconded by **Sen. Ward-Engelking**.

DISCUSSION:

Rep. Kauffman explained that Gov Tech 1 and Gov Tech 2 are different from the Governor's recommendation, because any recommended appropriation from the Technology Infrastructure Stabilization Fund (TISF) will be funded as a direct appropriation to the Office of Information Technology Services instead of smaller appropriations from TISF to each agency. The portion that remains in the Commission for Hispanic Affairs budget is from other dedicated funds or the General Fund.

In answer to questions by **Rep. Anderson** concerning the \$30,000 for statewide outreach efforts, **Rep. Kauffman** explained that the JFAC Work Group agreed on its goal to reach more Hispanic students in rural towns to increase the go-on rate for the Hispanic population.

AYES: 19

Senators Co-chairman Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, and Nye. Representatives Co-chairman Youngblood, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Wintrow, and Toone.

NAYS: 0

ABSENT/EX: 1 Rep. Horman

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 Bair**. See [Motion](#) and [Audio](#).

Commission for the Blind and Visually Impaired

CARRIED:

Original Motion

Moved by **Sen. Johnson**, for the Commission for the Blind and Visually Impaired, beginning with the FY 2020 Base, an increase of \$5,200 for benefit costs, an increase of \$27,900 for replacement items, an increase of \$5,600 for statewide cost allocation, and an increase of \$74,100 for change in employee compensation.

Also included are the following line items: line item #1 for \$9,600 for a Microsoft Office 365 upgrade and \$2,500 for Gov Tech 1 Network Equipment Replacement.

The totals for this motion for FY 2020 are 41.12 FTP, \$1,531,200 from the General Fund, \$343,100 from dedicated funds, and \$3,246,000 from federal funds, for a grand total of \$5,120,300, seconded by **Rep. Troy**.

DISCUSSION:

Sen. Johnson explained that the amount for Gov Tech 1 differs from the Governor's recommendation because the amount recommended for this agency, from the Technology Infrastructure Stabilization Fund, will be provided as a direct appropriation to the Office of Information Technology Services, rather than to individual agencies.

AYES: 19

Senators Co-chairman Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, and Nye. Representatives Co-chairman Youngblood, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Wintrow, and Toone.

NAYS: 0

ABSENT/EX: 1 Rep. Horman

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 Bair**. See [Motion](#) and [Audio](#).

ADJOURNED:

Having no further business before the Committee, **Chairman Bair** adjourned the meeting at 9:39 a.m.

Senator Bair
Chair

Elaine Leedy
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Tuesday, February 19, 2019

BUDGET SETTING

SUBJECT	DESCRIPTION	PRESENTER
LBB 3-71	Department of Juvenile Corrections	Jared Hoskins, Principal Analyst
	Self-Governing Agencies	
LBB 5-113	State Appellate Public Defender	
	Idaho Board of Land Commissioners	Rob Sepich, Senior Analyst
LBB 4-23	Endowment Fund Investment Board	
	Department of Parks and Recreation	
LBB 4-45	Lava Hot Springs Foundation	
	Office of the Governor	
LBB 6-103	Office of Species Conservation	
	Department of Agriculture	
LBB 5-11	Soil and Water Conservation Commission	

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Tuesday, February 19, 2019
TIME: 8:00 A.M.
PLACE: Room C310
MEMBERS PRESENT: Senators Co-chairman Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Woodward, Ward-Engelking, Nye
Representatives Co-chairman Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Wintrow, Toone
ABSENT/EXCUSED: Senator Burtenshaw
CONVENED: **Chairman Youngblood** called the meeting to order at 8:00 am.

DEPARTMENT OF JUVENILE CORRECTIONS

LSO STAFF PRESENTATION: **Jared Hoskins** stated the agency requested seven line items and the Governor recommended two of those line items. The JFAC adjusted budget is for \$52,284,300.

CARRIED: **Original Motion**
Moved by **Rep. Kauffman**, seconded, by **Sen. Nye**, for the Department of Juvenile Corrections, beginning with the FY 2020 Base, an increase of \$38,400 for benefit costs, an increase of \$720,200 for replacement items, an increase of \$49,900 for statewide cost allocation, and an increase of \$679,400 for change in employee compensation. Also included are the following line items: line item 1, which provides \$71,900 for education program manager pay; line item 3, which provides for an ongoing, net-zero transfer of \$102,900 in General Fund trustee and benefit payments from the Community-Based Substance Abuse Treatment Program to the Institutions Program to be used as personnel costs for clinical staff pay; and line item 4, which provides \$196,100 for instructor pay. The totals for this motion for FY 2020 are 414.00 FTP, \$42,824,500 from the General Fund, \$7,584,900 from dedicated funds, and \$2,863,100 from federal funds, for a grand total of \$53,272,500.

DISCUSSION: **Rep. Kauffman** stated line item 1 funds pay raises for the department's five education program managers to address pay compression between instructors and education program managers. Line item 3 funds pay raises for the department's clinical staff members to address internal and external pay equity issues using excess trustee and benefit payments for substance use disorder services. Lastly, line item 4 provides pay raises to the department's instructors that correspond with those received by instructional staff in the public school setting.

Ayes: 18
Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Syme, Troy, Wintrow, Toone

Nays: 0

Ab/Ex: 2

Burtenshaw and Raybould

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 order by **Chairman Youngblood**.

To listen to this presentation please [click here](#).

STATE APPELLATE PUBLIC DEFENDER

**LSO STAFF
PRESENTATION:**

Jared Hoskins stated the JFAC adjusted budget is for \$3,900,200. There were no line item requests by the agency, the Governor did recommend one line item for Cyber Security in the amount of \$2,600.

CARRIED:

Original Motion

Moved by **Rep. Wintrow**, seconded by **Sen. Bair**, for the State Appellate Public Defender, beginning with the FY 2020 Base, an increase of \$9,600 for benefit costs, an increase of \$3,300 for inflationary adjustments, an increase of \$9,300 for replacement items, an increase of \$1,200 for statewide cost allocation, and an increase of \$63,300 for change in employee compensation. Also included is line item 1, which provides \$2,600 for cybersecurity. The totals for this motion for FY 2020 are 24.00 FTP and \$3,024,400 from the General Fund.

DISCUSSION:

Rep. Wintrow stated this provides the State Appellate Public Defender with a maintenance of current operations budget along with funding for cybersecurity,

Ayes: 18

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

Nayes: 0

Ab/Ex: 2

Burtenshaw and Raybould

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 order by **Chairman Youngblood**.

**UNANIMOUS
CONSENT:**

On request by **Rep. Wintrow**, granted by unanimous consent, that the language regarding outside counsel costs and capital representation costs be included as part of the State Appellate Public Defender's FY 2020 appropriation bill.

**INTENT
LANGUAGE:**

OUTSIDE COUNSEL COSTS. Of the amount appropriated in Section 1 of this act, \$207,500 from the General Fund, or so much thereof as is necessary, shall be used solely to pay outside counsel for non-capital appeals in which a conflict of interest is identified and only to the extent such costs are exclusive of, and can be identified and accounted for separately and distinctly from, capital representation costs and the operating, personnel and capital outlay costs of the Office of the State Appellate Public Defender Program. Any remaining unexpended and unencumbered amounts not so used shall revert to the General Fund. **CAPITAL REPRESENTATION COSTS.** Of the amount appropriated in Section 1 of this act, \$94,900 from the General Fund, or so much thereof as is necessary, shall be used solely for costs directly related to the provision of representation in capital cases and only to the extent such costs are exclusive of, and can be identified and accounted for separately and distinctly from, outside counsel costs of non-capital appeals and the operating, personnel and capital outlay costs of the Office of the State Appellate Public Defender Program. Such costs may include, but are not limited to, consultation with experts; travel, lodging, and per diem for expert and lay witnesses; depositions; investigation; employee travel associated with

witness interviews; court reporting and transcription services; expert witness fees; outside counsel in the event of a conflict of interest; and preparation of trial exhibits. Any remaining unexpended and unencumbered amounts not so used shall revert to the General Fund.

To listen to this presentation please [click here](#).

ENDOWMENT FUND INVESTMENT BOARD

**LSO STAFF
PRESENTATION:**

Rob Sepich stated the Endowment Fund Investment Board is responsible for managing and investing the Land Grant endowment fund and other funds as required by law. Mr. Sepich continued there is a primary dedicated fund they get most of their funding through the Endowment Earnings Fund.

CARRIED:

Original Motion

Moved by **Rep. Troy**, seconded by **Rep. Kauffman** for the Endowment Fund Investment Board, beginning with the FY 2020 Base, an increase of \$1,800 for benefit costs, an increase of \$2,000 for replacement items, an increase of \$1,400 for statewide cost allocation, and an increase of \$14,500 for change in employee compensation. Also included are the following line items: \$300 for GOV TECH 1. \$1,900 for GOV TECH 2. \$2,900 for GOV TECH 4. The totals for this motion for FY 2020 are 4.00 FTP and \$745,500 from dedicated funds.

Ayes: 19

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

Nayes: 0

Ab/Ex: 1

Burtenshaw

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 order by **Chairman Youngblood**.

**UNANIMOUS
CONSENT:**

On request by **Rep. Troy**, granted by unanimous consent to include the two sections of intent language.

**INTENT
LANGUAGE:**

Standard Language for EFIB Budget:

CONTINUOUS APPROPRIATION. The Endowment Fund Investment Board is hereby granted continuous appropriation authority for consulting fees, custodial fees, investment manager fees, and other portfolio-related external costs for the period July 1, 2019, through June 30, 2020. TRANSFERS FROM EARNINGS RESERVE FUNDS. For fiscal year 2020, the Endowment Fund Investment Board shall transfer \$80,918,000 as follows: \$51,260,000 from the Public School Earnings Reserve Fund to the Public School Income Fund; \$1,466,000 from the Agricultural College Earnings Reserve Fund to the Agricultural College Income Fund; \$5,754,000 from the Charitable Institutions Earnings Reserve Fund to the Charitable Institutions Income Fund; \$4,946,000 from the Normal School Earnings Reserve Fund to the Normal School Income Fund; \$2,247,000 from the Penitentiary Earnings Reserve Fund to the Penitentiary Income Fund; \$4,930,000 from the Scientific School Earnings Reserve Fund to the Scientific School Income Fund; \$5,955,000 from the Mental Hospital Earnings Reserve Fund to the Mental Hospital Income Fund; and \$4,360,000 from the University Earnings Reserve Fund to the University Income Fund.

To listen to this presentation [click here](#).

LAVA HOT SPRINGS FOUNDATION

LSO STAFF PRESENTATION: **Rob Sepich** stated this is a dedicated fund and they get their program dollars from entrance fees.

CARRIED: **Original Motion**
Moved by **Rep. Raybould**, seconded by **Sen. Crabtree**, for the Lava Hot Springs Foundation, beginning with the FY 2020 Base, an increase of \$800 for benefit costs, an increase of \$90,000 for replacement items, an increase of \$36,600 for statewide cost allocation, and an increase of \$24,000 for change in employee compensation. Also included are the following line items: \$40,000 for Hardscaping the Main Entrance. \$300,000 for the Public Restroom Facility. \$1,400 for GOV TECH 1. The totals for this motion for FY 2020 are 15.80 FTP, and \$2,505,100 from dedicated funds.

DISCUSSION: **Rep. Raybould** stated this motion represents a 8.3% increase in dedicated funds. It includes funding to replace pump motors and pool decks, weather resistant hardscaping of the main entrance of town, which is also the entrance to the Hot Springs, and a public restroom facility in the East and West rental parks. This motion also includes the Department's portion of the network equipment replacement for OITS.

Ayes: 19

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

Nays: 0

Ab/Ex: 1

Burtenshaw

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 order by **Chairman Youngblood**.

To listen to this presentation please [click here](#).

OFFICE OF SPECIES CONSERVATION

LSO STAFF PRESENTATION: **Rob Sepich** stated the majority of their funding comes from Federal funds.

CARRIED: Moved by **Rep. Amador**, seconded by **Sen. Nye**, for the Office of the Governor, Office of Species Conservation, beginning with the FY 2020 Base, an increase of \$4,400 for benefit costs, an increase of \$6,300 for statewide cost allocation, and an increase of \$32,400 for change in employee compensation. Also included are the following line items: \$640,000 for federal Salmon Habitat Grants. \$7,100 for GOV TECH 4. The totals for this motion for FY 2020 are 14.00 FTP, \$1,423,600 from the General Fund, \$15,000 from dedicated funds, and \$13,490,200 from federal funds for a grand total of \$14,928,800.

DISCUSSION: **Rep. Amador** stated this motion represents a 1.9% increase in the General Fund, and a 4.8% total increase in appropriation. This motion includes \$640,000 in federal funds as recommended by the Governor for salmon habitat grants through the Bureau of Reclamation, and an ongoing \$7,100 from the General Fund for billing to the Department of Administration for IT support. The portions of the Technology Modernization Initiatives recommended by the Governor from the Technology Infrastructure Stabilization Fund (TSIF) will be funded through the Office of Information Technology Services budget.

Ayes: 19

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

Nays: 0

Ab/Ex: 1

Burtenshaw

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 order by **Chairman Youngblood**.

To listen to this presentation [click here](#).

SOIL & WATER CONSERVATION COMMISSION

CARRIED: Moved by **Rep. Kauffman**, seconded by **Sen. Crabtree**, for the Soil and Water Conservation Commission, beginning with the FY 2020 Base, an increase of \$3,600 for benefit costs, an increase of \$700 for inflationary adjustments, an increase of \$26,600 for replacement items, an increase of \$34,900 for statewide cost allocation, and an increase of \$41,900 for change in employee compensation. Also included are the following line items: \$400 for GOV TECH 1. \$1,000 for GOV TECH 2. \$16,300 for GOV TECH 4. The totals for this motion for FY 2020 are 21.75 FTP, \$2,753,500 from the General Fund, \$393,300 from dedicated funds, and \$290,300 from federal funds for a grand total of \$3,437,100.

DISCUSSION: **Rep. Kauffman** stated this motion represents a 3.4% increase in all funds. It includes \$26,600 for a replacement vehicle, and inflationary costs associated with rent at the Water Center. The Gov Tech Line items provide the agency's share of the cost to replace the state's core network equipment, mobile device security, and billing to the Department of Administration for IT assistance to small agencies. These are funded as recommended by the Governor with the exception of the portion from the Technology Infrastructure Stabilization Fund (TSIF), which will be funded through the Office of Information Technology Services budget.

Ayes: 19

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

Nays: 0

Ab/Ex: 1

Burtenshaw

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 order by **Chairman Youngblood**.

**UNANIMOUS
CONSENT:**

On request by **Rep. Kauffman**, granted by unanimous consent to include the section of intent language.

**INTENT
LANGUAGE:**

Standard Bill Language for Soil & Water Conservation Commission:
TRUSTEE AND BENEFIT PAYMENTS DISTRIBUTION. Of the amount appropriated in Section 1 of this act for trustee and benefit payments, \$100,000 shall be distributed equally between the fifty (50) soil and water conservation districts in addition to the amounts authorized under Section 22-2727, Idaho Code.

To listen to this presentation [click here](#).

ADJOURN:

There being no further business to come before the Committee, **Chairman Youngblood** adjourned the Committee at 8:26 am.

Representative Youngblood
Chair

Donna Warnock
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Wednesday, February 20, 2019

BUDGET SETTING

SUBJECT	DESCRIPTION	PRESENTER
	Office of the Governor	
LBB 6-107	STEM Action Center	Janet Jessup, Senior Analyst
	State Board of Education	
LBB 1-49	Agricultural Research & Extension	
LBB 1-95	Career-Technical Education	
LBB 1-47	Office of the State Board of Education	
	Office of the Governor	
LBB 6-59	Office of Energy & Mineral Resources	Maggie Smith, Budget Analyst
LBB 5-47	Public Utilities Commission	

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Wednesday, February 20, 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: **Co-Chairman Bair** called the Joint Finance-Appropriations Committee (Committee) (JFAC) to order at 8:00 a.m.

LSO STAFF PRESENTATION: **OFFICE OF THE GOVERNOR**
STEM Action Center
PRESENTER: **Janet Jessup, Analyst, Legislative Services Office, LSO**

CARRIED: **Original Motion**
Moved by **Rep. Wintrow** for the STEM Action Center, beginning with the FY 2020 Base, an increase of \$1,900 for benefit costs, an increase of \$1,100 for statewide cost allocation, and an increase of \$13,100 for change in employee compensation. Also included are the following line items: add \$5,000 for object transfer for an analyst position, and add \$5,600 for the GOV Tech 4 line item related to administrative billing. The totals for this motion for FY 2020 are 6.00 FTP, \$2,589,600 from the General Fund and \$2,106,200 from dedicated funds, for a grand total of \$4,695,800, seconded by **Sen. Ward-Engelking**.

DISCUSSION: **Rep. Wintrow** explained that this motion includes funding for three line items. Line item #1, the Computer Science Initiative includes a transfer that will be taken up in the second motion. The first provides \$5,000 onetime from the STEM Education Fund for a research analyst who would be responsible for data collection and analysis, management, and integrated research. Of this appropriation, \$71,600 ongoing would be transferred from operating expenditures to personnel costs and \$5,000 is for onetime capital outlay, all within the STEM Education Fund. The second line item provides \$5,600 ongoing from the General Fund as recommended by the Governor for agency billings from the Office of Information Technology Services.

AYES: 20

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

NAYS: 0

ABSENT/EXCUSED: 0

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

CARRIED:

Additional Motion

Moved by **Rep. Wintrow** for the appropriation and transfer of \$1,000,000 from the General Fund to the STEM Education Fund for fiscal year 2020 as requested in line item 1, seconded by **Sen. Ward-Engelking**.

DISCUSSION:

Rep. Wintrow explained that the third line item provides \$1,000,000 onetime from the General Fund to the STEM Education Fund for the Computer Science Initiative to promote increased computer science activities in schools and communities through grants to schools, STEM events, scholarships to students to attend STEM camps, and professional development for teachers.

AYES: 20

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

NAYS: 0

ABSENT/EXCUSED: 0

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

**LSO STAFF
PRESENTATION:**

**STATE BOARD OF EDUCATION
Agricultural Research & Extension**

PRESENTER:

Janet Jessup, Senior Analyst, LSO

CARRIED:

Original Motion

Moved by **Rep. Kauffman** for the Office of the State Board of Education, Agricultural Research & Extension Service, beginning with the FY 2019 Estimated Expenditures, remove \$127,900 for onetime expenditures, and add a base reduction of \$24,000 from the Equine Education Fund. Then, provide an increase of \$19,400 for benefit costs, an increase of \$140,000 for replacement items, and an increase of \$733,600 for change in employee compensation. Also included are the following line items: add 1.00 FTP and \$118,300 for 4-H STEM Education; add 2.00 FTP and \$217,600 for the Rock Creek Cattle Research facility; and add 0.57 FTP and \$122,600 for occupancy costs.

The total for this motion for FY 2020 are 344.11 FTP and \$32,530,700 from the General Fund. This motion includes an exception to budget laws that will allow funds to be transferred between object codes and, consistent with other higher education budgets, there is no FTP cap. Seconded by **Sen. Burtenshaw**.

DISCUSSION:

Rep. Kauffman explained that this budget includes a base reduction of \$24,000 from the Equine Education Fund from the Ag Research & Extension Service budget. The agency has reverted the complete dedicated fund appropriation as the revenues from horse racing has declined. Replacement items included in this motion total \$140,000 in onetime capital outlay to fund replacements items.

This motion includes three line items:

First, this motion appropriates 1.00 FTP and \$118,300 for an additional 4-H extension educator to increase engagement with youth and community 4-H leaders in the development of STEM knowledge and skills, postsecondary educational opportunities, and career awareness. Of this appropriation, \$88,300 is for personnel costs and \$30,000 is for operating expenditures (including travel).

Second, this motion appropriates 2.00 FTP and \$217,600 to staff the Rock Creek Cattle Ranch and expand research opportunities related to rangeland utilization. Of this appropriation, \$145,100 is ongoing for personnel costs and \$47,500 is ongoing for operating expenditures, and \$25,000 is onetime for capital outlay.

Finally, this motion appropriates 0.57 FTP and \$122,600 for occupancy costs for the completed projects including \$6,900 for the Nancy M. Cummings Aberdeen Research Support Facility (occupied in November of 2018); \$27,400 for the classroom and office facility at the Nancy M. Cummings Ranch (to be occupied October of 2019); and \$88,300 for the Sandpoint research and extension complex (occupied in August of 2018). Of this appropriation, \$21,000 is ongoing for personnel costs and \$101,600 is ongoing for operating expenditures.

In answer to questions from Sen. Johnson, **Rep. Kauffman** and **Sen. Burtenshaw** explained that Rock Creek Ranch brings research to a working cattle ranch to study the interface between range management and wildlife management. Knowledge gained will benefit ranchers throughout Idaho. Rep. Troy noted that the herd in question was donated by industry with industry support.

AYES: 20

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

NAYS: 0

ABSENT/EXCUSED: 0

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

Career-Technical Education

CARRIED:

Original Motion

Moved by **Sen. Grow** for the State Board of Education, Division of Career Technical Education, beginning with the FY 2020 Base, an increase of \$141,200 for benefit costs, an increase of \$629,500 for onetime replacement items, an increase of \$25,500 for statewide cost allocation, and an increase of \$1,109,900 for change in employee compensation. Also included are the following line items: add \$95,000 for program alignment as recommended in line item six; add \$200,000 for the workforce readiness incentive grant as recommended in line item eight; add \$100,000 for the Program Quality Initiative as recommended in line item nine; add 1.00 FTP and \$319,600 for the nuclear energy and advanced reactor manufacturing in line item eleven; add

\$800,000 for the Perkins Federal Grant income as requested in line item twelve; add \$264,800 to offset projected shortfalls for secondary career technical education programs as recommended in line item thirteen; and add \$25,000 for the Idaho Quality Program Standards Incentive Grant in line item fourteen.

The totals for this motion for FY 2020 are 581.26 FTP, \$68,455,500 from the General Fund, \$552,800 from dedicated funds, and \$9,751,900 from federal funds for a grand total of \$78,760,200. This motion includes exceptions to budget laws that will allow funds to be transferred between object codes for the Post-Secondary Program only. Consistent with other higher education budgets, there is no FTP cap. Seconded by **Rep. Raybould**.

DISCUSSION:

Sen. Grow explained that this motion includes \$629,500 onetime from the General Fund for replacement items, of which \$594,600 (94.5%) is for the replacements of equipment at the six technical colleges.

This motion includes an appropriation for seven line items, including:

[1] \$95,000 for to support the alignment of programs in secondary and postsecondary courses,

[2] \$200,000 for the workforce readiness incentive grant to award incentive funds for secondary CTE teachers;

[3] \$100,000 for the Program Quality Initiative to expand current grant funding for high school CTE programs;

[4] 1.00 FTP and \$319,600 for the nuclear energy and advanced reactor manufacturing to support workforce needs in Idaho's nuclear industry. Of this appropriation, \$102,900 is ongoing for personnel costs, \$26,700 is ongoing for operational expenditures, and \$190,000 for onetime capital outlay;

[5] \$800,000 for the Perkins Federal Grant income to capture available federal grant funding to enhance secondary and post-secondary career technical education programming;

[6] \$264,800 to offset projected shortfalls added cost funding for secondary career technical education programs; and

[7] \$25,000 for the Idaho Quality Program Standards Incentive Grant to expand current grant funding for high school agricultural and natural resources CTE programs.

AYES: 19

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

NAYS: 0

ABSENT/EXCUSED: 1 Rep. Horman

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

CONSENT:

On request of **Sen. Grow**, granted by unanimous consent, the following intent language was accepted:

SECTION 3. REAPPROPRIATION AUTHORITY. There is hereby reappropriated to the Division of Career Technical Education any unexpended and unencumbered balances appropriated to the Division of Career Technical Education from dedicated and federal funds for fiscal year 2019 to be used for nonrecurring expenditures for the period July 1, 2019, through June 30, 2020.

CONSENT: On request of **Sen. Grow**, granted by unanimous consent, the following intent language was accepted:

SECTION 4. The Division of Career Technical Education shall work with the Legislative Services Office and the Division of Financial Management and provide a written report to the Joint Finance-Appropriations Committee, the Senate Education Committee, and the House Education Committee on a sustainable plan to support added cost funding for secondary career technical education programs no later than February 1, 2020.

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

Office of the State Board of Education

CARRIED: Original Motion

Moved by **Rep. Amador** for the Office of the State Board of Education, beginning with the FY 2019 Estimated Expenditures, removes \$7,011,100 for the removal of onetime funding, and add a base reduction of \$500,000 from the General Fund. Then, provide a reduction of \$1,800 for benefit costs, an increase of \$28,100 for inflationary adjustments, an increase of \$53,500 for replacement items, an increase of \$186,100 for statewide cost allocation, and an increase of \$88,400 for change in employee compensation. Also included are the following line items: add 1.00 FTP and \$108,400 for the Associate Academic Officer as recommended in line item 1; add \$20,000 for Career Information System Enhancements as requested in line item 3; add \$263,000 for Master Educator Premium Portfolio Review in line item 5; add \$100,000 for the K-12 Task Force as recommended in line item 7; and add \$100,000 onetime for external program evaluation in line item 8.

The totals for this motion for FY 2020 are 35.25 FTP, \$6,365,100 from the General Fund, \$6,998,100 from dedicated funds, and \$2,744,200 from federal funds for a grand total of \$16,107,400. Seconded by **Sen. Grow**.

DISCUSSION: **Rep. Amador** explained that this motion includes funding for replacement items five line items:

- [1] 1.00 FTP and \$108,400 for an associate chief academic officer to more effectively oversee the development of policy and implementation of student success initiatives;
- [2] \$20,000 for enhancements to the Career Information System (CIS);
- [3] \$263,000 for be used to conduct trainings that will assure the reliability and consistency of reviewers for the Master Educator Premium awards;
- [4] \$100,000 for the K-12 Task Force; and
- [5] \$100,000 onetime from the Opportunity Scholarship Program account for external program evaluations as required in the Public Schools appropriation.

AYES: 20

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

NAYS: 0

ABSENT/EXCUSED: 0

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

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

SECTION 3. REAPPROPRIATION AUTHORITY FOR THE PUBLIC CHARTER SCHOOL AUTHORIZERS FUND. There is hereby reappropriated to the Office of the State Board of Education any unexpended and unencumbered balances appropriated or reappropriated to the Office of the State Board of Education from the Public Charter School Authorizers Fund for fiscal year 2019 to be used for nonrecurring expenditures for the period July 1, 2019, through June 30, 2020.

SECTION 4. ANNUAL PAYMENTS TO THE IDAHO STATE BUILDING AUTHORITY. The State Board of Education shall provide an annual update to the Joint Finance-Appropriations Committee of all sublease rent payments made and any amount due and outstanding related to Senate Concurrent Resolution No. 105, as enacted by the First Regular Session of the Sixty-fourth Idaho Legislature.

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

SECTION 5. EXTERNAL PROGRAM EVALUATION. Notwithstanding the provisions of Section 33-4303, Idaho Code, of the amount appropriated in Section 1 of this act for independent external program evaluations, up to \$100,000 from the Opportunity Scholarship Program Account shall be used to conduct evaluations for the literacy intervention program(s), advanced opportunities program, and the College and Career Advisors and Student Mentors Program. The results of the evaluations shall be reported to the Joint Finance-Appropriations Committee and the Senate and House Education committees no later than February 1, 2020, on the program design, uses of funds, program effectiveness, and any other relevant matters. See [Presentation](#) and [Audio](#).

LSO STAFF PRESENTATION: **OFFICE OF THE GOVERNOR**
Office of Energy and Mineral Resources

PRESENTER: **Maggie Smith, Budget Analyst, LSO**

CARRIED: Original Motion
Moved by **Sen. Crabtree** for the Office of Energy and Mineral Resources, beginning with the FY 2020 Base, an increase of \$2,300 for benefit costs, an increase of \$4,400 for replacement items, an increase of \$9,100 for statewide cost allocation, and an increase of \$21,800 for change in employee compensation. Also included are the following line items for the Governor's technology initiatives: \$600 for Network Equipment Replacement; \$2,700 for Mobile Device Security; and \$3,700 for IT Modernization Billing. The totals for this motion for FY 2020 are 8.00 FTP, \$924,300 from dedicated funds, and \$422,600 from federal funds for a grand total of \$1,346,900, seconded by **Rep. Horman**.

DISCUSSION: **Sen. Crabtree** explained that this motion includes \$4,400 for onetime replacement items including two desk chairs and two desktop computers.

AYES: 19

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

NAYS: 0

ABSENT/EX: 1 Rep. Anderson

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

LSO

PRESENTATION: PUBLIC UTILITIES COMMISSION

PRESENTER: Maggie Smith, Budget Analyst, LSO

CARRIED: Original Motion

Moved by **Rep. Horman** the Public Utilities Commission, beginning with the FY 2020 Base, an increase of \$10,000 for benefit costs, an increase of \$82,700 for replacement items, an increase of \$14,700 for statewide cost allocation, and an increase of \$108,900 for change in employee compensation. Also included are the following line items: \$11,700 as recommended for the CEC for Commissioners; \$4,500 for the agency's share of the statewide Network Equipment Replacement for the Governor's Technology Initiative 1; and a reduction of 3.00 FTP and \$188,700 for the Governor's Technology Initiative 3. The totals for this motion for FY 2020 are 49.00 FTP, \$6,301,700 from dedicated funds, and \$332,800 from federal funds for a grand total of \$6,634,500. Seconded by **Sen. Crabtree**.

DISCUSSION:

Rep. Horman explained that this motion includes a reduction of 3.00 FTP and a decrease of \$273,600 in personnel costs to remove three IT positions from the PUC, and it also includes an increase of \$84,900 in operating expenditures for IT billing, for a net reduction of \$188,700. The 3% CEC for the Commissioners was recommended by the Governor and requires amending Section 61-215, Idaho Code, in which the Commissioner's salaries are set in statute. Additionally, the agency has requested reappropriation authority to carry over any unspent amounts needed to complete its Chinden Campus move. There is language following to include these additions in the PUC's FY 2020 appropriation bill.

AYES: 19

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

NAYS: 0

ABSENT/EX: 1 Rep. Anderson

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

CONSENT:

Requested by **Rep. Horman**, granted by unanimous consent, that Section 61-215, Idaho Code be amended to read:

61-215. SALARIES OF PUBLIC UTILITIES COMMISSIONERS. Each member of the public utilities commission shall devote full time to the performance of his/her duties. Commencing on July 1, 2019, the annual salary of members of the public utilities commission shall be one hundred ten thousand seventy-four dollars (\$110,074) and shall be paid from sources set by the legislature.

CONSENT:

Requested by **Rep. Horman**, granted by unanimous consent, that the following language be included to carry forward unspent appropriation for the Chinden Campus move:

SECTION . REAPPROPRIATION AUTHORITY. There is hereby reappropriated to the Public Utilities Commission any unexpended and unencumbered balances appropriated to the Public Utilities Commission from the Public Utilities Commission Fund for the Chinden Campus relocation for fiscal year 2019, in an amount not to exceed \$2,419,300 from the Public Utilities Commission Fund, to be used for nonrecurring expenditures related to the Chinden Campus relocation for the period July 1, 2019, through June 30, 2020.

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

ADJOURNED:

Having no further business before the Committee, **Chairman Bair** adjourned the meeting at 9:35 a.m.

Senator Bair
Chair

Elaine Leedy
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Thursday, February 21, 2019

BUDGET SETTING

SUBJECT	DESCRIPTION	PRESENTER
	Department of Correction	Jared Hoskins, Principal Analyst
LBB 3-7	Management Services	
LBB 3-13	State Prisons	
LBB 3-21	County & Out of State Placement	
LBB 3-25	Correctional Alternative Placement	
LBB 3-29	Community Corrections	
LBB 3-37	Community-Based Substance Abuse Treatment Program	
LBB 3-41	Medical Services	
LBB 3-45	Commission of Pardons & Parole	

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Thursday, February 21, 2019
TIME: 8:00 A.M.
PLACE: Room C310
MEMBERS PRESENT: Senators Co-chairman Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye
Representatives Co-chairman Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Wintrow, Toone
ABSENT/ EXCUSED: None
CONVENED: **Rep. Youngblood** called the meeting to order at 8:00 am.

DEPARTMENT OF CORRECTION
Management Services

LSO STAFF PRESENTATION: **Jared Hoskins** gave a brief overview of the agency's request, the Governor's recommendation and the JFAC action to date which includes adjustments for benefit costs, replacement items, state wide cost allocation and change in employee compensation which is a total JFAC adjusted budget of \$15,837,100. Mr. Hoskins continued the agency originally requested four line items and three were recommended by the Governor with an additional one initiated for network equipment replacement.

CARRIED: **Original Motion**
Management Services
Moved by **Sen. Agenbroad**, seconded by **Rep. Wintrow** for the Department of Correction, in the Management Services Division, beginning with the FY 2020 Base, an increase of \$14,800 for benefit costs, an increase of \$55,300 for inflationary adjustments, an increase of \$449,900 for replacement items, with discretion provided to the director as to which items to replace, an increase of \$76,600 for statewide cost allocation, and an increase of \$282,900 for change in employee compensation. Also included are the following line items: line item 8, which provides \$575,300 for base software licensing; and line item 11, which provides \$461,800 for cybersecurity upgrades, of which \$140,400 is from the Technology Infrastructure Stabilization Fund. The totals for this motion for FY 2020 are 142.00 FTP, \$15,872,100 from the General Fund and \$1,507,300 from dedicated funds, for a grand total of \$17,379,400.

Ayes: 17

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

Nayes: 0

Ab/Ex: 3

Burtenshaw, Crabtree and Troy

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 Youngblood**.

**UNANIMOUS
CONSENT:**

On request by **Sen. Agenbroad**, that the language regarding re-appropriation and the offender management system replacement plan be accepted as part of the Department of Correction's FY 2020 appropriation bill for Management Services.

**INTENT
LANGUAGE:**

Management Services: FY 2020 Language

Language:

RE-APPROPRIATION AUTHORITY. There is hereby reappropriated to the Department of Correction any unexpended and unencumbered balances appropriated to the Department of Correction from the Technology Infrastructure Stabilization Fund for the purpose of replacing its offender management system for fiscal year 2019, in an amount not to exceed \$7,016,000 from the Technology Infrastructure Stabilization Fund, to be used for nonrecurring expenditures related to replacing its offender management system for the period July 1, 2019, through June 30, 2020.

OFFENDER MANAGEMENT SYSTEM REPLACEMENT PLAN. In accordance with Section 1, Article VIII, of the Constitution of the state of Idaho, the amount reappropriated in Section 3 of this act from the Technology Infrastructure Stabilization Fund constitutes the second of a series of annual onetime appropriations for the department's offender management system replacement plan, subject to the availability of funds and satisfactory project implementation. On or before September 1 of each year, the department shall report to the Legislature regarding the specific efforts made to replace its offender management system; the outcomes of those efforts; an estimate of the annual appropriation amount needed to continue those efforts; and a plan on how the department will continue to make efforts to replace the offender management system.

To listen to this presentation please [click here](#).

DEPARTMENT OF CORRECTION

State Prisons

**LSO STAFF
PRESENTATION:**

Jared Hoskins gave a brief overview of the agency's request, the Governor's recommendation and the JFAC action to date which includes adjustments for benefit costs, state wide cost allocation and change in employee compensation. Mr. Hoskins continued the agency originally requested five line items and three were recommended by the Governor.

