

Joint Senate Finance House Appropriations Committee



Minutes SECOND REGULAR SESSION OF THE SIXTY-FIRST IDAHO LEGISLATURE

Senate Finance Committee

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Shawn Keough (R) Vice-Chair Sandpoint
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Bert Brackett (R) Rogerson
Dean Mortimer (R) Idaho Falls
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House Appropriations Committee

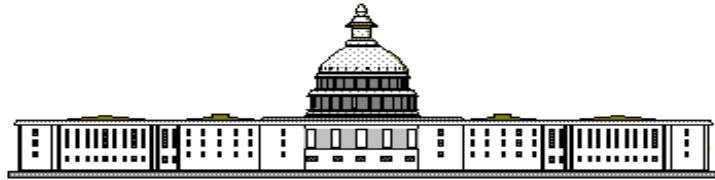
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Committee Secretaries

Peggy Moyer
Kathryn Yost

Senate Finance
House Appropriations

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Legislative Branch, Governor's Office, Lieutenant Governor, Division of Financial Management, CEC Committee, Employee Compensation and Benefits

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Department of Correction, Commission for Pardons and Parole, Department of Juvenile Corrections, Idaho State Police, Judicial Branch, State Appellate Public Defender, Attorney General, Military Division, Office of Drug Policy, Millennium Fund, Appropriation Bill Coordinator, Legislative Systems Coordinator (GEMS)

Ray Houston, Principal Analyst

Department of Environmental Quality, Department of Fish and Game, Department of Lands, Endowment Fund Investment Board, Department of Agriculture, Department of Parks and Recreation, Department of Water Resources, Soil & Water Conservation Commission, Public Utilities Commission, Office of Energy Resources, Office of Species Conservation, Statewide Budget and Reconciliation Reports

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Superintendent of Public Instruction (State Dept. of Education), Public School Support/Financing, Educational Services for the Deaf & Blind, Educational Public Broadcasting System, College and Universities, Community Colleges, Office of the State Board of Education, Professional-Technical Education, Agricultural Research and Extension, Health Education Programs, Special Programs

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Department of Commerce, Department of Finance, Industrial Commission, Hispanic Commission, Department of Insurance, Department of Revenue & Taxation, Revenue/Expenditure Update Reports & Tax Policy, Department of Labor, State Treasurer, Regulatory Boards, Division of Building Safety, State Liquor Division, State Lottery, Economic Outlook Committee, Revenue Monitoring/General Fund Update, Redistricting Commission

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Department of Health & Welfare, Medically Indigent Health Care (CAT Fund), Public Health Districts, State Independent Living Council, Vocational Rehabilitation, Division of Veteran Services, Medical Boards, Commission for the Blind & Visually Impaired, Commission on Aging, Health Care Task Force

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Department of Administration, Permanent Building Fund, Capitol Commission, Idaho Transportation Department, Division of Human Resources, PERSI, Arts Commission, Secretary of State, State Controller, Historical Society, Commission for Libraries, Board of Examiners

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JFAC COMMITTEE MEETING MINUTES

1/10/12

The hearing was held in C310, Statehouse, commencing at 8:00 a.m. and concluding at 10:19 a.m. with Chairman Cameron presiding.

Roll Call:

Senators: Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, LeFavour

Representatives: Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Excused: Bilyeu

Staff Present: Holland-Smith, Burns, Houston, Headlee, Bybee, Ellsworth, Lockett

Welcome and Introductions

Presenter: Cathy Holland-Smith, Division Manager, Budget & Policy Analysis

- ❖ Introduction of Staff

Review of Governor's Budget Recommendations

Presenter: Wayne Hammon, Administrator, Division of Financial Management

- ❖ Introduction of Staff
- ❖ Revenues and Updated Forecast
 - FY10-FY13 and % change
 - December revenue collections
 - Year-to-date revenues
- ❖ FY 2012
 - Grocery Tax Credit
 - Deficiency Warrants
 - ❖ Lands – fire suppression \$ 4,093,300
 - ❖ Military – hazardous materials \$ 69,800
 - ❖ Agriculture – invasive species \$ 58,200
 - General Fund Supplementals
 - ❖ CAT Fund \$17,604,900
 - ❖ Health and Welfare \$ 5,531,900
 - ❖ Other Agencies \$ 775,300
 - Total \$28,133,400

- ❖ FY 2013
 - Transfers to and from General Fund (changes from prior year)
 - ❖ Governor's recommendation includes statutory FSF transfer (\$9,456,200)
 - ❖ Governor's recommendation includes next phase of Grocery Tax Credit (\$15,532,300)
 - ❖ 5 per cent cap on overall General Fund growth
 - Three-tiered approach to new spending
 - ❖ Tier 1 - Governor's #1 priorities
 - Education – K-12 budget, Superintendent of Public Instruction budget, Higher Education budget
 - Creation of Idaho Global Entrepreneurial Mission (IGEM)
 - Mission
 - CAES - \$2 million
 - New research initiatives at universities - \$2 million
 - Partnership with private industry (Dept of Commerce) - \$1 million
 - Legislation to reorganize Innovation Council and implement IGEM vision
 - Strategies
 - ❖ Tier 1 - Priority #2 – Create jobs and advance economic development
 - IGEM - \$5 Million
 - Department of Commerce Grants - \$750,000
 - Tax Relief - \$45 million
 - ❖ Tier 1 - Priority # 3 - State Rainy Day Funds

• Statutory BSF transfer	\$ 9,456,200
• Additional transfers	\$50,543,800
○ BSF	\$16,523,800
○ PESF	\$29,040,000
○ HESF	\$ 4,980,000
 - ❖ Total transfer to rainy day funds
 \$60,000,000 |
 - ❖ Tier 1 - Priority #4 – State Employees
 - No CEC for state employees since FY 2009
 - All agencies had a 5% PC cut in FY 2010
 - State workforce reduced by 1,912 employees since FY 2008
 - Agencies have endured furloughs and vacancies
 - Statutory changes for elected officials (ongoing)
 - Setting aside funds equal to a merit based 3% CEC in all agencies and across all funds (one-time) including public schools
 - Fully funds changes in employee benefits
 - ❖ Tier 2 – Strategic Investments

- ❖ Tier 3 – Agency Initiatives
 - Replacement Capitol (non General Fund)
 - Inflation (non General Fund)
 - Limited Line Items
- Overall General Fund increase in spending limited to five percent
- ❖ Summary and ending balance

FY 2012 General Fund Update

Presenter: Cathy Holland-Smith, Division Manager, Budget and Policy Analysis

- ❖ FY 2012 estimated ending balance at Sine Die, Governor’s recommendation and difference
 - Governor’s Recommendation \$103,526,300
 - Est. balance at Sine Die \$ 3,121,900
 - Difference \$100,404,400
- ❖ FY 2012 General Fund Supplementals

	<u>Request</u>	<u>Governor’s Recommendation</u>
○ Total	\$29,493,300	\$23,912,300
○ Ongoing	\$20,842,200	\$ 4,027,000
○ One-Time	\$ 8,651,100	\$19,885,30
- ❖ FY 2013 Maintenance

	<u>Request</u>	<u>Gov. Rec.</u>	<u>Difference</u>
○ Bal after MCO	\$105,077,800	\$29,795,600	\$75,282,200
- ❖ FY 2013 Line Items

	<u>Request</u>	<u>Gov. Rec.</u>	<u>Difference</u>
○ Est. Ending Bal.	(\$41,292,100)	\$ 729,100	\$42,021,200
○ % change from orig. Approp	12.1%	5.0%	(7.1%)
○ % change from total Approp.	10.8%	4.0%	(6.8%)

ADJOURNED

Dean L. Cameron, Chairman

Peggy Moyer, Secretary

JFAC COMMITTEE MEETING MINUTES

1/11/12

The hearing was held in Room C310, Statehouse, commencing at 8:00 a.m. and concluding at 10:56 a.m. with Chairman Bell presiding.

Roll Call:

Senators: Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour

Representatives: Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Absent/Excused: None

Staff Present: Holland-Smith, Lockett

Others Present: Teresa Luna, Dept of Administration; Bill Burns, Division of Purchasing

STATE WORK FORCE BUDGET ISSUES

Presenter: Cathy Holland Smith, Division Manager, Budget and Policy Analysis

- ❖ Measuring the Workforce
 - State Controller's Rainbow Report
 - Budget Database Appropriation History
- ❖ Terms
 - Appropriated and Non-Appropriated Agencies
 - Partially Appropriated Agencies
 - FTP Caps
 - Active Employees
- ❖ Three Agencies – Actual Experience
- ❖ Measuring the Workforce
 - Report comparing the workforce of January 2008 to January 2012 by agency
 - Source of data is State Controller's Rainbow Report
 - Counts active employees by categories
 - Non-Classified
 - Elected Officials
 - Board Members
 - Regular-agency directors, division administrators, employees of elected officials including legislative and judicial employees. Others as defined by Idaho Code.
 - Part-Time – permanent part-time employees of elected officials, Legislature, Judicial Branch (with or without an FTP)

- Temporary or Group – works for 8 months out of 12 (or less), or 2/3 time on a seasonal, sporadic basis, or ongoing basis.
- Counts active employees by categories
 - Classified
 - Regular– majority of state workers with an associated unique position control number (PCN) and full-time equivalent FTP)
 - Part-Time – permanent part-time employees with and FTP
- ❖ Agencies Measured Differently
 - Included in the Rainbow Report but not a state agency
 - State Insurance Fund
 - FTP’s in budgeted programs included in other budgeted programs
 - Ag Research & Extension
 - Health Education Programs
 - Special Programs
 - College and Universities
 - Appropriated FTP’s but not state employees, Professional-Technical Education
 - Community Colleges
 - FTP’s not appropriated but are state/local employees
 - Public Health Districts
 - Correctional Industries
 - Department of Labor (most)
 - Elected Officials with an FTP
 - Constitutional officers
 - Judges
 - Elected Officials/Appointees without an FTP
 - Senators
 - Representatives
 - Board Members

❖ Breakdown of Active Employee Types

	<u>2012</u>	<u>2008</u>	<u>Diff</u>	<u>%Chg</u>
○ Elected Officials	246	251	(5)	(1.9%)
○ Board Members	562	540	22	4%
○ NC Regular	6,957	6,641	316	4.7%
○ NC Part-Time	3,806	5,221	(1,415)	(27.1%)
○ Total Non-Classified	11,571	12,653	(1,082)	(8.5%)
○ Classified Regular	12,590	12,590	(507)	(4%)
○ Classified Part-Time	544	797	(253)	(31.7%)
○ Total Classified	12,627	13,387	(760)	(5.6%)
○ Active Employees	24,198	26,040	(1,842)	(7.0%)

- ❖ Three Agencies – Actual experience
 - Office of Attorney General
 - Percent of Change from 2008 to 2012
 - Funded mostly for personnel costs with little relief when budgets were reduced – 91% in PC
 - Increased demand for services by agencies willing to pay directly to Services Fund, for agencies willing to pay directly to AG Office
 - Negative funding variance with current FTP
 - Department of Correction
 - Percent of change from 2008 to 2012
 - Received partial relief from budgetary cuts in FY 2011 and FY 2012/negative funding variance in General Fund remains
 - Shifted FTP from General Fund to dedicated funds
 - Create transitional correctional officer position for POST trainees to deal with high turnover
 - High turnover puts pressure on current workforce to work overtime without immediate compensation
 - Maximizes appropriated FTP but having difficulty projecting PC expenditures due to uncertainties
 - Tax Commission
 - Percent of change from 2008 to 2012
 - Received targeted funding for audit & collections
 - Pressures to redistribute new funding to balance workload in support functions to maintain expansion
 - Transfers and the Governor recommended redistribution of funding from Audit & Collections into General Services and Property Tax
 - Requested transfers and the Governor recommended redistribution of funding from Audit & Collections into General Services and Property Tax
 - Negative funding variance with current FTP

OFFICE OF THE GOVERNOR, Division of Human Resources

Presenter: Vicki Tokita, Administrator

- ❖ FY 2013 Change in Employee Compensation & Benefits
 - Total Employees as of January 2012, 24,090
 - Current State Employee Workforce
 - Classified Full-time – 12,078
 - Classified Part-Time – 544
 - Non-Classified Elected Officials – 246
 - Non-Classified Full-Time – 6,929
 - Non-Classified Temporary/Part-Time – 3,756
 - Historical comparison of the Change in Employee Compensation(CEC)
 - Salary market levels compared to CEC appropriation
- ❖ Salary Survey Information

- ❖ Employee Compensation and Retention
 - Provide more meaningful profile of employees that are voluntarily leaving state service
 - Exit interviews – Document “A”
 - Turnover data – Document “B”
 - List of all separation code – Document “C”
- ❖ Executive Summary – FY 2013 Change in Employee Compensation (CEC) Report
 - Workforce data:
 - Number of classified employees, as of October 2011, is 12,604. This is a decrease of 93 employees from October 2010.
 - Number of non-classified employees (excluding higher education and temporary staff), as of October 2011, is 2,114. This is a decrease of 46 employees from October, 2010.
 - Compa-ratio for classified staff was 82.8% and the average classified hourly pay rate was \$18.98. This is a reduction from the same time the prior year with compa-ratio of 83.4% and average classified hourly pay rate of \$19.08.
 - Current salary structure unchanged since 2009.
 - FY 2011 total turnover rate is 12.1% compared to 12.8% prior year.
 - For all employees who separated in FY 2011, average length of state service was 9.8 years
 - FY 2011 voluntary turnover rate is 4.7% compared to 4.8% the prior year
 - For employees who voluntarily separated in FY 2011, average length of state service was 5 years.
 - Salary and Benefit recommendations
 - Maintain current salary structure
 - Maintain current benefit package
 - Continue 21 job classifications that are currently on pay line exception
 - Provide funding for a merit-based 3% increase in each agency's personnel budget
 - Total investment to fund proposed increase is approximately \$15 million from the General Fund and \$17.9 from all other funds combined
 - 2011 salary surveys indicate State employee salaries are on average 18.6% below the external labor market
 - The most recent CEC increase was appropriated in FY 2009
- ❖ Budget request for Performance Management System: I-PERFORM: \$100,000

**Presenter: Neville Kenning, Consultant
(Addressing Employee Compensation and Benefits)**

- ❖ Six Key Issues
 - Benefits conceived as salary
 - Record improvement and no raise in salaries for 3 years
 - Difficult to advertise and to plan
 - Christmas bonuses are no help
 - Some value in lump-sum payments
 - Increased retirement costs

**Presenter: Robert L. Geddes, Chairman, Idaho Tax Commission
(Addressing Employee Compensation and Benefits)**

- ❖ High Regard for the Staff and Managers
 - Qualifications
 - Professionalism
 - Commitment
 - Underappreciated
- ❖ Concerns
 - Retention
 - Recruitment
 - How to reward and motivate
 - Employees forced to have second and even third job to make ends meet
 - Status quo is not stimulating or motivating
- ❖ Employee Compensation a Critical Component

**SELF GOVERNING AGENCIES:
Idaho State Historical Society and Department of Administration**

Presenter: Janet Gallimore, Executive Director

- ❖ Recommend merger of the Idaho State Historical Society (ISHS) records functions with the Department of Administration's State Records Center (SRC) and the Idaho State Archives (ISA) under the direction of ISHS
 - Outcome
 - To enhance constituent access to, and preservation of, essential records of fiscal, administrative, legal, vital and long-term value
 - Purpose and Vision
 - Streamline current records management, enhance efficiencies, and reduce redundancies
 - Enhance access through analysis, review, and recommended upgrades
 - Recommend alternatives for sustainable long term program and fiscal models
 - Records Management dates back to 1883
 - Key Challenges
 - Complex state records management program

- No unified, secure online catalog access
- No public online catalog access
- No unified electronic imaging & digital-born records program
- Substantial volume of records held and management services provided for cities and counties
- Resources do not correlate with demand for services
- Key Work Products
 - Analysis of records, holdings
 - ISA/SRC records lifecycle mapping
 - Customer service/satisfaction survey of County Clerks that indicates support for centralized facility and aligned systems
 - Benchmarking of 35 states
 - ISA/SRC consolidation SWOT analysis
 - Stakeholder communication
 - Staff consultation & site visit of Utah's State Archives/Records Center
 - Three-phase plan conceptualized & proposed legislation drafted for 2012 Phase 1
- Idaho State Archives & Research center – Statute 67-4126
 - State, county, city government records and other public records under custody and archival resources under management
 - Secure, environmentally controlled facility
- 123,000 cubic feet of records in custody
 - 41,798 cubic feet of state agency records
 - 68,679 cubic feet of county records
 - 12,523 cubic feet of city and other public records
- 20,000 books, periodicals, & finding aids
 - Idaho & Pacific Northwest titles
 - Territorial, state, county, and town histories
 - City and county directories
 - Indexes to census records
 - Military
 - Immigration records
 - Historical and genealogical periodicals
- 26,000 maps
 - Northwest and Idaho maps from pre-territorial times to present, Sanborn fire insurance maps and older US Geological survey maps
- 40,000 rolls of microfilm
 - Idaho newspapers from 1894 to present
 - Idaho county records from 1860s through the mid-twentieth century
 - Selected records from the National Archives
 - U.S. Census for all states
- 2,700 oral history recordings
 - Interviews with Idaho residents recalling historical and contemporary events, sites, occupations; and social, cultural, and political activities

- 1,750,000 photographs
 - Historic and contemporary photographs, postcards, motion picture files, and slides of Idaho's people, communities, and natural features
- Idaho State Archives: constituent access
 - Fulfills 17,000 information requests annually
- Maps used to identify irrigation districts
 - DEQ requested irrigation district information
 - ISA provided Carey Act maps, project plans, and agricultural land use documents, to resolve a two year search
- Documents establish property rights
- Documents prove right-of-way claim
- Disaster proclamation needed for federal grant
- VA required proof for benefits
- Bellevue attorney needed trial documents
- Records prevent prisoner's release
- Idaho State Records Center – Statute 67-5751
- 33,000 feet records under SRC custody
- State agency access
- 150,000 total feet of records
- ❖ Budget Analysis
 - Archives and Records Center combined expenditures – FY 2009 through FY 2011
- ❖ Operating budget for FY 2011 by category
 - Security, utilities, space rental: \$265,960; 65%
 - Repairs, maintenance, communications, contracts: \$83,244; 21%
 - Operating supplies: \$32,731; 8%
 - Insurance, government overhead; \$25,270; 6%
- ❖ Good governance requires appropriate records management
 - Records are essential for transparency in government and for meeting constituent needs
- ❖ Source of Funds – FY 2011
 - ISA – General Fund: \$655,272; 74%
 - State records – cost recovery: \$225,685; 26%
- ❖ Rationale for ISA/SCR consolidation
 - ISA and SRC have existed as separate but aligned agencies
 - Streamlining records management will provide efficient and high quality service to constituents
 - Longer term vision of enhanced funding for records management for the state, cities, and counties
- ❖ Benefits of ISA/SRC consolidation
 - Unified program
 - Eliminate confusion
 - Seamless, streamlined customer service
 - Realizes “Blue Ribbon Committee” goal
 - Efficiencies through aligned staff and operations

- ❖ Phase 1 Goal
 - Streamline the state's current records management, enhance efficiencies, and reduce redundancies
 - Action steps
 - Merge "as-is"
 - Create new organizational structure
 - Consolidate storage facilities
 - Determine data and inventory management systems
 - Identify and implement any other efficiencies
- ❖ Phase II Goal
 - Enhance constituent access through consultant program analysis and recommend upgrades to assist the State of Idaho in meeting statutory requirements for current and future state records management services.
 - Action steps – consultant study and recommendations for:
 - Unified database
 - On-line catalog
 - Cost projections for future storage
 - Standardized protocols
 - Description of state-wide records training program
 - Projection of budget needs and alternative funding mechanisms
- ❖ Phase III Goal
 - Recommend alternatives for a sustainable program and fiscal model for long term records management program for state, city and county records of enduring fiscal, administrative, legal, vital and long term research value
 - Action steps
 - Evaluate merger experience
 - Evaluate consultant recommendations
 - Present prioritized program and funding alternatives

ADJOURNED

Representative Maxine Bell, Chairman

Kathryn Yost, Secretary

JFAC COMMITTEE MEETING MINUTES

1/12/12

The hearing was held in C310, Statehouse, commencing at 8:00 a.m. and concluding at 10:19 a.m. with Chairman Cameron presiding.

Roll Call:

Senators: Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour

Representatives: Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Excused: None

Staff Present: Holland-Smith, Burns, Houston, Ellsworth, Lockett

OFFICE OF THE GOVERNOR
Executive Office of the Governor

Presenter: Wayne Hammon, Administrator, Division of Financial Management

- ❖ Administrative Personnel
- ❖ Charts/Graphs
 - General Fund – Appropriation/Actual Expenditures
 - Authorized FTP
 - General Fund – Personnel Costs/Operating Expenditures
- ❖ FY 2013 Budget
 - Statutory change in pay for constitutional officers
 - Employee benefit costs
 - SWCAP adjustment
 - Lump-Sum Authority
- ❖ Changes in Workforce
 - No changes
 - Continue to operate with less staff
- ❖ Alternative Funding
 - No changes
- ❖ Structure
 - No changes
- ❖ Areas of Risk
 - Repairs to operational infrastructure remains unfunded

Division of Financial Management

Presenter: Wayne Hammon, Administrator, Division of Financial Management

- ❖ Administrative Personnel
 - Charts/Graphs
 - ❖ General Fund – Appropriation vs. Actual Expenditures
 - ❖ Authorized FTP's
 - ❖ General Fund – Personnel Costs vs. Operating Expenditures
- ❖ FY 2013 Budget
 - Employee benefit costs
 - SWCAP adjustment
 - Upgrade to Budget Development System
 - Economist position
- ❖ Changes in Workforce
 - No changes
 - Continue to operate with less staff
- ❖ Alternative Funding
 - No changes
- ❖ Structure
 - No changes
- ❖ Areas of Risk
 - Repairs to operational infrastructure remains unfunded

Public Employee Retirement System

Presenter: Don Drum, Executive Director

- ❖ Greatest Growth in 25 Years by end of Fiscal Year 2011
 - Highest asset value ever May 2, 2011 of 10.9%
 - Approaching fully funded status: 90.2%
 - 8.2 year amortization
 - Current value of fund on 6/30/11: \$11,976,780,730
 - Fiscal year change in market value: \$ 1,898,756,225
 - Fiscal year-to-date returns: 20.7%
- ❖ Impact to Idaho Economy
 - Of \$578 M paid out in benefits, \$515.4 M sent to Idaho retirees
 - Recently granted 1% COLA as mandated by Idaho Code
- ❖ Historical returns and funding
 - Funded percentages over several years
 - Funded status the last three years
 - Historical returns for the last 46 years
 - ❖ 3-year average: 7.03%
 - ❖ 5-year average: 6.58%
 - ❖ 10-year average: 7.07%
 - ❖ 46-year average: 8.31%
- ❖ Workload has increased while staff has declined

<u>Fiscal Year-End</u>	<u>Retirees & Annuitants</u>	<u>Incr. from Previous Yr</u>
2009	32,197	4.00%
2010	33,625	4.25%
2011	35,334	4.85%

- ❖ Idaho's Retirement Information System (IRIS)
- ❖ FY 2013 Budget Request
 - Replacement items total \$263,200 (mostly IT hardware and licenses)
- ❖ Demographic Information

DEFICIENCY WARRANTS

DEPARTMENT OF LANDS: Board of Land Commissioners

Presenter: Ray Houston, Principal Analyst, Budget and Policy

Fire Suppression Deficiency Warrants

Provides reimbursement for fire suppression on lands protected by the state and the two timber protective associations. The reimbursement matches the amount of the deficiency as of June 30, 2011.

Unanimous Consent Request

On request by Bell, granted by unanimous consent, the FY 2012 budget for the Department of Lands, Board of Land Commissioners, was reopened.

Carried

Original Motion

Moved by Bair, seconded by Patrick, to approve for introduction \$4,093,300 General Fund, \$0 dedicated funds, \$0 federal funds for a total of \$4,093,300 with FTP of 0.00.

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Cameron.

DEPARTMENT OF AGRICULTURE

Pest Deficiency Warrants

This money will retire deficiency warrants authorized by the Board of Examiners for agricultural pest control. Of the total, \$58,200 is for the actual costs incurred by the Idaho Department of Agriculture for FY 2011 and another \$4,400 is to retire a carryover

balance from a prior year.

Unanimous Consent Request

On request from Patrick, granted by unanimous consent, the FY 2012 budget for the Department of Agriculture, was reopened.

Carried

Original Motion

Moved by Patrick, seconded by Bair, to approve for introduction \$62,600 General Fund, \$0 dedicated funds, \$0 federal funds for a total of \$62,600 with FTP of 0.00.

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Cameron.

OFFICE OF THE GOVERNOR: Military Division

Presenter: Richard Burns, Principal Analyst, Budget and Policy

Hazardous Materials

Idaho Code, Section 39-7112, mandates the Military Division be responsible for recovering costs incurred arising out of a hazardous substance incident. Claims may be submitted by the state's regional response teams and local emergency response authorities for incident. Claims may be submitted by the state's regional responses and local emergency response authorities for reimbursement of certain costs incurred as a result of their response to and containment of a hazardous substance incident. In cooperation with the Attorney General's Office, the Military Division seeks recovery of these costs from the responsible party. The liability for costs associated with a hazardous substance emergency is the responsibility of the spiller. If the spiller is unknown, the Military Division may petition the Board of Examiners for issuance of a deficiency warrant to assure that local agencies are reimbursed for their expenses as soon as possible. This supplement is for one-time funding to pay deficiency warrants issued in response to costs associated with the cleanup of hazardous materials incidents throughout the state.

Unanimous Consent Request

On request by Bolz, granted by unanimous consent, the FY 2012 budget for the Office of the Governor, Military Division, was reopened.

Carried

Original Motion

Moved by Bolz, seconded by Bilyeu, to approve for introduction \$69,800 General Fund, \$0 dedicated funds, \$0 federal funds for a total of \$69,800 with FTP of 0.00.

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Cameron.

SUPPLEMENTALS

STATE BOARD OF EDUCATION: Vocational Rehabilitation

Presenter: Matt Ellsworth, Senior Analyst, Budget and Policy

Shift Council for the Deaf and Hard of Hearing (CDHH) back to General Fund

This supplemental requests an ongoing fund shift of \$146,300 from federal funds to the General Fund. Last session the Legislature decreased General Fund support for the council by \$90,200 and increased federal fund support by \$148,300. That shift and increase occurred because IDVR thought at the time that the council's activities were eligible for the federal Basic Support grant that provides the bulk of IDVR funds. IDVR, through conversations with the federal Rehabilitation Services Administration, has since learned that the council's activities are not eligible under the Basic Support grant. As a result, this request is to shift the full amount of the council's ongoing budget back onto the General Fund, as it was coming into FY 2011.

Unanimous Consent Request

On request by Broadsword, granted by unanimous consent, the FY 2012 budget for State Board of Education, Vocational Rehabilitation, was reopened.

Carried

Original Motion

Moved by Broadsword, seconded by Wood, to approve for introduction \$0 General Fund, \$(148,300) dedicated funds, \$0 federal funds for a total of \$(148,300) with FTP of 0.00.

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Cameron.

SELF-GOVERNING AGENCIES: Commission for Libraries

Presenter: Robyn Lockett, Budget and Policy Analyst

Transfer Capital Outlay to Operating Expenditures – ARRA Funds

Commission requests a transfer from capital outlay to operating expenditures for ARRA Funds for the Broadband Technology Opportunities Program in the amount of \$400,000. These funds should have been requested in operating expenditures from the outset. The full amount of the request is for operating expenditures and is funded in the Governor's recommendation.

Unanimous Consent Request

On request by Mortimer, granted by unanimous consent, the FY 2012 budget for the Commission for Libraries, Self-Governing Agencies, was reopened.

Carried Original Motion

Moved by Mortimer, seconded by Bell, to approve for introduction \$0 General Fund, \$0 dedicated funds, \$0 federal funds for a total of \$0 with FTP of 0.00.

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Cameron.

DEPARTMENT OF ADMINISTRATION

Presenter: Robyn Lockett, Budget and Policy Analyst

Restore Dedicated Fund Appropriation

The department requests an appropriation in four programs for a total of \$1,690,900. Due to the Omnibus Reduction in FY 2012, the department lost dedicated funds that are critical to the state's operations. There is adequate cash flow to support these requests

in 1) Management Services for \$176,400 (\$155,800 for personnel costs and \$20,600 for operating expenditures, 2) Information Technology for \$134,000 (24,900 from Indirect Cost Recovery Fund and \$109,100 from the Administration & Accounting Services Fund, 3) Public Works for \$1,340,500 from the Administration & Accounting Services Fund for Facility Services.

Unanimous Consent Request

On request by Mortimer, granted by unanimous consent, the FY 2012 budget for the Department of Administration, was reopened.

Carried

Original Motion

Moved by Mortimer, seconded by Jaquet, to approve for introduction \$0 General Fund, \$1,690,900 dedicated funds, \$0 federal funds for a total of \$1,690,900 with FTP of 0.00. (ongoing)

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Cameron.

Information Technology Resource Management Council

Transfer Funds from Capital Outlay to Operating Expenditures

Information Technology requests a transfer of \$490,000 in the Idaho Education Network Fund from capital outlay to operating expenditures. In the original FY 2012 budget request, \$490,000 of the \$590,000 capital outlay need was requested in anticipation that it would take three years to complete Phase 1 of the IEN and this money would be used to purchase video teleconferencing equipment. Phase 1 of the IEN was completed ahead of schedule, so the agency is requesting to spend the balance of \$490,000 for connectivity and video maintenance in operating expenditures. Idaho Code does not allow the transfer of appropriation from capital outlay to operating expenditures without legislative approval.

Carried

Original Motion

Moved by Jaquet, seconded by Mortimer, to approve for introduction \$0 General Fund, \$0 dedicated funds, \$0 federal funds for a total of \$0 with FTP of 0.00.

Ayes: 19

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Nays: 1

LeFavour

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 Cameron.

Bond Payments

The department requests \$400,000 from the Permanent Building Fund to cover the funds lost in the FY 2012 Omnibus Reduction, in addition to \$2,000 from the Administration & Accounting Services Fund to pay for operating expenditures for a total request of \$402,000.

Carried Original Motion

Moved by Jaquet, seconded by Keough, to approve for introduction \$0 General Fund, \$402,000 dedicated funds, \$0 federal funds for a total of \$402,000 with FTP of 0.00. (ongoing)

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Cameron.

ADJOURNED

Senator Dean L. Cameron, Chairman

Peggy Moyer, Secretary

JFAC COMMITTEE MEETING MINUTES

1/13/12

The hearing was held in Room C310, Statehouse, commencing at 8:00 a.m. and concluding at 10:44 a.m. with Chairman Bell presiding.

Roll Call:

Senators: Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour

Representatives: Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo

Absent/Excused: Jaquet

Staff Present: Holland Smith, Lockett, Ellsworth

LEGISLATIVE SERVICES OFFICE

Presenter: Jeff Youtz, Director, Legislative Services Office

- ❖ Legislative Council (24 members) (Idaho Code 67-407)
- ❖ Legislative Services Office, 62.0 positions filled
 - Administration, Jeff Youtz, Director (5.0 FTP's)
 - Plan, manage, and direct all activities of the Legislative Services Office. Provide staff support to the Legislative Council, provide human resources and financial transaction support for the agency; provide staff support to the Capitol Services Committee; manage the Legislative Information Center, the Capitol Tours Program and the Capitol Gift Shop. Coordinate publications, web site content and coordination with IPTV on Idaho Legislative Live broadcasts, and other public outreach functions.
 - Budget & Policy Analysis Division, Cathy Holland-Smith, Director (9. FTP's)
 - Coordinate the entire appropriations process in developing budget formats, timetables, and deadlines in protecting legislative branch priorities. Provide year-round nonpartisan professional expertise on state agency funding issues to JFAC and the Legislature. Draft all appropriation bills, bill packets and financial documents and maintain an electronic database and budget development system.
 - Research & Legislation Division, Mike Nugent, Director (13.0 FTP's)
 - Provide non-partisan research, bill drafting and tracking support for approximately 1,000 bills each year. Provide staff support for interim legislative study committees and task forces; provide information and analysis on agency rules which total approximately 250 dockets and

2,500 pages each year, and staff a Legislative Research Library that supports requests from legislators, staff and the public.

- ❖ Legislative Audit Division, Don Berg, Manager CGFM (27.0 FTP's)
 - Audit the Comprehensive Annual Financial Report (CAFR) each year involving 11 agencies with a deadline in December; conduct Statewide Federal Single Audit each year involving 7 agencies and 24 major programs with a deadline in March; provide individual audits or management review of approximately 32 agencies each year.
- ❖ Information Technology Division, Glenn Harris, Division of Manager (8.0 FTPs)
 - Manage and maintain the entire computer network system for the Legislature which includes 35 servers, 235 desktops, 175 laptops, 91 printers, and 8 tablets that are part of a pilot project. More than half of the legislators have Smart Phones and at least 25 legislators own i-Pads or Android tablets for which we also provide assistance. This division also manages and supports the e-mail system; maintains and improves the GEMS program; and manages and maintains the legislature's telephone system.
- ❖ A. Idaho Redistricting Commission
 - Initial Set-up and Preparation
 - GIS Redistricting Software, \$130,500
 - Hardware and Equipment, 27,800
 - Training, Supplies & Miscellaneous, \$15,000
 - Subtotal, \$173,300
- ❖ B. First Redistricting Commission (92 days)
 - Commissioner Compensation, \$19,900
 - Partisan Mapping Assist's, \$40,300
 - Travel, Hotel & Misc., \$27,000
 - GIS Support, \$47,800
 - Administrative Support & Misc., \$13,800
 - Subtotal, \$148,700
- ❖ C. Second Redistricting Commission (21 days)
 - Commissioner Compensation, \$6,600
 - Partisan Mapping Asst's, \$300
 - Travel, Hotel & Per Diem, \$16,300
 - GIS Support, \$14,600
 - Administrative Support & Misc., \$6,600
 - Subtotal, \$44,400
 - Total Expenditures: \$366,400
 - Total Appropriation: \$424,700
 - Amount Remaining, \$58,300
- ❖ Priorities
 - Employee Compensation: Most legislative staff have not received a permanent salary increase since June of 2008. A small one-time increase was provided at the end of FY 2011 for all LSO employees which essentially off-set the loss of compensation from furloughs.

- Employee Compensation: Idaho ranks dead last, #13 out of 13 western states, for compensation of executive level legislative staff (Director and Division Managers)
- Employee Compensation: 2011 salary surveys conducted by the Division of Human Resources indicate state employee salaries are now 18.6% behind external labor market salaries. Having the resources to retain talented staff is essential to the success of the agency.
- Idaho Code 67-5309A(3): It is hereby declared to be legislative intent that regardless of specific budgetary conditions from year to year, it is vital to fund necessary compensation adjustments each year to maintain market competitiveness in the compensation system. In order to provide this funding commitment in difficult fiscal conditions, it may be necessary to increase revenues, or to prioritize and eliminate certain functions or programs in state government, or to reduce the overall number of state employees in a given year, or any combination of such methods.

OFFICE OF THE STATE CONTROLLER

Presenter: Donna Jones, Idaho State Controller

- ❖ Meeting constitutional mandate in light of a diminished budget
 - SCO has endeavored to dramatically cut costs
 - Implemented 6 unpaid furlough days for employees in FY11, and up to 10 days in FY10
 - Realized salary savings through retirements, layoffs, and keeping vacant FTP's open
- ❖ A diminished budget has directly impacted their ability to:
 - Meet the office's constitutional mandate to provide accounting and payroll services to state agencies
 - Backfill mission critical staff functions in all divisions
 - Partner in additional IT consolidation efforts, even though such efforts may save significant money for the state
- ❖ The return on the investment in the Administrative Division
 - Provides the internal business services, such as budgeting, human resources and accounting that the SCO needs to operate
 - Supports the State Controller in the discharge of ex officio duties, such as serving the Land Board, Board of Examiners, Board of Canvassers, and as Idaho's State Social Security Administrator
- ❖ The return on the investment in the Division of Statewide Accounting
 - Earned a Certificate for Excellence in Financial Reporting from GFOA for the 14Th consecutive year for the FY10 CAFR
 - Implemented a major new accounting standard to increase transparency of governmental fund balances
 - Conducted internal control training for state agencies to educate them about segregation of duties and other procedures to help prevent fraud
 - Launched a new version of the online Travel Express application

- In conjunction with the Department of Labor, intercepted more than \$387,000 in payments to vendors that owed money to the state.
- ❖ The return on the investment in the Division of Statewide Payroll
 - Launched a new and enhanced version of Idaho Paperless Online Personnel System (IPOPS)
 - Eliminated the 90-day waiting period for new rehire employee insurance
 - Implemented a Board of Education directive to pay off excess vacation balances due to specific faculty changes
 - Worked with the Department of Administration to program an online Employee Compensation/Benefits Statement
 - Assisted state agencies with programming projects that streamline their internal processes.
- ❖ The return on the investment in the Computer Services Center
 - Successfully upgraded data backup technology to improve security and efficiency, and save money
 - Implemented major rewrites of our IPOPS and Travel Express applications, and completed this work with two fewer employees in the Application Development Bureau
 - Moved select applications from their mainframe computer to more cost effective servers, saving an ongoing \$50,000
- ❖ Consolidation Efforts
 - The Data Center houses servers, firewalls and other IT equipment for the state's consolidated e-mail system, the Department of Lands, Department of Commerce, the Idaho Potato Commission and several other agencies
 - Worked with the Department of Labor to migrate their mainframe applications to the SCO mainframe, allowing DOL to sunset its aging and difficult to maintain mainframe computer
 - The SCO Data Center has ample capacity and is ready to house IT equipment and provide technology solutions for many more state agencies
- ❖ Capital maintenance replacement items
 - The SCO is approaching a five-year replacement cycle for desktop and laptop computers, resulting in obsolete equipment being used throughout the office
 - Folder Sealer Machine
 - The SCO needs a dependable and serviceable backup machine for its work, processing more than a million forms each year
- ❖ OE increase for Computer Services
 - For at least five years, appropriations have been inadequate to fully fund Division of Statewide Accounting (DSA) operations
 - Failure to address this operating deficiency in the DSA budget may compromise the SCO's ability to fulfill its constitutional mandate
 - SCO requests \$245,600 from the General Fund to cover computing costs of operating the statewide accounting systems

- Curing the operating deficiency in the DSA's budget is the top priority in this year's budget request
- ❖ Social Security 218 Referendum
 - According to federal law, in 1980 Idaho should have conducted a Social Security referendum to lawfully cover certain firefighter positions
 - Extensive research reveals this federally required referendum was never held, and compliance issues may extend to other local government positions
 - SCO requests \$30,000 and Carryover Authority to continue to meet state and federal legal requirements
- ❖ Additional Browser Compatibility
 - Due to financial constraints the SCO is unable to support browsers other than the state standard versions of Internet Explorer
 - Increasingly, users have requested the support of additional browsers such as Safari, Opera, Chrome and Firefox
 - The SCO requests \$120,000 from the General Fund to support the delivery of applications via a broader variety of web browsers
- ❖ FY 2013 Requested Budget
 - FT 2012 appropriation, \$13,903,200
 - FT 2013 total request
 - General Fund, \$6,417,500
 - Dedicated Fund, \$7,132,400
 - Total request = \$13,549,900
 - Savings result from reduced D/F request
 - Gross reduction in D/F spending authority, (\$1,000,000)
 - Net reduction in D/F spending authority, (\$891,600)
 - Total overall budget reduction, (2.54%)
- ❖ Changes for original budget submission
 - PERSI's contribution rate was not increased as expected, thus overstating the actual budget by \$51,700
 - This item has already been removed from the Legislative Budget Book: supplemental request of \$350,000 for FY 2012 budget and EDU request of \$218,600 in FY 2013 for compliance with federal 3% Withholding Mandate
- ❖ Planning for the future
 - These items are not included in the FY 2013 request, but are priorities of the State Controller's Office for consideration when Idaho's financial outlook improves
 - Fund additional studies and upgrades to systems and applications
 - Develop a fraud reporting hotline
 - Publish additional state financial/transparency information online
 - Be prepared to comply with additional, and expensive, unfunded federal reporting requirements and other mandates

SECRETARY OF STATE

Presenter: Ben Yursa, Secretary of State

- ❖ Continued use and expansion of on-line services operation
 - Business filings
 - Lobbyist filings
- ❖ IT equipment needs to be upgraded and maintained
- ❖ Perfect Storm
 - Election Consolidation
 - Closed Primary
 - Lack of finality with Redistricting—May 15th Primary
- ❖ FY 2013 budget – base: \$1,838,300
 - \$200,000 supplemental – HB 351 passed last session, had a price tag
 - Election costs- \$430,000
 - Required printing and mailing of initiatives and referendums to every household
 - Required proposed constitutional amendments be published in every newspaper in the state three times
 - Required all proposed constitutional amendments be mailed to every household
 - Estimated operating cost: \$370,000
 - Required reimbursement to county for the state portion of ballot printing and legal notice publications for the Presidential Primary cost = \$60,000

Commission on Uniform Laws

Presenter: Rex Blackburn, Commissioner

- ❖ Governor's recommendation – zero
- ❖ Agency recommendation
 - At least one member to attend conference to avoid federal intervention - \$11,900

IDAHO STATE BOARD OF EDUCATION – Vocational Rehabilitation

Presenter: Matt Ellsworth, Senior Analyst, Budget & Policy Analysis

Unanimous Consent Request

On request by Broadsword, granted by unanimous consent, to reopen the FY 2012 budget for the Vocational Rehabilitation to correct the written record to match the motion that was made and passed on January 12, 2012.

ADJOURNED

Maxine Bell, Chairman

Kathryn Yost, Secretary

JFAC COMMITTEE MEETING MINUTES

1/16/12

The hearing was held in C310, Statehouse, commencing at 8:00 a.m. and concluding at 10:48 a.m. with Chairman Cameron presiding.

Roll Call:

Senators: Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour

Representatives: Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Excused: None

Staff Present: Ellsworth

CATASTROPHIC HEALTH CARE PROGRAM (CAT FUND)

Presenter: Roger Christensen, Chairman of the Board

- ❖ Introductions
- ❖ Report on 2011 Fiscal Year
 - Provider payments by county totaled \$34,855,441.58
 - Reimbursements received by county totaled \$2,320,990.17
 - Seat Belt citations by county totaled \$152,832.49
- ❖ Year-to-date 2012 Fiscal Year
 - Provided payments 7/1/11 to 12/31/11 totaled \$11,898,982.28
 - Reimbursements 7/1/11 to 12/31/11 totaled \$540,669.53
 - Seat Belt income 7/1/11 to 12/31/11 totaled \$75,878.95
- ❖ Case Load and Expenditures (FY2008 through FY 2011)
- ❖ FY12 Supplemental Request:
- ❖ FY13 Projections
- ❖ Review of Legislative Changes
 - 2009 – S1158
 - 2010 – H681a
 - 2011 – H312a
- ❖ Medicaid Determinations 7/1/10 – 6/30/11
 - 7/1/10 – 6/30/11
 - FY 12 Year to Date
- ❖ Medical Review Savings 7/1/11-12/15/11
 - Alternative coverage summary
 - Summary of CAT Program Savings
- ❖ CAT Program Accomplishments (during last 24 months)
 - Adopted a policy standardizing settlement of cases
 - Established video conferencing to conduct board meetings to save costs
 - Established a 2-year interim contract w/Idaho Assn. of Counties (IAC)

- Established (along w/IAC) a contract to perform medical reviews
- Adopted policy to require counties to perform medical reviews on cases over \$75,000; CAT shares a portion of cost on cases under \$75,000
- Adopted a policy standardizing the processing & submission of CAT cases
- Adopted a policy requesting counties to review/utilize alternative programs such as PCIP and COBRA insurance and share a portion of the premium

DEPARTMENT OF HEALTH AND WELFARE

Presenter: Richard Armstrong, Director

- ❖ Overview of FY13 Health and Welfare Budget Request
 - Appropriation request
 - Request by funding source
 - DHW's share of 2013 state recommendations
 - 2013 request expenditure categories
 - 2013 request by expenditures and fund source
 - Impact of current economic conditions on the agency
- ❖ Impact of current economic conditions/strategies to address high workloads
 - Food stamp applications
 - ❖ Increase in new applications and re-certifications – currently handle almost 25,000 per month compared to 5,000 in 2007
 - ❖ In 2007 each FTE maintained an average of 164 cases – today each FTE averages over 550 cases
 - Snapshot of workload in November, 2011
 - Adapting business practices to meet challenges
 - Reality of intervention - experienced a decline in foster care placements
 - Strategies to avert foster placements
 - ❖ Find and engage extended family members
 - ❖ Analyze issues and develop plans to keep children safely in their own homes
 - ❖ Aggressively address family poverty issues
 - Staff turnover in FY 2011 was 13.6% and top three reasons were:
 - ❖ Health and family
 - ❖ High workload/stress
 - ❖ Better pay
 - ❖ Other information
 - 55% of DHW turnover is within first six years of employment
 - Exit interview data
 - CEC is critical for employee retention
 - In the last four years the number of filled positions was reduced by 330 workers or 11%
 - Food Stamp (SNAP) benefits have increased over 380% since 2007. Five years ago benefits totaled about \$8 million a month; today the benefit is over \$30 million a month.
 - ❖ Currently issue of food stamps only on the first day of each month

- ❖ Rapid growth of food stamp program has negatively impacted some grocery chains that prefer multi-day issuance to relieve pressure from long checkout lines and inventory management
- ❖ Medicaid Readiness for 2014 (the Department expects over 100,000 adults to become eligible for Medicaid coverage on January 1, 2014 through the Affordable Care Act)
 - Idaho is responsible for eligibility determinations and enrollment
 - Funding and rules to be provided by Centers for Medicaid and Medicare Services (CMS)
 - Failure to meet CMS readiness deadlines may result in reduced federal share for all Medicaid services
- ❖ Legislative Issues
 - HB 260 in 2011 – Medicaid budget reductions
 - Medicaid sustainability
 - ❖ Have exhausted benefit and pricing reduction strategies
 - ❖ New tools and fresh ideas are needed
 - ❖ Need to develop different payment models that promote better patient outcomes, improve accessibility of services in rural areas, or coordinate care for people with multiple conditions/treatments
- ❖ Experience of Other States

Child Welfare

Presenter: Robert B. Luce, Administrator

- ❖ Mission: provide protection, permanence and well-being for children and families in Idaho. In 2011:
 - 18,857 child protection referrals
 - 2,826 foster care placements
 - 1,344 children in care as of June 30, 2011
 - 244 adoptions
- ❖ FY 2013 budget request
 - Family and Community Services is 3.9% of DHW budget request
 - Personnel expenses in Child Welfare are higher than some programs because of the services social workers provide
 - Child Welfare budget is funded with a combination of federal and state dollars. Only 36% of the Child Welfare request is from the General Fund.
 - The number of children coming into care has declined
 - In-home cases have increased and these cases consume more staff time
 - ❖ More frequent visits to homes to continually ensure child safety
 - ❖ Requires working with parents to make sure they are developing capacities to keep children safe
 - ❖ Engagement techniques and time are required for in-home cases where families are working with DHW on a voluntary basis and are not mandated through court orders
 - ❖ In-home cases take more staff time but should result in better outcomes and permanency for children

- ❖ Highlights, Structural Changes and Initiatives
 - Completed Performance Improvement Plan (PIP)
 - Consolidated central office and established regional hubs
 - Centralized intake initiative
 - Goal: no child will “age out” – impact of “aging out”
 - ❖ Only 50% graduate from high school
 - ❖ 40% to 60% of the young women become pregnant
 - ❖ Half are unemployed
 - ❖ One-third receive public assistance
 - ❖ 25% are homeless at some point
 - ❖ Only 6% go to college (2% graduate)
 - ❖ By age 24, 60% of males have been incarcerated
 - Two initiatives to address “aging out”
 - ❖ One church – one child initiative
 - ❖ Scholarships and trust account initiatives
 - Dedication to meeting goals set by federal partners. In 2007 only 51% of children were visited by social workers; in FY 2011, 91% were visited

Service Integration

- ❖ Service Integration addresses family crises
- ❖ Service Integration is also called “Navigation” which is a short-term, solution-focused service that helps Idahoans experiencing temporary instability to link to community services and support. Two components are:
 - Navigation (7,651 referrals last year)
 - 2-1-1 CareLine (191,969 calls last year)
- ❖ SIP helps individuals, families and communities help themselves
- ❖ FY 2013 Budget Request
 - Funded with a combination of federal and state dollars
 - Only 17% of the budget is made up of General Fund dollars
 - Caseload in Navigation continues to increase which is reflective of an economic climate with high unemployment, homelessness, and emotion/psychological trauma to families and children
- ❖ Supplemental Requests
 - Adoption incentive stipend in Child Welfare – Request is for \$1 million in federal spending authority
 - Emergency assistance for families in Service Integration – requesting \$700,000 in ongoing federal funding authority in form of TANF funds
- ❖ Employee turnover the past year due to:
 - 30% - workload stress and job duties
 - 39% of FACS separations were Child Welfare social workers
 - 65% of existing employees had solid or exemplary performance ratings.

