

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