CARRIED:

Original Motion

State Prisons

Moved by **Rep. Wintrow**, seconded by **Sen. Agenbroad** for the Department of Correction, in the State Prisons Division, beginning with the FY 2020 Base, an increase of \$109,900 for benefit costs, an increase of \$137,400 for inflationary adjustments, an increase of \$2,061,200 for replacement items, of which \$193,600 is from the General Fund, \$918,800 is from the Inmate Labor Fund, and \$948,800 is from the Penitentiary Endowment Income Fund, with discretion provided to the director as to which items to replace, an increase of \$606,300 for statewide cost allocation, and an increase of \$2,324,300 for change in employee compensation.

Also included are the following line items: line item 2, which provides \$2,268,300 for correctional officer entry-level pay; and line item 13, which provides \$216,900 for inmate pay. The totals for this motion for FY 2020 are

1,425.50 FTP, \$112,475,400 from the General Fund, \$11,890,500 from dedicated funds, and \$1,099,400 from federal funds for a grand total of \$125,465,300.

Ayes: 18

Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Wintrow, Toone **Nays: 0**

Ab/Ex: 2

Burtenshaw and Troy

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 Youngblood**.

To listen to this presentation please [click here](#).

DEPARTMENT OF CORRECTION

County & Out of State Placement

**LSO STAFF
PRESENTATION:**

Jared Hoskins gave a brief overview of the agency's request, the Governor's recommendation and the JFAC action to date. Mr. Hoskins continued the agency requested one line item and it was not recommended by the Governor.

CARRIED:

Original Motion

County & Out of State Placement

Moved by **Sen. Agenbroad**, seconded by **Rep. Syme** for the Department of Correction, in the County and Out-of-State Placement Division, a total FY 2020 appropriation of 0.00 FTP and \$27,455,700 from the General Fund.

Ayes: 18

Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Wintrow, Toone **Nays: 0**

Ab/Ex: 2

Burtenshaw and Troy

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 Youngblood**.

To listen to this presentation please [click here](#).

DEPARTMENT OF CORRECTION

Correctional Alternative Placement

**LSO STAFF
PRESENTATION:**

Jared Hoskins gave a brief overview of the agency's request, the Governor's recommendation and the JFAC action to date. Mr. Hoskins continued the agency requested one line item and it was recommended by the Governor.

CARRIED:

Original Motion

Correctional Alternative Placement

Moved by **Rep. Syme**, seconded by **Sen. Agenbroad** for the Department of Correction, in the Correctional Alternative Placement Division, beginning with the FY 2020 Base, a reduction of \$100 for statewide cost allocation. The totals for this motion for FY 2020 are 0.00 FTP, \$9,801,800 from the General Fund and \$200,000 from dedicated funds, for a grand total of \$10,001,800.

Ayes: 18

Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Wintrow, Toone **Nays: 0**

Ab/Ex: 2

Burtenshaw and Troy

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 Youngblood**.

To listen to this presentation please [click here](#).

DEPARTMENT OF CORRECTION

Community Corrections

**LSO STAFF
PRESENTATION:**

Jared Hoskins gave a brief overview of the agency's request, the Governor's recommendation and the JFAC action to date which includes adjustments for benefit costs, state wide cost allocation and change in employee compensation. Mr. Hoskins continued the agency requested six line items and four of the line items were recommended by the Governor.

CARRIED:

Original Motion

Community Corrections

Moved by **Rep. Wintrow**, seconded by **Sen. Agenbroad** for the Department of Correction, in the Community Corrections Division, beginning with the FY 2020 Base, an increase of \$33,500 for benefit costs, an increase of \$27,000 for inflationary adjustments, an increase of \$558,700 for replacement items, with discretion to the director as to which items to replace, an increase of \$175,700 for statewide cost allocation, and an increase of \$698,400 for change in employee compensation. Also included are the following line items: line item 2, which provides \$85,800 for correctional officer entry-level pay; line item 3, which provides a onetime appropriation of 17.00 FTP and \$1,465,900 from the General Fund, of which at least 7.00 FTP shall be for non-POST certified personnel to perform functions such as urine analysis, fee collection, data entry, bank caseload supervision, and other administrative tasks, in order to augment the active supervision caseloads of probation and parole officers; line item 4, which provides 2.00 FTP and \$140,200 for pre-sentence investigators; and line item 6, which provides \$300,000 for electronic monitoring. The totals for this motion for FY 2020 are 436.35 FTP, \$25,987,800 from the General Fund, \$10,453,500 from dedicated funds, and \$492,600 from federal funds for a grand total of \$36,933,900.

DISCUSSION:

Rep. Wintrow stated the Committee has heard, through hearings, the need for investing in community based solutions to decrease population in correctional facilities and feels this budget will focus on that. This Committee is granting the Director discretion in the probation parole officer allotment. Rep. Wintrow continued this is a one time appropriation and that they Director will come back to the Legislature by September 3, 2019. Rep. Wintrow finished her discussion with the provided funding to hire presentence investigators to address an increasing demand from district courts for presentence reports; and providing funding to expand the department's electronic monitoring program is a good service.

Ayes: 19

Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Wintrow, Toone **Nayes: 0**

Ab/Ex: 1

Burtenshaw

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 Youngblood**.

To listen to this presentation please [click here](#).

DEPARTMENT OF CORRECTION

Community-Based Substance Abuse Treatment Program

**LSO STAFF
PRESENTATION:**

Jared Hoskins gave a brief overview of the agency's request, the Governor's recommendation and the JFAC action to date which includes adjustments for benefit costs, state wide cost allocation and change in employee compensation. Mr. Hoskins continued there were no line items requested by the agency. One line item was requested by the Governor related to offset the Medicaid expansion.

CARRIED:

Original Motion

Community-Based Substance Abuse Treatment Program

Moved by **Rep. Syme**, seconded by **Sen. Agenbroad** for the Department of Correction, in the Community-Based Substance Abuse Treatment Division, beginning with the FY 2020 Base, an increase of \$1,600 for benefit costs, an increase of \$7,700 for statewide cost allocation, and an increase of \$35,100 for change in employee compensation. Also included is line item 17, which removes \$2,759,000 for substance use disorder services. The totals for this motion for FY 2020 are 18.00 FTP, \$6,152,800 from the General Fund, and \$1,039,000 from dedicated funds for a grand total of \$7,191,800.

DISCUSSION:

Rep. Syme stated line item 17 accounts for a reduction in the anticipated costs for community-based substance use disorder services, due to approximately 93% of probationers and parolees being eligible for Medicaid through expansion

Ayes: 20

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

Nayes: 0

Ab/Ex: 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 **Chairman Youngblood**.

To listen to this presentation please [click here](#).

DEPARTMENT OF CORRECTIONS

Medical Services

**LSO STAFF
PRESENTATION:**

Jared Hoskins gave a brief overview of the agency's request, the Governor's recommendation and the JFAC action to date. Mr. Hoskins continued the agency requested two line items and neither were recommended by the Governor. There was one line item initiated for Medicare Expansion and Per Diem reduction associated with the Medicare Expansion.

CARRIED:

Original Motion
Medical Services

Moved by **Rep. Wintrow**, seconded by **Sen. Agenbroad** for the Department of Correction, in the Medical Services Division, beginning with the FY 2020 Base, the addition of Line item 9, which provides \$1,030,200 ongoing from the General Fund for PREA screenings; and line item 17, which removes \$1,581,000 for medical services per diems. The totals for this motion for FY 2020 are 0.00 FTP, \$48,683,700 from the General Fund, and \$135,000 from dedicated funds for a grand total of \$48,818,700.

DISCUSSION:

Rep. Wintrow stated the Prison Rape Elimination Act (PREA) has been requested a couple of years in a row from the department and feels it could be a liability and safety issue and feels strongly this should be funded.

Ayes: 20

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

Nays: 0

Ab/Ex: 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 **Chairman Youngblood**.

To listen to this presentation please [click here](#).

COMMISSION OF PARDONS AND PAROLE

**LSO STAFF
PRESENTATION:**

Jared Hoskins gave a brief overview of the agency's request, the Governor's recommendation and the JFAC action to date which includes adjustments to benefit costs, state wide cost allocation and change in employee compensation. Mr. Hoskins continued there were three line items requested by the agency. Two of the line items were recommended by the Governor.

CARRIED:

Original Motion
Commission of Pardons & Parole

Moved by **Sen. Burtenshaw**, seconded by **Rep. Syme** for the Commission of Pardons and Parole, beginning with the FY 2020 Base, an increase of \$3,700 for benefit costs, an increase of \$7,000 for inflationary adjustments, an increase of \$5,200 for statewide cost allocation, and an increase of \$63,900 for change in employee compensation. Also included are the following line items: line item 1, which provides \$20,000 for parole instrument validation; and line item 2, which provides \$9,500 for information technology consulting. The totals for this motion for FY 2020 are 37.00 FTP, \$3,426,700 from the General Fund, and \$70,700 from dedicated funds for a grand total of \$3,497,400.

Ayes: 20

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

Nays: 0

Ab/Ex: 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 **Chairman Youngblood**.

To listen to this presentation please [click here](#).

ADJOURN:

There being no further business to come before the Committee, **Chairman Youngblood** adjourned the Committee at 8:33 am.

Representative Youngblood
Chair

Donna Warnock
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Friday, February 22, 2019

BUDGET SETTING

SUBJECT	DESCRIPTION	PRESENTER
	State Board of Education	Jill Randolph, Budget Analyst
LBB 1-105	Idaho Public Television	
	Self-Governing Agencies	
LBB 5-75	Commission for Libraries	
LBB 2-97	State Independent Living Council	
	Department of Health & Welfare	Jared Tatro, Principal Analyst
LBB 2-45	Mental Health Services	
LBB 2-49	Psychiatric Hospitalization	
LBB 2-69	Substance Abuse Services	
LBB 2-3	Catastrophic Healthcare Fund (CAT Fund)	
	JFAC Action - Supplemental Appropriations	
	DEPARTMENT OF HEALTH AND WELFARE Substance Abuse Treatment & Prevention (p.11, #14) Approved Contract Increases, LBB 2-71	Jared Tatro, Principal Analyst
	DEPARTMENT OF HEALTH AND WELFARE Mental Health Services & Child Welfare Home Visitation Program	
	DEPARTMENT OF HEALTH AND WELFARE Various Divisions Onetime Money in Existing Appropriations	
	CATASTROPHIC HEALTHCARE PROGRAM (CAT FUND)	

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Friday, February 22, 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: Co-Chairman Bair called the Joint Finance-Appropriations Committee (Committee) (JFAC) to order at 8:00 a.m.

LSO STAFF PRESENTATION: **STATE BOARD OF EDUCATION
Idaho Public Television**

PRESENTER: **Jill Randolph, Analyst, Legislative Services Office (LSO)**

CARRIED: Moved by **Rep. Raybould** for Idaho Public Television, beginning with the FY 2020 Base, an increase of \$9,500 for benefit costs, an increase of \$48,700 for inflationary adjustments, an increase of \$839,000 for replacement items, an increase of \$17,300 for statewide cost allocation, and an increase of \$120,100 for change in employee compensation.

Also included are the following line items: line item #3 for \$49,400 for a federal video production grant, and line item #4 for 1.00 FTP and \$66,900 for a kindergarten readiness grant.

The totals for this motion for FY 2020 are 69.48 FTP, \$2,925,200 from the General Fund, \$6,626,500 from dedicated funds, and \$49,400 from federal funds, for a grand total of \$9,601,100. Seconded by **Rep. Wintrow**.

DISCUSSION: **Rep. Raybould** explained that for replacement items, \$400,000 is appropriated from the Technology Infrastructure Stabilization Fund (TISF) for the final year of the microwave ethernet system replacement, \$155,000 is appropriated from the Miscellaneous Revenue Fund for video production equipment, and the remaining amount of replacement items recommended by the Governor are appropriated from the General Fund. This is consistent with how this agency's replacement items were appropriated last year.

AYE: 20

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

NAY: 0

ABSENT/EX: 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 Chairman Bair. See [Presentation](#) and [Audio](#).

LSO STAFF PRESENTATION: **Self Governing Agencies
Commission for Libraries**

PRESENTER: **Jill Randolph, Analyst, LSO**

This motion uses part of the \$200,000 provided from the General Fund for the Talking Book Service in the event federal funding was eliminated. As that federal funding was not eliminated, the total \$200,000 will be reverted by the agency at the end of FY 2019. This motion allows, on a onetime basis, money for the E-rate reimbursement in the amount of \$12,600 to be used from the \$200,000 already appropriated. The agency will revert the remainder of the \$200,000, the amount of \$187,400, at the end of fiscal year 2019.

CONSENT: Requested by **Rep. Horman**, granted by unanimous consent, the 2019 Budget for the Commission for Libraries was re-opened.

CONSENT: Requested by **Rep. Horman**, granted by unanimous consent, the following language was adopted regarding repurposing of appropriation from the Commission for Libraries to the Commission for Libraries' FY 2019 appropriation:

SECTION __. REPURPOSING OF APPROPRIATION. Notwithstanding the provisions of Section 3, Chapter 149, Laws of 2018, and any other provision of law to the contrary, of the \$200,000 onetime appropriation from the General Fund to the Commission for Libraries for the Talking Book Service, \$12,600 may be used for onetime trustee and benefit payments for broadband reimbursement through the Education Opportunity Resource Act. See [Supplemental](#).

CARRIED: Moved by **Rep. Horman** for the Commission for Libraries, beginning with the FY 2020 Base, an increase of \$5,500 for benefit costs, an increase of \$53,600 for statewide cost allocation, and an increase of \$65,600 for change in employee compensation.

Also included are the following line items: \$60,000 for Kindergarten Readiness grants in line item #2, and \$12,600 for the Education Opportunity Resource Act in line item #3.

The totals for this motion for FY 2020 are 37.50 FTP, \$4,154,700 from the General Fund, \$70,000 from dedicated funds, and \$1,654,100 from federal funds, for a grand total of \$5,878,800. Seconded by **Rep. Amador**.

AYE: 20

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

NAY: 0

ABSENT/EX: 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 Chairman Bair. See [Presentation](#).

CONSENT: Requested by **Rep. Horman**, granted by unanimous consent, the following language was adopted:

SECTION __. REPORT ON ONLINE SERVICES FILTERS. The Commission for Libraries shall deliver to the Legislative Services Office a report that describes all services within the online services portal, the target audience of those services, an outline of all filters applied to those services, and a certification that the vendor is meeting the obligations outlined in the applicable service contract or license agreement. The report shall be delivered with the commission's original budget request or by September 3, 2019.

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

LSO STAFF

PRESENTATION: **State Independent Living Council**

CARRIED: Moved by **Sen. Johnson** for the State Independent Living Council, beginning with the FY 2020 Base, an increase of \$900 for benefit costs, an increase of \$700 for inflationary adjustments, an increase of \$300 for statewide cost allocation, and an increase of \$10,200 for change in employee compensation.

Also included are the following line items: \$800 for GOV TECH 2 Mobile Device Security; and \$2,600 for GOV TECH 4 Office of Information Technology Services Billings.

The totals for this motion for FY 2020 are 4.00 FTP, \$228,800 from the General Fund, \$366,800 from dedicated funds, and \$117,700 from federal funds, for a grand total of \$713,300. Seconded by **Rep. Wintrow**.

DISCUSSION: **Sen. Johnson** explained that the differences in Gov Tech 1 and Gov Tech 2 between this motion and the Governor's Recommendation result from a direct appropriation going to the Office of Information Technology Services from the Technology Infrastructure Stabilization Fund, rather than through each agency.

AYE: 20

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

NAY: 0

ABSENT/EX: 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 **Chairman Bair**. See [Presentation](#) and [Audio](#).

LSO STAFF

PRESENTATION: **DEPARTMENT OF HEALTH AND WELFARE**

Mental Health Services

CARRIED: Moved by **Sen. Lee**, for the Department of Health and Welfare, Division of Mental Health Services, beginning with the FY 2020 Base, an increase of \$53,900 for benefit costs, an increase of \$63,900 for statewide cost allocation, the addition of \$2,592,500 for the crisis centers annualization, and an increase of \$626,100 for the change in employee compensation. Then, reduce \$4,200,000 from the General Fund for services that will be covered through Medicaid Expansion. The totals for this motion for FY 2020 are 308.23 FTP, \$40,451,800 from the General Fund, \$629,900 from dedicated funds, and \$10,092,000 from federal funds for a grand total of \$51,173,700, seconded by **Rep. Wintrow**.

AYE: 20

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

NAY: 0

ABSENT/EX: 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 **Chairman Bair**.

CONSENT: Requested by **Sen. Lee**, granted by unanimous consent, the following language, department-wide, was approved:

GENERAL FUND TRANSFERS. As appropriated, the State Controller shall periodically make transfers from the General Fund to the Cooperative Welfare Fund as requested by the director of the Department of Health and Welfare and approved by the Board of Examiners.

TRUSTEE AND BENEFIT PAYMENTS. Notwithstanding the provisions of Section 67-3511, Idaho Code, funds appropriated in the trustee and benefit payments expense class shall not be transferred to any other expense classes during fiscal year 2020.

PROGRAM INTEGRITY. Notwithstanding any other provision of law to the contrary, the Department of Health and Welfare shall be required to provide those services authorized or mandated by law in each program, only to the extent of funding and available resources appropriated for each budgeted program.

CONSENT: Requested by **Sen. Lee**, granted by unanimous consent, the following language, for Mental Health Services: was approved:

EDUCATIONAL NEEDS. The Department of Health and Welfare shall be responsible for the educational needs of school-age children placed in its custody by the courts for either child protective issues or mental health issues. If the department places a child in a licensed residential treatment facility that includes a nonpublic accredited school, and it is determined by the department that it is in the best interests of the child to be educated at the residential treatment facility, then it is the responsibility of the department to pay for such education per student, per educational day. Other Idaho state agencies shall not be precluded from exercising their responsibility to ensure a free and appropriate education for these students within the requirements of federal disability law. The fiscal impact of this section is included within existing department base appropriations.

LIMITING TRANSFER OF LEGISLATIVE APPROPRIATIONS.

Notwithstanding the provisions of Section 67-3511, Idaho Code, Cooperative Welfare (General) Fund moneys appropriated to the Divisions of Mental Health Services and Psychiatric Hospitalization may be transferred between divisions but shall not be transferred to any other division or program within the Department of Health and Welfare without legislative approval.

INTERAGENCY PAYMENT FOR JUVENILE DETENTION CLINICIANS CONTRACT. No later than July 16, 2019, the Children's Mental Health Program shall make an interagency payment of \$327,000 from the Cooperative Welfare (General) Fund to the Department of Juvenile Corrections to be used for the purchase of contract clinician services with juvenile detention facilities in Idaho for the period July 1, 2019, through June 30, 2020.

BEHAVIORAL HEALTH CRISIS CENTERS. The Behavioral Health Community Crisis Centers located in Idaho Falls, Coeur d'Alene, Twin Falls, and Boise shall submit their plans for achieving non-state funding with the Legislature in conformance with the requirements of their contracts with the Department of Health and Welfare, and shall demonstrate the extent to which the centers will receive financial support from non-state sources for ongoing operations. These plans shall be submitted to the Legislative Services Office no later than December 31, 2019. Further, all other community crisis centers shall submit their plans upon completion of two years of operations.

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

LSO STAFF

PRESENTATION: **Psychiatric Hospitalization**

PRESENTER: **Jared Tatro, Principal Analyst, LSO**

CARRIED: Moved by **Rep. Troy** for the Department of Health and Welfare, for the Psychiatric Hospitalization Division, beginning with the FY 2020 Base, an increase of \$59,900 for benefit costs, an increase of \$203,100 for inflationary adjustments, and an increase of \$549,200 for replacement items at the state hospitals, which are to be determined by the hospital administrators based on priority needs. Then, provide an increase of \$63,000 for statewide cost allocation, an increase of \$692,700 for change in employee compensation, shift \$40,900 from federal funds to the General Fund for changes in the Medicaid match, and shift \$860,800 from the General Fund to the State Hospital South Endowment Fund for changes in the endowment distribution to the hospital. Also included are the following line items: add 1.00 FTP and \$48,600 for additional staffing at State Hospital South as requested in line item 13; add \$144,200 for the psychiatry and nursing services as recommended in line item 17; and reduce \$1,000,000 for cost offsets related to Medicaid Expansion in line item 36. The totals for this motion for FY 2020 are 393.35 FTP, \$22,209,000 from the General Fund, \$11,991,700 from dedicated funds, and \$4,743,400 from federal funds for a grand total of \$38,944,100, seconded by **Sen. Agenbroad**.

AYE: 19

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

NAY: 0

ABSENT/EX: 1 Sen. Amador

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 Bair**.

CONSENT:

Requested by **Rep. Troy**, granted by unanimous consent, the following language for Psychiatric Hospitalization was approved:

PROGRAM TRANSFER EXEMPTION. The Community Hospitalization Program is hereby exempted from the provisions of Section 67-3511(2), Idaho Code, allowing unlimited transfers in from other programs within the Department of Health and Welfare for all moneys appropriated to it for the period July 1, 2019, through June 30, 2020.

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

LSO STAFF

PRESENTATION: **Substance Abuse Treatment and Prevention**

PRESENTER: **Jared Tatro, Principal Analyst, LSO**

CARRIED: Moved by **Rep. Wintrow** for the Department of Health and Welfare, for the Substance Abuse Treatment and Prevention Program, beginning with the FY 2020 Base, an increase of \$2,700 for benefit costs, and an increase of \$33,000 for the change in employee compensation. Also included are the following line items: \$4,110,000 for the opioid response grant as requested in line item 22. Then reduce \$735,000 for the problem solving courts transfer as requested in line item 30. Then reduce \$1,200,000 for the cost offsets of Medicaid Expansion as recommended in line item 36. The totals for this motion for FY 2020 are 16.00 FTP, \$805,300 from the General Fund, \$1,342,400 from dedicated funds, and \$15,314,300 from federal funds for a grand total of \$17,462,000, seconded by **Sen. Agenbroad**.

DISCUSSION:

This motion includes funding to address opioids, transfers money to the courts to eliminate the problem solving court annual transfer, and reduces the appropriation for Medicaid expansion cost offsets.

AYE: 20

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

NAY: 0

ABSENT/EX: 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 **Chairman Bair**. See [Presentation](#) and [Audio](#).

LSO STAFF

PRESENTATION: **Catastrophic Health Care Program**

PRESENTER: **Jared Tatro, Principal Analyst, LSO**

CARRIED: Moved by **Rep. Raybould** for the Catastrophic Health Care Program beginning with the FY 2020 Base, provide an increase of \$800 for statewide cost allocation. The total for this motion for FY 2020 is \$10,000,500 from the General Fund, seconded by **Sen. Agenbroad**.

AYE: 20

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

NAY: 0

ABSENT/EX: 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 **Chairman Bair**. See [Presentation](#) and [Audio](#).

FY 2019 SUPPLEMENTAL APPROPRIATIONS

LSO STAFF PRESENTATION: **DEPARTMENT OF HEALTH AND WELFARE, Substance Abuse Treatment and Prevention, Already Approved Contract Increases**

PRESENTER: **Jared Tatro, Principal Analyst, LSO**

CONSENT: Requested by **Sen. Agenbroad**, granted by unanimous consent, the 2019 Health and Welfare Budget was reopened.

CARRIED: Moved by **Sen. Agenbroad** for the Department of Health and Welfare for fiscal year 2019, for the Substance Abuse Treatment and Prevention Program the addition of \$520,000 in onetime operating expenditures; for the Indirect Support Services Program a reduction of \$177,000 in onetime personnel costs and \$37,000 in ongoing personnel costs; and from the Benefit Payments Program a reduction of \$306,000 in trustee and benefit payments, with all adjustments from the Cooperative Welfare (General) Fund. The totals for this motion is a net zero change for the department, seconded by **Rep. Wintrow**.

AYE: 20

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

NAY: 0

ABSENT/EX: 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 **Chairman Bair**. See [Presentation](#) and [Audio](#).

LSO STAFF PRESENTATION: **Home Visitation Program**

PRESENTER: **Jared Tatro, Principal Analyst, LSO**

CARRIED: Moved by **Sen. Lee** for the Department of Health and Welfare for fiscal year 2019, the addition of \$1,600,000 in the Foster and Assistance Payments Program, and the reduction of \$1,600,000 from the Adult Mental Health Program; all adjustments are made onetime in trustee and benefit payments from the Cooperative Welfare (General) Fund, seconded by **Rep. Wintrow**.

AYE: 19

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

NAY: 0

ABSENT/EX: 1 Sen. Amador

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 Bair**.

CONSENT: Requested by **Sen. Lee**, granted by unanimous consent, the following language was adopted:

HOME VISITATION PROGRAM. The amount appropriated in Section _ of this act shall be distributed to the Public Health Districts for the purpose of the home visitation program. These moneys shall not be considered general state aid pursuant to Section 39-425, Idaho Code, nor shall the moneys be allocated through a board of trustees formula pursuant to Section 39-411, Idaho Code. The allocation of these funds is based on how much each district is currently providing for comparable services from other fund sources in comparison to the other health districts. Further, the Public Health Districts may reallocate these moneys between districts, but only upon unanimous concurrence of the Board of Directors for the Public Health Districts. Further, each health district shall submit a report on the caseload, expenditures, and wait lists for the home visitation program to the Legislative Services Office no later than December 31, 2019. The format of the report, and any additional information contained therein, shall be determined by the Legislative Services Office. The moneys appropriated in Section _ of this act shall be fully distributed to each Public Health District upon enactment of this legislation, as follows:

Public Health District 1 \$313,300
Public Health District 2 \$254,500
Public Health District 3 \$328,000
Public Health District 4 \$170,400
Public Health District 5 \$211,400
Public Health District 6 \$168,600
Public Health District 7 \$153,800

AYE: 19

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

NAY: 0

ABSENT/EX: 1 Sen. Amador

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 Bair**. See [Presentation](#) and [Audio](#).

LSO STAFF PRESENTATION: **Adult Mental Health & Benefit Payments
Onetime Money in Existing Appropriations**

PRESENTER: **Jared Tatro, Principal Analyst, LSO**

CARRIED: Moved by **Rep. Troy** for fiscal year 2019, for the Adult Mental Health Program, a reduction of \$1,256,400 in operating expenditures and a reduction of \$443,600 in trustee and benefit payments; then from the Benefit Payments Program include a reduction of \$300,000 in trustee and benefit payments for a total onetime reduction of \$2,000,000, from the Cooperative Welfare (General) Fund, seconded by **Sen. Agenbroad**.

DISCUSSION: **Rep. Troy** explained that these realized savings are onetime and were identified and used for the Catastrophic Health Care Program. The General Fund savings in Adult Mental Health will be removed ongoing in the FY 2020 budget as a Medicaid Expansion offset. The group also identified about \$1.5 million in General Fund appropriation in the Children's Mental Health Program, but decided to leave those moneys in the department for now; if unexpended then they will revert to the General Fund at the end of the year.

AYE: 19

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

NAY: 0

ABSENT/EX: 1 Sen. Amador

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 Bair**. See [Presentation](#) and [Audio](#).

LSO STAFF PRESENTATION: **Catastrophic Health Care Program**

PRESENTER: **Jared Tatro, Principal Analyst, LSO**

CARRIED: Moved by **Rep. Raybould** move for the Catastrophic Health Care Program for fiscal year 2019, the onetime appropriation and transfer of \$2,000,000 from the General Fund to the Catastrophic Health Care Cost Fund, seconded by **Sen. Lee**.

AYE: 19

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

NAY: 0

ABSENT/EX: 1 Sen. Amador

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 Bair**. See [Presentation](#) and [Audio](#).

ADJOURNED: Having no further business before the Committee, **Chairman Bair** adjourned the meeting at 9:10 a.m.

Senator Bair
Chair

Elaine Leedy
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Monday, February 25, 2019

BUDGET SETTING

SUBJECT	DESCRIPTION	PRESENTER
LBB 3-49	Judicial Branch	Jared Hoskins, Principal Analyst
	Self-Governing Agencies	
LBB 5-97	Public Defense Commission	
LBB 6-27	Attorney General	
	State Board of Education	Robyn Lockett, Principal Analyst
LBB 1-121	Superintendent of Public Instruction	
	Office of the Governor	
LBB 6-71	Division of Human Resources	
LBB 6-77	Office of Information Technology Services	
LBB 6-143	Lieutenant Governor	Maggie Smith, Budget Analyst

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Monday, February 25, 2019
TIME: 8:00 A.M.
PLACE: Room C310
MEMBERS PRESENT: Senators Co-chairman Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye
Representatives Co-chairman Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Wintrow, Toone
ABSENT/ EXCUSED: Woodward
CONVENED: **Chairman Youngblood** called the meeting to order at 8:00 am.

JUDICIAL BRANCH
Court Operations

LSO STAFF PRESENTATION: **Jared Hoskins, Principal Budget & Policy Analyst**, gave a brief overview of the agency's request, the Governor's recommendation and the JFAC action to date, which includes adjustments for benefit costs, annualizations, state wide cost allocation and change in employee compensation. The JFAC adjusted budget is \$69,712,200. Mr. Hoskins continued the agency originally requested eleven line items and all were recommended by the Governor.

MOTION: **Original Motion**
Court Operations
Moved by **Rep. Horman**, seconded by **Sen. Burtenshaw** for the Supreme Court, in the Court Operations Division, beginning with the FY 2020 Base, an increase of \$153,200 for benefit costs, a reduction of \$26,100 for statewide cost allocation, an increase of \$42,300 for annualizations, and an increase of \$520,200 for change in employee compensation. Also included are the following line items: line item 1, which provides \$340,500 for court reporter pay; line item 5, which provides 2.00 FTP and \$258,800 for magistrate judges in Ada County; line item 6, which provides 1.00 FTP and \$109,500 for a senior financial specialist; line item 7, which provides 1.00 FTP and \$99,800 for a research and evaluation analyst; line item 8, which provides \$34,000 for an ADA consultant; line item 9, which provides 1.00 FTP and \$194,500 for a court education specialist; line item 10, which provides \$735,000 for a direct appropriation for problem-solving courts; line item 11, which provides \$75,000 onetime for juror compensation; and line item 13, which removes \$913,100 in ongoing General Fund trustee and benefit payments from the Community-Based Substance Abuse Treatment Program, and provides the same amount in onetime funding. The totals for this motion for FY 2020 are \$47,984,500 from the General Fund, \$21,676,600 from dedicated funds, and \$1,898,200 from federal funds for a grand total of \$71,559,300. This motion also includes lump sum authority.

DISCUSSION:

Rep. Horman stated No. 5 provides funding for additional judicial resources in Ada County. Line item 6 provides funding to hire a senior financial specialist to bolster the capacity of the court's Finance and Operations Division. Line item 7 provides funding to hire a research and evaluation analyst to address demands for data-driven decision-making. No. 8 provides funding to contract with an ADA consultant for a second year to provide expert technical assistance regarding the assessment of physical standards for accessibility in county courthouses around the state. Line item 9 provides funding to hire a court education specialist to provide training opportunities to county court personnel statewide. No. 10 provides a direct appropriation for problem-solving court funding to be offset by a corresponding decrease in the Department of Health and Welfare. Line item 11 provides funding so the Supreme Court can reimburse counties for lengthy juror compensation paid in response to **H 586** of 2018. Finally, in recognition of the prospect that Medicaid expansion will generate offsetting amounts in existing appropriations, line item 13 removes half of the agency's ongoing General Fund appropriation for SUD services but adds it back on a onetime basis for FY 2020 with the expectation that the agency will determine the net effect of Medicaid expansion on existing problem-solving court funding, and identify ongoing offset amounts to be included as information submitted with the FY 2021 budget request.

Sen. Nye and **Sen. Lee** invoked Rule 39 stating a possible conflict.

SUBSTITUTE MOTION:

Substitute Motion
Court Operations

Moved by **Sen. Johnson**, seconded by **Rep. Troy** for the Supreme Court, in the Court Operations Division, beginning with the FY 2020 Base, an increase of \$153,200 for benefit costs, a reduction of \$26,100 for statewide cost allocation, an increase of \$42,300 for annualizations, and an increase of \$520,200 for change in employee compensation. Also included are the following line items: line item 1, which provides \$340,500 for court reporter pay; line item 5, which provides 2.00 FTP and \$258,800 for magistrate judges in Ada County; line item 7, which provides 1.00 FTP and \$99,800 for a research and evaluation analyst; line item 8, which provides \$34,000 for an ADA consultant; line item 9, which provides 1.00 FTP and \$194,500 for a court education specialist; line item 10, which provides \$735,000 for a direct appropriation for problemsolving courts; line item 11, which provides \$75,000 onetime for juror compensation; and line item 13, which removes \$913,100 in ongoing General Fund trustee and benefit payments from the Community-Based Substance Abuse Treatment Program, and provides the same amount in onetime funding. The totals for this motion for FY 2020 are \$47,984,500 from the General Fund, \$21,676,600 from dedicated funds, and \$1,898,200 from federal funds for a grand total of \$71,559,300. This motion also includes lump sum authority.

DISCUSSION:

Sen. Johnson stated this motion looks at past years reversions of personal dollars. **Sen. Johnson** continued over the past five years there has been an excess of over \$560,000 in personal cost funding and this motion recognizes those excess dollars.

- FAILED:** **Vote on Substitute Motion**
Ayes: 5
Johnson, Kauffman, Syme, Troy, Amador
Nayes: 14
Bair, Lee, Agenbroad, Crabtree, Burtenshaw, Grow, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Raybould, Wintrow, Toone
Ab/Ex: 1
Woodward
- CARRIED:** **Vote on Original Motion**
Court Operations
Ayes: 19
Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Wintrow, Toone
Nayes: 0
Ab/Ex: 1
Woodward
- 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 Youngblood**.
- UNANIMOUS CONSENT:** On request by **Rep. Horman**, granted by unanimous consent, to accept the intent language as shown...
- INTENT LANGUAGE:** **Judicial Branch: Court Operations FY 2020 Standard Language**
SECTION _ . RETIREMENT CONTRIBUTIONS. Of the amount appropriated in Section 1 of this act from the General Fund for the state's share of retirement contribution remittances to the Judges' Retirement Fund for justices' and judges' retirement benefits pursuant to Section 1-2004(2), Idaho Code, those amounts that are uncommitted shall be transferred monthly into operating expenditures and then paid by the Supreme Court into the Judges' Retirement Fund.
- To listen to this presentation please [click here](#).
- JUDICIAL BRANCH**
Guardian Ad Litem Program
- LSO STAFF PRESENTATION:** **Jared Hoskins, Principal Budget & Policy Analyst**, gave a brief overview of the agency's request, the Governor's recommendation and there has been no action taken by JFAC to date. Mr. Hoskins continued there was one line item for an Advocate Coordinator in the amount of \$70,000 and was recommended by the Governor.
- CARRIED:** **Original Motion**
Guardian Ad Litem Program
Moved by **Rep. Wintrow** seconded by **Sen. Burtenshaw** for the Supreme Court, in the Guardian ad Litem Program, beginning with the FY 2020 Base, an increase of \$70,000 for line item 12. The total for this motion for FY 2020 is \$1,179,200 from the General Fund. This motion also includes lump sum authority.
- DISCUSSION:** **Rep. Wintrow** stated line item 12 provides funding so the Fourth Judicial District's guardian ad litem (GAL) program can hire a full-time advocate coordinator for GAL appointments in proceedings under the Child Protective Act (\$50,000); funding for interpreter service in the Fourth Judicial District (\$10,000); and funding for training in the Sixth Judicial District (\$10,000).