ADJOURNED

Senator Dean L. Cameron, Chairman

Peggy Moyer, Secretary

JFAC COMMITTEE MEETING MINUTES

1/17/12

The hearing was held in Room C310, Statehouse, commencing at 8:00 a.m. and concluding at 10:47 a.m. with Chairman Bell presiding.

Roll Call:

Senators: Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour

Representatives: Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Absent/Excused: None

Staff Present: Ellsworth

DEPARTMENT OF HEALTH AND WELFARE

Division of Welfare

Presenter: Russ Barron, Division Administrator

- ❖ Division of Welfare makes up about 6% of the Department's overall budget.
- ❖ Division Medicaid budget covers all Trustee & Benefits related to Medicaid services
- ❖ Budget for FY 2013
 - Trustee & Benefits – 55% of the Division's funds used for some of the actual benefits delivered
 - Less than a quarter of the budget is spent on personnel
 - Fifth spent on operating expenses
 - 70% of the Division of welfare's budget are federal funds, about 28% state funds and 2% receipts
- ❖ Growing need for food stamps
 - Last year collected and distributed over \$194 million in Child Support payments
 - Administered \$352 million in food stamps
 - Highest amounts ever managed in the history of the program
- ❖ Budget impacts to workforce
 - Temporary staffing
 - Paid overtime
 - FTE reduction
 - Office closure
 - Subsidized employment
 - Staff turnover

- ❖ Growing need for stamps (Idaho number one in the nation for the highest rate of growth)
 - Children, 48%
 - Non-disabled adults, 40%
 - Disabled adults, 9%
 - Seniors, 3%
- ❖ Non-disabled adults on food stamps
 - Approximately 61,000 adults with children in their homes receiving food stamps
 - All adults with children who receive food stamps are required to participate in their Work Services program
- ❖ Work support for Idaho families
 - Working & recently working poor
 - 40,400 adults
 - 43% of non-disabled adults
- ❖ Workforce effectiveness
 - Eligibility process
 - Only those eligible receive services
 - Fraud occurrence –2 out of every 1,000 or “zero point two percent”
- ❖ Workforce: monthly work to be done
 - Benefit program application – 17,000
 - Benefit program re-evaluations – 26,000
 - Eligibility actions – 30,000
 - Benefit Program – 1,000,000
 - Child Support calls – 114,000
 - Mail pieces processed – 60,000
 - Child Support enforcement -132,000
- ❖ Workforce capacity
 - Size of workforce and the demands of their workload do not match
 - Gap growing between the amount of work required to be completed every month, at current level of staffing
- ❖ Workforce coping strategies
 - Mandatory overtime
 - Temporary staff
 - Subsidized training program
 - Private funding & grants
 - Technology enhancements
 - Business process improvements
- ❖ Challenges
 - New federal regulations
 - State budget challenges
 - Workforce gap
 - Participation increases
 - Soft economy
 - Lost federal funds

- ❖ Strategies for the Future
 - Technology investments
 - Leverage other states
 - Process re-designs
 - Program re-designs
 - Workforce supports
 - Effective partnerships
 - Outcome focus
- ❖ Governor's Budget Recommendations
 - Medicaid readiness
 - Child Support loss of federal match funding
 - Temporary Assistance to Needy Families (TANF) maintenance of effort (MOE)
 - Energy assistance spending authority
 - Grocery tax credit donations
 - ARRA
 - Supplemental Nutrition Assistance Program (SNAP) multiple day issuance
- ❖ Medicaid Readiness
 - Rules governing Medicaid eligibility
 - Enrollment Medicaid eligibility for October 2013
 - Implemented for everyone with incomes up to 133% of FPL, Jan 2014
- ❖ Medicaid Readiness is **not** the Exchange
 - Medicaid Readiness for DHW
 - The magnitude of changes spans three divisions
 - Someday will be interfacing and communicating with an Exchange, whether it be state or federally driven
- ❖ What Must Be Done
 - Eligibility system will have to be modified and re-built
 - On-line portal
 - Automated verifications
 - Notification
 - Process re-engineering
 - Interfaces
 - Data Warehouse
 - Business continuity, 24/7
- ❖ Governor's Budget Recommendation
 - Medicaid Readiness impacts three divisions in the Department of Health and Welfare
 - Supplement as funds for the department in FY 2012 to begin development immediately, and funding recommendations for FY 2013
 - FY 2012 supplemental for the entire Department of \$750,000 from General Fund to be matched at a 90-10 rate with federal funds for a total of \$7.5M
 - FY 2013, the recommendation for the department , \$1.7M from General Fund to be matched with 90% federal funds for a total of \$17M

- Medicaid Readiness – FY 2012 Supplemental
 - General Fund, \$400,000
 - 90% federal match, \$3,600,000
 - Immediate development of an on-line portals
 - Development of new interfaces
 - Automated verifications required to support the eligibility process
- Medicaid Readiness FY 2013
 - General Fund, \$1,000,000
 - 90% federal match, \$9,000,000
 - FY 2013 required to restructure entire noticing system
 - Re-writing rules engine
 - Change interface structure between IBES, the eligibility system and Medicaid Management Information System, the Medicaid payment system.
- Child Support Loss of Federal Match
 - General Fund, \$1,695,800
 - Lost federal funds, (\$1,695,800)
 - Ongoing supplemental \$1,695,800 which will be matched at a 66/34 rate with federal funds to make up the \$5 million shortfall in FY 2012 and on-going to ensure continued operation of an effective Child Support Services Program
- Temporary Assistance to Needy Families (TANF) Maintenance of Effort (MOE)
 - General Fund, \$951,100 (one time transfer)
 - FY 2013 Annualization, \$500,000
- Energy Assistance spending authority FY 2012 Supplemental
 - Grocery tax credit donations, \$609,300 one-time
 - Dedicated funds, \$203,100 ongoing spending authority
 - Energy assistance for low income families
- Supplemental Nutrition Assistance Program (SNAP) multiple day issuance
 - FY 2012 supplemental
 - Dedicated funds, one-time, \$100,000
 - Federal funds, on-time, \$450,000
 - Total one-time funds, \$550,000
 - FY 2013
 - Federal funds , one-time, \$220,000 spending authority

Division of Medicaid - Medical Assistance Services

Presenter: Paul Leary, Administrator

- ❖ SFY 2013: Medicaid is 81% of the Department of Health & Welfare request
 - Medicaid - \$1,978.3 M, 81%
 - Welfare - \$140.1 M, 5.8%
 - Public Health - \$92.4 M, 3.8%

- Support Services - \$38.4 M, 1.58%
- Licensing & Certification - \$5 M, .02%
- Behavioral Health - \$79.9 M, 3.3%
- Family & Community Services - \$93.5 M, 3.9%
- Medically Indigent - \$.1 M
- ❖ SFY 2013 request by Plan
 - Enhanced Plan - \$917.1 M, 46.4%
 - Basic Plan - \$576.6 M, 29.1%
 - Coordinated Plan - \$412.2 M, 20.8%
- ❖ Cost of Medicaid Enrollee by Plan
 - Basic – comprehensive medical, dental (limited adults), mental health, vision (limited adults) and therapy.
Eligible children 150,993; adults 21,246
 - Children \$197/mo. Adult \$760/mo.
 - Enhanced – basic plus long-term care services and supports, mental health and developmental disability services.
Eligible children 22,969; adults 19,806
 - Coordinated – enhanced plan or option to choose Medicare advantage coordinated with Medicaid
 - Eligible: adults only 1,901
 - Adult \$1,480/mo
- ❖ SFY 2013 Medicaid request by category
 - Trustee & Benefits -\$1,908.7 M, 96.5%
 - Personnel - \$14.5 M, 0.7%
- ❖ Operating - \$55.1 M, 2.8%
- ❖ Personnel/Staffing
 - Not requesting any new FTE authority - will use existing unfunded FTE for new grant funded positions
 - Request extending Medical Home Collaborative FTEs for a second/final year
 - No increase to the base Medicaid staff
- ❖ 2013 Medicaid request by fund source
 - Federal funds - \$1,297.2 M. 65.6%
 - General Fund - \$481 M, 24.3%
 - Dedicated funds - \$45.3 M, 2.3%
 - Receipts - \$154.8 M, 7.8%
- ❖ Legislative Intent – House Bill 260
 - The Medical Assistance Division shall report on a quarterly basis the current status of the implementation of House Bill 260.
 - The report shall, at a minimum, include benefit modification implementation updates for both long-term and short-term changes, cost savings achieved and cost savings forecasted for each modification for FY 2012.

- ❖ House Bill 260 Status
 - Pharmacy reimbursement change
 - Implemented 9/28/11
 - Expected General Fund savings of \$2,000,000 – meet or exceed
 - Reduce Adult per – by 1 hour
 - Implemented 7/1/11
 - Expected General Fund savings of \$2,270,000 – meet or exceed
 - Adult DD budget- change for health and safety only
 - Expected General Fund savings of \$2,000,000 – meet or exceed
 - Blended rates for Developmental Therapy
 - Implemented 7/1/11
 - Expected savings of \$1,100,000 – meet or exceed
 - Align Physical Therapy, Occupational and Speech Therapy with Medicare caps
 - Implemented 1/1/12
 - Expected General Fund savings of \$200,000 – will not meet
 - Reduce outpatient hospital Physical Therapy, Occupational Therapist and speech to 90% Medicare
 - Implemented 7/1/11
 - Expected General Fund savings of \$200,000 – meet or exceed
 - Reduce adult dental benefit
 - Implemented 7/1/11
 - Expected General Fund savings of \$1,700,000 – meet or exceed
 - Reduce Chiropractic visits
 - Implemented 7/1/11
 - Expected General Fund savings of \$200,000 – may not meet
 - Limit Podiatry and Optometry to chronic care criteria
 - Implemented 7/1/11
 - Expected General Fund savings of \$800,000 – will not meet
 - Establish enforceable co-payments
 - Implemented 11/1/11 part & 1/1/12 rest
 - Expected General Fund savings of \$750,000 –will not meet
 - Make HB 701 changes final
 - Implemented 7/1/11
 - Expected General Fund savings of \$6,940,000 – will meet or exceed
 - Implement claims payment edits – NCCI
 - Implemented 7/1/11
 - Expected General Fund savings of \$50,000 – will meet or exceed
 - Idaho home choice-move participants from facilities to community
 - Implemented 10/1/11
 - Expected General Fund savings of \$1,300,000 – expect to meet
 - Reimburse non-primary care at 90%
 - Implemented 7/1/11
 - Expected General Fund savings of \$1,500,000 – expect to meet
 - No rate increase for SFY 2012

- Implemented 7/1/11
 - Expected General Fund savings of \$4,700,000 – expect to meet
- Additional provider assessments
 - Implemented 7/1/11
 - Expected General Fund savings of \$7,500,000 – expect to meet
- Certified family homes
 - Implemented 7/1/11
 - Expected General Fund savings of \$294,000 (operating budget) – expect to meet
- ❖ Medical Assistance Services
 - System Compliance and Improvement Project (SCHIP)
 - Ongoing supplemental request -\$850,000 (\$170,000 General Fund & \$680,000 federal)
 - Center for Medicare & Medicaid Services clarified that children in Children Health Insurance Program are not eligible to receive vaccine through the Vaccine For Children program (VFC)
 - Will continue to purchase vaccine through state contract for VFC, which is approximately 65% of commercial rates.
- ❖ Medicaid payment rate lawsuits
 - Three lawsuits related to reimbursement rates:
 - Affiliates lawsuit – provide services to certified family home providers
 - Residential habilitation lawsuit – provide services to participants in the participant’s residence
 - Targeted Service Coordination providers lawsuit
 - Whether the providers have a private right of action to challenge changes to reimbursement rates is currently before the U.S. Supreme Court
 - Taken up by the Courts in October 2011
 - Case law in 9th Circuit Court being interpreted as requiring cost studies to determine provider reimbursement rates
 - Elimination of service rather than provider rate reduction may lead to allegations of the state violating the Olmstead Act
 - Key Points: Affiliates
 - Suit to stop Medicaid fee change
 - Department agreed not to implement change in reimbursement methodology
 - Request for proposal for selective contract – contract awarded at savings of \$1.9 million
 - Court injunction prevented implementation until waive amendment approved by Centers for Medicare & Medicaid Services(CMS)
 - CMS retroactive approval received; effective August 5, 2011. Court vacated injunction December 9, 2011
 - Prior to Court’s December 9th decision –new suit filed by Medicaid participants, Knapp v Armstrong, alleging selective contraction violated right to choose provider. Injunction still in place for this case.

- Key points: Residential Habilitation Providers lawsuit
 - Plaintiff claims existing rates inadequate to provide service – lower than survey results (result of HB 190 2005 session)
 - Department demonstrated no access issues, providers of this service continue to increase at existing payment rates, no identified quality issues
 - Court initial finding is for the plaintiff
 - Discounted budget issues of state
 - Legislature did not fund increase request 2009
 - Department required to pay the rate identified in the cost survey – benefit reduction or alternative
- Department asking for reconsideration
- Potential financial impact
- ❖ Targeted Service Coordination (TSC)
 - Ongoing supplemental request: \$1,200,000
 - General Fund, \$390,000 and federal \$810,000
 - The court ruled in favor of providers and required the department re-survey Targeted Service Coordinator (TSC) providers for administrative costs
 - Change is a 9% increase for professional and 7% increase for paraprofessional
- ❖ SFY 2013 Federal Share Percentage – Federal Medical Assistance Percentages (FMAP)
 - FMAP changes from 70.23% to 71.00 % on October 1, 2012
 - Changes the blended FMAP from 69.86% used in SFY 2012 budget to 70.81% for SFY 2013 budget
 - Results in \$15,707,600 reduction in General Fund requirement for SFY 2013
- ❖ SFY 2013 Caseload, Utilization and Pricing
 - Basic - \$26,692,600 General Fund; (\$3,852,300) dedicated;\$48,525,600 federal for a total of \$71,365,800
 - Coordinated - \$8,020,600 General Fund; (\$1,157,600) dedicated; \$14,581,100 federal for a total of \$21,444,100
 - Enhanced - \$25,626,000 General Fund; (\$3,698,500) dedicated; \$46,586,400 federal for a total of \$68,513,900
 - FMAP Adjusted – (\$15,707,600) General Fund; (\$463,500) dedicated; \$16,171,100 federal
 - Total required - \$44,631,631,600 General Fund; (\$9,172,000); \$125,864,200 federal for a total of \$161,323,800
- ❖ Provider Assessments Sunset
 - Line item request for \$36,400,000
 - Hospital assessments \$22,400,000
 - Nursing Home (NF) assessments \$13,500,000
 - Intermediate Care Facility assessment (ICF) \$500,000
 - Ongoing fund shift from dedicated to General Fund

- Portion of all provider Assessment Acts providing matching funds for Medicaid Trustee and Benefit payments sunset June 30, 2012
- Governor's Recommendation
 - "The Governor recommends that state funding be used for a portion of this gap, as well as one-time funding provided through a temporary one-year continuation of the assessment for incremental replacement. The state funding provided across the three eligibility groups total \$20 million, transferred from federal fund and dedicated fund cash reserves at the Division of Veterans Services into the Cooperative Welfare Fund."
- ❖ Federal law requirements – primary care rate increases
 - Line item request for \$9,500,000
 - Ongoing federal fund spending authority
 - Affordable Care Act increases rate for primary care Evaluation and Maintenance (E&M) and certain immunization codes to the Medicare rate – beginning January 1, 2013
 - The difference between current rates and Medicare rate is 100% federal funded
- ❖ Medicaid Administration – 2012 operating budget
 - Medicaid Management Information System (MMIS) certification
 - Supplemental request for \$3,800,000
 - \$950,000 general ; \$2,850,000 federal
 - One-time funding to complete the certification phase for MMIS project
 - Legislature asked department to request in the certification year
- ❖ Medicaid Readiness operating budget
 - Supplemental request for \$500,000: \$50,000 General Fund; \$450,000
 - One-time funding to begin modifying Medicaid system and processes to comply with new federal requirements related to Medicaid eligibility and reporting
 - Case Management Services (CMS) driving this change that is consistent with Section 1902(a)(19) of the Social Security Act and President Executive order 13563
 - Medicaid Readiness, Year Two
 - One-time request for \$3,000,000: \$300,000 General Fund; \$2,700,000 federal
 - Year two funding to continue the modification of the Medicaid system and processes to comply with the new federal eligibility and report rules
- ❖ Centers for Medicare & Medicaid Services (CMS) eligibility rules
 - Section 1902(a)(19) Social Security Administration (SSA)
 - "Provide such safeguards as may be necessary to assure that eligibility for care and services under the plan will be determined; and such care and services will be provided in a manner consistent with simplicity of administration and the best interests of the recipient.
- ❖ President Executive Order 13563
 - Within 120 days of the order (1/18/11) all agencies:

- “Review its existing significant regulations to determine whether any such regulations should be modified, streamlined, expanded, or repealed so as to make the agency’s regulatory program more effective or less burdensome in achieving the regulatory objectives”
- ❖ FY 2012 operating budget for Medicaid Management Information System changes
 - Supplemental request for \$1,722,000: \$430,000 General Fund; \$1,291,500 federal
 - One time funding to begin modifying Medicaid system and process
 - One time request for funding to make system modifications arising from legislation including HB 701 (2010) and HB 2600 (2011)
 - Legislation included benefit plan structure changes, service limitations, and new quality improvement initiatives
- ❖ Ongoing System Changes, International Classification of Diseases (ICD) & HIPPA
 - Ongoing request for \$1,227,000: \$306,800 General Fund; \$920,000 federal
 - Funding is for changes to systems and provider readiness
 - Federally mandated HIPPA Medicaid Management Information System (MMIS) are included in the current contract with MMIS vendors
- ❖ Medicaid Managed Care Activity – HB 260 and HB 342 legislative direction
 - Idaho Medicaid developed Managed Care programs that result in an accountable care system with improved health outcomes
 - Focus on high cost populations:
 - Manage care contract for behavioral health service
 - Dual eligibility for Medicare and Medicaid
 - Medical home development focused on chronic disease population
 - Complete actuarial analysis for all Medicaid plans by population. Report will be presented in February 2012
 - Web page developed – www.MedicaidManagedCare.dhw.idaho.gov
- ❖ Medicaid Managed Care activity –
 - Medicare/Medicaid dual eligible
 - Working with Centers for Medicare & Medicaid Services (CMS) – office of the duals
 - Initial and ongoing meetings with health care insurer
 - Will enhance current Coordinated Plan in short term
 - Anticipate moving dual population to managed care January 1, 2014
 - Web page for information and ideas – www.MedicaidLTCManagedCare.dhw.idaho.gov
 - Education
 - Oregon and Utah shared their experience with Idaho legislators and Department leadership
 - Ongoing review and analysis of other state’s Managed Care programs

- ❖ FY 2013 Operating Budget
 - Medicaid Managed Care Plan Development
 - One-time request for \$648,000: \$324,000 General Fund; \$324,000 federal
 - HB 260 requires the department to develop and present a plan for Medicaid Managed Care.
 - Request will fund two FTP and contract services to develop the plan
 - Medical Home Collaborative
 - One-time request for \$219,800: \$65,900 General Fund; \$153,900 federal
 - Funds are required to complete year two, of a two-year planning process
 - Medicaid Home Health model is part of the Governor's Patient Centered Medical Home Multi-payer Collaborative
 - Positions approved as one time for FY 2012 and are needed in FY 2013 for the final project year
 - Children's Healthcare Improvement
 - One-time request for \$553,900; \$326,900 personnel, \$198,000 Operating , \$29,000 capital
 - Federal spending authority only
 - Second year of 5 year grant with Utah
 - Test effectiveness of pediatric medical home models
 - Develop health information technology networks
 - Create pediatric improvement partnerships
 - Health Information Technology Plan
 - Supplemental for \$360,000
 - One-time federal spending authority
 - Medicaid Electronic Health Record incentive program authorized by the American Recovery and Reinvestment Act (ARRA) requires a State Health Information Technology Plan and Implementing Advanced Planning Document (I-APD) prior to paying incentives
 - These funds pay for the development of both products.
 - Electronic Health Record Incentive
 - One-time request for \$15,000,000
 - Federal fund spending authority only
 - 'Year One' implementation of the program authorized by American Recovery and Reinvestment Act.
 - Provides incentive payments to eligible professionals and hospitals to adopt, implement or upgrade certified electronic health record technology
 - Institution to Community Pilot
 - One-time request for \$201,100: \$47,000 personnel, \$154,100 operating
 - Federal spending authority for year two of five, for the 'Money Follows the Person' grant

- Idaho Home Choice estimated to move 325 individuals from institutions back into the community over the life of the grant
- New Division: Licensing and Certification
 - Medicaid including L&C: \$482,298,400 General Fund, \$200,727,600 dedicated, \$1,300,358,600 federal, total \$1,983,384,600
 - Transfer to Licensing & certification: (\$1,306,600) General Fund, (\$614,500) dedicated, (\$3,120,200) federal, total (\$5,041,300)
 - New Medicaid FT 2013: \$480,991,800 General Fund, \$200,113,100 dedicated. \$1,297,138,400 federal, \$1,978,343,300 total
 - Budget neutral transfer of funds out of Medicaid to a new Division of Licensing and Certification
 - Separation of benefit management and regulatory enforcement
 - Standardization of regulatory policy and process under division

ADJOURNED

Maxine Bell, Chairman

Kathryn Yost, Secretary

JFAC COMMITTEE MEETING MINUTES

1/18/12

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Representatives: Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Excused: None

Staff Present: Ellsworth

**DEPARTMENT OF HEALTH AND WELFARE: Division of Behavioral Health
Mental Health Services**

Presenter: Ross Edmunds, Division Administrator

- ❖ Division Structure
 - Administration
 - Operations
- ❖ FY 2013 Budget
 - Psychiatric Hospitalization is 37.1% of budget totaling \$29.7 Million

- Substance Abuse is 24.1% of budget totaling \$19.3 Million
- Mental Health Services is 38.7% of budget totaling \$31 Million
- Charts showing mental health request by category and fund source
- ❖ Supplemental Request: \$194,700 (one-time) from General Fund
 - Attorney fee for Jeff D. federal class action lawsuit
 - 9th District Court of Appeals overturned District Judge decision
 - Decision included an order to pay the plaintiff attorney fees
 - Current status: burden of proof on the plaintiffs
- ❖ Mental health programs total \$31 million
 - Adult mental health amounts to \$18.8 Million or 60.7%
 - ❖ Priority 1 Emergency Psychiatric Services
 - ❖ Priority 2 Committed Clients
 - ❖ Priority 3 Court-ordered Clients
 - ❖ Priority 4 Mental Health Court Participants
 - ❖ Priority 5 Eligible Clients Without Benefits
 - Children's mental health amounts to \$12.2 Million or 39.3%
 - ❖ Priority 1 Emergency Psychiatric Services
 - ❖ Priority 2 Court-ordered Clients
 - ❖ Priority 3 Eligible Clients Without Benefits
- ❖ Personnel and Workload
- ❖ Alternative Funding Sources
 - HHS/SAMHSA Transformation Grants (cut by 55%)
 - PATH Grant
 - Data Infrastructure Grant (DIG)
 - Olmstead Grant
- ❖ Idaho Behavioral Health System of Care (Pyramid)
 - Regional BH Community Development Boards
 - Medicaid/Private BH Treatment Services
 - State BH Authority

Psychiatric Hospitalization

- ❖ FY 2013 Budget
 - Psychiatric Hospitalization is 37% of division's budget
 - Expenses total \$29.7 million
 - ❖ State Hospital South totals \$19.6 million or 65.9%
 - ❖ State Hospital North totals \$7.3 million or 24.7%
 - ❖ Community Hospitals totals \$2.8 million or 9.4%
 - Funding by Category
 - ❖ Personnel totals \$22.7 million or 76.6%
 - ❖ Trustee & Benefits totals \$2.1 million or 10.4%
 - ❖ Operating totals \$3.9 million or 13.0%
 - Request by Fund Source
 - ❖ General Fund amounts to \$18.5 million or 62.9%
 - ❖ Dedicated funds amounts to \$3.6 million or 11.4%
 - ❖ Federal funds amounts to \$4.4 million or 14.5%
 - ❖ Receipts total \$3.2 million or 11.2%

- ❖ Daily psychiatric hospital rates:
 - Average private contractor: \$760
 - State Hospital North \$450
 - State Hospital South \$455
- ❖ State Hospital Core Functions
 - Stabilize psychiatric condition
 - Reduce self-harm
 - Reduce risk of harm to others
 - Assess, diagnose and treat presenting conditions
 - Restoration of competency for the courts if ordered
 - Coordinate with Regional Mental Health Clinics for transition of patients
- ❖ State Hospital admissions and readmissions
- ❖ State Hospital South
 - Operated in Blackfoot since 886
 - 90 adult psychiatric beds
 - 16 adolescent beds
 - 29 nursing home beds
 - Accredited by the Joint Commission (a national accrediting body)
 - Increase in admissions over last five years
 - Length of stay reduced from over 50 days to less than 40 in FY 2012
 - Need to Restore Staffing:
 - ❖ Request for \$543,700 and 10 FTP
 - ❖ Replace critical FTE lost since FY 2010
 - ❖ Reduction of 37 FTE since FY 2009 (23 were direct care staff)
 - ❖ Staff reductions created critical staff and patient safety concerns
- ❖ State Hospital North
 - Operated in Orofino since 1905
 - 60 adult psychiatric beds
 - Licensed by State of Idaho Facility Standards
 - Admissions - length of stay (in number of days) is declining
- ❖ Community Hospitalization
 - Expenditures in FY08 were \$3.6 million and \$2.8 million in FY12
 - Admissions were 1,019 in FY10 and projected to be 1,166 in FY12

Services for the Developmentally Disabled

Presenter: Robert B. Luce, Administrator, Family & Community Services (FACS)

- ❖ 2011 Developmental Disabilities Program Update
 - 3,380 children served (ages birth to 3 years) by the Infant and Toddler Program
 - 6,586 children (ages 3-21 years) served by the program
 - 66 people served at the Southwest Idaho Treatment Center (formerly known as ISSH, now called SWITC)
- ❖ FY 2013 Budget
 - FACS is 3.9% of DHW budget request
 - Breakdown by program, category and funding source

- ❖ 2011 Highlights and Initiatives
 - Statewide Crisis Network
 - ❖ Averts commitments to SWITC, maintains community living
 - ❖ 381 prevention cases, 59 diversions in FY 2011
 - Restorative Justice Board initiative
 - ❖ Diverts habitual offenders from criminal justice system
 - Initiative to standardize and consolidate the Infant & Toddler Program
 - SWITC census and staffing
- ❖ Supplemental Request
 - Reduce federal spending authority by \$3.1 million to meet collections
 - Transfer \$1.4 million to Child Welfare to meet TANF MOE requirements

Division of Public Health

Presenter: Jane S. Smith, Division Administrator

- ❖ FY 2013 Public Health Budget
 - Public Health is 3.8% of DHW budget request or \$92.4 million
 - 3 Appropriations
 - ❖ Physical Health at \$82.7 million
 - ❖ Emergency Medical Services Bureau (EMS) at \$5.5 million
 - ❖ Laboratory Services at \$4.2 million
 - Request by category
 - ❖ Trustee and Benefits: 61% or \$56.4 million
 - ❖ Operating: 25.0% or \$23.1 million
 - ❖ Personnel: 14.0% or \$12.9 million covers 213.5 employees
 - Request by fund source
 - ❖ Federal funds at \$58.9 million is 64% of the budget
 - ❖ Dedicated funds at \$13.1 is 14% of the budget
 - ❖ General funds at \$5.7 million is 6% of the budget
- ❖ Public Health Workforce
 - Aging workforce
 - Turnover – two areas of significant concern
 - ❖ State Communications Center (known as StateComm) with a turnover rate of 43%
 - 24/7 requirement
 - High stress situations
 - Increasing workload
 - Pay grade issue
 - Little upward mobility
 - Training ground to other dispatch centers
 - Call volume has increased 33% over last four years
 - ❖ State Lab's Microbiology Section – turnover rate of 40%
 - Requires highly-skilled scientists
 - Little opportunity for upward mobility
 - Constantly training new employees
 - Low pay

- Workforce solutions
 - ❖ Undergo a staffing study
 - ❖ Explore in-step grades (career ladders)
 - ❖ Reorganize
 - ❖ Create staffing depth
 - ❖ Cross-train
- ❖ Funding challenges
 - Budget is 64% federally funded – creates uncertainty
 - Late grant guidance results in compressed turn-around times
 - Limited timeframes in which to expend awards
 - Alternative funding
 - ❖ USDA WIC Breastfeeding Award (money will offset the cost of new WIC data system)
 - ❖ Health & Human Services Administration
 - Refugee Medical Assistance Program
 - Refugee Health Screening Program receives \$100,000 per year to educate refugees about the healthcare system with the goal of increasing self-sufficiency
 - ❖ DentaQuest Foundation provides \$100,000 to increase referrals between medical and dental professionals and to support Idaho's seven public health districts to identify access to oral health preventive care
- ❖ Budget Requests
 - Supplemental to increase immunizations by requesting additional spending authority of \$7.3 million for the Immunization Vaccine Fund
 - ❖ Increase in vaccine prices
 - ❖ Increase in vaccine use
 - ❖ More children covered by insurance
 - ❖ Implementation of school/childcare rules has increased the number of vaccinations
 - ❖ Vaccine Assessment Fund – Assessment is \$58.18 per program-eligible child
 - Line item request for Millennium Funds (State Treasurer's appropriation)
 - ❖ Project Filter is Idaho's Tobacco and Prevention Program that encourages people not to smoke and gives them the tools and support to stop (\$1,300,000)
 - \$900,000 for Nicotine Replacement Therapy Program
 - \$400,000 for sponsorship of individuals/entities that promote tobacco cessation

Indirect Support Services

Presenter: David Taylor, Deputy Director, Support Services

- ❖ FY 2013 Support Services budget
 - Request by category
 - Request by funding source

- ❖ Indirect Support Services provides the management and technical support for carrying out the department's mission and includes the following organizational areas:
 - Bureau of Financial Services
 - Information Technology Services Division
 - Division of Operational Services
 - Bureau of Audits and Investigations
- ❖ Efforts to uncover waste, fraud, and abuse of benefits
 - Actively involved in efforts to improve program integrity
 - ❖ Aware of vulnerabilities reported in other states
 - ❖ Aware that the Governor, legislators and Idaho taxpayers expect more to be done
 - ❖ Actively involved with various partners to find ways to prevent and detect waste, fraud, and abuse
 - ❖ Continually make efforts to improve processes
 - Working with public assistance programs, the Governor's Office, legislators and law enforcement to improve prevention and detection of misuse:
 - ❖ Food Stamp Trafficking Workgroup
 - ❖ Trafficking investigations with federal partners
 - ❖ Expansion of the Medicaid Program Integrity Unit
 - Department is improving detection methods and avenues for public input
 - ❖ Data Analysis
 - FY 2010 – 58 cases
 - FY 2011 – 852 cases
 - FY 2012 – 4,000 cases (projected)
 - ❖ "Blue Button" on-line form – for reporting suspected fraud or abuse (projection: 500 complaints)
- ❖ Medicaid Program Integrity Unit – Legislative Intent Language on HB 341
 - Quarterly reports to DFM and LSO on performance
 - ❖ Reports filed
 - ❖ Compare total costs to collections
 - ❖ Track new staff and their assessment and collections separately
 - ❖ Target General Fund savings: \$1,181,830 (HB 260)
 - ❖ Slow start but picking up speed
 - 7 of 8 positions filled
 - Hiring and training take longer than anticipated
 - Unit will not reach target in FY 2012
- ❖ Governor's Recommended Budget
 - FY 2012 – Supplementals
 - ❖ Medicaid Readiness – Year One
 - Medicaid Readiness is a 3-year project
 - Each year of funding recommended on a one-time basis
 - Governor is recommending \$300,000 for current year
 - Eligible for enhanced 90% federal match – total recommendation is for \$3 million

- Funds will purchase software licenses and hardware to develop the application
- ❖ Medicaid Readiness – Year Two
 - Governor is recommending \$400,000 in one-time General Fund (with the enhanced federal match, the total recommendation is for \$4 million)
 - The funds will establish infrastructure for hosting the 24/7 application
- ❖ Southwest Idaho Treatment Center (SWITC) – formerly Idaho State School and Hospital (ISSH) –(one-time) spending authority for:
 - Ridgecrest Drive realignment and how it will intersect with Garrity Blvd
 - Improve safety and access to the campus
 - Increase the value of this important state asset
 - Develop a Campus Master Plan
 - Engage stakeholders
 - Develop various concepts for the campus
 - Reduce/eliminate General Fund support
- ❖ Workforce update
 - Started current fiscal year with about 2,853 authorized full-time positions
 - Not able to absorb State Hospital South’s personnel line-item request for 10 positions so request was included in Governor’s recommendation
 - FY 2011 DHW Exit Interview Data
 - ❖ 75% of those leaving to private business indicated they would receive a pay increase (average pay increase was 43%)
 - ❖ Many occupations in private sector continued salary increases during the recession.
 - ❖ Large percentage of employees leave within the first 6 years of employment
 - ❖ Additional turnover will have detrimental effect
 - ❖ Need to fairly reward most valued state employees

ADJOURNED

Senator Dean L. Cameron, Chairman

Peggy Moyer, Secretary

JFAC COMMITTEE MEETING MINUTES

1/19/12

The hearing was held in Room C310, Statehouse, commencing at 8:00 a.m. and concluding at 10:04 a.m. with Chairman Bell presiding.

Roll Call:

Senators: Cameron, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour

Representatives: Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo

Absent/Excused: Keough, Jaquet

Staff Present: Ellsworth, Bybee

Others Present: Sara Stover, Division of Financial Management

OFFICE OF THE GOVERNOR: Idaho Commission on Aging

Presenter: Sam Haws, Administrator

- ❖ Mission: To improve quality of life for all older Idahoans, vulnerable adults, and their families through education, advocacy, accountability and service; to provide opportunity for all to live independent, meaningful and dignified lives within the communities of their choice.
- ❖ Agency Vision: ICOA's vision is to ensure that all Idahoans retain their autonomy to determine their own life course as they age.
- ❖ Personnel Chart
- ❖ State and Federal on-going community programs
 - Supportive services
 - Congregate meals
 - Preventive health
 - Family caregiver
 - Nutrition Services Incentive Program (NSIP)
 - State Ombudsman
 - Elder right protection
 - Adult protection
 - Senior Community Services Employment Program (SCSEP)
- ❖ State and Federal one-time community programs
 - Medicare Improvement for Patients and Provider Act (MIPPA)
 - Alzheimer's Disease Supportive Services Program (ADSSP)
 - Aging & Disability Resource Center (ADRC)
 - Senior Medicare Patrol Fraud Prevention (SMP)
- ❖ Funding Distribution to Area Agencies on Aging (AAA)
 - Boise, Twin Falls, Pocatello, Idaho Falls, Lewiston and Coeur d'Alene

- ❖ FY 2011 expenditures by key category of service
 - Homemaker service, \$796,800
 - Home delivered meals, \$1,345,900
 - Case management, \$1,354,300
 - Congregate meals, \$1,143,200
 - Transportation, \$202,700
 - Information & assistance, \$449,600
 - Outreach, \$219,000
 - Senior Community Service Employment Program, \$809,900
 - Adult protection, \$1,367,100
- ❖ FY 2011 performance measures by number of clients served
 - Congregate meals clients, 14,508
 - Senior Community Service Employment program clients, 92
 - Homemaker clients, 1,070
 - Home delivered meals clients, 3,801
 - Case management clients, 4,692
- ❖ FY 2011 performance measures by category of service
 - Homemaker service hours, 59,062
 - Information and assistance service (client contacts), 16,125
 - Transportation (number of boardings), 74,777
 - Congregate meals, 527,333
 - Case management service hours, 26,348
 - Home delivered meals, 478,348
- ❖ FY 2011 performance measures for adult protection services
 - Law enforcement referrals, 231
 - Convictions, 3
 - Substantiated cases, 323
 - Total adult protection investigations, 1,971
- ❖ FT 2011 performance measures for Ombudsman services
 - Consultations, 4,478
 - Complaints, 1,928
 - Volunteer hours, 6,197
 - Visits, 4,523
 - Cases resolved or partially resolved, 1,418
- ❖ Aging and Disability Resource Centers (ADRC) current highlights
 - AAAs designated as ADRC sites
 - Information and resource website
 - 2-1-1 CareLine centralized phone number
 - Coordination with Medicaid and State Independent Living Council for Money Follows the Person (MFP) grant
- ❖ Office of Performance Evaluations status
 - No financial impact on agency budget request
 - Met with OPE examiners and recommendations are being implemented
- ❖ Governor's Recommendation
 - FY 2012 original appropriation - \$12,684,200
 - Supplemental - \$810,800

- Removal of one-time expenditures – (\$1,052,800)
- FY 2013 base - \$12,442,200
 - Employee benefits costs - \$19,500
 - Interagency nonstandard adjustments – (\$2,400)
 - Senior Medicare Patrol Capacity - \$44,400
 - Aging and Disability Resource Center - \$55,500
 - Added federal spending authority - \$140,100
 - Medicare Patient/Providers Act - \$12,300
 - Alzheimer’s Disease Supportive Services - \$68,000
 - Senior Medicare Patrol - \$172,100
 - FY 2013 total: \$4,452,800 General Fund, \$12,951,700 total funds
- ❖ FY 2013 expected funding distribution
 - Area Agency on Aging I \$1,800,000
 - Area Agency on Aging II \$1,200,000
 - Area Agency on Aging III \$3,300,000
 - Area Agency on Aging IV \$1,700,000
 - Area Agency on Aging V \$1,300,000
 - Area Agency on Aging VI \$1,100,000
 - Idaho Commission on Aging \$1,500,000
 - Other contracts and services \$1,051,700
 - Total expected distribution \$12,951,700

PUBLIC HEALTH DISTRICTS

**Presenters: Bill Brown, Commissioner, Southwest District Health
Bruce A. Krosch, CPM, Director, Southwest district Health (PHD3)**

- ❖ Introduced Health District directors
- ❖ FY 2013 budget proposal for \$8,019,700 from general fund
- ❖ The mission of the Public Health Districts is to prevent disease, disability and premature death; to promote healthy lifestyles; and to protect and promote the health and quality of the environment
- ❖ FY 2013 budget request
 - State General Fund - \$8,125,500
 - Millennium Fund - \$750,000
 - County - \$8,045,100
 - Contracts - \$22,667,100
 - Fees for services - \$9,404,700
 - Total - \$48,992,400
- ❖ State/county funds support for public health programs, FY 2011
 - Mandated programs
 - Revenue - \$2,633,581
 - Expenditures - \$6,396,128
 - State/county funds - \$3,762,548
 - Core public health programs
 - Revenue - \$6,028,125
 - Expenditure - \$8,557,569

- State/county funds - \$2,529,444
- Contractual programs
 - Revenue - \$17,796,810
 - Expenditures - \$24,064,966
 - State/county funds - \$6,268,156
- Local option programs
 - Revenue - \$4,890,045
 - Expenditure - \$6,013,885
 - State/county funds - \$1,123,841
- ❖ Shrinking local public health
 - State General Fund dollars to public health districts declining over time on par with state agencies---twenty five percent range
 - Zero percent growth in county funds to public health districts in Idaho last four fiscal years. Level county funding is projected again for FY 13
 - Declining fee for service revenues in last four fiscal years
 - Personnel costs in public health equal 75 percent of total budget
 - 143 positions eliminated statewide over last five years – 19.25% reduction
- ❖ WIC Program participants – 14% increase from 2007 to 2011
- ❖ Communicable diseases reported - 36% increase from 2007 to 2011
- ❖ Child care facility inspections – 46% decrease from 2007 to 2011
- ❖ Septic permits issued – 66 percent decrease from 2007 to 2011
- ❖ Food establishment inspections – 11,154 and 427 complaints investigated 427 in 2011
- ❖ Childhood vaccines – 74,964
- ❖ Tobacco cessation service number
 - Pregnant women – 330
 - Teens – 562
 - Adults 746
- ❖ Percent of Idaho adults who smoke – 15.7%
- ❖ Conclusion: The local Public Health Districts are a critical part of the great State of Idaho. We help assure the safety of the water we drink, the restaurant food we eat, and the air we breathe; we educate the public about responding to emerging health threats; we off preventive care like vaccines; and we develop and enforce public health laws and rules to create conditions that make communities healthier

SELF GOVERNING AGENCIES: Medical Boards

**Presenter: Matt Ellsworth, Senior Budget & Policy Analyst
Legislative Services Office**

- ❖ Five Medical Boards
 - Board of Dentistry budget - \$524,500
 - Board of Veterinary Medicine budget - \$264,900
 - Board of Medicine budget – \$1,749,300
 - Board of Pharmacy budget - \$1,673,800

- Board of Nursing budget - \$1,180,200
- ❖ Medical Boards: FY 2013 request
 - Replacement items
 - Dentistry: \$10,500 for computer hardware/software
 - Medicine: \$29,000 for IT equipment , software
 - Nursing: \$3,200 for computer hardware/software
 - Pharmacy: \$28,000 for replacement vehicle
 - Vet Medicine: \$3,600 for computer hardware/software
 - Total replacement : \$74,300
 - Governor's Recommendation: \$46,300
 - Line Item 1: Electronic Licensing System
 - Dentistry: \$9,000 ongoing; \$48,000 one-time
 - Medicine: \$250,000 one-time
 - Pharmacy: \$250,000 one-time
 - Vet Medicine: \$12,000 ongoing; \$28,000 one-time
 - Total request: \$597,000
 - Line Item 2: Executive Director's Salary
 - Board of Medicine: \$5,800 ongoing
 - Governor's Recommendation : \$0
 - Line Item 3: Salary for Professional Staff
 - Board of Nursing: \$45,400
 - Governor's Recommendation: \$0
 - Line Item 4: Retirement of staff member
 - Board of Nursing: \$8,100 one-time
 - Governor's Recommendation: \$0
 - Line Item 5: Website maintenance
 - Board of Nursing: \$8,000 ongoing
 - Line Item 6: Conversion of microfiche
 - Board of Nursing: \$14,700 one-time
 - Line Item 7: Paperless transactions
 - Board of Nursing: \$15,000 one-time
 - Line Item 8: PC for training/board meetings
 - Board of Pharmacy: \$2,900 object transfer (net \$0)
 - Line Item 9: Legal fees – Statute rework
 - Board of Pharmacy: \$96,200 one-time
 - Line Item 10: Inspect Telepharmacies
 - Board of Pharmacy: \$4,800 ongoing
 - Line Item 11: Rx Monitoring – federal grant
 - Board of Pharmacy: \$50,200 one-time (federal)
 - Line Item 12: Object transfer
 - Board of Medicine: \$32,400 from OE to PC
 - Line Item 13: Office space
 - Board of Nursing: \$2,800
 - Line Item 14: Object transfer
 - Board of Nursing : \$7,500 from operating to personnel costs

- Governor's recommendation: \$0
- ❖ Medical Boards: FY 2013 request
 - Dentistry: \$524,500
 - Medicine: \$1,749,300
 - Nursing: \$1,180,200
 - Pharmacy: \$1,673,800
 - Veterinary Medicine: \$264,900

SELF-GOVERNING AGENCIES – Idaho Division of Veterans Services

Presenter: Colonel David Brasuell, Division Administrator

- ❖ Vision Statement
 - Caring for America's Heroes
- ❖ Mission Statement
- ❖ Organization
- ❖ Helping veterans with education and jobs
 - New GI Bill has changed education benefits
 - Different role for IDVS education program
 - Coordinating efforts to help Veterans find jobs
 - 116th Cavalry
 - Using technology
 - Working with other state agencies and federal agencies
- ❖ Veterans benefit assistance
 - 137,000 Idaho veterans
 - 576 million dollars of Veterans benefits into Idaho last year
 - 64 million dollars through Division offices
 - ROI of 59 dollars for every one dollar of General Fund
- ❖ Reaching out to Idaho veterans
 - New service officer in northern Idaho sharing office with IDOL
 - Helping veterans in veterans' court
 - Hosted 2nd Women Veterans' Conference
 - Reviewing, approving, and auditing veterans' education and job training program
- ❖ Idaho State Veterans Homes
 - Provide superior long-term care and enhanced quality of life for Idaho State veterans
 - Occupancy rate = 82%
 - Average rate in Idaho = 71%
- ❖ Idaho State Veterans Cemetery
 - 3,425 internments
 - Average – 12 per week
 - VA plot allowance increased in October 2011
- ❖ General Fund use
 - Dropped more than 50%
 - Cuts had minimal impact on the veterans served
 - Will always need some General Fund

