

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Wednesday, January 17, 2018

TIME: 8:00 A.M.

PLACE: Room C310

MEMBERS PRESENT: Senators Co-chairman Keough, Bair, Mortimer, Martin, Souza, Lee, Agenbroad, Crabtree, Ward-Engelking, Nye

Representatives Co-chairman Bell, Youngblood, Miller, Burtenshaw, Horman, Malek, Anderson, Dixon, King, Wintrow

ABSENT/ EXCUSED: None

CONVENED: Senator Keough convened the meeting at 8:00 A.M.

AGENCY PRESENTATION: **OFFICE OF THE GOVERNOR: STEM ACTION CENTER**

LSO STAFF PRESENTATION: **DR. ANGELA HEMINGWAY, EXECUTIVE DIRECTOR:** Introduced the STEM staff. Reviewed the year and the success of the program and explains where funds have gone and proved to be efficient.

JANET JESSUP: Reviewed the agency's FY 2018 budget and line items.

HEMINGWAY: Reviews the line items for the agency and the grants.

JESSUP: Reviewed the FY 2019 budget and the Governor's recommendation for the budget without questions from the Committee reviews the four line items recommended by the Governor.

HEMINGWAY: Reviewed line item 1: FTP Financial Officer.

JESSUP: Reviewed the second line item of one FTP for Senior Research Analyst. ([AUDIO](https://go.usa.gov/xn6Zh)) (<https://go.usa.gov/xn6Zh>) ([PRESENTATION](https://go.usa.gov/xn6BC)) (<https://go.usa.gov/xn6BC>)

In response to committee questions, DAVE FULKERSON, DFM, stated that DFM provides financial accounting services to nine different agencies, the volume has grown expediently the last few years. The last several years the STEM Foundation had grown and the workload had increased. DFM did not have enough bandwidth in their shop to handle the on-growing need along with all the other responsibilities DFM had.

In response to other committee questions, DR. HEMINGWAY, stated the biggest lifts are in the legislation is that they are designated to provide a STEM best practices resource database for public education, higher education, informal STEM partners and other STEM related entities. Another heavy lift was to implementing pilot programs and evaluate those programs for scaling, so they look at every opportunity and determine the quality of that program. ([AUDIO](https://go.usa.gov/xn6Zh)) (<https://go.usa.gov/xn6Zh>)

JESSUP: Clarified Sen. Martin's question on the financial officer, noting that the requested FTP wouldn't be replacing four part-time FTPs from DFM. Reviewed the line item 3 for the Computer Science Initiative.

HEMINGWAY: We are getting national recognition and this is an amazing program. Reviews the third line item and the impact it has on the state.

JESSUP: Reviewed line item four IT/Telecommunications.

([AUDIO](https://go.usa.gov/xn6Zh)) (<https://go.usa.gov/xn6Zh>) ([PRESENTATION](https://go.usa.gov/xn6BC)) (<https://go.usa.gov/xn6BC>)

In response to committee questions, **JANET JESSUP**, stated some of the contributions are included on page 7 of the packets. One of the metric included in the Legislative Budget Book is Industry contributions, donations and in-kind. Information can be provided as a follow up to the committee, regarding a full list of contributions and from whom those contributions are coming from.

([AUDIO](https://go.usa.gov/xn6Zh)) (<https://go.usa.gov/xn6Zh>)

AGENCY STATE BOARD OF EDUCATION: SMALL BUSINESS DEVELOPMENT PRESENTATION:CENTERS

LSO STAFF KATIE SEWELL, STATE DIRECTOR: Introduced the staff and reviews the agency. The Idaho Small Business Development Centers (SBDC) provide counseling, training, research, and technical support service to small businesses and entrepreneurs. The center is headquartered at Boise State University with field offices at colleges and universities around the state.

PRESENTATION: **JANET JESSUP:** Reviewed the FY2017 expenditures and reviewed the FY 2018 budget. ([AUDIO](https://go.usa.gov/xn69s)) (<https://go.usa.gov/xn69s>) ([PRESENTATION](https://go.usa.gov/xn69H)) (<https://go.usa.gov/xn69H>)

In response to committee questions, **JANET JESSUP** reviewed the object transfer and those moneys are for the purposes of making sure they are including increases for the maintenance increases for CEC and health insurance and they are calculated within the budget as being PC. However, it goes out to the individual officers, throughout the state, as OE from the accounting system from the administration offices at BSU.