Ayes: 19

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

Nayes: 0

Ab/Ex: 1

Woodward

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 Youngblood**.

To listen to this presentation please [click here](#).

JUDICIAL BRANCH

Judicial Council

LSO STAFF PRESENTATION:

Jared Hoskins, Principal Budget & Policy Analyst, gave a brief overview of the agency’s request, the Governor’s recommendation and JFAC action to date. Mr. Hoskins noted this is a maintenance budget.

CARRIED:

Original Motion

Judicial Council

Moved by **Rep. Raybould** seconded by **Sen. Burtenshaw** for the Supreme Court, in the Judicial Council Division, a total FY 2020 lump sum appropriation of \$130,800 from the General Fund.

DISCUSSION:

Rep. Raybould stated this motion provides the Judicial Council Division with a maintenance of current operations budget.

Sen. Lee invoked Rule 39 and **Rep. Wintrow** invoked Rule 38 stating a possible conflict.

Ayes: 19

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

Nayes: 0

Ab/Ex:

Woodward

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 Youngblood**.

To listen to this presentation please [click here](#).

SELF-GOVERNING AGENCIES

Public Defense Commission

LSO STAFF PRESENTATION:

Jared Hoskins, Principal Budget & Policy Analyst, gave a brief overview of the agency’s request, the Governor’s recommendation and JFAC action to date. Mr. Hoskins continued the agency requested five line items and two of them were recommended by the Governor. Mr. Hoskins stated the Committee has made adjustments for benefit costs, inflationary adjustments, statewide cost allocation, annualizations and change in employee compensation bringing the total JFAC adjustments to \$5,833,400.

CARRIED:

Original Motion
Public Defense Commission

Moved by **Sen. Agenbroad**, seconded by **Rep. Horman** for the Public Defense Commission, beginning with the FY 2020 Base, an increase of \$1,500 for benefit costs, an increase of \$2,800 for inflationary adjustments, an increase of \$1,800 for statewide cost allocation, and an increase of \$15,300 for change in employee compensation. Also included are the following line items: line item 1, which provides 1.00 FTP and \$83,100 for a research analyst; line item 5, which provides \$5,560,000 ongoing for workload standard compliance; line item 7, which provides \$15,000 in ongoing operating expenditures for county public defender training; and Governor's technology initiative 4, which provides \$3,700 for modernization. The totals for this motion for FY 2020 are 7.00 FTP and \$11,498,000 from the General Fund.

DISCUSSION:

Sen. Agenbroad stated line item 1 provides funding to hire a research analyst to interpret data and confirm indigent defense funding needs throughout the state, analyze attorney case load information, and research parity between defending attorneys and prosecuting attorneys. Line item 5 provides pass-through funding for counties in order for them to comply with new public defender workload standards. Funding is also provided for technology needs, as initiated by the Governor.

Ayes: 19

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

Nays: 0

Ab/Ex: 1

Woodward

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 Youngblood**.

**UNANIMOUS
CONSENT:**

On request by **Sen. Agenbroad**, granted by unanimous consent, to accept the intent language as shown...

**INTENT
LANGUAGE:**

Public Defense Commission-FY 2020

Language:

RE-APPROPRIATION AUTHORITY. There is hereby reappropriated to the Public Defense Commission any unexpended balances appropriated to the Public Defense Commission for extraordinary litigation costs for fiscal year 2019, in an amount not to exceed \$423,100 in trustee and benefit payments, to be used for nonrecurring expenditures related to extraordinary litigation costs for the period July 1, 2019, through June 30, 2020. ALLOCATION OF TRUSTEE AND BENEFIT PAYMENTS. Of the amount appropriated as trustee and benefit payments in Section 1, or reappropriated in Section 3, of this act, no more than \$10,012,600 shall be expended for financial assistance to counties pursuant to Sections 19-862A and 19-851(8), Idaho Code; no more than \$150,000 shall be expended to incentivize the establishment of joint public defender offices pursuant to Section 19-862A(3), Idaho Code; and no more than \$846,200 shall be expended for extraordinary litigation costs pursuant to Section 19-850(2)(e), Idaho Code. Any remaining unexpended amounts not so used shall revert to the General Fund. ENCUMBRANCES. Notwithstanding any other provision of law to the contrary, the Public Defense Commission shall not transfer or

encumber amounts appropriated as trustee and benefit payments in Section 1, or reappropriated in Section 3, of this act.

To listen to this presentation please [click here](#).

SELF-GOVERNING AGENCIES

Attorney General

LSO STAFF PRESENTATION:

Jared Hoskins, Principal Budget & Policy Analyst, gave a brief overview of the agency's request, the Governor's recommendation and JFAC action to date. Mr. Hoskins continued the agency requested six line items and five were recommended by the Governor. Mr. Hoskins stated the Committee has made adjustments for benefit costs, inflationary adjustments, statewide cost allocation, annualizations and change in employee compensation bringing the total JFAC adjustments to \$25,628,700.

CARRIED:

Original Motion

Attorney General

Moved by **Rep. Horman**, seconded by **Sen. Burtenshaw** for the Attorney General, beginning with the FY 2020 Base, an increase of \$91,200 for benefit costs, an increase of \$261,700 for replacement items, a decrease of \$1,500 for statewide cost allocation, an increase of \$6,100 for annualizations, and an increase of \$580,000 for change in employee compensation. Also included are the following line items: line item 1, which provides \$73,200 for e-discovery software; line item 3, which provides \$65,000 from the Technology Infrastructure Stabilization Fund for data backup; line item 5, which provides 0.50 FTP and \$27,100 for an administrative assistant's increase in hours; line item 6, which provides 3.00 FTP and \$330,400 for a Criminal Disability Investigations Unit; line item 7, which provides \$118,900 from the General Fund to the Internet Crimes Against Children Program, of which \$8,000 is onetime, for an affiliate investigator in the Idaho Falls Police Department; and line item 8, which provides for a net-zero transfer of 1.00 FTP and \$275,000 in federal funds from the State Legal Services Program to the Internet Crimes Against Children (ICAC) Program in order to align the appropriation for the ICAC Taskforce Commander with the agency's budget structure. The totals for this motion for FY 2020 are 214.10 FTP, \$24,421,000 from the General Fund, \$894,800 from dedicated funds, and \$1,189,200 from federal funds for a grand total of \$26,505,000. This motion also includes lump sum authority.

Ayes: 19

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

Nays: 0

Ab/Ex: 1

Woodward

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 Youngblood**.

To listen to this presentation [click here](#).

STATE BOARD OF EDUCATION

Superintendent of Public Instruction

LSO STAFF PRESENTATION: **Robyn Lockett, Principal Budget & Policy Analyst**, gave an overview of the agency request, Governor's recommendation and the JFAC action to date.

CARRIED: **Original Motion**
Superintendent of Public Instruction
Moved by **Sen. Grow**, seconded by **Rep. Horman** for the Superintendent of Public Instruction, beginning with the FY 2020 Base, an increase of \$49,200 for benefit costs, \$103,800 for replacement items, an increase of \$57,200 for statewide cost allocation, an increase of \$6,200 for annualization of the Superintendent's salary, and an increase of \$360,500 for change in employee compensation. Also included are the following line items: \$100,000 from the General Fund for line item #2 for the Innovation Schools distribution, \$150,000 from the General Fund for line item #3 to add Online Class Portals, and \$166,200 from the General Fund for line item #4 for Idaho Reading Indicator operating costs. The totals for this motion for FY 2020 are 142.00 FTP, \$15,490,600 from the General Fund, \$10,372,900 from dedicated funds, and \$14,651,300 from federal funds, for a grand total of \$40,514,800.

DISCUSSION: **Sen. Grow** stated this is a maintenance budget for the Superintendent's office, plus this motion adds three line items for distributions that were removed from the public schools appropriations. All three items are fully funded, just within this budget instead of the public schools budget. The overall increase for this appropriation is 2.1% over the current year.

Ayes: 19

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

Nays: 0

Ab/Ex: 1

Woodward

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 Youngblood**.

To listen to this presentation please [click here](#).

OFFICE OF THE GOVERNOR

Division of Human Resources

LSO STAFF PRESENTATION: **Robyn Lockett, Principal Budget & Policy Analyst**, stated the division has one budgeted program and one fund source. Ms. Lockett stated the division requested three line items for a total of \$2,327,900 and the Governor's recommendation was for \$2,364,300.

CARRIED: **Original Motion**
Division of Human Resources
Moved by **Rep. Anderson**, seconded by **Burtenshaw** for the Division of Human Resources, beginning with the FY 2020 Base, an increase of \$4,400 for benefit costs, an increase of \$27,700 for statewide cost allocation, and an increase of \$40,800 for change in employee compensation. Also included are the following line items: \$50,000 for Statewide Cybersecurity Training, \$6,400 for a personnel reclassification, \$77,600 for the CMP Personnel Reclassification, \$1,300 for the Governor's Technology Initiative 1, \$7,900 for the Governor's Technology

Initiative 2, and \$11,400 for the Governor's Technology Initiative 4. The totals for this motion for FY 2020 are 16.00 FTP and \$2,389,500 from dedicated funds.

DISCUSSION:

Rep. Anderson stated this budget will ensure the Division is adequately funded to move forward in its efforts to support state agency HR issues. This motion includes funds to enhance the state's cybersecurity training, funds to reclassify personnel in the agency, the reclassification of the Certified Manager Program manager as a line item in FY 2020, and the Gentleman on the Second Floor's technology initiatives.

Ayes: 19

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

Nays: 0

Ab/Ex: 1

Woodward

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 Youngblood**.

To listen to this presentation please [click here](#).

OFFICE OF THE GOVERNOR

Office of Information Technology Services

LSO STAFF

PRESENTATION:

Robyn Lockett, Principal Budget & Policy Analyst, gave a brief overview of the agency's request, the Governor's recommendation and JFAC action to date.

CARRIED:

Original Motion

Office of Information Technology

Moved by **Rep. Raybould**, seconded by **Sen. Johnson** for the Office of Information Technology, beginning with the FY 2020 Base, an increase of \$1,200 for benefit costs, an increase of \$13,100 for statewide cost allocation, an annualization of \$85,000 for the position funded as a supplemental appropriation in fiscal year 2019, and an increase of \$73,500 for change in employee compensation. Also included are the following line items: \$1,262,800 for Network Core Equipment, \$26,700 for Cybersecurity Software, \$217,900 for Mobile Device Security, \$36,000 for Chinden Campus Data Center Space, \$164,000 for Chinden Campus Office Space, and \$3,373,200 and 35.00 FTP for the Governor's Technology Initiative for Modernization and Consolidation. The totals for this motion for FY 2020 are 66.00 FTP, \$1,629,800 from the General Fund, and \$8,332,700 from dedicated funds, for a grand total of \$9,962,500.

DISCUSSION:

Rep. Raybould stated this motion funds the technology initiatives recommended in many state agency budgets. When netted across all the agencies, this motion reflects a net reduction of 16.00 FTP and \$1,008,600 in personnel costs for the modernization initiative. In line item #1, this motion provides a direct appropriation to the office from the Technology Infrastructure Stabilization Fund (TISF) for \$620,800 and also provides appropriation for the office to bill the agencies funded with dedicated and federal funds, for a total of \$1,262,800. The same approach is taken in line item #4 for Mobile Security. Line items #2, #5, and #6 are not related to the consolidation initiative and are funded as recommended.

Ayes: 19

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

Nays: 0

Ab/Ex: 1

Woodward

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 Youngblood**.

To listen to this presentation please [click here](#).

LIEUTENANT GOVERNOR

**LSO STAFF
PRESENTATION:**

Maggie Smith, Budget & Policy Analyst, stated the Lieutenant Governor has 3 FTP's and she gave a brief overview of the agency request, the Governor's recommendation and the JFAC action to date.

CARRIED:

Original Motion

Lieutenant Governor

Moved by **Sen. Crabtree**, seconded by, **Rep. Horman** for the **Lieutenant Governor**, beginning with the FY 2020 base, an increase of \$500 for benefit costs, an increase of \$300 for statewide cost allocation, an increase of \$2,500 for a salary annualization for the Lieutenant Governor, and an increase of \$2,300 for change in employee compensation. Also included is one line item for the Governor's technology initiative 4: \$1,400 for Office of Information Technology Services Billings. The totals for this motion for FY 2020 are 3.00 FTP and \$183,900 from the General Fund.

This motion also includes exemptions from budget laws restricting the transfer of appropriation between object codes, making this budget lump sum.

DISCUSSION:

Sen. Crabtree stated the \$2,500 annualization is included for the constitutional officers' pay increase authorized by the 2018 Legislature. The Lieutenant Governor's pay increased by 9.5% on January 1, 2019, from \$44,206 to \$48,406 annually. Last session, the legislature funded the salary increase from January-June 2019, and this adjustment funds the increase from July-December 2019. By statute, the Lieutenant Governor's salary will remain at \$48,406 until January 2023.

With regard to the item items for the Governor's technology initiatives, the amounts recommended by the Governor for Network Equipment Replacement and Mobile Device Security will be paid through a direct onetime appropriation to the Office of Information Technology Services. The remaining \$1,400 for Office of Information Technology Services Billings will be an ongoing expense from the General Fund

Ayes: 19

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

Nays: 0

Ab/Ex: 1

Woodward

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 Youngblood**.

To listen to this presentation please [click here](#).

ADJOURN:

There being no further business to come before the Committee, **Chairman Youngblood** adjourned the Committee at 8:49 am.

Representative Youngblood
Chair

Donna Warnock
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Tuesday, February 26, 2019

BUDGET SETTING

SUBJECT	DESCRIPTION	PRESENTER
LBB 4-29	Land Board of Commissioners Department of Lands	Rob Sepich, Senior Analyst
LBB 4-3	Department of Environmental Quality	
LBB 1-55	State Board of Education Colleges & Universities	Janet Jessup, Senior Analyst
LBB 1-87	Health Education Programs	

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

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Wednesday, February 27, 2019

BUDGET SETTING

SUBJECT	DESCRIPTION	PRESENTER
	Office of the Governor	
LBB 6-89	Military Division	Christine Otto, Budget Analyst
	Self-Governing Agencies	
LBB 5-55	Division of Building Safety	
LBB 5-105	Regulatory Boards	
	Department of Health & Welfare	
LBB 2-33	Division of Medicaid	Jared Tatro, Principal Analyst
LBB 2-75	Division of Welfare	
LBB 2-57	Public Health Services	

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Wednesday, February 27, 2019
TIME: 8:00 A.M.
PLACE: Room C310
MEMBERS PRESENT: Senators Co-chairman Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye
Representatives Co-chairman Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Wintrow, Toone
ABSENT/ EXCUSED: None
CONVENED: **Chairman Youngblood** called the meeting to order at 8:00 am.

OFFICE OF THE GOVERNOR
Military Division

LSO STAFF PRESENTATION: **Christine Otto** reviewed the agency request, the Governor's recommendation and JFAC action.

CARRIED: **Original Motion**
Military Division
Appropriation

Moved by **Sen. Burtenshaw**, seconded by **Rep. Syme** for the Military Division, beginning with the FY 2020 Base, an increase of \$53,800 for benefit costs, an increase of \$2,800 for inflationary adjustments, an increase of \$756,700 for replacement items, an increase of \$32,400 for statewide cost allocation, and an increase of \$811,500 for change in employee compensation. Also included are the following line items: \$109,000 for land leases, 1.00 FTP and \$87,700 for a supervisory HR specialist, 1.00 FTP and \$102,900 for a statewide interoperability coordinator (SWIC) position, 1.00 FTP and \$68,600 for a purchasing agent, 1.00 FTP and \$102,900 for a software engineer, 2.00 FTP and \$126,100 for Youth Challenge cadre team leaders, \$650,000 for the armory revenue fund increase, 8.00 FTP and \$551,100 for construction and maintenance, 2.00 FTP and \$175,400 for environmental protection technicians, \$5,545,000 for OCTC equipment, and \$778,600 for the funding of 12 positions. The totals for this motion for FY 2020 are 398.80 FTP, \$7,488,300 from the General Fund, \$7,232,700 from dedicated funds, and \$68,511,600 from federal funds for a grand total of \$83,232,600.

DISCUSSION: **Sen. Burtenshaw** stated his motion includes the JFAC statewide decisions and adds \$2,800 for contract inflation and \$756,700 for replacement items. Additionally, this motion adds 11 line items totaling 16.00 FTP and \$8,297,300. The Governor's Initiative for network equipment replacement can be found in the Office of Information Technology budget. All approved line items include the Governor's recommendation with adjustments for employee health insurance costs.

Ayes: 18

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

Nays: 0

Ab/Ex: 2

Crabtree and Woodward

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 ordered by **Chairman Youngblood**.

**UNANIMOUS
CONSENT:**

On request by **Sen. Burtenshaw**, for unanimous consent that the language shown, regarding continuous appropriation be accepted as part of the FY 2020 appropriation bill for the Military Division.

**INTENT
LANGUAGE:**

Bill Language for the Military Division

SECTION_. CONTINUOUS APPROPRIATION. The Military Division is hereby granted continuous appropriation authority for the Idaho Office of Emergency Management's Miscellaneous Revenue Fund for the period July 1, 2019, through June 30, 2020, for the purpose of covering incurred costs arising out of hazardous substance incidents.

To listen to this presentation please [click here](#).

SELF-GOVERNING AGENCIES

Division of Building Safety

**LSO STAFF
PRESENTATION:**

Christine Otto reviewed the agency request, the Governor's recommendation and JFAC action.

CARRIED:

Original Motion

Division of Building Safety

Appropriation

Moved by **Rep. Syme**, seconded by **Sen. Johnson** for the Division of Building Safety, beginning with the FY 2020 Base, an increase of \$27,800 for benefit costs, an increase of \$183,500 in inflationary adjustments, and increase of \$505,400 for replacement items, an increase of \$38,500 for statewide cost allocation, and an increase of \$280,800 for change in employee compensation. Also included are the following line items: \$70,000 onetime for the Northwest Energy Efficiency Alliance Grant, \$80,500 onetime for the STOP Grant, 1.00 FTP and \$175,100 onetime for the School Safety Grant, \$42,700 in onetime personnel costs for the Department of Transportation Grant, and \$15,000 onetime for donations received. Further, I move for a reduction of \$66,500, with \$53,800 from personnel costs and \$12,700 in operating expenditures from federal funds for the I-RIM Grant. Additionally, an increase of \$13,000 for network equipment replacement and a reduction of 4.00 FTP and \$23,000 for consolidation. The totals for this motion for FY 2020 are 144.00 FTP, \$252,300 from the General Fund, \$14,355,800 from dedicated funds, and \$393,500 from federal funds for a grand total of \$15,001,600.

DISCUSSION:

Rep. Syme stated this motion includes all JFAC statewide decisions and adds \$162,700 for general inflation, \$20,800 for contract inflation, and \$505,400 for replacement items. Line item 1 was funded at \$70,000 as the signed contract with NEEA was in the amount of \$70,000, this includes all of calendar year 2019 but the division expects this contract to be renewed for three years. This was funded onetime and if the contract is renewed the division can request additional funding in FY 2021. The STOP Grant, and the School Safety Grant including the FTP are funded on a onetime basis as the grants only spans through FY 2022. If there is remaining grant money the division can request in FY 2021. The DOT Grant was requested as a supplemental appropriation but the division had sufficient appropriation for FY 2019, but this is funded on a onetime basis for the grant award amount of \$42,700. The donations in line item 6 are funded onetime as there are no commitments for FY 2021 at this time. Line item 7 is a reduction due to a federal grant that ended up not getting awarded.

Ayes: 18

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

Nays: 0

Ab/Ex: 2

Crabtree and Woodward

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 ordered by **Chairman Youngblood**.

LSO STAFF PRESENTATION:

Christine Otto, Budget & Policy Analyst, stated the Division of Building Safety has been working on the Trackit9 software system for about two years and the Division of Building Safety is uncertain if the upgrade will be done in FY 2019. The intent language is to allow for reappropriation of funds through June 2020.

UNANIMOUS CONSENT:

On request by **Rep. Syme**, for unanimous consent that the language shown, regarding re-appropriation be accepted as part of the FY 2020 appropriation bill for the Division of Building Safety.

To listen to presentation please [click here](#).

SELF-GOVERNING AGENCIES

Regulatory Boards

LSO STAFF PRESENTATION:

Christine Otto, Budget & Policy Analyst, stated the Regulatory Boards has five boards: 1) Board of Accountancy, 2) Bureaus of Occupational Licenses, 3) Outfitters & Guide Licensing Board, 4) Professional Land Surveyors and 5) Real Estate Commission. Ms. Otto continued with the review of the agency request, the Governor’s recommendation and JFAC action.

CARRIED:

Original Motion
Regulatory Boards

Appropriation

Moved by **Rep. Horman**, seconded by **Sen. Johnson** for the Regulatory Boards, beginning with the FY 2020 Base, an increase of \$10,500 for benefit costs, an increase of \$5,800 in inflationary adjustments, an increase of \$20,900 in replacement items, an increase of \$27,500 for statewide cost allocation, and an increase of \$120,900 for change in employee compensation. Also included are the following line items: \$125,000 for a licensing database system, \$30,000 for a hearing officer and legal costs, 1.00 FTP and \$64,400 for an additional investigator, 1.00 FTP and \$45,900 for an additional office specialist, \$44,000 to contract with a hearing officer and legal costs, \$5,000 for board per diem increases, \$6,000 for network equipment replacement, \$32,300 for mobile device security, and \$50,800 for administrative billing. The totals for this motion for FY 2020 are 72.00 FTP, \$8,483,800 from dedicated funds, for a grand total of \$8,483,800.

DISCUSSION:

Rep. Horman stated all approved line items include the Governor’s recommendation with adjustments for employee health insurance costs.

Ayes: 19

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

Nays: 0

Ab/Ex: 1

Crabtree

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 ordered by **Chairman Youngblood**.

**UNANIMOUS
CONSENT:**

On request by **Rep. Horman**, for unanimous consent that the language shown, regarding re-appropriation be accepted as part of the FY 2020 appropriation bill for the Regulatory Boards.

**INTENT
LANGUAGE:**

REAPPROPRIATION AUTHORITY

There is hereby reappropriated to the Regulatory Boards for the Bureau of Occupational Licenses any unexpended and unencumbered balances appropriated to the Regulatory Boards for the Bureau of Occupational Licenses from the State Regulatory Fund for the upgrade of its database for fiscal year 2019, in an amount not to exceed \$1,021,000, to be used for nonrecurring expenditures related to the upgrade of its database for the period July 1, 2019, through June 30, 2020.

To listen to this presentation please [click here](#).

DEPARTMENT OF HEALTH & WELFARE
Division of Medicaid

CARRIED:

Original Motion
Division of Medicaid

Appropriation

Moved by **Sen. Agenbroad**, seconded by **Sen. Lee** for the Department of Health and Welfare, for the Medicaid Division, beginning with the FY 2020 Base, an increase of \$36,000 for benefit costs, an increase of \$19,800 for statewide cost allocation, an increase of \$417,000 for the change in employee compensation, and for nondiscretionary adjustments add \$54,866,500 from the General Fund, reduce \$3,456,300 from dedicated funds, and add \$75,999,700 from federal funds for a net increase of \$127,409,900. Also included are the following line items: \$2,860,000 for the children's developmental disabilities devices process change in line item 6; \$1,000,000 for the MMIS independent verification in line item 9; \$5,332,100 for the health data exchange connections in line item 19; \$7,973,300 for the provider rate increase for non-emergency medical transportation in line item 21; \$4,400,000 for the dental providers rate increase in line item 25; \$3,825,000 for the children's developmental disabilities provider rate increase in line item 26; \$5,628,900 for the provider rate increase for school based services in line item 27; and add \$197,309,900 for the costs associated with the first six months of Medicaid Expansion as recommended in line item 36. Then add a line item for \$2,000,000 from federal funds for the rate change for Intermediate Care Facilities. The totals for this motion for FY 2020 are 216.00 FTP, \$686,903,800 from the General Fund, \$255,263,800 from dedicated funds, and \$1,888,371,800 from federal funds for a grand total of \$2,830,539,400.

DISCUSSION:

Sen. Agenbroad stated this motion includes an additional \$15,000,000 in federal funds in the nondiscretionary adjustments to account for a correction in the agency forecast; all line items recommended by the Governor; rate increases for all providers in the agency request; and funding for the first six months of Medicaid Expansion. No FTP were added because the division has sufficient FTP in its base. Line item 38 for the Intermediate Care Facility (ICF) is being added because these facilities are closing; this line item should have been included in the request. The division has sufficient appropriation from dedicated assessment funds to implement the line item, but they are short on the federal funds.

Ayes: 20

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

Nays: 0

Ab/Ex: 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 ordered by **Chairman Youngblood**.

**UNANIMOUS
CONSENT:**

On request by **Sen. Agenbroad**, for unanimous consent to accept the language as shown.

**INTENT
LANGUAGE:**

MEDICAID TRACKING REPORT.

The Department of Health and Welfare's Divisions of Medicaid and Indirect Support Services shall deliver a report that compares the Medicaid appropriation, distributed by month for the year, to the actual expenditures and remaining forecasted expenditures for the year on a monthly basis to the Legislative Services Office and the Division of Financial Management. The report shall also include a forecast, updated monthly, of the next fiscal year's anticipated trustee and benefit expenditures. The format of the report and the information included therein shall be determined by the Legislative Services Office and the Division of Financial Management.

TRANSFER OF APPROPRIATIONS. Notwithstanding the provisions of Section 67-3511, Idaho Code, funding provided for the trustee and benefit payments expenditure class in the Medicaid Division may be transferred in excess of ten percent (10%) among the Coordinated Medicaid Plan, Enhanced Medicaid Plan, Basic Medicaid Plan, and Medicaid Administration and Medical Management Programs, but shall not be transferred to any other budgeted programs or expenditure class within the Department of Health and Welfare during fiscal year 2020.

MEDICAID MANAGED CARE IMPLEMENTATION. The Medicaid Division shall provide a report to the Legislative Services Office and the Division of Financial Management on progress in integrating managed care approaches into the state Medicaid system. The format of the report and information contained therein shall be determined by the Legislative Services Office and the Division of Financial Management. The report shall be submitted no later than December 01, 2019.

COST-SHARING REQUIREMENT. The Department of Health and Welfare shall implement cost-sharing in the Division of Medicaid, as required in Section 56-257, Idaho Code, to the maximum extent that is federally allowable for the expanded population of children whose families' gross taxable income exceeds one hundred eighty-five percent (185%) but does not exceed three hundred percent (300%) of the federal poverty limit (FPL), for Medicaid-eligible services as identified in House Bill No. 43, as enacted by the First Regular Session of the Sixty-fourth Idaho Legislature.

NON-EMERGENCY MEDICAL TRANSPORTATION. Of the moneys appropriated in Section 1 of this act, \$200,000 shall be used solely for purposes of improving the Non-Emergency Medical Transportation (NEMT) program. This shall include, but is not limited to, the hiring of an outside entity to conduct an audit of the NEMT program, and to develop and implement a training program that meets the needs of all provider types, the contracted broker, the Department of Health and Welfare, and the Idahoans who are participating in the program. The training program is to be developed in collaboration with relevant stakeholder groups including, but not limited to, NEMT providers and disability advocacy groups. In addition, no later than December 01, 2019, and again on June 01, 2020, the Department of Health and Welfare shall provide to the Legislative Services Office and the Division of Financial Management a report that includes details on the implementation of the audit, training, contract amendments, and any other steps that have been taken by the department to improve the NEMT program. The format of the report and information contained therein shall be determined by the Legislative Services Office. Any unexpended and unencumbered funds that have been appropriated for this purpose are to be reverted at the end of the fiscal year or as soon thereafter as practicable.

REPORT ON FLEXIBLE RECEIPT AUTHORITY. The Medicaid Division shall

provide a report annually at time of budget request submission to the Legislative Services Office and the Division of Financial Management that describes the need for having additional dedicated receipt authority in the appropriation. The additional dedicated fund appropriation is not to be considered when calculating the estimated need for ongoing Medicaid costs, but rather to be held in reserve and used in lieu of the General Fund when noncognizable receipts are received by the department.

**UNANIMOUS
CONSENT:**

On request by **Sen. Agenbroad**, for unanimous consent to accept the language as shown.

**INTENT
LANGUAGE:**

NON-EMERGENCY MEDICAL TRANSPORTATION CONTRACT. The Department of Health and Welfare, Divisions of Medicaid and Indirect Support Services, shall work with the Department of Administration and the Division of Purchasing to evaluate the Non- Emergency Medical Transportation contract to more appropriately manage administrative costs in relation to the services provided to eligible Idahoans.

**DEPARTMENT OF HEALTH AND WELFARE
Division of Welfare**

**LSO STAFF
PRESENTATION:**

Jared Tatro, Principal Budget & Analyst, reviewed the agency requests, the Governor's recommendation and JFAC action.

CARRIED:

**Original Motion
Division of Welfare**

Appropriation

Moved by **Rep. Wintrow**, seconded by **Sen. Agenbroad** for the Department of Health and Welfare, for the Welfare Division, beginning with the FY 2020 Base, an increase of \$83,400 for benefit costs, an increase of \$102,200 for statewide cost allocation, and an increase of \$970,200 for the change in employee compensation. The totals for this motion for FY 2020 are 618.50 FTP, \$43,866,500 from the General Fund, \$5,045,000 from dedicated funds, and \$116,932,100 from federal funds for a grand total of \$165,843,600.

DISCUSSION:

Rep. Wintrow stated this is a maintenance budget.

Ayes: 19

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

Nays: 0

Ab/Ex: 1

Troy

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 ordered by **Chairman Youngblood**.

**UNANIMOUS
CONSENT:**

On request by **Rep. Wintrow**, for unanimous consent to accept the language as shown.

**INTENT
LANGUAGE:**

ACTUAL AND FORECAST DETAIL REPORTING. The Welfare Division shall deliver a forecast biannually to the Legislative Services Office and Division of Financial Management to include monthly caseload details for Temporary Assistance for Needy Families (TANF), Child Care, Medicaid, Advanced Premium Tax Credit (APTC), Aid to the Aged, Blind, and Disabled, Food Stamps, and Child Support programs. The forecast shall also include expenditure details for all of the named programs except Medicaid. The format of the report and any additional information contained therein shall be determined by the Legislative Services Office and Division of Financial Management. The first report shall be submitted no later than December 31, 2019, and the second report shall be submitted no later than June 30, 2020.

To listen to this presentation please [click here](#).

**DEPARTMENT OF WELFARE
Public Health Services**

**LSO STAFF
PRESENTATION:**

Jared Tatro, Principal Budget & Policy Analyst, stated this division includes Physical Health Services Program, Emergency Medical Services Program, State Laboratory Services and Suicide Prevention and Awareness Program. Mr. Tatro gave a brief overview of the agency request, the Governor's recommendation and JFAC action.

CARRIED:

**Original Motion
Public Health Services**

Appropriation

Moved by **Sen. Lee**, seconded by **Rep. Wintrow** for the Department of Health and Welfare, for the Public Health Services Division, beginning with the FY 2020 Base, an increase of \$38,900 for benefit costs, an increase of \$27,000 for statewide cost allocation, and an increase of \$476,100 for the change in employee compensation. Also included are the following line items: add \$200,000 for suicide prevention in line item 1; \$10,000 onetime from the Central Tumor Registry Fund for the cancer data registry in line item 20; \$166,100 for the tuberculosis program in line item 24; and add line item 36 to reduce \$401,000 from the General Fund and add \$401,000 in dedicated funds for cost offsets related to Medicaid expansion. The totals for this motion for FY 2020 are 236.02 FTP, \$8,825,900 from the General Fund, \$45,104,500 from dedicated funds, and \$70,401,000 from federal funds for a grand total of \$124,331,400.

DISCUSSION:

Sen. Lee stated this motion includes partial funding for the Suicide Prevention and Awareness Program; provides the onetime dedicated funding that was requested for the cancer registry; reduces \$93,600 for the consultant request associated with the tuberculosis line item; and shifts the appropriation from the General Fund to dedicated funds for cost offsets related to Medicaid expansion. The motion supports the chronic disease health education specialist position, but the FTP and personnel dollars were not added because the department has the authority in its base appropriation to hire this position.

Ayes: 19

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

Nays: 0

Ab/Ex: 1

Troy

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 ordered by **Chairman Youngblood**.

**INTENT
LANGUAGE:**

SUICIDE PREVENTION AND AWARENESS. The amount appropriated in Section 1 of this act for the Suicide Prevention and Awareness Program shall be used in accordance with the plan developed by the various stakeholders as required by Section 6, Chapter 340, Laws of 2018. Further, the program shall continue to work with all relevant stakeholders to maximize the moneys appropriated for this purpose. The department shall provide a report to the Legislative Services Office on the implementation of the program no later than November 1, 2019.

To listen to this presentation please [click here](#).

ADJOURN:

There being no further business to come before the Committee, **Chairman Youngblood** adjourned the meeting at 8:54 am.

Representative Youngblood
Chair

Donna Warnock
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Thursday, February 28, 2019

BUDGET SETTING

SUBJECT	DESCRIPTION	PRESENTER
	Office of the Governor	
LBB 6-41	Commission on Aging	Jill Randolph, Budget Analyst
	State Board of Education	
LBB 1-127	Division of Vocational Rehabilitation	
LBB 5-27	Industrial Commission	Maggie Smith, Budget Analyst
	Self-Governing Agencies	
LBB 5-89	Medical Boards	
LBB 5-83	Idaho Lottery	

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Thursday, February 28, 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 (Maurin), 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: **OFFICE OF THE GOVERNOR
Commission on Aging**

LSO STAFF PRESENTER: **Jill Randolph, Analyst, Legislative Services Office (LSO)**

CARRIED: Moved by **Sen. Johnson** for the Commission on Aging, beginning with the FY 2020 Base, an increase of \$2,300 for benefit costs, an increase of \$5,700 for replacement items, an increase of \$1,900 for statewide cost allocation, and an increase of \$31,700 for change in employee compensation, seconded by **Sen. Lee**.

Also included are the following line items: \$50,000 for the Establishment of a Statewide Family Caregiver Program, \$800 for GOV TECH1 network equipment replacement, \$3,800 for GOV TECH 2 mobile device security, and \$6,800 for GOV TECH 4 Modernization Admin Billing.

The totals for this motion for FY 2020 are 13.00 FTP, \$4,609,500 from the General Fund and \$9,026,500 from federal funds, for a grand total of \$13,636,000.

DISCUSSION: Gov Tech 1 and Gov Tech 2 will be funded at the full amount recommended by the Governor through a direct appropriation from the Technology Infrastructure Stabilization Fund to the Office of Information Technology Services.

AYES: 18

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

NAYS: 0

ABSENT/EXCUSED: 2 Sen. Burtenshaw; Rep. Raybould

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 order by **Chairman Bair**. See [Presentation](#) and [Audio](#).

AGENCY STATE BOARD OF EDUCATION
PRESENTATION: Vocational Rehabilitation

LSO STAFF
PRESENTER: Jill Randolph, Analyst, LSO

CARRIED: Moved by **Rep. Horman**, for the Division of Vocational Rehabilitation, beginning with the FY 2020 Base, an increase of \$35,400 for benefit costs, an increase of \$8,400 for inflationary adjustments, and increase of \$94,100 for replacement items, an increase of \$39,400 for statewide cost allocation, and an increase of \$290,100 for change in employee compensation.