- ❖ The Division operates like a well-managed business
 - Ongoing cost-control
 - Responding to increased costs
 - Tracking cost savings
- ❖ Facing many challenges
 - Changes in reimbursement – VA, Medicare and Medicaid
 - New software for clinical, financial and pharmacy billing
 - Changes in demographics (WWII veterans; baby boomers)
- ❖ Workforce
- ❖ If authorized additional budget flexibility the first focus on bringing valued employees' pay rate closer to facility census changes, using temporary employees to give flexibility
- ❖ Supplemental replacement software
 - \$920,000 federal funds; \$1,080,000 Miscellaneous receipts
 - Clinical, fiscal and pharmacy software essential for the operation of the Idaho State Veterans Homes
- ❖ Idaho Veterans Cemetery expansion
 - \$7,600,000 federal funds
 - VA grant and cash reserve funds to provide 4,320 more sites for cremains in Columbaria and in-ground vaults
- ❖ Replacement/new capital outlay equipment
 - \$441,000 federal funds; \$652,000 miscellaneous receipts
 - Items needed to provide essential service to veterans and perform critical IT functions
- ❖ Additional staffing 6 FTP
 - \$28,500 federal funds; \$247,000 miscellaneous receipts
 - Provide additional staffing to care for residents at the Idaho State Veterans Homes and increase critical quality improvement position to 1 FTP
- ❖ Missing in America remains
 - \$30,000; miscellaneous receipt
 - Unclaimed veterans remains (500) need to be gathered and interred with dignity
 - This will help offset costs Idaho funeral homes have incurred in processing veterans' cremains that have not been claimed by family members
- ❖ Agency-funded DPW projects
 - \$2,943,000 federal funds; \$54,000 miscellaneous receipts
 - One-time expenditures to cover FY 13 DPW ADA and alterations and repair projects
- ❖ Wireless Networking System
 - \$600,000 federal funds; \$600,000 miscellaneous receipts
 - Upgrade all network communication cabling, remove obsolete cabling and ensure compliance with safety and building codes in Idaho State Veterans Homes

- ❖ Legislative Audit Issues
 - Recent legislative audit had these findings;
 - Boise pharmacy contract
 - Cash reserves

IDAHO STATE TREASURER

Presenter: Ron Crane, State Treasurer

- ❖ Budget for FY 2013 maintained current level of operations
- ❖ Requested no new enhancements
- ❖ Treasurer's Office main functions:
 - Manage the cash flow for the General Fund
 - General Fund revenues received unevenly throughout the fiscal year
 - The state receives on average around 49.7% of revenues in the first six months
 - Disburse about 67.7% of total expenditures in same six month period
 - In an average year, pay out 80% of the public school appropriation in the first five months of the fiscal year
 - This year those payments totaled \$1.223 billion dollars
 - School district payments are the State's single largest item of expenditure at about 48.24% of General Fund spending for FY 2012
 - From 2001-2010 earned over \$21.7 M from the issuance of the Tax Anticipation Notes (TAN)
 - Invest idle operating funds
 - Manage Local Government Investment Pool (LGIP)
 - Unclaimed property
 - Holding about \$57 million in trust
 - Invest Millennium Fund dollars
 - Custodian for worker's compensation securities
 - Administer the Idaho Bond Bank (\$260 M)
 - Bond Guarantee program and 529 College Savings Plan (IDEAL) -- \$215 M with 21,000 accounts

ADJOURNED

Maxine Bell, Chairman

Kathryn Yost, Secretary

JFAC COMMITTEE MEETING MINUTES

1/20/12

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Roll Call:

Senators: Cameron, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour

Representatives: Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Excused: Keough

Staff Present: Ellsworth, Headlee

LEGISLATURE: Office of Performance Evaluations

**Presenter: Rakesh Mohan, Director
Hannah Crumrine, Senior Evaluator**

- ❖ Program Background
 - Definition: permanent kidney failure that requires dialysis or a kidney transplant
 - Established in 1970 to provide financial assistance for those unable to pay for the cost of services
 - Upon diagnosis, people are eligible for Medicare
 - Program is administered by the Division of Vocational Rehabilitation
 - Expenses covered are limited to medications, transportation, insurance premiums, and some transplant costs
 - In 2011, the program was appropriated \$527,700 and served 169 participants
- ❖ Audit Findings
 - Program lacks internal controls
 - ❖ Eligibility determination process is inconsistent among staff and regions
 - ❖ Program lacks procedures and safeguards
 - Medicare enrollment
 - Financial assistance and comparable benefits
 - Financial needs assessment
 - Oversight and supervision
 - ❖ Program does not enforce its full-coverage Medicaid restrictions
 - Program materials do not mention full-coverage Medicaid restrictions
 - Staff do not consistently verify Medicaid

- ❖ Twelve participants also received paid Medicaid claims specific to end-stage renal disease since 2008
- Program may no longer be relevant
 - ❖ Original legislative intent
 - ❖ Available assistance
 - Medicare, Medicaid, private insurance, additional assistance programs

STATE BOARD OF EDUCATION: Division of Vocational Rehabilitation (IDVR)

Presenter: Don Alveshere, Administrator

- ❖ Performance
 - Passed all federal standards and indicators
 - Last available Sum of Ranks (based on 81 performance measures)
 - ❖ FY09 IDVR ranked 5th out of 52 similar agencies
 - ❖ FY08 IDVR ranked 3rd out of 52 similar agencies
- ❖ IDVR Budget Proposal
 - Vocational Rehabilitation
 - ❖ Adds \$270,900 state funding to match \$1,000,800
 - ❖ Federal allotment based on state population and ratio of state per capita income levels
 - ❖ IDVR ranked 10th in amount of money returned to RSA in FY10
 - ❖ Return on investment studies
 - ❖ Resources will help with avoiding Order of Selection:
 - Order of Selection (OOS)
 - ❖ Federal process when not enough resources (dollars or staff) to serve every customer
 - ❖ Very disruptive process
 - Not able to serve people when they need help
 - Creates a lot of appeals with eligibility determination
 - Creates organizational staffing issues because wait list is determined statewide not locally
 - Must serve those with most significant disabilities first and lose relatively lower cost success opportunities
 - Extended Employment Services (EES)
 - ❖ Provides long-term supported employment services to customers with developmental or mental health disabilities
 - ❖ IDVR had Legislative Audit finding for using federal VR funds for agency indirect costs
 - ❖ Includes \$367,000 so that EES can cover its share of IDVR indirect costs
 - ❖ Request will allow the full FY 2012 trustee and benefits allotment to be used for trustee and benefits
 - ❖ Currently 390 people are on the waiting list

- Council for the Deaf and Hard of Hearing (CDHH)
 - ❖ CDHH was moved to IDVR in FY 2011 and intended to be funded through VR grant for FY 2011
 - ❖ Not all CDHH work qualifies under the VR grant
 - ❖ Adds \$148,300 to make CDHH state-only funded without being tied to the VR Grant
 - ❖ Administrative burden for two-person organization and funding risks are based on program needs
 - ❖ JFAC action on 1/12/12 increased FY 2012 state funding to \$124,500 (Incurred \$146,400 total cost in FY 2011)
- End-Stage Renal Disease Program
 - ❖ Funding at current level
 - ❖ OPE study found program issues
 - ❖ IDVR has implemented a series of actions to address the findings
 - ❖ OPE study recommended phasing out the program (Governor agreed with the recommendation and suggested 6/30/13 as the sunset date)
- ❖ Alternative Funding Sources
 - Social Security Reimbursements
 - ❖ IDVR receives reimbursement for case costs of customers who were receiving disability-related Social Security but earn above the federal threshold for 9 out of 12 months
 - ❖ IDVR has implemented changes to increase the amount received in reimbursements
 - ❖ No consistency in receiving reimbursement dollars
 - Spending Authority Flexibility for Social Security Reimbursements
 - ❖ Reimbursements are viewed as “program income” and must be used before federal dollars are drawn
 - ❖ IDVR received flexibility for how these dollars are spent (this satisfied the federal audit finding)
- ❖ Legislative Audit Findings (FY 2010)
 - 2010F-14 – Drawing federal funds early (Federal funds now only being drawn as expended)
 - 2010F-15 – Federal financial reports are not supported by the Division’s accounting records (Division’s accounting structure has been improved to track grant expenditures properly)
 - 2010F-16 – Additional services provided to clients are not documented as required (Discontinued the policy in question and will submit revised policy)
 - 2010F-17 – Indirect cost rate is not supported and amounts are claimed twice in error
 - ❖ Indirect cost plan has been resubmitted to US Department of Education
 - ❖ Indirect costs are no longer being charged as grant direct costs
 - ❖ Indirect costs will be recovered at the approved rate

- ❖ IDVR Workforce
 - Some key central office positions were left open for cost savings to avoid Order of Selection
 - ❖ Saved money but contributed to oversight that led to audit findings
 - ❖ Not able to provide the level of support needed for the field to provide the expected level of customer service
 - Temporary positions have been used
 - ❖ For short-term projects that did not require a full-time staff person
 - ❖ To evaluate whether certain positions needed to be permanent
 - Employee Climate Survey
 - Currently 141 current employees, 1 temporary employee and 10 retained positions that are not filled

OFFICE OF THE GOVERNOR

Commission for the Blind and Visually Impaired (ICBVI)

Presenter: Angela Jones, Administrator

- ❖ Commission Background
 - State agency that provides direct services by teaching blind and visually impaired skills for employment and independence
 - ICBVI is a direct service provider (not an advocacy group)
 - Currently employ 39.5 FTPs.
 - In the last five years ICBVI has increased clients served by 22% and decreased staff by 17%
 - Definition of “legally blind” is 20/200 best corrected
 - Over 29,000 citizens of Idaho are severely visually impaired
 - ❖ 20% of blind/visually impaired use a cane or guide dog
 - ❖ 80% do not utilize a recognizable tool
 - ❖ 1,365 clients served in FY 2011
- ❖ Programs
 - Independent Living/Older Blind Program
 - ❖ Increased clients served by 35% since 2007
 - ❖ Rehabilitation teachers go into homes and teach various skills such as cooking/cleaning, mobility (travel), communication, and computer literacy.
 - ❖ In 2011, served 799 clients
 - Assessment and Training Center
 - ❖ 30% increase in student enrollment since 2008
 - ❖ An intense course where students learn Braille, computers, travel skills, home maintenance, cooking, job readiness, social skills and other activities related to employment
 - Summer Work Experience Program: five-week work training experience

- ICBVI Low Vision Clinic
 - ❖ Contract with optometrist specializing in low vision and low vision aids. Then clients are taught non-visual skills and technology that can assist them in job or home
- Sight Restoration Program
 - ❖ 100% from the General Fund
 - ❖ Designed to pay for expenses related to medical procedures which preserve, stabilize and restore vision
 - ❖ Services allow individuals to retain or maintain employment
 - ❖ Due to budget holdbacks, the number of clients served has decreased
- ❖ Commission Updates
 - Completed ARRA funding reports and projects presented to JFAC and Governor's Committee
 - Federal RSA 107 Review from 2010 will be complete after policy changes are approved by the Legislature this year
 - Implemented and trained staff on the upgraded case management system developed in-house with ARRA funds
 - Began implementation of a statewide project for Large Print and Braille menus at local restaurants in conjunction with the Idaho Lodging and Restaurant Association and the Lions Club
 - Idaho Commission on Aging still rents space in Commission's building
 - Memorandum of Understanding with the Idaho Division of Vocational Rehabilitation to increase ICBVI's split from 10% to 13.5%
 - Four retirements in 2011, no furloughs, one open pending reclassification
 - Memorandum of Understanding with the Idaho Educational Services for the Deaf and Blind for a transition coordinator to work with the blind and visually impaired, ages 14-21 to prepare for employment
- ❖ Donation Funds
 - ICBVI had a Low Vision Clinic at the Owyhee Community Health Facility on the Duck Valley Reservation, allowing older individuals residing in remote/rural Idaho the opportunity to access eye care services
 - The senior citizen population affected by macular degeneration and other diseases of the aging is growing rapidly and funding is needed to keep clients independent. Have spent donation funds totaling over \$21,000 on CCTV's, bi-optics, glasses, magnifiers, lamps, and canes
- ❖ FY 2013 Budget
 - Supplemental request of \$217,500 in federal funds, one-time, to receive additional, unused basic support grant funds from IDVR.
 - ❖ Request is for \$37,500 in OE for travel and training costs
 - ❖ \$80,000 in CO to replace 3 vehicles
 - ❖ \$100,000 in T & B for client services
 - Increase federal spending authority of \$21,500 which will be moved to cover personnel costs
 - Requests \$100,000 in one-time dedicated fund spending authority for a portion of a donation the commission received in FY 2011. Request

consists of \$60,000 in OI and \$40,000 in PC to continue services for older blind population

STATE INDEPENDENT LIVING COUNCIL (SILC)

Presenter: Robbi Barrutia, Director

- ❖ Mission: to promote the independent living philosophy for all Idahoans with disabilities – choice, self-determination, and access for all
- ❖ Federal Rehabilitation Act
- ❖ SILC Funding
 - Federal Workforce Investment Act (Passed through Idaho Vocational Rehabilitation)
 - Grants – Medicaid Infrastructure Grant
 - State General Fund moneys appropriated by the Legislature
- ❖ SILC Board and Membership (voting and non-voting)
- ❖ SILC Responsibilities
 - Develop, sign and submit the State Plan for Independent Living (SPIL)
 - Monitor, review and evaluate the implementation of the State Plan
 - Support the Centers for Independent Living (CILs) and advocate for independent living services provided through state and federal programs
 - Gather information, conduct studies and analyses, develop model policies, conduct training, outreach to un-served or underserved populations, expand and improve independent living services and activities
- ❖ Accomplishments
 - Protect parents with disabilities from discrimination in child custody cases
 - Idaho Building Code Advisory Act
 - Voter accessibility
 - Accessible parking and new transportation options
 - Add disability as a protected class within the Human Rights Act
 - Medicaid for workers with disabilities
- ❖ Grants
 - AmeriCorps Grant – Third Year
 - Medicaid Infrastructure Grant (MIG)
- ❖ Staff
 - Current Staff
 - Staff Turnover
- ❖ FY 2013 Budget – Governor’s Recommendation
 - General Fund \$ 97,600
 - Dedicated Fund \$243,600
 - Federal Fund \$632,700
 - Line Item
 - ❖ Office on Violence Against Women \$ 60,600
 - ❖ Money Follows the Person \$156,800
 - Supplemental Request
 - ❖ Spending Authority for \$113,000

FOLLOW-UP INFORMATION FROM DECEMBER, 2011 JFAC MEETING

Presenter: Paul Headlee, Principal Budget & Policy Analyst

- ❖ Provide responses to requests for additional information
 - Additional detail on the public schools percentage reductions on salaries and benefits required through S1184 (2011 session)
 - College and University trend data on tuition and fees, total revenues, and full-time equivalent enrollment
 - College and Universities' revenue from research programs
 - Background information on the Board of Education's decision to change the enrollment workload adjustment cost factor from 0.33 to 0.67

ADJOURNED

Senator Dean L. Cameron, Chairman

Peggy Moyer, Secretary

JFAC COMMITTEE MEETING MINUTES

1/23/12

The hearing was held in Room C310, Statehouse, commencing at 8:00 a.m. and concluding at 10:47 a.m. with Chairman Bell presiding.

Roll Call:

Senators: Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour

Representatives: Bell, Bolz, Eskridge, Wood, Patrick, Tucker (Hagedorn,) Thompson, Vander Woude, Ringo, Jaquet

Absent/Excused: None

Staff Present: Headlee

STATE BOARD OF EDUCATION: College and Universities

Idaho State University

Presenter: Dr. Arthur Vailas, President

- ❖ Economic Impact
 - Bannock County's largest employer
 - Indirect and induced economic impact of \$312 M to the community

- Earnings for Idaho State University alumni living and working in Idaho contribute \$873 M annually to the state economy
- ❖ Workforce Profile
 - Faculty
 - Permanent positions with benefits – 552
 - Temporary positions with benefits – 71
 - Staff
 - Permanent positions with benefits – 1,080
 - Temporary positions with benefits – 50
 - Student/temporary
 - Temporary positions without benefits – 2,134
- ❖ Workforce Management
 - Increased Personnel Action Scrutiny (IPAS) – implemented in 2008
 - All proposed personnel actions reviewed in light of budget constraints and essential need
- ❖ Community Support
 - Raised \$381,171 for students
 - More than 100 volunteers
 - More than 2,000 students, faculty, staff and community members
 - Events held in spring and fall
- ❖ Expanding Research (national leaders)
 - Classified “Research University “ by the Carnegie Foundation
 - \$36,151,462 – external awards – 72% federal funds
 - Established a Technology Transfer Office
 - Creating opportunities for additional revenue
 - Ballard Building
 - 200,000 square-foot research facility
 - Supports graduate and undergraduate student learning
 - Investment to create a national research hub
 - No state-appropriated funds were used for the purchase
 - Business plan provides for self-sustainability
 - Scan-Tech
 - Partnership to test security technology
 - Offers opportunities in nuclear, food safety and medical research
 - First of many partnerships at the Ballard Building
 - \$1,333,675 grant from US DOE Nuclear Energy University Program to Dr. Eric Burgett (engineered single crystal UO2)
 - Idaho Accelerator Center: \$5,571,385 in external funding in FY 2011, including work on medical isotopes and Homeland Security
 - \$1,029,232 grant from the U.S. National Science Foundation
 - ISU and Canadian Museum of Civilization to further create an online, interactive, virtual museum

- ❖ Improving Health Care
 - Dental Residency Program
 - 12 university clinics – more than 42,000 patient visits FY 2011
 - Community involvement
 - Global outreach
 - Clinical research
 - \$1.5 M renovation adds 5,200 square-feet of clinic opened this fall
 - Serves 400 patients each month, many low-income
 - Outpatient clinics
- ❖ Working to Educate Idahoans – alignment with 0% goal
 - Career Path Internships: \$1.4 M
 - Undergraduate and graduate students
 - Paid real-world experience in their fields
 - New Graduate TA's: \$0.5 M
 - 26-28 additional GTA's required to participate in teaching courses
 - Alignment with SBOE 60% goal
 - Improving the pipeline
 - Early college
 - K-12 partnerships
 - Streamlined admissions, financial aid and recruitment
 - Student retention
 - Improving graduation rate
 - Reformed general education requirement
 - Reformed graduation requirements
 - High school engagement
- ❖ Globalization of Learning
 - Bringing new cultural experiences to Idaho students
 - Hailing from 59 countries
 - Up 27% from Fall 2010 to Fall 2011 (480 students)
- ❖ Academic Degrees Awarded
 - 71% undergraduate
 - 29% graduate
- ❖ Fiscal Year 2012 Budget
 - State appropriated - \$124,377,421
 - Other student fees - \$22,400,287
 - Federal grants/contracts - \$121,810,845
 - State grants/contracts - \$10,321,739
 - Private grants/contracts - \$16,558,590
 - Sales & Service of Education Activities - \$5,427,392
 - Sales & Services Auxiliary Enterprises - \$21,275,772
 - Indirect Cost Recovery - \$5,811,957
 - Other - \$4,772,278
 - Total - \$332,756,181
- ❖ Total Operating Budget – uses of funds - \$105,199,169
 - Scholarships/Fellowships - \$92,732,030

- Instruction - \$92,732,030
- Institutional support - \$22,336,175
- Research - \$36,568,011
- Physical plant - \$13,545,953
- Auxiliary Enterprises - \$17,382,243
- Academic support - \$13,196,267
- Athletics - \$8,182,213
- Student services - \$7,592,089
- Libraries - \$4,923,422
- Public service - \$5,166,057
- Other - \$2,110,678
- ❖ Reducing Debt
 - Outstanding long-term debt – FY 2011 \$71.7 M
 - Reduction in debt – FY 2011 \$4.3 M
 - Moody’s Investor’s Service recently reaffirmed current A-1 bond rating and gave ISU a stable outlook
- ❖ Net Asset Balance – net unrestricted assets - \$12,391,009
 - State Board of Education approved minimum target level for Net Unrestricted Assets is 5% of prior year total net operating expenses. Their \$12.4 M is 5.9% of that number.
- ❖ Operating Performance
 - Expense growth slowed to only a \$1.9 M (.09%) increase against revenue growth of \$7.2 M (6.6%)
 - Normalized for one-time expenses – expense growth was essentially flat
- ❖ Deferred Maintenance 5-year Projections - \$446,170,113 total
- ❖ Line Item Requests
 - Enrollment workload adjustment - \$4,991,100
 - Center for Advanced Energy Studies (CAES) - \$1,000,000
 - Occupancy costs - \$1,165,300
 - Idaho State Biomedical Research - \$843,000
 - IT infrastructure - \$4,079,700
 - Library collections - \$50,000
 - Gross Anatomy Lab – Meridian - \$1,530,800
- ❖ FY 13 Request for Maintenance of Current Operation
 - Inflation - \$454,000
 - Equipment replacement - \$3,095,900
 - Current year enrollment workload adjustment - \$1,924,200

Boise State University

Presenter: Bob Kustra, President

- ❖ Introduced Staff
- ❖ Greenspeed
 - Greenspeed Student Club built the world’s fastest vehicle that runs on vegetable oil
 - Greenspeed is comprised of all undergraduate engineering students

- The Club was invited to the largest public show in Washington, D.C. and premier placed for showcasing the latest innovations in sustainable technologies and drawing the most influential leaders in the auto industry
- ❖ Select Accomplishments
 - 'The talkin' Broncos', Boise State's speech and debate team won the Pi Kappa Delta national title last April and have finished 1st or 2nd in the last four national forensics tournaments
 - A new Veteran's Service Center opened in November and Boise State was named a military-friendly school by G.I. Jobs magazine for the 3rd year, placing the university in the top 15% of schools
 - Serves 1,100 student veterans and dependents with G.B. benefits
 - Wyakin Warrior Foundation serves severely disabled veterans
 - VetSuccess program embeds VA counselors on campus; BSU is one of only 20 campuses nationwide chosen for program
 - Boise State professor and forensic DNA expert Greg Hampikian played a pivotal role in overturning the Amanda Knox verdict
 - Boise State researchers received their first grant from the prestigious W.M. Keck Foundation to develop a simple device that can detect up to 250 diseases
- ❖ Research Highlights Since 2006
 - 68% increase in the sponsored research project expenditures
 - 63% increase in publications by BSU authors
 - 326% increase in citations of BSU publications
 - 57% increase in the number of intellectual property disclosures
- ❖ Meeting the Demand
 - Ed.D. in Education Technology
 - Entirely self-supported by student fees
 - Fully online
 - Ph.D. in Materials Science & Engineering
 - Initial funding from a \$13 million gift from Micron
 - Ph.D. in Biomolecular Sciences
 - Includes funding from reallocation of current resources and Idaho's ongoing INBRE grant
 - Research on wide range of biomedical topics, including Alzheimer's disease, cancer, and vaccine development
 - New Foundational Studies Program
 - New set of courses to replace the traditional core offerings
 - Faculty developed the new program with a broad, realistic vision of what it takes for graduates to contribute to society and their communities
 - Reflects transformational thinking and innovative way of learning
 - Provides skills, knowledge and experiences in areas that are relevant to the workplace and life
 - Work on these essential skills begins in a student's first year of college and continues throughout the degree

- Created a series of faculty “podcasts” as examples of the innovative spirit that exists in many fields at Boise State University. The Broncos are known for inventive, well-executed football; the campus community is recognized for creative new ideas and exciting partnerships that enhance the experiences of the students every day
- Intended to showcase the expertise of the faculty on a variety of topics to the casual listener
- ❖ Challenge: Effectively Managing the Demand
 - Boise State enrolled 43% of Idaho’s full-time resident students in 2011
 - Boise State taught 44% of the college credit hours offered at the four Idaho institutions in 2011
 - Since 2006 71% of the new students enrolling in academic programs at Idaho’s institutions enrolling in academic programs at Idaho’s institutions enrolled at Boise State
 - Since 2006 the number of junior, senior, and second degree students increased by 31% (to 9,351)
 - Since 2006 graduate student enrollment increased by 29% (to 2,296)
 - Credit hours generated increased 14.5% (to 487,159) in one fiscal year
- ❖ What Boise State is Doing to Manage Growth
 - Increased admissions standards to the highest among Idaho’s public universities
 - Decreased credits to graduate from 128 to industry-standard of 120
 - Degree programs were reworked to ensure quality with fewer credits
 - Restructure of class schedule to 75 minute blocks
 - Increased scheduling efficiency by making better use of underutilized times
 - Reduced scheduling conflicts for students
 - Reduced # of commutes to campus by students
 - Combined smaller sections into fewer, larger sections
 - Continue to develop intersession, online courses, and other methods of delivery to meet student needs
 - Hired part-time faculty members to meet peak demands
 - Increased dual enrollment by 94% and distance education credits by 54% or restructured
 - Eliminated AS Radiologic Sciences, BA Psychology Secondary Ed, BA Communication/English
 - Discontinued duplicative degrees from 12 bachelors programs
 - Restructured 3 bachelors programs
- ❖ FY 2013 Governor’s Budget Recommendation
 - Boise State Funding:
 - \$3,512,200 Enrollment Workload Adjustment (EWA)
 - \$1,909,500 for occupancy costs
 - Provided funding for benefit cost increases, and one-time CEC
 - Idaho Global Entrepreneurial Mission (IGEM): \$5 M total
 - \$2 M for Center for Advanced Energy Studies (CAES) (\$666,700 for Boise State)

- \$2 M for HERC Grants
- \$1 M for Innovation Grants (Dept. of Commerce)
- Higher Education Stabilization Fund: \$4,980,000 for reserves

Lewis-Clark State College

Presenter: J. Anthony Fernandez, President

- ❖ Lewis-Clark State School (LCSC) serving Idaho and America since 1893
- ❖ A tradition of teaching excellence
- ❖ LCSC is a regional state college offering undergraduate instruction
 - Professional areas tailored to the educational needs of Idaho
 - Applied technical programs which support the state and local economy
 - The liberal arts and sciences
 - Other educational programs designed to meet the needs of Idahoans
- ❖ Role and Mission
 - Connecting learning to life
 - Academic programs
 - Professional-Technical programs
 - Community programs
- ❖ Primary Emphasis Areas
 - Educating people for the economy –business, justice studies, nursing, Professional-Technical education, social work, teacher education and arts & sciences core
- ❖ Higher Education Degrees
 - Doctorate – 160
 - Professional -165
 - Master’s -1,600
 - Associate’s -3,400
 - Bachelor’s – 9,100
- ❖ Access: Individual Student Support
 - Fall 2011 admitted profiles
 - Enhanced advising for all provisionally admitted students
 - Free tutoring
 - Special curriculum to develop college survival skills
 - Hands-on training in basic computer web skills
 - Student Success Program: rigorous initial assessment, assignment into student support programs, and intensive advising
 - New student orientation program
 - Student development seminars
- ❖ Access collaborative efforts – Nez Perce Tribe
- ❖ Outcomes
 - NCLEX-RN first-time pass rates: 95%
 - Rad. Tech. pass rate: 92%
 - Solid performance on teacher Praxis exams: 92% first-time pass rate
 - Social work licensure first-time pass rate: 92% (national pass rate: 69%)

- 90% placement of Natural Sciences students in graduate and professional schools over the past 4 years
- ❖ Placement
 - Academic graduates: 90%
 - Technical graduates: 89%
- ❖ Quality Athletics
- ❖ Efficiency
 - Nursing
 - Dual credit/Tech Prep
 - Distance education
 - Textbook rental
 - Organizational structure
- ❖ Outreach Coeur d'Alene
- ❖ Coeur d' Alene Joint Facility
- ❖ Outreach
 - Community programs provided 222 non-credit courses reaching 1,500 of citizens in the region
 - Workforce training provided training to 3,000 students through 432 classes to support economic development throughout Region II
 - GED produces 400-500 graduates each year
 - Department of Correction-several programs
 - Budget impacts
 - Kooskia Outreach Center closed
 - Family Education closed
- ❖ Meeting Budget Challenges
 - Operating expenses/capital outlay
 - Permanent positions delayed hiring
 - Changes in workforce
- ❖ Enrollment Fall 2011
 - 4,693 total headcount
 - 38% increase in headcount since Fall 2006
 - Total FTE 3,314
 - Freshman enrollment up 3%
 - Pre-college enrollment up 11%
- ❖ FY 2013 Budget – Line Item Requests
 - Inflationary adjustment - \$228,200
 - Non-discretionary adjustments - \$348,400
 - Replacement items - \$1,300,000
 - Occupancy costs - \$486,900
 - Strategic initiative - \$919,700
 - Unfunded Enrollment workload Adjustment (EWA) - \$943,700
- ❖ Governor's Budget
 - Enrollment Workload Adjustment - \$348,400
 - Occupancy costs - \$486,900
 - 3% CEC one-time bonus set aside statewide - \$41,107,100
 - Idaho Global Entrepreneurial Mission - \$2,000,000

- ❖ LCSC's General Approach
 - Fully integrated into strategic, campus-wide planning effort
 - Long-term focus
 - Balance impact of cuts on mission/people
- ❖ LCSC runs a lean and practical operation focused on professions that promote economic development. Realistic planning and aggressive management helps to cope with the combined impact of:
 - Increased enrollment – student fees cover only a fraction of costs for new students
 - Increased costs
 - Decreased funding
 - LCSC has taken the steps necessary to sustain their mission

ADJOURNED

Maxine Bell, Chairman

Kathryn Yost, Secretary

JFAC COMMITTEE MEETING MINUTES

1/24/12

The hearing was held in C310, Statehouse, commencing at 8:00 a.m. and concluding at 10:34 a.m. with Chairman Cameron presiding.

Roll Call:

Senators: Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Bilyeu,

Representatives: Bell, Bolz, Eskridge, Wood, Patrick, Tucker (Hagedorn),
Vander Woude, Ringo, Jaquet

Excused: Toryanski

Absent: LeFavour, Thompson

Staff Present: Headlee

STATE BOARD OF EDUCATION: COLLEGE AND UNIVERSITIES

College of Western Idaho (CWI)

Presenter: Dr. Bert Glandon, President

- ❖ Introduction of Board of Trustees
- ❖ Thriving Community College
 - Began offering academic courses in Spring 2009 with 1,208 students
 - Fall 2011 student population was 8,077

- By Fall 2011 had 12,000 non-credit, short-term business training and remedial education students
- By Fall 2011, over 400 high school students enrolled in dual credit program (200% increase over prior year)
- ❖ Service Area
 - Ada, Adams, Boise, Canyon, Gem, Payette, Valley, Washington, and portions of Elmore and Owyhee Counties
 - Ada and Canyon Counties within CWI's property tax district
 - ❖ 60% of student population from Ada County
 - ❖ 30% of student population from Canyon County
- ❖ Comprehensive Opportunities
 - Programs
 - ❖ 52 general education and professional technical degrees
 - ❖ 100% non-credit programs in workforce development and basic education
 - Virtual classes
 - ❖ 218 credit and growing each semester
 - ❖ 200+ non-credit
 - Employees
 - ❖ Almost 1,000 employees including adjunct and part-time teaching staff (often community leaders)
 - Locations
 - ❖ 8 locations through the Treasure Valley
 - ❖ Over 12 community locations
- ❖ Collaboration
 - Work with high schools, universities, local business and industry to ensure programs meet high standards and transfer to other educational institutions and directly into the workforce
- ❖ Need for education in the Treasure Valley
 - Financial aid
 - ❖ Last year 7,000 students received financial aid
 - ❖ This year received 14,500 applications for aid
 - ❖ About 40% of aid applicants reported total family income at or below federal poverty thresholds
 - ❖ 77% were eligible for Pell Grants
- ❖ FY 2013 Budget
 - Base is \$4,207,100 (18% of funding for the 3 community colleges)
 - ❖ CWI has 39% of the full-time equivalent enrollment for all community colleges
 - Benefit Cost and Change in Employee Compensation (CEC)
 - ❖ Increase in health insurance: \$33,800
 - ❖ CEC: \$62,000
 - Replacement Items
 - ❖ Replace library books and computers
 - ❖ Requesting \$66,100

- Line Items
 - ❖ Enrollment Growth –allocation: \$560,200 (experienced more than 600% enrollment growth while receiving only 61% increase in revenue)
 - ❖ Occupancy Costs – request totals \$848,600
 - ❖ Nursing Staff request: \$221,500
 - ❖ Virtual one-stop student services request: \$195,400
 - ❖ Equity Adjustment: \$1,000,000 recommended by Governor

College of Southern Idaho (CSI)

Presenter: Dr. Jerry Beck, President

- ❖ Introductions
- ❖ Core Themes
 - Transfer education - prepare students to successfully complete BA/BS degrees and beyond
 - Basic skills education – prepare students to successfully complete post-secondary courses and programs
 - Professional-Technical education – prepare students to successfully participate in the regional workforce
 - Community connections – support and promote the social, cultural and economic development of the region
- ❖ Student Enrollment
 - Annual student FTE: 2000-01 3,462.6; 2010-11 5,535.5
 - Enrollment by type and location
 - Dual credit enrollment – significant growth since 2000
- ❖ CSI Faculty and Staff – increased 4.4% since 2007 while student full-time equivalent has increased 30.3%
- ❖ Annual Student Costs
 - \$6,730 in the 2007-08 school year
 - \$7,710 in the 2011-12 school year
- ❖ Revenue Sources
 - State appropriation
 - Property tax
 - Tuition and fees
 - County tuition
 - Miscellaneous
- ❖ Economic Development
 - WEL Companies, Inc. (warehousing/transportation/storage company) opened an operation center in Gooding (about 20 employees)
 - C3 (Call Center) established center in Twin Falls in 2010
 - ❖ Hired 600, plan to add an additional 300 employees
 - Chobani (yogurt) plant to be located in Twin Falls
 - ❖ Estimate company will hire 400 people
 - ❖ Capital investment of at least \$128 million
 - ❖ Estimate regional sales at \$266 million

- ❖ Grant Funding
- ❖ CSI/CWI Partnership
 - Assist CWI in meeting standards for accreditation
 - Help CWI offer college credit instruction, certificates and degrees and federal financial aid while seeking accredited status with NW Commission on Colleges and Universities
- ❖ Highest Priority Funding Requests
 - Priority #1 -Occupancy costs for building support and maintenance for CSI's Health Sciences and Human Services building opened in January, 2010 – Requesting \$563,000 for FY 2013
 - Priority #2 -Catch-up funding for enrollment workload adjustment
 - STEM Initiative - \$175,800 request to provide resources to help develop and expand STEM education in Region IV
 - Graduation Rate Improvement - \$106,100 request to help increase retention and graduation rate of students

North Idaho College (NIC)

Presenter: Dr. Priscilla Bell, President

- ❖ Introduction of Trustees
- ❖ Regional Footprint – serves Benewah, Bonner, Boundary, Kootenai and Shoshone counties. Kootenai County is within NIC's property tax district
- ❖ Student Enrollment - a 45% increase in four years
- ❖ Student Debt
 - 6,700 students receiving financial aid in 2010-11 school year
 - Funding burden is shifting to students – they pay more than is received in state funding
- ❖ FY 2013 Budget Request: \$8.742 million
 - Line items
 - ❖ Partnerships with school districts: \$ 99,800
 - ❖ Physical therapist assistant program: \$250,000
 - ❖ Consolidate student services: \$528,700
- ❖ 2012 Legislative Focus – Financial challenges
 - State construction bonding
 - Employee compensation
 - Financial aid to students
 - Continued support for Professional-Technical and workforce education
 - Campus safety – concerned about guns on campus
- ❖ Changes in Workforce
 - Faculty has grown to meet enrollment – minimal growth in staff
- ❖ Items of Interest
 - Program structure
 - ❖ No cuts or reductions
 - ❖ Educational programs added
 - Appropriation flexibility – PTE - supplemental

- ❖ Areas of Risk – created by enrollment growth
 - Quality of education
 - Quality of service
 - Compliance with federal regulations
 - Migration of students to part-time

Health Education Programs

Presenter: Matt Freeman, Deputy Director and Chief Fiscal Officer

- ❖ Overview of Health Education Programs
 - WWAMI Medical Education Programs (80 seats – 20 per year)
 - University of Utah Medical Education Program (32 seats – 8 per year)
 - Idaho Dental Education Program (IDEP) (32 seats – 8 per year)
 - Washington-Idaho Veterinary Medicine Program (44 students)
 - WICHE Optometry Program (8 students) phase-out by FY 2014
 - Family Medicine Residency Program – final three years of clinical training to newly graduated medical doctors
 - Psychiatry Residency Program – deliver 3rd and 4th years of clinical training to newly graduated medical doctors
 - Internal Medicine Residency – newly expanded 3-year internal medicine residency from University of Washington based at Boise Veterans Hospital (with no current funding)

WWAMI Office of Graduate Medical Education

Presenter: Mary Barinaga MD, University of Washington School of Medicine - WWAMI, Boise

- ❖ Educating and Training a Physician
 - 4 years of college and 4 years of medical school
 - 3 to 7 years of residency training (GME)
- ❖ Idaho Physician Workforce Needs
 - Idaho ranks 49 out of 50 states for # of physicians/population (184/100K)
 - WWAMI Idaho medical student retention rate: 50%
 - Idaho residencies physician retention rate: 57%
 - Percent increase in medical residents in Idaho, 2000-2010: 56%
- ❖ Idaho Residencies with WWAMI Affiliation
 - Family medicine residencies
 - ❖ Family Medicine Residency of Idaho (Boise) – 16 residents per year (11 in Boise, 3 in Caldwell, 2 in Magic Valley)
 - ISU Family Medicine Residency (Pocatello) 7 residents per year
 - Coeur d’Alene Family Medicine Residency – planned for 2014 with six residents per year
- ❖ Family Medicine Residency Fellowships
 - Sports Medicine – 1 fellow per year
 - HIV Primary Care – 1 fellow per year

- ❖ University of Washington Residencies in Idaho
 - Boise Internal Medicine Residency
 - ❖ 8 residents per year (primary care, all 3 years in Boise)
 - ❖ 4 preliminary first year residents (later sub-specialize, out of Idaho)
 - Psychiatry Residency Track
 - ❖ 3 per year, four years total, with last two years in Idaho
 - Pediatric Residency Rotations
 - ❖ 2 month rotation for six residents per year in Pocatello, Sandpoint
- ❖ Residency Training in Idaho
 - 37 Idaho WWAMI graduates from medical school in the past two years
 - 4 have started their residency training in Idaho (either Family Medicine or Internal Medicine)
 - Other specialties (pediatrics, obstetrics, surgery, orthopedics, emergency medicine, etc.) require that doctors leave Idaho to finish their training since none of these residencies are offered in Idaho
- ❖ GME expansion is a priority for the State Board of Education, Legislative Medical Education Interim Committee, Idaho Hospital Association, Idaho Medical Association and the state-funded MGT Medical Education Study
 - Reasons GME office is needed in Idaho
- ❖ WWAMI economic impact
 - Idaho WWAMI education, research, and doctors generate:
 - ❖ \$292 million in sales, \$164 Million in wages, \$2.5 million in annual taxes, 2,259 jobs which equals \$5 for every State dollar received (the national average is \$2.30)
- ❖ GME office budget request for \$100,000
 - GME expansion is an Idaho priority for the State Board of Education

Boise Internal Medicine Residency (BIM)

Presenter: Scott Smith, MD, Chief Internal Medicine, Boise Veterans Hospital

- ❖ Internal Medicine Residency
 - “Doctors for Adults” – office/hospital-based
 - Pathway for specialties like cardiology, oncology, etc.
- ❖ Residency Training After Medical School
 - 3-year supervised apprenticeship
 - Costs \$175,000/resident/year
- ❖ Boise Internal Medicine - Background
 - Expanding residency training in Idaho has been repeatedly identified as an educational and funding priority
 - Economic impact of one MD in a community = \$800,000/year
 - Internal medicine graduates with a rural training experience are 2 times more likely to practice primary care
 - The “Boise Track” has been based at the Boise VA since 1977
 - BIM has cared for about 25,000 Idahoans (including 1,500 members of the 116th Cavalry)
 - 223 graduates (31% in Idaho, 70 in WWAMI)

- ❖ BIM budget request for \$216,000 – funding for one Idaho-based outside rotation per year for each resident

ADJOURNED

Senator Dean L. Cameron, Chairman

Peggy Moyer, Secretary

JFAC COMMITTEE MEETING MINUTES

1/25/12

The hearing was held in Room C310, Statehouse, commencing at 8:00 a.m. and concluding at 10:17 a.m. with Chairman Bell presiding.

Roll Call:

Senators: Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour

Representatives: Bell, Bolz, Eskridge, Wood, Patrick, Tucker (for Hagedorn), Thompson, Vander Woude, Ringo, Jaquet

Absent/Excused: None

Staff Present: Headlee

Others Present: Dr. Smith, University of Idaho, Agricultural Research & Extension
Dr. Rush, State Board of Education

STATE BOARD OF EDUCATION

University of Idaho

Presenter: M. Duane Nellis, President

- ❖ Introduced executive team: Samantha Perez, President of the Associated Students of the University of Idaho, Bruno Bennett, ASUI student lobbyist and Joe Stegner, Special Assistant for State Government Relations
- ❖ Land Grant: National Archives described as one of the 100 most important pieces of legislation in American: “the Morrill Act”
 - Land grants advanced the study in agricultural and technological fields that would be essential to the success of our nation.
 - Since the Morrill Act, every American has had access to world-class public higher education through national land-grant universities

- ❖ Three different grants provided the land and those grants continue to benefit Idaho today:
 - University of Idaho
 - School of Science
 - Agricultural College
- ❖ Mission: (to provide) transformational education of their students. Over the past 123 years:
 - Awarded more than 110,000 degrees
 - Currently have nearly 40,000 graduates residing in Idaho
 - 95,000 alumni around the world
- ❖ Leadership training found in WWAMI
 - Currently, there are 372 WWAMI physicians practicing in all 44 counties
- ❖ Many graduates have attained significant career and community stature
 - Some graduates also hold key roles in government and the judiciary
- ❖ In addition to teaching, the second major element of U of I's mission is the research performed by faculty and students
- ❖ U of I is dedicated to student-centered learning and success
- ❖ Research and creative activities are key components to achieving their unique brand of education
 - Many universities undergraduates must wait until graduate school to do research. U of I encourage them to participate as undergrads.
 - Nearly 70 percent of their undergraduate students engage in research and scholarly or creative activities
- ❖ Students can extend their learning outside of the classroom
 - Working with top-notch faculty researchers
- ❖ U of I researchers are leading the state with the largest research grant
 - \$20 million grant from the U.S. Department of Agriculture
 - This is a collaborative study with other Northwest land grant universities on climate variability and its impact on regional wheat and barley crops
 - This vital work will contribute to the state's agricultural industry, which last year posted \$7.4 billion in cash receipts
- ❖ The third major element in their mission is combined in outreach and public service
 - Students partnered with 160 community agencies on projects around the state of Idaho, making a profound difference in the lives of the people throughout Idaho.
- ❖ The Morrill Act was approved during the Civil War.
 - Land grant universities also provide military training for students
 - Since 2006, Operation Education Scholarship Program has provided education and life-need support to permanently disabled post-9/11 veterans and their families
- ❖ Enrollment ended this fall semester with a statewide enrollment of 13,081 students
- ❖ The measure of a university's strength is its student retention rate
 - 80% percent of freshmen returning for their sophomore year
 - Highest percentage of any institution in the state

- Graduation rate is almost twice that of any other Idaho public institution
- ❖ New knowledge and discoveries benefit Idaho
 - More than 250 sponsored research contracts with the private sector that support research
- ❖ Science, Technology, Energy and Math (STEM)
 - Produce more than half of all the STEM bachelor's degrees in the state
- ❖ General Education Budget
 - FY 2001- 73% for general education came from state funds
 - FY1022 - state funds dropped to 53.7% variability and its impact on regional wheat and barley crops
 - Tuition and fees rose as a portion of that, from 19% of the budget to 41.9%
 - Higher Education Price Index (HEPI) increased by nearly 40 percent
 - Student impact – purchasing power per student actually decreased by 19 percent
 - Revenue impact – enrollment has gone up, funding has gone down
- ❖ How to continue to provide a transformational education experience for Idaho's student with fewer dollars?
 - Eliminated a number of positions
 - Limited hiring
 - Implemented payroll furlough
 - Closed or consolidated 35 academic programs
 - Reorganized three colleges
 - Eliminated many class sections
- ❖ Transformational Changes
 - Promoted entrepreneurial thinking to cut cost and raise revenues
 - Increase class and program efficiencies
 - Expanded on-line, dual and summer courses
 - Revamped financial student financial aid
 - Restructured research and economic development
 - Increased community involvement
 - Sought more strategic public-private partnerships
- ❖ Budget FY 2013
 - An increase in the Change in Employee Compensation (CEC), is the highest priority
 - Losing valuable people because they cannot meet market rates for salaries
 - Lack funding for the Enrollment Workload Adjustment (EWA)
 - Governor's recommendation is or \$6.6 million for EWA which includes \$870,000 for the U of I
 - Governor recommended \$2 M for the Center for Advanced Energy Studies
- ❖ Governor's recommendation to establish the Idaho Global Entrepreneurial Mission (IGEM)
 - \$2 million under the Higher Education Research Council – important investment to expand Idaho's economy

- ❖ Occupancy Costs – Governor recommended \$4.8 million for occupancy costs, with \$1.2 of that going to the University of Idaho
- ❖ Capital Budget
 - Governor’s recommendation
 - Permanent Building Fund Advisory Council’s recommendation of \$2.4 million for alterations and repair for five projects

Agricultural Research & Extension Service (ARES)

Presenter: Dr. John Hammel, Dean

- ❖ Introduced Ag College Administrative Team
- ❖ Agriculture’s Contribution to Idaho Economy
 - Economic base jobs – 11% Idaho jobs
 - Economic base sales – 18% Idaho sales
 - Economic base output -12% GSP
- ❖ ARES Contributions
 - Potato
 - Potato research returns \$40 of economic benefit to Idaho’s economy for each dollar invested
 - Management and eradication strategies for PCN, which can reduce yields by 80%
 - Zebra chip disease detection and monitoring, which can substantially reduce tuber yield and fry quality
 - Detection methods and genetic solutions for PVY virus, which markedly reduces potato yield and marketability
 - Wheat
 - Millions of dollars of potential yield losses from Stripe Rust; averted in 2011 by rapid action of cereal pathologist
 - Three soft spring wheat varieties will be released in early 2012 with strong resistance to Stripe Rust and/or Fusarium Head Blight
 - Bean
 - Foundation Seed program works closely with Idaho Bean Commission to increase sales of bean seed to Mexico
 - UI Extension 4-H Programs:
 - Participation minimizes at-risk behaviors
 - Know our Government: helps youth become effective leaders and productive citizens
 - Idaho 4-H Afterschool: combines resources of 4-H youth development with community resources: offers opportunities to learn while building life skills
 - Idaho ROKS : robotics program that actively engages students in science, math, technology and engineering
- ❖ FY 2012 Appropriation = \$22,609,000
 - State Extension - \$9,882,000, 15.3%
 - Research - \$12,727,000, 19.8%
- ❖ ARES Capacity & Capability

- State appropriation
 - Faculty/expertise
 - Infrastructure/equipment
 - Operational expenses
- Strength of capacity
 - Competiveness
 - Build partnerships
 - Collaboration
 - Leverage funding
- Enhanced capability
 - Education & training
 - Extramural funding
 - Research innovations
 - New technologies
 - Economic impact
- ❖ Ag Research & Extension Facilities
 - \$40 million off-campus buildings
 - \$20 million equipment & instruments
 - 4,122 acres of land
- ❖ Partnerships & Collaborations
 - PNW agricultural industries
 - Tri- Universities
 - National agribusinesses
 - Idaho Commodity Commissions
 - Federal agencies
 - State agencies
- ❖ FY 2013 Governor's Recommendation for ARES Appropriation
 - CEC increase – subject to state revenue growth:
 - Employee benefits cost changes (medical insurance)
 - Occupancy funding –Caldwell & Kimberly R&E

OFFICE OF THE STATE BOARD OF EDUCATION: Special Programs

Introduction: Dr. Mike Rush, Executive Director

- ❖ Organized under the State Board of Education, Special Programs include the following
 - The Forest Utilization Research(FUR)
 - Idaho Geological Survey (IGS)
 - Scholarships & Grants program
 - The Museum of Natural History
 - Idaho Small Business Development Centers (ISBDC)
 - Tech Help

Special Programs: Forest Utilization Program (FUR)

Presenter: Dr. Kurt Pregitzer, Dean

- ❖ Title 38, Chapter 7- Forest, Wildlife and Range Experiment Station
- ❖ The duty of the College of Natural Resources Experiment Station:
 - Institute, investigate and research the forestry, wildlife and range problems of the lands within the state
 - Specifically, forest and timber growing, timber products marketing, seed and nursery stock production, game and other wildlife, and forage and range resources
- ❖ University of Idaho Policy Analysis Group (PAG)
 - PAG provides a program of continuing inquiry into public policy issues in order to provide:
 - Timely, scientific, objective data analysis pertinent to resource and land use questions of general interest to the people of Idaho
- ❖ University of Idaho Forest Nursery
 - FUR supports nursery research program, which improves all aspects of forest regeneration
 - Works with private industry, non-industrial private forestland owners and public agencies to improve forest and rangeland regeneration practices
- ❖ University of Idaho Experimental Forest
 - 10,285 acres on Moscow – Mountain in Latah County
 - Parcels in Valley County (1,650)
 - Parcels in Kootenai County (398)
 - FUR funds maintain these lands and facilitate forest education, demonstration, research and outreach
- ❖ University of Idaho Rangeland Center
 - Focuses research and education to produce science and solution for rangeland issues
 - Creates insight and fosters understanding for the stewardship of rangelands
 - Promotes active partnerships with individuals, organizations and communities who work and live on Idaho's vast landscapes
- ❖ Rangelands cover half of the State of Idaho and there are many problems that need solutions such as wildfire, invasive species, loss of wildlife habitat, sustainable energy development and threatened and endangered species
- ❖ Rangelands influence the lives and livelihoods of nearly all Idahoans because 90% of Idaho citizens live in places that are currently rangeland or cropland that once was rangeland
- ❖ The economy of Idaho also depends heavily on rangelands as 65% of the total land area of Idaho is grazed by domestic cattle and sheep that support rural communities and agricultural enterprises
- ❖ Rangelands are vitally important for recreation as landscapes for fishing, hunting, hiking, biking, horseback riding, and off road vehicle use
- ❖ Rangeland Center total supplement budget request: \$192,960
 - Personnel costs: \$147,960

- Rangeland Center
 - Salary (1 FTE) for an Outreach Coordinator
 - Salary for two graduate students
 - Travel - \$ 25,000
 - Operating: \$20,000

Special Programs- Idaho Museum of Natural History

Presenter: Dr. Herbert Maschner, Director

- ❖ History
- ❖ Mission
 - The Idaho Museum of Natural History was created by Statute 33-3012 that states:
 - “there is hereby created and established at Idaho State University a state museum of natural history known as the Idaho Museum of Natural History, where tangible objects and document reflecting our natural heritage may be collected, preserved, studied, interpreted, and displayed for educational and cultural purposes.”
- ❖ Public education impacts
 - Nearly 10,000 K-12 students in education programs. The museum is free to all students
 - 30 new exhibits spanning the cultures, resources, and lands of Idaho
 - Creating Idaho’s first courses in Museum Studies
 - Spearheading the creation of interdisciplinary undergraduate and graduate programs
 - 24 student interns
- ❖ Research and funding impacts
 - \$1.5 million in new research awards
 - \$150,000 in new donations
 - New field research projects In paleontology, archaeology, and botany
- ❖ Earth Sciences
 - Collections
 - Vertebrate paleontology (75,000)
 - Invertebrate paleontology (2,000)
 - Paleobotany (2,000)
 - Minerals & rocks (1,000)
 - Modern Osteology (2,300)
 - Repositories
 - Bureau of Reclamation
 - National Forest Service
 - Bureau of Land Management
 - National Parks Service
 - State of Idaho

- ❖ Life Sciences
 - Botany – Ray J. Davis Herbarium
 - 80,000 vascular plants
 - 3,000 lichens & fungi
 - Herpetology – 3,000 reptiles & amphibians
 - Ichthyology – 2,000 fish
 - Mammalogy – 2,000 mammals
 - Ornithology – 2,500 birds
- ❖ Anthropology and Earl Swanson Archaeological Repository
 - Ethnographic items (3,000)
 - Archaeological specimens – (200,000)
 - Teaching collection – (7,000 items)
 - 20,000 reports and other archives
 - Storage of collections for all state & federal agencies
- ❖ Education
 - IGO: Idaho Geology Outreach
 - Project (funded by IMLS)
 - 13 rural Idaho school districts
 - Elementary 5th and 8th grade Earth Sciences
 - Science Trek (23 years): Up to 200 3rd – 5th graders participate in science and spend the night in the Museum
 - After-school programs at the Museum and at Elementary Schools
 - Science Saturdays and related activities throughout the year
- ❖ Workforce
 - Full-time permanent positions with benefits – seven staff
 - Part-time permanent position with benefits – three faculty and one staff
 - Full-time temporary positions with benefits (external grants) –three staff and one student
 - Temporary positions without benefits – eighteen students
- ❖ Workforce Management
 - Re-organized to meet the needs of accreditation
 - Currently meet minimum requirements for continued accreditation
 - ISU support critical to meeting basic staff needs
- ❖ National Recognition
- ❖ Virtual Museum of Idaho
 - The IMNH and ISU are using 3D scanning technologies to build virtual museums for K-12 public education, distance learning, and online research
- ❖ Fiscal Year 2012 Budget
 - State appropriated funds - \$435,200
 - Idaho State University - \$152,984
- ❖ FY 2013 Line Item Requests
 - Information Technology Specialist (permanent) 63,000
 - Storage facilities for curation of collections (on-time request) - \$275,000

ADJOURNED

Maxine Bell, Chairman

Kathryn Yost, Secretary

JFAC COMMITTEE MEETING MINUTES

1/26/12

The hearing was held in C310, Statehouse, commencing at 8:00 a.m. and concluding at 10:55 a.m. with Chairman Cameron presiding.