JESSUP: Reviewed the FY 2019 and one line item, FTP for two part-time positions, that was not recommended by the governor. ([AUDIO](https://go.usa.gov/xn69s)) (<https://go.usa.gov/xn69s>)

In response to committee questions, **DAVID HAHN, DFM**, reviewed why the Governor did not support two part-time positions and states the Governor supports the SBDC as evidence of the fact that back in FY 2016, the Governor recommended and this body provided four business consultants to the Small Business Development Center. This year with available funding, the Governor had to prioritize, just as this body has to do. The Governor really wanted to focus on certain other areas of the budget, and what you will see throughout, especially with the higher education area, and this does fall within BSU, is the emphasis of the task force recommendations. ([AUDIO](https://go.usa.gov/xn69s)) (<https://go.usa.gov/xn69s>)

AGENCY STATE BOARD OF EDUCATION: TECHHELP PRESENTATION:

LSO STAFF **STEVE HATTEN, EXECUTIVE DIRECTOR:** TechHelp provides manufacturing consulting services to small and medium sized companies. TechHelp is a partnership of Idaho's three state universities and is an affiliate of the National Institute of Standards and Technology Manufacturing Extension Partnership. It is also Idaho's Economic Development Administration University Center, targeting economically distressed areas of Idaho.

JANET JESSUP: Reviewed the FY 2017 and FY 2018 expenditures. There is one line item for the FY 2019 and asked for 2.50 FTP for three part-time positions. ([AUDIO](https://go.usa.gov/xn6Xa)) (<https://go.usa.gov/xn6Xa>) ([PRESENTATION](https://go.usa.gov/xn6XC)) (<https://go.usa.gov/xn6XC>)

In response to committee questions, **DAVID HAHN, DFM**, states the answer stands as with SBDC. The available funds and priorities of funds and targeting certain areas, as opposed to doing a little bit for everybody. We wanted to focus on those available funds and recommendations on those task force recommendation. ([AUDIO](https://go.usa.gov/xn6Xa)) (<https://go.usa.gov/xn6Xa>)

AGENCY **STATE BOARD OF EDUCATION: CAREER-TECHNICAL EDUCATION**
PRESENTATION:

PRESENTER: **DWIGHT JOHNSON, ADMINISTRATOR:** Reviewed the agency, including five programs: State Leadership and Technical Assistance, General programs, Post-Secondary Programs, Dedicated Programs and related programs.

JANET JESSUP: Reviewed the FY 2017 expenditures. ([AUDIO](https://go.usa.gov/xnFgb)) (<https://go.usa.gov/xnFgb>) ([PRESENTATION](https://go.usa.gov/xnFgX)) (<https://go.usa.gov/xnFgX>)

In response to committee questions, **JANET JESSUP** and **KATHLEEN WATKINS, CTE FINANCIAL OFFICER**, reviewed the reversions and state there was a reverted appropriation of \$833,100. The majority of these appropriations were from dedicated funds, where the appropriation was an appropriation to spend monies that came into those funds. If money didn't go into those funds, then money didn't come out of those funds. The majority of those funds that were reverted, the 0349-60 and 0349-61, the spending authority was reverted in those so the agency could rely on statue appropriation that was done last year in the Legislature. The 0401-00 fund, that is a fund that the agency give to Human Resources, when we moved those positions over last year and moved that program. ([AUDIO](https://go.usa.gov/xnFgb)) (<https://go.usa.gov/xnFgb>)

JESSUP: Reviewed the B-12 forms and reviewed the FY 2018 appropriations.

JOHNSON: Reviewed the 10 line items and yield for further information needed.

JESSUP: Reviews the FY 2019 Budget and a supplemental request.

JOHNSON: CTE have met with medical personnel throughout the state and felt as though these funds would benefit to the nursing program.

JESSUP: Reviews the replacement items and reviews the line items that the Governor recommended.