Also included are the following line items: \$8,000 for interpreter training for the Council for the Deaf and Hard of Hearing, 1.00 FTP and \$91,200 from the General Fund, of which \$88,600 is ongoing and \$2,600 is onetime, for a full time interpreter for the Council for the Deaf and Hard of Hearing, \$9,000 for GOV TECH 1 Network Equipment Replacement, and a reduction of 5.00 FTP and \$16,000 for GOV TECH 3 consolidation.

The totals for this motion for FY 2020 are 150.00 FTP, \$8,874,000 from the General Fund, \$2,113,600 from dedicated funds, and \$17,767,800 from federal funds, for a grand total of \$28,755,400.

DISCUSSION: **Rep. Horman** explained that Dr. Snow has led the Council for the Deaf and Hard of Hearing for eleven years without a dedicated interpreter. Lack of interpretative services has caused great hardship to the director in performing his duties and establishing necessary relationships. The interpreter for the Council for the Deaf and Heard of Hearing Director would be a dedicated interpreter for the Director. The amount in this motion includes \$88,600 for ongoing personnel costs and associated operating expenditures, such as travel, increased lease costs, communication, and IT and software charges. This motion also includes onetime money in the amount of \$2,600 for the purchase of an office desk, chair, and computer.

AYES: 19

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

NAYS: 0

ABSENT/EXCUSED: 1 Rep. Raybould

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 order by **Chairman Bair**.

CONSENT: Requested by **Rep. Horman**, granted by unanimous consent, the following lanugage was adopted:

SECTION _. PROVIDER RATE INCREASE. By July 1, 2019, or as soon thereafter as practicable, the division administrator of the Division of Vocational Rehabilitation shall provide at least a 4.27% increase in service provision rates to community rehabilitation providers above the state fiscal year 2018 provider rates within the Extended Employment Services Program.

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

**AGENCY
PRESENTATION: INDUSTRIAL COMMISSION**

CARRIED: Moved by **Rep. Syme**, for the Industrial Commission, beginning with the FY 2020 Base, an increase of \$32,000 for benefit costs, an increase of \$15,800 for inflationary adjustments, an increase of \$78,600 for replacement items, an increase of \$10,800 for statewide cost allocation, and an increase of \$238,500 for change in employee compensation. Also included are the following line items: \$256,100 for contingency funding to pay rent on its current office space if the Chinden Campus move is delayed; 1.00 FTP and \$57,500 for a Crime Victims Claims Examiner; 1.00 FTP and \$63,300 for an Employer Compliance Investigator; \$270,000 to Convert Paper Archives to Digital; \$20,000 for Cybersecurity Software; \$11,400 for a CEC for the Commissioners; \$12,600 for the Governor's Technology Initiative 1 (Network Equipment Replacement); and a reduction of 8.00 FTP and \$327,300 for the Governor's Technology Initiative 3 (IT Consolidation). The totals for this motion for FY 2020 are 132.25 FTP, \$300,000 from the General Fund, \$16,597,200 from dedicated funds, and \$1,200,000 from federal funds, for a grand total of \$18,097,200, seconded by **Sen. Crabtree**.

DISCUSSION: **Rep. Syme** explained that Inflationary adjustments for the agency are for increased rent and internet costs for its ten statewide field offices in its Rehabilitation Program. Replacement items include office furniture and IT equipment. The differences in the line item amounts between the Governor's recommendation and the motion are attributable to the changes in benefits and the compensation schedule that JFAC adopted statewide. The 3% CEC for the Commissioners requires amending Section 72-503, Idaho Code, in which the Commissioner's salaries are set in statute. There is language to follow to address this.

AYES: 19

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

NAYS: 0

ABSENT/EXCUSED: 1 Rep. Raybould

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 order by **Chairman Bair**.

CONSENT: Requested by **Rep. Syme**, granted by unanimous consent, the following language to amend § 72-503, Idaho Code, be accepted as part of the Industrial Commission's FY 2020 appropriation bill:

SECTION __. That Section 72-503, Idaho Code, be, and the same is hereby amended to read as follows: 72-503. SALARY. Commencing July 1, 2019, the annual salary of each member of the industrial commission shall be one hundred seven thousand one hundred forty-one dollars (\$107,141). Industrial commissioner salaries shall be paid from sources set by the legislature. Each member of the industrial commission shall devote full time to the performance of his duties.

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

**AGENCY PRESENTATION: SELF-GOVERNING AGENCIES
Medical Boards**

CARRIED: Moved by **Rep. Horman** for the Medical Boards, beginning with the FY 2020 Base, an increase of \$10,500 for benefit costs, an increase of \$7,700 for inflationary adjustments, an increase of \$95,000 for replacement items, an increase of \$6,100 for statewide cost allocation, and an increase of \$93,000 for change in employee compensation. Also included are the following line items. For the Board of Medicine: 1.00 FTP and \$62,400 for a Management Assistant, and \$41,500 for Additional Board Resources. For the Board of Nursing: \$5,500 for Six Cell Phones; 1.00 FTP and \$49,200 for an Administrative Assistant; and \$3,300 for Microsoft Office 365. For the Board of Pharmacy: \$19,600 for Licensing System Maintenance; and \$4,800 for Microsoft Office 365. For the Governor's Technology Initiatives across the five agencies, this motion includes \$4,300 for Network Equipment Replacement; \$25,200 for Mobile Device Security; and \$41,100 for Office of Information Technology Billings. The totals for this motion for FY 2020 are 51.20 FTP and \$6,809,500 from dedicated funds.

DISCUSSION: Rep. Horman explained that the Board of Nursing has had repeated audit findings about its cash balance, which has continued to grow past recommended levels for the past several years. LSO Audits has reported to JFAC multiple times that it recommends the agency reduce its cash balance. In response the agency has expressed its concern about upcoming changes that may reduce its revenue stream and has taken no action to reduce its cash balance. JFAC will be formally requesting that the agency provide a report by October 2019 on the impact that the anticipated changes have had on its revenue, and to include some options it will be willing to implement to reduce its cash balance. JFAC will have the opportunity to review this information at its fall interim meeting.

AYES: 19

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

NAYS: 0

ABSENT/EXCUSED: 1 Rep. Raybould

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 order by **Chairman Bair**. See [Presentation](#) and [Audio](#).

AGENCY PRESENTATION: IDAHO STATE LOTTERY

LSO STAFF PRESENTER: Maggie Smith, Analyst, LSO

CARRIED: Moved by **Rep. Maurin (Troy)** for the State Lottery, beginning with the FY 2020 Base, an increase of \$12,300 for benefit costs, an increase of \$68,100 for replacement items, an increase of \$5,000 for statewide cost allocation, and an increase of \$84,600 for change in employee compensation. Also included is one line item for the Governor's Technology Initiative 1: \$4,300 for Network Equipment Replacement. The totals for this motion for FY 2020 are 45.00 FTP and \$6,159,100 from dedicated funds, seconded by **Sen. Johnson**.

DISCUSSION: **Rep. Maurin (Troy)** explained that the FY 2020 Base includes a Base Reduction of \$32,300 due to savings from cybersecurity software that is no longer recommended and will not be implemented by the agency. Replacement items include \$68,100 for ten computers, one generator, and server hardware. There is standard language to follow.

AYES: 19

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

NAYS: 0

ABSENT/EXCUSED: 1 Rep. Raybould

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 order by **Chairman Bair**.

CONSENT: Requested by **Rep. Maurin (Troy)**, granted by unanimous consent, the following language providing continuous appropriation authority for certain costs be accepted as part of the State Lottery's FY 2020 appropriation bills.

SECTION __. CONTINUOUS APPROPRIATION. Amounts necessary to pay prizes, retailer commissions, advertising and promotional costs, and gaming supplier vendor fees based on sales shall be continuously appropriated to the Idaho State Lottery under the provisions of Section 67-7428, Idaho Code. See [Presentation](#) and [Audio](#).

ADJOURNED: Having no further business before the committee, Chairman Bair adjourned the meeting at 8:48 a.m.

Senator Bair
Chair

Elaine Leedy
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Friday, March 01, 2019

BUDGET SETTING

SUBJECT	DESCRIPTION	PRESENTER
LBB 6-39	Executive Office of the Governor	Keith Bybee, Deputy Division Manager
LBB 6-63	Division of Financial Management	
	Legislative Branch	Paul Headlee, Division Manager
LBB 6-127	Legislative Services Office	
LBB 6-133	Office of Performance Evaluations	
LBB 6-139	Redistricting Commission	
	JFAC Supplemental Appropriation	
	IDAHO STATE POLICE Forensic Services Program Hemp Equipment	Christine Otto, Budget Analyst
	Idaho State Police	
LBB 3-87	Division of Idaho State Police	
LBB 3-83	Brand Inspection	
LBB 3-97	Peace Officer Standards & Training (POST)	
LBB 3-103	Racing Commission	
	TECHNICAL CORRECTIONS	
	<i>FY 2020 Appropriation, State Board of Education - Colleges and Universities</i>	Janet Jessup, Senior Analyst

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Friday, March 01, 2019
TIME: 8:00 A.M.
PLACE: Room C310
MEMBERS PRESENT: Senators Co-chairman Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye
Representatives Co-chairman Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Maurin (Troy), Wintrow, Toone
ABSENT/ EXCUSED: None
CONVENED: **Chairman Youngblood** called the meeting to order at 8:01 am.

OFFICE OF THE GOVERNOR
Executive Office of the Governor

LSO STAFF PRESENTATION: **Keith Bybee, Deputy Division Manager**, stated the Office of the Governor oversees the whole Governor's operation. The majority of the budget is within the administration portion. The Governor's only line item recommendation was for GOV TECH 4, Modernization — Admin. Billing.

MOTION: **Original Motion**
Executive Office of the Governor
Appropriation
Moved by **Rep. Maurin (Troy)** seconded by **Sen. Johnson** for the Executive Office of the Governor, beginning with the FY 2020 Base, an increase of \$8,000 for benefit costs, an increase of \$3,600 for statewide cost allocation, an increase of \$7,300 for the Governor's salary increase in annualizations, and an increase of \$47,500 for change in employee compensation. Also included are the following line items: \$13,100 for GovTech 4 IT Modernization. The totals for this motion for FY 2020 are 21.00 FTP, and \$2,283,000 from the General Fund. This motion includes lump sum for the Executive Office of the Governor.

DISCUSSION: **Rep. Maurin (Troy)** stated this motion is a 6.0% decrease below the FY 2019 original appropriation. The motion includes the Maintenance of Current Operations items as instructed by JFAC, and also includes \$13,100 for additional billing for the Governor's technology modernization initiative. The Network Equipment Replacement and mobile Device Security was covered in the appropriation to the Office of Information Technology Services. Finally, this motion exempts the Executive Office of the Governor from object and program transfer limitations.

CARRIED: **Ayes: 19**
Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Syme, Maurin (Troy), Wintrow, Toone
Nays: 0
Ab/Ex: 1
Raybould

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 ordered by **Chairman Youngblood**.

To listen to this presentation please [click here](#).

OFFICE OF THE GOVERNOR
Division of Financial Management

LSO STAFF PRESENTATION: **Keith Bybee, Deputy Division Manager**, stated this division consists of three main administrative units: Budget, Economic Analysis, and Management Services. There were no line items requested, the IT Modernization was in the Governor's recommendation.

MOTION: **Original Motion**
Division of Financial Management
Appropriation

Moved by **Rep. Anderson**, seconded by **Sen. Johnson** for the Division of Financial Management, beginning with the FY 2020 Base, an increase of \$6,500 for benefit costs, an increase of \$13,800 for statewide cost allocation, and an increase of \$47,400 for change in employee compensation. Also included are the following line items: \$9,500 for GovTech 4 IT Modernization and Billing. The totals for this motion for FY 2020 are 15.00 FTP, \$1,963,600 from the General Fund, and \$72,300 from dedicated funds for a grand total of \$2,035,900.

CARRIED: **Ayes: 19**

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

Nayes: 0

Ab/Ex: 1

Raybould

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 ordered by **Chairman Youngblood**.

To listen to this presentation please [click here](#).

LEGISLATIVE BRANCH
Legislative Services Office

LSO STAFF PRESENTATION: **Paul Headlee, Division Manager**, stated under the direction of the Director of Legislative Services, the office consists of the Division of Research and Legislation, Division of Budget and Policy Analysis, the Legislative Audit Division, and the Information Technology Division. There are 65 FTP authorized. It is made up of 2/3 General funds and 1/3 Dedicated funds, there are no Federal funds. Mr. Headlee gave a brief overview of the agency request, the Governor's recommendation and JFAC action. Mr. Headlee noted, there was one line item request for \$4,800 ongoing for Audit Workpaper Software maintenance and the Governor's recommendation for GOV TECH 1 — Network Equipment Replacement.

MOTION:

Original Motion
Legislative Services Office

Appropriation

Moved by **Sen. Johnson**, seconded by **Rep. Horman** for the Legislative Branch and Legislative Services Office, beginning with the FY 2020 Base, the JFAC statewide decisions for an increase of \$26,800 for benefit costs, an increase of \$18,400 onetime for replacement items, \$1,900 for statewide cost allocation, and \$172,000 for change in employee compensation. Also included is \$4,800 for audit workpaper software maintenance in line item #1. The totals for this motion for FY 2020 are 65.00 FTP, \$5,475,200 from the General Fund and \$2,648,400 from dedicated funds for a grand total of \$8,123,600. This motion includes an exemption to budget laws to allow funds to be transferred between object codes and no FTP cap. Also included is reappropriation authority from FY 2019 into FY 2020 of the following: up to \$650,000 of personnel costs from the dedicated Professional Services Fund; and the unexpended and unencumbered balance of the appropriation from the Technology Infrastructure Stabilization Fund.

DISCUSSION:

Sen. Johnson stated this motion results in a 3.1% increase from the General Fund and a 0.8% increase in all funds. Reappropriation from the Technology Infrastructure Stabilization Fund will allow LSO to continue to seek expertise when reviewing and providing input on requested or existing state agency technology projects. Lastly, the \$5,900 recommended for GOV TECH 1 is not funded here, but rather, has been added to Office of Technology Information Services' budget.

CARRIED:

Ayes: 19

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

Nays: 0

Ab/Ex: 1

Raybould

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 ordered by **Chairman Youngblood**.

To listen to this presentation please [click here](#).

LEGISLATIVE BRANCH
Office of Performance Evaluations

LSO STAFF

PRESENTATION:

Paul Headlee, Division Manager, stated this office is a nonpartisan legislative office that promotes accountability and confidence in state government. The office conducts independent, objective, in-depth, and timely performance evaluations of state agencies, programs, and functions. There are 8 FTP budgeted and the Office of Performance Evaluations (OPE) is funded by the General Fund. Mr. Headlee continued there were three line item requests and the Governor's recommendation for GOV TECH 1 — Network Equipment Replacement.

MOTION:

Original Motion

Office of Performance of Evaluations

Appropriation

Moved by **Rep. Amador**, seconded **Rep. Kauffman** for the Legislative Branch and Office of Performance Evaluations, beginning with the FY 2020 Base, the JFAC statewide decisions for an increase of \$3,200 for benefit costs, \$2,800 onetime for replacement items, \$400 for statewide cost allocation, and \$22,500 for change in employee compensation. Also included is \$17,800, for additional ongoing personnel funding in line item #2; \$5,600 for an annual subscription to LexisNexis in line item #3; and \$2,600 for software maintenance costs in line item #4. The totals for this motion for FY 2020 are 8.00 FTP and \$952,100 from the General Fund. This motion includes an exemption to budget laws that will allow funds to be transferred between object codes and no FTP cap.

DISCUSSION:

Rep. Amador stated this motion results in a 5.8% increase on the General Fund. The \$700 recommended for GOV TECH 1 is not funded here, but rather, has been added to Office of Technology Information Services' budget.

CARRIED:

Ayes: 17

Bair, Johnson, Lee, Agenbroad, Crabtree, Burtenshaw, Woodward, Ward-Engelking, Nye, Youngblood, Anderson, Amador, Kauffman, Syme, Maurin (Troy), Wintrow, Toone

Nays: 2

Grow and Horman

Ab/Ex: 1

Raybould

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 ordered by **Chairman Youngblood**.

To listen to this presentation please [click here](#).

LEGISLATIVE BRANCH

Redistricting Commission

LSO STAFF

PRESENTATION:

Paul Headlee, Division Manager, stated JFAC approved a supplemental appropriation for \$45,000 one time from the General Fund to allow LSO to hire a Geographic Information System (GIS) contractor to prepare files for the US Census Bureau in preparation for the redistricting. The following unanimous consent would be for the reappropriation authority from FY 2019 to FY 2020.

**UNANIMOUS
CONSENT:**

On request by **Rep. Horman**, for unanimous consent for the Redistricting Commission, to provide reappropriation authority from FY 2019 into FY 2020 of any unspent and unencumbered balance of the onetime General Fund appropriation for costs related to preparation for redistricting.

To listen to this presentation please [click here](#).

IDAHO STATE POLICE

Forensic Services Program

Hemp Equipment

LSO STAFF

PRESENTATION:

Christine Otto, Budget & Policy Analyst, stated this supplemental request would add \$240,000 to Idaho State Police (ISP), and allow them to purchase equipment for the purpose of testing hemp.

UNANIMOUS CONSENT: On request by **Rep. Syme**, for unanimous consent to reopen the FY 2019 budget for the Idaho State Police.

MOTION: **Original Motion**
Supplemental
Moved by **Rep. Syme**, seconded by **Sen. Lee** for FY 2019, for the Idaho State Police, in the Forensic Services Program, the addition of \$240,000 in onetime capital outlay from the General Fund.

DISCUSSION: **Rep. Syme** stated this motion was for looking ahead of possible issues in the future with the possibility of hemp being legalized. Rep. Syme continued this request was not brought forward by the State Police, but by other Legislators.

CARRIED: **Ayes: 17**
Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Ward-Engelking, Nye, Youngblood, Anderson, Amador, Kauffman, Syme, Maurin (Troy), Wintrow, Toone
Nays: 2
Woodward and Horman
Ab/Ex: 1
Raybould

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 ordered by **Chairman Youngblood**.

To listen to this presentation please [click here](#).

IDAHO STATE POLICE
Division of Idaho State Police

LSO STAFF PRESENTATION: **Christine Otto** stated the Division of Idaho State Police is broken into seven budgeted programs. Ms. Otto continued with the review of the agency request, the Governor's recommendation and JFAC action.

MOTION: **Original Motion**
Division of Idaho State Police
Appropriation
Moved by **Rep. Wintrow**, seconded by **Sen. Agenbroad** for the Idaho State Police, beginning with the FY 2020 Base, an increase of \$71,000 for benefit costs, an increase of \$600 for inflationary adjustments, an increase of \$3,707,200 for replacement items, an increase of \$167,200 for statewide cost allocation, and an increase of \$1,212,600 for change in employee compensation. Also included are the following line items: \$438,200 for project choice expansion; 5.00 FTP and \$1,021,900 for statewide motor units; 1.00 FTP and \$166,000 for a detective specialist; \$95,500 to purchase smartphones for troopers; \$559,400 for a records management system (RMS) evaluation; \$15,000 for the security system upgrade; \$100,000 for cybersecurity software maintenance; \$47,800 for a taser assurance plan; \$130,100 for resident trooper housing; 1.00 FTP and \$43,400 for a forensic scientist; \$179,500 for radio communication maintenance; \$11,900 for software and instrument maintenance; \$112,400 for WIN membership fees; \$232,000 for ITD interface updates; \$650,500 for federal grants with \$98,200 ongoing shifted from operating expenditures to personnel costs to hire a nurse for the STOP grant; a reduction of 1.00 FTP and \$198,400 for the commercial vehicle safety grant that did not come in; and an increase of \$31,400 for network equipment replacement. The totals for this motion for FY 2020 are 537.34 FTP, \$31,417,900 from the

General Fund, \$36,088,400 from dedicated funds, and \$8,829,300 from federal funds for a grand total of \$76,335,600.

DISCUSSION: **Rep. Wintrow** stated the items are funded with the Governor's recommendation with changes in personnel costs for JFAC statewide decision with the exceptions of line item 20 and 21. There is not an FTP added as the division has a vacant FTP due to a commercial vehicle safety (CVS) grant that was not awarded, and had initially authorized 2.00 FTP. Line item 21 reduces 1.00 FTP and \$198,400 which includes the additional FTP and the full ongoing amount of the CVS grant.

CARRIED: **Ayes: 17**
Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Syme, Maurin (Troy), Wintrow, Toone
Nays: 1
Woodward
Ab/Ex: 2
Raybould and Johnson

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 ordered by **Chairman Youngblood**.

UNANIMOUS CONSENT: On request by **Rep. Wintrow**, for unanimous consent to approve the language as shown.

INTENT LANGUAGE: SECTION -. REAPPROPRIATION AUTHORITY.
There is hereby reappropriated to the Idaho State Police any unexpended and unencumbered balances appropriated to the Idaho State Police from the General Fund for the purpose of purchasing the Watertower lots for fiscal year 2019, in an amount not to exceed \$762,600 from the General Fund, to be used for nonrecurring expenditures related to purchasing the Watertower lots for the period July 1, 2019, through June 30, 2020.

To listen to this presentation please [click here](#).

IDAHO STATE POLICE
Brand Inspection

LSO STAFF PRESENTATION: **Christine Otto** stated the Brand Inspection division provides protection to the livestock industry. Ms. Otto gave a brief review of the agency request, the Governor's recommendation, and JFAC action.

MOTION: **Original Motion**
Brand Inspection
Appropriation
Moved by **Rep. Kauffman**, seconded by **Sen. Burtenshaw** for the Idaho State Police, Brand Inspection Division, beginning with the FY 2020 Base, an increase of \$1,600 for benefit costs, an increase of \$181,600 for replacement items, an increase of \$20,500 for statewide cost allocation, and an increase of \$60,900 for change in employee compensation. Also included is \$3,100 for the governor's initiative of network equipment replacement. The totals for this motion for FY 2020 are 37.84 FTP, and \$3,220,000 from dedicated funds for a grand total of \$3,220,000.

DISCUSSION: **Rep. Kauffman** stated this motion includes JFAC statewide decisions, \$181,600 for replacement items, and \$3,100 for the network equipment replacement.

CARRIED:

Ayes: 19

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

Nayes: 0

Ab/Ex: 1

Raybould

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 ordered by **Chairman Youngblood**.

To listen to this presentation please [click here](#).

IDAHO STATE POLICE

Peace Officer Standards & Training (POST)

LSO STAFF

PRESENTATION:

Christine Otto, Budget & Policy Analyst, gave a brief overview of the agency request, the Governor’s recommendation, and JFAC action.

MOTION:

Original Motion

Motion #1

Appropriation

Moved by **Sen. Burtenshaw**, seconded by, **Rep. Syme** for the Idaho State Police, Peace Officer Standards and Training Academy Division, beginning with the FY 2020 Base, an increase of \$3,100 for benefit costs, an increase of \$441,300 for replacement items, a reduction of \$25,500 for statewide cost allocation, and an increase of \$57,300 for change in employee compensation. Also included is \$2,600 for network equipment replacement. The totals for this motion for FY 2020 are 28.67 FTP, \$4,874,700 from dedicated funds and \$257,900 from federal funds for a grand total of \$5,132,600.

DISCUSSION:

Sen. Burtenshaw stated this motion includes all JFAC statewide decisions. It also adds \$441,300 in dedicated fund appropriation with cash being transferred from the General Fund. The onetime appropriation and cash transfer from the General Fund to the Peace Officers Training Fund will require an additional motion and roll call vote.

Ayes: 19

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

Nayes: 0

Ab/Ex: 1

Raybould

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 ordered by **Chairman Youngblood**.

MOTION:

Original Motion

Motion #2

Moved by **Sen. Burtenshaw**, seconded by, **Rep. Syme** for fiscal year 2020, for the Idaho State Police, Peace Officer Standards and Training Division the appropriation and transfer of \$1,030,800 onetime from the General Fund to the Peace Officers Training Fund.

DISCUSSION: **Sen. Burtenshaw** stated this cash transfer includes \$549,500 to fund a revenue shortfall, as shown in line item 18, and the replacement items found in line item 31.

CARRIED: **Ayes: 19**
Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Syme, Maurin (Troy), Wintrow, Toone

Nays: 0

Ab/Ex: 1

Raybould

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 ordered by **Chairman Youngblood**.

To listen to this presentation please [click here](#).

IDAHO STATE POLICE

Racing Commission

LSO STAFF PRESENTATION: **Christine Otto, Budget & Policy Analyst**, gave a brief overview of the agency request, the Governor's recommendation, and JFAC action.

MOTION: **Original Motion**
Racing Commission

Appropriation

Moved by **Rep. Syme**, seconded by **Sen. Burtenshaw** for the Idaho State Police, Racing Commission Division, beginning with the FY 2020 Base, a reduction of \$12,500 for statewide cost allocation, and an increase of \$5,100 for change in employee compensation. Also included is \$100 for network equipment replacement. The totals for this motion for FY 2020 are 3.00 FTP, \$420,600 from dedicated funds, for a grand total of \$420,600.

CARRIED: **Ayes: 18**
Bair, Johnson, Lee, Agenbroad, Crabtree, Burtenshaw, Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Syme, Maurin (Troy), Wintrow, Toone

Nays: 1

Grow

Ab/Ex: 1

Raybould

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 ordered by **Chairman Youngblood**.

To listen to this presentation please [click here](#).

TECHNICAL CORRECTIONS

LSO STAFF PRESENTATION: **Janet Jessup, Senior Budget & Policy Analyst**, stated there is a correction to the Colleges and Universities budget, that was set previously on February 26th. The correction is to legislative language, it includes unnecessary reference to a non-germane section of code. Ms. Jessup continued to make this change, the FY 2020 budget for College & Universities would need to be reopened.

- DISCUSSION:** **Rep. Horman** was seeking approval to add the words “and public schools” and “post secondary” in two other sections of the language in Section 4. Open Education Resources of the intent language .
- UNANIMOUS CONSENT:** On request by **Sen. Bair** for unanimous consent to hold the correction on the Colleges and Universities budget on language to a later date, subject to call of the Cochairs. **Rep. Wintrow** objected.
- MOTION:** Moved by **Sen. Bair**, seconded by **Sen. Johnson** to hold the correction on the Colleges and Universities budget on language to a later date, subject to call of the Cochairs.
- DISCUSSION:** **Rep. Wintrow** stated her reason for the objection, was the work group spent a lot of discussion on the Colleges and Universities budget discussing this issue. Rep. Wintrow continued, the request being made is about public schools and not higher education. Rep. Wintrow stated that everyone needs to be included in these conversations and she is uncomfortable making these decisions on “the fly” on the floor, because there could be larger implications that have not been thought about.
- AMENDED MOTION:** Moved by **Sen. Bair**, seconded by **Sen. Johnson** to hold the correction on the Colleges and Universities budget on language in committee until Friday, March 8, 2019.
- CARRIED:** **Ayes: 17**
Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Syme, Maurin (Troy), Toone
Nays: 1
Wintrow
Ab/Ex: 2
Raybould and Ward-Engelking
- The majority having voted in the affirmative, the motion has passed. There being no objection, it was ordered by **Chairman Youngblood**.
- LSO STAFF PRESENTATION:** **Janet Jessup, Senior Budget & Policy Analyst**, stated the pay schedule adjustments were not updated correctly in the system and there were adjustments to the dedicated funds endowment dollars to align with actual cash on hand.
- UNANIMOUS CONSENT:** On request by **Rep. Amador**, for unanimous consent to reopen the FY 2020 budget for College & Universities.
- MOTION:** **Original Motion**
Moved by **Rep. Amador**, seconded by **Sen. Johnson** for the addition of \$4,600 from the General Fund and \$2,100 in dedicated funds for pay schedule adjustments and removes \$53,600 in dedicated funds for endowment adjustments. The totals for this motion for FY 2020 are 4,753.54 FTP, \$306,030,600 from the General Fund and \$298,217,900 from dedicated funds, for a grand total of \$604,305,300. 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.

CARRIED:

Ayes: 18

Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Syme, Maurin (Troy), Wintrow, Toone

Nays: 0

Ab/Ex: 2

Raybould and Ward-Engelking

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 ordered by **Chairman Youngblood**.

To listen to this presentation please [click here](#).

ADJOURN:

There being no further business to come before the Committee, **Chairman Youngblood** adjourned the meeting at 9:18 am.

Representative Youngblood
Chair

Donna Warnock
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Monday, March 04, 2019

BUDGET SETTING

SUBJECT	DESCRIPTION	PRESENTER
LBB 4-39	Department of Parks & Recreation	Rob Sepich, Senior Analyst
LBB 4-49	Department of Water Resources	
	Department of Health & Welfare	Jared Tatro, Principal Analyst
LBB 2-65	Service Integration	
LBB 2-13	Child Welfare	
LBB 2-19	Services for the Developmentally Disabled	

TECHNICAL CORRECTION

Cash Transfer - Intent Language, Department of Health & Welfare, Public Health Services

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Monday, March 04, 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 (Maurin), Wintrow, and Toone.
ABSENT/ EXCUSED: None
CONVENED: Co-Chairman Bair called the Joint Finance-Appropriations Committee (Committee) (JFAC) to order at 8:00 a.m.

AGENCY PRESENTATION: **DEPARTMENT OF PARKS AND RECREATION**

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

CARRIED: Moved by **Rep. Toone** for the Department of Parks and Recreation, beginning with the FY 2020 Base, an increase of \$12,100 for benefit costs, an increase of \$5,357,000 for replacement items, an increase of \$28,100 for statewide cost allocation, and an increase of \$261,700 for change in employee compensation. Also included are the following line items: \$42,000 for an Equity Pay Increase for Park Rangers. 1.00 FTP and \$43,500 for a Lake Cascade Office FTP. 0.75 FTP and \$30,800 to Convert three part-time positions to full-time. \$2,025,000 to build the Thousand Springs Administrative Center. \$432,000 in federal funds for Lake Cascade Accessibility Projects. \$400,000 to increase Registration Pass-Through Funding. Gov Tech 1 for \$3,100. The totals for this motion for FY 2020 are 158.39 FTP, \$3,733,900 from the General Fund, \$33,917,300 from dedicated funds, and \$6,489,800 from federal funds for a grand total of \$44,141,000, seconded by **Rep. Anderson**.

DISCUSSION: This motion represents a 11.5% decrease in General Funds, and a 2.2% increase in all funds from FY 2019. It includes \$300,000 from the General Fund and \$300,000 from the Road and Bridge Fund to replace the Ritter Island Bridge, with all other replacement items funded as recommended by the Governor. It also includes \$42,000 in dedicated funds to for a targeted pay raise for park rangers to combat turnover in those positions. The motion adds 1.00 FTP and \$43,500 to add an office specialist at the new Lake Cascade administrative building as these functions were partially shared by staff from the Bureau of Reclamation. Line item 3 provides funding to convert three part-time FTP to full-time at Dworshak, Bruneau Sand Dunes, and Three Island Crossing Parks. Line item 4 adds \$1.2 million in Registration Funds to the Governor's recommendation to give the RV Committee the opportunity to provide funding that was not recommended by the Permanent Building Fund Advisory Council. Line item 5 includes federal funds to implement Americans With Disabilities

Act (ADA) accessible facilities including docks, restrooms, and fishing areas. Line item 6 increases the amount available for the department to pass through registration fees to local governments. Lastly, GOV TECH 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 \$10,600 from the Technology Infrastructure Stabilization Fund (TISF), which will be funded through the Office of Information Technology Services (OITS) budget.

AYES: 17 Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, , Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Troy (Maurin), and Toone.

NAYS: 0

ABSENT/EXCUSED: 3 Burtenshaw, Syme, Wintrow

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

CONSENT:

Requested by Rep. Toone, granted by unanimous consent, the following standard bill language was added:

EXEMPTIONS FROM PROGRAM TRANSFER LIMITATIONS.

Notwithstanding the provisions of Section 67-3511(2), Idaho Code, trustee and benefit payments appropriated for grants in the Management Services Program may be transferred to capital outlay in the Capital Development Program or to capital outlay in the Park Operations Program to reflect grants awarded to the Department of Parks and Recreation for the period July 1, 2019, through June 30, 2020. Legislative appropriations shall not be transferred from one fund to another unless expressly approved by the Legislature.

REAPPROPRIATION AUTHORITY. There is hereby reappropriated to the Department of Parks and Recreation any unexpended and unencumbered balances appropriated or reappropriated to the Department of Parks and Recreation for the Capital Development Program for fiscal year 2019 to be used for nonrecurring expenditures in the Capital Development Program for the period July 1, 2019, through June 30, 2020.

See Presentation and Audio.

DISCUSSION:

The first section of language allows the department to transfer trustee and benefit payments between the three budgeted programs to reflect grants awarded to the department by recreational committees, such as the Snowmobile Subcommittee. The second section authorizes reappropriation or carryover for projects spanning more than one fiscal year in the Capital Development Program.

AGENCY

PRESENTATION: DEPARTMENT OF WATER RESOURCES

LSO STAFF

PRESENTER: Rob Sepich, Analyst, LSO

CARRIED: Moved by **Sen. Burtenshaw** or the Department of Water Resources, beginning with the FY 2020 Base, an increase of \$39,800 for benefit costs, an increase of \$91,400 for inflationary adjustments, an increase of \$189,200 for replacement items, an increase of \$94,900 for statewide cost allocation, and an increase of \$347,300 for change in employee compensation. Also included are the following line items: A transfer of \$716,000 for Aquifer Measuring and Monitoring. \$177,800 for Software Application Development Contractors. \$42,700 for VoIP Phone System Updates. \$6,000 for Data Entry Automation Software. \$149,000 for Off-Site Disaster Recovery Equipment. \$3,800 for GOV TECH 1. The totals for this motion for FY 2020 are 163.00 FTP, \$19,658,700 from the General Fund, \$5,653,500 from dedicated funds, and \$1,719,800 from federal funds for a grand total of \$27,032,000, seconded by **Rep. Raybould**.

DISCUSSION: This motion represents a 0.8% increase from the General Fund and a 2.2% increase in all funds from FY 2019. It includes \$36,900 for rent increases at regional offices, \$26,500 for Stream gauging with the USGS, and \$28,000 for general inflation for a total of \$91,400. Replacement items include 40 computers, servers and storage equipment, office furniture, and flow measuring equipment. The motion includes \$716,000 to be transferred from the continuously appropriated Revolving Development Fund to the Aquifer Planning and Management Fund for aquifer monitoring, measurement, and modeling. Line item 2 provides \$177,800 to hire a software development contractor to address software bugs, applications that are no longer supported, and supplement the existing IT staff. Line item 3 adds funding to complete the third and final year of phone system updates in regional offices. Line item 5 adds funding to purchase software to automate data entry from mobile devices and reduce the potential for error. Line item 6 includes funding to set up an off-site disaster recovery unit in conjunction with the Office of Emergency Management to restore critical functions to operational within 12 hours of a disaster. Lastly, 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 \$10,800. **Rep. Raybould** noted a Rule 38 Conflict of Interest. Her father sits on the Water Resource Board.

AYES: 17 Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, , Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Troy (Maurin), and Toone.