Roll Call:

Senators: Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour

Representatives: Bell, Bolz, Eskridge, Wood, Patrick, Tucker (Hagedorn), Thompson, Vander Woude, Ringo, Jaquet

Absent/Excused: None

Staff Present: Headlee

STATE BOARD OF EDUCATION: Superintendent of Public Instruction

Presenter: Tom Luna, Superintendent of Public Instruction

- ❖ To meet the vision and goals of Idaho's new education system, the State Department of Education reorganized its internal divisions and staff in September 2011. There are five divisions:
 - 21st Century Classroom
 - Great Teachers & Leaders
 - Transparent Accountability
 - Public School Finance
 - Federal Programs
- ❖ Maintenance and operation budget with the exception of the final request in funding for the statewide longitudinal data system includes
 - No increases in CEC
 - No inflationary increases
 - No request for General Fund capital replacement items
 - Do request ongoing funding to maintain and operate Idaho's statewide longitudinal data system - Idaho System for Educational Excellence (ISEE)
- ❖ Statewide Longitudinal Data System
 - Before ISEE, Idaho conducted 184 different data collections during a single school year. After ISEE, school districts only upload data 12 times a year
 - Benefits of ISEE
 - ❖ Streamlined data collection processes
 - ❖ Individual-level data for students and education staff, verifiable at state level
 - ❖ Idaho can implement a growth model to measure student success
 - ❖ Districts can track progress school to school, district to district

- Progress of ISEE
 - ❖ ISEE has been fully operational for two years
 - ❖ Oct 2010, just 9 districts or charter schools uploaded error-free data into ISEE
 - ❖ Oct 2011, 133 districts or charter schools submitted error-free data
- ISEE budget request
 - ❖ The original plan for Idaho's statewide longitudinal data system included \$1.8 million in ongoing funding annually
 - Last year, the Legislature appropriated \$926,200 in ongoing funds
 - In FY 2013, the request is for an additional \$873,800 in ongoing funds
 - ❖ The funding in FY 2013 will be used to hire two database analysts who assist the Department and local school districts in how to use the data available in ISEE effectively to inform instruction and policy decisions
- Phase II of ISEE
 - ❖ Statewide instructional management system that gives teachers access to current, accurate data on student achievement in the classroom
 - ❖ J. A. and Kathryn Albertson Foundation grant of \$21 million provides funding for the instructional management system known as Schoolnet
 - ❖ In FY 2013, the Department's budget request includes \$11.6 million in spending authority and FTE for the second year of the 3-year award. (Will provide \$2 million directly to local school districts)
 - ❖ In Schoolnet, teachers can access content standards, develop lesson plans, share best practices with other teachers in their district and statewide, and create assessments
 - ❖ Six districts and one charter school are piloting the ability to create assessments in the classroom
 - Cassia County
 - Lake Pend O'reille
 - Meridian
 - New Plymouth
 - Richfield
 - Sugar-Salem
 - North Star Charter School
 - ❖ Full suite of tools will be available to more districts through a competitive grant process in FY 2013 and future years
 - ❖ FY 2013 funding will pay for access to Schoolnet, digital content and professional development

Public School Support

Presenter: Tom Luna, Superintendent of Public Instruction

- ❖ Past accomplishments in the good years
 - Budgets for public schools increased by 6% and then nearly 4%
 - Every teacher received \$350 for classroom supplies
 - The state distributed \$10 million for textbooks
 - The state distributed \$5 million for remediation
 - Increased teacher base salaries by 3% and 2.5% respectively
 - The state fully funded the salary grid
 - The state implemented the Idaho Math Initiative with \$4 million a year
- ❖ Actions taken during the recession
 - Strategic reductions causing least harm to students in the classroom
 - \$22 million in additional funding from the Land Board in FY 2011
 - \$5.5 million shifted from the Department of Education to Public Schools Support budget in FY 2011
 - Idaho at a crossroads (financially and academically) in FY 2012
 - ❖ Financially, Idaho was facing a new normal in the economy
 - ❖ Academically, Idaho had a good education system but was not keeping up with the rest of the world
- ❖ Current status
 - AYP: Number of schools meeting AYP has increased from 26% to 62% since 2007
 - NAEP: 8 states outperform Idaho 8th graders in reading, 11 states outperform Idaho 8th graders in math
 - ❖ Graduation rate:
 - ❖ For every 100 students, 92 graduate from high school
 - ❖ 46% of Idaho high school graduates go on to post-secondary education
 - ❖ 40% of high school graduates will need remediation in post-secondary education
 - ❖ 38% of students will not return to post-secondary education the second year
 - ❖ 34% of Idahoans have a post-secondary degree or certificate (for those 25 years or older)
- ❖ Idaho chose to act to correct above deficiencies by implementing comprehensive education reform
 - Building a new education system to give teachers the tools they need and to give students opportunities and access
 - Had to look at current spending on education and determine how to spend limited resources differently
 - Last year, passed Students Come First legislation
- ❖ Students Come First
 - Provide a uniform system of education required by Idaho's Constitution
 - Just beginning to implement the reforms passed but seeing a positive impact on schools and districts

- ❖ FY 2013 Budget Request: 4.7% General Fund increase
 - Budget includes funding increases for:
 - ❖ Pay-for-performance
 - ❖ One-to-one laptops for high school teachers and administrators
 - ❖ Growth in student enrollment (will need \$4 million next year)
 - ❖ Salary-based apportionment
 - ❖ Increased graduation requirements for the Class of 2013
 - Salary-based apportionment
 - ❖ Funds movement on the salary grid for experience and education
 - ❖ Increases salary-based apportionment by 2.38% for certified staff and 3% for classified staff to offset the adjustment
 - ❖ No decrease in state funding for base teacher salaries in FY 2013
 - ❖ Fund salary-based apportionment first
 - Salary-based apportionment should be funded first without a trigger, even though Public Education Stabilization Fund (PESF) is important
 - It is a timing issue
 - School districts and teachers need to know the amount of money they will have by May of each year
 - PESF can be funded on the revenue trigger later in the fiscal year
 - Pay-for-Performance
 - ❖ Budget includes \$38.8 million for pay-for-performance bonuses in addition to salaries in FY 2013
 - ❖ Three ways to earn bonuses
 - Student achievement (primarily focused on academic growth)
 - Hard-to-fill positions
 - Leadership duties
 - ❖ Student achievement bonuses will be funded in FY 2013
 - ❖ Districts developed local plans throughout 2011 which included multiple measures:
 - Idaho Reading Indicator
 - End of Course assessments
 - Parent involvement
 - SAT scores
 - Graduation rates, etc.
 - ❖ Pay-for-performance will represent a 5% increase in state funding for teacher compensation next year
 - ❖ At least 85% of teachers (estimate) will earn a bonus
 - ❖ Every teacher will have the opportunity to earn a bonus
 - ❖ Bonuses would contribute to a teacher's PERSI benefits
 - Dual credit for early completers
 - ❖ \$842,000 for ongoing funding

- ❖ Students who complete state graduation requirements by the end of their junior year can earn up to 36 college credits in their senior year
- High school graduation requirements
 - ❖ Continued funding and new funding to implement the high school graduation requirements passed in 2007
 - \$4.8 million to hire new teachers or offer advanced courses online to meet math and science requirements
 - \$963,500 for students to take college entrance exams
 - \$150,000 to implement the senior project requirement
 - ❖ Students must take:
 - 3 years of math
 - 3 years of science
 - College entrance exam
 - Complete a senior project
- Classroom technology - \$13.6 million in ongoing funding
 - ❖ \$9 million to local school districts and charter schools to purchase and implement advanced technology
 - ❖ Remainder will be used for statewide professional development for classroom teachers to integrate technology into instruction
 - ❖ Phase in one-to-one mobile devices for teachers and students
 - Teachers will receive laptops in the Fall of 2012
 - \$2.5 million to provide laptops to every high school teacher and the necessary software, maintenance, security and support
 - In 2013-14 school year, the first one-third of students will begin receiving access to devices by school (rather than by grade)
 - Local school districts and charter schools were asked to submit letters of interest if they wanted to be in the first phase of distribution
 - As of 1/25/12, letters of interest signed by superintendents and school board chairs representing 139 schools and 57,00 students statewide were received
 - These devices will become the portal to the world of information and knowledge (textbooks in classrooms, the calculators in math, the research tool in science, the word processor in English, etc.)
 - ❖ Professional Development
 - \$4 million per year ongoing to integrate technology into the classroom
 - Recommendations by Technology Task Force:
 - Release an RFI for professional development for classroom technology integration
 - More time for professional development in the school calendar

- SDE developing a multi-year comprehensive professional development plan that encompasses all initiatives and professional development efforts, including technology
 - Blended model with face-to-face and online methods
 - Regional training teams of administrators, teachers and technology coordinators (stipends available for team members)
 - Lead teacher and technology coordinator at every high school with stipends available
 - Increase discretionary funds by 2% - districts will have complete discretion in how to spend the funds
 - Additional funding (\$2.5 million in FY 2013) for IT professionals in local school districts
- ❖ Budget Summary
 - FY 2013 request differs slightly from request submitted in September, 2011
 - ❖ Meets Governor's budget recommendation
 - ❖ New growth estimates
 - ❖ Funds recommendation from Technology Task Force (finished work in December, 2011)

PUBLIC SCHOOL SUPPORT: Educational Services for the Deaf and Blind

Presenter: Brian Darcy, Administrator

- ❖ Organization
 - Eight-member Board – Chairman is the Superintendent of Public Instruction
 - Leadership Chart
 - Bureau is a non-state agency
- ❖ Continuum of Services
 - Goal is to assist school districts and state agencies in providing accessibility, quality and equity to students with sensory impairments through a continuum of service and placement options
- ❖ Outreach Program
 - Consulting teachers
 - ❖ Support all school districts
 - ❖ Provide direct instruction if needed
 - ❖ Provide in-home education from birth to 3 years
 - ❖ In-home Instruction to parents as required
 - ❖ Teach classes in Braille and sign language when needed
 - As of 1/25/12 currently serving 1,321 clients statewide
 - Ratio: 43:1 (43 students to every teacher)
- ❖ Innovative Learning
 - Auditory Oral Program in school districts
 - Short-term Intensive programs

- ❖ Parents learning to interact with children
 - ❖ Mobility of children
 - ❖ Networking with each other
- Idaho Education Network (IEN)
- ❖ Outreach
 - Population in seven regions throughout Idaho
 - Offices located in Coeur d'Alene, Lewiston, Meridian, Gooding, Pocatello, and Idaho Falls
- ❖ Media and Library Services
 - Located on Gooding campus
 - ❖ Provide Braille pages and maps to students
 - ❖ Provide sheets for low-vision people
 - ❖ Services provided to people throughout Idaho free of charge
- ❖ Gooding Campus
 - Provide preschool through 12th grade
 - Serve 85 students
 - Last year had 8 students graduate (six of those currently in school or working)
 - Various educational classes/experiences
 - Develop skills and leadership
- ❖ FY 2013 Budget - Governor's Recommendation: \$7,545,200
 - Campus Budget Items

❖ Audit & legal expenses	\$ 30,000
❖ Medium-size school bus	65,000
❖ 2 campus-based teachers	<u>116,600</u>
❖ Subtotal	\$211,600
 - Outreach Budget Items

❖ 4 cars and 2 vans	\$122,800
❖ 2 outreach-based teachers	<u>116,600</u>
❖ Subtotal	<u>\$239,400</u>
 - ❖ **Total** **\$451,000**
- ❖ Partnerships
 - Vocational Rehabilitation
 - Commission for the Blind and Visually Impaired
 - Council for the Deaf and Hard of Hearing
 - Health and Welfare – Infant/Toddler
 - Department of Labor
 - Local School Districts

ADJOURNED

Senator Dean L. Cameron, Chairman

Peggy Moyer, Secretary

JFAC COMMITTEE MEETING MINUTES

1/27/12

The hearing was held in Room C310, Statehouse, commencing at 8:00 a.m. and concluding at 10:22 a.m. with Chairman Bell presiding.

Roll Call:

Senators: Cameron, Keough, Broadsword, Bair, Mortimer, Heider, Toryanski, Bilyeu, LeFavour

Representatives: Bell, Bolz, Wood, Patrick, Tucker (Hagedorn), Thompson, Vander Woude, Jaquet

Absent/Excused: Brackett, Eskridge, Ringo

Staff Present: Headlee, Bybee

Others Present: Ken Edmunds, Rod Lewis, Emma Atchely. Bill Goesling, Milford Terrell and Matt Freeman, Deputy Director/Chief Fiscal Officer; State Board of Education

IDAHO STATE BOARD OF EDUCATION

Presenter: Richard Westerberg, President

- ❖ Introduced Members Present
- ❖ Program Reductions & Consolidations
 - FY 2009: 40 degree programs and 4 program minors/certificates discontinued and 6 programs consolidated
 - 5 PTE programs/options inactivated
 - FY 2010: 8 degree programs and 4 program minors/certificates discontinued
 - 15 PTE programs/options inactivated
- ❖ FY 2011: 26 degree programs and 5 program emphases/minors discontinued
 - 8 PTE programs/options inactivated
- ❖ FY 2012: Approximately 20 requests to discontinue degree programs pending
- ❖ Financial Accountability & Stewardship
 - Board engages independent regional accounting firm to conduct annual financial audit of BSU, ISU, UI, LCSC and EITC
 - Board has active audit committee comprised of three board members and two private sector members; meets bimonthly
 - College and Universities' internal auditors report to audit committee
 - College and Universities provide accrual – basis quarterly financial reports to audit committee
- ❖ Innovative Partnerships – Building for the Future
- ❖ Performance Measures – FY 2011

- Dual credits – 46,134
- Number of students – 8.039
- ❖ General Fund/Student FTE – 2,627
- ❖ Returning Freshmen – 59.3%
- ❖ Graduation Rate (first time/full time) – 34.4%
- ❖ Cost/Credit Hour - \$167 (4-year only)
- ❖ Economic Impact
 - Brings in grants and contracts
 - Increases individual earning power
 - Enhances business attraction and retention
 - Generates income –direct and indirect
- ❖ Center for Advanced Energy Studies (CAES)
 - 11 to 1 return on \$1.6 million investment
 - Researchers won \$18.2M in competitive funding; more than 25 grants
- ❖ CAES Generated
 - \$26.8 million in regional sales
 - 366 jobs
 - \$620,000 in tax revenue
- ❖ Universities' Impacts
 - \$415 million in federal grants and contracts in FY 2012
- ❖ Idaho State University Economic Impacts
 - Operations and employee, student and visitor spending - \$311.9 million
 - Annual ROI with a bachelor's degree – 14.65%
 - Students recover costs in 7.59 years
- ❖ Boise State University Impacts
 - Bachelor's degree – 2X or \$21,000 more per year
 - Additional earnings from BSU alumni = \$903 million per year
 - 1,400 internships per year
 - 200,000 hours at businesses, agencies, and nonprofits
- ❖ University of Idaho Impacts
 - Average annual added income from activities of U of I and its alumni - \$934.4 million
 - Represents 24,730 average-wage jobs or 1.9% of the total Idaho economy
- ❖ Complete Colleges, Idaho – 5 goals
 - Strengthen the pipeline
 - Transform remediation
 - Demystify college
 - Structure for success
 - Reward progress and completion
- ❖ Idaho Global Entrepreneurial Mission (IGEM)
 - Increase research capacity of universities
 - Develop consortia of industries, universities and government
 - Develop world-class talent pool

Office of the Idaho State Board of Education

Presenter: Dr. Mike Rush, Executive Director

- ❖ Changes from FY 2011
 - Added two staff positions
 - Charter School Commission (new funding)
 - Technology Program Manager (relocation)
- ❖ Managing Budget Reductions – Omnibus Reduction - \$118,900
 - Eliminated a position – contracting with BSU
 - Shifted existing operations to federal funds
 - Shifted proprietary school efforts to fees
 - Reduced IT contract services and partnered with PTE
- ❖ Staff Size and Cost Comparison- doing more with less
 - 21.25 staff serving 71,427 students
 - Other states average – 40.8 staff serving 66,674 students
- ❖ FY 2013 Budget Request Line Items
 - Indirect costs spending authority
 - Request for one-time cost for office remodel- \$125,000 (Governor's recommendation \$62,500)
 - Move Charter Commission Program to new function – PCSC budget transfer of \$252,100
- ❖ Special Programs – Scholarships & Grants FY 2013 Line Item
 - GEAR-UP scholarship - \$598,500
 - Enrollment workload adjustment (EWA)
 - Request mechanism
 - Represents state-funded cost for additional students
 - 3-year rolling average
 - Only reflects 67% of the state share
 - Effectively shifts costs to student tuition
 - General funds - \$208,237,100, 51%
 - Tuition & fees - \$202,035,830, 49%
 - Adjust EWA to represent 100% of state share
 - Decisions about “fair share” could then be determined more transparently

Idaho Public Television

Presenter: Peter W. Morrill, General Manager

- ❖ Introduced Staff
- ❖ Mission is to Educate, Inform and Inspire
- ❖ Program Structure
 - Statewide delivery system
 - Transmission infrastructure
 - Only statewide broadcast system
 - Homeland Security and EAS
 - Delivery of governmental services

- Educational content
 - National and regional programming
 - Local program creation
 - Online resources
 - Educational outreach
- ❖ Integral Part of Education
 - University of Idaho – student training
 - Boise State University – Courses on-air
 - Idaho state University – student training
 - Idaho Commission of Libraries
 - Idaho Legislature live
 - K-12 overnight service learning
- ❖ National and Local Content
- ❖ Valued Service to Idahoans
 - Idaho PTV is the second most watched PBS station in America
 - PBS was ranked America’s most trusted institution, eighth year in a row
- ❖ Award Winning Content
 - 61 National & regional honors in 2011
- ❖ Educational Impact on Children
 - Kids who watched 2 + episodes of Super Why scored 46% higher on standardized tests
 - The Martha Speaks Dog Party App improved vocabulary as much as 31% in kids ages 3-7
- ❖ Statewide Broadcast Delivery System
 - 5 transmitters
 - 43 repeaters
 - North – studio at U of I
 - SW – Networks Ops/studio in Boise
 - SE – studio at Idaho State University
 - Statehouse – Idaho Legislature Live, studio
 - Highly efficient design and infrastructure
 - Business model is lean to provide high value
 - Requires support from the general fund to sustain rural statewide service and model
- ❖ FY 2013 Governor’s Recommendation
 - General Fund, \$1,384,200 - .5%
 - CPB/CSG. \$949,900 – 2.5%
 - Budget request detail not included in Governor’s Recommendation
 - Capital replacement, \$1,500,600
 - Inflationary costs, \$129,500
 - Single line item request, Idaho Legislature live support, \$116,500
- ❖ Changes in Workforce – General Fund
 - Had 14 FTP in FY 2011
 - Lost 2 FTP for FY 2012
 - Personnel Director
 - Station Manager

- ❖ Alternative Funding Sources
 - Met 2011 voluntary basic donation goals
 - Cannot air commercials
 - Cannot charge cable & satellite for programming
 - No statutory authority for cost sharing
 - Federal: Corporation for Public Broadcasting Funds
 - Federal Competitive Equipment Programs defunded
- ❖ Capital Funding Sources
 - Declines in future federal grants
 - Private donor funding scarce for even basic infrastructure
- ❖ Areas at Risk
 - Capital replacement, repairs and maintenance
- ❖ Capital Asset Funding
 - \$24,304,560 of state fixed assets
 - Idaho PTV will always have an ongoing need for repairs, maintenance and replacement of these state assets.

Professional-Technical Education

Presenter: Ann Stephens, Administrator

- ❖ Introduced Staff
- ❖ Professional-technical Education Spans Education Levels
 - High school
 - Technical college
 - Adult
 - Jobs that require less than a 4-year degree
- ❖ PTE System Workforce
 - FY 2012 appropriation – 521.19 FYP
 - 37.0 Division of Professional-Technical Education
 - 484.19 technical college system
- ❖ General Fund FY 2012 Appropriation - \$56,896,100
 - State funds, 82%; federal funds, 16% and other funds, 2%
 - Direct education services – 95.34%
 - Leadership/technical assistance – 4.64%
- ❖ State Leadership and Technical Assistance
 - Leadership
 - Advocacy
 - Technical assistance
- ❖ General Programs
 - Majority of funds are used for: High school PTE programs and Professional –Technical schools
- ❖ Postsecondary Programs
 - Technical College System
- ❖ Underprepared Adults/Displaced Homemakers
- ❖ Related Services
 - Health Matters

- ❖ Critical Needs
 - Lump sum appropriation in postsecondary programs
 - Carry-over authority
 - Instructional equipment

ECONOMIC OUTLOOK AND REVENUE ASSESSMENT COMMITTEE REPORT

Presenters: Senator John Goedde, Representative Cliff Bayer; Co-Chairs

Governor Otter’s General Fund revenue projections for FY 2012, FY 1013 and FY 2014 compared to the Committee’s median projections are as follows in millions of dollars:

	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>
Governor Otter’s projections	\$2,552.7	\$2,700.3	\$2,876.6
Committee’s median projections	\$2,549.4	\$2,638.9	\$2,272.2
Amount percent over/(under)	(\$3.3)	(\$61.4)	(\$134.4)
Governor’s projection	(0.1%)	(2.3%)	(4.7%)

The Economic Outlook and Revenue Assessment Committee recommends to the Senate and House Leadership and to the Co-chairs of the Joint Finance-Appropriations Committee the following: in their opinion, the Governor’s General Fund revenue projection of \$2,552.7 million is reasonable for the purpose of the legislature making General Fund appropriations for FY 2012. Although the Committee median is significantly lower than the 5.8% Governor’s FY 2013 projection, there have been positive actual collections for the first six months of FY 2012. Therefore, the Committee recommends the legislature use a projection of \$2,667.0 million for the purpose of making General Fund appropriations for FY 2013 million. This number falls in between the Governor’s forecast and the Committee median.

Original Motion

Moved by Cameron, seconded by Keough, that the Committee receive the Economic Outlook and Revenue Assessment Committee report.

Without objection, the motion unanimously passed on a voice vote.

STATE OF IDAHO FURLOUGH REPORT (Hours)

Presenter: Ray Houston, Principal Analyst, Budget and Policy Analysis

State of Idaho Furlough Report (Hours) Prepared by LSO Budget and Policy Analysis

Agency	FY 2009 Hours (Number of Employees)	FY 2010 Hours (Number of Employees)	FY 2011 Hours (Number of Employees)	FY 2012 to date* Hours (Number of Employees)
520 Idaho Public Television 1982		3,525.7 (58)		
170 Supt of Public Instruction (Dpt of Educ)		1,940.1 (121)	2,080.1 (128)	
523 Vocational Rehabilitation		560.5 (143)	1,107.0 (142)	
Subtotal Education		6,026.3 (322)	3,167.1 (270)	
270 Dept of Health & Welfare	68,079.7 (3,129)	268,043.3 (2,784)	321.1 (40)	22.3 (2)
954 Central Health District IV	360.0 (4)	547.5 (3)		
957 Eastern Idaho Health District VII	330.5 (89)	743.0 (71)	6.9 (1)	
951 Panhandle Health District I		60.0 (1)		
Subtotal Health and Human Services	68,770.2 (3,222)	269,393.8 (2,859)	328.0 (41)	22.3 (2)
230 Department of Correction		83,837.4 (1,629)	43,977.3 (1,614)	20.0 (12)
232 Commission of Pardons And Parole			1,354.0 (32)	307.0 (26)
285 Juvenile Corrections	9,390.1 (393)	11,698.1 (408)	3.1 (1)	
330 Idaho State Police	154.0 (8)	308.0 (2)	24.0 (1)	
332 Idaho State Racing Commission	20.0 (1)	372.0 (1)		
Subtotal Public Safety	9,564.1 (400)	96,215.5 (2,040)	45,358.4 (1,648)	327.0 (40)
245 Department of Environmental Quality		12,398.2 (386)	6,455.4 (355)	
260 Department of Fish & Game		185.2 (1)		
320 Department of Lands		72.0 (1)		
322 Endowment Fnd Investment Bd			27.2 (4)	
360 Dept of Water Resources	1,523.7 (33)	8,677.5 (155)	7,869.6 (145)	687.0 (12)
Subtotal Natural Resources	1,523.7 (33)	21,332.9 (543)	14,352.2 (504)	687.0 (12)
210 Department of Agriculture	2,458.5 (305)	2,521.4 (168)		
220 Department of Commerce	8.0 (1)	278.0 (34)		
188 Commission on Human Rights		1,002.0 (11)		
443 State Appellate Public Defender		866.4 (17)	288.0 (19)	
441 Hispanic Commission		188.5 (3)		
522 State Historical Society		216.0 (26)		
425 State Board of Medicine		435.1 (3)	1,124.0 (15)	404.0 (16)
435 Brd of Veterinary Medicine				16.0 (2)
422 State Board of Accountancy		40.0 (4)		
Subtotal Economic Development	2,466.5 (306)	5,547.4 (266)	1,412.0 (34)	510.0 (18)
200 Dept of Administration		2,848.6 (142)		
160 Attorney General	2,358.9 (203)	19,536.0 (194)	2,977.5 (186)	
140 State Controller		3,884.0 (88)	3,845.0 (83)	
181 Office of The Governor	495.0 (21)	871.0 (19)	380.5 (20)	
187 Idaho Commission on Aging		144.0 (1)		
196 Commission On The Arts		800.7 (11)		
198 Office of Drug Policy	76.0 (3)	48.0 (1)	12.0 (1)	
180 Div - Financial Management		855.5 (17)	689.5 (14)	
194 Division of Human Resources			112.0 (9)	
190 Military Division				208.0 (1)
195 Office of Species Conservation		8.0 (1)		
102 Legislative Services		2,505.0 (66)		
120 Lieutenant Governor		9.6 (1)		
352 State Tax Commission	4,468.0 (299)	27,129.0 (391)	17,736.0 (378)	
351 State Board of Tax Appeals		183.5 (5)		
Subtotal General Government	7,397.9 (526)	58,822.9 (937)	25,752.5 (691)	208.0 (1)
Grand Total Hours & Employees with Furloughs	89,722.4 (4,487)	457,338.8 (6,967)	90,370.2 (3,188)	1,754.3 (73)
State Employee Count (Rainbow Report Dec)	25,378	24,807	24,264	24,497
Percent of employees with Furlough	17.7%	28.1%	13.1%	0.3%

Source: Idaho Business Intelligence System Query Code = LWF Leave Without Pay - Furlough
*As of last pay date in December 2011

Prepared by Legislative Services
Budget & Policy Analysis

January 27, 2012

ADJOURNED

Representative Maxine Bell, Chairman

Kathryn Yost, Secretary

JFAC COMMITTEE MEETING MINUTES

1/30/12

The hearing was held in C310, Statehouse, commencing at 8:00 a.m. and concluding at 9:45 a.m. with Chairman Cameron presiding.

Roll Call:

Senators: Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour

Representatives: Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Jaquet

Excused: Ringo

Staff Present: Houston

BOARD OF LAND COMMISSIONERS: Department of Lands

Presenter: Tom Schultz, Director

- ❖ Overview of Agency
 - Executive Team
 - Board of Land Commissioners
 - Agency Mission
 - ❖ Professionally and prudently manage Idaho's endowment assets to maximize long-term financial returns to public schools and other trust beneficiaries
 - ❖ Provide professional assistance to the citizens of Idaho to use, protect and sustain their natural resources
 - Goal for endowment land management is to manage lands in such a manner as shall secure the maximum long-term financial return to the institution to which granted
- ❖ Land management objectives are developed based on land asset classifications
 - Endowment land asset types and acres
 - ❖ Range Lands 1,414,217
 - ❖ Forest Lands 977,006
 - ❖ Agriculture 15,796
 - ❖ Minerals 2,131
 - ❖ Real Estate (Conservation) 22,825
 - ❖ Real Estate (Commercial) 15,752
 - ❖ Real Estate (Residential) 696

Total 2,448,424

- Forest land is the state's most productive land asset type with 75% to 95% of all income generated by timber production each year
 - ❖ In FY 2011 land management netted over \$43 million down from over \$58 million
 - ❖ Softwood lumber produced in Idaho is primarily used for home construction
 - ❖ Expect timber markets to stabilize and rebound over the next several years
 - ❖ Chart – endowment net revenue trends showing variability in timber revenues versus all other sources
- ❖ Endowment land distributions
 - FY 2012 distributions by beneficiary

❖ Public Schools	\$31,292,400
❖ School of Science	2,984,400
❖ Charitable Institutions	2,964,600
❖ Normal School	2,661,600
❖ University	2,329,200
❖ State Hospital South	2,301,600
❖ Penitentiary	1,040,400
❖ Agricultural College	<u>850,800</u>
Total	\$46,425,000
- Endowment portfolio consists of both land and cash investments
 - ❖ Department of Lands generates revenue from the land
 - ❖ Endowment Fund Investment Board invests the revenue
 - ❖ Land Board is working to enhance timber management program with a detailed Forest Asset Management Plan
 - Will offer about 247 million board feet of timber for sale each year
 - Conduct forest improvement projects which is expected to increase forest growth by as much as 37% over the next several decades
 - ❖ Cottage Sites – purpose of the lot solution process is to ensure the maximum return to endowment beneficiaries by preparing endowment trust land for possible transition to private ownership
 - Payette Lake sites have an intermingling of private, fee simple ownership resulting from earlier auction or exchange activities and Endowment Trust ownership
 - Benefits two groups: State Hospital South and the Normal School (Lewis-Clark State College and ISU Dept. of Education)
 - At Priest Lake the Endowment Trust owns the land leased for recreational cottage sites
 - The beneficiary of these sites is Public Schools

- Steps in lot solution process:
 - Address access/easement situations
 - Delineate roles/responsibilities for roads and common areas
 - Platting activities: coordination with counties and neighborhood meetings for each plat area
- Expected results of lot solutions process:
 - Endowment Trust land prepared with marketable title
 - Long-term value of Endowment Trust land maintained
 - Continued use and enjoyment of areas by stakeholders
 - Anticipated completion date: Fall 2012
- ❖ Goal of non-endowment programs is to help private landowners meet their individual objectives through informed and responsible land management; programs typically funded by a combination of General Fund, federal grants, and dedicated funds generated through user fees
 - Fire Prevention, Preparedness & Suppression Administration:
 - ❖ Forest Practices Act
 - ❖ Lake Protection Act
 - ❖ Surface Mining Act
 - ❖ Dredge and Placer Mining Act
 - ❖ Oil and Gas Conservation Act
 - ❖ Fire Hazard Reduction Act
 - Technical Assistance:
 - ❖ Urban & Community Forestry
 - ❖ Stewardship Forestry Program
 - ❖ Insect and Disease Program
 - ❖ Abandoned Mine Lands
 - Other Assistance Programs:
 - ❖ Forestry Assistance
 - ❖ Fire Program
 - 6 million acres protected
 - \$10 million annual pre-suppression budget
 - Suppression costs paid by Deficiency Warrants from the General Fund
 - 40 full-time employees and about 120 seasonal employees
 - Offset agreements with federal partners
 - ❖ Oil and Gas Conservation Commission
- ❖ FY 2013 Budget – decision units prioritized:
 - ❖ Priority 1 – Forest Resources and Fire Protection -Implementation of Land Information Management System (one-time request)

- ❖ Priority 2 – Land, Range, and Mineral Resources - Airport 7 Groundwater Well Install/Soil Monitoring (one-time, with ongoing request)
- ❖ Priority 3 – Forest Resources Equipment (one-time request)
- ❖ Priority 4 – Lands, Range, and Mineral Resources - Oil and Gas Program (ongoing request)
- ❖ Priority 5 – Lands, Range, and Minerals, Eastern Idaho Administrative Office Road Base - surfacing a parking and storage area behind the Eastern Idaho Administrative Office (one-time request)
- ❖ Lump-sum appropriation request for the Forest and Range Fire Protection Program which will allow flexibility necessary to effectively address fire preparedness, response and suppression efforts and costs

DEPARTMENT OF PARKS AND RECREATION: Lava Hot Springs Foundation

Presenter: Mark Lowe, Director

- ❖ Swimming Pool Recreation Complex built in 1969 on 178 acres in Bannock County along the Portneuf River (after flooding in 1962-63 damaged previous swimming pools and hot baths)
 - Olympic Swimming Complex built in 1969 and had 125,409 visitors in FY 2011 – year round use
 - Hydro tubes built in 2001
 - 25 yard pool covered in 2006-07
 - Speed slides built in 2009
 - Dressing rooms replaced in 2006
 - Additional hot pool completed in 2009
 - World famous hot pools with 112 degree sulfur-free water had 222,100 visitors in 2011
- ❖ Growth in Attendance
 - 175,000 attendees in 1998
 - 335,000 attendees in 2011
- ❖ Revenue Chart
 - Just over \$800,000 in 1998
 - Over \$2,000,000 in 2011
- ❖ FY 2013 Budget Request
 - Total spending authority of \$3,180,600 from dedicated funds
 - ❖ Personnel \$ 931,300
 - ❖ Operating 740,000
 - ❖ Capital outlay 1,509,600
 - ❖ Includes a requested enhancement in the amount of \$1,423,400 in dedicated funds for the construction of a recreational swimming pool known as “the Kiddie Pool” – an area for young non-swimmers – in the Indoor Aquatic Center

Department of Parks and Recreation

Presenter: Nancy Merrill, Director

- ❖ Mission: To improve the quality of life in Idaho through outdoor recreation and resource stewardship
- ❖ Introduction - Board of Directors and Staff
- ❖ Two Divisions
 - Parks
 - Recreation
- ❖ Park Statistics
 - 30 state parks
 - 60,263 acres managed
 - 5.2 million park visitors served
 - 1.65 million out-of-state day users
 - 1.07% increase in overnight camping
- ❖ Recreation Statistics
 - Department registers 300,000 boats, ATVs, motorbikes and snowmobiles annually
 - IDPR manages 10 unique state and federal grant funds
 - Five advisory committees and \$7 million disseminated in grant funding each year
 - Instructed 60 ATV/motorbike safety classes in 2011 reaching 882 students
 - Instructed 12 avalanche awareness classes reaching 900 students
- ❖ Charts:
 - Increased visitation from 2 million visitors in 1998 to 5.2 million in 2011
 - Significant losses to staff (both FTP and seasonal)
 - Visitor-to-employee Ratio
 - ❖ 1998: 13,800:1
 - ❖ 2011: 37,000:1
 - Revenue vs. Expenditures
- ❖ 2011 Successes
 - All 30 parks remained open
 - Volunteers contributed over 86,000 hours last year
 - Customer satisfaction increased from 89% to 94%
 - Overnight camping increased by 1.07%
 - Revenues were up by 8.3%
 - Visitations were up by 8%
 - Finished 30 marketing plans – one for each park
 - Established better communication with state and community leaders
- ❖ Looking forward – reinventing IDPR
 - Updating website – new logos
 - New marketing plans and budgeting to the plans
 - Updating visitor centers with attractive merchandise displays
 - Establishing standard of quality
 - Building more training sites and teaching more classes
 - Bidding for gravel extraction at Eagle Island State Park

- Using Wifi (pays for itself)
- Staff is receiving national recognition
- Working with nationally recognized entities to promote state parks in Idaho
- ❖ Generate a sustainable dedicated funding source for IDPR
 - Raised camping fees
 - Partnering with corporate sponsors and local businesses
 - Incorporating technology into fee collections
 - Working to reduce expenditures by implementing process improvements to the registration program
 - Planning to launch the Idaho State Parks Passport Program
- ❖ Projects underway or scheduled to begin in 2012
 - Dworshak Freeman Creek Water System Upgrade
 - Henry's Lake Campground
 - Farragut Locust Grove/Whitetail CG RR/Shower Renovations
 - Heyburn Benewah Campground Renovation
 - Round Lake Campsite Water & Electrical Retrofits
 - Lake Walcott Campground Electrical Upgrades
- ❖ FY 2013 Budget
 - Focus on:
 - ❖ Maintenance and repairs
 - ❖ Health and public safety
 - ❖ Building awareness about IDPR parks and program offerings
 - ❖ Customer service
 - ❖ Raising revenue through dedicated funding source
 - Replacement items
 - ❖ Management services
 - ❖ Park Operations
 - ❖ Capital development
 - Decision units
 - ❖ Project Coordinator
 - ❖ OHV Trainer Associates
 - ❖ Video Conferencing
 - ❖ Eagle Island Picnic Shelters
 - ❖ McCroskey Restroom and Equipment
 - Seeking sustainability by working together with citizens, lawmakers, and community leaders to:
 - ❖ Keep Idaho's state parks open and programs available
 - ❖ Protect resources and recreational access
 - ❖ Continue to benefit and build nearby economies

ADJOURNED

Senator Dean L. Cameron, Chairman

Peggy Moyer, Secretary

JFAC COMMITTEE MEETING MINUTES

1/31/12

The hearing was held in Room C310, Statehouse, commencing at 8:03 a.m. and concluding at 10:56 a.m. with Chairman Bell presiding.

Roll Call:

Senators: Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour

Representatives: Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Absent/Excused: None

Staff Present: Houston

Others Present: Jim Unsworth, Deputy Director of Programs, Idaho Fish & Game Department and Shelby Kerns, Division of Financial Management

DEPARTMENT OF FISH AND GAME

Presenter: Virgil Moore, Director

- ❖ Organizational Chart
- ❖ Workforce Changes
 - Employee Consolidation Business Plan
 - Pay Equity plan
- ❖ Alternative Funding
- ❖ FY 2011, \$78,560,700 (agency receives no general funds)
- ❖ Program Structure Changes
 - Aerial surveys
 - Providing fishing opportunities
- ❖ Appropriation Flexibility
- ❖ Director's Business Plan – top priorities
 - Wolf delisting and hunting season
 - Off Highway Vehicle (OHV) collaboration
 - Work to prevent sage grouse listing
- ❖ FY 2013 Budget - \$92,421,200
 - Administration, \$14,947,200
 - Enforcement, \$9,769,600
 - Fish, \$28,024,500
 - Fish-Springfield, \$13,119,000
 - Wildlife, \$17,733,300
 - Winter feed, \$4,385,900
 - Communications, \$3,508,700
 - Engineering, \$933,000

- ❖ Non-resident deer tags sales – 2006 through 2011
- ❖ Non-resident elk tag sales – 2006 through 2011
- ❖ Resident elk tag sales – 2006 through 2011
- ❖ Marketing - big game hunting in Idaho
- ❖ Resident combo license sales – 2006 through 2011
- ❖ Resident disabled license sales – 2006 through 2011
- ❖ Supplemental Request FY 2012 - \$3,155,700
 - Salary equity plan - \$0
 - Construct Deyo reservoir - \$1,093,300
 - Plan Springfield hatchery - \$838,700
 - Other one-time projects - \$1,190,300
 - On-going contracts - \$33,400
- ❖ Replacement Items - \$3,664,500
 - Fleet purchases -\$2,591,300
 - Building improvements -\$159,200
 - Computer Equipment - \$513,900
 - Other - \$400,100
- ❖ Recurring Enhancements
 - Fund shift/adjustment - \$0
 - Fish screen program \$585,500
 - Shooting range development - \$120,000
 - Wolf control - \$100,000, line item 4
 - Springfield Hatchery - \$13,119,000, line item 6
 - Wildlife restoration - \$114,300, line item 7
- ❖ Other Enhancements
 - Spatial planning tools - \$44,600, line item 9
 - Anadromous data base - \$54,800, line item 10
 - Dam mitigation - \$132,500, Line item 11
 - MK Nature Center - \$38,900, line item 13
 - Turkey transplants - \$15,500, Line item 14
 - Depredation prevention - \$35,000, line item 17

IDAHO PUBLIC UTILITIES COMMISSION

Presenter: Paul Kjellander, Commission President

- ❖ Commission's Role
 - The commission was established by the 12th Session of the Idaho Legislature in 1913. Statutory authorities for the Commission are set in Idaho Code titles 61 and 62.
- ❖ The PUC's role is best summarized by these four points:
 - Prevention of excess profits
 - Assurance of adequate earnings
 - Assurance of safe and reliable service
 - Establishing reasonable rates
- ❖ Regulatory Compact – In return for the company's obligation to serve customers and be subject to regulatory oversight, the company is entitled to

recover its prudently incurred investments and an opportunity to earn a rate of return on its prudently incurred investment.