JOHNSON: One of the major recommendations will better connect K-12 to college; In response we are suggesting a Middle School CTE programs;

([AUDIO](https://go.usa.gov/xnFgb)) (<https://go.usa.gov/xnFgb>) ([PRESENTATION](https://go.usa.gov/xnFgX)) (<https://go.usa.gov/xnFgX>)

In response to committee questions, **DWIGHT JOHNSON, ADMIN**, stated that CTE was proposing legislation to start CTE programs 7th grade. The agency do not expect to launch this program until 2020, but we could come back with specific requests for expanded funding for implementation.

([AUDIO](https://go.usa.gov/xnFgb)) (<https://go.usa.gov/xnFgb>)

JESSUP: Reviewed the second line item.
([AUDIO](https://go.usa.gov/xnFgb)) (<https://go.usa.gov/xnFgb>) ([PRESENTATION](https://go.usa.gov/xnFgX))
(<https://go.usa.gov/xnFgX>)

In response to committee questions, **DAVID HAHN, DFM** stated the Governor wanted to expand the other five areas shown in the description and adopt a phase approach. Last year the legislature appropriated \$300,000. The recommendation from the Governor would take the program to \$600,000. The phase approach would allow the agency to address other critical priority needs, yet still make progress in a fully developed program. ([AUDIO](https://go.usa.gov/xnFgb)) (<https://go.usa.gov/xnFgb>)

JESSUP: Reviewed line item three
JOHNSON: Explained how the agency came to that line item three amount.
([AUDIO](https://go.usa.gov/xnFgb)) (<https://go.usa.gov/xnFgb>) ([PRESENTATION](https://go.usa.gov/xnFgX))
(<https://go.usa.gov/xnFgX>)

In response to committee questions, **DWIGHT JOHNSON** stated that expanding that pipeline allows institutions to create more supply of skilled workers to meet that demand and the agency has not done a specific cost analysis on this program as far as return on investment as far as wages, but could work with the Department of Labor for that. ([AUDIO](https://go.usa.gov/xnFgb)) (<https://go.usa.gov/xnFgb>)

JESSUP: Reviewed line item four Workforce Training Centers.
JOHNSON: Explained what the work force training centers do and their benefit the state.

JESSUP: Reviewed line item five, Centers for New Directions, was not recommended by the Governor.
([AUDIO](https://go.usa.gov/xnFgb)) (<https://go.usa.gov/xnFgb>) ([PRESENTATION](https://go.usa.gov/xnFgX))
(<https://go.usa.gov/xnFgX>)

In response to committee questions, **JANET JESSUP** stated that according to documents submitted as part of the request, one of the possible scenarios that could play out was not the closing of locations but limitations as to what services were offered and hours centers would be open. ([AUDIO](https://go.usa.gov/xnFgb)) (<https://go.usa.gov/xnFgb>)

JESSUP: Reviewed line item six, agricultural startup funding and line item seven, program alignment.

JOHNSON: Reviewed line item seven.
JESSUP: Reviewed line item eight, online CTE course development.
JOHNSON: Reviewed line item eight.

JESSUP: Reviews line item nine, and ten, 11 and 14.
([AUDIO](https://go.usa.gov/xnFgb)) (<https://go.usa.gov/xnFgb>) ([PRESENTATION](https://go.usa.gov/xnFgX))
(<https://go.usa.gov/xnFgX>)

In response to committee questions, **DAVID HAHN, DFM**, stated the Governor, consistent with other post-secondary budgets, did not recommend general fund replacement items from institutions. The reason for that, again, the Governor was targeting certain areas for funding and there were a lot of other big items that were prioritized. ([AUDIO](https://go.usa.gov/xnFgb)) (<https://go.usa.gov/xnFgb>)

AGENCY DEPARTMENT OF COMMERCE
PRESENTATION:

PRESENTER: **BOBBI-JO MEULEMAN, DIRECTOR:** Reviews the agency and introduces her staff.