NAYS: 0

ABSENT/EXCUSED: 3 Burtenshaw, Syme, Wintrow

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

CONSENT: Requested by **Sen. Burtenshaw**, granted by unanimous consent, the following standard bill language was adopted:

SECTION 3. CASH TRANSFER FOR AQUIFER MONITORING, MEASUREMENT, AND MODELING. There is hereby appropriated to the Department of Water Resources and the State Controller shall transfer \$716,000 from the Revolving Development Fund to the Aquifer Planning and Management Fund on July 1, 2019, or as soon thereafter as practicable, for the period July 1, 2019, through June 30, 2020, to be used for aquifer monitoring, measurement, and modeling.

SECTION 4. CASH TRANSFER FOR AQUIFER MANAGEMENT. Of the amount appropriated to the Department of Water Resources in Section 1 of this act for the Planning and Technical Services Program from the General Fund for lump sum, the State Controller shall transfer \$5,000,000 to the Secondary Aquifer Planning, Management and Implementation Fund on July 1, 2019, or as soon thereafter as practicable, for the period July 1, 2019, through June 30, 2020, to be used for aquifer recharge and management.

DISCUSSION: The first section provides a cash transfer to the Aquifer Planning and Management Fund as part of the repayment of the Pristine Springs purchase. The second section authorizes a cash transfer of \$5 million of General Fund lump sum appropriation in the base budget of the Planning and Technical Services Program to the Secondary Aquifer Planning, Management and Implementation fund for aquifer recharge.

AGENCY PRESENTATION: **DEPARTMENT OF HEALTH AND WELFARE**
Service Integration

LSO STAFF PRESENTER: **Jared Tatro, Analyst, LSO**

CARRIED: Moved by Rep. Amador for the Department of Health and Welfare for the Service Integration Program, beginning with the FY 2020 Base, provide an increase of \$4,700 for benefit costs, an increase of \$6,000 for statewide cost allocation, and an increase of \$57,000 for the change in employee compensation. The totals for this motion for FY 2020 are 35.00 FTP, \$744,200 from the General Fund, \$69,500 from dedicated funds, and \$5,321,500 from federal funds for a grand total of \$6,135,200.

DISCUSSION: This is a maintenance of current operations budget and reflects the agency request with JFAC adjusted items.

AYES: 17 Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, , Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Troy (Maurin), and Toone.

NAYS: 0

ABSENT/EXCUSED: 3 Burtenshaw, Syme, Wintrow

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

AGENCY PRESENTATION: **Child Welfare**

**LSO STAFF
PRESENTER:**

Jared Tatro, Analyst, LSO

CARRIED:

Moved by **Sen. Lee** for the Department of Health and Welfare for the Child Welfare Division, beginning with the FY 2020 Base, an increase of \$62,900 for benefit costs, an increase of \$91,100 for statewide cost allocation, an increase of \$763,500 for the change in employee compensation, and shift \$103,500 from federal funds to the General Fund for changes in the Medicaid match rate. Also included are the following line items: \$8,628,000 for the child welfare system initiative in line item 2; \$300,600 for the social worker pay increases as explained in line item 8, and a reduction of 1.00 FTP and \$142,600 in line item 40 to move the administrator of the Developmental Disabilities Division to that division. The totals for this motion for FY 2020 are 403.80 FTP, \$23,954,500 from the General Fund, \$5,111,100 from dedicated funds, and \$50,757,400 from federal funds for a grand total of \$79,823,000, seconded by **Sen. Agenbroad**.

DISCUSSION:

This motion reflects the agency's request with JFAC adjusted items for personnel costs; 9 months of funding for the child welfare case management system; the addition of \$66,200 for the additional 1% pay line adjustment (JFAC approved 3% and the Governor recommended 2%); and the transfer of the DD Services Division administrator to that division. The state share for the child welfare initiative is being funded from the Technology Infrastructure Stabilization Fund, which aligns with how year 1 was funded for FY 2019. In an effort to provide continued attention to the child welfare system, partial funding is provided and the department is expected to provide monthly updates to the Legislative Services Office and request a supplemental if needed for the remaining three months.

AYES: 17 Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, , Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Troy (Maurin), and Toone.

NAYS: 0

ABSENT/EXCUSED: 3 Burtenshaw, Syme, Wintrow

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

CONSENT:

Requested by Sen. Lee, granted by unanimous consent, the following language was adopted:

EDUCATIONAL NEEDS. The Department of Health and Welfare shall be responsible for the educational needs of school-age children placed in its custody by the courts for either child protective issues or mental health issues. If the department places a child in a licensed residential treatment facility that includes a nonpublic accredited school, and it is determined by the department that it is in the best interests of the child to be educated at the residential treatment facility, then it is the responsibility of the department to pay for such education per student, per educational day. Other Idaho state agencies shall not be precluded from exercising their responsibility to ensure a free and appropriate education for these students within the requirements of federal disability law. The fiscal impact of this section is included within existing department base appropriations.

CHILD ABUSE PROTECTION TREATMENT ACT FUNDS. Of the amount appropriated in Section 1 of this act from the Cooperative Welfare (Federal) Fund, a minimum of \$42,000 of federal Child Abuse Protection Treatment Act (CAPTA) funds appropriated to the Department of Health and Welfare shall be provided to the Public Health Districts each year. The moneys received by the Public Health Districts shall not be considered general state aid for the purpose of Section 39-425, Idaho Code, nor shall the moneys be allocated through a board of trustees formula pursuant to Section 39-411, Idaho Code. Funds for each Public Health District shall be distributed at one-seventh (1/7) of the total amount, which shall be used for the Citizen Review Panels pursuant to Section 16-1647, Idaho Code.
See Presentation and Audio.

AGENCY

PRESENTATION: Services for the Developmentally Disabled

LSO STAFF

PRESENTER: Jared Tatro, Analyst, LSO

CARRIED:

Moved by **Sen. Agenbroad** for the Department of Health and Welfare, for the Services for the Developmentally Disabled Division, beginning with the FY 2020 Base, an increase of \$42,300 for benefit costs; and increase of \$131,800 for replacement items, which are to be determined by the SWITC administrator; then add an increase of \$71,300 for statewide cost allocation; an increase of \$508,200 for the change in employee compensation; and shift \$53,000 from federal funds to the General Fund for changes in the Medicaid match rate. Then add 1.00 FTP and \$142,600 for the personnel transfer of the Developmental Disabilities Services Division administrator to this division. The totals for this motion for FY 2020 are 305.71 FTP, \$14,052,200 from the General Fund, \$1,380,700 from dedicated funds, and \$17,402,400 from federal funds for a grand total of \$32,835,300, seconded by **Rep. Amador**.

DISCUSSION:

This motion reflects the agency request with JFAC adjustments for personnel costs; \$131,800 for replacement items; and the transfer of personnel costs and FTP from Child Welfare to this division.

AYES: 18 Bair, Burtenshaw, Johnson, Lee, Agenbroad, Crabtree, Grow, , Woodward, Ward-Engelking, Nye, Youngblood, Horman, Syme, Anderson, Amador, Kauffman, Raybould, Troy (Maurin), and Toone.

NAYS: 0

ABSENT/EXCUSED: 2 Johnson, Wintrow

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

CONSENT:

Requested by Sen. Agenbroad, granted by unanimous consent, the following language was adopted:

HEAD START APPROPRIATION FROM TEMPORARY ASSISTANCE FOR NEEDY FAMILIES FUNDS. At a minimum, the Department of Health and Welfare shall maintain the Head Start Program appropriations paid from federal Temporary Assistance for Needy Families funds at the same level as fiscal year 2007.

See Presentation and Audio.

**AGENCY
PRESENTATION:**

TECHNICAL CORRECTION

Department of Health and Welfare, Public Health Services
Cash Transfer Intent Language

CONSENT:

Requested by **Sen. Agenbroad**, granted by unanimous consent, the FY 2020 budget for the Department of Health and Welfare, Public Health Services Division, was reopened.

CONSENT;

Requested by **Sen. Agenbroad**, granted by unanimous consent, the following cash transfer and reporting language was adopted:

SECTION 7. CASH TRANSFER. Of the amount appropriated in Section 1 of this act from the Cooperative Welfare (General) Fund, there is hereby appropriated and the State Controller shall transfer \$640,000 from the Cooperative Welfare (General) Fund to the Rural Physician Incentive Fund on July 15, 2019, or as soon thereafter as practicable, for the Department of Health and Welfare for the period July 1, 2019, through June 30, 2020.

SECTION 8. REPORTING. The Department of Health and Welfare shall evaluate and report on the use of moneys appropriated and transferred in Section 7 of this act to the Legislative Services Office no later than December 31, 2019.

DISCUSSION:

This language will be added to the FY 2020 Original Appropriation bill for the Department of Health and Welfare, Division of Public Health Services. This language was added last session in S1374, which was a trailer appropriation for H472.

ADJOURNED:

Having no further business before the Committee, **Chairman Bair** adjourned the meeting at 8:30 a.m.

Senator Bair
Chair

Elaine Leedy
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Tuesday, March 05, 2019

BUDGET SETTING

SUBJECT	DESCRIPTION	PRESENTER
	State Board of Education	
LBB 1-71	Community Colleges	Janet Jessup, Senior Analyst
LBB 1-113	Special Programs	
	Department of Administration	
LBB 6-17	Bond Payment Program	Jill Randolph, Budget Analyst
LBB 6-13	Capitol Commission	
LBB 6-21	Permanent Building Fund	

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Tuesday, March 05, 2019
TIME: 8:00 A.M.
PLACE: Room C310
MEMBERS PRESENT: Senators Co-chairman Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye
Representatives Co-chairman Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Maurin(Troy), Wintrow, Toone
ABSENT/EXCUSED: Horman, Wintrow
CONVENED: **Chairman Youngblood** called the meeting to order at 8:00 am.

STATE BOARD OF EDUCATION
Community Colleges

LSO STAFF PRESENTATION: **Janet Jessup, Senior Budget & Policy Analyst**, stated the motion before the Committee is the JFAC action that has already been taken by the Committee for benefit cost, CEC, and Nondiscretionary adjustments

MOTION: **Original Motion**
Community Colleges
Appropriation
Moved by **Rep. Amador**, seconded by **Sen. Johnson** for the State Board of Education, Community Colleges, beginning with the FY 2020 Base, an increase of \$156,800 for benefit costs, an increase of \$933,800 for change in employee compensation, and \$1,018,200 for nondiscretionary adjustments for the enrollment workload adjustment. Also included are the following line items: a net zero transfer of \$10,000 from each institution to the systemwide programs in line item 4; a net zero transfer of \$132,200 from the College of Southern Idaho to the College of Eastern Idaho for two faculty members in line item 5; \$117,400 for Occupancy Costs for North Idaho College in line item 7; and \$55,000 onetime from the Higher Education Surplus Stabilization fund in line item 8 to distribute interest earnings to the College of Eastern Idaho. The totals for this motion for FY 2020 are \$47,751,800 from the General Fund and \$855,000 from dedicated funds for a grand total of \$48,606,800. This motion includes exceptions to budget laws allowing transfer of funds among object class codes and programs and there is no FTP cap.

CARRIED: **Ayes: 18**
Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye, Youngblood, Anderson, Amador, Kauffman, Raybould, Syme, Maurin(Troy), Toone
Nays: 0
Ab/Ex: 2
Horman and Wintrow

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 ordered by **Chairman Youngblood**.

To listen to this presentation please [click here](#).

STATE BOARD OF EDUCATION

Special Programs

LSO STAFF PRESENTATION: **Janet Jessup, Senior Budget & Policy Analyst**, stated the Special Programs has six budgeted programs. The JFAC action that has already been taken by the Committee for benefit cost and change in employee compensation.

MOTION: **Original Motion**
Special Programs

Appropriation

Moved by **Rep. Amador**, seconded by **Sen. Johnson** for the State Board of Education, Special Programs Division, beginning with the FY 2020 Base, a reduction of \$400 for benefit costs, an increase of \$34,900 for replacement items, and an increase of \$103,800 for change in employee compensation. Also included are the following line items: \$123,600 from the General Fund for the Mica Creek Watershed Project through the Forest Utilization Research in line item 2; \$1,400,000 for GEARUP Scholarships through the Scholarships and Grants Programs in line item 5; and \$7,000,000 onetime from Opportunity Scholarship Program Account for Opportunity Scholarships in line item 7. The totals for this motion for FY 2020 are 45.59 FTP, \$19,500,000 from the General Fund, \$8,000,000 from dedicated funds, and \$4,525,000 from federal funds for a grand total of \$32,025,000.

DISCUSSION: **Rep. Amador** stated this motion includes replacement items as recommended by the Governor, including \$8,600 to the Idaho Geological Survey for specialized computers and digitizing tablets and \$26,300 to the Idaho Museum of Natural History for specialized computers. Line item 2 includes \$123,600 onetime operating expenditures from the General Fund for the Mica Creek Watershed Project. Funding would support field technicians to maintain infrastructure, collect and analyze data for current studies, and the equipment, sample analysis, and travel needs of positions for one fiscal year. Line item 5 provides \$1,400,000 ongoing from the federal grant fund for GEAR UP Scholarships. Changes in federal regulations are expected to increase the number of students eligible for GEAR UP scholarship funds. Additional funding will be requested for FY 2021 as additional growth is anticipated. The final line item includes \$7,000,000 onetime from the Opportunity Scholarship Program Account to serve more eligible scholarship applicants. In FY 2018, 1,780 applicants were eligible for the Opportunity Scholarship but did not receive the award because of lack of funds.

CARRIED: **Ayes: 18**
Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye, Youngblood, Anderson, Amador, Kauffman, Raybould, Syme, Maurin(Troy), Toone
Nays: 0
Ab/Ex: 2
Horman and Wintrow

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 ordered by **Chairman Youngblood**.

**UNANIMOUS
CONSENT:**

On request by **Rep. Amador**, for unanimous consent to approve the intent language as follows...

**INTENT
LANGUAGE:**

FY 2020. Division of Special Programs, Appropriation Language
SECTION 3. OPPORTUNITY SCHOLARSHIP PROGRAM ACCOUNT.
Moneys appropriated from the General Fund to the Scholarship and Grants Program for fiscal year 2019 that are unexpended and unencumbered on June 30, 2019, are hereby appropriated and shall be transferred by the State Controller to the Opportunity Scholarship Program Account created in Section 33-4303, Idaho Code.

**UNANIMOUS
CONSENT:**

On request by **Rep. Amador**, for unanimous consent to approve the intent language as follows...

**INTENT
LANGUAGE:**

FY 2020. Division of Special Programs, Appropriation Language
SECTION 4. SCHOLARSHIP AWARDS FOR FISCAL YEAR 2020.
Notwithstanding the provisions of Section 33-4303, Idaho Code, and any other provision of law to the contrary, the moneys appropriated in Section 1 of this act from the Opportunity Scholarship Program Account, shall be used for the award of Opportunity Scholarships for fiscal year 2020.
SECTION 5. OPPORTUNITY SCHOLARSHIP PROGRAM ACCOUNT REPORTING. The State Board of Education shall report to the Joint Finance-Appropriations Committee by January 10, 2020, regarding the current balance in the Opportunity Scholarship Program Account and the estimated obligations due to any over-award or early award of scholarships for fiscal year 2021. The report shall include an estimate of the necessary balance in the account to meet these obligations.

To listen to this presentation please [click here](#).

DEPARTMENT OF ADMINISTRATION
Bond Payment Program

**LSO STAFF
PRESENTATION:**

Jill Randolph, Budget & Policy Analyst, reviewed the agency request, the Governor's recommendation, and JFAC action.

MOTION:

Original Motion
Bond Payment Program
Appropriation

Moved by **Sen. Johnson**, seconded by **Rep. Anderson** for the Department of Administration, Bond Payments program, beginning with the FY 2020 Base of \$11,877,000, add \$8,300,000 from the Permanent Building Fund for the Chinden Campus Payment, and remove \$400,000 from the General Fund for the Prison Complex refinance. The totals for this motion for FY 2020 are \$3,930,000 from the General Fund, and \$15,847,000 from dedicated funds, for a grand total of \$19,777,000.

DISCUSSION:

Sen. Johnson stated the Governor's Revised Recommendation included a recommendation for a base reduction of \$400,000 from the General Fund due to the refinancing of the Prison Complex Bond. The Prison Complex Bond is currently the only bond paid from the General Fund.

CARRIED: **Ayes: 18**
Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward,
Ward-Engelking, Nye, Youngblood, Anderson, Amador, Kauffman, Raybould,
Syme, Maurin(Troy), Toone
Nayes: 0
Ab/Ex: 2
Horman and Wintrow

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 ordered by **Chairman Youngblood**.

To listen to this presentation please [click here](#).

DEPARTMENT OF ADMINISTRATION
Capitol Commission

LSO STAFF PRESENTATION: **Jill Randolph, Budget & Policy Analyst**, reviewed the agency request, the Governor's recommendation, and JFAC action.

MOTION: **Original Motion**
Capitol Commission
Appropriation
Moved by **Sen. Johnson**, seconded by **Rep. Amador** for the Department of Administration, Capitol Commission, a total of \$2,342,000 from dedicated funds, for fiscal year 2020.

DISCUSSION: **Rep. Anderson** invoked Rule 38 stating a possible conflict of interest and he would be voting on the motion.
Sen. Johnson stated this motion reflects a maintenance of current operations budget.

CARRIED: **Ayes: 18**
Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward,
Ward-Engelking, Nye, Youngblood, Anderson, Amador, Kauffman, Raybould,
Syme, Maurin(Troy), Toone
Nayes: 0
Ab/Ex: 2
Horman and Wintrow

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 ordered by **Chairman Youngblood**.

MOTION: **Original Motion**
Capitol Commission
Appropriation
Moved by **Sen. Johnson**, seconded by **Rep. Amador** that there is hereby appropriated to the Department of Administration for the Idaho State Capitol Commission and the State Controller shall transfer \$250,000 from the Capitol Maintenance Reserve Fund to the Capitol Commission Operating Fund on July 1, 2019, or as soon thereafter as practicable, for the period July 1, 2019 through June 30, 2020.

DISCUSSION: **Sen. Johnson** stated this motion moves the actual cash into the Commission's operating fund, and when combined with their estimated cash balance at the end of the current year, provides a cash balance that supports their appropriation and the annual transfer that is made to support the Capitol Curator Program at the Idaho State Historical Society.

CARRIED: **Ayes: 18**
Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye, Youngblood, Anderson, Amador, Kauffman, Raybould, Syme, Maurin(Troy), Toone

Nays: 0

Ab/Ex: 2

Horman and Wintrow

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 ordered by **Chairman Youngblood**.

To listen to this presentation please [click here](#).

DEPARTMENT OF ADMINISTRATION

Permanent Building Fund

LSO STAFF PRESENTATION: **Jill Randolph, Budget & Policy Analyst**, reviewed the agency request, the Governor's recommendation, and JFAC action.

MOTION: **Original Motion**
Permanent Building Fund

Appropriation

Moved by **Rep. Syme**, seconded by **Rep. Troy** for the Department of Administration, Division of Public Works, beginning with the FY 2020 Base, an increase of \$39,017,100 in dedicated funds for statewide building alteration and repair projects. Also included are the following line items: line item #2 for \$1,200,000 for the Division of Military Twin Falls Readiness Center Site Utilities; Line item #3 for \$630,000 for the Division of Public Safety Mica Peak Communication Site; line item #4 for \$1,904,800 for the Department of Corrections Wastewater Lagoon Repair; line item #5 for \$12,200,000 for the Department of Corrections North Idaho Reentry Center; and line item #6 for \$7,400,000 for the Department of Corrections St. Anthony Facility Expansion. The total for this motion for fiscal year 2020 is \$62,351,900 onetime from dedicated funds.

DISCUSSION: **Rep. Syme** stated line item #1 was excluded because of the location of the lab and the possibility of saving money. Rep. Syme continued the Department of Public Works accessed the building and reported it needed an extensive remodel. In response to Committee questions, **Dan Salmi**, Bureau Chief of Idaho Department of Agriculture, stated the revamping of the facility is to better serve the needs of the department.

**SUBSTITUTE
MOTION:**

**Substitute Motion
Permanent Building Fund**

Appropriation

Moved by **Sen. Burtenshaw**, seconded by **Sen. Bair** for the Department of Administration, Division of Public Works, beginning with the FY 2020 Base, an increase of \$39,017,100 in dedicated funds for statewide building alteration and repair projects. Also included are the following line items: \$8,000,000 for the Department of Agriculture Pathology Lab in line item #1; \$1,200,000 for the Division of Military Twin Falls Readiness Center Site Utilities in line item #2; \$630,000 for the Division of Public Safety Mica Peak Communication Site in line item #3; \$1,904,800 for the Department of Corrections Wastewater Lagoon Repair in line item #4; \$12,200,000 for the Department of Corrections North Idaho Reentry Center in line item #5; and \$7,400,000 for the Department of Corrections St. Anthony Facility Expansion in line item #6. The total for this motion for fiscal year 2020 is \$70,351,900 onetime from dedicated funds.

DISCUSSION:

Sen. Burtenshaw stated the statewide alteration and repair projects, including ADA and asbestos removal, are all necessary to maintain Idaho's state facilities. This motion includes all three line items recommended by the Permanent Building Fund Advisory Council. This motion also adds all three line items that were recommended by the Governor. A cash transfer will be the next motion to ensure there are adequate funds in the Permanent Building Fund to pay for these projects.

CARRIED:

Ayes: 18

Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye, Youngblood, Anderson, Amador, Kauffman, Raybould, Syme, Maurin(Troy), Toone

Nays: 0

Ab/Ex: 2

Horman and Wintrow

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 ordered by **Chairman Youngblood**.

MOTION:

Original Motion

Fund Transfer

Moved by **Sen. Burtenshaw**, seconded by **Rep. Raybould** that there is hereby appropriated and that the State Controller shall transfer \$21,504,800 from the General Fund to the Permanent Building Fund for fiscal year 2020.

CARRIED:

Ayes: 18

Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye, Youngblood, Anderson, Amador, Kauffman, Raybould, Syme, Maurin(Troy), Toone

Nays: 0

Ab/Ex: 2

Horman and Wintrow

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 ordered by **Chairman Youngblood**.

**UNANIMOUS
CONSENT:**

On request by **Rep. Amador**, for unanimous consent to approve the intent language as follows...

**INTENT
LANGUAGE:**

SECTION __. ALLOCATION OF FUNDS FOR SPECIFIC PROJECTS. Moneys appropriated in Section 1 of this act, or so much thereof as in each case may be necessary, shall be used for the purpose of paying the cost of any land, building, or equipment, or for the rebuilding, renovation, or repair of buildings, installations, facilities, or structures at the places, institutions, and agencies, or their successors, including those listed in this section. The Permanent Building Fund Advisory Council is hereby authorized and directed to anticipate revenues accruing to the Permanent Building Fund for the purpose of undertaking the construction, renovation, repair, and acquisitions therein authorized, without delay, and to determine the priority of construction pursuant to which the work hereunder will be undertaken. SECTION __. UTILIZATION OF MATCHING FUNDS. Moneys appropriated in this act may be made available for matching any allocation of moneys now in existence or hereafter made available by agencies of the United States and/or private donations; and the Division of Public Works is authorized to expend, for the purpose of paying the cost of any land, building, or equipment, or for the rebuilding, renovation, or repair of buildings, moneys appropriated for public works to various agencies as part of the respective agency operating budgets, provided the express approval by the Permanent Building Fund Advisory Council is granted to make application for such moneys in each instance. SECTION __. REALLOCATION OF PROJECT SAVINGS. The Division of Public Works may have the flexibility to allocate any savings or unused appropriation from any project to any other requested and funded project. The reallocation of such appropriation must be approved by the Permanent Building Fund Advisory Council prior to the funds being spent.

To listen to this presentation please [click here](#).

ADJOURN:

There being no further business to come before the Committee, **Chairman Youngblood** adjourned the meeting at 8:42 am.

Representative Youngblood
Chair

Donna Warnock
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Wednesday, March 06, 2019

BUDGET SETTING

SUBJECT	DESCRIPTION	PRESENTER
	Idaho Transportation Department	Christine Otto, Budget Analyst
LBB 5-131	Transportation Services	
LBB 5-141	Motor Vehicles	
LBB 5-145	Highway Operations	
LBB 5-151	Contract Construction and Right-of-Way Acquisition	
	Office of the Governor	Maggie Smith, Budget Analyst
LBB 6-97	PERSI	
LBB 6-33	State Controller	
	Office of the Governor	
LBB 6-83	Liquor Division	
LBB 6-165	Secretary of State	
LBB 6-7	Department of Administration	Jill Randolph, Budget Analyst

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Wednesday, March 06, 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, Maurin (Troy), and Toone.
ABSENT/ EXCUSED: Wintrow
CONVENED: **Co-Chairman Bair** called the Joint Finance-Appropriations Committee (Committee) (JFAC) to order at 8:00 a.m.

AGENCY

PRESENTATION: **DEPARTMENT OF ADMINISTRATION**

LSO STAFF

PRESENTATION: **Jill Randolph, Analyst, Legislative Services Office (LSO)**

CARRIED:

Original Motion

Moved by **Rep. Anderson** for the Department of Administration, beginning with the FY 2020 Base, an increase of \$8,800 for benefit costs, an increase of \$45,200 for replacement items, an increase of \$479,400 for statewide cost allocation, and an increase of \$222,900 for change in employee compensation.

Also included are the following line items: line item #1 for 8.00 FTP and a net zero transfer of \$484,200 from operating expenditures to personnel costs within dedicated fund for Chinden Campus maintenance staffing; line item #2 for 2.00 FTP and \$160,000 for contract administration personnel, line item #3 for the reduction of 3.00 FTP and \$488,100 from dedicated funds to move the Administrative Rules program from the Department of Administration to the Division of Financial Management, per House Bill 73; GOV TECH 1 for \$10,500 for network equipment replacement, GOV TECH 2 for \$45,800 for mobile device security; and GOV TECH 4 for a reduction of \$353,300 for Office of Information Technology Services billing.

The totals for this motion for FY2020 are 121.00 FTP, \$2,468,400 from the General Fund and \$21,253,000 from dedicated funds, for a grand total of \$23,721,400, seconded by **Sen. Johnson**.

DISCUSSION:

Line Item #1 is a net zero transfer of \$484,200 from operating expenditures to personnel costs within the dedicated Administration and Accounting Services Fund. Line Item #1 adds in \$600 per FTP, to account for the difference between the Governor's Recommendation for health insurance and the statewide action taken by JFAC. Line item #3 is part of the trailer to House Bill 73. That bill unanimously passed the House of Representatives. A trailer bill will add the program to the appropriate budget.

AYES: 18

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

NAYS: 0

ABSENT/EXCUSED: 2 Grow, Wintrow

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

CARRIED:

Additional Motion

Moved by Rep. Anderson for the appropriation of \$1,737,500 to be transferred by the State Controller from the Permanent Building Fund to the Administrative and Accounting Services Fund on July 1, 2019, or as soon thereafter as practicable, for the Public Officials' Capitol Mall Facilities payment in the Division of Public Works that is due in fiscal year 2020.

DISCUSSION:

This transfer motion is necessary to move funds out of the Permanent Building Fund and into the Administrative and Accounting Services Fund to pay the rent charge for the Elected Officials' space at the Capitol mall. This is standard and included every year.

AYES: 18

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

NAYS: 0

ABSENT/EXCUSED: 2 Grow, Wintrow

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

CONSENT:

Requested by **Rep. Anderson**, granted by unanimous consent, the following language be incorporated into the Department's FY 2020 appropriation bill:

SECTION 4. PLAN STRUCTURE. The Office of Group Insurance shall maintain the current health insurance plan structure and benefit package for state employees and the employer and employee cost-sharing split recommended by the Governor and the Legislature's Joint Change in Employee Compensation Committee for fiscal year 2020. Adherence with the plan structure shall not preclude the Office of Group Insurance from implementing positive plan changes as identified.

SECTION 5. REQUEST FOR PROPOSALS AND REPORT. Notwithstanding the provisions of Section 6, Chapter 318, Laws of 2018, and any other provision of law to the contrary, upon passage and approval of this act the Department of Administration shall develop requests for proposals (RFP) for state employee group insurance and benefits in conformity with the recommendations in the Final Report of the 2017 State Employee Group Insurance and Benefits Legislative Interim Committee, to be implemented as soon as practicable. The Department of Administration shall report on the progress of the RFP to the germane legislative committees and the Joint Finance-Appropriations Committee no later than January 15, 2020.

SECTION 6. An emergency existing therefor, which emergency is hereby declared to exist, Section 5, of this act shall be in full force and effect on and after passage and approval

DISCUSSION:

Section 4 of this language contains a change to the standard intent language included in this bill. The change allows the Department of Administration some additional flexibility as the RFP process moves along. Section 5 of this language will set aside the provisions of Section 6 of H 715 of 2018, and directs the Department of Administration to work on an RFP for state employee health insurance and benefits. Section 6 adds an emergency clause to make Section 5 effective upon passage and approval.

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

AGENCY

IDAHO TRANSPORTATION DEPARTMENT

PRESENTATION:

Transportation Services

LSO STAFF

PRESENTATION:

Christine Otto, Analyst, Legislative Services Office (LSO)

CARRIED:

Original Motion

Moved by **Sen. Woodward** for the Idaho Transportation Department, Transportation Services Division, beginning with the FY 2020 Base, an increase of \$42,700 for benefit costs, an increase of \$1,906,300 for replacement items, an increase of \$35,200 for statewide cost allocation, and an increase of \$476,700 for change in employee compensation. Also included are the following line items: \$450,000 for an increase to the Idaho Airport Aid Program, \$458,000 for video conferencing equipment, \$2,100,000 for statewide capital facility needs, \$350,000 for District 3 material lab testing facility, \$206,000 for additional data storage, \$146,400 for software license compliance, \$200,000 for network access security, \$985,000 for information technology service management, \$1,200,000 for integration service layer software, and \$147,600 for network equipment replacement. The totals for this motion for FY 2020 are 209.00 FTP, \$38,982,100 from dedicated funds, and \$1,747,400 from federal funds for a grand total of \$40,729,500, seconded by **Sen. Burtenshaw**.

DISCUSSION:

This motion includes all JFAC statewide decisions and adds \$1,906,300 for replacement items. All other line items are funded with the Governor's recommendation with the exception of line item 17, the integration service layer. The new amount aligns with the division's spending plan in FY 2020 without the contingency. The remainder should be requested in FY 2021 if needed.

AYES: 18

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

NAYS: 0

ABSENT/EXCUSED: 2 Grow, Wintrow

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

CONSENT: Requested by **Sen. Woodward**, granted by unanimous consent, the following intent language was adopted:

SECTION_. REAPPROPRIATION AUTHORITY. There is hereby reappropriated to the Idaho Transportation Department any unexpended and unencumbered balances appropriated to the Idaho Transportation Department from the State Highway Fund, in the Capital Facilities Program for fiscal year 2019 to be used for nonrecurring expenditures for the Capital Facilities Program for the period July 1, 2019, through June 30, 2020.

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

CONSENT: Requested by **Sen. Woodward**, granted by unanimous consent, the following intent language was adopted:

SECTION_. REAPPROPRIATION AUTHORITY FOR AIRPORT DEVELOPMENT GRANTS. There is hereby reappropriated to the Idaho Transportation Department any unexpended and unencumbered balances appropriated or reappropriated to the Idaho Transportation Department from the State Aeronautics Fund as trustee and benefit payments for Airport Development Grants for fiscal year 2019 to be used for nonrecurring expenditures related to Airport Development Grants for the period July 1, 2019, through June 30, 2020.

CARRIED: Additional Motion

Moved by Sen. Woodward for the appropriation and transfer of \$1,176,000 from the GARVEE Capital Project Fund to the State Highway (Dedicated) Fund for FY 2020 in accordance with the following language, seconded by Rep. Kauffman:

SECTION_. CASH TRANSFER FROM GARVEE CAPITAL PROJECT FUND. There is hereby appropriated and the State Controller shall transfer \$1,176,000 from the GARVEE Capital Project Fund to the State Highway (Dedicated) Fund on July 1, 2019, or as soon thereafter as practicable.

AYES: 18

Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Toone

NAYS: 0

ABSENT/EXCUSED: 2 Ward-Engelking, Wintrow

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

AGENCY

PRESENTATION: **Motor Vehicles**

LSO STAFF

PRESENTATION: **Christine Otto, Analyst, Legislative Services Office (LSO)**

CARRIED:

Original Motion

Moved by **Sen. Crabtree** for the Idaho Transportation Department, Motor Vehicles Division, beginning with the FY 2020 Base, an increase of \$31,700 for benefit costs, and increase of \$720,200 for replacement items, a reduction of \$13,700 for statewide cost allocation, and an increase of \$375,800 for change in employee compensation. Also included are the following line items: \$8,800 for DMV county equipment and \$45,600 for DMV corrections ID cards. The totals for this motion for FY 2020 are 237.00 FTP, \$34,195,300 from dedicated funds, and \$3,600,000 from federal funds for a grand total of \$37,795,300, seconded by **Rep. Kauffman**.

DISCUSSION:

This motion includes all JFAC statewide decision and adds \$720,200 for replacement items. All other line items align with the Governor's recommendation.

AYES: 18

Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Toone

NAYS: 0

ABSENT/EXCUSED: 2 Ward-Engelking, Wintrow

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

AGENCY

PRESENTATION: Highway Operations

LSO STAFF

PRESENTATION: Christine Otto, Analyst, Legislative Services Office (LSO)

CARRIED:

Original Motion

Moved by **Sen. Burtenshaw** for the Idaho Transportation Department, Highway Operations Division, beginning with the FY 2020 Base, an increase of \$210,000 for benefit costs, an increase of \$20,774,700 for replacement items, an increase of \$1,156,900 for statewide cost allocation, and an increase of \$2,339,900 for change in employee compensation. Also included are the following line items: \$2,343,200 for highway operations equipment, \$750,000 for AASHT data analytics software, \$1,255,000 for the GIS integration initiative, \$582,900 for FAST act increases, and \$1,416,000 for public transportation federal grants. The totals for this motion for FY 2020 are 1,202.00 FTP, \$164,852,600 from dedicated funds and \$38,028,100 from federal funds for a grand total of \$202,880,700, seconded by **Rep. Kauffman**.

DISCUSSION:

This motion includes all JFAC statewide decisions and adds \$20,774,700 for replacement items. All other line items align with the Governor's recommendation.

AYES: 16

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

NAYS: 0

ABSENT/EXCUSED: 4 Grow, Johnson, Youngblood, Wintrow

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

AGENCY

PRESENTATION: **Contract Construction Right-of-Way Acquisition**

LSO STAFF

PRESENTATION: **Christine Otto, Analyst, Legislative Services Office (LSO)**

CARRIED:

Original Motion:

Moved by Rep. Kauffman for the Idaho Transportation Department, Contract Construction and Right-of-Way Acquisition Division, beginning with the FY 2020 Base, add \$8,737,400 for TECM revenue increases and \$50,242,400 for excess revenue and receipts. The totals for this motion for FY 2020 are \$141,709,000 from dedicated funds and \$304,522,700 from federal funds for a grand total of \$446,231,700.

DISCUSSION:

This motion is an overall increase of 3.4% and all line items align with the Governor's recommendation.

AYES: 16

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

NAYS: 0

ABSENT/EXCUSED: 4 Grow, Johnson, Youngblood, Wintrow

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

CONSENT:

Requested by **Rep. Kauffman**, granted by unanimous consent, the following intent language was adopted:

SECTION_. CONTINUOUSLY APPROPRIATED MONEYS. All moneys transferred to the Local Bridge Inspection Fund and to the Railroad Grade Crossing Protection Fund, as provided in Section 63-2412, Idaho Code, are hereby continuously appropriated to the Idaho Transportation Department for the stated purpose of those funds.