- ❖ What is regulated and do not regulate
 - Commission regulates investor-owned electric, gas and water utilities
 - It retains customer service and Universal Service Fund jurisdiction over telephone companies, but large telecoms are not price regulated. PUC price regulate only small rural telephone companies
 - The Commission does not regulate public utilities owned by cities or rural cooperatives, water districts homeowner associations or cable television
- ❖ Commission Staff:
 - Governor appoints and Senate confirms commissioners for 6-year terms. Commissioners: Paul Kjellander, President, and Marsh Smith and Mack Redford
 - 49 FTP plus five deputy Attorneys General
 - Included in 49 are two temporary positions funded by ARRA
 - One is a utility analyst working on Demand Side Management and the other is an engineer
 - Retention of ARRA hires depends on attrition
 - Due to the low starting salary and lack of qualified applicants (P.E. plus 4 years experience), one engineering position at the Commission was changed to a utility analyst position in 2011
 - One position currently unfilled
- ❖ Commission Budget
 - The Commission is a dedicated fund agency. Its operations are funded by an annual assessment of not more than 0.3% on utility intrastate revenues and 1 percent on railroad intrastate revenues. The FY 2012 utility assessment was 0.23% and railroad assessment was 0.9996%
- ❖ Assessments: (set each April)
 - FY 2011 appropriation: \$5,142,600
 - FY 2012 appropriation: \$5,190,500
 - Estimated FY 2012 expenditures: \$5,190,500
 - FY 2013 Governor's recommendation: \$5,193,600
- ❖ Major Utility Rate Cases
 - Avista Utilities:
 - Parties settled on 1.1% electric base rate increase and 1.6% gas increase, but due to PCA reduction of 5.5% decrease, overall impact to customers was 4.2% decrease. Electric revenue sought: \$9 million. Electric revenue granted: \$2.8 million. Natural gas revenue sought: \$1.9 million. Natural gas revenue granted: \$1.1 million.
 - Idaho Power Company
 - Parties settled on 4.2% base rate increase, but due to 0.75% reduction in Energy Efficiency Rider, overall impact is 3.44% increase. Revenue sought: \$81 million. Revenue granted: \$34 million
 - Power Cost Adjustment (PCA) was 4.8% decrease

- Rocky Mountain Power
 - Parties settled on 7.8% increase for 2012 and 7.2% in 2013. Requested one-time 15% increase. Revenue sought: At least \$62 million over two years. Revenue granted: \$34 million over two years
- Intermountain Gas Company
 - Customers received a 5.3% Purchased Gas Cost Adjustment (PGA) decrease on October 1st and are scheduled to receive another PGA reduction of 4.5% on February 1st.
- United Water Company (Boise)
 - Parties settled on 8% increase in 2012, 2.5% in 2013 and \$3.95 million in new revenue. Company requested 19.9% increase and \$7.6 million in new revenue
- ❖ Other Major Issues
 - Cap under which wind and solar projects could qualify for the commission's published avoided cost rate is reduced from 10 average Mw to 100 Kw.
 - A new case has been opened to determine avoided cost for PURPA projects.
 - BPA credit restored after Idaho and other state commissions aggressively pursue a settlement with BPA, and public and privately owned utilities. Customers are now, or soon will be, seeing these benefits in their bills.

OFFICE OF THE GOVERNOR- Office of Energy Resources

Presenter: John Chatburn, Interim Administrator

- ❖ State Policy Activities
 - Cooperating agency on federal access processes
 - Transmission projects
 - Renewable energy generation projects
 - State Energy Coordination
 - Respond to federal energy policies/issues
 - Coordinate the Idaho Strategic Energy Alliance
 - ISEA taskforces
 - 11 reports completed and 2 reports under development
 - Assisted with 2012 State Energy Plan update
- ❖ Regional Policy Activities
 - Western Governors Association
 - Regional transmission expansion planning process
 - Western Interstate Energy Board
 - Western renewable energy zone project
 - Federal rapid response team for transmission
 - Northern Tier transmission group
- ❖ Low Interest Energy Efficiency & Renewable Energy Loan Program
 - Projects based on energy savings analysis

- Loans to home owners, business, and agriculture
- Loan terms: 4% interest and 5 year repayment period
- Currently open loans worth \$800,800
 - 56 residential loans
 - 12 commercial
 - 2 agricultural loans
- ❖ American Recovery and Reinvestment Act – State Energy Program (SEP)
 - Energy efficiency for K-12 schools throughout Idaho \$17 million –Phase one - \$7.4 million (completed fall 2010)
 - 894 school buildings – energy audits
 - 836 school buildings – HVAC and control system tune ups
 - 91 schools – energy expert software
 - 15 schools education kiosks for energy conservation
 - State Energy Program – Phase Two - \$9.6 million
 - Over 137 school buildings are receiving energy efficient lighting upgrades (completion scheduled for February 2012)
 - Over 24 school buildings receiving energy efficient (HVAC) upgrades (completion scheduled for March 2012)
 - Estimated energy savings
 - HVAC tune ups – up to #3,926,884
 - HVACX retrofits – average 15%
 - Lighting retrofits – up to \$508,775
 - Other projects - \$1.5 million for renewable Energy Enterprise Zones
 - Woody Biomass to Energy Feasibility Study or Business Plan
 - Adams, Clearwater, Boise, and Shoshone counties
 - Waste/Sewage to Energy Feasibility Study
 - Clark county, City of Hailey ,and City of Nampa
 - Twin falls County – landfill gas
 - Kootenai county – landfill gas
 - City of Nampa – Biogas boiler
 - Cit of McCall – solar
 - City of Sandpoint – biogas
 - \$5 million for LED manufacturing demo project
 - Project in final phase – selecting public buildings for demonstration
 - Solar panels for schools \$2.75 million
 - 9 schools awarded fund for solar arrays
 - At least one school in each Department of Education’s 6 regions (completed February 2012)
- ❖ American Recovery and Reinvestment Act – Energy Efficiency and Conservation Block Grants
 - \$9.3 million for non-formula cities and counties
 - 71 projects funded
 - 56 projects completed to date
 - \$795,000 for Borah Building energy efficiency retrofit

- Division of Public Works is coordinating this effort
- \$500,000 for building energy code implementation
 - Division of Building Safety – developing a building code compliance data base.
 - Association of Idaho Cities
 - 9 training/educational sessions statewide
 - Additional sessions are planned for the AIC Annual Conference
 - Organized & facilitated Idaho Energy and Green Building Conference
- Additional grants not originally included ARRA
 - Energy Assurance (Smart Grid) \$339,814
 - Develop Energy Assurance (IDBHS, IPUC, Utilities, Co-op, etc.
 - Appliance Rebate \$1.46 million
 - 15,000 Idahoans received rebates totaling \$1.3 million
 - Develop Energy Assurance Plan
 - Program concluded March 31, 2011
 - Industries of the future \$350,000
 - Combined Heat and Power Feasibility Study
 - Energy efficiency assessments and an energy engineering demonstration project
- ❖ FY 2012 Supplemental Requests
 - \$606,100 one-time spending authority to finish ARRA projects
 - Approximately \$302,200 remaining cash award to distribute
 - Approximately \$303,900 due to cancelled prior year encumbrances
 - Requested performance period extension for SEP ARRA (K-12 schools project) on January 15, 2012. Awaiting DOE decision
 - Other grants end August and September 2012
- ❖ FY 2013 Governor's Recommended Budget
 - MCO for ongoing revenue sources (including federal grants); zero General Fund support
 - FY2013 staffing level includes 14 FTP's; reduction from 18 FTP's in FY 2012. Currently have 3 positions being held vacant
 - ARRA funding carry-forward request for any unobligated funds from FY 2012 into FY 2013 in order to finish ARRA projects in FY 2013

DEPARTMENT OF WATER RESOURCES

Presenter: Judge Eric Wildman, Snake River Basin Adjudication

- ❖ Snake River Basin Adjudication (SRBA) and Coeur d'Alene-Spokane River Basin Adjudication (CSRBA) Update
- ❖ SRBA summary as of January 17, 2011
 - Counts of water rights
 - Decreed – 148,442
 - At issue – 2,648
- ❖ SRBA Summary as of January 31, 2012
 - Counts of water rights

- Decreed – 151,020
- At issue – 1,815
- ❖ SRBA “Winding Down” Process
 - Firm trial dates for all remaining sub-cases (except recent late claims and 2009 Owyhee Public Land Management Act claims)
 - Commenced completed basin closure proceedings (no further late claims)
 - Conducting proceedings on form and content of SRBA final unified decree
 - Scanning pre-2009 decrees for exhibits to final unified decree (250,000 – 300,000 pages) and preparing files for archiving
 - Meeting with counties to coordinate statutory recording process for final unified decree
 - Working towards 2014 completion date
- ❖ Idaho Water Rights Adjudications - sub-basin boundaries
 - Snake River basin (1987)
 - Coeur d’Alene-Spokane River Basin (2008)
 - Clark Fork-Pend Oreille River Basin (?)
 - Palouse River Basin (?)
 - Completed sub-basins
 - Not scheduled
- ❖ CSRBA Update
 - Statutory first-round service completed
 - Received approximately 11,000 state-law claims to date (13,000 projected)
 - Federal law and tribal claims scheduled for December 2012
 - First director’s reports projected to be filed in 2013

Presenter: Gary Spackman, Interim Director

- ❖ FY 2013 Governor’s Recommendation by Fund
 - General Fund - \$10,848,600
 - Indirect - \$581,900
 - Aquifer Planning & Management - \$2,750,800
 - Fee - \$1,329,400
 - Adjudication - \$104,600
 - Federal - \$3,570,700
 - Miscellaneous revenue - \$1,212,300
- ❖ General Fund Appropriation Ten Year Comparison
- ❖ Post-Budget Reductions = 27.2%
 - Strategies implemented
 - Change organizational structure to both permanently and temporarily save personnel costs
 - Reduce operating expenses
 - Shift expenses from General Fund to one-time funding sources
 - Shift expenses to fee accounts

- Prioritize work assignments and perform the most urgent tasks first
- Reduce workforce
- Past mandatory furloughs
- ❖ Decision Units in Recommendation
 - \$1.2 Million cash transfer from Water Board Revolving Development Fund to Water Board Secondary Aquifer Planning and Management Fund
 - \$50,000 for targeted [personnel - \$25,000 in FY 2012 & \$25,000 in FY 2013
 - \$43,700 increase in Operating expenses to cover rent increases
 - General Fund funding of Northern Idaho Adjudication pays state filing fees

Presenter: Roger Chase, Vice Chairman (Water Resources Board)

- ❖ The Idaho Water Resource Board is important to the people of Idaho
- ❖ Thirty-five years ago the Snake River Adjudication began to look at where to put the water
- ❖ Projects
 - Managed aquifer recharge operations at the Shoshone recharge site
 - 5,257 – acre Hazelton Butte ground water-surface water conversion project under construction
 - Boise River Diversion Dam and New York Canal
 - Boise River area open canal-to-pipeline project
- ❖ Water supply bank rentals and leases by year
- ❖ WSB pending rental and lease applications
- ❖ Upper Salmon Flow Restoration Projects
 - Examples of Results
 - Patterson Big Springs Chinook Redds
- ❖ Rendition of the proposed Weiser-Galloway Project
- ❖ Proposed Water Board projects funded by Secondary Aquifer Management Fund
 - Recharge
 - Pump backs
 - Conversions from ground water to surface water
 - Other projects

Presenter: Gary Spackman, Interim Director

- ❖ FY 2010 Structure
 - Major position of Water Management Division vacant
- ❖ FY 2011 & FT 2012 Structures
 - Two major positions vacant – Water Management Division and Planning & Technical Services Division managers
- ❖ Organizational and Structural Impacts
 - 2 administrators – not filled
 - Public information unit – eliminated
 - Public information officer – laid off

- Web designer –not filled
- Adjudication bureau – eliminated
 - Grants & contracts specialist – laid off
 - Adjudication bureau chief – eliminated
- 3 supervisors-position re-classed to nonsupervisory
- Salmon office – closed
- Soda Springs office – closed
- ❖ Active Transfers Application
- ❖ Active Permits with Proof Submitted

ADJOURNED

Maxine Bell, Chairman

Kathryn Yost, Secretary

JFAC COMMITTEE MEETING MINUTES

2/1/12

The hearing was held in C310, Statehouse, commencing at 8:00 a.m. and concluding at 10:37 a.m. with Chairman Cameron presiding.

Roll Call:

Senators: Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour

Representatives: Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Excused: None

Staff Present: Houston

DEPARTMENT OF AGRICULTURE

Presenter: Celia Gould, Director

- ❖ Staff Introductions
- ❖ Industry Partners
- ❖ Scope of Department
 - Over 55 programs
 - Manage over 30 Funds between six divisions
 - Executive Team
 - Sheep Commission
 - Animal Damage Control

- ❖ Budget Breakdown (based on FY 2011 actuals)
 - 23% from General Fund: \$ 6,595,900
 - 53% from Dedicated Funds: \$15,016,800
 - 23% from Federal Funds: \$ 6,494,500
 - Divisions and Employees
 - ❖ Dept. budget is allocated between six divisions
 - ❖ 194 FTP
 - ❖ 500 non-classified employees and seasonal part-time staffing
 - ❖ Currently have 14 vacant positions – in process of filling 7 positions
 - FY 2012 Supplementals
 - ❖ Poultry Inspection Program
 - One position and operating authority total \$89,700 for a new program established late last legislative session
 - ❖ Quality Assurance Lab
 - \$175,000 one-time request for expansion of Idaho Food Quality Assurance Lab in Twin Falls
 - ❖ USDA Specialty Crop Grant Program
 - \$275,000 one-time request for spending authority for current year shortfall (recommended by Governor but request does not appear in the legislative budget book)
 - Base Adjustments
 - ❖ Reducing spending authority to several programs:
 - \$ 30,000 from Administration
 - \$ 50,000 from Livestock Disease Control
 - \$ 20,000 from Egg Inspection
 - \$ 3,700 from Ag Inspections
 - \$ 300,000 from FF&V Inspections
 - \$ 5,200 from Revolving Loan Program
 - ❖ Fund Shift
 - \$750,000 from Personnel to Operating in Ag Inspections
 - FY 2013 Enhancements
 - ❖ General Fund
 - \$900,000 for Eurasian Milfoil
 - ❖ Dedicated Fund
 - \$89,700 spending authority in Poultry Program
 - \$112,500 spending authority in Organics Program
 - \$1.1 million one-time federal spending authority of ARRA Grants
 - ❖ Aquatic Weed Program
 - \$900,000 ongoing General Fund request
 - Prevention of widespread infestations of Milfoil
 - Continue statewide survey effort
 - Water craft survey stations
 - Aggressive treatments to continue effort to eradicate infestations

- ❖ Organics Program
 - \$112,500 ongoing dedicated request
 - Additional authority need to run expanding program at necessary level
 - Adequate fund balance and revenues exist to fund this enhancement
 - \$82,500 in federal authority for an organics cost share grant for organic growers
 - Grant reimburses organic growers a portion of their registration and inspection fees
- ❖ New Poultry Program
 - Program manager position
 - \$89,700 ongoing dedicated request
 - Additional position to service program (if it expands)
 - Currently utilizing staff from other programs to cover current inspection needs
- ❖ Pass-through Stimulus Grants from the Forest Service for fuels reduction and noxious weed control
 - Grants given to six counties
 - One-time federal spending authority
 - \$1.1 million Trustee and Benefit authority
 - Stimulus grants end December 2013

Idaho Soil and Water Conservation Commission

Presenter: Teri Murrison, Administrator

- ❖ Commission Overview
 - Mission
 - ❖ To balance the interests of natural and human environments
 - ❖ To offer non-regulatory solutions through voluntary conservation
 - ❖ Provide district support services (have 50 local districts)
 - Technical assistance – construction inspections, engineering, conservation, watershed planning, monitoring, etc.
- ❖ Conservation Programs
 - Total Maximum Daily Loads (TMDL) Ag Implementation Plans
 - Ground Water Nitrate Priority Areas
 - Conservation Reserve Enhancement Program (CREP)
- ❖ Incentive Programs
 - Resource Conservation and Rangeland Development Program (RCRDP)
 - ❖ Program averages from 160 to 200 active loans at any time
 - ❖ Currently has a loan portfolio close to \$7 million
 - ❖ Has funded over \$31 million in conservation projects and equipment over the life of the program

- Idaho OnePlan coordinates the conservation requirements of numerous agencies with regulatory and technical oversight into a free, online conservation planner
- Some programs are currently on hold due to a lack of funding, such as:
 - ❖ Water Quality Program for Agriculture (WQPA)
 - ❖ Conservation Improvement Grants
- ❖ FY 2012 was a fresh start for the Conservation Commission
 - New leadership
 - Significant staffing changes
 - Major revision to strategic plan
 - New partnership agreement
- ❖ SWC actual expenditures from FY 2000 to FY 2012
 - Between 2000 and 2010, agency expenditures hovered between \$4 million and \$5 million in General Fund moneys, dedicated and federal funds
 - In FY 2011 with a depressed economy, there was a 46% reduction in expenditures necessitating spending only for essentials
- ❖ Trends
 - District Allocation
 - ❖ Passed one-time savings to districts when possible
 - ❖ This year districts are within \$174,300 of the full 2:1 match
- ❖ Staffing
 - 33 FTPs in 2009 (contract, federal, dedicated, and General Fund staff)
 - Currently have 16 FTPs
- ❖ Change in Workforce
 - Sharp increase in turnover rate
 - ❖ 14.3% in 2010
 - ❖ 32.0% in 2011
 - Endorse Governor's merit pay recommendation
 - Currently have two vacant FTPs
 - ❖ Interviewing for a Water Quality Resource Conservationist
 - ❖ Requested that other position be shifted from General Fund to dedicated funds for loan program to meet the demands of the existing workload
 - Distribution of responsibilities and staffing
 - ❖ In 2011 assistance provided for new and existing conservation projects dropped 25% from previous fiscal year
 - From 121 down to 92 total projects
 - Due to agency downsizing
 - Statewide survey indicated Commission's resources are inadequate to provide equitable support
- ❖ FY 2013 Governor's total recommended budget: \$2,650,100, a 5.8% increase that includes the following plus the three line item requests shown below:
 - Personnel Costs \$ 970,200
 - Operating \$ 178,000
 - Trustee and Benefits \$1,103,200 (46% of budget)

- ❖ \$1,053,200 is for district allocations
- ❖ \$ 50,000 for capacity building grants to districts (as recommended by the stakeholder workgroup)
- Line item requests
 - ❖ One-time enhancement for \$20,000 in Technical Assistance Cost Recovery (for providing engineering and other professional services to state and federal agencies)
 - ❖ Increased spending authority of \$100,900 for personnel and operating funds needed to support the RCRDP loan program and implement the items contained in the strategic plan
 - Will increase the total RCRDP budget from \$187,800 to \$288,700 in FY 2013 (increase to be funded out of interest earned on the loan program)
 - ❖ One-time spending authority of \$60,000 in federal grants to be received from the Natural Resources Conservation Service
 - Will match up to \$80,000 of actual personnel expenses related to three groundwater quality protection projects
 - Spending authority was granted in FY 2012 for a \$20,000 non-cog request
- ❖ Areas of Concern
 - Reduced budgets and staffing (state and federal) expose agency and the state to risk
 - Regulatory pressures – examples:
 - ❖ TMDL Ag Implementation Program
 - ❖ Clean Water Act
 - ❖ Sage Grouse
 - Conservation Trends
 - ❖ Federal budget cuts, energy, monitoring and reporting
 - ❖ More competition for grants and cost-share funding
 - ❖ Shortage of resources, grant match, required MOE on CREP
 - ❖ More difficult to meet mandates and administrative functions

OFFICE OF THE GOVERNOR: Office of Species Conservation

Presenter: Nate Fisher, Administrator

- ❖ Background
 - Agency created in 2000
 - Purpose: to coordinate policies and programs related to the conservation of threatened, endangered and candidate species in Idaho
 - Workforce located in Boise, Salmon and Moscow
 - ❖ 12 full-time employees
 - ❖ 1 part-time employee
 - ❖ Organizational chart
- ❖ Core functions
 - Coordinate federal ESA programs with state agencies
 - Solicit, provide and delegate funding for ESA programs

- Create, coordinate and participate on species advisory teams
- Serve as Idaho's "one voice" on ESA policy
- Provide a mechanism for Idaho citizens to voice ESA concerns
- Facilitate collaboration between state, federal and private stakeholders
- ❖ Current activities of Species Conservation Office
 - Sage grouse conservation planning
 - Water rights in the Lemhi Watershed
 - Critical habitat designations
 - Slickspot Peppergrass litigation
 - Salmon and Steelhead habitat restoration
 - Wolf depredation mitigation (wolf is now delisted)
- ❖ FY 2013 Budget – Governor's recommendation: \$13,213,600
 - Operating Budget by fund category:
 - ❖ General \$ 462,800
 - ❖ Dedicated 15,000
 - ❖ Federal 12,735,800
 - Budget Impacts
 - ❖ Changes in workforce – maintain current workforce with significantly reduced capacity to meet legislative mandates
 - ❖ Alternative funding sources – where applicable and/or appropriate, shifted costs from general fund to federal fund
 - ❖ Program structure – to date, no changes have been made to program structure. At current funding levels, it may be necessary to edit Idaho Code to align funding with mandates
 - ❖ Appropriation flexibility
 - Wolves: Funding depredation mitigation
 - ❖ OSC received and administered \$1.2 million in federal funding during FY11 for wolf management, monitoring and depredation mitigation
 - ❖ Congressional earmarks are no longer available; wolf funding is dependent upon US Department of Interior budget appropriations. Will continue to work with Congressional staff to insure that Idaho receives essential funding
 - Sage Grouse
 - ❖ Federal government determined that sage grouse is warranted but precluded for listing under the ESA on March 5, 2010
 - ❖ Species status will be reviewed annually to determine whether it requires more immediate attention
 - ❖ OSC is collaborating with state and federal agencies and constituents to ascertain the short- and long-term ramifications of the federal government

DEPARTMENT OF ENVIRONMENTAL QUALITY

Presenter: Toni Hardesty, Director

- ❖ Thanked DEQ employees for their dedication and commitment to Idaho and the citizens they serve, they do more with less, take on additional roles and responsibilities, forego training and travel, take leave without pay, etc. They deserve the merit-based CEC increase.
- ❖ Mission: to protect human health and preserve the quality of Idaho's air, land, and water for use and enjoyment today and in the future
- ❖ Background of Department
 - Created by the Idaho Environmental Protection and Health Act and became a department on July 1, 2000
 - State office located in Boise with six regional offices in Coeur d'Alene, Lewiston, Boise, Twin Falls, Pocatello, and Idaho Falls
 - DEQ enforces various state environmental regulations in lieu of the federal government and administer many federal environmental protection laws, including:
 - ❖ Clean Air Act
 - ❖ Clean Water Act
 - ❖ Safe Drinking Water Act
 - ❖ Resource Conservation and Recovery Act
 - DEQ manages a broad range of activities including:
 - ❖ Assessing environmental problems
 - ❖ Overseeing facilities that generate pollution
 - ❖ Monitoring Idaho's air and water quality
 - ❖ Overseeing the cleanup of contaminated sites
 - ❖ Responding to hazardous materials and emergency response calls
 - ❖ Issuing permits and authorizations for new and expanded businesses and manufacturing facilities
- ❖ Some of the services provided by DEQ
 - Outreach, education, and technical assistance to businesses and local governments
 - Grant and low-interest loan programs (loaned over \$60 million last year) for communities (drinking and wastewater)
 - Brownfields program assistance (redevelop abandoned properties)
 - Grant program (match) for landowners who voluntarily implement best management practices (BMPs) on their property
 - Pollution prevention assistance
- ❖ Workforce
 - 376.05 current full-time positions (authorized)
 - 358 full-time positions (funded) – 18 vacant because of lack of funding
 - 16 part-time, temporary non-classified employees
 - Workforce at lowest level in a decade but workload has increased
 - ❖ Taken on or taken over a number of new programs, such as:
 - Underground Storage Tank Program
 - Crop Residue Burning Program

- Brownfields Program
 - CDA Basin Yard Remediation Program
 - SRF Loan Portfolio increased from \$120 million to over \$340 million
- ❖ Budget Reductions
 - Eliminated the Planning Division
 - Temporarily suspended the Beneficial Use Reconnaissance Program
 - Eliminated the GEMStars Program
 - Reduced staff in almost all General Fund areas resulting in reductions in:
 - ❖ Travel and Training
 - ❖ Support to Watershed Advisory Groups (WAGs)
 - ❖ Funding for contractor support
 - ❖ Technical studies and evaluations
 - ❖ Support to various commissions
 - ❖ Statewide outreach and education efforts
 - Focused on ensuring that statutory obligations and responsibilities are met by maintaining critical core programs
 - ❖ Monitoring
 - ❖ Permitting
 - ❖ Inspections
 - 58% of budget comes from the federal government
 - ❖ Success Stories
 - Drinking Water and Wastewater loan programs – 2006 to 2011:
 - ❖ \$1.1 million in drinking water grants
 - ❖ \$119 million in drinking water loans
 - ❖ \$1.4 million in wastewater grants
 - ❖ \$201 million in wastewater loans
 - Perrine Coulee nonpoint source pollution implementation
 - ❖ A tributary of the Snake River
 - ❖ Close proximity to city of Twin Falls – high levels of pollutants
 - ❖ Since 2003, funding secure through Idaho Power mitigation funds and INL mitigation funds for 5 water quality projects
 - ❖ A collaborative effort made these projects possible
 - ❖ \$1.1 million in drinking water grants
 - ❖ FY 2013 budget – DEQ supports Governor’s recommendation of \$61,386,500
 - Bunker Hill Hecla \$17 million Settlement
 - ❖ FY 2012 supplemental – spending authority increase of \$671,200
 - ❖ FY 2013 annualization amount of \$900,000
 - ❖ Total ongoing request is \$1,571,200
 - ❖ Settlement amount will be used for siting, designing, constructing, and operating the repository
 - ❖ \$10,000 will go toward personnel costs
 - FY 2013 budget enhancements (ARRA projects) -non-General Fund requests
 - ❖ Beneficial Use Reconnaissance Program (BURP) - surface water quality monitoring program since 1994 that combines biological

monitoring and habitat assessment to determine quality of Idaho's waters

- 2009 and 2010 field seasons cancelled
- One-time dedicated funding from the Water Pollution Control Account (WPCA) for the 2011 field season – 238 streams were monitored
- WPCA fund balance analysis – requesting \$398,700 from WPCA to fund BURP
- ❖ Remediation of Coeur d'Alene Basin Property
 - Requesting one-time dedicated spending authority in FY 2013 for \$100,000 to make some small, outstanding payments to contractors for work performed for the Basin Property Remediation Program under ARRA
 - Contractors are required to provide a warranty for work completed – after a certain period of time they are given the unspent retainer
- ❖ Brownfield Assessments (ARRA funding) for Lake Pend Oreille Brownfield Coalition Assessment
 - One-time dedicated spending authority in FY 2013 for \$200,000 in operating expenditures
 - Assessment work on the north shoreline of Lake Pend Oreille to develop the property into a greenbelt and train system
 - All funding has gone to contractor services
- Budget Summary
 - ❖ General Funds \$13,981,700
 - ❖ Dedicated Funds 11,544,800
 - ❖ Federal Funds 35,860,000
 - Total \$61,386,500

ADJOURNED

Senator Dean L. Cameron, Chairman

Peggy Moyer, Secretary

JFAC COMMITTEE MEETING MINUTES

2/2/12

The hearing was held in Room C310, Statehouse, commencing at 8:00 a.m. and concluding at 10:11 a.m. with Chairman Bell presiding.

Roll Call:

Senators: Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour

Representatives: Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Absent/Excused: None

Staff Present: Ellsworth, Burns

DEPARTMENT OF HEALTH & WELFARE **Substance Abuse Treatment & Prevention**

Presenter: Ross Edmunds, Administrator

- ❖ Substance Abuse is 24% of the Division's Budget
 - Psychiatric Hospitalization - \$29.7 M, 37.1%
 - Mental Health Services - \$31 M, 38.7%
 - Substance Abuse - \$19.3 M, 24.1%
- ❖ 2013 Substance Abuse Request by Category - \$19.3%
 - Trustee & Benefits - \$13.1, 67.8%
 - Operating - \$4.9 M, 25.5%
 - Personnel - \$1.3 M, 6.7%
- ❖ 2013 Request by Funding Source – total \$19.33 M
 - Federal funds - \$15.6 M, 80.8%
 - General Fund - \$2.5 M, 13%
 - Dedicated funds - \$700,300, 3.6%
 - Receipts - \$483,300, 2.5%
- ❖ Idaho's Substance Abuse System - SFY 2012 appropriation by agency/branch of government – total 33 M
 - Department of Correction (TB) - \$7.4 M, 22.3%
 - Department of Health & Welfare (T&B)- \$10.8 M, 32.7%
 - Department of Health & Welfare (Administration) - \$6 M, 18.2%
 - Department of Juvenile Corrections (T&B) - \$4 M, 12.2%
 - Courts (T&B) - \$4.8 M, 14.6%
- ❖ Idaho's Substance Abuse System – Medicaid Expenditures as of 12-31-2011 - \$1,151,700
 - Federal Medicaid (DHW) - \$806,100
 - Total State Medicaid Match - \$345,600
 - DHW - \$244,900, 71%

- IDOC - \$10,400, 3%
- IDJC - \$62,500, 18%
- Courts - \$27,800, 8%
- ❖ Department of Health & Welfare Expenditures (through December, 2011)
 - Personnel
 - Appropriation: \$16,811,300
 - Expenditures: \$8,439,440
 - Percent of appropriation spent – 50%
- ❖ Department of Health & Welfare Populations
 - Access to Recovery III: expenditures \$1,286,375 ; 1,707 served
 - General (TERM): expenditures \$1,026,064; 1,053 served
 - Medicaid only: expenditures \$854,635; 1,191 served
 - Child protection: expenditures \$283,138; 468 served
 - Child protection drug court: expenditures \$240,713; 74 served
 - IV-drug users: expenditures \$233,462; 285 served
 - Pregnant women & women w/children: \$70,378; 71 served
 - State Hospital: expenditures \$31,575; 51 served
 - Screened ineligible: expenditure \$24,597; 1,689 served
- ❖ Request for Federal Spending Authority
 - Access to Recovery (one-time, year 2 of 4); \$3,118,200
 - State epidemiological outcomes WG (on-going); \$200,000
 - Total; \$3,318,200
- ❖ Request: Access to Recovery Grant (ATR)
 - Supervised misdemeanants - \$1,151,306; 1,528 served
 - Juveniles reentering their communities - \$57,887; 77 served
 - Military: active duty, reservists, veterans, and dependents
 - \$3,118,200
- ❖ Requesting Federal Spending Authority
 - State Epidemiological Outcomes Workgroup (SEOW)
 - Substance abuse data collection for communities utilization
 - Data from SEOW used to secure \$750,000 in Federal Drug Free Community Grants
 - \$200,000
- ❖ Substance Abuse Prevention
 - Substance Abuse Prevention is required by federal block grant through a Maintenance of Effort
 - Approximately \$1.6 million
 - Management contractor – benchmark
 - \$1.4 million in contracts with community-based providers and coalitions
 - 9 out of 10 adult addicts started using before the age of 18
- ❖ Distribution of Prevention Funds
 - Region 1 \$335,293.77
 - Region 2 \$366,527.23
 - Region 3 \$238,139.25
 - Region 4 \$509,922.89
 - Region 5 \$334,455.17

- Region 6 \$197,376.99
- Region 7 \$195,268.74
- Includes \$1.4 million in state awarded block grant funds and \$750,000 of Federal Drug Free Community grants
- ❖ Substance abuse prevention intent language
 - Minimum of \$50,000 spent on statewide media campaign on underage drinking
 - Campaign September 2011 & May 2012
 - Year-to-date expenditures \$21,640
 - On target to spend the \$50,000
- ❖ Substance Abuse System Design
 - Management Services Contractor
 - Business Psychology Associates (BPA)
 - Network Provider Management
 - Network Quality Assurance
 - Utilization and outcome data
 - Behavioral Health Interagency Cooperation
 - Quality Assurance
 - Management Information System/Electronic Health Record
 - Utilization and Outcome Data
 - \$2.5 million overspend in SFY 2011 was covered by DHW's SFY 2012 appropriation plan for the \$2.5 million in SFY 1013
 - Populations de-prioritized by Interagency Council on Substance Abuse: Voluntary adults, adolescents, and misdemeanants (1,591 requests year to date)
 - Voluntary adults and children remain un-served
 - DHW average cost per client episode of care is \$2,344
 - Potential to serve approximately 1,050 individuals with the \$2.5 million
 - Request by courts to serve misdemeanants
 - Idaho Behavioral Health System of Care
 - State BH Authority
 - Medicaid/private BH treatment services
 - Regional BH Community Development Boards

DEPARTMENT OF CORRECTION

Presenter: Brent Reinke, Director

- ❖ Idaho's Substance Abuse System, appropriation by agency/branch of government
 - Department of Correction (T&B): \$7.4 million, 22.9%
 - Courts (T&B): \$4.8 million, 14.6%
 - Department of Juvenile Correction (T&B): \$4 million, 12.2%
 - Department of Health & Welfare (administration): \$6 million, 18.2%
 - Department of Health & Welfare (T&B): \$10.8 million, 32.7%

- Total: \$33 million
- ❖ Substance Use Disorder Services (S.U.D.S.)
 - New intake process
 - Idaho Department of Correction hired staff to manage intake
 - Why?
 - Risk assessment
 - Establish base for outcomes
 - Enhance reports to court
- ❖ Public Safety Change
 - Intake changes allow IDOC to treat highest need and highest risk offenders
 - Risk wasn't used as an indicator in the previous structure
- ❖ How it worked? Are offenders getting treated?
 - The new intake system was implemented in September
 - 'Served data' includes assessments and treatment
- ❖ Balancing Need and Budget
 - Intake and administration is critical to managing the budget
 - Managing length of stay in treatment help balance the budget
 - Ensuring clinical need remains a driving factor
- ❖ Quality and Outcome Measures
 - Quality:
 - Clinical review
 - Enhanced provider oversight
 - Outcome measures
 - Adding risk indicators at intake allows IDOC to see if treatment works
 - Short and long term success measures
- ❖ Assessment & Measurement Tools
 - GAIN-1
 - TCU drug screen
 - LSI-R
 - Criminal thinking scale
 - Treatment engagement
- ❖ Budget Background, FY12
 - Under H388, the legislature appropriated \$7.3 million in substance use disorder treatment funding to IDOC for FY12
- ❖ Budget Request
 - Community-Based Treatment: \$3,804,500
 - Millennium Fund Community-Based Treatment
 - Governor's request: \$1,869,200
 - Removal of one-time expenditures Millennium Fund: Community-Based Treatment: (\$5,663,700)

DEPARTMENT OF JUVENILE CORRECTIONS

Presenter: Sharon Harrigfeld, Director

- ❖ Idaho's Substance Abuse System
 - Appropriation for the Department of Juvenile Corrections: \$4 million, 12.2%
- ❖ Presentation Outline
 - Idaho's Juvenile Justice Model
 - Goals for JJ SUDS System
 - Status of implementation
 - Future focus and challenges

Presenter: Frank Riley, COPS Admin, Idaho Dept Juvenile Corrections

- ❖ SUD issue = delinquency; treatment success = positive youth outcomes
- ❖ Idaho's Juvenile Justice Model: Created a model founded on partnership between county, court and state
 - Judge orders probation
 - Probation oversees case and treatment
 - District teams manages the budget
 - IDJC oversee payment of services collects data and evaluates results
 - Integration of treatment critical to achieving the goals of the balanced approach
 - Engaging court and county partners with treatment providers maximizes success
- ❖ Juvenile Justice Partnerships
 - Partnership integrates treatment and supervision
 - Communication between partners ensures accountability
 - IDJC manages the appropriation to maximize funds available for treatment
- ❖ Goals for Juvenile Justice Substance Use Disorder Services (SUD)
 - Provide 12 months of funding for treatment
 - Budget management and accountability
 - No wait list – access for all Juvenile Justice kids
 - System with statewide access; more timely services
 - Maximize successful outcomes
 - Involvement of local partners
 - Evaluate their results
 - Understand and track the data
- ❖ What elements stayed the same?
 - Target population: justice involved juveniles
 - Treatment Provider Network Management and audit process
 - Billing process: management services contractor
 - Levels of care: established in IDAPA rules
 - Level of funding; based on FY 2010 expenditures
- ❖ Guidelines Established

- Gain assessment tool/comprehensive treatment plan
- Qualified providers as established in IDHW licensing and certification rules
- Standard intake and authorization forms
- Forms must be transmitted to IDJC to ensure expenditure accountability and uniform data collection
- ❖ Utilization of Funds: Implementation Phases
 - Phase 1: Probation verified clients in treatment
 - Phase 2: Systems implemented to serve the clients
 - Phase 3: Outreach to juveniles with SUD treatment need
- ❖ Services provided year-to-date: July to December
- ❖ Assessing the Need for Juvenile Justice SUD Services
 - In treatment: 413 juveniles in treatment today
 - Estimated need: 1,500 estimated at 30% of probation caseload
 - On probation
- ❖ What have we learned?
 - Budget capacity to serve more juveniles in need with enhanced screening and referral
 - Rural areas have not accessed services at the same rate as urban areas
 - Family engagement is critical
 - Case management at the local level engages community resources and provides more cost-effective treatment choices
- ❖ Focus of Future Efforts
 - Work with counties to enhance identification and referrals to the Juvenile Justice SUD system
 - Streamline data systems and collaborate on the implementation of WITS
 - Conduct system evaluation through Boise State University
 - Collaborate with Behavioral Health Cooperative on Quality Assurance Design and system development

Presenter: Darin Burrell, President of Idaho Association of Counties

- ❖ Stated that he was the Chief Juvenile Probation Officer, Fremont County
- ❖ Challenge for rural areas
- ❖ Rely heavily on coalition efforts to work things out

SUPREME COURT: Community Based Substance Use Treatment

Presenter: Patti Tobias, Court Administrator

- ❖ Courts (T&B): \$4.8 million, 14.6%
- ❖ Substance Use Disorder Expenditures FY 2012
 - Adult drug courts: \$1,660,803
 - Juvenile drug courts: \$110,609
 - Mental health courts: \$64,645
 - Total: \$1,836,639
 - Treatment, recovery support services and direct client services
 - 90% of dollars spent for outpatient treatment

- ❖ Vision for 2013
 - Use only DHW approved providers
 - Explore system-wide, the need for any additional training, qualification, and experience
 - Contract for a specialized electronic health records system that includes:
 - Client intake and service coordination
 - Fiscal management
 - Data management
 - Conduct rigorous outcome recidivism studies
- ❖ Specialized Human Resources
 - Develop high quality, timely, treatment and billing information
 - Analyze treatment plans to ensure use of evidence-based practices
 - Develop and implement electronic records system
 - Establish and implement a coordinated system-wide quality assurance system
 - Conduct statewide process and outcome evaluations
 - Provide ongoing records system training
 - Refine data elements and reports
- ❖ Continuum of Sentencing Alternatives
 - Probation supervision–integrated with substance treatment
 - Problem solving courts
 - Retained jurisdiction options
- ❖ Misdemeanor Treatment Proposal
 - Increase the current 275 slots for existing drug, DUI, mental health and veteran’s courts
 - Improve access, as needed, to intensive outpatient, residential and recovery support services
 - Fund new problem solving courts
 - Provide SUD treatment funds for domestic violence court offenders
 - \$1 million – 234 additional slots

OFFICE OF THE GOVERNOR: Office of Drug Policy

Presenter: Caitlin Zak, Acting Administrator

- ❖ Idaho Code 67-821
 - Oversee and execute office
 - Coordination of policy and programs related to drug and substance abuse
 - Cooperation
 - Facilitate exchange
 - Plan agreements, policies
 - Statewide campaigns
 - ISCA
- ❖ Prevention + Policy
 - Be the Parents.org

- Community coalitions
- ❖ Eleven Idahoans die a month from drug-induced death
- ❖ Idaho Prevention
 - ODP works with over 50 different substance abuse prevention organizations in Idaho
 - ODP serves as repository for:
 - Information on emerging substances
 - Drug policy
 - State and national
 - Drug usage statistics
 - Prevention campaigns
- ❖ State strategic prevention planning committee
 - Vision: A unified prevention system that empowers Idahoan to have the skills and resources to lead healthy and drug free lives
 - 2009 state prevention plan
 - Underage drinking
 - Be The Parents campaign
- ❖ Be the Parents.org
 - New research shows that alcohol effects a teenager's developing brain differently than adults
 - Sixty percent of Idaho's 9th graders have admitted to drinking alcohol at least once
 - Children say parental disapproval is the #1 reason they have chosen not to drink
- ❖ State Strategic Prevention Planning Committee
 - 2012 state prevention plan
 - Prescription drug abuse
 - Synthetic drugs
 - Marijuana
- ❖ Prescription Drug Abuse
 - The new gateway drug... 1/3 of people age 12 and over who used drugs for the first time began by using a prescription drug non-medically
 - Educational video on the Rx abuse epidemic and disposal options in Idaho
 - Support the creation of local take-backs and DEA National Take-back
 - Rx drug workgroup
- ❖ Drug Policy - HB 119 and HB 139 (2011)
 - One in nine high school seniors in the US used synthetic drugs in the past year
 - "Monitoring the Future" study
 - ODP led research, collection and dissemination of information and legislative efforts
 - Idaho criminal justice needs assessment, concluded the legislation was effective
- ❖ Drug Trends Workgroup
 - Identifying new substances and structures

- How prominent on the streets
- Enforcement successes and issues
- Development of presumptive tests and lab testing
- Legal challenges
- Strengthening policy and legislation
- Recommendations to the Commission
- ❖ Drug Free Leadership Academy

ADJOURNED

Maxine Bell, Chairman

Kathryn Yost, Secretary

JFAC COMMITTEE MEETING MINUTES

2/3/12

The hearing was held in Room WW02, Statehouse, commencing at 8:00 a.m. and concluding at 10:35 a.m. with Chairman Cameron presiding.

Roll Call:

Senators: Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Toryanski. Bilyeu, LeFavour

Representatives: Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Vander Woude, Ringo, Jaquet

Absent/Excused: Heider, Thompson

PUBLIC HEARING TESTIMONY ON FY 2013 BUDGET

The Committee held a general budget testimony hearing on any budget topic, requesting only that the testimony be limited to budget issues. Those testifying:

Name/Representing	Residing At	Budget Area of Concern
Shelley Rambo, SPAN	Boise	Suicide Prevention
Jim Baugh, Disability Rights of Id	Boise	Medicaid Services, DD/MI
Jennifer Marrow, Catholic Charities	Boise	Restore Medicaid Funding
Emily Walton, ASBSU	Boise	Equitable Funding – Ed
Kelly Hardy, caregiver	Kuna	Restore Medicaid Funding
Noll Garcia, self	Boise	Restore Medicaid Funding
Joe Raiden, self	Moscow	Restore Medicaid-Dental
Krystal Esterline, self	Boise	Restore Medicaid Funding
John Kihara, self	Pocatello	Restore Medicaid Funding
Jason Lowry, IADDA	Nampa	Restor

Name/Representing	Residing At	e Medicaid Funding Budget Area of Concern
Brian Hulet, All Seasons Mental Health	Boise	Restore Medicaid Funding
Melissa Machacek, family – son	Boise	Restore Medicaid Funding
Rich Stover, SPAN	Boise	Suicide Prevention
Dr. Jeff Wright, MHPAI	Nampa	Restore Medicaid Funding
Katherine Hansen, Disability Consort.	Boise	Restore Medicaid Funding
Stephanie Clark, SPAN	Boise	Suicide Prevention
Shaun Bills, Case Mgmt. Assn. of Idaho	Idaho Falls	Restore Medicaid Funding
Paula Marcotte, Community Outreach Coun.	Nampa	Restore Medicaid Funding
Tanyss Rose, developmental therapist	St. Anthony	Restore Medicaid Funding
Lori Olsen, Excellence in Everyone	St. Anthony	Restore Medicaid Funding
Vian Allen Matsumura, family – son	St. Anthony	Restore Medicaid Funding
Rebekah L. Casey, her children	Coeur d’Alene	Restore Medicaid Funding
Colleen Sisk, Syringa Family Partnership	Hayden	Restore Medicaid Funding
Penni Cyr, IEA	Boise	Education
Dana Demeule-Benkula, Delta Dental	Twin Falls	Restore Medicaid Funding
Dakota Parsons, self	Victor	Restore Medicaid Funding
Debra Parsons, family – son	Victor	Restore Medicaid Funding
Jolene Wolford, ICAN	Downey	Restore Medicaid Funding
Trista Anderson, ICAN	Pocatello	Restore Medicaid Funding
Barbie Anderson, ICAN	Downey	Restore Medicaid Funding
M. Alex Neiwirth, Id. Gov’t Employee Assn.	Boise	State Employee Salaries
Darlene Root, SPAN	Boise	Suicide Prevention
Amanda Wester, SPAN	Boise	Suicide Prevention
Pamela M. Milburn, assists people	Nampa	Restore Medicaid Funding
Howard Belodoff, Jeff D Attorney	Boise	Children’s Mental Health
Kathryn McNary, ICAN	Caldwell	Restore Medicaid Funding
Mary Rumble, autistic son	Boise	Restore Medicaid Funding Delay adult tiered approach
Shannen Schmitz, Id Rural Health Assn	Eagle	Suicide Prevention
Paul Johnson, Unbefuddled	Boise	Education/Medicaid
Heidi Knittel, Unbefuddled	Nampa	Restore Medicaid Funding
Briana LeClaire, Freedom Foundation	Boise	Education Spending
Sharon Williams, self	Boise	Restore Medicaid Funding
Marilyn Sword, DD Council	Boise	Restore Medicaid Funding
Robert VandeMerwe, IHCA & ICAL	Boise	Health & Welfare Services
Raj Sandou, ISU Student Nurses Assn	Meridian	Suicide Prevention
Becky Woodhead, self	Nampa	Restore Medicaid Funding
Daniel Wolf, Id Assn. of Gov’t. Employees	Boise	State Employee Salaries
LaNae & Eilleen Waddell, self & mom	Fruitland	Restore Medicaid Funding
Sara Jo Deitz, self	Payette	Restore Medicaid Funding
Scott Nicholson	Boise	Control Ed Spending
Rockwell Smith	Boise	Restore Medicaid Funding
Retta Green, ICAN	Caldwell	Restore Medicaid Funding

Name/Representing	Residing At	Budget Area of Concern
Arlene Worthington, family member	Boise	Restore Medicaid Funding
Jan Staggs, self	Rexburg	Restore Medicaid Funding
Nikki Tangen, care giver	Boise	Restore Medicaid Funding
Larry Fries, Self and Id. Self Advocate Leadership Network (SALN)	Pocatello	Restore Medicaid Funding
Deborah O'Hara for Wilma Curtis	Nampa	Restore Medicaid Funding
Rachael Raue, self	Nampa	Restore Medicaid Funding
Debbie & Lindsey Johnson, daughter	Boise	Restore Medicaid Funding
James Long, CPI	Fruitland	Restore Medicaid Funding
Alicia Clements, ICAN	Boise	Restore Medicaid Funding

ADJOURNED

Dean L. Cameron, Chairman

Peggy Moyer, Secretary

JFAC COMMITTEE MEETING MINUTES

2/6/12

The hearing was held in Room C310, Statehouse, commencing at 8:00 a.m. and concluding at 10:35 a.m. with Chairman Bell presiding.

