

STATEMENT OF PURPOSE

RS24768

This is an FY 2016 supplemental appropriation to the Department of Administration of \$13,140,000 from the General Fund to maintain the contractually required minimum beginning reserve fund balance in FY 2017 with Blue Cross of Idaho. The amount is based on projected estimates related to utilization and plan costs.

This is also the FY 2017 appropriation to the Department of Administration in the amount of \$20,274,700 with full-time equivalent positions capped at 138. It includes \$148,500 for the increased cost of benefits, \$14,000 in inflationary adjustments to pay for increased security costs at the State Capitol Building, \$107,200 for replacement items, \$140,200 for statewide cost allocation, an increase of \$258,600 for an ongoing 3% merit-based increase in employee compensation for permanent employees, and \$312,200 for the one-time cost of the 27th payroll period that will occur in FY 2017. This bill also provides funding for four line items:

Line item #1 shifts \$50,000 in personnel costs between programs for a net increase of \$0, in order to better align appropriations to anticipated expenditures across the entire department. The Insurance Management Program, which includes group insurance and risk management, has experienced management turnover in FY 2016. Attracting new management staff and other program reorganizations have put pressure on an already tight personnel budget. The changes will accommodate program restructuring and provide sufficient appropriation for vacation payoff, if necessary, without forcing the programs to leave critical positions vacant.

Line item #2 provides \$78,100 for maintenance and utility costs. Revenue for the Capitol Mall is increasing in FY 2017 with the addition of new tenants in the Idaho Law and Justice Learning Center. Rent fees pay for repairs, janitorial services, security, landscaping, and utilities necessary to operate the Capitol Mall facilities and this line item provides the appropriation the department needs to spend the increased receipts.

Line item #3 discontinues the state employee wellness program, called ThriveIdaho, and reflects a reduction of one FTP, and a decrease of \$79,600 in personnel costs and \$5,700 in operating expenditures.

Line item #4 shifts \$175,000 in ongoing personnel costs from the General Fund to dedicated funds in the Division of Purchasing because the dedicated fund balances are adequate enough to support existing operations and the General Fund is not needed. Revenues in the dedicated fund come from agencies with General, dedicated, and federal funds.

FISCAL NOTE

	FTP	Gen	Ded	Total
FY 2016 Original Appropriation	139.50	3,393,700	16,208,800	19,602,500
1. Legal Fees for IEN Lawsuit	0.00	229,300	0	229,300
2. Transfer Grant Funds to Public Schools	0.00	0	176,000	176,000
3. Return Albertson Foundation Grant	0.00	0	461,800	461,800
4. GF Transfer to Insurance Reserves	0.00	13,140,000	0	13,140,000
Cash Transfers and Adjustments	0.00	(13,140,000)	(176,000)	(13,316,000)

Statement of Purpose / Fiscal Note

\$1419

FY 2016 Total Appropriation	139.50	3,623,000	16,670,600	20,293,600
Removal of One-Time Expenditures	0.00	(229,300)	(763,100)	(992,400)
Base Adjustments	(0.50)	(19,800)	19,800	0
FY 2017 Base	139.00	3,373,900	15,927,300	19,301,200
Benefit Costs	0.00	25,600	122,900	148,500
Inflationary Adjustments	0.00	0	14,000	14,000
Replacement Items	0.00	0	107,200	107,200
Statewide Cost Allocation	0.00	9,000	131,200	140,200
Change in Employee Compensation	0.00	40,200	218,400	258,600
27th Payroll	0.00	62,000	250,200	312,200
FY 2017 Program Maintenance	139.00	3,510,700	16,771,200	20,281,900
1. Change Personnel Cost Appropriations	0.00	0	0	0
2. Rent Increases to Match Cash	0.00	0	78,100	78,100
3. Discontinue Wellness Program	(1.00)	0	(85,300)	(85,300)
4. Procurement PC Fund Shift	0.00	(175,000)	175,000	0
FY 2017 Total	138.00	3,335,700	16,939,000	20,274,700
Chg from FY 2016 Orig Approp	(1.50)	(58,000)	730,200	672,200
% Chg from FY 2016 Orig Approp.	(1.1%)	(1.7%)	4.5%	3.4%

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