SECTION_. REAPPROPRIATION AUTHORITY. There is hereby reappropriated to the Idaho Transportation Department any unexpended and unencumbered balances appropriated or reappropriated to the Idaho Transportation Department from the State Highway Fund, Strategic Initiatives Program Fund, and the Transportation Expansion and Congestion Mitigation Fund for the Contract Construction and Right-of-Way Acquisition Division for fiscal year 2019 to be used for nonrecurring expenditures for the Contract Construction and Right-of-Way Acquisition Division for the period July 1, 2019, through June 30, 2020.

SECTION_. BOND PAYMENT AUTHORIZATION. The federal GARVEE bond payment for fiscal year 2020 is approximately \$63,100,000. It is hereby appropriated and the Idaho Transportation Board is hereby authorized to transfer up to \$4,800,000 from within the State Highway Fund to the GARVEE Debt Service Fund to pay the state match as required for federal funds committed to pay the annual scheduled debt service for fiscal year 2020. See [Presentation](#) and [Audio](#).

AGENCY OFFICE OF THE GOVERNOR
PRESENTATION: PERSI

LSO STAFF
PRESENTATION: Maggie Smith, Analyst, Legislative Services Office (LSO)

CARRIED: Original Motion
Moved by **Rep. Toone** for the Public Employee Retirement System, beginning with the FY 2020 Base, an increase of \$12,000 for benefit costs, an increase of \$162,500 for replacement items, a reduction of \$500 for statewide cost allocation, and an increase of \$136,000 for change in employee compensation. Also included are the following line items: \$325,000 for an Oracle Database Upgrade; \$35,000 for software to automate PERSI's annual financial report; \$50,000 to equip an Onsite Training Center; \$137,200 for Annual Software Licensing; 1.00 FTP and \$144,600 for an Investment Officer; and \$6,100 for the Governor's Technology Initiative 1 - Network Equipment Replacement. The totals for this motion for FY 2020 are 69.00 FTP and \$8,796,900 from dedicated funds, seconded by **Rep. Anderson**.

DISCUSSION: The amount provided for Change in Employee Compensation includes an additional \$1,600 over the Governor's recommendation for the 3% upward shift in the compensation scale to bring employees up to the new minimum of their pay grade. Replacement items include computers, monitors, laptops, networking hardware, scanners, printers, and VOIP phone equipment.

AYES: 16

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

NAYS: 0

ABSENT/EXCUSED: 2 Grow, Johnson, Youngblood, Wintrow

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

CONSENT: Requested by **Rep. Toone** the following standard intent language was adopted:
SECTION_. CONTINUOUS APPROPRIATION. Notwithstanding Section 59-1311(4)(d), Idaho Code, moneys appropriated in Section 1 of this act for the Portfolio Investment Program are for administrative costs of the Portfolio Investment Program as provided in Section 59-1311(3), Idaho Code. Amounts necessary to pay all other investment expenses related to the Portfolio Investment Program are perpetually appropriated to the Public Employee System Board as provided in Section 59-1311(4)(a), (b) and (c), Idaho Code. See [Presentation](#) and [Audio](#).

AGENCY

PRESENTATION: State Controller

LSO STAFF

PRESENTATION: Maggie Smith, Analyst, Legislative Services Office (LSO)

CARRIED:

Original Motion

Moved by **Rep. Anderson** for the State Controller, beginning with the FY 2020 Base, an increase of \$35,600 for benefit costs, an increase of \$52,400 for replacement items, a reduction of \$37,900 for statewide cost allocation, an increase of \$6,200 for a salary annualization for the State Controller, and an increase of \$224,400 for change in employee compensation. The totals for this motion for FY 2020 are 95.00 FTP, \$11,032,200 from the General Fund, and \$8,005,900 from dedicated funds, for a grand total of \$19,038,100, seconded by **Sen. Agenbroad**

DISCUSSION:

Replacement items include 24 laptop computers and 28 flat screen monitors in accordance with the State Controller's 3-year replacement cycle for IT equipment. The \$8,100 included for the Governor's technology initiative is not included in the Controller's budget but is being provided to the Office of Information Technology Services as a direct appropriation.

AYES: 16

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

NAYS: 0

ABSENT/EXCUSED: 2 Grow, Johnson, Youngblood, Wintrow

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

CONSENT:

Requested by **Rep. Anderson** the following intent language was adopted:

SECTION __. INDIRECT COST RECOVERY. The moneys assessed by the Division of Financial Management in accordance with Section 67-3531, Idaho Code, for State Controller services shall be placed in the Indirect Cost Recovery Fund.

SECTION __. REAPPROPRIATION AUTHORITY. There is hereby reappropriated to the State Controller any unexpended and unencumbered balances appropriated or reappropriated to the State Controller from the Data Processing Services Fund for fiscal year 2019, in an amount not to exceed \$2,500,000 from the Data Processing Services Fund, to be used for nonrecurring expenditures related to the Computer Service Center for the period July 1, 2019, through June 30, 2020.

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

AGENCY

PRESENTATION: State Liquor Division

LSO STAFF

PRESENTATION: Maggie Smith, Analyst, Legislative Services Office (LSO)

CARRIED:

Original Motion

Moved by **Rep. (Maurin) Troy** for the State Liquor Division, beginning with the FY 2020 Base, an increase of \$18,400 for benefit costs, an increase of \$96,400 for inflationary adjustments, an increase of \$408,800 for replacement items, an increase of \$31,500 for statewide cost allocation, and an increase of \$293,700 for change in employee compensation. Also included are the following line items: \$761,700 to relocate or remodel nine stores; 7.00 FTP and \$121,600 to convert temporary positions to seven full-time classified positions; 4.00 FTP and \$173,300 to hire four new warehouse employees; \$30,000 for warehouse pallet jacks, and \$15,600 for the Governor's Technology Initiative 1 to replace the state's network equipment. The totals for this motion for FY 2020 are 240.00 FTP and \$22,377,400 from dedicated funds, seconded by **Sen. Lee**.

DISCUSSION:

Inflationary adjustments include increases for utilities, maintenance costs, and lease rates for the state's liquor stores. Onetime replacement items include warehouse equipment, central office IT equipment, store equipment and repairs, and data back-up.

AYES: 16

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

NAYS: 0

ABSENT/EXCUSED: 2 Grow, Johnson, Youngblood, Wintrow

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

AGENCY

PRESENTATION: Secretary of State

LSO STAFF

PRESENTATION: Maggie Smith, Analyst, Legislative Services Office (LSO)

CARRIED:

Original Motion

Moved by **Sen. Crabtree** for the Secretary of State, beginning with the FY 2020 Base, an increase of \$8,500 for benefit costs, a reduction of \$23,800 for statewide cost allocation, an increase of \$6,200 for a salary annualization for the Secretary of State, and an increase of \$51,800 for change in employee compensation. Also included are the following line items: 1.00 FTP and \$98,600 for a Cybersecurity Policy Analyst; \$25,000 for marketing of new online resources; \$40,000 for Publishing the Idaho Blue Book; \$12,700 for Conference Costs of the Commission on Uniform State Laws; and \$2,000,000 onetime to reimburse counties for costs related to the 2020 Presidential Primary as required by Section 34-738, Idaho Code. The totals for this motion for FY 2020 are 30.00 FTP and \$5,681,400 from the General Fund, seconded by **Rep. Anderson**.

AYES: 16

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

NAYS: 0

ABSENT/EXCUSED: 2 Grow, Johnson, Youngblood, Wintrow

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

ADJOURNED: Having no further business before the Committee, **Chairman Bair** adjourned the meeting at 9:10 a.m.

Senator Bair
Chair

Elaine Leedy
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Thursday, March 07, 2019

BUDGET SETTING

SUBJECT	DESCRIPTION	PRESENTER
LBB 6-155	State Tax Commission	Keith Bybee, Deputy Division Manager
LBB 5-17	Department of Commerce	
LBB 5-39	Department of Labor	
	Office of the Governor	
LBB 6-117	Workforce Development Council	
	Self-Governing Agencies	Jill Randolph, Budget Analyst
LBB 5-69	Idaho Historical Society	
	Office of the Governor	
LBB 6-41	Commission on the Arts	
	TECHNICAL CORRECTIONS	
	<i>FY 2020 Budget Appropriation,</i> Department of Environmental Quality	Rob Sepich, Senior Analyst

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Thursday, March 07, 2019
TIME: 8:00 A.M.
PLACE: Room C310
MEMBERS PRESENT: Senators Co-chairman Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye
Representatives Co-chairman Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Wintrow, Toone
ABSENT/ EXCUSED: None
CONVENED: **Chairman Youngblood** called the meeting to order at 8:00 am.

STATE TAX COMMISSION

LSO STAFF PRESENTATION: **Keith Bybee, Deputy Division Manager**, stated the State Tax Commission is the state's revenue collection agency. It is organized into five budgeted programs: General Services, Audit, Collections, Revenue Operations and Property Tax. Funding for the commission is 85% General Fund, 10% Administrative Services and 5% Multi-State Tax Compact fund. Mr. Bybee continued the department requested six line items: improve field office security, batch monitoring services, additional processing staff, taxpayer services positions IT help desk, additional auditors, commissioner CEC. Gov Tech 1 and Gov Tech 3 was in the Governor's recommendation.

MOTION: **Original Motion**
State Tax Commission
Appropriation
Moved by **Sen. Johnson**, seconded by **Rep. Anderson** for the State Tax Commission, beginning with the FY 2020 Base, an increase of \$92,500 for benefit costs, an increase of \$44,300 for inflationary adjustments, an increase of \$211,300 for replacement items, an increase of \$297,400 for statewide cost allocation, an increase of 0.75 FTP and \$39,400 for annualizations, and an increase of \$846,700 for change in employee compensation. Also included are the following line items: \$115,000 for Line item 1. \$81,500 for Line item 2. 2.00 FTP and \$107,400 for Line item 3. 1.00 FTP and \$35,500 for Line item 4. 2.00 FTP and \$124,000 from Line item 6. \$14,400 for Line item 7. \$42,000 for Gov Tech 1. Finally, reducing 17.00 FTP and \$228,000 for Gov Tech 3. The totals for this motion for FY 2020 are 448.00 FTP, \$37,183,200 from the General Fund, \$7,951,300 from dedicated funds, and \$8,000 from federal funds for a grand total of \$45,142,500.

DISCUSSION: **Sen. Johnson** stated this motion is a 3.2% increase from the FY 2019 original appropriation. It includes a reduction of \$1,535,900 in personnel costs, and 17.00 FTP and an increase of \$1,307,900 in operating expenditures for a net reduction of \$228,000 for the Governor's initiative on IT consolidation. It also includes the Commission's dedicated fund share of the cost to replace the state's core network equipment. Also included in this motion are replacement items and inflationary adjustments as recommended by the Governor. Finally, this motion includes five line items requested by the agency, and the amount required to increase the commissioner's salary to \$102,049 annually, which is the equivalent of a 3% increase.

CARRIED: **Ayes: 19**
Bair, Johnson, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Wintrow, Toone

Nayes: 0

Ab/Ex: 1

Lee

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 Youngblood**.

UNANIMOUS CONSENT: On request by **Sen. Johnson**, granted by unanimous consent, to introduce, as a separate section of the State Tax Commission's FY 2020 original appropriation bill, amendments to **Section 63-102, Idaho Code**, as follows, to increase the salaries of the State Tax Commissioners, with a do-pass recommendation.

INTENT LANGUAGE:

Tax Intent Language

Section 3. 63-102. Organization -- Chairman -- Compensation -- Quorum -- Hearings. (1) A member of the state tax commission shall be appointed by the governor, to serve at his pleasure, as chairman. Each member of the state tax commission shall devote full time to the performance of duties. Commencing on July 1, 20189, the annual salary for members of the state tax commission shall be one hundred two thousand forty-nine dollars (\$102,049). (2) A majority of the state tax commission shall constitute a quorum for the transaction of business. The state tax commission may delegate to any member of the commission or to its employees, the power to make investigations and hold hearings at any place it may deem proper, and such other matters as will facilitate the operations of the commission. (3) The chairman of the state tax commission shall delegate to each commissioner the responsibility for policy management and oversight of one (1) or more of the taxes collected and/or activities supervised or administered by the commission. The state tax commission shall perform the duties imposed upon it by law and shall adopt all rules by majority decision. In any case in which the state tax commission sits as an appellate body upon an appeal from a tax decision from one (1) of the various administrative units subject to its supervision, the state tax commissioner charged with responsibility for policy management and oversight of the tax in controversy shall not vote upon the appeal but may advise the remaining members of the commission on the technical aspects of the problems before them. (4) The chairman shall be the chief executive officer and administrative head of the state tax commission and shall be responsible for, or may assign responsibility for, all personnel, budgetary and/or fiscal matters of the state tax commission.

**UNANIMOUS
CONSENT:**

On request by **Sen. Johnson**, granted by unanimous consent, to include reappropriation authority for moving costs appropriated last year as follows.

Section 4. REAPPROPRIATION AUTHORITY FOR MOVING EXPENSES. There is hereby reappropriated to the State Tax Commission any unexpended and unencumbered balances appropriated or reappropriated to the State Tax Commission from the General Fund for moving expenses for fiscal year 2019, in an amount not to exceed \$2,000,000 from the General Fund, to be used for nonrecurring expenditures related to moving for the period July 1, 2019, through June 30, 2020.

To listen to this presentation please [click here](#).

DEPARTMENT OF COMMERCE

**LSO STAFF
PRESENTATION:**

Keith Bybee, Deputy Division Manager, stated the Department of Commerce is dedicated to aiding in the creation of jobs, generating economic growth and creating economic opportunities. Funding for the Department of Commerce comes from the General Fund which also provides grants. There were no line item requests. There were three Gov Tech requests.

MOTION:

Original Motion
Department of Commerce

Appropriation

Moved by **Rep. Syme**, seconded by **Sen. Johnson** for the Department of Commerce, beginning with the FY 2020 Base, an increase of \$7,700 for benefit costs, an increase of \$27,900 for statewide cost allocation, and an increase of \$96,600 for change in employee compensation. Also included are the following line items: \$1,000 for Gov Tech 1. \$3,800 for Gov Tech 2. \$20,100 for Gov Tech 4.. The totals for this motion for FY 2020 are 43.00 FTP, \$5,901,000 from the General Fund, \$20,238,200 from dedicated funds, and \$16,279,800 from federal funds for a grand total of \$42,419,000.

DISCUSSION:

Rep. Amador invoked Rule 38 stating a possible conflict of interest.

CARRIED:

Ayes: 19

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

Nays: 0

Ab/Ex: 1

Lee

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 Youngblood**.

To listen to this presentation please [click here](#).

DEPARTMENT OF LABOR

LSO STAFF PRESENTATION:

Keith Bybee, Deputy Division Manager, stated the Department of Labor's main function is to administer Unemployment Compensation (UC). The UC program is a federal-state partnership based upon federal law, but administered by state employees under state law. This program is almost totally funded by employer taxes, either federal or state. The Title III of the Social Security Act (SSA) provides for payments from the Federal Unemployment Tax Act (FUTA) to the states to meet the necessary costs of administering the UC programs in the state. The department is funded mostly through federal grants and some dedicated funds. The Department of Labor requested one line item and had one Gov Tech request.

MOTION:

Original Motion **Department of Labor**

Appropriation

Moved by **Rep. Troy**, seconded by **Sen. Johnson** for the Department of Labor, beginning with the FY 2020 Base, an increase of \$78,400 for benefit costs, an increase of \$298,000 for replacement items, an decrease of \$41,600 for statewide cost allocation, and an increase of \$1,209,400 for change in employee compensation. Also included are the following line items: \$426,000 for Additional Information Technology. \$4,323,500 for a JOBCorps Pilot Project. \$20,000 for an Idaho Rural Partnership Summit. And, \$45,200 for GOV TECH 1 which is the Department's share to replace the core state network. The totals for this motion for FY 2020 are 681.58 FTP, \$369,600 from the General Fund, \$17,481,100 from dedicated funds, and \$75,698,200 from federal funds for a grand total of \$93,815,900.

DISCUSSION:

Rep. Troy stated this motion is a 6.3% increase over the FY 2019 appropriation. It includes replacement items as recommended by the Governor with the exception of replacement vehicles which are not part of this motion, and the JFAC recommendation for benefit costs, Statewide Cost Allocation, and change in employee compensation. This motion includes line item 1 for \$426,000 to purchase a Cloud Access Storage Broker for \$150,000, Storage Area Network (SAN), or block based storage, for \$126,000, and a Visual Threat Analysis Program for \$150,000. It includes \$4,323,500 for the state of Idaho to assume control of the JOBCorps program as a pilot project. There is intent language in a subsequent request for the joint committee to receive a plan and an update on participation. Included, there is an additional line item of \$20,000 from the General Fund which will be passed through to the Idaho Rural Partnership for strategic planning. The goal is for the Department of Labor to host a summit for strategic planning that will evaluate the best methods for providing services to rural Idaho.

CARRIED:

Ayes: 19

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

Nays: 0

Ab/Ex: 1

Lee

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 Youngblood**.

**UNANIMOUS
CONSENT:**

On request, by **Rep. Troy**, granted by unanimous consent, to include the JOBCorps Pilot Project language as follows.

**INTENT
LANGUAGE:**

Section 3. JOBCORPS PILOT PROJECT. The Department of Labor shall submit a report on July 1, 2019, to the Joint Finance- Appropriations Committee regarding the plan for implementing the JOBCorps Pilot Project. Further, the department shall provide a presentation of the JOBCorps Pilot Project detailing the number of students enrolled and providing any updates to the report required herein at the 2019 fall meeting of the Joint Finance-Appropriations Committee. No moneys from the General Fund shall be used for the implementation of the pilot project.

To listen to this presentation please [click here](#).

**OFFICE OF THE GOVERNOR
Workforce Development Council**

**LSO STAFF
PRESENTATION:**

Keith Bybee, Deputy Division Manager, stated the Workforce Development Council was created under the Office of the Governor through **H 432** of 2018. The requirements, goals, and objectives of the Workforce Development Council included: 1) increase public awareness of and access to career education and training opportunities, 2) improve the effectiveness, quality, and coordination of programs and services designed to maintain a highly skilled workforce, 3) provide for the most efficient use of federal, state, and local workforce development resources, 4) fulfill the requirements of the State Workforce investment Board as set forth in the Workforce Opportunity and Innovation Act, and 5) develop and oversee procedures, criteria, and performance measures for the Workforce Development Training Fund. There were no line item requests.

MOTION:

**Original Motion
Workforce Development Council**

Appropriation

Moved by **Rep. Syme**, seconded by **Sen. Johnson** for the Workforce Development Council beginning with the FY 2020 Base, an increase of \$1,200 for benefit costs, and an increase of \$12,600 for change in employee compensation. Also included are the following line items: \$500 for Gov Tech 1. \$2,000 for Gov Tech 2. \$2,700 for Gov Tech 4. The totals for this motion for FY 2020 are 5.00 FTP, \$8,426,700 from dedicated funds, and \$145,400 from federal funds for a grand total of \$8,572,100.

DISCUSSION:

Rep. Syme invoked Rule 38 stating a possible conflict of interest.

CARRIED:

Ayes: 18

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

Nays: 0

Ab/Ex: 2

Lee and Troy

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 Youngblood**.

To listen to this presentation please [click here](#).

SELF-GOVERNING AGENCIES
Idaho Historical Society

LSO STAFF
PRESENTATION:

Jill Randolph, Budget & Policy Analyst, stated the Idaho State Historical Society is a system of cultural and historic resources composed of the Idaho State Museum, Idaho State Archives, State Historic Preservation Office, and Historic Sites Program. The agency requested six line items and the Governor included three of the Gov Tech initiatives.

MOTION:

Original Motion
Idaho Historical Society

Appropriation

Moved by **Rep. Wintrow**, seconded by **Sen. Ward-Engelking** for the Idaho State Historical Society, beginning with the FY 2020 Base, an increase of \$3,900 for benefit costs, an increase of \$106,800 for replacement items, a decrease of \$14,800 for statewide cost allocation, and an increase of \$94,400 for change in employee compensation. Also included are the following line items: line item #3 for 1.00 FTP and \$52,600 for a museum maintenance craftsman; line item #4 for 1.00 FTP and \$70,100 for a museum educator; line item #5 for \$48,000 for security and fire vulnerability assessment; \$1,500 for GOV TECH 1 network equipment replacement; \$300 for GOV TECH 2 mobile device security; and \$200 for GOV TECH 4, Office of Information Technology Services billings. The totals for this motion for FY 2020 are 57.00 FTP, \$4,084,400 from the General Fund, \$1,926,700 from dedicated funds, and \$1,606,100 from federal funds, for a grand total of \$7,617,200.

CARRIED:

Ayes: 19

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

Nays: 0

Ab/Ex: 1

Lee

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 Youngblood**.

To listen to this presentation please [click here](#).

OFFICE OF THE GOVERNOR
Commission on the Arts

LSO STAFF
PRESENTATION:

Jill Randolph, Budget & Policy Analyst, stated the Commission on the Arts seeks to stimulate and encourage the study and presentation of the arts, and public interest and participation. The Commission on the Arts did request one line item in the amount of \$25,000 for enhancement of grant funds.

MOTION: **Original Motion**
Commission on the Arts
Appropriation
Moved by **Rep. Horman**, seconded by **Sen. Nye** for the Commission on the Arts, beginning with the FY 2020 Base, an increase of \$2,600 for benefit costs, an increase of \$1,500 for statewide cost allocation, and an increase of \$19,400 for change in employee compensation. Also included are the following line items: \$25,000 from the General Fund for the enhancement of grant funds; \$900 for GOV TECH 1 Network Equipment Replacement; and \$6,900 for GOV TECH 4, Office of Information Technology Services billings. The totals for this motion for FY 2020 are 10.00 FTP, \$884,700 from the General Fund, \$107,200 from dedicated funds, and \$1,085,600 from federal funds, for a grand total of \$2,077,500

DISCUSSION: **Rep. Horman** stated Gov Tech 1 and Gov Tech 2 will be funded at the full amount recommended by the Governor through a direct appropriation from the Technology Infrastructure Stabilization Fund to the Office of Information Technology Services.

CARRIED: **Ayes: 19**
Bair, Johnson, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Wintrow, Toone
Nayes: 0
Ab/Ex: 1
Lee

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 Youngblood**.

To listen to this presentation please [click here](#).

TECHNICAL CORRECTIONS

LSO STAFF PRESENTATION: **Rob Sepich, Budget & Policy Analyst**, stated for FY 2020 there was an appropriation of \$1.5 million cash transfer from the Water Pollution Control Fund to The Environmental Remediation (Triumph Mine) Fund. The agency is requesting \$340,000 in one time funds.

MOTION: **Original Motion**
FY 2020 Budget Reconsideration
Moved by **Sen. Ward-Engelking**, seconded by **Rep. Toone** to reopen the fiscal year 2020 budget for the Department of Environmental Quality for reconsideration.

CARRIED: **Ayes: 18**
Bair, Johnson, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye, Youngblood, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Wintrow, Toone
Nayes: 0
Ab/Ex: 2
Lee and Horman

The majority having voted in the affirmative, the motion has passed. There being no objection, it was so ordered by **Chairman Youngblood**.

MOTION:

Original Motion
Department of Environmental Quality

Appropriation

Moved by **Sen. Ward-Engelking**, seconded by **Rep. Toone** for fiscal year 2020, for the Department of Environmental Quality in the Waste Management and Remediation Program, an additional \$54,500 for personnel costs and \$285,500 for operating expenditures, for a total of \$340,000 onetime from the Environmental Remediation (Triumph Mine) Fund.

CARRIED:

Ayes: 18

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

Nays: 0

Ab/Ex: 2

Lee and Horman

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 Youngblood**.

ADJOURN:

There being no further business to come before the Committee, **Chairman Youngblood** adjourned the Committee at 8:45 am.

Representative Youngblood
Chair

Donna Warnock
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Friday, March 08, 2019

BUDGET SETTING

SUBJECT	DESCRIPTION	PRESENTER
	Department of Health & Welfare	Jared Tatro, Principal Analyst
LBB 2-27	Indirect Support Services	
LBB 2-23	Independent Councils	
LBB 2-85	Licensing & Certification	
LBB 2-81	Health Care Policy Initiatives	
LBB 6-179	Millenium Fund FY 2019 Supplemental Request FY 2020 Appropriation	
LBB 5-3	Department of Agriculture	Rob Sepich, Senior Analyst
	Office of the Governor	
LBB 6-113	Wolf Depredation Control Board	
LBB 4-11	Department of Fish and Game	
LBB 6-173	State Treasurer	Maggie Smith, Budget Analyst
	TECHNICAL CORRECTIONS / LANGUAGE	
	<i>FY 2020 Appropriation Correction and Language, State Board of Education - Colleges and Universities</i>	Janet Jessup, Senior Analyst
	<i>FY 2020 Appropriation Language Correction, State Board of Education - Community Colleges</i>	
	<i>FY 2020 Appropriation Correction and Language, Department of Administration</i>	Jill Randolph, Budget Analyst
	<i>FY 2020 Appropriation Language, Department of Administration - Capitol Commission</i>	

FY 2020 Appropriation Language, Idaho
Transportation Department

Christine Otto, Budget Analyst

FY 2020 Appropriation Correction, Idaho Tax
Commission

Keith Bybee, Deputy Division
Manager

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Friday, March 08, 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: **Co-Chairman Bair** called the Joint Finance-Appropriations Committee (Committee) (JFAC) to order at 8:00 a.m.

AGENCY PRESENTATION: **DEPARTMENT OF HEALTH AND WELFARE
Indirect Support Services**

LSO STAFF PRESENTATION: **Jared Tatro, Analyst, Legislative Services Offices (LSO)**

CARRIED: Original Motion
Moved by **Rep. Amador** for the Department of Health and Welfare, for Indirect Support Services, beginning with the FY 2020 Base, an increase of \$57,600 for benefit costs, an increase of \$1,424,500 for replacement items, which are to be replaced based on the discretion of the director, then provide an increase of \$668,600 for statewide cost allocation, and an increase of \$701,100 for the change in employee compensation. Then add \$345,200 onetime for the workplace safety improvements as explained in line item 5. The totals for this motion for FY 2020 are 300.60 FTP, \$20,167,100 from the General Fund, \$3,465,400 from dedicated funds, and \$24,951,900 from federal funds for a grand total of \$48,584,400, seconded by **Sen. Lee**.

DISCUSSION: This motion includes all standard JFAC adjusted items; a reduced amount for replacement items to account for other actions that have been added to health related budgets; and half of the requested amount in line item 5 since the department has sufficient appropriation and the ability to make this line item work. The state share for the Governor's technology initiative was appropriated directly to OITS, and the division has sufficient federal fund appropriation in its base to address the Governor's initiative. However, if the federal match for the division is significantly reduced, then the workplace safety line item may need to be revisited.

AYES: 20

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

NAYS: 0

ABSENT/EXCUSED: 0

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

CONSENT:

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

MEDICAID TRACKING REPORT. The Department of Health and Welfare's Divisions of Medicaid and Indirect Support Services shall deliver a report that compares the Medicaid appropriation, distributed by month for the year, to the actual expenditures and remaining forecasted expenditures for the year on a monthly basis to the Legislative Services Office and the Division of Financial Management. The report shall also include a forecast, updated monthly, of the next fiscal year's anticipated trustee and benefit expenditures. The format of the report and the information included therein shall be determined by the Legislative Services Office and the Division of Financial Management.

MEDICAID PROGRAM INTEGRITY COLLECTIONS. The Indirect Support Services Division shall provide reports biannually to the Legislative Services Office and the Division of Financial Management comparing the total costs from all funding sources used for the Medicaid Program Integrity Unit and the collections related to those efforts. The format of the report and the type of information included therein shall be determined by the Legislative Services Office and the Division of Financial Management. The first report is to contain information from July 1, 2019, through December 31, 2019, and shall be submitted no later than January 15, 2020, and the second report shall include information from January 1, 2020, through June 30, 2020, as well as information for the entire year, and shall be submitted by June 30, 2020, or as soon thereafter as practicable.

PROGRAM TRANSFER REPORT. The Indirect Support Services Division shall provide to the Legislative Services Office and the Division of Financial Management three (3) reports, with each report providing information that compares the department's appropriation to the estimated expenditures of the department for each budget unit to include: transfers of FTP authority between and among budget units; transfers of appropriation, by fund, between and among budget units; and transfers of funds by expense class between and among budget units. The first report shall be submitted no later than December 1, 2019, the second report shall be submitted no later than March 1, 2020, and the third report shall be submitted by June 1, 2020.

VACANCY REPORT. The Indirect Support Services Division shall provide to the Legislative Services Office and the Division of Financial Management a staff vacancy report on a monthly basis that compares filled positions to authorized positions for each budgeted program. The format of the report and the type of information contained therein shall be determined by the Legislative Services Office and the Division of Financial Management.

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

Independent Councils

CARRIED:

Original Motion

Moved by **Rep. Wintrow** for the Department of Health and Welfare, Division of Independent Councils, beginning with the FY 2020 Base, an increase of \$1,800 for benefit costs, an increase of \$1,600 for statewide cost allocation, and an increase of \$23,000 for the change in employee compensation. Also included are the following line items: \$4,000,000 for the additional distribution of the Victims of Crime Act funds; \$4,000 for the governor's technology initiative for mobile device security; and \$6,300 for the governor's technology initiative for the IT billings. The totals for this motion for FY 2020 are 10.00 FTP, \$202,200 from the General Fund, \$563,800 from dedicated funds, and \$12,352,700 from federal funds for a grand total of \$13,118,700, seconded by **Sen. Agenbroad**.

DISCUSSION:

This motion includes standard JFAC adjusted items; line item 1 for the additional distributions of VOCA funds; and the recommended funding for the Governor's technology initiatives, with the exception of the \$400 from the Technology Fund as that money was directly appropriated to OITS.

AYES: 20

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

NAYS: 0

ABSENT/EXCUSED: 0

The majority having voted in the affirmative, the motion passed and, without objection, will carry a DO PASS recommendation. Having no objection, it was so ordered by **Chairman Bair**. See [Presentation](#) and [Audio](#).

Licensing and Certification

CARRIED:

Original Motion

for the Department of Health and Welfare, for the Licensing and Certification Division, beginning with the FY 2020 Base, an increase of \$12,500 for benefit costs, an increase of \$3,200 for statewide cost allocation, and an increase of \$157,800 for the change in employee compensation. Then add \$78,600 for one of the positions requested in line item 16. The totals for this motion for FY 2020 are 71.90 FTP, \$2,047,900 from the General Fund, \$839,800 from dedicated funds, and \$4,681,000 from federal funds for a grand total of \$7,568,700, seconded by **Sen. Agenbroad**.

DISCUSSION:

This motion includes standard JFAC adjusted items, line item 1 for the additional distributions of VOCA funds; and the recommended funding for the governor's technology initiatives, with the exception of the \$400 from the Technology Fund as that money was directly appropriated to OITS.

AYES: 20

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

NAYS: 0

ABSENT/EXCUSED: 0

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

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

BIANNUAL REPORTS ON FACILITY LICENSING AND CERTIFICATION. The Licensing and Certification Program shall provide biannual reports to the Legislative Services Office and the Division of Financial Management on the status of facility licensing and certifications as well as staff workload and caseload issues. For the past several years, the program has noted staffing issues related to retention, which in turn has created a large backlog of facility inspections and licensures. The format of the report and the type of information included therein shall be determined by the Legislative Services Office and the Division of Financial Management. The first report shall be submitted no later than December 31, 2019, and the second report shall be submitted no later than June 30, 2020.

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

Health Care Policy Initiatives

CARRIED: Original Motion

Moved by **Sen. Agenbroad** for the Department of Health and Welfare, for the Health Care Policy Initiatives Program, beginning with the FY 2020 Base, add 2.00 FTP and \$625,800 for health care reform as explained in line item 7. The totals for this motion for FY 2020 are 2.00 FTP, \$283,000 from the General Fund, \$347,200 from dedicated funds, and \$495,600 from federal funds for a grand total of \$1,125,800. seconded by **Rep. Troy**.

DISCUSSION: This motion provides funding for two positions to continue reforming health care payments.

AYES: 19

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

NAYS: 0

ABSENT/EXCUSED: 0 Horman,

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

CONSENT: Requested by **Sen. Agenbroad**, granted by unanimous consent, the following standard language was adopted:

HEALTH CARE PAYMENT REFORM. The Health Care Policy Initiatives Program shall provide a report to the Legislative Services Office on the development and implementation of a plan with defined goals, outcomes, and measurable results to reform health care payments, support the Healthcare Transformation Council of Idaho, and identify how the program will receive financial support from non-state sources. The format of the report and information contained therein shall be determined by the Legislative Services Office. The report shall be submitted no later than October 1, 2019.

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

AGENCY

PRESENTATION: **MILLENNIUM FUND**

CONSENT: Requested by **Rep. Johnson**, granted by unanimous consent, the FY 2019 Millenium Fund budget was reopened.

CONSENT: Requested by **Sen. Johnson**, granted by unanimous consent, the following language for the FY 2019 Millenium Fund budget was adopted:

Notwithstanding the provisions of Section 2, Chapter 304, Laws of 2018, and any other provision of law to the contrary, any remaining unexpended and unencumbered balance of moneys in the Idaho Millennium Income Fund shall remain in the Idaho Millennium Income Fund at the end of fiscal year 2019.

CARRIED: Original Motion

Moved by **Sen. Johnson** for the Idaho Millennium Fund \$626,500 for Recovery Idaho to be used for community recovery centers, and \$106,000 for the Office of Drug Policy to establish a vaping program. The totals for this motion for FY 2020 are \$732,500 from dedicated funds. This motion includes all funding as onetime.

DISCUSSION: This motion reflects the intent of Joint Legislative Millennium Fund Committee recommendation. This motion reduces funding for capital outlay, overhead, and mileage reimbursement for Recovery Idaho. All other appropriations from the Idaho Millennium Income Fund are included in the agency's appropriation. This includes, the Department of Health and Welfare, Department of Correction, Public Health Districts, Office of the State Treasurer, and Office of the Attorney General.

AYES: 20

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

NAYS: 0

ABSENT/EXCUSED: 0

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

CONSENT: Requested by **Sen. Johnson**, granted by unanimous consent, the following language was adopted:

Notwithstanding any other provision of law to the contrary, on June 30, 2020, or as soon thereafter as practicable, any remaining unexpended and unencumbered balance of moneys appropriated from the Idaho Millennium Income Fund shall revert to the Idaho Millennium Income Fund.

There is hereby appropriated to the State Treasurer \$625,500 from the Idaho Millennium Income Fund for the period July 1, 2019, through June 30, 2020 for distribution to Recovery Idaho for the purpose of operating community recovery centers. Recovery Idaho shall complete a signed agreement set forth by the state in order to receive the Idaho Millennium Income Fund grant award.

There is hereby appropriated to the Office of Drug Policy \$106,000 from the Idaho Millennium Income Fund to be expended for operating expenditures for the period July 1, 2019, through June 30, 2020 for the purpose of establishing a vaping awareness and prevention program.