Roll Call:

Senators: Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour

Representatives: Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Absent/Excused: None

Staff Present: Burns

SELF-GOVERNING AGENCIES: Office of the State Appellate Public Defender

Presenter: Sara Thomas, Administer

- ❖ Created in 1998 by Idaho Code 19-869 et.seq.
- ❖ Was created in conjunction with the Capital Crimes Defense Fund
- ❖ 43 of 44 counties participate
- ❖ Acts like an insurance program
 - Counties pay in the deductible and the fund covers the cost of the second attorney and other defense expenses in capital cases
- ❖ Total employees: 22: currently one vacant with the departure of Ms. Huskey

- ❖ Responsibilities
 - Capital cases
 - State post-conviction proceeding in district court
 - Consolidated direct appeal from conviction and post-conviction appeal
 - Non-capital cases
 - Direct appeal from felony conviction
 - Appeal from post-conviction dismissal
 - Appeal from state habeas dismissal
- ❖ FY 2013 Governor's Budget Recommendation
 - Personnel costs
 - \$42,300 increase in employer benefit cost
 - \$10,800 reduction in PERSI employer retirement contribution
 - Operating costs
 - \$300 decrease in risk management costs
 - \$100 increase in Controller's fee
 - Total costs - \$2,025,400
- ❖ Balancing Caseload and Personnel Costs
 - FY 11—allowed to transfer \$140,000 from Operating to Personnel to hire FTE's
 - Replaced contractor that was charging up to \$125/hour
 - Now operating more efficiently in terms of number of cases and the length of time each case takes, at a lower cost to the taxpayers
- ❖ Balancing Workload and Personnel Costs
 - Can more be done to reduce personnel costs?
 - Not under the current state and federal constitutional requirements
 - Not under the state statutory requirements
 - Not unless the state of Idaho adopts policy changes that are outside the scope of this presentation and, perhaps, this Committee
- ❖ Core Mission Affected by Budget Shortfall
 - Capital cases
 - Currently there are 6 cases
 - Statutory obligation
 - Representative in post-conviction and in the consolidated appeal resulting from the denial of the post-conviction
 - FY 11 Cost -\$17,374
 - \$11,000 as ordered by the district court to pay Keith Roark to determine whether there was a conflict of interest
 - \$1,562 to conflict counsel in State v. Shackelford
 - \$812 to Dennis Benjamin to determine conflict issues in Hall v. State (Hall 1)
 - \$4,000 to an expert for evidentiary hearing in Abdullah v. State
 - FY 2012, despite having no budget for capital investigation or mitigation from operating expenses
 - Mitigation for Erick Hall: \$10,000 budgeted, spent to date: \$4,608

- FY 2013- some of the same issues will arise
 - Some investigation in Payne was deferred because of lack of funds
 - Anticipate the need to do some investigation in Jauhola, and potential in Hall1
- So far, the district courts have been generous in extending deadlines because of the lack of funds
- If the courts decide to no longer extend that courtesy, there could be a significant conflict between the lack of funding and the client's constitutional and statutory rights
- The delays could give rise to claims in both state and federal court that the state deprived the client of the right to counsel, potentially resulting in additional proceedings and delay
- Non-Capital appeals
 - If cuts in personnel, gains made in terms of efficiently and effectively briefing cases will be lost
 - Caseload will increase, impacting client's fundamental constitutional rights to effective assistance of counsel
 - Closely monitoring conflict contracts
 - Ensure funds for this constitutionally-mandated expense
- Cannot fulfill statutory and constitutional obligations to the capital clients without the funds to investigate guilt stage claims and develop mitigation, including talking to witnesses and having experts review the case and provide opinions
- Cannot fulfill statutory and constitutional responsibilities to non-capital clients, if there are further reductions in personnel or operating expenses
- ❖ Conclusion
 - Carefully examined the core mission of the SAPD, and use staff in the most efficient and effective way within the constitutional, statutory, and ethical parameters that exist
 - The bulk of the budget is personnel expenses, which are largely dictated by caseload and the above parameters
 - Reduced all operating expenses possible, understanding that there are some expenses over which they have no control in terms of the amount of the expense and when that expense will be incurred.

DEPARTMENT OF JUVENILE CORRECTIONS (IDJC)

Presenter: Sharon Harrigfeld, Director

- ❖ Introduction of Staff
- ❖ Mission
 - Reduce juvenile crime in partnership with communities, through prevention, rehabilitation and reintegration
- ❖ Changes in Workforce and Program Structure
 - Clinical Services Administrator
 - Religious Activities Coordinator
 - PREA

- Substance Use Disorder (SUDS) – added responsibility
- 392.5 permanent employees
- ❖ Continuum Care
- ❖ Return on Investment
 - The premise of partnership among the courts, county juvenile justice, and IDJC has proven the wisdom of the Juvenile Corrections Act
- ❖ Alternative Funding Sources
 - Federal Juvenile Justice Grant Appropriations
- ❖ New Juvenile Justice System: roles and responsibilities with substance use disorder services
 - Locally driven process
 - Funding accountability
 - Reliability of services
 - System evaluation results
- ❖ Assessing the Need for Services
- ❖ FY 12 Expenditure Categories
 - Institutions contract provider, 57%
 - SUDS/COIPS/IDJC community pass-through, 33%
- ❖ Institutions Located
 - Lewiston
 - Nampa
 - St. Anthony
- ❖ Institutions Quality Improvement
 - Performance based standards
 - Meet or exceed national average on at least 75% of critical measures and 50% reintegration measures
 - Corrections program checklist
- ❖ Alternative Funding Sources
 - Parent reimbursement
- ❖ FY 12 Expenditure Categories – original appropriation
 - Institutions. 44%
 - Contract providers, 13%
 - COPS/IDJC community pass-through, 24%
 - SUDS, 9%
 - Administration, 19%
- ❖ Zero-based Budget
 - Completed comprehensive review using ZBB strategies in the last year
 - Developed 30 recommendations for improvement throughout the department
 - Continue to use ZBB methodology to aid in department decision making
- ❖ Administration
 - Succession planning – developing staff for upward mobility within agency
 - Staff training – work effectively with juveniles' increasing needs
 - 41% of IDJC staff earn less than \$15 per hour
 - 25% of ODJC staff have a second job

- FY11 staff turnover
 - IDJC – 15.5%
 - Statewide – 12.0%
- Online fiscal reporting
- ❖ IDJC Appropriations
 - Supplemental approval
 - Benefits costs
 - Replacement items
 - .5 FTE
 - Lump sum
- ❖ Director's Dashboard
 - Data tool provides for:
 - Instant access to variables we consider critical to the success of the department
 - Data generated automatically, in an easily displayed format

EXECUTIVE OFFICE OF THE GOVERNOR: Military Division

Presenter: Major General Gary Saylor, Adjutant General of Idaho

- ❖ Introduction of Staff
- ❖ Mission
 - The Idaho Military Division's mission is to provide highly trained and ready professionals and units, responsive to the needs of the nation, state, and community
- ❖ Critical Priorities
 - Recruit, train and retain quality soldiers, airmen and state employees
 - Maintain facilities for the Idaho National Guard
 - Maintain and sustain a relevant Department of Defense Force Structure in Idaho
 - Improve statewide, regional, and national disaster prevention, preparedness, protection, response and recovery
- ❖ Organizational Chart
- ❖ Military Personnel Strength
 - Army National Guard, authorized 3,335, assigned 3,536 – 106%
 - Air National Guard, authorized 1,340, assigned 1,305 – 97%
- ❖ Deployments
 - 116th Cavalry Brigade Combat Team
 - Successfully completed a one year deployment in support of Operation New Dawn with 1,500 Idaho soldiers
 - Will deploy 86 soldiers in March 2012, to Cambodia for ANGKOR SENTINEL – peacekeeping and humanitarian
 - 1-168th general support Aviation Battalion will deploy 63 soldiers in April 2012 to Afghanistan
 - Mission transportation for Theater Commander
 - 124th Civil Engineering Squadron will deploy 42 airmen to Afghanistan in May 2012 through December 2012

- Mission: maintain Bagram AB facilities
- ❖ State Partnership Program (SPP)
 - This 100% Federally funded program links Idaho with Cambodia in support of the security cooperation objectives to preserve peace and stability in the region
 - The SPP facilitates economic, commercial, social and cultural government interactions in addition to military-to-military expertise exchanges
 - Participation in multi-level Army and Air Force familiarization exercises provide yet another platform to share effective practices and techniques
 - SPP builds strong military-to military relationships and long term personal relationships
- ❖ Proposed legislation
 - HB 368 – Interoperability Executive Council
 - HB 369 – Military Division Support Fund
 - Administrative rules
 - Revised PSC rate structure
- ❖ FY 2013 Military Division by source
 - Total funds \$56.8 million
 - Federal funds - \$48.7 million; 86%
 - General Fund - \$4.8 million; 4.8%
 - Dedicated funds - \$3.3 million; 6%
- ❖ Governor's recommendation
 - FY 2012 Original appropriation General Fund \$4,698,200; total funds \$56,696,100
 - FY 2013 recommendation General Fund \$132,600; total funds \$164,800
- ❖ General Fund appropriations – five years
 - FY 2013 personnel – \$3,439,900; operating \$1,390,900
- ❖ Readiness Centers
 - Area of risk for maintenance of facilities
- ❖ Areas of risk
 - BHS federal funding
 - Diminished IT capabilities
 - Hardware performance
 - Increased risk of Cyber-Attack
 - Increased operating costs
- ❖ Governor's recommendation – program maintenance items
 - Benefit costs: General Fund \$50,500, dedicated funds \$36,500, Federal funds \$303,000
 - Replacement items: dedicated fund, \$109,800
 - Statewide cost allocation: General Fund \$3,700, dedicated fund \$700, Federal fund \$8,800
- ❖ Governor's recommendations- line items
 - IT network analyst: General Fund \$78,400

- Move spending authority from operating to personnel: \$200,000 (\$200,000)
- Wireless access: \$40,000

JUDICIAL BRANCH

Presenter: Patti Tobias, Administrative Director of the Courts

- ❖ As the third branch of government, provide access to justice through the timely, fair, and impartial resolution of cases. 1891 to 2012
- ❖ FY 12 Funding for Idaho Courts
 - State
 - \$29.3 million from General Fund
 - \$17.2 million dedicated funds
 - \$1.8 million federal funds
 - \$48.3 total
 - County
 - \$23.5 million elected & deputy court clerks
 - \$22.0 million misdemeanor & juvenile probation
 - \$21.0 million jurors, court security, and court operations
 - \$66.5 million total
- ❖ State General Fund Budget
 - Personnel costs – 92%
 - Operating expenses – 8%
- ❖ Budget Detail
 - Supreme Court - \$5,929,900
 - Law Library - \$256,600
 - Court of Appeals - \$1,611,100
 - Districts Courts - \$18,589,800
 - Water Adjudication - \$854,600
 - Magistrate Division - \$15,507,900
 - Guardian Ad Litem - \$606,600
 - Judicial Council - \$105,400
 - Drug & Mental Health Courts - \$4,827,700
- ❖ Community Based Substance Use Treatment
- ❖ Courts T&B \$4.8 M
- ❖ Emergency Surcharge Bill
 - HB 687 June 30, 2013 sunset provision
- ❖ Filling the Gap – HB 687
 - Permanent reductions (\$723,100)
 - Surcharge revenue shortfall - \$3,319,032
 - Surcharge revenue \$3,800,000
- ❖ Meeting the Challenge Statewide
 - Deferred request for new judgeships
 - Current Magistrate Judge vacancies
- ❖ Advancing Justice for All Idahoans
 - Remove unnecessary delays

- Procedural fairness
- Active case management
- Collaboration
- Innovation
- Respect
- Do more with less
- Systems review
- Trustworthiness
- Changed behavior
- Proven best practices
- ❖ Workload Trends
 - According to Idaho judges:
 - “...over the past 10 years, the number of complex cases has increased dramatically.”
 - “...cases seem more litigious. The majority of cases go to hearing.”
 - “There are more time intensive and emotionally demanding cases...”
 - “...”more contested divorces, primarily over custody issues and disputed property claims.”
- ❖ 1st District Access to the Courts
- ❖ Idaho Courts Making a Difference
 - Over 2,000 felony offenders supervised in the community
 - 20 drug-free babies, bringing the total to 248
 - Over 14,000 offenders supervised by misdemeanor probation officers
 - Over 1,500 offenders and nearly 1,700 victims supervised by Domestic Violence Courts
 - Over 66,000 requests for Family Court Services
 - Over 60,000 requests for Court Assistance Services
 - Over 143,000,000 per year to the ISTARs Data Warehouse

Idaho Judicial Council

Presenter: James D. Carlson, Executive Director

- ❖ Judicial Council Members
- ❖ Process to Select Candidates
- ❖ 2011 Nominations by Judicial Council
- ❖ Complaints Received
- ❖ Request for Ethics Opinions
 - In 2011, the Idaho Judicial Council responded to more than 64 requests for ethic opinions from judges
- ❖ Judicial Performance Evaluation
 - 21 counties now involved
 - Program extended
- ❖ Idaho Courts Make a Difference

ADJOURNED

Maxine Bell, Chairman

Kathryn Yost, Secretary

JFAC COMMITTEE MEETING MINUTES

2/7/12

The hearing was held in C310, Statehouse, commencing at 8:00 a.m. and concluding at 10:20 a.m. with Chairman Cameron presiding.

Roll Call:

Senators: Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour

Representatives: Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Excused: None

Staff Present: Bybee, Burns

DEPARTMENT OF LABOR (DOL)

Presenter: Roger Madsen, Director

- ❖ Unemployment Insurance Trust Fund
 - Last year DOL sold bonds to repay the \$202 million borrowed from the federal government to pay jobless benefits when the fund ran out of money
 - ❖ Bonds to be repaid over next 4 years at an interest rate of 1.017%
 - ❖ First interest payment of \$3.3 million is due this month
 - ❖ First principal payment plus second interest amount totaling \$50.3 million will be paid in August, 2012
 - ❖ DOL's ability to bond will save Idaho employers about \$15 million in interest payments
 - ❖ Fund is rebuilding faster than originally anticipated so unemployment tax rates to employers could begin to fall
- ❖ FY 2013 Budget Request – Governor's Recommendation: \$6,112,500
 - Reed Act re-authorization
 - Idaho Career Information System (fund shift to Penalties & Interest fund)
 - Direct appropriation to Career Information System
 - Human Rights Commission - continued shift from General Fund
 - ❖ 70% of complaints filed involve discrimination in hiring and firing
 - ❖ Commission handled 524 formal discrimination complaints in FY 2011 which is a 9% increase from 2010
 - ❖ Commission also fielded over 2,000 inquiries about potential discrimination situations (mostly by phone)
 - ❖ FY 2013 budget is the third of a four-year shift from General Fund support for the Commission to financial support by the DOL
 - Add two unemployment insurance claims investigators

- Serve Idaho – program for administering AmeriCorps grants and promoting volunteerism – significant cutbacks in federal funding
 - ❖ Administrative grant cut by 20%
 - ❖ Program developer grant cut in half
 - ❖ Staff reduced from five to two
- ❖ Workforce
 - DOL is funded almost exclusively by the federal government which uses a counter-cyclical budget formula
 - ❖ Federal funding increases when the economy is in trouble
 - ❖ When economy improves, federal funding drops
 - ❖ Staff decrease from 775 in February 2011 to 699 in February 2012
- ❖ Statistics
 - Idaho's unemployment rate was 9.7% last spring and is currently 8.4%
 - The number of workers receiving benefits last year was under 87,000 compared with over 100,000 in each of the two previous years
 - Regular state benefit payments totaled under \$223 million last year (about half what it was in 2009)
 - \$195 million - paid to 55,000 unemployed workers in federally funded benefits last year compared to nearly \$332 million paid in 2010
 - New Idaho businesses forming faster than existing ones shut down
 - ❖ Net loss of employers stopped at 3,300 early last year and rebounded by 600 in the second and third quarters of 2011
 - ❖ Employers were hiring an average of nearly 1,000 more workers every month in 2011, than in either 2009 or 2010
 - Average wages are growing slowly - total wages rose to just over \$5 billion for the first quarter of 2011 compared to \$4.8 billion for the first quarter of 2010
 - DOL has issued \$6.5 million in contracts for Workforce Development Training Funds to seven companies committed to creating over 600 jobs

SELF-GOVERNING AGENCIES: Commission on Hispanic Affairs

Presenter: Margie Gonzalez, Executive Director

- ❖ Agency Overview
 - Commission was established in 1987 (25 years ago)
 - Provides various services to the Hispanic community
 - Serves as a liaison between the community and government entities
 - Commission is focused on economic, educational and social equality
 - Provides recommendation to the Governor, Legislature, state agencies and other organizations on issues of interest/concern to Hispanic people
- ❖ Organization Chart
- ❖ Idaho Statistics
 - Hispanics are the largest minority group in Idaho with a population of 175,901 or 11.1
 - Hispanic population increased more than 22,000 (by 22%) in four years
 - 4 out of 10 Idaho Hispanics are 19 years old or younger

- District 3 has the highest concentration of Hispanics (Canyon, Gem, Owyhee, Payette and Washington Counties)
- Idaho's K-12 Hispanic student population has grown from 26,966 in 2003 to 44,835 in 2011
- ❖ Key Issues Related to Hispanic Population Growth
 - Education – highest priority
 - ❖ Project Prevention Specialist I
 - ❖ Working toward improving academic performance and collaborating with Dept. of Education to address academic achievement gaps and dropout rates for Hispanic children
 - ❖ Provide training and technical assistance to educators to better understand the Hispanic culture and improve parental involvement in their children's education
- ❖ Commission has continued its critical role of collecting and disseminating demographic/statistical data on Idaho Hispanics through special studies to guide and inform educators, policymakers, and other parties interested in promoting equity and improving achievement
- ❖ Zero-based budgeting (ZBB)
 - Redesigned strategic plan to better align with state statute and priorities identified in the ZBB analysis
 - ❖ To ensure more efficient operations
 - ❖ To make sure tasks are being streamlined to support mission/vision
 - Priorities identified in ZBB will be proposed in future years
 - ❖ Increase the number of appointed public members
 - ❖ Require state agencies to report statistics to Commission for analysis
 - ❖ Establish advisory committees on special studies or projects
 - ❖ Carefully analyze Commission's budget and expenditures to determine the overall operation and effectiveness of the agency
 - FY 2013 Budget – Governor's recommendation: \$209,200
 - ❖ Correction: FTP shift to the General Fund of 0.40 overlooked in the final budget recommendation
- ❖ Return on Investment
 - Commission on Hispanic Affairs is delivering on its mandate by prioritizing its functions while implementing rigorous measures to provide both beneficial services and cost savings

DEPARTMENT OF CORRECTION: Commission of Pardons and Parole

Presenter: Olivia Craven, Executive Director

- ❖ Introduction of Commissioners and Staff
- ❖ FY 2013 Budget
- ❖ Change in Workforce, Last Four Years
 - In 2009, did not fill a management assistant position (accounting duties were absorbed by the new position of financial specialist)
 - In July 2009, did not fill an OS II position (now eliminated)

- In July 2009, left the Hearings Tech position open until 1/2010
- In December 2009, a hearing officer retired – position eliminated
- In March, 2010, legal assistant left – position held open for 9 months
- Furloughs not ordered until the end of FY 2010
- Staff scheduled to take six furlough days. If given lump sum authority, 3 furlough days can be eliminated
- ❖ Changes in Business Practices
 - Discontinued Commission travel to Orofino for parole hearings; now using the video conferencing system
 - Hearing officers directed to conduct more hearings per trip for prison interviews (must pay mileage)
 - For travel out of the Boise area, use IDOC vehicles
 - Also use desk-top video hearings with offenders housed in some outlying institutions (not able to use in county jails for technical reasons)
 - Working with IDOC to bring full video for Commission hearings – still working on technical difficulties
- ❖ Statistical Comparison – (public safety is always the main goal in hearings)
 - Parole Hearings – number of hearings varies annually
 - ❖ In 2009, Commissioners were in session 102 days and held 2,154 hearings with 1,450 parole releases – a grant rate of 62%
 - ❖ In 2011, Commissioners were in session 105 days and held 2,286 hearings with 1,434 parole releases – a grant rate of 63%
 - ❖ The highest hearing levels were in 2006 and 2008 with 2,372 hearings (exactly the same number of hearings both years)
 - Medical Parole (must be permanently incapacitated or terminally ill)
 - ❖ In 2009, received 26 requests, one hearing scheduled (denied)
 - ❖ In 2010, received 19 requests, six hearings scheduled, granted 5 medical parole (one denied)
 - ❖ In 2011, received 37 requests, scheduled 12 hearings, granted 8 medical paroles (4 denied)
 - Parole Violations – difficult category – increased processing time from four months to six months
 - ❖ Due process hearings that take 3 times the resources to process compared to regular hearings
 - Revocation Hearings
 - ❖ 2009: 767 (minus reinstatements at hearings: 739)
 - ❖ 2010: 702 (minus reinstatements at hearings: 647)
 - ❖ 2011: 572 (minus reinstatements at hearings: 554)
 - Reinstatements without going through the full Revocation process
 - ❖ 2009: 196
 - ❖ 2010: 216
 - ❖ 2011: 375
 - Violations
 - ❖ Felony Conviction
 - ❖ Misdemeanor Conviction
 - ❖ Felony Pending

- ❖ Misdemeanor Pending
- ❖ Abscond
- ❖ Technical
- CAPP Program
 - ❖ 398 parolees referred to CAPP (7/10)
 - ❖ 64 are currently in the program
 - ❖ 27 were removed before successful completion
- Pardon requests (and number of hearings)
 - ❖ 2009: Requests, 19 (hearings,5)
 - ❖ 2010: Requests, 41 (hearings,12)
 - ❖ 2011: Requests, 37 (hearings, 14)
- Miscellaneous
 - ❖ Reviews
 - ❖ Appeals of Commission decisions
 - ❖ Commutations
- ❖ Other Information
 - Commission and staff very dedicated – take duties seriously
 - ❖ Believe in rehabilitation opportunities
 - ❖ Every decision has its risks
 - ❖ Work with IDOC to address issues that cause delays
 - 18% of offenders committed to prison are eligible upon commitment or within six months of commitment
 - No control over who gets into programs
 - No control over moves which may interrupt programming
 - Offender behavior issues
 - Offenders refusing parole or programming

DEPARTMENT OF CORRECTION

Presenter: Brent D. Reinke, Director

- ❖ Prison Population
 - 4-year trend of no growth and controlled growth (12/11= 7,578 inmates)
 - This fiscal year, seeing growth (2/7/12 population = 7,833)
 - ❖ Growth of nearly 200 inmates in first six months of FY 2012
 - ❖ Profile of offenders filling Idaho's prison beds
 - Term population – those sentenced by judges to full term – they stay the longest and cost the most
 - Retained jurisdiction
 - Parole violator population
 - ❖ Running out of bed space
 - IDOC has 7,371 beds
 - Currently using 633 county jail beds
 - Will seek contract beds out of state, next fiscal year
 - Latest estimate: fund is about \$1.3 million short
 - Not yet returned to historic growth rates

- ❖ Running 2,100 inmates below 2006 forecast
- ❖ Amounts to a \$41 million difference in bed costs for FY 2012 (based on July 2011 average cost per day of \$52.82)
- ❖ Managing Risk – Managing Change
 - Closed Twin Falls Community Work Center (community custody beds with no fence and little security)
 - ❖ Through lump sum authority used some of the CWC funding to eliminate furloughs for staff
 - ❖ Need is for medium custody beds
 - At Idaho Correctional Center (ICC)
 - ❖ Male therapeutic community moved from SICI to ICC
 - To fill beds in “dormitory-style” minimum custody tiers at the ICC PIE building and the CAPP treatment facility
 - Converted a male 100-bed facility into a treatment facility for females
 - Building a secure mental health facility
 - Annualized contract value
 - ❖ Top 7 contracts managed represent nearly 40% of the Department’s entire budget
 - ❖ New bureau: Bureau of Contract Services – to focus on contract administration and oversight as its primary function
 - Staff monitors approximately 2,500 offenders housed in privately operated facilities
 - Most increases in the FY13 budget are associated with the contract portion of the budget
 - Prison gang concentrations
 - ❖ Half of all inmates housed at the maximum security prison were verified gang members
 - ❖ Five male prisons with the highest percentage of criminal gang members (reflects the hardening of the inmate population)
 - IMSI (Id. Max. Security Institution) 50.5%
 - ICIO 21.1%
 - ICC 21.1%
 - ISCI 17.5%
 - CAPP 13.6%
 - Gangs are involved in the majority of assaults
 - Gang population is growing and impacting facility safety
 - As of 10/2011, 18.8% of all inmates under IDOC jurisdiction have a gang affiliation
 - Special Master, Dr. Mark F. Stern – first visit to ISCI in 9/2011 to address medical and mental health issues at the facility (1985 case known as Balla)
 - Medical Annex Unit – removed 24 beds at ISCI
 - Closed 18 Cottonwood Houses (old/unsafe) that had been rented by staff
 - Cottonwood Wastewater
 - ❖ Working with EPA involving a technical violation of the facility’s wastewater permit – expecting a fine of about \$51,000

- November 2011 Execution of death row inmate Paul Ezra Rhoades
 - ❖ Removed trailer housing execution chamber
 - ❖ Remodeled a cell block for more functionality
 - ❖ Costs involved:
 - Execution costs: \$ 53,411
 - Remodel of cell block: \$156,317
- ❖ Probation and Parole
 - New – Field Community Response Team
 - Manage 14,000 offenders – population has leveled
 - Fee collection challenges
 - ❖ New increases last year in cost of supervision and pre-sentence investigation fees, are still not generating enough to fund all allocated positions
 - ❖ Initial forecast was to generate about \$216,000 in collections – just 4%, or \$7,700, has been received so far
 - Status of FY11 Proposals
 - ❖ Moving forward
 - Centralized purchasing
 - Pre-sentence Investigation fee
 - Cost of supervision fee increase
 - ❖ Not Feasible
 - Video visiting
 - Visitation fee
- ❖ Staffing
 - 1,500 dedicated employees: budget & workload stresses taking their toll
 - Refocused vision on the care and development of staff
 - Have eliminated furloughs but turnover remains
 - 2011 salary survey indicates state employees' salaries are an average of 18.6% below the external labor market and IDOC is even further behind
 - The state comp ratio is 82.8%; for Corrections, the ratio is 76.4%
 - Of surrounding states, only Montana correctional officers have a lower starting wage, but they moved quickly to a higher rate
 - Similar for probation and parole officers – only Nevada has a lower starting rate
 - Incentive pay for members of three specialty teams who respond to emergencies
 - ❖ Correctional Emergency Response Team (CERT)
 - ❖ Crisis Negotiation Team
 - ❖ Crisis Intervention Management Team (CISM)
- ❖ Correctional Industries
- ❖ training that stabilizes institutions by giving inmates something to do
 - It trains offenders to work and be successful in the future
 - Provides training programs in upholstery, carpentry, metal, and sign, decal and printing (all earnings must be spent on inmate training)

- ❖ FY 2013 Budget
 - Treasure Valley Partnership – IDOC acts as a “pass-through” for \$25,000 in state support – results shown below:
 - ❖ 170 federal indictments
 - ❖ 133 people sentenced to federal prison
 - ❖ \$10 million in savings
 - ❖ Safer communities
 - Example: Caldwell had 78 drive-by shootings in 2006 and only one in 2010
 - FY 2012 Budget Adjustments
 - ❖ Spending authority for a federal grant to address hazards at the Cottonwood prison
 - ❖ Removal of one-time expenditures includes removing the Millennium Fund appropriation for substance use disorder treatment
 - ❖ Closure of Twin Falls Community Work Center – removes spending authority for inmate labor funds
 - ❖ Standard benefit increase, also inflation and replacement items
 - ❖ Fund increases in employee benefit costs
 - FY 2013 Governor’s Budget Recommendations – Line Items
 - ❖ State transport – 24-passenger shuttle van
 - ❖ \$2.1 million for contract increases and adjustments
 - ❖ Fund the new Sex Offender Management Board – expanded duties to manage sex offenders in Idaho
 - ❖ \$3.8 million from General Fund to replace one-time money used to provide substance use disorder community treatment

ADJOURNED

Senator Dean L. Cameron, Chairman

Peggy Moyer, Secretary

JFAC COMMITTEE MEETING MINUTES

2/8/12

The hearing was held in Room C310, Statehouse, commencing at 8:00 a.m. and concluding at 10:14 a.m. with Chairman Bell presiding.

Roll Call:

Senators: Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour

Representatives: Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Absent/Excused: None

Staff Present: Holland-Smith, Lockett

Others Present: Matt Orem & Richard Budzich, Division of Financial Management

IDAHO STATE POLICE

Presenter: Colonel Jerry Russell

- ❖ Introduced Staff
- ❖ Legislation
 - Alcohol beverage control duties:
 - Lead administrative actions
 - Support local law enforcement actions
 - Administer and issue licenses
 - Conduct background checks and premises checks
 - Provide training and education
 - Alcohol beverage control:
 - Proposal creates dedicated account for funds from licensing fees
 - Funding will provide staff, OE and CO for licensing, enforcement, education and other ABC activities
 - Other proposals
 - Clarify administrative relationship between Brand Inspection Board and ISP
 - POST proposals to increase revenue
 - Amend Idaho Code 3-3201B to increase from \$10 to \$15 fee charged to anyone found guilty of a felony, misdemeanor, traffic, conservation or ordinance violation
 - Establish a mechanism for both POST and the Statewide Trial Court automated Records System (STARS) to receive funds from city/county traffic safety education program

- Establish fees for use of POST facilities and equipment by non-law enforcement and private entities, and for non-basic training uses
- ❖ Investigations
 - Conduct major criminal investigations to include crimes against persons and property, drug crimes, racketeering and computer crimes
 - 671 new criminal cases opened –many prosecuted in both state and federal courts
 - Cases reached across international borders
- ❖ Patrol
 - Patrol police powers
 - Prevent/detect crime
 - Apprehend criminals
 - Patrol highways
 - Assist those in need
 - Prevent hazardous driving
 - Enforce federal motor carrier law
 - Enforce hazmat law
 - Investigate crash scene
 - Testify in court
 - Assist local agencies
 - 2011 patrol
 - ISP officers cover 60,000 miles of Idaho roadway
- ❖ Forensics
 - All labs perform controlled substances and breath alcohol analysis; calibrate breath testing instruments; provide assistance identification, collection and submission; and certification for breath testing specialists
 - Additional services
 - Coeur d'Alene – firearm and toolmark analysis, blood alcohol analysis, and drugs in urine analysis
 - Meridian – DNA database (CODIS), forensic biology, latent print comparisons and processing, shoe/tire track comparisons, AFIS entry and breath alcohol instrument calibration
 - Pocatello – drugs in blood and urine, blood alcohol analysis, and breath alcohol solution verification
 - ISP's labs analyze evidence for every law enforcement agency in Idaho
- ❖ Bureau of Criminal Identification
 - Maintains over 400,000 records and fingerprint files, disseminates information to authorized users, works with FBI in the operation of a national criminal history system uses ILETs and AFIS to identify possible suspects
 - 2011
 - Registered and tracked 3,697 sex offenders
 - 74,298 arrest fingerprint cards processed
 - 66,936 applicant fingerprint cards processed
 - Matched 332 unidentified fingerprint submissions for crime scenes

- ❖ Criminal Justice Information Systems
 - Maintain the Criminal Justice Information Network, interface with Vehicle Title and Registration System and the Driver's License System, and support linkage to FBI National Crime Information Center, DNA databank
- ❖ Peace Officer Standards Training
 - Establish training requirements and standards, all aspects of certification, record keeping and related professional standards for peace officers and other criminal justice professionals
- ❖ Idaho State Police Mission
 - Providing public safety across the state of Idaho through law enforcement excellence
- ❖ ISP's Excellent Employees
- ❖ Reduced Statewide Service Levels
 - Minimal to no 24-hour patrol coverage
 - Reduced number of patrol miles covered
 - SWAT and CIT deactivated
 - Reduced criminal investigations caseload
 - Reduced capacity to perform proactively
 - Failure to increase information technology staff supporting all law enforcement communications
- ❖ FY 2009 – 2012: 20% reduction in on-going general funds and a decline in the Highway Distribution Account. ISP largest revenue sources
- ❖ Reduction Strategies
 - Reduce operating expenditures and capital outlay
 - Shift allowable expenditures to dedicated funds
 - Delay hiring, eliminate some vacant positions
 - Hold vacant positions open – 18 positions unfunded, 14 are commissioned officers
- ❖ 2011 Successes
 - In-basket exercises to realistically assess management position candidates and enhance their success
 - Shifted 3 CVS specialists, some operating and capital outlay expenditures from the enforcement dedicated fund into the newly increased HazMat fund
 - Bureau of Criminal Identification continues to receive nearly \$1.2 under NICS Act Record Improvement Program
 - Random drug testing for safety-sensitive positions successfully implemented – 72 employees in FY 11/12
 - In 2009 the Fusion Center received 600 requests for information and services. In 2011 a further 20% increase of 4,000 requests were handled.
 - Idaho Department of Correction, the Coeur d'Alene Police Department and the federal Homeland Security/Traffic Safety Department joined the governance board and provided enhanced staffing to the Center

- ❖ Governor's Recommendations
 - Replacement capital outlay
 - Investigations – 3 vehicles
 - Patrol – 2 4x4 vehicles, 1 server
 - \$242,500 one-time federal funds
 - ISP Project Choice
 - 2010 legislative session
 - Program made specific to commissioned officers, dispatch personnel and forensic personnel
 - FY 2011 and FY 2012
 - No appropriation for salary enhancements—appropriation funded trooper retention CHOICE career ladder frozen at 3rd year
 - Governor Recommends
 - \$400,000 spending authority for partial 4th and 5th year plan enhancements
 - 700 MHz Radio Technology
 - \$1,123,200 combined General Fund, dedicated and federal funds for radio system replacement
 - 700 MHz dual band radio technology is necessary to communicate with other law enforcement agencies and emergency responders
 - Alcohol Beverage Control
 - \$1,517,200 from a new dedicated fund for enhancing the Alcohol Beverage Control office to implement 2012 legislative proposal
 - \$481,800 one-time
 - \$1,035,400 ongoing with 12 FTPs
 - Support Services
 - \$179,000 of on-going spending authority from the ILETS dedicated fund
 - Maintain contracts supporting the Idaho Public Safety and Security System - ILETS
 - Contracts provide maintenance services and software updates for networking equipment connecting all Idaho law enforcement and linking agencies to the CISAnet
 - CISAnet is a private network facilitating secure criminal justice data sharing among more than 50 state and local law enforcement agencies
 - \$25,000 one-time spending authority from the Miscellaneous Revenue Fund in BCI to replace an out-of-service store and forward software system which receives non-criminal justice applicant finger-print cards sent via public networks to the ISP network
 - Forensics
 - 2011 Senate bill 1067 requires a DNA sample from all convicted felons
 - Enhances capability to identify repeat offenders

- Increases opportunities to solve crimes
- Increases DNA sample processing workload by 118%
- Governor's Recommendation:
 - Partial first year funding
 - 2 FTPs Forensic Scientist 2
 - \$334,000 for 1st year salaries, equipment and supplies
- Investigations
 - \$201,600 one-time spending authority in federal funds from FY 2009 COPS Technology Grant and the FY 2010 Congressionally Selected Grant
 - Supports IT hardware, software and maintenance
 - Enhances information sharing capacity assisting all Idaho law enforcement
- ARRA Spending Authority
 - \$340,100 one-time for 4th year of American Recovery & Reinvestment Act (ARRA) funding
 - District investigative analyst working in Fusion Center
 - CODIS administrator/data analyst, latent fingerprint examiner and programmer
 - Air-card fees in ISP's electronic ticket program
 - Partial support of an ISP specialist
 - POST training on computer crime investigation
- Millennium Fund
 - \$94,000 Millennium Fund for minors' access to tobacco compliance checks
 - DHW must conduct a certain number of compliance inspections of tobacco vendor permittees each year to retain significant federal funds for a variety of substance abuse programs
 - \$94,000 covers the cost to contract services with DHW
- Support Services
 - \$1,201,000 one-time federal spending authority for FY 2011 Bureau of Justice Statistics – NICS Act Record Improvement Program (a grant award)
 - Livescan fingerprint and palm print units for county jails
 - Hardware enhancement for the courts' ISTARs system
- Fuel inflationary adjustment
 - Since FY 2009 – fuel base budget \$2.5/gallon – funded at \$3.42
 - ISP investigation reduced patrol base \$178,500
 - Reduced investigations base \$34,200
 - FY 2011 –ISP absorbed an additional \$117,00 in fuel costs
 - FY 2012 – potential for absorbing an additional \$346,000 in fuel costs
 - FY 2013 – projected need is \$456,700
 - Governor's recommendation: \$350,000 ongoing General Fund for increased fuel costs in patrol and investigation program

- POST
 - \$40,000 dedicated fund spending authority for
 - Part-time video production interns (\$19,200 ongoing)
 - Computers, server, media storage array
 - Upgrade existing media production software to develop video and audio training
- ❖ Racing Commission
 - Funded through fees collected from licenses, pari-mutuels, and simulcasting
- ❖ Brand Board
 - Verifies the ownership of all livestock in the state and investigates livestock crimes

Idaho Commission on the Arts

Presenter: Michael Faison, Executive Director

- ❖ Administration
 - Thirteen volunteer Commissioners appointed by the Governor
 - Five at-large citizen-advisers
 - Executive officer and 9 dedicated staff members
- ❖ Introduced Mark Hofflund, Commission on the Arts Chair and other staff members
- ❖ Explained some of the benefits the Arts Commission provides to Idaho
- ❖ Revenues
 - National Endowment for Arts- State Partnership Agreement, 53%
 - National Endowment for the Arts- Art Learning Grant, 2%
 - From 2008 to 2012, show a 28% decrease in General Fund Appropriation
- ❖ Arts Education
- ❖ Ninety plus local organizations provide cultural services for Idahoans
- ❖ Beginning in 2010, in harmony with their long-range plan
 - Simplified grant-making
 - Merged multiple grants into one
 - Cut paperwork required of applicants by as much as 75%
 - Increased accountability
 - Based grant review on past performance

JOINT MILLENNIUM FUND COMMITTEE RECOMMENDATIONS

**Presenters: Senator Patti Anne Lodge and Representative Dennis Lake
Co-Chairs, Joint Millennium Fund Committee**

Interim Committee's FY2013 Recommendation for Funding for the Following Projects:

	Request	Gov's Rec.	JMFC Rec.
Department of Correction Substance Use Disorder Services (SUDS)	\$1,859,200	\$1,859,200	\$1,859,200
Supreme Court Youth Courts/Tobacco & Substance Abuse	420,000	420,000	450,000
American Lung Association Youth tobacco & Substance Abuse Services	120,700	120,700	120,700
American Cancer Society & DHW Idaho Women's Health Check	250,000	150,000	250,000
Allumbaugh House Detox & Crisis Mental Health Services	150,000	113,000	113,000
Idaho Youth Ranch Tobacco & Substance Abuse Services	151,000	-0-	-0-
Boys & Girls Clubs of Idaho MethSMART & SMARTMoves Series	177,500	177,500	177,500
Idaho Meth Project Prevention & Public Awareness Campaign	100,000	100,000	100,000
Idaho Drug Free Youth i2i Program	207,500	150,000	150,000
Public Health District Tobacco Cessation Programs	750,000	500,000	400,000
Department of Health & Welfare Project Filter, Quitnet & Quitline, and NRT	3,000,000	1,300,000	2,000,000
Idaho State Police & DHW Compliance Checks	94,000	94,000	94,000
FY 2013 Program Total	\$7,279,900	\$4,984,400	\$5,714,400
FY 2013 Summary	Request	Gov. Req	JMFC Rec
Available Revenue	\$9,158,500	\$9,158,500	\$9,158,500
Less :			
Consultant Fees	80,000	80,000	80,000
Committee Action	7,279,900	4,984,400	5,714,400
Remaining Balance	\$1,798,600	\$4,094,100	\$3,364,100

(Representative Lake Distributed a Letter Containing Additional Information.)

Unanimous Consent Request

Upon request by Cameron, granted by unanimous consent, to accept the report from the Idaho Joint Legislative Millennium Fund Committee.

OFFICE OF THE GOVERNOR – Division of Human Resources (DHR)

Presenter: Vicki Tokita, Administrator

- ❖ Mission
- ❖ To support the Governor's vision of promoting responsible government by providing customer-focused leadership to agency directors, senior management, and state employees on compensation
- ❖ Vision
 - To promote the state of Idaho as an 'employer of choice' and to retain the best and brightest workforce to service the citizens of Idaho in the most efficient and effective way possible
- ❖ Dedicated Fund
 - Fees collected from state agencies
 - Fees collected for classified employees only
 - Rate – delegated: .00306 x salary
 - Rate – non-delegated: .05535 x salary
 - FY 2011 total fund revenues - \$1,749,678
 - Fund 2008-F 2011
- ❖ Fund FY 2008-FY 2012 - revenues and expenditures
- ❖ Budget Expenditures FY 2011
 - Personnel; \$678,500
 - Operating; \$504,341
 - Contracts; \$374,140
 - Capital outlay; \$86,319
 - Idaho Personnel Commission; \$13,600
- ❖ FY 2011 Contracts and Expenditures
 - Profession Technical Education (PTE): \$243,800
 - Certified Public Manager (CPM) Program
 - Employee Wellness Program
 - Idaho Personnel Commission : \$86,319
 - Idaho Department of Labor: Applicant Tracking System (ATS) \$60,000
 - State Controller's Office: I-PERFORM \$65,000
 - HayGroup Consulting: \$5,340
- ❖ Performance Highlights
- ❖ FY 2013 Budget Line Items
 - Statewide Performance Management System – I-PERFORM \$31,600
- ❖ Organization Chart
- ❖ Personnel Costs: FY 2011 –Salaries and Benefits \$678

LEGISLATIVE BRANCH: Office of Performance Evaluations

Presenter: Rakesh Mohan, Director

- ❖ Values
 - Responsive
 - Relevant
 - Independent, objective, non-partisan

- Quality
- Useful and practical
- ❖ Examples of Recent Work
 - Equity in Higher Education Funding
 - Reframed the policy discussion about funding equity
 - Will assist policymakers with budgeting decisions
 - End-Stage Renal Disease Program
 - Will clarify and strengthen program requirements
 - Will save \$500,000 annually if the program is phased out
 - Delays in Medicaid Claims Processing
 - Saved \$2.7 million through contract amendments
 - Improved claims processing
 - Distribution and sale of liquor
 - Could save an estimated \$700,000 annually if 13 state stores are converted to contract stores
 - Reducing barriers to Post-secondary Education
 - Linked education and employment
 - Offered solutions for reducing barriers
 - Governance of EMS agencies
 - Offered a framework for effective governance
- ❖ Operational Efficiencies in the Prison System
 - Ranked housing unit operational efficiencies at 8 state-operated prisons
 - Offered recommendation for effective prison staffing and capacity
- ❖ Impact of Recent Budgets Cuts
 - Lost one position
 - Significantly reduced the use of consultants
 - Limited the scope of evaluation projects
 - Delayed purchasing computers and updating software
 - Used more-in-house training
 - Used interns
 - No merit increases
- ❖ FY 2013 Budget Request
 - \$718,400 for maintenance level budget with replacement items and a request for new software
 - \$10,200 for replacement items (5 computers/monitors and software upgrade)
 - \$8,000 for visual analysis software
 - Maintaining 8 FTP
- ❖ Challenges with FY 2013 Budget – no money for:
 - Hiring consultants to help with projects
 - Promoting staff
 - Continue to have one less position
 - Can no longer pay interns
 - To replace photocopier

ADJOURNED

Maxine Bell, Chairman

Kathryn Yost, Secretary

JFAC COMMITTEE MEETING MINUTES

2/9/12

The hearing was held in C310, Statehouse, commencing at 8:00 a.m. and concluding at 10:06 a.m. with Chairman Cameron presiding.