KEITH BYBEE: Reviews the FY 2017 expenditures.
([AUDIO](https://go.usa.gov/xnFAG)) ([PRESENTATION](https://go.usa.gov/xnFAG))
(<https://go.usa.gov/xnFA7>)

In response to committee questions, **KEITH BYBEE** reviewed the details of the reversion, there is a large over appropriation in the Idaho Opportunity Fund, which helps recruit businesses to Idaho. They are authorized \$3 million annually.
([AUDIO](https://go.usa.gov/xnFAG)) (<https://go.usa.gov/xnFAG>)

BYBEE: Reviews the B-12 forms and more to the reversion that took place.
([PRESENTATION](https://go.usa.gov/xnFA7)) (<https://go.usa.gov/xnFA7>)

In response to committee questions, **BOBBI-JO MEULEMAN, DIRECTOR,** states how we dedicate out the funds that are collected from the 2% tax inside those are 45% of those stay within the state agency for state wide marketing efforts. We have a eight member travel counsel, who were appointed by the Governor, that represents the seven different regions of the state and one at large. They vote determining where those monies go back out. What regions bring it, they get that back. And 10% stays within the agency for administration.
([AUDIO](https://go.usa.gov/xnFAG)) (<https://go.usa.gov/xnFAG>)

BYBEE: Reviews FY 2018 appropriations.

MEULEMAN: Reviews what the appropriations and each line item that was appropriated.

BYBEE: Reviews FY 2019 replacement items and Reviews FY 2019 line items.
([AUDIO](https://go.usa.gov/xnFAG)) ([PRESENTATION](https://go.usa.gov/xnFAG))
(<https://go.usa.gov/xnFA7>)

In response to committee questions, **KEITH BYBEE** states the Opportunity fund is a fund that does not have a direct revenue source other than the general fund. It is for recruitment and retention business and used to fund necessary infrastructure. It has been a highly successful recruitment tool for the department over the years. The request is for \$1 million from the general fund to the opportunity fund. But it doesn't show as a general fund expenditure, it shows up as a general fund transfer. So revenue adjustment, we are adjusting revenue on that.

In response to other committee questions **MATTHEW WARNICK, DFM** states the Governor felt as though the cash value of uncommitted funds were enough to get through FY 2018–FY 2019.

In response to committee questions, **BOBBI-JO MEULEMAN,** states they are anticipating growth of about \$1 million just from those short term rentals. Those taxes will be put back into those properties going back to the regions. It is broken down is 45% will go to marketing, state wide, 45% will go back out to grants and 10% will be used for administration. ([AUDIO](https://go.usa.gov/xnFAG)) (<https://go.usa.gov/xnFAG>)

AGENCY **DEPARTMENT OF LABOR**
PRESENTATION:

PRESENTER: MELINDA SMYSER, DIRECTOR: Reviews the agency and introduces the staff. Reviews of the FY 2018 budget
BYBEE: Reviews the FY 2017 Expenditures and reviews their B-12 forms of the Dedicated Funds. Reviews the FY 2018 Line items.
SMYSER: Reviews the FY 2018 line items.
([AUDIO](https://go.usa.gov/xnFAf)) ([PRESENTATION](https://go.usa.gov/xnFAf))
(<https://go.usa.gov/xnFAv>)
BYBEE: Reviews the operating budget and reviews the FY 2019 replacement items.
([PRESENTATION](https://go.usa.gov/xnFAv)) (<https://go.usa.gov/xnFAv>)
BYBEE: Review FY 2019 budget and maintenance requests.
([PRESENTATION](https://go.usa.gov/xnFAv)) (<https://go.usa.gov/xnFAv>)

QUESTIONS: In response to committee questions, MELINDA SMYSER, states they have all those continued economic development conversations in their rural communities because once you get out of Ada County, it is rural. ([AUDIO](https://go.usa.gov/xnFAf)) (<https://go.usa.gov/xnFAf>)

AGENCY DEPARTMENT OF LABOR
PRESENTATION:

PRESENTER: WENDI SECRIST, EXECUTIVE DIRECTOR: Reviews the Council and what the executive Order is doing.
KEITH BYBEE: Reviews the Workforce Fund Executive Order;
SECRIST: Reviews what the fund will do with the new monies.
([AUDIO](https://go.usa.gov/xnFAp)) (<https://go.usa.gov/xnFAp>) ([PRESENTATION](https://go.usa.gov/xnFAv))
(<https://go.usa.gov/xnFAv>)

CONVENED: There being no further business, Senator Keough adjourned the meeting at 11:03 A.M.

Senator Keough
Chair

Amberlee Honsaker
Secretary