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

AGENCY

PRESENTATION: DEPARTMENT OF AGRICULTURE

LSO STAFF

PRESENTER: Rob Sepich, Analyst, LSO

CARRIED: Original Motion

Moved by **Rep. Raybould** for the Department of Agriculture, beginning with the FY 2020 Base, an increase of \$48,000 for benefit costs, an increase of \$855,600 for replacement items, an increase of \$67,200 for statewide cost allocation, and an increase of \$560,000 for change in employee compensation. Also included are the following line items: 1.00 FTP and \$72,100 for a Seed Analyst. 1.00 FTP and \$116,500 for a Weights & Measures Inspector. 1.00 FTP and \$57,400 for an FTP at the Animal Health Lab. \$175,000 for Livestock Disease Control Increases. \$25,900 for GOV TECH 1. The totals for this motion for FY 2020 are 220.00 FTP, \$12,037,400 from the General Fund, \$26,738,700 from dedicated funds, and \$6,392,900 from federal funds for a grand total of \$45,169,000, seconded by **Sen. Burtenshaw**.

DISCUSSION:

This motion represents a 1.6% increase on the General Fund and a 0.8% increase in all funds from the FY 2019 original appropriation. It provides for 66 replacement computers, networking equipment, eight vehicles and accessories, a 10 wheel truck, and scientific instrumentation. It adds funding to hire an additional analyst in the Seed Lab, which has seen a 27% increase in samples in the last year. It includes funding for a weights and measures inspector located in Coeur d'Alene to address the growth in regulated devices such as gas pumps and grocery scales in that area. Line item 3 provides funding to hire a technical records specialist in the Animal Health Lab to assist with increased regulatory testing and address turnover in office positions at the lab. Line item 4 adds \$75,000 in personnel costs and \$100,000 in operating expenditures to provide travel costs, testing supplies, pay for temporary and full-time staff, and training for sheep inspections. Lastly, GOV TECH 1 provides for the agency's share of the cost to replace the state's core network equipment as recommended by the Governor.

AYES: 17

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

NAYS: 1 Syme

ABSENT/EXCUSED: 2 Youngblood, Troy,

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

CONSENT:

Requested by **Rep. Raybould**, granted by unanimous consent, the following language was adopted:

WATERCRAFT INSPECTION PROGRAM. The Idaho State Department of Agriculture (ISDA) shall maximize the use of the appropriation provided for the Watercraft Inspection Program to minimize the chances of spreading zebra mussels, quagga mussels, and other aquatic invasive species into Idaho waters. The department is encouraged to use roving inspection stations when appropriate and for expanded hours of coverage during holidays when boat transport traffic is likely to increase. It is also encouraged to use extra staffing on busy holiday weekends. The department shall gather data regarding the number of watercraft that are bypassing the stations and nighttime transport of watercraft across Idaho's borders. The ISDA shall also seek to secure federal funding to further enhance invasive species detection and prevention efforts. The ISDA shall report back to the Joint Finance- Appropriations Committee, the Senate Agricultural Affairs Committee, and the House Agricultural Affairs Committee during the 2020 legislative session regarding the results of the data gathering, attainment of federal funds, and an operational review of the boat stations.

DISCUSSION:

This section directs the department to setup watercraft inspection stations to help prevent the spread of Zebra and Quagga mussels into Idaho, and requires an annual report regarding those efforts.
See [Presentation](#) and [Audio](#).

**AGENCY
PRESENTATION:**

**OFFICE OF THE GOVERNOR
Wolf Depredation Control Board**

**LSO STAFF
PRESENTER:**

Rob Sepich, Analyst, LSO

CARRIED:

Original Motion

Moved by **Sen. Burtenshaw** for the Wolf Depredation Control Board for fiscal year 2020, \$200,000 one-time from the General Fund to be transferred to the Wolf Control Fund Other Moneys Subaccount. There are no Full Time Positions for this agency, seconded by **Sen. Lee**.

DISCUSSION: This money will serve as the state's match to contributions from the livestock industry and sportsmen to control wolves depredate livestock and wildlife. This transfer to the continuously appropriated fund would bring the estimated total balance available for FY 2020 to \$559,400. In FY 2018 the Wolf Depredation Control Board expended \$765,100, funding 217 depredation investigations related to wolf complaints. Of these complaints, the board found 65% involved confirmed wolf depredations and therefore lethally removed 85 wolves through the cooperative agreement with the United States Department of Agriculture's Wildlife Services.

AYES: 18

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

NAYS: 0

ABSENT/EXCUSED: 2 Youngblood, Troy,

The majority having voted in the affirmative, the motion passed and, without objection, will carry a DO PASS recommendation. Having no objection, it was so ordered by **Chairman Bair**. See [Presentation](#) and [Audio](#).

AGENCY PRESENTATION: **DEPARTMENT OF FISH AND GAME**
Department of Fish and Game

LSO STAFF PRESENTER: **Rob Sepich, Analyst, LSO**

CARRIED: Original Motion
Moved by **Rep. Kauffman** for the Department of Fish and Game, beginning with the FY 2020 Base, an increase of \$38,600 for benefit costs, an increase of \$5,695,400 for replacement items, an increase of \$61,200 for statewide cost allocation, and an increase of \$1,257,300 for change in employee compensation. Also included are the following line items: \$2,338,100 for Endangered Species Habitat Projects. \$5,940,400 for Albeni Falls Mitigation Projects. \$500,000 for the New Headquarters Lease Payments. \$1,195,000 for Fish Screening and Angler Access. \$1,109,000 for Hagerman Hatchery Biosecurity. \$991,700 for Hatchery Trout Production Increases. \$200,000 for the Genetic Lab Capacity Increase. \$309,700 for Hunter Survey and Research. \$1,270,000 for a Fort Boise Water Control Structure. \$550,000 for North Idaho Mining Restoration. \$100,000 for Mule Deer Habitat Initiatives. \$120,000 for Black Canyon Dam Mitigation Phase 2. \$350,000 to build a Payette River Wildlife Management Area Shop. \$50,000 for Payment Card Industry (PCI) Compliance. \$35,300 for Wildlife Management Area Asbestos Remediation. A net zero shift of FTP and associated personnel costs to Eliminate the Engineering Budgeted Program. \$52,200 for GOV TECH 1. The totals for this motion for FY 2020 are 569.00 FTP, \$67,631,000 from dedicated funds, and \$59,822,100 from federal funds for a grand total of \$127,453,100, seconded by **Sen. Burtenshaw**.

DISCUSSION: GOV TECH 1 provides the department's share of replacing the core network equipment.

AYES: 19

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

NAYS: 0

ABSENT/EXCUSED: 2 Troy,

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

CONSENT:

Requested by **Rep. Kauffman**, granted by unanimous consent, the following language was adopted:

REAPPROPRIATION AUTHORITY. There is hereby reappropriated to the Department of Fish and Game any unexpended and unencumbered balances appropriated to the Department of Fish and Game from the Fish and Game (Licenses) Fund and the Fish and Game (Federal) Fund for the Headquarters Feasibility Study for fiscal year 2019, in an amount not to exceed \$300,000 from the Fish and Game (Licenses) Fund and \$200,000 from the Fish and Game (Federal) Fund, to be used for nonrecurring expenditures related to the Headquarters Feasibility Study for the period July 1, 2019, through June 30, 2020.

DISCUSSION:

This new section of language authorizes reappropriation or carryover of unused appropriation from FY 2019 to FY 2020 for the Headquarters Feasibility Study, not to exceed \$500,000.

Wildlife Mitigation and Habitat Conservation, Depredation Claims

CONSENT:

Requested by **Rep. Kauffman**, granted by unanimous consent, the FY 2019 budget for the Department of Fish and Game was reopened.

CARRIED:

Original Motion

Moved by **Rep. Kauffman** for the fiscal year 2019 budget for the Department of Fish and Game an additional \$1.5 million from the Expendable Big Game Depredation Fund in the Wildlife Mitigation and Habitat Conservation Program for the purpose of depredation claims pursuant to Sections 36-1108, 36-1109, and 36-1110, Idaho Code, seconded by **Sen. Burtenshaw**.

AYES: 20

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

NAYS: 0

ABSENT/EXCUSED: 0

The majority having voted in the affirmative, the motion passed and, without objection, will carry a DO PASS recommendation. Having no objection, it was so ordered by **Chairman Bair**. See [Presentation](#) and [Audio](#).

**AGENCY
PRESENTATION:** STATE TREASURER

**LSO STAFF
PRESENTER:** Maggie Smith, Analyst, LSO

CARRIED: Original Motion
Moved by **Sen. Johnson** for the State Treasurer, beginning with the FY 2020 Base, an increase of \$10,300 for benefit costs, an increase of \$15,300 for statewide cost allocation, an increase of \$6,200 for a salary annualization for the State Treasurer, and an increase of \$62,500 for change in employee compensation. Also included is one line item for the Governor's technology initiative: \$1,300 for Network Equipment Replacement. The totals for this motion for FY 2020 are 26.00 FTP, \$1,463,900 from the General Fund, and \$2,870,000 from dedicated funds, for a grand total of \$4,333,900, seconded by **Rep. Horman**.

DISCUSSION: Discussion: The \$6,200 annualization is for the constitutional officers' pay increase that was authorized by the 2018 Legislature. The amount provided for the Network Equipment Replacement in GOV TECH 1 is slightly lower than the amount recommended by the Governor because a portion of the Treasurer's share of this cost (\$800) was recommended from the Technology Infrastructure Stabilization Fund. This amount will be directly appropriated to the Office of Information Technology Services, and the remaining \$1,300 of the Treasurer's share of the cost will be paid from the Treasurer's dedicated funds.

AYES: 20

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

NAYS: 0

ABSENT/EXCUSED: 0

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

CONSENT: Requested by **Sen. Johnson**, granted by unanimous consent, the following language was adopted:

SECTION __. PAYMENT OF BANK SERVICE FEES. Of the amount appropriated in Section 1 of this act, no more than \$435,900 from the General Fund and \$192,400 from the Professional Services Fund may be used for the payment of bank service fees for the period July 1, 2019, through June 30, 2020. See [Presentation](#) and [Audio](#).

TECHNICAL CORRECTIONS/LANGUAGE

STATE BOARD OF EDUCATION, Colleges and Universities
FY 2020 Appropriation Correction and Language

**LSO STAFF
PRESENTER:** Janet Jessup, Analyst, LSO

- CONSENT:** Requested by **Rep. Horman**, granted by unanimous request, the FY 2020 budget for the Division of Colleges and Universities was reopened.
- CARRIED:** Original Motion
Moved by **Rep. Horman** for the fiscal year 2020, the for the Division of College and Universities the reduction of 4,753.54 FTP, \$306,030,600 from the General Fund and \$298,217,900 from dedicated funds from the FY 2020 fiscal appropriation for College & Universities, seconded by **Rep. Amador**.
- DISCUSSION:** In stating corrections to the College and Universities budget on March 1st, the new totals for the budget were read as part of the motion and recorded as such on the ballot. The appropriation to College and Universities was inadvertently counted twice, resulting in approval of a a total of \$1.2 billion..
- AYES: 19**
Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Amador, Raybould, Syme, Troy, Wintrow, Toone
- NAYS: 0**
- ABSENT/EXCUSED: 0** Kauffman
- The majority having voted in the affirmative, the motion passed and, without objection, will carry a DO PASS recommendation. Having no objection, it was so ordered by **Chairman Bair**.
- CARRIED:** Additional Motion
Moved by **Rep. Horman** for the fiscal year 2020, the for the Division of College and Universities, an additional \$4,600 of General Fund in personnel costs for pay schedule adjustments, an additional \$2,100 dedicated funds in personnel costs for pay schedule adjustments, and an reduction of \$53,600 for endowment adjustments, seconded by **Rep. Amador**.
- AYES: 20**
Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Wintrow, Toone
- NAYS: 0**
- ABSENT/EXCUSED: 0**
- The majority having voted in the affirmative, the motion passed and, without objection, will carry a DO PASS recommendation. Having no objection, it was so ordered by **Chairman Bair**. See [Presentation](#) and [Audio](#).
- Colleges and Universities, Agency 510 — Language**
- CONSENT:** Requested by **Rep. Horman**, granted by unanimous consent, the following language replaced languages previously approved by this committee on February 26, 2019.

SECTION 4. OPEN EDUCATION RESOURCES. 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 systemwide, the cost of traditional textbooks associated with the course, and availability of the course to secondary students through dual credit. Development of the open education resources shall be collaborative and serviceable to general education courses at no less than four (4) post-secondary institutions.

DISCUSSION: This correction to language removes a reference to a non-germane section of Idaho Code and changes the reference from "advanced opportunities" to "dual credit."

Community Colleges, Agency 505 — Funding Source for Appropriation

CARRIED: Original Motion

Moved by **Rep. Horman** to reopen the fiscal year 2020 budget for the Division of Community Colleges, seconded by **Rep. Amador**.

AYES: 20

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

NAYS: 0

ABSENT/EXCUSED: 0

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

CARRIED: Additional Motion

Moved by **Rep. Horman** for fiscal year 2020, for the Division of Community Colleges, an addition of \$55,000 onetime from the Higher Education Start-Up Fund and a decrease of \$55,000 onetime from the Higher Education Surplus Stabilization Fund in trustee and benefit payments, seconded by **Rep. Amador**.

DISCUSSION: In the FY 2020 appropriation for Community Colleges, set on March 5th, the motion referenced the appropriation of \$55,000 onetime from the Higher Education Surplus Stabilization Fund to the College of Eastern Idaho. The Higher Education Surplus Fund has many separate accounts, and the motion directed the funding to be withdrawn from the incorrect account. This motion removes the appropriation from the incorrect account, and provides for an appropriation from the correct account.

AYES: 20

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

NAYS: 0

ABSENT/EXCUSED: 0

The majority having voted in the affirmative, the motion passed and, without objection, will carry a DO PASS recommendation. Having no objection, it was so ordered by **Chairman Bair**. See [Presentation](#) and [Audio](#).

**DEPARTMENT OF ADMINISTRATION
FY 2020 Appropriation Correction and Language**

**LSO STAFF
PRESENTER:**

Jill Randolph, Analyst, LSO

CARRIED:

Original Motion

Moved by **Sen. Johnson** to reopen the FY 2020 budget for the Department of Administration, seconded by **Rep. Kauffman**.

AYES: 20

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

NAYS: 0

ABSENT/EXCUSED: 0

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

CARRIED:

Additional Motion

Moved by **Sen. Johnson** for fiscal year 2020, for the Department of Administration, an additional \$21,900 of dedicated funds in personnel costs.

DISCUSSION:

The new totals for the Department of Administration are 121.00 FTP, \$2,468,400 from the General Fund, \$21,274,900 from dedicated funds, for a grand total of \$23,743,300

AYES: 20

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

NAYS: 0

ABSENT/EXCUSED: 0

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

CONSENT:

Requested by **Rep. Anderson**, granted by unanimous consent, the following language replaced languages previously approved by this committee .

SECTION __. REQUEST FOR PROPOSALS AND REPORT. Notwithstanding the provisions of Section 6, Chapter 318, Laws of 2018, and any other provision of law to the contrary, upon passage and approval of this act the Department of Administration shall develop requests for proposals (RFP) for state employee group insurance and benefits, to be implemented as soon as practicable. The Department of Administration shall report on the progress of the RFP to the germane legislative committees and the Joint Finance-Appropriations Committee no later than January 15, 2020.

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

Capitol Commission

CARRIED:

Original Motion

Moved by **Rep. Amador** to reopen the FY 2020 budget for the Idaho State Capitol Commission, seconded by **Sen. Johnson**.

AYES: 20

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

NAYS: 0

ABSENT/EXCUSED: 0

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

CONSENT:

Requested by **Rep. Amador**, granted by unanimous consent, to accept the following language to the appropriation approved by this Committee on March 5, 2019:

SECTION __. REAPPROPRIATION AUTHORITY. There is hereby reappropriated to the Department of Administration for the Idaho State Capitol Commission any unexpended and unencumbered balances appropriated to the Department of Administration for the Idaho State Capitol Commission from the Capitol Commission Operating Fund for fiscal year 2019 to be used for nonrecurring expenditures for the period July 1, 2019, through June 20, 2020.

DISCUSSION:

This language was included in the Capitol Commission's budget, but was removed for fiscal year 2019. This language allows the agency flexibility as they maintain the Capitol Building. See [Presentation](#) and [Audio](#).

IDAHO TRANSPORTATION DEPARTMENT Transportation Services

LSO STAFF

PRESENTER:

Christine Otto, Analyst, LSO

CARRIED:

Original Motion:

Moved by **Sen. Woodward** to reconsider the FY 2020 budget for the Idaho Transportation Department, seconded by **Rep. Kauffman**.

AYES: 20

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

NAYS: 0

ABSENT/EXCUSED: 0

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

CARRIED:

Additional Motion:

Moved by **Sen. Woodward** for FY 2020, for the Idaho Transportation Department, to add the underlined language to the cash transfer language approved by this Committee on March 6, 2019, seconded by **Rep. Kauffman**.

SECTION . CASH TRANSFER FROM GARVEE CAPITAL PROJECT FUND. There is hereby appropriated and the State Controller shall transfer up to \$1,176,000 from the GARVEE Capital Project Fund to the State Highway (Dedicated) Fund on July 1, 2019, or as soon thereafter as practicable.

DISCUSSION:

The total amount of the cash transfer was rounded to \$1,176,000 and the actual cash transfer will be slightly less. Adding “up to” will allow the department to transfer the exact amount.

AYES: 20

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

NAYS: 0

ABSENT/EXCUSED: 0

The majority having voted in the affirmative, the motion passed and, without objection, will carry a DO PASS recommendation. Having no objection, it was so ordered by **Chairman Bair**. See [Presentation](#) and [Audio](#).

**IDAHO TAX COMMISSION, GENERAL SERVICES
GOV TECH 1 AND 3; Reduce Appropriated Amount**

LSO STAFF

PRESENTER:

Keith Bybee, Analyst, LSO

CARRIED:

Original Motion

Moved by **Sen. Grow** to reopen the FY 2020 appropriation to the Idaho State Tax Commission, seconded by **Sen. Johnson**.

AYES: 20

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

NAYS: 0

ABSENT/EXCUSED: 0

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

CARRIED:

Original Motion

Moved by **Sen. Grow** to reduce the General Fund FY 2020 appropriation to the Idaho State Tax Commission by \$10,600 and reduce the dedicated fund FY 2020 appropriation to the Idaho State Tax Commission by \$35,900, seconded by **Sen. Johnson**.

DISCUSSION:

The total appropriation will be \$37,172,600 from the General Fund, \$7,915,400 from dedicated funds, and \$8,000 from federal funds for a grand total of \$45,096,000.

AYES: 20

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

NAYS: 0

ABSENT/EXCUSED: 0

The majority having voted in the affirmative, the motion passed and, without objection, will carry a DO PASS recommendation. Having no objection, it was so ordered by **Chairman Bair**. See [Presentation](#) and [Audio](#).

ADJOURNED:

Having no further business before the Committee, **Chairman Bair** adjourned the meeting at 9:36 a.m.

Senator Bair
Chair

Elaine Leedy
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Tuesday, March 12, 2019

BUDGET SETTING

SUBJECT DESCRIPTION	PRESENTER
TRAILER APPROPRIATIONS	
H073, Move Administrative Rules to Division of Financial Management	Keith Bybee, Deputy Division Manager
HJM004, Anderson Ranch Dam, Large Water Projects	Rob Sepich, Senior Analyst
SUPPLEMENTAL APPROPRIATIONS	
Department of Water Resources, Transfer to the Water Management Fund	Rob Sepich, Senior Analyst
CASH TRANSFERS	
General Fund and Dedicated Funds	Paul Headlee, Division Manager

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Tuesday, March 12, 2019

TIME: 8:00 A.M.

PLACE: Room C310

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

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

**ABSENT/
EXCUSED:** None

CONVENED: **Chairman Youngblood** called the meeting to order at 8:00 am.

**Office of the Governor
Financial Management**

LSO STAFF PRESENTATION: **Keith Bybee, Deputy Division Manager**, stated the transition of the Office of the Administrative Rules Coordinator to the Division of Financial Management will streamline the executive branch processes, create efficiencies in state government, and promote higher quality rule-making for all rules that will be subject to legislative review. **H 73** passed both bodies and is waiting the signature of the Governor. The action that will be voted on will include the addition of 3.00 FTP, \$268,200 in personnel costs, \$199,900 in operating expenditures, of which \$20,000 is one-time.

MOTION: **Original Motion**
Trailer Appropriation
Moved by **Rep. Anderson**, seconded by **Sen. Nye** in addition to the appropriation made in **S 1168**, move 3 FTP and \$468,100 from dedicated funds.

DISCUSSION: **Rep. Anderson** stated the FY 2020 appropriation will bring the total FTP to 18 and \$2,504,000.

CARRIED: **Ayes: 18**
Bair, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Syme, Troy, Wintrow, Toone

Nays: 0

Ab/Ex: 2

Johnson and Raybould

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 ordered by **Chairman Youngblood**.

To listen to this presentation please [click here](#).

Department of Water Resources

**LSO STAFF
PRESENTATION:**

Rob Sepich, Senior Analyst, stated **HJM 4** of 2019 urges the completion of the federal feasibility study and the NEPA analysis required for expanding Anderson Ranch Dam through provisions in the Federal Water Infrastructure Improvements for the Nation (WIIN) Act. The three dam system of Anderson Ranch, Arrowrock, and Lucky Peak Dams provide a total of 1,044,011 acre feet of water. The Water Resources Board (WRB) has dedicated \$3 million as a 50% match to federal funds for a feasibility and environmental study on raising the dam, with the aim to complete the study by May of 2020. The WRB has also engaged in actions to move the Mountain Home Air Force Base (MHAFB) from ground water wells located on-base to surface water piped from C.J. Strike Reservoir on the Snake River. **SJM 104** urges the completion of this water project as the Mountain Home Aquifer is over-drafted by an estimated 30,000 acre feet annually.

**UNANIMOUS
CONSENT:**

On request by **Sen. Bair**, granted by unanimous consent, to reopen the FY 2019 budget for the Department of Water Resources, was reopened.

MOTION:

Original Motion

Trailer Appropriations

Moved by **Sen. Bair**, seconded by **Sen. Burtenshaw** for FY 2019, the appropriation and the State Controller shall transfer \$20,000,000 from the General Fund to the Water Management Fund.

DISCUSSION:

Sen. Bair commented it is good policy to plan for the future.

Rep. Raybould invoked Rule 38 and **Sen. Lee** invoked Rule 39 stating a possible conflict of interest.

CARRIED:

Ayes: 19

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

Nayes: 0

Ab/Ex: 1

Johnson

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 ordered by **Chairman Youngblood**.

**UNANIMOUS
CONSENT:**

On request by **Sen. Bair**, granted by unanimous consent to accept sections 2 and 3 of the bill language as follows.

**INTENT
LANGUAGE:**

SECTION 2. That Section 42-1760, Idaho Code, be, and the same is hereby amended to read as follows:

TITLE 42 IRRIGATION AND DRAINAGE — WATER RIGHTS AND RECLAMATION CHAPTER 17 DEPARTMENT OF WATER RESOURCES — WATER RESOURCE BOARD 42-1760. WATER MANAGEMENT ACCOUNT. (1) There is hereby created and established in the trust and agency fund the water management account. All moneys in the account are appropriated continuously to the water resource board to be used and administered by it for the purposes specified in subsection (2) of this section, and shall not be subject to the provisions of the standard appropriations act of 1945 or section 67-3516, Idaho Code. The state treasurer shall invest the idle moneys of the account, and the interest earned on such investments shall be retained by the account.

(2) The board may expend, loan or grant moneys from the water management account for new water projects or the rehabilitation of existing water projects limited to the following purposes: reclamation, upstream storage, offstream storage, aquifer recharge, reservoir site acquisition and protection, water supply, water quality, recreation, and water resource studies, including feasibility studies for qualifying projects. The board shall have the authority to determine which water projects are undertaken pursuant to this section.

(a) Expenditures may be made from the account to provide public moneys for participation in any project constructed with funds from the water resource board revolving development account provided by section 42-1756, Idaho Code.

(b) Grants and loans may be made by the board from the account for any project in the public interest for the projects authorized by this section; no single grant shall exceed \$50,000 unless legislative approval has been obtained.

(c) Expenditures may be made from the account for the costs of the following large water infrastructure projects:

i. Costs associated with the construction of a raise of Anderson Ranch Dam, located on the South Fork of the Boise River;

ii. Costs associated with the Mountain Home Air Force Base water delivery and treatment systems; and

iii. The enlargement or construction of new or existing surface storage reservoirs owned and operated by the United States Bureau of Reclamation or Army Corps of Engineers.

(d) The selection of any new large water infrastructure project selected pursuant to subsection (2)(c)(i)-(iii) must consider and protect existing water rights, and consider the effects of such projects on other water uses, such as water quality, fish and wildlife, recreation, and hydropower, that provide economic value, stability and other benefits to the citizens of the state.

(3) Any large infrastructure project receiving any portion of the funds approved pursuant to subsection (2)(c)(i)-(iii) shall require that at least fifty percent (50%) matching funds to be provided by parties other than the 2 state. In the event of in-kind contributions, the board shall determine the value of the in-kind contribution.

(4) On or before the first day of each regular legislative session, the board shall submit to the legislature a report of any moneys expended or obligated and any work begun and/or completed in the prior or current fiscal year on a project selected pursuant to subsection (2)(c)(i)-(iii).

(5) The director of the department of water resources shall assist the board in any way the board deems necessary to fulfill the policy and purpose of the water management account, including technical evaluation of proposed projects and coordination in state and federal agencies.

SECTION 3. An emergency existing therefor, which emergency is hereby declared to exist, this act shall be in full force and effect on and after its passage and approval.

To listen to this presentation please [click here](#).

**Department of Water Resources
Transfer to the Water Management Fund**

**LSO STAFF
PRESENTATION:**

Rob Sepich, Senior Analyst, stated the Legislature passed **H 712** of 2018, which appropriated \$1 million to the Department of Water Resources to address flood damages not covered under **S 1141**. The Water Resource Board received 19 applications for flood management projects and only a total of 14 projects were funded. This will be a one-time transfer from the General Fund to the Water Management fund.

MOTION:

Original Motion

Supplemental

Moved by **Sen. Bair**, seconded by **Sen. Burtenshaw** for FY 2019, a supplemental appropriation of \$1,000,000 for additional projects as determined by the Water Resource Board, to be transferred by the State Controller from the General Fund to the Water Management Fund.

DISCUSSION:

Sen. Bair stated this program will help further repair damage that happened to the state's waterways. In Section 2, of the bill, \$200,000 will be used to establish a baseline water quality in the Snake River because in the future the Federal government will be requiring water ways to be "ever cleaner".

CARRIED:

Ayes: 19

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

Nays: 0

Ab/Ex: 1

Johnson

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 ordered by **Chairman Youngblood**.

**UNANIMOUS
CONSENT:**

On request by **Sen. Bair**, granted by unanimous consent to accept sections 2 through 5 of the bill language as follows.

**INTENT
LANGUAGE:**

SECTION 2. USES OF THE WATER MANAGEMENT FUND. Of the moneys appropriated and transferred for the purposes set forth in Section 1 of this act for water quality data collection, up to \$200,000 shall be used for monitoring, data collection, modeling, literature review, economic analysis, and other forms of data gathering and analysis in the upper Snake/Rock Creek subbasin (HUC 17040212, as provided in IDAPA 58.01.02.109.02) in support of the nutrient total maximum daily loads (TMDL) objectives. This process shall be coordinated with the Department of Environmental Quality and the United States Geological Survey.

SECTION 3. USES OF THE WATER MANAGEMENT FUND. The remaining moneys appropriated and transferred in Section 1 of this act for flood prevention and stream repair shall be administered by the Idaho Water Resource Board through a competitive, matching grant process. Notwithstanding the provisions of Section 42-1760(2)(b), Idaho Code, grants may be larger than \$50,000 at the discretion of the board.

SECTION 4. PROJECT PRIORITIZATION. The selection process for the grants authorized in Section 3 of this act shall require the availability of fifty percent (50%) matching funds, and flood prevention and mitigation projects

shall be given priority on a competitive statewide basis throughout Idaho. The Department of Water Resources shall support this competitive grant process using existing personnel and resources.

SECTION 5. An emergency existing therefor, which emergency is hereby declared to exist, this act shall be in full force and effect on and after its passage and approval.

To listen to this presentation please [click here](#).

Cash Transfers General Fund and Dedicated Funds

**LSO STAFF
PRESENTATION:**

Paul Headlee, Division Manager, stated the Consumer Protection Fund receives revenue from penalty, costs and fees recovered from the Attorney General through litigation or violation of the Consumer Protection Act. Money in the fund, not used by the Attorney General through appropriation, is deposited into the General Fund at the beginning of the following year.

DISCUSSION:

In response to Committee questions, **Mr. Headlee** stated the transfers are at the discretion of the Committee, but some are statutory transfers or based on formulas.

MOTION:

**Original Motion
Attorney General**

Cash transfer from Consumer Protection Fund to General Fund

Moved by **Sen. Agenbroad**, seconded by **Sen. Lee** that notwithstanding the provisions of **Section 48-606, Idaho Code**, there is hereby appropriated and the State Controller shall transfer in FY 2019, \$9,000,000 from the Consumer Protection Fund to the General Fund.

CARRIED:

Ayes: 18

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

Nays: 0

Ab/Ex: 2

Johnson and Wintrow

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 ordered by **Chairman Youngblood**.

**LSO STAFF
PRESENTATION:**

Paul Headlee, Division Manager, stated the transfer from the Opportunity Scholarship Fund (Corpus) to the Public Education Stabilization fund would be \$3.4 million. JFAC has already taken action on one transfer for \$3.15 million in the Public Schools budget and one appropriation from this fund for \$7 million for additional scholarships for FY 2020. If the \$3.4 million is transferred that would leave approximately \$5.2 million in the fund.

MOTION: **Original Motion**
Public School Support
Cash transfer from Opportunity Scholarships Fund to Public Education Stabilization Fund
Moved by **Rep. Amador**, seconded by **Sen. Ward-Engelking** for FY 2020, that notwithstanding the provisions of **Section 33-4303, Idaho Code**, there is hereby appropriated and the State Controller shall transfer \$3,400,000 from the Opportunity Scholarship Fund to the Public Education Stabilization Fund.

DISCUSSION: In response to Committee questions, **Mr. Headlee** stated the transfer had been discussed by several of the motion makers as an opportunity to put money into the Public Education Stabilization Fund which provides a backstop for short falls in the K-12 appropriation. **Sen. Bair** gave a brief background on the Opportunity Scholarship program. Mr. Headlee continued there was a \$100,000 transfer to pay for evaluations. **Rep. Amador** stated the higher education working group did put together intent language for the State Board of Education to report back annually to the Committee.

CARRIED: **Ayes: 10**
Bair, Burtenshaw, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Kauffman, Amador, Raybould
Nays: 8
Lee, Agenbroad, Crabtree, Grow, Woodward, Troy, Syme, Toone
Ab/Ex: 2
Johnson and Wintrow
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 ordered by **Chairman Youngblood**.

MOTION: **Original Motion**
Public School Support
Cash transfer from the General Fund to the Public Education Stabilization Fund
Moved by **Rep. Horman**, seconded by **Rep. Amador** for FY 2020, that there is hereby appropriated and the State Controller shall transfer \$8,600,000 from the General Fund to the Public Education Stabilization Fund.

DISCUSSION: **Rep. Horman** stated this Committee is under obligation to assess the amount removed from the Public Education Stabilization Fund.

CARRIED: **Ayes: 18**
Bair, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Toone
Nays: 0
Ab/Ex: 2
Johnson and Wintrow
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 ordered by **Chairman Youngblood**.

LSO STAFF PRESENTATION: **Paul Headlee, Division Manager**, stated this is the second year for transfers into the Technology Infrastructure fund.

MOTION: **Original Motion**
Legislative Branch
Cash transfer from the General Fund to the Technology Infrastructure
Moved by **Rep. Raybould**, seconded by **Sen. Lee** for FY 2020, that there is hereby appropriated and the State Controller shall transfer \$8,053,500 from the General Fund to the Technology Infrastructure Stabilization Fund.

DISCUSSION: **Rep. Raybould** stated the Gov Tech line items in the various budgets are captured in this cash transfer.

CARRIED: **Ayes: 18**
Bair, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Toone
Nayes: 0
Ab/Ex: 2
Johnson and Wintrow
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 ordered by **Chairman Youngblood**.

ISO STAFF PRESENTATION: **Paul Headlee, Division Manager**, stated the Disaster Emergency Fund is used by the military division as matching funds to pay for grants on Federally declared disasters. The money in the fund is also available to the Governor to pay for costs associated for declared state emergencies. Mr. Headlee continued that the projected expenditures are estimated to deplete the current balance in the fund by the end of FY 2020 and the \$2 million transfer recommendation was from the Governor.

MOTION: **Original Motion**
Office of the Governor
Cash transfer from the General Fund to the Disaster Emergency Fund
Moved by, **Sen. Grow**, seconded by **Sen. Woodward** for FY 2020, that there is hereby appropriated and the State Controller shall transfer \$2,000,000 from the General Fund to the Disaster Emergency Fund.

CARRIED: **Ayes: 18**
Bair, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Toone
Nayes: 0
Ab/Ex: 2
Johnson and Wintrow
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 ordered by **Chairman Youngblood**.
To listen to this presentation please [click here](#).

ADJOURN: There being no further business to come before the Committee, **Chairman Youngblood** adjourned the meeting at 9:05 am.

Representative Youngblood
Chair

Donna Warnock
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Friday, March 15, 2019

BUDGET SETTING

SUBJECT	DESCRIPTION	PRESENTER
	TRAILER APPROPRIATIONS	
	H0113, Wage and Hour Claims	Keith Bybee, Deputy Division Manager
	H0116, Rape Kit Testing	
	H0153, School Teacher Career Ladder	Robyn Lockett, Principal Analyst
	SUPPLEMENTAL APPROPRIATIONS	
	DEPARTMENT OF ADMINISTRATION	
	Permanent Building Fund	Paul Headlee, Division Manager
	Capitol Building Renovations	

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Friday, March 15, 2019
TIME: 8:00 A.M.
PLACE: Room C310
MEMBERS PRESENT: Senators Co-chairman Bair, Johnson, Lee, Agenbroad, Crabtree, Burtenshaw, Ward-Engelking, and Nye.
Representatives Co-chairman Youngblood, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Wintrow, and Toone.
ABSENT/ EXCUSED: Senators Grow, Representative Horman
CONVENED: **Co-Chairman Bair** called the Joint Finance-Appropriations Committee (Committee) (JFAC) to order at 8:00 a.m.

TRAILER APPROPRIATIONS

AGENCY PRESENTATION: **DEPARTMENT OF ADMINISTRATION
Permanent Building Fund, Public Works Division**

AGENCY PRESENTER: **Rep. Jason Monks, District 22**
This project springs from the 2009 remodel of the Capitol Building. At that time, plans were to move the Treasurer's Office and the Legislative Audit Division at a later date to allow more space House of Representatives' offices. Discussions have been underway for more than a year.

LSO STAFF PRESENTATION: **Paul Headlee, Division Manager, Budget and Policy, Legislative Services Office (LSO)**
The proposed budget actions relate to the relocation of the State Treasurer's Office; the renovation of the first floor north wing of the state capitol, and the renovation of the first floor and garden level of the east wing of the state capitol. These proposed actions would authorize three separate projects funded by an FY 2019 supplemental appropriation and transfer of \$10,595,800 from the General Fund to the Permanent Building Fund.