Roll Call:

Senators: Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour

Representatives: Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Excused: None

Staff Present: Lockett

DEPARTMENT OF ADMINISTRATION

Presenter: Teresa Luna, Director

- ❖ Achievements, Past Year
 - Division of Purchasing awarded the nationally recognized George Cronin Silver Award of Procurement Excellence
 - Because of revised purchasing rules and a new delegated purchasing authority policy, agencies have greater capabilities to directly manage and increase efficiencies in purchasing functions
 - Idaho Education Network (IEN) is a successful project with the completion of Phase One a year ahead of schedule and 16% under budget
 - ❖ Savings were invested in upgrades to offset and reduce the request for General Fund dollars
 - ❖ IEN has connected 194 schools in 114 districts
 - Due to efforts of the office of CIO toward Consolidated Messaging, the need for state email servers has been reduced by 29%
 - ❖ Consolidating network services and management contracts across state government has allowed the agency to increase overall bandwidth by 13% while reducing costs by 18%
 - At Public Works 81 facility leases due to expire within a 24-month period were renegotiated in order to leverage the economic situation and reduce state payments. It saved almost 4% per year or \$150,000 annually
 - Public Works also developed a data structure to capture costs associated with managing specific Capitol Mall buildings in order to formulate a more accurate rent structure for tenant agencies
 - In FY11 Idaho realized savings in the way Administrative Rules now advertises and dispenses its products saving at least \$136,000 annually

- ❖ Legislative Audits
 - FY 2009 and FY 2010 Management Report for Group Insurance and Idaho Education Network: no findings or recommendations
 - FY 2011 Management Report - Comprehensive Annual Financial Report (CAFR): no findings
- ❖ Changes in Workforce
 - 150.75 authorized FTP's
 - 8 vacant positions
 - 3 vacancies due to lack of funding; in FY13 requesting funding for following positions
 - ❖ State Benefits Administrator for Group Insurance
 - ❖ Benefits and Wellness Coordinator for Group Insurance
 - ❖ Administrative Assistant for IEN
- ❖ Program Structural Changes
 - Contingent on the passage of proposed legislation sponsored by the Historical Society, there is a bill to consolidate the State Records Center with the Idaho State Archives; it should immediately result in streamlined and more efficient records management
 - Recommending that the Bond Payment Program be appropriated independently which would allow for a more clear distinction between the Department of Administration's budget and the Bond Program budget
 - ❖ Total Bond payment appropriation for FY13 is about \$32.7 million
 - ❖ 16 bonds issued between 1991 and 2006 are distributed across various state entities
- ❖ FY 2013 Budget Request
 - Original FY 2013 base \$19,079,300
 - Employee benefit costs 228,500
 - Replacement items 174,200
 - Statewide cost allocation 4,800
 - Line item requests 3,784,200
 - ❖ Total request – Gov's recommendation \$23,271,000
 - Line Items:
 - ❖ Idaho Education Network
 - \$ 1,925,000 General Fund
 - \$ 1,375,000 dedicated funds
 - Albertson Foundation grant
 - Title IID funds
 - ❖ IT personnel transfer from DFM: \$97,000 dedicated funds
 - ❖ IronMail replacement – \$46,000 (General Fund spending authority for one-time capital of \$36,000 and on-going operating of \$10,000)
 - In past year, IronMail servers have filtered over 35 million emails and blocked almost 8 million malicious emails
 - ❖ IT Upgrade – to replace Enterprise Telephone System for \$250,000 and Software Licensing for \$75,900
 - ❖ Federal Surplus Properties Rent Increase – requesting \$15,300 dedicated funds for space at the FSP warehouse

- ❖ Successes – outstanding employees in various areas in the Department of Administration
 - IEN
 - Copy Center
 - Risk Management
 - Public Works
 - Records Center
 - Capitol Mall
 - Office of Administrative Rules
 - Postal Service

Division of Public Works

Presenter: Tim Mason, Administrator

- ❖ Permanent Building Fund created – IC 57-1108 – Use of Funds
 - Deposit all revenues derived from this Act
 - Dedicated for the purpose of building needed structures, renovations, repairs to and remodeling of, existing structures at various state institutions and for the agencies of state government
- ❖ Permanent Building Fund Advisory Council
 - Organizational Chart
- ❖ Funding Sources (General Fund rarely used)
 - Statutory Allocations
 - ❖ Income tax – corporate and individual
 - ❖ Cigarette tax
 - ❖ Alcohol tax
 - ❖ Sales tax
 - ❖ Lottery proceeds
 - ❖ Interest income
 - Agency Funding
 - ❖ Fees
 - ❖ Grants
 - ❖ Bond
 - ❖ Donations
 - ❖ Foundations
- ❖ Recent Trends
 - Projects
 - FTE's
 - Current Snapshot
 - ❖ 294 Projects - \$433 million total
 - Public Bldg Fund – 185 projects at \$149 million
 - Other Funded projects – 109 at \$284 million
 - Chart showing how much of budget was for Alterations & Repair
- ❖ Project Review
 - Idaho State Historical Society – Penitentiary
 - University of Idaho – Col. of Natural Resources bldg and Perimeter Drive

- Capitol Mall Parking Garage
- Capitol Annex tunnel
- Borah Building
- University of Idaho Hello Steps
- Idaho State University – Idaho Accelerator Center
- Idaho Dept. of Corrections – maintenance building at ICIO
- Boise State University – Lincoln Avenue student housing
- Boise State University – Basketball locker room addition
- Military Orofino Readiness Center
- Boise State University – College of Business and Economics
- ❖ Alterations & Repair FY 2013 Budget request – Permanent Building Fund – Advisory Council recommendations
 - Alteration and repair projects \$16,327,665
 - ADA compliance 800,000
 - Asbestos abatement 216,786
 - Capitol Mall maintenance 120,000
 - ❖ Total projects \$17,464,451

- ❖ Governor's Recommendations – PBF – Advisory Council recommended
 - Dept. of Admin – Renovate Capitol Annex \$ 1,500,000
 - ISU – Renovate basement, Ed bldg. \$ 1,000,000
 - LSCS – Upgrade Fine Arts Bldg. \$ 1,500,000
 - Military-Remodel Readiness Center, Emmett \$ 650,000
 - Replace Communications Site Bldg and Tower, Shafer Butte \$ 500,000
 - ❖ Total projects \$ 5,150,000

Office of Group Insurance/Employee Health Insurance

Presenter: Teresa Luna, Director, Department of Administration

- ❖ Overview
 - Established to negotiate, provide and administer cost effective, competitive group insurance benefits for state employees, retirees and their dependents
 - Four employees
 - Annual operating budget of \$693,500
 - Nine different benefit plans managed by Group Insurance including:
 - ❖ Active employee medical (includes vision and EAP)
 - ❖ Retiree medical
 - ❖ Dental
 - ❖ Life insurance, short- and long-term disability
 - ❖ Flexible spending account
- ❖ Enrollment and Demographics
 - Active enrollees
 - ❖ 75% are enrolled in Preferred Provider (PPO Plan)
 - ❖ Under 25% are enrolled in the traditional plan

- ❖ Less than 1% (23) are enrolled in the High Deductible Plan
- Retired enrollees
 - ❖ 40% are enrolled in the traditional plan
 - ❖ 48% are enrolled in the PPO
 - ❖ 11% are enrolled in the High Deductible Plan
- Average age of state employees covered is 46
 - ❖ State's average employee age is about 9 years older than the average group insurance plans
 - ❖ Concern that it will result in higher claim experience in the future
- ❖ Current Funding
 - Costs are projected 18 months out and refined prior to each budget setting
 - In FY 2011, the state paid 92% of the cost of the plan
 - Current funding plan was developed as an alternative to self-insuring
 - ❖ Allows for maximum cash flow and investment earnings on the state's premium dollars
 - ❖ Removes ultimate liability for claims
 - ❖ Removes having to legally defend claim decisions
 - ❖ Removes need to implement HIPPA requirements within the office
- ❖ Reserve Levels
 - State holds reserves committed to the carrier on each line of coverage offered (medical, dental, life)
 - State retains any interest earned on these reserves
 - Reserves have been reduced from 10% of the projected annual premium on each plan to 5% (Reserves are fully funded for FY12)
 - Concerns with holding only a 5% reserve
 - ❖ Loss of interest income on the reserves previously held
 - ❖ The carrier adds a risk charge
 - ❖ Any year-end deficits would be carried forward to the subsequent year and increase rates
 - ❖ Would not have the ability to absorb needed rate increases
 - Projected Cost of Medical Plan
 - ❖ FY13 cost projected to be \$196.7 million – Offset with FY12 ending balance of \$25.4 million and appropriations and contributions of \$176 million, leaving a year-end cash balance of about \$5.3 million
 - ❖ Concerns in FY14 – Beginning cash reserve balance of \$5.3 million is below projected contractual reserve of about \$16 million
 - If state wishes to cover contractual reserve and fully fund necessary per-employee per-year increase, the FY14 appropriation would need to increase from current appropriation of \$8,550 per employee to about \$11,100 per employee (an increase of \$2,600/year)
 - Possible options to state fully bearing the increase would be to increase employee premium, changes to the benefit plan or changes to the rate share for dependents
 - ❖ Since FY 2008 the state has paid between 91% and 93% of the premium cost of the health benefit plan

- ❖ In FY11 and FY12 the state's share increased due to premium holidays and also no increases in employee premiums
- ❖ A 6.5% medical trend was approved for the final FY13 budget request translating to a per-employee cost of \$8,550
- ❖ FY12 Supplemental Request
 - \$150,000 in dedicated spending authority for 2 FTP's
 - ❖ One position is for a new State Benefits Administrator
 - ❖ Other position is for a Benefits and Wellness Coordinator
- ❖ Information on the Group Insurance Advisory Committee
 - Legislature established the Group Advisory Council in 2009
 - Purpose: to advise the Office of Group Insurance and provide feedback on projects and issues concerning state employee benefits
 - Advisory Committee meets on a quarterly basis
 - ❖ Since FY 2008 the State has paid between 91% and 93% of the premium cost of the health benefit plan
- ❖ Status Updates
 - PPADA
 - Benefit Changes
 - Proposed Rules
 - Future Opportunities

SELF-GOVERNING AGENCIES: Idaho State Historical Society

Presenter: Janet Gallimore, Director

- ❖ Introductions
- ❖ Core responsibilities
 - Preserve and promote Idaho history by using history and cultural resources to inform and influence the future
 - Provide information and understanding to everyone from state and local governments, to publishers, to students through the historic resources and research services of the Idaho State Archives
 - ❖ Each year the State Archives fulfills nearly 17,000 constituent requests
 - ❖ Share resources to teach historical literacy
 - ❖ Destination facilities: State Historical Museum, Old Idaho Penitentiary, Franklin Historic Properties, Stricker Ranch, and Pierce Courthouse
 - Visitor attendance at these facilities over 87,000 annually
- ❖ Workforce Changes
 - Budget decrease of \$652,500
 - 47 FTP (down from 49 in 2008)
 - 15 non-benefitted seasonal or part-time positions
 - Short-term strategies
 - ❖ Use Sheriff Inmate Labor Detail (SILD)
 - ❖ Fund shift to indirect overhead cost recovery
 - ❖ Fund shift to temporary sources

- ❖ Deploy furloughs
- Long-term strategies
 - ❖ Old Pen revenues now fund previous General Fund position
 - ❖ Eliminated Oral History Program
 - ❖ Shifted operations to local non-profits
 - ❖ Implemented 3 restructures to reallocate workload to high priority customer access needs
 - ❖ Exchanged services with Idaho Botanical Garden
- ❖ Alternative Funding Sources
 - Revenue enhancement plan
 - Increase agency's self-sufficiency
 - Long-term sustainable funding for statutorily required programs
- ❖ Program Structure Changes
 - Organizational realignments
 - ❖ Historic sites management now under Historic Preservation Office
 - Standards compliance
 - Aligned interpretation
 - ❖ State Archivist directs Idaho State Archives
 - Streamlined management
 - Enhanced customer service
 - ❖ Program reductions and eliminations since 2008
 - ❖ New structure proposal
 - Merger of records functions of the State Records Center and the Idaho State Archives under the direction of the Idaho State Historical Society
- ❖ Future Agency Challenges
 - Deferred maintenance for agency's 74 buildings
 - Sustained 40% nonfederal State Historic Preservation Office grant match
 - Appropriate levels of inventory and insurance for State's historic assets
- ❖ Essential and Dynamic Services
 - Many (2/3) of services are mandated without discretion
 - ❖ Essential records management
 - ❖ National Historic Preservation Act
 - ❖ Advance historical literacy
 - ❖ Serve families, educators, tourists
 - ❖ Generate fees to offset expenses
 - ❖ Appeal to donors
- ❖ FY 2013 Budget – Governor's Recommendation: \$4,782,000

ADJOURNED

Senator Dean L. Cameron, Chairman

Peggy Moyer, Secretary

JFAC COMMITTEE MEETING MINUTES

2/10/12

The hearing was held in Room C310, Statehouse, commencing at 8:00 a.m. and concluding at 10:41 a.m. with Chairman Bell presiding.

Roll Call:

Senators: Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu

Representatives: Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Absent/Excused: LeFavour

Staff Present: Lockett, Bybee

IDAHO TRANSPORTATION DEPARTMENT

Presenter: Brian Ness, Director

- ❖ Introduced Board Members
- ❖ Vision – Become the best transportation department in the country
- ❖ 2011 Focus Areas
 - Realignment – total savings: \$3.5 million
 - Nine layers of management reduced to five
 - 62 one-on-one supervisory positions eliminated
 - Less duplication between districts and headquarters
 - Decision-making now closer to where work is done
 - Accountability and efficiency increased
 - No employees lost their jobs
 - Divisions eliminated – 1
 - Assistant position eliminated -11
 - Duplicate positions eliminated – 47
 - Increased number of cross-utilized positions – 239
 - Supervisors moved to front line positions – 55
 - Supervisors moved to front-line support - 73
 - Investing for performance
 - New strategic plan
 - Transportation Asset Management System
 - Five year transportation investment plan
 - Fifty-year vision for each transportation corridor
 - Performance measures
 - Status reported on ITD dashboard website
 - Pavement condition – 13% deficient today thru 2021: 28%

- Bridge Age
 - Today: 574 bridges over 50 years old, thru 2012: 1,096
- ❖ Funding Task Force
 - Final recommendation – additional revenue needed
 - \$262 million for operation, preservation, and restoration
 - \$281 million for capacity and safety enhancements
 - \$543 million total annual shortfall
- ❖ Five-year Fatality Rate
- ❖ Accountability, Efficiency, and Effectiveness
 - Safety-mobility and economic opportunity
- ❖ Individual Performance Management
 - Strategic plan will align goals with individual performance plans
 - This will focus employees on top priorities
- ❖ FY13 Governor’s Recommendation
 - Base - \$485,538,100
 - Adjustments
 - Change in benefits - \$2,967,100
 - Replacement equipment - \$24,751,900
 - Statewide cost allocation – (\$479,100)
 - Inflationary and caseload adjustments - \$1,996,700
- ❖ Adjusted Base - \$514,774,700
 - Line items
 - Construction spending authority - \$11,806,800
 - Federal spending authority – BLM grants - \$70,000
 - Federal spending authority – Highway Safety grants - \$912,500
 - Federal spending authority – driver’s license and Port-of-Entry grants - \$1,500,000
 - Federal spending authority – Transportation career grants - \$330,000
 - Legal fees – DMV license suspension/hearing process - \$70,000
- ❖ Appropriation Recommendation: \$529,464,000
 - Debt service - \$54,528,400
 - Total program funding: \$583,992,400
- ❖ FY 13 Budget Request Fund Request
 - State funds - \$260.0
 - Federal funds - \$264.8
 - Other funds - \$4.7
 - Debt service - \$54.5
 - Total \$584.0
- ❖ FY 13 Budget Request by Programs
 - Contract construction - \$298.7
 - Highway operation - \$160.8
 - Debt service - \$54.5
 - Other division - \$70.0
 - Total \$584.0

- ❖ FY Budget Flexibility
 - Transfer legislative appropriations between object codes
 - Increase or decrease more than 10% of any program's legislative appropriation through transfer
 - What was achieved:
 - Realigned ITD
 - Eliminated division
 - Redeployed staff to other divisions
 - Eliminated levels of supervision
 - Saved \$3.5 million in personnel funding
 - What they will do with continued authority
 - Refined organizational realignment
 - Continue zero-based budget improvements
 - Make additional efficiency improvements
 - React to federal funding uncertainty
- ❖ Federal Highway and Transit Funding
 - Current extension will expire March 31, 2012
- ❖ Three Proposals Under Consideration
 - House-Senate-Administration
- ❖ Federal Aviation Funding
 - Bipartisan House and Senate 4-year agreement is similar to recent aviation funding levels for:
 - FAA operations
 - FAA facility and equipment account
 - Research, engineering, and development
- ❖ New Strategic Plan Overview
 - Previous plan developed in 2007
 - Changing expectations
 - Needed more transparency, accountability, credibility, and effectiveness
 - New plan addresses challenges
 - Goals
 - Become the best organization by continually developing employees and implementing innovative business practices
 - Commit to having the safest transportation system that drives economic opportunity
 - Provide a mobility-focused transportation system
 - Reduction in costs through innovation, process improvement, and technology
 - Improvement in performance measures
 - Increase in customer satisfaction
 - Progress toward the desired organizational culture
 - Effectiveness of the department's leadership
 - Individual performance plans linked to department's strategic goals
 - Increase in employee productivity
 - Total employee compensation compared to similar markets

- Reduction in turnover
- Becoming the best and why it matters
 - Employee-driven innovation
 - Improved business processes
 - High-quality services to taxpayers
 - Cost reduction – more efficient use of funding
 - Reducing turnover rate
 - High turnover rate in key front-line positions
 - Retaining skilled staff will reduce turnover costs, which are over \$5 million annually
 - ODOT aired radio ads in the Treasure Valley for a Transportation Coordinator 1 position
- Commit to having the safest transportation system possible
 - Safety
 - Reduction in fatalities
 - Reduction in serious injuries
 - Reduction in injuries and fatalities related to distracted driving
 - Reduction in injuries and fatalities related to impaired driving
 - Impact of corridor-safety initiatives and improvement
 - Increase in seat belt use
- Provide a mobility-focused transportation system that drives economic opportunity
 - Increase in the efficiency in which goods are transported
 - Reduction in travel times for commuting, commerce, recreation, and tourism
 - Increase in Idaho gross domestic product
 - Increase in jobs and business revenue
- Mobility
 - Travel-time reductions will benefit tourism and recreation industries
 - Travel-time reliability is valued by the public
 - Shorter shipping times will lower the cost of goods
 - Lower-cost goods will make Idaho more competitive
- Economic opportunity
 - Idaho businesses depend on a transportation system that is safe, reliable, fast and efficient
 - Efficient transportation is key to Idaho's economic future
 - ITD will help achieve Project 60's economic goal
- Idaho freight study
- Finding ways to improve shipping efficiency

SELF- GOVERNING AGENCIES: Idaho Commission for Libraries

Presenter: Ann Joslin, State Librarian

- ❖ “Libraries are uniquely suited to making the benefits of information and information technologies available to the citizens of the state.”
- ❖ “The ability of its citizens to access information has a critical impact on the state’s education success, economic development, provision for an informed electorate, and overall quality of life.”
- ❖ Learn to Read and Read to Learn
- ❖ Literacy
 - Early/family
 - Financial
 - Digital
 - Civic
 - Media
 - Information
 - 21st Century
- ❖ Assist libraries to build the capacity to better serve their clientele
- ❖ Online Resources Library
- ❖ Professional Development for Library Staff
- ❖ Develop & Distribute Library Programs
- ❖ Leverage Support
- ❖ Challenges
 - Changes in the workforce
 - Alternative funding sources
 - Program structure
 - Lost position
 - Positions shifted to federal funds
 - Holding position open
 - 35% decrease in state funded staff
 - Work doesn’t get done
 - “No” to new opportunities
 - 20% pay gap for employees
 - Average 12 years service
 - No one at market rate
- ❖ From Readers to Leaders: ICFL programs and services
- ❖ Summer Reading Programs
- ❖ School Library Development
 - Collaborates w/classroom teachers
 - Provides professional development
 - Technology integration specialist
- ❖ LiLI.org
- ❖ Online@your library
- ❖ 55 libraries with 530 new computers, 49 w/upgraded broadband
- ❖ Credible Connections
- ❖ Learning Express
 - Basic skills

- Career certification
- College entrance exams
- Job search
- 15,000 + log-ons
- 19,000 + uses
- ❖ FY 2013 Budget Request
 - \$17,600 - Contract inflation of 5% for LiLi-unlimited web hosting services (not recommended by the Governor)
 - \$200,000 for the Read To Me program: Governor's recommendation for \$100,000
 - \$58,000 – Digital service librarian (not recommend by the Governor)
 - \$210,000 – Strengthen the Libraries linking Idaho (LILi) program (not recommended by the Governor)
 - \$700,000 from the American Reinvestment Fund (recommended by the Governor)
 - Lump sum—flexibility to transfer of money between programs and among personnel costs, operating expenditure, capital outlay, or trustee& benefit payments. (not recommend by the Governor)

IDAHO INDUSTRIAL COMMISSION

Presenter: Thomas Limbaugh, Chairman

- ❖ Commission Functions
 - Decide contested workers' compensation cases
 - Administer insurance requirement
 - Approve settlement agreements
 - Decide unemployment insurance appeals
 - Mediate worker's compensation disputes
 - Provide no cost return-to-work services
 - Administer the Crime Victims Compensation Program
- ❖ Advisory Committee
- ❖ FY 11 Statistics
- ❖ Time-loss Benefits
- ❖ Adjudication Division
 - The Commission is an administrative court with exclusive jurisdiction over Workers' Compensation Law
 - Decides disputed workers' compensation cases
 - Hearings
 - Case settlements
 - Mediation
- ❖ Employer Compliance Division
 - Staff receives business registrations from the state's online business registration program and notices of insurance cancellations from National Council of Compensation Insurance (NCCI)
 - Corresponded with 13,895 employers last year regarding their coverage status

- ❖ Rehabilitation Division
 - Created in 1974 with the support of industry to assist injured workers return to gainful employment
- ❖ Crime Victims Compensation Program
 - Provides financial assistance to innocent victims of crimes
- ❖ Crime Victim Program Funding
 - No General Fund dollars
 - Fines imposed on offenders convicted of crime in Idaho
 - The Victims of Crime Act of 1984 (VOCA) Federal Grant Award
 - FY 11: \$2,084,757 paid to victims of crime and service providers
- ❖ Division of Building Safety
 - Logging and Industrial Safety Bureau funded by the Commission since FT 89 through workers' compensation premiums
- ❖ Changes in Workforce
 - 137.25 positions
 - Reduced from 138 positions in FY 11
 - 141.5 positions in FY 10
 - Additional staff required to meet federal unemployment appeals average case age of 40 days
 - Retain 5 additional workers paid through operating expenses
- ❖ Changes to Funding
 - HB 240 passed by 2011 Legislature amended Idaho Code 72-523 to reduce the Premium Tax rate by 20% effective January 1, 2012

Presenter: Jane McClaran, Industrial Commission

- ❖ FY 2013 Budget Request
 - Base adjustment: (\$2,176,600)
 - (\$1,717,900) dedicated funds
 - (\$458,700) federal funds
 - (.75 FTP)
 - Replacement items: \$116,000
 - 2 vehicles for employer compliance
 - Cubicle workstations for crime victims
 - 24 desktop, 2 laptop computers
 - 1 server, 3 printers
 - Line item: \$337,900
 - Object transfer from operating expenditures to personnel costs
- ❖ Personnel Statistics
 - Turnover rate
 - Commission rate – 16.1%
 - Typically 5- 6 vacant positions which the Commission is actively recruiting to fill at any given time
 - No positions are being held vacant
 - Compa-ratio
 - Commission ratio – 80.9%

- ❖ Fatalities by Industry
- ❖ Fatalities by industry compliance investigation results
- ❖ Division of Safety Appropriations FY 2012
 - Logging Safety - \$388,500
 - School/Facility Safety Inspection - \$701,300
 - Total – \$1,089,800
- ❖ FY 2013
 - Logging Safety - \$384,400
 - School/Safety Inspections - \$700,300
 - Total - \$1,084,700
- ❖ NCCI rate changes

LIEUTENANT GOVERNOR

Presenter: Brad Little, Lieutenant Governor

- ❖ FY 2013 Budget
- ❖ Governor's Recommendation: \$141,300
 - Three FTE
- ❖ The Lieutenant Governor reported on trade missions

ADJOURNED

Maxine Bell, Chairman

Kathryn Yost, Secretary

JFAC COMMITTEE MEETING MINUTES

2/13/12

The hearing was held in C310, Statehouse, commencing at 8:00 a.m. and concluding at 10:08 a.m. with Chairman Cameron presiding.

Roll Call:

Senators: Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour

Representatives: Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Excused: None

Staff Present: Bybee

DEPARTMENT OF COMMERCE

Presenter: Jeffery Sayer, Director

- ❖ Introductions
- ❖ New Standard at Dept. of Commerce: *Run at the Speed of Business*
- ❖ Reorganization of Commerce Department – Consolidated and Streamlined
- ❖ Three Pillars of Focus
 - Protect and retain businesses
 - ❖ National consolidation
 - ❖ Draw other state closures to Idaho
 - Support existing Idaho businesses
 - ❖ Fastest source of new jobs will come from Idaho companies
 - ❖ Individual business success will create success for Idaho
 - ❖ Look at the strengths and weaknesses of a business
 - ❖ Critical asset – natural momentum in several industry clusters
 - Fastest returns will come from supporting and focusing on those sectors
 - Attract new businesses
 - ❖ National movement as businesses shift and move as they adapt to the new economy
 - ❖ Idaho will ensure that others experience Idaho's greatest asset: our people, access to highest levels, our low costs
 - ❖ Play to high growth markets
 - Commerce Dept. will spend considerable time studying markets where Idaho can compete
- ❖ Project 60 – Success Stories To-date
 - Allstate completed building in Pocatello – 120 jobs with 575 to be hired
 - ON Semiconductor, Pocatello, completed \$25 million capital expansion in 2011, doubling production and adding 100 new employees

- Pro Service, Meridian, 100 to 150 jobs
- WEL Co., Gooding, over 20 jobs
- Chobani, Twin Falls, construction started, 300 to be hired
- Lactalis, Nampa, \$40 million capital investment, 71 to be hired
- ❖ Business Recruitment
 - In FY 2011 had 102 leads, 39 site visits, conversion rate: 38%
 - To-date in FY 2012 have had 61 leads, 15 visits, conversion rate: 25%
 - Closely tracking and monitoring progress
 - Working to improve conversion rate through streamlined proposals submitted to companies and site selectors, site visit training to some more rural communities, and consistent tracking of leads and site visits
 - In the future, will have data and statistics to demonstrate how money allocated to Department of Commerce has been utilized and leveraged
- ❖ Exports – International Trade
 - One of Idaho’s strongest assets - \$5.9 billion in 2011 – 16% increase from previous year
 - In 2010, Idaho was one of only 17 states to maintain a trade surplus with the world; trade surplus in 2010 valued at more than \$1 billion
 - Expect upward trend to continue if Idaho companies can maintain access to growth markets
- ❖ Tourism – contributes about 6% to Idaho’s GDP
 - Idaho Lodging Tax Collections = \$6.62 million in FY 2011
 - FY11 saw a growth rate of 5.71% in the 2% lodging tax collections
- ❖ State Grants – cities, counties, and local economic development agencies tap into Commerce grants for a variety of infrastructure needs occurring in their communities that support capital investment and the creation of new jobs
 - Grant programs include federally funded Community Development Block Grants funded through the US Department of Housing and Urban Development (HUD))
 - Legislature and Dept. of Commerce have supported several state-funded grant programs: RCBG, Gem Grants, and Rural Economic Development Professionals
 - In FY 2011, state funding provided to the Dept. of Commerce supported:
 - ❖ 1 RCBG grant (Bonneville County, \$500,000 – Areva)
 - ❖ 2 Gem Grants
 - ❖ Rural Economic Development Professionals in 17 communities funded up to \$35,000
 - Historical Funding Levels
 - ❖ Grant programs took a steep decline beginning in FY 2010
 - ❖ Some decline due to holdbacks and budget cuts
 - State fund grant programs were significantly restricted at a time when local communities needed the funds
 - ❖ Director’s commitment to direct grant funds to communities to help expand the economy
 - ❖ Work to ensure that every grant dollar is leveraged to support the maximum number of communities

- ❖ Preference to communities who only ask for what they really need
 - ❖ Will free funds to benefit other projects and allow limited grant dollars to go further
- ❖ FY 2013 Budget - Governor's Total Recommendation: \$39,976,000
 - Decision Units
 - ❖ Business & Jobs Development Program - \$400,000
 - Request in ongoing T&B
 - Recruitment and expansion fund, director's discretion
 - Critical tool for recruiting efforts
 - ❖ Rural Initiative, Community Block Grants - \$300,000
 - Ongoing in Trustee & Benefit payments
 - Job creation
 - Economic diversification
 - Public infrastructure enhancement
 - Valuable resource for communities
 - ❖ Small Business Assistance Grants - \$50,000
 - Ongoing General Funds request
 - Grants up to \$4,000
 - Pursue SBIR/STTR funding
 - Ensure funds are strategically deployed
 - ❖ Additional Personnel Costs - \$45,000
 - Connected to department changes
 - Follows increased Tourism Fund levels
 - Shifts 0.6 FTP from General Fund to Tourism Fund
 - Addresses Tourism personnel costs in General Fund
 - ❖ Small Business Credit Initiative \$8,822,800
 - One-time request
 - Pass through to Id. Housing & Finance Assn. (IHFA)
 - \$13 million total (non-cog for FY12 of \$4.3 million)
 - Collateral enhancement for small businesses
 - Excellent funding source
 - ❖ Idaho Global Entrepreneurial Mission (IGEM) \$1,000,000
 - Ongoing
 - Enhance & facilitate tech transfer process
 - \$950,000 for grants
 - \$50,000 for operating expenses
 - Share in commercialization revenues
 - Retain future revenues, perpetuate future funding source
- ❖ Closing remarks – “There is no finish line”
 - Funds will be leveraged to the fullest extent
 - Focus is on grants as opposed to personnel
 - Will appreciate every consideration given for CEC and flexibility to manage those funds

DEPARTMENT OF REVENUE AND TAXATION: State Tax Commission

Presenter: Rich Jackson, Commissioner

- ❖ FY 2011 Revenues versus Cost of Collecting
 - Revenues \$ 3.1 billion
 - Cost to collect \$31.8 million
 - Approximately \$99 raised, per \$1 of budget
- ❖ Historical Numbers on Receipts
- ❖ Workforce
 - 73% of budget
 - Turnover
 - Aging workforce
 - ❖ 54% are 50+ years of age
 - ❖ Only 7 employees are at policy or higher (less than 2%)
 - ❖ Higher vacancy rate
 - ❖ Knowledge gap
- ❖ Zero-based Budgeting
- ❖ Limited Infrastructure Capital in Recent Years
- ❖ Communication, Collaboration, Outreach
 - Commissioners working and managing together
 - Improved internal communications
 - Reopened field offices to walk-in traffic
 - JFAC tour of Tax Commission
 - Better communication and support between counties and Commission

Presenter: Doreen Warren, Division Administrator, Revenue Operations

- ❖ Subject: Tax Administration
 - Deposit revenue within 24 hours
 - ❖ \$41.4 billion annually in paper payments to state
 - ❖ 800,000 checks processed annually
 - Process 2.1 million paper tax documents
 - Administer 17 tax types
 - ❖ Deposit revenue
 - ❖ Issue permits
 - ❖ Maintain taxpayer database
 - ❖ Process returns
 - Revenue distribution
 - Audit and Collection activities
 - ❖ Using technology
 - Encourage electronic filing
 - Imaging
 - Two platforms, full page & coupon-size docs
 - Data capture
 - Integrated tax processing system

- Current risks
 - ❖ Two machines that process all physical payments and coupon-sized returns are at end of effective life
 - ❖ Windows XP will not be supported by Microsoft, by April 2014
 - Maintaining two operating systems
 - ❖ Solution: Greater efficiency
 - Use existing equipment and software upgrades
 - Provide State Treasurer with \$110,000 in additional interest earnings annually at 2% interest rate
 - Processing and field office deposit efficiencies – generate \$70,000 more revenue annually

Presenter: David Langhorst, Commissioner

- ❖ Subject: Closing Idaho's Tax Gap: From Theory to Reality
 - Why a tax gap
 - ❖ Under-reporting: 49%
 - ❖ Non-filing: 30%
 - ❖ Under-payment: 21%
 - Estimating the tax gap
 - ❖ Theory
 - Tax gap study in 2009
 - Collectible estimate: \$76.5 million
 - ❖ Empirical evidence
 - Collectible estimate: \$64.5 million
 - ❖ Conclusion – can increase revenue without raising taxes
 - Return on investment: 7 to 1
 - Results:

	<u>New Revenue</u>	<u>Cost</u>	<u>Return</u>
❖ FY 2010	\$20.0 million	\$1.4 million	14.7 to 1
❖ FY 2011	\$26.3 million	\$1.5 million	17.1 to 1
❖ FY 2012 (proj.)	\$ 8.6 million	\$ 845,978	10.2 to 1
 - Observations
 - ❖ Returns were realized – tax gap is real
 - ❖ Tax Commission is more “right-sized”
 - Leave less revenue on the table
 - Benefits are ongoing, but variable
 - ❖ Broadened tax base
 - More fair and equitable tax system
 - ❖ Increased voluntary compliance
 - Perception of fairness
 - Publicity

Presenter: Tom Katsilometes, Commissioner

- ❖ Subject: Property Tax
 - Powers and Duties (Idaho Code 63-105A
 - ❖ Ensure fair, equitable, and accurate assessments
 - \$107 billion taxable value
 - \$1.4 billion in taxes
 - Oversee more than 1,200 taxing districts
 - Appraise operating properties
 - Provide training for county elected officials and other professionals
 - Administer property tax reduction program (Circuit Breaker)
 - Improve working relationship with counties/cities

Presenter: Mark Poppler, Fiscal Officer

- ❖ FY 2013 Budget – Governor’s Recommendation

○ Base	\$33,514,500
❖ Benefit Costs	501,000
❖ Inflation	23,800
❖ Replacement items	103,600
❖ Interagency items	<u>(51,600)</u>
○ FY 2013 Maintenance	\$34,091,300
❖ Upgrade Revenue Deposit Process	\$ 637,900
❖ Phase 3 – made permanent	817,300
❖ Zero-based budget adjustments	<u>0</u>
FY 2013 Governor’s Recommendation	\$35,546,500

- ❖ Supplemental Recommendations for FY 2012: \$452,700
 - \$ 65,400 Spending authority – Id. Falls Auditorium District
 - \$250,000 Litigation support for multi-state audit issues
 - \$137,300 Fed funds via Transportation Dept. – fuel tax compliance

- ❖ FY 2013 Budget Components

○ Personnel	73.4%	\$26,099,200
○ Operating	26.1%	9,256,000
○ Capital	0.5%	<u>191,300</u>
○ Total	100.0%	\$35,546,500

- ❖ FY 2013 – Other Information
 - Upgrade revenue deposit process – eliminate aging hardware and protect ability to deposit revenue within 24 hours
 - ❖ Budget recommendation of \$637,900
 - ❖ Solution is software driven, using equipment already owned
 - ❖ Improve processes and increase efficiencies
 - ❖ Allows implementation of Check 21 providing additional interest income to the State
 - ❖ \$76,400 of recommendation is capital (\$61,800 General Fund)

- ❖ Zero-based Budget (ZBB) Results
 - First used in FY 2013 budget cycle
 - Extensive effort to review processes, services, and related costs

- ❖ Identified over 100 specific services/functions
- ❖ Explained, justified, and ranked each required duty
- Key results determined by management
 - ❖ Aligned personnel budget to required positions
 - ❖ Transferred 3.5 positions into critical support functions
 - ❖ Returned 8 Taxpayer Service positions to Audit & Collections
- Normal, continuous process of management

Presenter: Bob Geddes, Chairman

- Thanked dedicated employees for their hard work
- Thanked JFAC for touring the Commission to better understand their agency
- Focus on three things regarding the Tax Commission's responsibilities and accountability
 - ❖ Improving customer service to taxpayers
 - ❖ Maximizing efficiency in tax compliance
 - ❖ Collecting appropriate revenues required by law
- FY 2011 comprehensive annual report – Audit Review
 - ❖ No findings identified
- Tax Commission's work never slows down
- Two factors for the Tax Commission to be successful
 - ❖ To retain, recruit and reward dedicated employees
 - ❖ To keep technology updated
 - Needs presented in FY 2013 budget are not inflated
- Other high priorities must be met in the future – not included in this year's budget request

Board of Tax Appeals

Presenter: Susan Renfro, Director and Clerk to the Board

- ❖ Authority Found in Idaho Code 63-3801, Created in 1969
 - Provides taxpayers the opportunity to appeal their ad valorem assessed valuations from a county board of equalization, or tax decisions from the Idaho State Tax Commission
 - ❖ 90% of caseload is appeals of decisions of the local County Board of Equalization concerning property values and tax exemptions
 - ❖ 10% are appeals of decisions made by the State Tax Commission concerning almost every State tax liability
 - 3 part-time Board members supported by 5 full-time employees
 - ❖ Board members appointed by Governor, confirmed by Senate
 - ❖ Serve 3-year, staggered terms
 - ❖ Preside over hearings, record proceedings and control the hearing environment
- ❖ Caseload Recap
 - Board required to render property value and exemption decisions by May 1st of each year

- Changes in the real estate market along with the economy have prompted historic numbers of appeals over the past six years
- Supplemental appropriations have enabled the Board to complete the workload
- ❖ Short-term Challenges
 - New digital recording equipment in year of record number of appeals
 - Quality of hearing record is better and equipment is dependable
 - Lost a Tax Policy Specialist/Hearing Officer (attorney who was an excellent decision writer with five years of experience with the Board)
- ❖ Long-Term Challenges
 - Difficult to manage fluctuating caseload with uncertainty of funding within statutory time frames
 - State employee compensation is an issue – particularly difficult in a small agency with few options
 - No education funding for new hearing officers or Board members
 - ❖ Hearing procedures and legal writing education is very important for Board members and staff in an administrative law agency
- ❖ FY 2013 Budget – Governor’s recommendation: \$458,000
 - Governor’s recommended increase in benefit costs, statewide cost allocation and one-time CEC is appreciated

DEPARTMENT OF INSURANCE (DOI)

Presenter: Bill Deal, Director

- ❖ DOI Updates
 - Continued superior service in performance measurement report
 - Completed Zero-based budget
 - Legislative Audit
 - Workforce
 - ❖ 72 full-time classified positions
 - ❖ Reorganization of investigations section
 - ❖ Actuary position unfilled
 - ❖ Compensation for employees
 - Compression
 - ❖ 24 employees below 80% rate
 - ❖ SHIBA personnel are at 71%
 - ❖ Consumer Affairs are at 71%
 - ❖ Would take \$29,000 to bring up to 80%
 - Health Care Reform - \$500,000 dedicated funds in lieu of federal grants

	<u>Budget</u>	<u>Spent YTD</u>
❖ Rate review	\$150,000	\$ 49,250
❖ Health Ins. Exchange	\$350,000	\$151,670
❖ All funds will be spent by 3/2012		
 - FY 2013 Budget – Governor’s recommendation

❖ Base appropriation	\$7,844,200
❖ Benefit Costs	\$ 111,300

- | | |
|-----------------------------|-----------------|
| ❖ Replacement items | \$ 173,300 |
| ❖ Statewide cost allocation | <u>(55,200)</u> |
| • Total | \$8,083,600 |
- SHIBA reallocation
 - ❖ Move 3.85 FTP from Dedicated to Federal
 - ❖ Shift \$20,000: Dedicated Operating to Dedicated Group Personnel
 - ❖ Shift \$185,000 from Federal Trustee & Benefit to Federal Operating

ADJOURNED

Senator Dean L. Cameron, Chairman

Peggy Moyer, Secretary

JFAC COMMITTEE MEETING MINUTES

2/14/12

The hearing was held in Room C310, Statehouse, commencing at 8:00 a.m. and concluding at 10:07 a.m. with Chairman Bell presiding.

Roll Call:

Senators: Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour

Representatives: Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Absent/Excused: None

Staff Present: Burns, Bybee

IDAHO DEPARTMENT OF FINANCE

Presenter: Gavin Gee, Director

- ❖ Organization Structure
- ❖ Important Facts
 - Administers 23 laws
 - Regulates financial industries
- ❖ FY 2011 \$5,235,148 Transferred to General Fund
- ❖ “Chartering” the Choices
 - State or Federal
 - Since 1979
 - 20 new banks chose State Charter
 - 1 bank chose Federal Charter

- Since 1997
 - 16 converted to State Charter
 - 2 converted to Federal Charter
 - Change charter at any time if healthy
- ❖ On-site Examination, Off-site Monitoring and Oversight
- ❖ Business Recruitment and Retention
 - Financial plan
 - Coordinates
 - Stable financial institutions
- ❖ Bank Closure –One Federal in 2009
 - Pacific Northwest region closures
 - 92 nationwide bank failures in 2011
- ❖ Critical State Role
 - Twice as many on-site examinations
 - Heightened off-site monitoring
 - Increased meetings with bank officials
 - Imperative to include state examiners
 - Elements of department’s mission
 - Ensure safety of financial institutions
 - Preserve local financial institutions
- ❖ Federal Hiring Response
 - Consumer Financial Protection Bureau hired 750 people
 - FDIC hired 1,600 employees since ‘09
 - SEC & CFTC hiring 2,000 by October 2012
 - Increased frequency of examinations
 - Examiners often recruited from states
- ❖ Strategic Workforce Development
 - Staff succession planning
 - Interviewing
 - Training
 - Testing
 - Grade increase
 - Retention
- ❖ Dedicated Compliance Examiner
 - 1 FTE, on-going operating, onetime capital
 - Compliance examinations have increased in frequency, complexity, and importance
 - Dedicated funds
 - Industry pays for expertise
 - Industry appeals for greater State participation
- ❖ FTP increases general fund transfer
- ❖ DU.02 – financial examiner salary increase
 - January to June 2011 – lost 30% of bank examiners
 - Federal agencies often hire experienced examiners from states
 - Goal is 9 of 16 financial institution examiners to policy; about half of the commissioned positions

- Dedicated funds; industry pays for expertise and expects seasoned examiners with good judgment
- ❖ Securities & Consumer Finance
 - Broker dealers
 - Investment advisors
 - Agents of the above
 - Mortgages
 - Collection agencies/agents
 - Regulated lenders
- ❖ Individuals and Businesses Regulated
 - 149,341 regulated entities or individuals in 2011
 - Licensees have tripled since 1996
- ❖ Issues and Challenges
 - Major examinations & investigations
 - Most complex cases in our history
 - Multi-state
 - International
 - Extraordinary costs
- ❖ FY 2012 Restitution Statistics
 - 49 + actions
 - \$33 million awarded to fraud victims
- ❖ Robo-signing Settlement
 - Foreclosure process improvements
 - Borrowers' principal reduction
 - Five nationwide mortgage servicers
 - \$1 million fine payable to DOF
 - \$100 million to Idaho homeowner
- ❖ NMLS Update
 - Regulator tools
 - Unified applications
 - Criminal background check
 - Consumer access
 - Public view of public data 24/7
- ❖ Contributions to the General Fund
 - \$60.9 million (total from FY 1994 - FY 2011)
- ❖ Maximum Leverage from IT
 - Federal bank examination software
 - ETS, Genesys, Alert, Aires, Bond
 - Cost Saving Virtual Servers (VM Ware)
 - 3 new servers do the work of 8 old servers
 - 60 + specialized internal programs
 - Secure e-mail
 - Remote Users
 - NMLS/CRD/IARD reconciliation
 - Full Share SharePoint services

- ❖ e-Commerce
 - Capability to accept 95% of licensees and application on-line
 - NMLS, WebCARD, IARD
 - 24 hours a day / 7 days a week
 - Internal systems reconcile revenue from the above National Systems

SELF GOVERNING AGENCIES: Idaho State Lottery

Presenter: Jeffrey Anderson, Director

- ❖ Mission: To responsibly provide entertaining games with a high degree of integrity, to maximize the dividend for Idaho Public Schools and the Permanent Build Fund
- ❖ Vision: To become the highest performing jurisdiction in North America
- ❖ Organizational Chart
- ❖ Dividend Beneficiaries:
 - Idaho Public Schools and the Permanent Building Fund: each receives 50%
 - Proceeds above \$34 million through 2014 goes to the Bond Levy Equalization fund, per the formula in HB 275 (2009)
- ❖ The first 22 years, the Idaho Lottery has returned over half a billion dollars (\$510,800,000) in dividends to the citizens of Idaho
- ❖ The Idaho Lottery provides oversight to protect the integrity of charitable gaming in Idaho
- ❖ Beyond the Dividend
 - FY 11 dividend – schools, buildings, bond levy: \$37,000,000
 - FY 11 interest income to General Fund: \$111,140
 - FY 11 state income taxes: \$10,518,232
 - Total \$47,629,372
 - FY 11 game sales: \$147,205,000
- ❖ Historical Spending Authorization
- ❖ Current State Lottery FY 2012 through January 28, 2012
 - Adjusted game portfolio sales: +7.6%
 - Forecast FY 2012 final: \$155,500,000 (+5.6%)
- ❖ Office of Performance Evaluations – 2012 audit – recommendations
 - Lottery operations
 - Define advertising/marketing and promotional costs in Idaho Code
 - Charitable gaming
 - Implement online form for organizations to submit annual reports
 - Legislature
 - Record retention clarification
 - Amend Code to offer multi-year licensing
 - Remove prize maximums for raffle
 - Remove holiday Christmas tree fundraisers
- ❖ Response of Performance Evaluations – 2012 audit -- lottery response

- Recommendation 1.1 – lottery operations: Our past and current practice is to account for all costs associated with communicating our value proposition to players, retail partners, and stakeholders
 - Defining specific items in code would be problematic. The tools available in the future may not have been invented and brought to market yet.
 - Define what isn't included when calculating the expenses towards the 3.5% limit
- Recommendations 2.1 to 2.5 – charitable gaming: concur with all recommendations, with minor adjustments
- ❖ Governor's Recommendation
 - Currently, prizes, commissions, and advertising are continuously appropriated due to their variable nature based on sales
 - Historically, long-term contractual agreements with key vendors that provide gaming system services and ticket printing have not been included in the continuous appropriation because they were based on fixed price contracts for services and equipment.
 - As the lottery has evolved, performance-based compensation on a percentage of sales formula is now an industry standard in many jurisdictions including Idaho
 - Due to their variable nature, the Governor recommends moving vendor fees to the continuous appropriation with a corresponding reduction in the agency's operating expenses for FY 2013
- ❖ Key Vendors – History
- ❖ Mandated Limits
 - Limits set in Idaho code apply to both continuously appropriated and regularly appropriated fund
 - The commission provides oversight and approval is required for their business plans.
- ❖ Fiscal Year 2013 Sales Goal \$162,600,000 (+4.6%)
- ❖ Governor's Recommendation \$5,228,900 (-51.5%)

OFFICE OF THE GOVERNOR: Idaho State Liquor Division

Presenter: Jeffrey Anderson, Director

- ❖ Mission and Vision
 - Mission: To provide control over the importation, distribution, sale, and consumption of distilled spirits; curtail intemperate use of beverage alcohol; and responsibly optimize the net revenues to the citizens of Idaho
 - Vision: to be the most respected and highest performing purveyor of distilled spirits in the U.S.A.
- ❖ Organization
 - 163 retail site liquor store locations
 - 31 of 44 counties with Sunday sales
 - Headquartered in Boise

- ❖ Quick Facts
 - Warehouse receives and distributes over 930,000 cases annually over an area of 83,000 sq. miles
 - Ratio of FTP compensation-to-sales is just 6.6% vs. retail food & beverage industry average of 10.7%
 - ISLD is a dedicated fund agency and utilizes no General Fund dollars in its operation
 - Sales/FTP = \$709,000 vs. Starbuck's average of \$58,500
 - 21% of total sales are to licensees (bars, restaurants)
 - 83% of total sales occur at 66 State-operated stores
- ❖ FY 2011 Distributions = \$50,181,649
 - General Fund: \$15,220,000, 30.3%
 - Public schools: \$1,200,000, 2.4%
 - Substance Abuse Treatment: \$2,080,000, 4.1%
 - Cooperative Welfare: \$659,000, 1.3%
 - Community Colleges: \$600,000, 1.2%
 - Cities: \$15,950,000, 31.8%
 - Counties: \$10,630,000, 21.2%
 - Court Services: \$3,430,000, 6.8%
 - Court Supervision Fund: \$440,000, 0.9%
- ❖ Current Year Highlights
- ❖ One-time \$8,000,000 surplus distribution to General Fund after modifying cash management strategy
 - Focus on efficiency and cost control has resulted in higher profitability with smaller resource base
 - New product listing process gets innovations to market more quickly, maximizes opportunity
 - State-owned inventory turn improved with split-case strategies
 - Idaho Modernization Project (iMOD) in progress state-wide
 - Your approval of customer service enhancements were implemented July 1, 2011
- ❖ Office of Performance Evaluations 2011 Recommendations
 - Formal criteria based on data driven analyses now determines
 - Track customer purchases by Zip Code
 - Store Evaluations
 - Formalize annual staff training to maximize safety and customer service
- ❖ Performance
- ❖ Efficiency in Resource Utilization
- ❖ Annual Dollar Sales Comparison
- ❖ Consumption Trails Dollar Sales
- ❖ Consumption of Distilled Spirits
- ❖ FY 2013 Budget
 - FY 2012 original appropriation: \$16,376,500
 - Removal of one-time expenditures: -\$726,000
 - Base adjustment: -\$72,000
 - Benefit costs: \$306,900

- Inflation adjustments: \$33,000
- Replacement items: \$622,100
- State cost allocation: -\$14,000
 - FY 2011 maintenance: \$16,526,500
- ❖ Decision Unit 4: Personnel costs to facilitate merchandising store remodels, Personnel costs--\$11,100 one-time
- ❖ Decision Unit 5: Personnel costs to cover formal training for all employees; \$38,400
- ❖ FY 2013 Total Request and Governor's Recommendation: \$16,576,5000

OFFICE OF THE ATTORNEY GENERAL

Presenter: Lawrence G. Wasden

- ❖ Introduced Staff Members Present
- ❖ Personnel
 - One hundred eighty-two positions are currently filled
 - Twenty-five positions lost
 - Thirteen positions have been completely eliminated
 - Twelve positions are currently vacant
- ❖ \$2,384,900 reduction in budget since FY 2009
- ❖ Appropriation vs. Dollars Returned
- ❖ Medical Fraud Unit
 - FY 2011 recoveries: \$3,097,637
- ❖ Idaho Estate Recovery Program
- ❖ FY 2011 Recoveries: \$5,560,494
- ❖ Consumer Protection Division
 - FY 2011 recoveries
 - \$7,563,698 includes: restitution \$5,365,079 and fees, penalties and expenses \$2,198,619
 - Recoveries transferred to General Fund \$1,568,900
 - FY 2012 Year to date recoveries
 - \$6,475,535
 - \$13,932,238 mortgage foreclosure settlement on February 9, 2012
 - Total \$20,407,773
- ❖ Tobacco Master Settlement Agreement
 - FY 2011: Received more than \$25 million
 - FY 2012: Idaho expects to receive similar amount
 - Tobacco recoveries in jeopardy
 - Tobacco companies withholding millions of dollars in payments
 - Companies are seeking to wipe out tens of millions of dollars in future payments
 - National Master Settlement Agreement
 - National arbitration
 - Tobacco companies
 - Over 90 attorneys assigned

- 5 large law firms to this case
- Idaho Attorney General's Office—2 attorneys assigned
- Idaho must continue to defend Idaho share of these payments
- ❖ Health reform litigation
 - Briefing almost complete
 - Oral argument
 - Decision anticipated June 2012
- ❖ Snake River Basin Adjudication
 - The end is near
 - More than 150,000 water rights adjudicated
 - Less than 1,000 cases remain
 - Surface/groundwater conflict almost complete
- ❖ Idaho faces legal jeopardy
 - Cannot retain attorneys
 - Unable to reward loyalty and good work
- ❖ Office of the Attorney General Staffing
 - Attorneys leaving to take positions at other state agencies
 - Competing with salaries we cannot match
 - Attorneys leaving for the private sector are doubling their salaries
 - Struggling to fill vacant positions
 - DHR reports state employee salaries average 18.6% below market
 - Qualified candidates are not willing to accept available salaries
- ❖ Dramatic increase of legal work since economic downturn
- ❖ Staff reductions, long hours to handle caseload. Inadequate compensation
- ❖ Three Simple Measures:
 - Fully fund \$400,000 FY 2013 budget request
 - Continue lump sum authority
 - Continue and extend interagency billing authority
- ❖ Fiscal Year 2013 Request
 - State legal services: \$18,662,200
 - Special litigation: \$669,400
 - Total request: \$19,331,600

ADJOURNED

Maxine Bell, Chairman

Kathryn Yost, Secretary

JFAC COMMITTEE MEETING MINUTES

2/15/12

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Roll Call:

Senators: Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour

Representatives: Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Excused: None

Staff Present: Bybee, Lockett, Ellsworth, Houston

SELF-GOVERNING AGENCIES

Presenter: Keith Bybee, Principal Analyst, Budget and Policy Analysis

Division of Building Safety

❖	Administers five bureaus and houses seven boards	
❖	FY 2013 Budget – Governor’s Recommendation	\$11,094,700
○	Base	\$10,652,800
○	Benefit Costs	185,900
○	Inflationary Adjustments	15,800
○	Replacement Items	242,000
○	Statewide Cost Allocation	(1,800)
❖	Total Budget	\$11,094,700

Regulatory Boards

❖	Self-governing agency that includes five boards and commissions, each regulating certain professions in Idaho	
❖	FY 2013 Budget – Governor’s Recommendation	\$ 7,469,000
○	Base	\$ 6,099,200
○	Benefit Costs	93,700
○	Replacement Items	700
○	Statewide Cost Allocation	(14,400)
❖	FY 2013 Program Maintenance	\$ 6,179,200
○	Director Retirement – E/LS	26,700
○	Salary Increases – E/S	13,100
○	Licensing System – IBOL	1,250,000
❖	Total Budget	\$ 1,340,600

BOARD OF LAND COMMISSIONERS: Endowment Fund Investment Board

Presenter: Larry Johnson, Manager of Investments

- ❖ Endowment Fund Overview
 - Trust assets overseen by Investment Board

	<u>Assets</u> <u>(\$millions)</u>	<u>% of</u> <u>Total</u>
❖ Endowment Fund	1,203.6	65%
❖ State Insurance Fund	583.2	32%
❖ Judges' Retirement Fund	58.3	3%
❖ Parks & Rec. Endowments	<u>3.1</u>	<u>0.2%</u>
• Total	\$ 1,848.2	100%
 - Mission: Provide professional investment management services to our stakeholders consistent with our constitutional and statutory mandates
 - Information on Endowment Fund Investment Board
 - ❖ Nine members appointed by the Governor, confirmed by Senate
 - ❖ Meets at least quarterly
 - ❖ Full-time staff of four
 - Revenue sources – operating expenses are paid by its clients and taken from dedicated funds
 - ❖ Endowment Earnings reserve funds
 - ❖ State Insurance Fund
 - ❖ Judges' Retirement Fund
 - ❖ Parks & Recreation endowment funds
- ❖ FY 2013 Budget
 - Governor's Recommendation: \$600,400

❖ Base	\$596,700
❖ Benefit Costs	6,000
❖ Replacement Items	3,300
❖ Statewide Cost Allocation	<u>(5,600)</u>
• Total	\$600,400
- ❖ Endowment Fund Assets
- ❖ Investment Management Overview
 - Avoid reductions in total endowment distributions
 - Maintain adequate Earnings Reserves to protect distributions from temporary income shortfalls
 - Grow distributions and permanent corpus faster than inflation and population growth
- ❖ Distribution Summary - (All amounts in thousands of dollars)

○ Public Schools	\$31,292
○ Universities	9,927
○ State Hospital South	2,868
○ Penitentiary	\$ 1,247
○ Juvenile Corrections	791
○ State Hospital North	791
○ Veterans Home	494

○ School for the Deaf & Blind	99
❖ Total	<u>\$47,509</u>
❖ Endowment Management Expense – FY 2011	
○ Endowment Fund Board and Staff	\$ 391,409
○ Consultant, Auditor, Custodian	581,271
○ Investment Managers	<u>4,454,583</u>
○ Total	<u>\$5,427,263</u>
❖ Total Expense Ratio	0.43%

FY 2012 SUPPLEMENTAL APPROPRIATIONS

SECRETARY OF STATE

Presenter: Robyn Lockett, Budget Analyst, Budget and Policy Analysis

The Secretary of State requests \$200,000 from the General Fund to pay for a voter information campaign to inform Idaho voters of the change in the law and requirement to register or affiliate with a political party in order to participate in that party's primary election. This statute was changed during the 2011 Session in HB351. The full amount of the request is for operating expenditures and would be funded one-time. This request is funded in the Governor's recommendation.