CONSENT: Requested by Rep. Troy, granted by unanimous consent, the the FY 2019 budget for the Department of Administration, Permanent Building Fund was reopened.

MOTION: Original Motion
Moved by **Rep. Troy**, for FY 2019, that there is hereby appropriated and the State Controller shall transfer, \$10,595,800 from the General Fund to the Permanent Building Fund, seconded by **Sen. Nye**.

DISCUSSION: **Rep. Monks** explained that funding needs to be secured in order to authorize architectural and construction plans. Adequate lead time is also needed to match materials. The project would proceed as a two-year phase-in. No definite replacement space has been identified for the Treasurer's Office at this time. Any fund left unspent would be reverted to the General Fund. **Rep. Troy** stated that current space in the East Wing, Garden Level is inadequate for the current 70 representatives' work space. The project would allow for adequate private offices.

CARRIED: **AYES: 17**
Bair, Johnson, Lee, Agenbroad, Burtenshaw, Ward-Engelking, Woodward, Nye, Youngblood, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Wintrow, and Toone

NAYS: 1 Crabtree

ABSENT/EXCUSED: 2 Grow, Horman

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

MOTION: Original Motion
Moved by **Rep. Troy** for the Department of Administration, Division of Public Works, an FY 2019 supplemental appropriation that includes three projects:

Project #1 includes \$3,525,000 for the lease, acquisition, construction, or remodel of reasonable office space for the relocation of the State Treasurer's Office. Included in this amount is funding for moving costs related to the relocation and any necessary capital outlay for computer or office equipment.

Project #2 includes \$710,500 for the renovation of the north wing of the first floor of the state capitol.

Project #3 includes \$6,360,300 for the renovation of the first floor and garden level of the state capitol.

SUBSTITUTE MOTION: Moved by **Sen. Johnson** for the Department of Administration, Division of Public Works, an FY 2019 supplemental appropriation that includes two projects: One includes \$710,500 for the renovation of the north wing of the first floor for the State Capital Project and \$6,360,300 for the renovation of the first floor and garden level of the State Capitol. The total for this motion is \$7,070,800 from the Permanent Building Fund and includes lump sum spending authority, seconded by **Rep. Wintrow**.

DISCUSSION: **Sen. Johnson** stated that if his motion were successful, he would bring a further motion for Project #1.

FAILED: **AYES: 4** Johnson, Woodward, Wintrow, Toone

NAYS: 14

Bair, Lee, Agenbroad, Crabtree, Burtenshaw, Ward-Engelking, Nye, Youngblood, Anderson, Kauffman, Troy, Syme, Amador, Raybould

ABSENT/EX: 2 Grow, Horman

VOTE ON ORIGINAL MOTION:

AYES: 16

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

NAYS: 2 Johnson, Crabtree

ABSENT/EXCUSED: 2 Grow, Horman

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

CONSENT:

Requested by **Rep. Troy**, granted by unanimous consent, the following language was adopted:

SECTION __. Notwithstanding the provisions of Section 5, Chapter 302, Laws of 2018, and any other provision of law to the contrary, of the amounts appropriated in Section 2 of this act, the Division of Public works shall notify the State Controller of any unexpended and unencumbered moneys upon completion of each project and the State Controller shall transfer such moneys from the Permanent Building Fund to the General Fund, as soon as practicable. See [Presentation](#) and [Audio](#).

LSO PRESENTATION:

**DEPARTMENT OF LABOR, Wage and Hour
Trailer Appropriation for H 113, Additional Time for Wage and Hour Claims**

LSO STAFF PRESENTER:

Keith Bybee, Analyst, LSO

H 113 extends the time in which a claim for unpaid wages could be made to the Department of Labor, or in District Court, from the current six (6) month limitation to twelve (12) months.

MOTION:

Moved by **Rep. Wintrow**, for the addition to the appropriation made to the Idaho Department of Labor for FY 2020, 1.00 FTP and \$184,000 from the General Fund, seconded by **Sen. Lee**.

DISCUSSION:

This motion utilizes an existing FTP that is currently unfunded and unfilled and provides funding for the position.

CARRIED:

AYES: 17

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

NAYS: 1 Woodward

ABSENT/EXCUSED: 2 Grow, Horman

The majority, having voted in the affirmative, the motion passed, and without objection, will carry a DO PASS recommendation. Having no objection, it was so ordered by **Chairman Bair**. See [Presentation](#) and [Audio](#).

LSO **IDAHO STATE POLICE, Forensic Services**
PRESENTATION: **Trailer Appropriation for H 116, Sexual Assault Evidence Kits**
LSO STAFF **Keith Bybee, Analyst, LSO**
PRESENTER: **H 116** creates and codifies systems used by law enforcement, health care facilities, and the Idaho State Police Forensic Services (ISPFS) laboratory in the process and processing of sexual assault evidence kits in the State of Idaho. This legislation clarifies who enters information into the sexual assault kit tracking system through ISP, and defines criteria for evidence to be submitted to and processed by the ISPFS laboratory for potential entry into the Combined DNA Index System (CODIS).

MOTION: Moved by **Rep. Wintrow**, for the addition to the appropriation made to the Idaho State Police for FY 2020, 1.00 FTP and \$188,100 from the General Fund, seconded by **Sen. Lee**.

CARRIED: **AYES: 18**
Bair, Johnson, Lee, Agenbroad, Burtenshaw, Ward-Engelking, Crabtree, Woodward, Nye, Youngblood, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Wintrow, and Toone
NAYS: 0
ABSENT/EXCUSED: 2 Grow, Horman

The majority, having voted in the affirmative, the motion passed, and without objection, will carry a DO PASS recommendation. Having no objection, it was so ordered by **Chairman Bair**. See [Presentation](#) and [Audio](#).

LSO STAFF **DEPARTMENT OF EDUCATION**
PRESENTATION: **Public Schools Support Program; Division of Teachers**
Trailer Appropriation for House Bill 153
LSO **Robyn Lockett, Analyst, LSO**
PRESENTER: **H 153** increases salaries in the first three cells of the residency rung on the career ladder, including increasing starting teacher pay. The salary increases would be implemented over a two-year period.

MOTION: Moved by **Rep. Amador**, for the Teachers Division of the Public School Support Program, in addition to any other appropriation provided by law, the addition of \$3,796,200 for fiscal year 2020, seconded by **Sen. Ward-Engelking**.

CARRIED: **AYES: 18**
Bair, Johnson, Lee, Agenbroad, Burtenshaw, Ward-Engelking, Crabtree, Woodward, Nye, Youngblood, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Wintrow, and Toone
NAYS: 0
ABSENT/EXCUSED: 2 Grow, Horman

The majority, having voted in the affirmative, the motion passed, and without objection, will carry a DO PASS recommendation. Having no objection, it was so ordered by **Chairman Bair**. See [Presentation](#) and [Audio](#).

ADJOURNED: Having no further business before the Committee, **Chairman Bair** adjourned the meeting at 9:46 a.m.

Senator Bair
Chair

Elaine Leedy
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Thursday, March 21, 2019

BUDGET SETTING

SUBJECT	DESCRIPTION	PRESENTER
	TRAILER APPROPRIATIONS	
	S1043, District Judges, Judicial Branch	Jared Hoskins, Principal Analyst
	S1146, Judicial Salaries, Judicial Branch	
	H093, Non-Traditional Teacher Preparation Programs, Superintendent of Public Instruction	Robyn Lockett, Principal Analyst
	BUDGET SETTING	
LBB 1-81	Office of the State Board of Education	Janet Jessup, Senior Analyst
	OTHER LEGISLATION	
	DRJGT020: Section 67-3521, Idaho Code, <i>Encumbering Appropriations or Excessive Expenditures Forbidden – Encumbrances to Revert</i>	Jared Tatro, Principal Analyst

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Thursday, March 21, 2019

TIME: 8:00 A.M.

PLACE: Room C310

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

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

**ABSENT/
EXCUSED:** None

CONVENED: **Chairman Youngblood** called the meeting to order at 8:00 am.

Chairman Youngblood noted there had been a change to the agenda, LBB 1–81, Office of the State Board of Education will be heard at a later date.

LSO STAFF PRESENTATION: **Jared Hoskins, Principal Budget & Policy Analyst**

Mr. Hoskins gave a brief overview of the proposed trailer appropriation. He stated the trailer appropriation would include the addition of 2.00 FTP, 1.00 for a district judge and 1.00 for the associated court reporter.

MOTION: **Original Motion**

Trailer Appropriation S 1043

District Judges, Judicial Branch

Moved by **Rep. Raybould**, seconded by **Sen. Burtenshaw** for fiscal year 2020, for the Supreme Court, in the District Courts Program, an ongoing General Fund increase of 2.00 FTP, \$242,900 in personnel costs, and \$7,500 in operating expenditures, as well as a onetime General Fund increase of \$5,000 in operating expenditures, for the purpose of a district judge and a court reporter. The total for this motion is \$255,400 from the General Fund. This motion also includes lump sum authority.

CARRIED: **Ayes: 18**

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

Nays: 0

Ab/Ex: 2

Agenbroad and Grow

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 Youngblood**.

To listen to this presentation please [click here](#).

LSO STAFF PRESENTATION: **Jared Hoskins, Principal Budget & Policy Analyst**

Mr. Hoskins stated the proposed motion will reflect the fiscal impact of the addition of two new magistrate judges in **S 1164** of 2019 and one new district judge in **S 1043** of 2019.

MOTION:

Original Motion

Trailer Appropriation S 1146

Judicial Salaries, Judicial Branch

Moved by **Rep. Wintrow**, seconded by **Sen. Burtenshaw** for the Supreme Court, in the Court Operations Division, the addition of \$31,500 for the Supreme Court Program; \$25,200 for the Court of Appeals Program; \$289,500 for the District Courts Program; and \$438,800 for the Magistrate Division Program, for the purpose of judicial salaries. The total motion for the Supreme Court is \$785,000 in ongoing personnel costs from the General Fund. Consistent with the entire FY 2020 appropriation for the Supreme Court, this motion includes lump sum authority.

CARRIED:

Ayes: 19

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

Nayes: 0

Ab/Ex: 1

Agenbroad

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 Youngblood**.

To listen to this presentation please [click here](#).

LSO STAFF

Robyn Lockett, Principal Budget & Policy Analyst,

PRESENTATION:

Ms. Lockett stated **Idaho Code 33–1207A** sets current requirements for teacher preparation programs. **H 93aaS** amended the code to allow school districts and charter schools to enter into agreements with nontraditional teacher preparation programs to help recruit, select, train, and retain teachers for hard to fill positions. The bill also makes such programs eligible for state funding if they provide matching private dollars and demonstrate that their teachers achieve above-average academic growth from students. The revised fiscal note anticipates an appropriation of \$200,000 ongoing from the General Fund.

MOTION:

Original Motion

Trailer Appropriation H 93aaS

Non-Traditional Teacher Preparation Programs, Superintendent of Public Instruction

Moved by **Rep. Horman**, seconded by **Sen. Johnson** for the Superintendent of Public Instruction, in addition to any other appropriation provided by law, the addition of \$200,000 in ongoing operating expenditures from the General Fund for fiscal year 2020.

CARRIED:

Ayes: 19

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

Nayes: 0

Ab/Ex: 1

Agenbroad

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 Youngblood**.

To listen to this presentation please [click here](#).

LSO STAFF

Jared Tatro, Principal Budget & Policy Analyst,

PRESENTATION: **Mr. Tatro** stated the draft bill **JGT 020** would repeal and replace **Section 67-3521, Idaho Code**, to change the way an encumbrance is accounted for in the state of Idaho budget process. Mr. Tatro continued he would like to get the bill into print to have a starting point for discussions.

MOTION:

Original Motion

Moved by **Sen. Bair**, seconded by **Sen. Johnson** for **JGT020** to go to print.

CARRIED:

Ayes: 16

Bair, Johnson, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Kauffman, Raybould, Syme, Wintrow, Toone

Nays: 0

Ab/Ex: 4

Lee, Agenbroad, Troy and Amador

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 Youngblood**.

To listen to this presentation please [click here](#).

ADJOURN:

There being no further business to come before the committee, **Chairman Youngblood** adjourned the meeting at 8:45 am.

Representative Youngblood
Chair

Donna Warnock
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Friday, March 29, 2019

BUDGET SETTING

SUBJECT	DESCRIPTION	PRESENTER
	BUDGET SETTING	
LBB 1-81	Office of the State Board of Education	Janet Jessup, Senior Analyst

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Friday, March 29, 2019
TIME: 8:00 A.M.
PLACE: Room C310
MEMBERS PRESENT: Senators Co-chairman Bair, Mosman(Johnson), Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye
Representatives Co-chairman Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Wintrow, Toone
ABSENT/ EXCUSED: Senators Mosman(Johnson), Grow, Woodward, Ward-Engelking
CONVENED: **Co-Chairman Bair** called the Joint Finance-Appropriations Committee (Committee) (JFAC) to order at 8:00 a.m.

LSO STAFF PRESENTATION: **OFFICE OF THE STATE BOARD OF EDUCATION**
Janet Jessup, Senior Analyst, Legislative Services Office

MOTION: Original Motion:
Moved by **Rep. Amador**, seconded by **Rep. Raybould**, for the Office of the State Board of Education, beginning with the FY2019 Estimated Expenditures, remove \$7,011,100 for the removal of onetime funding, and include a base reduction of \$1,250,000 from the General Fund. Then, provide a reduction of \$1,800 for benefit costs, an increase of \$28,100 for inflationary adjustments, an increase of \$53,500 for replacement items, an increase of \$186,100 for statewide cost allocation, and an increase of \$88,400 for change in employee compensation. Also included are the following line items: add 1.00 FTP and \$108,400 for an Associate Academic Officer as recommended in line item 1; add \$20,000 for Career Information System Enhancements as requested in line item 3; add \$263,000 for Master Educator Premium Portfolio Review in line item 5; add \$100,000 for the K-12 Task Force as recommended in line item 7; and add \$100,000 onetime for external program evaluation in line item 8.
The totals for this motion for FY2020 are 35.25 FTP, \$5,615,100 from the General Fund, \$6,998,100 from dedicated funds, and \$2,744,200 from federal funds for a grand total of \$15,357,400.

DISCUSSION: JFAC previously approved a budget for the State Board of Education which became known as S 1029. That bill passed in the Senate, but failed in the House of Representatives, resulting in a revised budget. The working group for this budget revised the 2020 Base Appropriation by removing \$750,000 to be used as a three-year cohort program for school turnaround. That cohort is ending, leaving unallocated the \$750,000. The working group recommended evaluation of the school turnaround program.

CARRIED: **AYES: 15**
Senators Co-chairman Bair, Lee, Agenbroad, Crabtree, Burtenshaw, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Wintrow, Toone

NAYS: 0

ABSENT/EXCUSED: 4

Senators Johnson, Grow, Woodward, Ward-Engelking

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

**UNANIMOUS
CONSENT:**

Requested by **Rep. Amador**, granted by unanimous consent, the following standard intent language was added to the FY 2020 appropriation:

SECTION 3. REAPPROPRIATION AUTHORITY FOR THE PUBLIC CHARTER SCHOOL AUTHORIZERS FUND. There is hereby reappropriated to the Office of the State Board of Education any unexpended and unencumbered balances appropriated or reappropriated to the Office of the State Board of Education from the Public Charter School Authorizers Fund for fiscal year 2019 to be used for nonrecurring expenditures for the period July 1, 2019, through June 30, 2020.

SECTION 4. ANNUAL PAYMENTS TO THE IDAHO STATE BUILDING AUTHORITY. The State Board of Education shall provide an annual update to the Joint Finance- Appropriations Committee of all sublease rent payments made and any amount due and outstanding related to Senate Concurrent Resolution No. 105, as enacted by the First Regular Session of the Sixty-fourth Idaho Legislature.

**UNANIMOUS
CONSENT:**

Requested by **Rep. Amador**, granted by unanimous consent, the following standard intent language was added to the FY 2020 appropriation:

SECTION 5. EXTERNAL PROGRAM EVALUATION. Notwithstanding the provisions of Section 33-4303, Idaho Code, of the amount appropriated in Section 1 of this act for independent external program evaluations, up to \$100,000 from the Opportunity Scholarship Program Account shall be used to conduct evaluations for the literacy intervention program(s), advanced opportunities program, and the College and Career Advisors and Student Mentors Program. The results of the evaluations shall be reported to the Joint Finance-Appropriations Committee and the Senate and House Education committees no later than February 1, 2020, on the program design, uses of funds, program effectiveness, and other relevant matters.

ADJOURNED:

Having no further business before the committee, **Chairman Bair** adjourned the meeting at 8:12 a.m.

Senator Bair
Chair

Elaine Leedy
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
1:30 P.M.
Room C310
Wednesday, April 03, 2019

BUDGET SETTING

SUBJECT	DESCRIPTION	PRESENTER
TRAILER APPROPRIATIONS		
	H122aaS, Hemp Research and Development Act, <i>Department of Agriculture</i>	Rob Sepich, Senior Analyst
	S1204aa, Medicaid Expansion Eligibility Requirements, <i>Department of Health & Welfare</i>	Jared Tatro, Principal Analyst
	S1126aaH Surplus Eliminator - Strategic Initiatives Program, <i>Idaho Transportation Department</i>	Christine Otto, Budget Analyst
SUPPLEMENTAL APPROPRIATION		
	DEPARTMENT OF ADMINISTRATION Permanent Building Fund Capitol Building and Borah Building Renovations	Paul Headlee, Division Manager
	Board of Examiners Transfer Authority	Paul Headlee, Division Manager

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Wednesday, April 03, 2019

TIME: 1:30 P.M.

PLACE: Room C310

MEMBERS PRESENT: Senators Co-chairman Bair, Mosman(Johnson), Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye
Representatives Co-chairman Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Wintrow, Toone

ABSENT/ EXCUSED: None

CONVENED: **Chairman Youngblood** called the meeting to order at 1:30 pm.

LSO STAFF PRESENTATION: **Rob Sepich, Senior Analyst**
The proposed trailer appropriation action relates to the addition of 1.50 FTP, \$142,500 in ongoing personnel costs, \$7,500 in ongoing operating expenditures, \$50,000 in onetime personnel costs and \$100,000 in onetime operating expenditures from the General Fund, as outlined in the fiscal note of **H 122**.

UNANIMOUS CONSENT: On request by **Rep. Troy**, granted by unanimous consent to reopen the FY 2019 budget for the Department of Agriculture.

MOTION: **Original Motion**
Trailer Appropriation
H 122 — Hemp Research and Development Act
Moved by **Rep. Troy**, seconded by **Sen. Lee** for the Department of Agriculture, in addition to any other appropriation provided by law, the addition of 1.00 FTP and \$20,000 from the General Fund for FY 2019.

CARRIED: **Ayes: 16**
Bair, Mosman(Johnson), Lee, Agenbroad, Crabtree, Burtenshaw, Woodward, Ward-Engelking, Nye, and Youngblood, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Wintrow, Toone
Nayes: 3
Grow, Horman and Amador
Ab/Ex: 1
Wintrow

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 Youngblood**.

MOTION: **Original Motion**
Trailer Appropriation
H 122 — Hemp Research and Development Act
Moved by **Rep. Troy**, seconded by **Sen. Lee** moved for the Department of Agriculture, in addition to any other appropriation provided by law, the addition of 0.50 FTP and \$280,000 from the General Fund for fiscal year 2020.

CARRIED: **Ayes: 16**
Bair, Mosman(Johnson), Lee, Agenbroad, Crabtree, Burtenshaw, Woodward, Ward-Engelking, Nye, and Youngblood, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Wintrow, Toone
Nayes: 3
Grow, Horman and Amador
Ab/Ex: 1
Wintrow

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 Youngblood**.

To listen to the above presentations please [click here](#).

LSO STAFF **Jared Tatro, Principal Analyst**
PRESENTATION: The proposed trailer appropriations for the Department of Health and Welfare; Division of Welfare is \$2,942,000 and the Division of Medicaid is \$1,196,200 for a grand total of \$4,138,200.

DISCUSSION: In response to Committee questions **Chairman Youngblood** explained if JFAC passes the trailer appropriation and the House changes any portion of the bill that affect the fiscal impact, then the trailer appropriation would come back to JFAC. If there are no changes to the fiscal impact, then it would stay as is.
In response to Committee questions **Mr. Tatro** explained the state does not collect copays, it is between the individual and the provider.
In response to Committee questions **Lisa Hettinger, Deputy Director, Medicaid, Behavioral Health & Public Health Services** explained the cost the department would incur in order to seek the waiver that would be necessary to implement the copays that are linked to the work requirements as described in the bill.
In response to Committee questions **Lori Wolff, Deputy Director, Family and Welfare Services** explained the costs of the work program, which is contracted out to help with employment and training.

MOTION: **Original Motion**
Trailer Appropriation
S 1204aa — Medicaid Expansion Eligibility
Moved by **Sen. Crabtree**, seconded by **Sen. Lee** to **HOLD** trailer appropriation for **S 1204aa** in committee.

CARRIED: **Ayes: 12** Mosman(Johnson), Lee, Agenbroad, Crabtree, Woodward, Ward-Engelking, Nye, Horman, Troy, Amador, Wintrow, Toone
Nayes: 8
Bair, Burtenshaw, Grow, Youngblood, Anderson, Kauffman, Syme, Raybould
Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and the trailer appropriation will be held in Committee. There being no objection, it was so ordered by **Chairman Youngblood**.

To listen to this presentation please [click here](#).

LSO STAFF **Christine Otto, Budget Analyst**

PRESENTATION: The motion before the Committee is a total of \$38,200,000 from the Strategic Initiative Fund for FY 2020. \$1,719,000 will be used on pedestrian safety, \$14,592,400 for onetime trustee and benefit payments and \$21,888,600 to the transportation department.

MOTION: **Original Motion**

Trailer Appropriation

S 1126aaH — Surplus Eliminator

Moved by **Rep. Kauffman**, seconded by **Sen. Crabtree** for the Idaho Transportation Department, in the Contract Construction and Right-of-Way Acquisition Program, for FY 2020, an additional \$23,607,600 from the Strategic Initiatives Program (Dedicated) Fund, and \$14,592,400 from the Strategic Initiatives Program (Local) Fund, for a total of \$38,200,000 onetime from dedicated funds.

DISCUSSION: **Rep. Kauffman** stated the motion includes the addition of \$38,200,000 with \$1,719,000 in trustee and benefit payments to be spent on child pedestrian safety projects. The remainder is to be split 60% or \$21,888,600 in onetime capital outlay to the Idaho Transportation Department (ITD), and 40% or \$14,592,400 in onetime trustee and benefit payments to the local units of government to be spent in accordance with **Section 40-719, Idaho Code**.

CARRIED: **Ayes: 19**

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

Nays: 1

Woodward

Ab/Ex: 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 **Chairman Youngblood**.

To listen to this presentation please [click here](#).

LSO STAFF **Paul Headlee, Division Manager**

PRESENTATION: The following motions will be for the renovation of the Borah Building or other reasonable office space for the relocation of either all or part of the Treasure's office. The second project would be for the renovation of the First Floor North Wing and the First Floor East Wing and the Gardens level of the Capitol for the legislative staff and for the House of Representatives offices and the third project would be for the purchase of real property near or adjacent to the Capitol Mall.

UNANIMOUS CONSENT: On request by **Rep. Troy**, granted by unanimous consent to reopen the FY 2019 budget for the Department of Administration, Division of Public Works.

DISCUSSION: **Rep. Anderson** invoked Rule 38 stating a possible conflict of interest but he would be voting on the motion.

MOTION: **Original Motion**
Supplemental Appropriation
Borah Building Renovation
Moved by **Rep. Troy**, seconded by **Rep. Horman** for the Department of Administration, Division of Public Works, an FY 2019 supplemental appropriation of \$529,000 from the Permanent Building Fund for the necessary renovation costs of the Borah Building, or for other reasonable office space, to relocate all, or part, of the office of the State Treasurer. Included in this amount is funding for moving costs and any necessary capital outlay for computer and office equipment. This appropriation includes lump sum spending authority.

CARRIED: **Ayes: 15**
Bair, Lee, Agenbroad, Woodward, Grow, Burtenshaw, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy

Nayes: 5
Mosman(Johnson), Crabtree, Ward-Engelking, Wintrow, Toone

Ab/Ex: 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 **Chairman Youngblood**.

MOTION: **Original Motion**
Supplemental Appropriation
Cash Transfer for Borah Building Renovations
Moved by **Rep. Troy**, seconded by **Rep. Horman** for FY 2019, that there is hereby appropriated and the State Controller shall transfer, \$529,000 from the General Fund to the Permanent Building Fund.

CARRIED: **Ayes: 15**
Bair, Lee, Agenbroad, Woodward, Grow, Burtenshaw, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy

Nayes: 5
Mosman(Johnson), Crabtree, Ward-Engelking, Wintrow, Toone

Ab/Ex: 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 **Chairman Youngblood**.

MOTION: **Original Motion**
Supplemental Appropriation
North and East Wing Renovations
Moved by **Rep. Troy**, seconded by **Sen. Bair** for the Department of Administration, Division of Public Works, an FY 2019 supplemental appropriation of \$3,890,700 from the Permanent Building Fund to renovate the First Floor North Wing and to begin the first phase of the East Wing renovations in the Capitol. This appropriation includes lump sum spending authority.

CARRIED:

Ayes: 15

Bair, Lee, Agenbroad, Woodward, Grow, Burtenshaw, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy

Nayes: 5

Mosman(Johnson), Crabtree, Ward-Engelking, Wintrow, Toone

Ab/Ex: 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 **Chairman Youngblood**.

MOTION:

Original Motion

Supplemental Appropriation

Cash Transfer for North and East Wing Renovations

Moved by **Rep. Troy**, seconded by **Sen. Bair** for FY 2019, that there is hereby appropriated and the State Controller shall transfer, \$3,890,700 from the General Fund to the Permanent Building Fund.

CARRIED:

Ayes: 15

Bair, Lee, Agenbroad, Woodward, Grow, Burtenshaw, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy

Nayes: 5

Mosman(Johnson), Crabtree, Ward-Engelking, Wintrow, Toone

Ab/Ex: 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 **Chairman Youngblood**.

MOTION:

Original Motion

Supplemental Appropriation

Purchase of Property

Moved by **Rep. Troy**, seconded by **Sen. Bair** for the Department of Administration, Division of Public Works, an FY 2019 supplemental appropriation of \$1,955,000 from the Permanent Building Fund for the acquisition of available properties near or adjacent to the Capitol Mall area. The Department shall initiate purchase negotiations as soon as practicable and shall complete such purchase on behalf of and in the name of the State of Idaho.

CARRIED:

Ayes: 18

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

Nayes: 2

Mosman(Johnson) and Crabtree

Ab/Ex: 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 **Chairman Youngblood**.

MOTION: **Original Motion**
Supplemental Appropriation
Cash Transfer for Purchase of Property
Moved by **Rep. Troy**, seconded by **Sen. Bair** for FY 2019, that there is hereby appropriated and the State Controller shall transfer, \$1,955,000 from the General Fund to the Permanent Building Fund.

CARRIED: **Ayes: 18**
Bair, Lee, Agenbroad, Woodward, Grow, Burtenshaw, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Wintrow, Toone
Nayes: 2
Mosman(Johnson) and Crabtree
Ab/Ex: 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 **Chairman Youngblood**.

UNANIMOUS CONSENT: On request by **Rep. Troy**, granted by unanimous consent to accept the following language.

INTENT LANGUAGE: Any property acquired under Section 2 of this legislation shall become part of the Capitol Mall and the Department of Administration shall promulgate rules as required to implement same. Further, the Department shall bring forth legislation during the next legislative session to specifically include the property as part of the Capitol Mall.

UNANIMOUS CONSENT: On request by **Rep. Troy**, granted by unanimous consent to accept the following language to be included in each of the appropriation bills for the previous three projects approved by this committee for the Department of Administration, Division of Public Works.

INTENT LANGUAGE: Notwithstanding the provisions of Section 5, Chapter 302, Laws of 2018, and any other provision of law to the contrary, of the amounts appropriated in Section 2 of this act, the Division of Public works shall notify the State Controller of any unexpended and unencumbered moneys upon completion of each project and the State Controller shall transfer such moneys from the Permanent Building Fund to the General Fund, as soon as practicable.

To listen to the above presentations please [click here](#).

LSO STAFF PRESENTATION: **Paul Headlee, Division Manager**
In addition to legislative action, Idaho Code provides three ways to address revenue shortfalls, which include:
1. **Section 67-3512, Idaho Code**, authorizes the State Board of Examiners to reduce appropriations,
2. **Section 67-3512A, Idaho Code**, authorizes the Governor through executive order to reduce agency spending authority in the current fiscal year, and
3. **Section 57-814A, Idaho Code**, authorizes the State Board of Examiners to transfer moneys from the Budget Stabilization Fund to the General Fund. This authority is limited to 0.5% of the General Fund Original Appropriation for the

year just ending and would be the final accounting adjustment for the fiscal year. For the current fiscal year 2019, this amount would be limited to \$18.3 million.

**UNANIMOUS
CONSENT:**

On request by **Rep. Anderson**, granted by unanimous consent to accept the language for the State Board of Examiners, FY 2019 year-end transfer authority as follows.

**INTENT
LANGUAGE:**

TRANSFER FROM BUDGET STABILIZATION FUND TO GENERAL FUND. Notwithstanding the provisions of **Section 57-814A, Idaho Code**, and any other provision of law to the contrary, at the end of fiscal year 2019, if the state board of examiners determines that insufficient general fund moneys are available to meet the total revenues as stated in the legislative record for fiscal year 2019, the board is hereby authorized to direct the state controller to transfer certain unencumbered moneys from the budget stabilization fund to the general fund. Such transfers will be the final accounting adjustment to close fiscal year 2019 and shall be limited to the amount of the insufficiency or three and eighty-five one-hundredths percent (3.85%) of the original general fund appropriations made for fiscal year 2019, whichever is less. Any transfer made pursuant to this section from the budget stabilization fund to the general fund shall be specifically addressed in the governor's executive budget recommendation for the following year which is then subject to review or action by the legislature.

To listen to this presentation please [click here](#).

ADJOURN:

There being no further business to come before the Committee, **Chairman Youngblood** adjourned the meeting at 3:00 pm.

Representative Youngblood
Chair

Donna Warnock
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
5:00 P.M.
Room C310
Tuesday, April 09, 2019

BUDGET SETTING

SUBJECT	DESCRIPTION	PRESENTER
	TRAILER APPROPRIATIONS	
	S1204aa,aaH Medicaid Expansion Eligibility Requirements, <i>Department of Health & Welfare</i>	Jared Tatro, Principal Analyst

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Tuesday, April 09, 2019
TIME: 5:00 P.M.
PLACE: Room C310
MEMBERS PRESENT: Senators Co-chairman Bair, Mosman(Johnson), Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Oppenheimer(Ward-Engelking), Nye
Representatives Co-chairman Youngblood, Marshall(Horman), Anderson, Amador, Kauffman, Raybould, Syme, Troy, Wintrow, Burns(Toone)
ABSENT/EXCUSED: None
CONVENED: **Co-Chairman Bair** called the Joint Finance-Appropriations Committee (Committee) to order at 5:00 p.m.

LSO STAFF PRESENTATION: **DEPARTMENT OF HEALTH AND WELFARE**
Division of Welfare / Division of Medicaid, Medicaid Administration
Trailer Appropriation (S 1204aa,aaH)

LSO PRESENTER: **Jared Tatro, Principal Analyst, Legislative Services Office (LSO)**

MOTION: Original Motion
Moved by **Rep. Amador**, seconded by **Sen. Agenbroad**, for fiscal year 2020 to the Department of Health and Welfare, for the Division of Welfare, \$277,300 from the General Fund, and \$1,175,700 from federal funds, for a total of \$1,453,000.

DISCUSSION: These motions provide enough funding to begin the implementation of the requested actions set forth in S1204aa,aaH Given the uncertainty of waiver approval and actual numbers of people that will be affected by each waiver, a supplemental or rescission may be necessary next session. This motion does not include the FTP authority as the department has sufficient existing authority that can be used. Finally, this motion provides 9 months of personnel costs and if all the waivers are approved then the remaining 3 months will be included in the FY 2021 budget as an annualization.

CARRIED: **AYES: 16**
Bair, Mosman(Johnson), Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Youngblood, Marshall(Horman), Anderson, Amador, Kauffman, Raybould, Syme, Troy

NAYS: 4
Oppenheimer(Ward-Engelking), Nye, Wintrow, Burns(Toone)

ABSENT/EX: 0

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

MOTION: Original Motion
Moved by **Rep. Amador**, seconded by **Sen. Agenbroad**, for fiscal year 2020 to the Department of Health and Welfare, for the Division of Medicaid, \$506,800 from the General Fund, and \$650,800 from federal funds, for a total of \$1,157,600.

DISCUSSION: This motion includes \$275,000 one-time from the General Fund and \$419,000 one-time from Federal Funds.

SUBSTITUTE MOTION: Substitute Motion
Moved by **Rep. Wintrow**, seconded by **Sen. Nye**, for fiscal year 2020 to the Department of Health and Welfare, for the Division of Medicaid, \$21,506,800 from the General Fund, and \$650,800 from federal funds, for a total of \$21,157,600.

DISCUSSION: This motion provides enough funding to begin the implementation of the requested actions set forth in S1204aa,aaH for Medicaid, plus the amount of appropriation that will be needed to account for the difference in what the federal government is paying now for individuals at 100%-138% FPL on the exchange. This extra funding is added as the waiver will only be approved with cost neutrality for the federal government, and this legislation is silent on how the state will reach the neutrality. Given the uncertainty of waiver approval and actual numbers of people that will be affected by each waiver, a supplemental or rescission may be necessary next session. This motion does not include the FTP authority as the department has sufficient existing authority that can be used. Finally, this motion provides 9 months of personnel costs and if all the waivers are approved then the remaining 3 months will be included in the FY 2021 budget as an annualization.

FAILED: **AYES: 5**
Mosman, Oppenheimer, Nye, Wintrow, Burns

NAYS: 15
Bair, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Youngblood, Marshall(Horman), Anderson, Amador, Kauffman, Raybould, Syme, Troy

ABSENT/EX: 0

CARRIED: Original Motion:
AYES: 16
Bair, Mosman, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Nye, Youngblood, Marshall(Horman), Anderson, Amador, Kauffman, Raybould, Syme, Troy

NAYS: 3
Oppenheimer, Wintrow, Burns

ABSENT/EX: 0

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

**UNANIMOUS
CONSENT:**

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

SECTION 2. WAIVER REQUIREMENTS. If any federal waiver provided for in Senate Bill No. 1204aa,aaH, as enacted by the First Regular Session of the Sixty-fifth Idaho Legislature, is not approved by the appropriate federal government authorizing agency, any funding provided in Section 1 of this act that has not already been expended or encumbered shall revert to its original funding source. Further, the Department of Health and Welfare shall provide to the Legislature detailed reports on all expenditures made for each required waiver. The department shall submit these reports and, as needed, present a status update to the Legislature by October 1, 2019, and again by January 3, 2020.

ADJOURNED:

Having no further business before the Committee, Chairman Bair adjourned the meeting at 5:40 p.m.

Senator Bair
Chair

Elaine Leedy
Secretary