Unanimous Consent Request

On request by Keough, granted by unanimous consent, the FY 2012 budget for the Secretary of State was reopened.

Carried Original Motion

Moved by Keough, seconded by Bell, to approve for introduction \$200,000 General Fund, \$0 dedicated funds, \$0 federal funds for a total of \$200,000 with FTP of 0.00.

Ayes: 15

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Vander Woude

Nays: 4

Bilyeu, LeFavour, Ringo, Jaquet

Ab/Ex: 1

Thompson

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 Cameron.

CATASTROPHIC HEALTH CARE PROGRAM (CAT FUND)

Presenter: Matt Ellsworth, Senior Analyst, Budget and Policy Analysis

The one-time portion of this request is to cover FY 2011 bills that were unpaid coming into FY 2012. The ongoing increase brings the total available Trustee and Benefit budget in line with the amount the CAT Board forecasts needing to pay claims in FY 2012. The Governor recommends funding the full amount of \$17,604,900 one-time.

Unanimous Consent Request

On request by Wood, granted by unanimous consent, the FY 2012 budget for the Catastrophic Health Care Program (Cat Fund) was reopened.

Carried **Original Motion**

Moved by Wood, seconded by Broadsword, to approve for introduction \$13,070,000 General Fund, \$0 dedicated funds, \$0 federal funds for a total of \$13,070,000 with FTP of 0.00.

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Cameron

DEPARTMENT OF HEALTH AND WELFARE **Child Welfare**

Presenter: Matt Ellsworth, Senior Analyst, Budget and Policy Analysis

Federal Adoption Incentive Payment

The increased federal funding is the result of more adoptions completed by the department in recent years. The \$200,000 requested in operating expenditures is for the Child Welfare Program and will pay for the conversion of old printed files into a digital format and create a database for document storage, maintenance, and retrieval. The \$800,000 requested in Trustee and Benefit payments is for the Foster and Assistance Program to support the increased number of adoptions processed by the Division.

Unanimous Consent Request

On request by Wood, granted by unanimous consent, the FY 2012 budget for the Department of Health and Welfare was reopened.

Carried

Original Motion

Moved by Bair, seconded by Jaquet, to approve for introduction \$0 General Fund, \$0 dedicated funds, \$1,000,000 federal funds for a total of \$1,000,000 with FTP of 0.00.

Ayes: 19

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Nays: 0

Ab/Ex: 1

LeFavour

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 Cameron.

Indirect Support Services

SWITC Drive Access & Campus Plan

The Indirect Support Services Division requests \$1,750,000 in dedicated funds (one-time) to (1) reconstruct roadway access on Ridgecrest Drive to the Southwest Idaho Treatment Center (SWITC) in Nampa, and (2) prepare a master plan for the SWITC campus. For the drive access, northbound left turns onto Ridgecrest were removed during the construction of Garrity Boulevard interchange. This restriction causes motorists wishing to access the campus from the south to travel out of their way, and either access the campus from another route or make a u-turn and approach the turn onto Ridgecrest from the north. Left turns from Ridgecrest onto northbound Garrity were also removed. The requested spending authority would reconstruct a safe, convenient access for motorists traveling to and from the campus. For the master plan, due to the availability of alternative treatment options, the number of clients served at the campus has steadily reduced in recent years. As a result, the campus has more buildings and more land than it needs for its primary purpose. The master plan will determine what to do with the site in the future.

Disclosure of Possible Conflict of Interest

Pursuant to House Rule 38, Representative Bolz disclosed he has a possible conflict of interest under applicable law; he does plan to vote on the issue currently before the Committee.

Carried

Original Motion

Moved by Jaquet, seconded by Bair, to approve for introduction \$0 General Fund, \$1,750,000 dedicated funds, \$0 federal funds for a total of \$1,750,000 with FTP of 0.00.

Ayes: 16

Cameron, Keough, Broadsword, Bair, Mortimer, Heider, Toryanski, Bilyeu, Bell, Bolz, Eskridge, Wood, Hagedorn, Thompson, Ringo, Jaquet

Nays: 2

Patrick, Vander Woude

Ab/Ex: 2

Brackett, LeFavour

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 Cameron.

Children's Mental Health

Jeff D Legal Fees

The Division of Mental Health requests \$194,700 (one-time) from the General Fund to pay plaintiff's attorneys fees in the Jeff D. class action lawsuit. The amount is the result of negotiations with the attorneys and is established by a federal court order.

Carried Original Motion

Moved by Broadsword, seconded by Heider, to approve for introduction \$194,700 General Fund, \$0 dedicated funds, \$0 federal funds for a total of \$194,700 with FTP of 0.00.

Ayes: 16

Cameron, Keough, Broadsword, Bair, Mortimer, Heider, Toryanski, Bilyeu, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Ringo

Nays: 0

Ab/Ex: 4

Brackett, LeFavour, Vander Woude, Jaquet

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 Cameron.

Public Health Services

Increase Immunizations

The Division of Public Health Services requests \$7,300,000 in dedicated fund spending authority (one-time) from the Idaho Immunization Fund. The requested funding will provide increased vaccine inventory to physicians who, in turn, will administer the vaccines to Idaho children. The immunization fund receives moneys from health insurance carrier assessments authorized under Section 41-6006, Idaho Code. The funds are intended specifically for purchase of vaccines for use in the Idaho immunization program, and for administration of the fund as established in Idaho.

Carried **Original Motion**

Moved by Broadsword, seconded by Bilyeu, to approve for introduction \$0 General Fund, \$7,300,000 dedicated funds, \$0 federal funds for a total of \$7,300,000 with FTP of 0.00.

Ayes: 16

Cameron, Keough, Broadsword, Bair, Mortimer, Heider, Toryanski, Bilyeu, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Ringo

Nays: 0

Ab/Ex: 4

Brackett, LeFavour, Vander Woude, Jaquet

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 Cameron.

IDAHO DEPARTMENT OF ENVIRONMENTAL QUALITY (DEQ)

Presenter: Ray Houston, Principal Analyst, Budget and Policy Analysis

Bunker Hill Hecla Settlement

The governor recommends an additional appropriation in the amount of \$671,200 from dedicated funds, ongoing, for the Bunker Hill Hecla settlement. In the fall of 2011, DEQ received \$17 million as part of the Hecla Mining Company settlement for their uncompleted obligations under the 1994 Bunker Hill Consent Decree. The settlement money was placed in the Bunker Hill Trust Fund 0511. This money is to be used to continue work in the twenty square mile "Box" including costs of the Institutional Controls Program (ICP) and costs of siting, designing, construction and operating a soil repository. The request includes the shift of .20 FTP from the General Fund to dedicated funds as work is redirected to this effort and includes \$7,500 for salaries, \$2,500 for benefits, \$11,200 for space charges, \$600,000 for consultants, and \$50,000 for Trustee & Benefit payments for a total of \$671,200. DEQ is requesting an additional \$900,000 annualization in the FY 2013 budget for a total of \$1,571,200 to be added to the \$700,000 and .25 FTP already in the base. (ongoing)

Unanimous Consent Request

On request by Broadsword, granted by unanimous consent, the FY 2012 budget for the Department of Environmental Quality was reopened.

Carried **Original Motion**

Moved by Broadsword, seconded by Ringo, to approve for introduction \$0 General Fund, \$671,200 dedicated funds, \$0 federal funds for a total of \$671,200 with FTP of 0.00.

Ayes: 16

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Ringo

Nays: 0

Ab/Ex: 4

LeFavour, Thompson, Vander Woude, Jaquet

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 Cameron.

IDAHO DEPARTMENT OF FISH AND GAME

Presenter: Ray Houston, Principal Analyst, Budget and Policy Analysis

Salary Equity Plan

The Governor recommended a series of permanent program transfers to implement a salary equity plan. It shifts \$129,700 out of the Administration Program to the other programs. The plan would achieve a 75% compa-ratio for 35 long-term employees with more than five years of service. It also increases to 72% the compa-ratio for 36 employees with solid service records that are currently being paid less than newly hired employees. This request includes supervision streamlining associated with the pay equity plan which eliminates one deputy director and one regional supervisor and shifts supervision to the adjoining regional supervisor and moves the fish screen unit to the regional fisheries manager. The salary equity plan also includes permanent increases for two positions that have substantially broadened their scope of work. This ongoing request uses existing funds and results in a net zero dollar department-wide fiscal impact while improving employee satisfaction and productivity.

Unanimous Consent Request

On request by Bair, granted by unanimous consent, the FY 2012 budget for the Department of Environmental Quality was reopened.

Carried **Original Motion**

Moved by Bair, seconded by Eskridge, to approve for introduction \$0 General Fund, \$0 dedicated funds, \$0 federal funds for a total of \$0 with FTP of 0.00.

Ayes: 17

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Ringo

Nays: 0

Ab/Ex: 3 LeFavour, Vander Woude, Jaquet

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 Cameron.

Construct Deyo Reservoir

The Governor recommends an additional appropriation in the amount of \$1,093,300 from federal funds (one-time) to complete the new Deyo fishing reservoir near Weippe. When completed, the 55-acre reservoir will be stocked with hatchery fish and is expected to support up to 50,000 hours of fishing pressure annually. The project, approved through the non-cog process in FY 2011, is expected to be complete in FY 2012. The federal funding requires a 25% match. The biggest part of the match comes from a \$200,000 Idaho Department of Parks and Recreation Waterways Improvement Fund grant (from Idaho's gas tax) already encumbered. The reservoir and restrooms will be maintained by citizen volunteers resulting in minimal maintenance responsibilities to the department. The request is \$22,100 in personnel costs, \$15,100 in operating expenditures and \$1,056,100 in capital outlay for a total of \$1,093,300.

Carried Original Motion

Moved by Bair, seconded by Eskridge, to approve for introduction \$0 General Fund, \$0 dedicated funds, \$1,093,300 federal funds for a total of \$1,093,300 with FTP of 0.00.

Ayes: 17

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Ringo

Nays: 0

Ab/Ex: 3

LeFavour, Vander Woude, Jaquet

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 Cameron.

Plan Springfield Hatchery

In 2008 Governor Otter signed the Idaho Accord, a ten-year agreement with the federal action agencies to address funding and implementation of projects for the benefit of fish and wildlife affected by the federal Columbia River power system and upper Snake River projects. The agreement committed about \$60 million from the Bonneville Power Administration users over a ten-year period. The Springfield Hatchery Master Plan addresses the next phase in the Snake River Sockeye Captive Brood Program through construction of a new sockeye smolt production hatchery in Bingham County (between Aberdeen and Blackfoot). The first phase of the program, the captive broodstock phase, has achieved sufficient success that the IDFG is proposing to initiate the next phase of population re-colonization. The proposed Springfield Hatchery will expand

capacity by 500,000 to 1 million smolts per year. The request includes \$6,800 in personnel costs and \$831,900 in capital outlay to complete all planning, design, and compliance work to take the project to the construction stage. The source of funding is federal Bonneville Power Administration funds. The Governor recommends an additional appropriation in the amount of \$838,700 from federal funds, one-time.

Carried **Original Motion**

Moved by Bair, seconded by Mortimer, to approve for introduction \$0 General Fund, \$0 dedicated funds, \$838,700 federal funds for a total of \$838,700 with FTP of 0.00.

Ayes: 17

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Ringo

Nays: 0

Ab/Ex: 3

LeFavour, Vander Woude, Jaquet

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 Cameron.

Ongoing Contract Projects

This request is to cover ongoing project-specific funding commitments from federal and private fund sources. Projects include: 1) fisheries habitat improvement, habitat effectiveness monitoring, and fisheries status funded by NOAA Fisheries; 2) hatchery improvements and coordination work funded by the U.S. Fish and Wildlife Service; 3) long-term mitigation projects funded by Rocky Mountain Power, Avista, and Idaho Power Company; 4) long-term mitigation projects funded by the Bonneville Power Administration, and 5) a fish stocking project with the city of Idaho Falls. The request includes one ongoing Wildlife FTP, \$1,367,700 in personnel costs, and \$3,099,600 in operating expenditures (mostly professional services and specific use supplies) for a total of \$4,467,300.

Carried **Original Motion**

Moved by Bair, seconded by Eskridge, to approve for introduction \$0 General Fund, \$1,211,900 dedicated funds, \$3,255,400 federal funds for a total of \$4,467,300 with FTP of 0.00. (\$33,400 fed ongoing, remainder is one-time.)

Ayes: 19

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Nays: 0

Ab/Ex: 1 LeFavour

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 Cameron.

One-Time Projects

The request is to cover one-time project specific commitments from federal and private fund sources. Projects funded by the National Oceanic and Atmospheric Administration (NOAA) include improvement work to the Potlatch River and Lemhi River drainages, habitat effectiveness monitoring, and fisheries status assessment. Projects funded by the U.S. Fish and Wildlife Lower Snake River Compensation Plan to include hatchery improvements, monitoring and evaluation. Funding through grants from the Idaho Department of Parks and Recreation is for boating access improvements. Funding from the Bonneville Power Administration is for fish ways and diversion improvements. Funding from Idaho Power Company is for microscopy equipment and fish-rearing containers. The request includes \$263,200 for personnel, \$167,900 for operating expenditures, and \$759,200 for capital outlay for a total of \$1,190,300. Capital items include \$120,000 for a heat pump, \$24,000 to remodel the bathroom at the McCall Hatchery, \$76,000 for trailer repairs, \$175,600 for pit tag (passive integrated transponder) arrays, \$120,000 for improvements to the Hayden Lake access site, \$191,400 for an irrigation system, \$20,400 for fiberglass rearing tanks, \$11,300 for residence improvements at Andrus WMA, \$2,500 for field equipment, and \$18,000 for a workstation at Blackfoot WMA.

Carried

Original Motion

Moved by Bair, seconded by Thompson, to approve for introduction \$0 General Fund, \$443,300 dedicated funds, \$747,000 federal funds for a total of \$1,190,300 with FTP of 0.00.

Ayes: 19

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Nays: 0

Ab/Ex: 1 LeFavour

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 Cameron.

OFFICE OF THE GOVERNOR: Office of Energy Resources

Presenter: Ray Houston, Principal Analyst, Budget and Policy Analysis

ARRA Stimulus Grants

The Office of Energy Resources learned in mid-December that the Federal Department of Energy may extend the performance period for the ARRA Stimulus State Energy Plan Grant through June 30, 2013. This would extend the period of time for Office of Energy Resources staff to do on-site verification, follow-up, and audits as required by the Department of Energy and the Office of Management and Budget. This extension will also allow the opportunity to redirect savings from projects that came in under budget, and redirect moneys from encumbered projects that were later cancelled. The request includes \$141,100 in personnel costs, and \$606,100 in operating expenditures for a total of \$747,200 from the American Reinvestment Fund. The majority of the operating expenditures will be directed to K-12 lighting upgrades.

Unanimous Consent Request

On request by Eskridge, granted by unanimous consent, the FY 2012 budget for the Office of the Governor, Office of Energy Resources, was reopened.

Carried

Original Motion

Moved by Eskridge, seconded by Bair, to approve for introduction \$0 General Fund, \$747,200 dedicated funds, \$0 federal funds for a total of \$747,200 with FTP of 0.00. From ARRA

Ayes: 19

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Nays: 0

Ab/Ex: 1 LeFavour

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 Cameron.

Carried

Original Motion

Moved by Eskridge, seconded by Bair, to approve for introduction \$0 General Fund, \$747,200 dedicated funds, \$0 federal funds for a total of \$747,200 with FTP of 0.00. From ARRA

Ayes: 19

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Nays: 0

Ab/Ex: 1 LeFavour

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 Cameron.

ADJOURNED

Senator Dean L. Cameron, Chairman

Peggy Moyer, Secretary

JFAC COMMITTEE MEETING MINUTES

2/16/12

The hearing was held in Room C310, Statehouse, commencing at 8:00 a.m. and concluding at 10:14 a.m. with Chairman Bell presiding.

Roll Call:

Senators: Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour

Representatives: Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Absent/Excused: None

GERMANE COMMITTEE REPORTS

House Commerce & Human Resources

Presenter: Representative Stephen Hartgen, Vice Chairman

- ❖ The following decision units, as recommended by the Governor, are recommended by the Commerce and Human Resources Committee with the exception of the Industrial Commission, salary increases:
 - Department of Commerce
 - Business and Jobs Development Program
 - Rural Initiative Program
 - Small Business Assistance Grants
 - Additional personnel cost
 - Small business credit initiative
 - IGEM
 - Department of Labor
 - Reed Act reauthorization - \$413.100

- Restore General Fund holdback
- Fund shift from miscellaneous to P & I
- General Fund phase out
- New cost accounting methodology
- New allocation methodology
- UI Claims Investigators - \$114,000
- Mainframe charges
- Move all CIS on budget - \$184,300
- Division of Human Resources
 - Performance Management System: I-PERFORM - \$31,600
- Industrial Commission

Presenter: Representative Sharon Block, Chairman

- ❖ Department of Health & Welfare, Division of Welfare and Child Welfare, FY 2012 supplemental Request
 - Priority #1
 - Medicaid Readiness , Health Care Reform - \$400,000 General Fund
The Department has less than 23 months to comply with the requirements for Medicaid eligibility. There is a 90% federal match equaling \$4 million. This will upgrade the computer system to enhance efficiencies in the Idaho eligibility process regardless of what may or may not change with the Federal Health Care Program
 - Priority #2: The following 5 items are equal in priority
 - Child support loss of federal match - \$1,695,800 from General Fund. General Fund dollars will be matched at a 66/34 rate equal \$5 million.
 - This will make up for the \$5 million shortfall recently experienced when the federal government eliminated a federal match. Five million dollars is almost 35% of the entire Child Support budget.
 - This funding will ensure that the department can continue to operate an effective Child Support program and eliminate the risk of penalties.
 - Federal adoption incentive payment - \$1,000,000 supplemental spending authority. This request for spending authority is due to a federal award for the number of adoptions completed.
 - Last year Child Welfare received \$1.3 million in supplemental federal funds.
 - \$800,000 would be used in Foster and Assistance, associated with the increased number of adoptions and \$200,000 in operating funds to invest in efficiencies and economies by streamlining practices and utilization of new technologies.
 - TANF MOE, Temporary Assistance for Needy Families Maintenance of Effort -- \$951,100.
 - This funding corrects a 2009 legislative audit finding that the Department was incorrectly counting certain funds as MOE.
 - The Department lacks needed General Fund moneys

- Failure to meet obligations results in a penalty
- This includes an additional \$500,000 from the General Fund beginning in FY 2013 for a total annualization of \$1,451,100
- Energy Assistance spending authority - \$6,639,8000 spending authority
 - For the (LIHEAP) and weatherization program for low income families
 - One-time spending of \$609,300 in dedicated funds from grocery tax credit donations collected over the past three years and \$203,100 anticipated to be donated in FY 2012
 - Includes ARRA funding of \$5,827,400
- SNAP Multiple Day Issuance, Food Stamps --\$550,000 spending authority
 - The committee recommends this decision unit
- ❖ DHW- Division of Child Welfare – FY 2013 budget request
 - Priority #1
 - Medicaid Readiness Health Care Reform - \$1 million General Fund, \$9 million federal funds
 - \$1 million in general funds matched with 90% federal funds-- \$10million
 - Restructure entire Medicaid noticing system
 - Re-writing rules engine, and change the interface structure IBES, the eligibility system and MMIS
 - Priority #2
 - SNAP Multiple Day Issuance -- \$220,000 spending authority
 - Federal funds to pay salaries and benefits for four un-funded positions
 - Maintenance of new EBT machines
 - Half is part of the performance bonus award program received— other half is matching federal funds
 - Priority #3
 - Increase foster care payment - - \$309,000 General Fund, if available
 - Federal match for a total of \$1,026,000
 - Present lower rates may increase turnover of foster families
 - New federal requirements make meeting the standards difficult, and will result in fines

Senate Commerce & Human Resources Committee

Presenter: Senator John Andreason, Chairman

- ❖ Four years since state employees have received a cost of living adjustment
 - Idaho's public servants are its greatest assets
 - Failure to adjust salaries has significant impact on the state's effective management and long-term economic growth

- Managers across government have shared concerns about the impacts of failing to keep compensation competitive
- We have created uncertainty for teachers, discouraging the best and brightest from joining this important profession
- The responsible course of action is to institute an across-the-board ongoing three percent salary increase
- Message to employees about their value would significantly improve
- This action will help to retain the current hard working state employees and ensure that Idaho state government is again a good career choice

Senate Judiciary & Rules Committee

Presenter: Senator Denton Darrington, Chairman

- ❖ Quote from the Idaho State Constitution
 - “All men have the right to be safe in their home and in the community”
- ❖ Adult Correction work is not easy – pay is low
- ❖ Idaho State Police have 18 positions open
 - Strengthen patrol on interstate: now more drivers on the road
 - Need more officers
 - More time to investigate drug traffic & paraphernalia
- ❖ Youth Courts are effective
- ❖ County participation

House Judiciary & Rules Committee

Presenter: Representative Rich Wills, Chairman

- ❖ Thirty-two RS's this year
- ❖ State Police and the Department of Correction are fortunate that they have not lost more people
 - Driving cases are consuming to take them off the road
 - Lack of protection for the people
- ❖ Courts have four magistrate judge vacancies
- ❖ Retirement fund is diminishing
- ❖ Treatment fund is effective and efficient
- ❖ Juvenile Corrections

Senate Transportation Committee

Presenter: Senator Jim Hammond, Chairman

- ❖ State plan has three goals
 - Recognize importance of economic development
- ❖ Bridges are old –most over 50 years
 - Raising income to sustain maintenance
- ❖ Important for the transportation system to receive some general fund money
 - Diminishing revenue from gas tax
 - Way past the “pay-as-you go” approach- it does not work

Senate Resources & Environment Committee

Presenter: Senator Monty Pearce, Chairman

- ❖ Parks
 - Maintenance costs need to be addressed
 - Water problem
 - CEC flexibility
- ❖ Endangered Species
 - Grouse is a serious problem
- ❖ Soil and Water Conservation Districts
 - Most effective with volunteers
- ❖ Fish & Game dedicated funds need strengthening to hold together
- ❖ Department of Water Resources
 - Recommends giving flexibility to director to carry out business plan
 - Most effective at this time

House Health & Welfare Committee

Presenter: Janice McGeachin, Chairman

- ❖ \$100 million increase for Medicaid is not sustainable
- ❖ H & W committee's proposal for modernization plan
 - Phase 1- Medicaid Readiness
 - Efficiency
 - Qualify
 - Verification
- ❖ Deficiencies in the Welfare System
 - Basic programs
 - Eligibility
- ❖ Budget
 - Indirect Support Services supplemental for treatment center
 - Prepare master plan
 - CEC
 - Department concerns about keeping people
 - Medical Assistance supplemental request
 - Appropriate efforts to reconcile problem of unpaid bills
 - #2 supplemental – HB 701 and HB 260
 - Federal government update
 - Billing system should be one-time cost
 - Other supplemental recommended
 - Rate increase
- ❖ ARRA available
- ❖ Create a master record
- ❖ Duplication of effort

Senate Health & Welfare Committee

Presenter: Patti Anne Lodge, Chairman

- ❖ As a compassionate state, but with a limited amount of taxpayer dollars, it is important that we fund programs that are providing positive results and encouraging people who might just need a hand up to become responsible for themselves and their families.
- ❖ Many organizations, including non-profits and faith-based groups are ready and able to offer that hand-up to folks who need assistance.
 - Taxpayers could save millions of dollars if our partnership with these organizations was more cooperative
- ❖ Promoting personal responsibility and accountability for one's family's health care as we transition to Managed Care for Medicaid recipients could help save millions of dollars
- ❖ Educating people about the importance of having a medical home for their health care needs, rather than the emergency room, can bring savings
- ❖ Prevention of disease and conditions will be less costly in the future
- ❖ Individuals must be encouraged to take an active role in becoming healthier
 - Healthy food selections
- ❖ Substance abuse costs this state million of dollars each week
 - Many programs help people with this terrible affliction
 - Those who are in treatment programs should help pay for their care
 - They must have some "skin in the game" so they appreciate the help they receive and use the program wisely
 - When they pay back, that money should be placed in a special deposit to help others overcome addictions, so that many more can find a way out from addiction
- ❖ Last year HB 260 reduced programs. If funds are available, the committee encourages funding for three programs:
 - Remove the need to choose for Medicaid patients with both Developmental Disability and Mental Health diagnosis
 - Expand dental to include those on the DD and A & D waivers
 - This will cost approximately \$1.5 million but will cut back on emergency room, other health services and correction costs
- ❖ Request funding the Suicide Hotline—Idaho has a high suicide rate
- ❖ Numerous calls for extra funding for mental health services for illnesses that cost taxpayers millions and limit productivity for some citizens
 - It is hopeful that changes to the behavioral health programs will reduce cost to:
 - Corrections
 - Juvenile Services
 - Families, businesses
 - Health care in general
- ❖ There are so many demands on our tax dollars, with budget restraints
 - Work hard to find solutions to pressing needs
 - Look to get the most for the dollars

- Seek accountability
- What can be accomplished with available dollars
- ❖ Constituents are asking to:
 - Prioritize programs
 - Eliminate waste
 - Address fraud abuse
 - Address duplication and inefficiencies
 - Must be sensitive to their concerns, yet care for our most vulnerable citizens with programs that are cost effective and efficient
- ❖ Partner with the resources that are available in the community;” neighbor helping neighbor” before government services are sought

ADJOURNED

Maxine Bell, Chairman

Kathryn Yost, Secretary

JFAC COMMITTEE MEETING MINUTES

2/17/12

The hearing was held in C310, Statehouse, commencing at 8:00 a.m. and concluding at 11:17 a.m. with Chairman Cameron presiding.

Roll Call:

Senators: Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour

Representatives: Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Excused: None

Staff Present: Headlee, Holland-Smith

GERMANE COMMITTEE REPORTS, CONTINUED

Senate Local Government and Taxation

Presenter: Senator Tim Corder, Chairman

- ❖ House & Senate Tax Committees met to discuss what can be done by the Legislature to provide economic incentives:
 - Eliminate Personal Property Tax
 - Lower Tax Rates
 - Research and Development/Education

- Stability/Simplification of Tax Structure
- Incentives
- ❖ Tax legislation must start in the House but tax policy is the responsibility of every legislator
- ❖ Some questions that have been discussed - yet to be answered
 - How to stimulate the economy with “X” (must define “X”)
 - When is the right time for tax relief
- ❖ Some issues that are coming
 - Urban renewal legislation (little desire in the Senate to make any changes)
 - Developers’ discount
 - Surplus eliminator
 - Personal property tax
 - ❖ Currently working on the definition
 - ❖ Then will work on a reporting mechanism
 - ❖ Goal is to keep counties whole
 - ❖ When counties are whole, will be able to establish an index

House Education Committee

Presenter: Representative Bob Nonini, Chairman

- ❖ Chairman’s comments reflect his personal opinion, not the committee
 - Supports tenets of Superintendent Luna’s revised budget request
 - ❖ Fully fund *Students Come First*
 - ❖ Including \$38 million for ‘pay for performance’.
 - ❖ \$18 million to fund the “fifth factor” (take money out of salary-based apportionment to fund ‘pay for performance’ and technology)
 - ❖ Supports the Superintendent’s request for \$2.5 million for district IT staff training (unanimous recommendation of the Technology Task Force)
 - ❖ Supports 2% discretionary increase
 - ❖ Regarding IDLA – must decide how much to fund
 - IDLA must become more competitive and self-sufficient
 - IDLA currently has 17,000 enrollees
 - HB 426 “8 in 6 accelerated student program”
- ❖ Higher Education
 - Supports \$8.3 million for workload adjustment
 - Supports Governor’s request
 - OPE Study – barriers to higher education
- ❖ Policy should drive budget, not budget driving policy-House Education Committee is a germane policy committee
- ❖ Charter Schools
 - Chair wants to remove caps- Ed Board and Charter Commission supports

Senate Education Committee

Presenter: John Goedde, Chairman

- ❖ Committee recommendations in order of priority
 - Supports the 'pay for performance' line item statutorily mandated
 - Supports the basis for Superintendent Luna's growth estimate with the understanding that PSEF must maintain a funding level to support actual growth over the 50 support units
 - Supports backfilling the 2.38% salary-based apportionment realizing it will need to be considered in subsequent years unless built into the base
 - IDLA
 - Superintendent requested \$2.5 million for district IT staffing which was a recommendation from the Technology Task Force
 - Supports efforts to maintain discretionary funding, at least at current level
 - Supports maintaining current funding for Idaho Public Television and an assessment of its critical needs for additional funding possibilities
 - Supports adding funds to PESF as available; need stability to face future potential federal funding cutbacks and to weather any future storms
- ❖ As funding becomes more available to the public education system, the Legislature should again create silos so state funding can be directed toward the state's needs
 - Funding for programs like Safe and Drug-free schools, facilities maintenance, and Gifted and Talented programs has been moved locally, in some cases, to fill other short-term needs
- ❖ Higher Education; the Committee Supports:
 - The Governor's recommendation regarding enrollment workload adjustments
 - A compensation increase – but asks JFAC to consider how revenue from tuition increases has been spent in personnel over the last two fiscal years
 - Funding CAES and IGEM since both will better direct university research to economic growth and job creation
 - The Governor's recommendation for occupancy costs
 - The need to fund the stabilization account as moneys become available
 - The Committee understands the need to adjust community college funding to achieve equity for College of Western Idaho due to enrollment growth
 - Request from Professional-Technical Education at OSBE for equipment- might be part of the \$5 million set aside for replacement items
- ❖ Another Concern: post-secondary students have seen large increases in tuition which leads to more student debt

STATEWIDE BUDGET DECISIONS

Presenter: Cathy Holland-Smith, Division Manager, Budget & Policy Analysis

Accept Governor's FY 2012 Revenue Estimate

Carried **Original Motion**

Moved by Bell, seconded by Keough, that the Joint Finance-Appropriations Committee adopt and use for FY 2012 the Governor's recommended General Fund revised revenue projection of \$2,552,710,000 for the purpose of setting and modifying state agency budgets.

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Cameron.

Accept EORAC 4.5% Revenue Estimate

Original Motion

Moved by Bell and seconded by Bolz, that the Joint Finance-Appropriations Committee adopt and use for FY 2013, the Economic Outlook and Revenue Assessment Committee's (EORAC) recommendation of a 4.5% increase in General Fund revenue, as compared to FY 2012, of \$2,667,582,000 for the purpose of setting state agency budgets.

Failed **Substitute Motion**

Moved by Ringo, seconded by Jaquet, that the Joint Finance-Appropriations Committee adopt and use the Governor's FY 2013 revised recommended revenue estimate of a 5.78% increase in General Fund revenue as compared to FY 2012, of \$2,700,260,000 for the purpose of setting state agency budgets.

Ayes: 4

Bilyeu, LeFavour, Ringo, Jaquet

Nays: 16

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude

Ab/Ex: 0

Carried Vote on Original Motion

Ayes: 16

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude

Nays: 4

Bilyeu, LeFavour, Ringo, Jaquet

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 Cameron.

Accept JFAC Adjusted for FY 2013

BENEFIT CHANGES: Include the Governor's recommendation to restore the funding removed in FY 2011 for health insurance premium holidays of \$1,400 per eligible full-time FTP and cost increases of \$110 per eligible full-time FTP.

INFLATIONARY ADJUSTMENTS: Do not include any of the requested or recommended General Fund, dedicated funds, or federal funds inflationary adjustments in the JFAC Adjusted. Committee members may, at their discretion, add back funding in their motions on a case-by-case basis.

REPLACEMENT ITEMS: The Governor's recommendation for one-time funding for replacement operating expenditures and capital outlay in dedicated and federal funds. Committee members may, at their discretion, add funding in their motions on a case-by-case basis.

STATEWIDE COST ALLOCATION: The agency's request and the Governor's recommendation for adjustments for State Controller fees, State Treasurer fees, Attorney General fees, and Department of Administration increases for liability insurance and state building rent and maintenance.

ANNUALIZATIONS: The Governor's recommendation for the Department of Environmental Quality, Waste Management and Remediation Program of \$900,000 in dedicated funds.

CHANGE IN EMPLOYEE COMPENSATION FOR ELECTED OFFICIALS: Provide \$18,300 from the General Fund for a variable pay increase for statewide elected officials as recommended by the Governor in accordance with Idaho Code.

Carried**Original Motion**

Moved by Bell, seconded by Bolz, to approve for introduction JFAC Adjusted items 1 through 6 for FY 2013 as shown above.

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Cameron.

Change in Employee Compensation (CEC)

TWO PERCENT CHANGE IN EMPLOYEE COMPENSATION (CEC): Provide funding for an **ongoing 2% CEC** for state agencies including community colleges and appointed officials in the Tax Commission, Public Utilities Commission, and the Industrial Commission. The motion includes funding for judges and magistrates in the Judicial Branch, employees of the School for the Deaf and Blind, and classified employees in public schools who are not eligible for 'pay for performance' as part of "Students Come First" initiative @ 50 new support units.

General Fund:	CEC Category	In Line Item
State Agencies	\$9,846,500	
Elected Officials/Appointed Officials	(\$18,300)	\$6,600
Judges & Magistrates		\$370,800
School for Deaf and Blind	\$106,600	
Public Schools Classified Employees	\$2,233,000	
Subtotal General Fund	\$12,167,800	\$377,400
Dedicated Funds:	\$7,301,000	\$14,800
Federal Funds	\$2,958,500	
Total All Funds	\$22,427,300	\$392,200
2% CEC Total		\$22,819,500

Original Motion

Moved by Keough, seconded by Bolz, to provide funding for an **ongoing 2% CEC** as shown above.

Substitute Motion

Moved by Mortimer, seconded by Vander Woude, to provide funding for a **one-time 2% CEC** as shown above.

Amended Substitute Motion

General Fund:	CEC Category	In Line Item
State Agencies	\$14,769,000	
Elected Officials/Appointed Officials	(\$18,300)	\$9,900
Judges & Magistrates		\$556,200
School for Deal and Blind	\$159,900	
Public Schools Classified Employees	\$3,349,500	
Subtotal General Fund	\$18,260,100	\$566,100
Dedicated Funds:	\$10,951,500	\$22,200
Federal Funds	\$4,437,800	
Total All Funds	\$33,649,400	\$588,300
2% CEC Total		\$34,237,700

Failed **Vote on Amended Substitute Motion**

Moved by Jaquet, seconded by Bilyeu, to provide funding for an **ongoing 3% CEC** as shown above.

Ayes: 4

Bilyeu, LeFavour, Ringo, Jaquet

Nays: 16

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude

Ab/Ex: 0

Failed **Vote on Substitute Motion**

(2% one-time CEC)

Ayes: 1

Mortimer

Nays: 19

Cameron, Keough, Broadsword, Bair, Brackett, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Ab/Ex: 0

Carried **Vote on Original Motion**

(CEC 2% Ongoing)

Ayes: 16

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude

Nays: 4

Bilyeu, LeFavour, Ringo, Jaquet

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 Cameron.

Employee Compensation and Benefits

EMPLOYEE COMPENSATION AND BENEFITS. The Legislature recognizes and thanks all state workers for their dedication, professionalism, and for the personal sacrifices they make every day in the performance of their duties to serve our citizens. In accordance with the provisions of Idaho Code, Section 67-5309C, the Legislature supports the Governor's recommendation in not making changes in annual salaries and benefits for state employees based upon labor markets or specific occupational inequities; directs agencies and institutions that have excess personnel cost appropriations or salary savings due to turnover to use such funding for a merit increase component, notwithstanding the provisions of Section 67-5309B(4) Idaho Code, to recognize and reward permanent and temporary state employees; and does provide funding to agencies and institutions to provide a three percent (3%) pay increase for all classified and non-classified permanent performing employees. Performing employees shall be all permanent employees, including adjunct faculty at college and universities, who have been rated as "achieves" or better on a performance plan if required by DHR rule, including probationary permanent employees making satisfactory progress. The Legislature supports the Governor's recommendation to fund increases in the cost of health insurance benefits and directs the director of the Department of Administration, as the administrator of the state insurance plan, to maintain the current benefit package to the extent possible, which may require a cost sharing on the part of employees for the increased cost of the health insurance plan.

Original Motion

Moved by Wood, seconded by Heider, to approve for introduction the **above language** regarding employee compensation and benefits.

EMPLOYEE COMPENSATION AND BENEFITS. The Legislature recognizes and thanks all state workers for their dedication, professionalism, and for the personal sacrifices they make every day in the performance of their duties to serve our citizens. In accordance with the provisions of Idaho Code, Section 67-5309C, the Legislature supports the Governor's recommendation in not making changes in annual salaries and benefits for state employees based upon labor markets or specific occupational inequities; directs agencies and institutions that have excess personnel cost appropriations or salary savings due to turnover to use such funding for a merit increase component, notwithstanding the provisions of Section 67-5309B(4) Idaho Code, to recognize and reward permanent and temporary state employees; and does provide funding to agencies and institutions to provide funding in the amount equivalent to a two percent (2%) pay increase for all classified and non-classified permanent performing employees. Agency directors, with the approval of the Divisions of Human Resources and Financial Management, are to be afforded flexibility to use these funds to address personnel needs in their individual agencies. Performing employees shall be all permanent employees, including adjunct faculty at colleges and universities, who have been rated as "achieves" or better on a performance plan if required by DHR rule, including probationary permanent employees making satisfactory progress. The Legislature supports the Governor's recommendation to fund increases in the cost of health insurance benefits and directs the director of the Department of Administration, as the administrator of the state insurance plan, to maintain the current benefit package to the extent possible, which may require a cost sharing on the part of employees for the increased cost of the health insurance plan.

Substitute Motion

Moved by Hagedorn, seconded by Heider, to approve for introduction the **above language** regarding employee compensation and benefits.

Disclosure of Possible Conflict of Interest

Pursuant to House Rule 38, Representative Jaquet disclosed she has a possible conflict of interest under applicable law; she does plan to vote on the issue currently before the Committee.

Failed

Vote on Substitute Motion

Ayes: 7

Bair, Mortimer, Toryanski, Patrick, Hagedorn, Thompson, Vander Woude

Nays: 13

Cameron, Keough, Broadsword, Brackett, Heider, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Ringo, Jaquet

Ab/Ex: 0

Carried **Vote on Original Motion**

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Cameron.

ADJOURNED

Senator Dean L. Cameron, Chairman

Peggy Moyer, Secretary

JFAC COMMITTEE MEETING MINUTES

2/20/12

The hearing was held in Room C310, Statehouse, commencing at 8:00 a.m. and concluding at 9:50 a.m. with Chairman Bell presiding.

Roll Call:

Senators: Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour

Representatives: Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Absent/Excused: None

Staff Present: Burns, Ellsworth, Houston, Lockett

Others Present: Teresa Luna, Department of Administration

SUPPLEMENTAL APPROPRIATION: Commission for Pardons & Parole

Presenter: Richard Burns, Principal Analyst, Budget & Policy Analysis

Personnel cost shortfalls currently exist within the Commission.

Unanimous Consent Request

On request by Bolz, granted by unanimous consent, FY 2012 budget for the Department of Correction was reopened

Carried Original Motion

Moved by Bolz, seconded by Wood, to approve for introduction \$36,100 General Fund, \$0 dedicated funds, \$0 federal funds for a total of \$36,100 with FTP of 0.00.

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Bell.

DEPARTMENT OF CORRECTION: County & Out-of-State Placement

Inmate Housing Shortfall

Unanimous Consent Request

On request by Bolz, granted by unanimous consent, the FY 2012 budget for the Department of Correction was reopened.

Carried Original Motion

Moved by Bolz, seconded by Brackett, to approve for introduction \$1,500,000 General Fund, \$0 dedicated funds, \$0 federal funds for a total of \$1,500,000 with FTP of 0.00.; ongoing.

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Bell.

DEPARTMENT OF CORRECTION: Education & Treatment

Community Treatment Re-alignment

Carried **Original Motion**

Moved by Bolz, seconded by LeFavour, to approve for introduction \$0 General Fund, \$0 dedicated funds, \$0 federal funds for a total of \$0 with FTP of 0.00. Shift \$625,200 GF from T/B to other: \$595,200 to Personnel; \$30,000 to Operating: net zero

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Bell.

DEPARTMENT OF JUVENILE CORRECTIONS: Substance Abuse Services

Correctional Program Coordinator

Unanimous Consent Request

On request by Bolz, granted by unanimous consent, the FY 2012 budget for the Department of Juvenile Corrections was reopened

Carried **Original Motion**

Moved by Bolz, seconded by Wood, to approve for introduction \$0 General Fund, \$0 dedicated funds, \$0 federal funds for a total of \$0 with FTP of 1.00. Transfer \$121,400 GF from T/B to other: \$77,300 to Personnel; \$44,100 to Operating: net zero

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Bell.

DEPARTMENT OF HEALTH AND WELFARE: Service Integration

Presenter: Matt Ellsworth, Senior Analyst, Budget & Policy Analysis

Request for \$700,000 in federal TANF funds to provide emergency assistance and other aid to families with children experiencing temporary crises.

Unanimous Consent Request

On request by Wood, granted by unanimous consent, the FY 2012 budget for the Department of Health and Welfare was reopened.

Carried

Original Motion

Moved by Wood, seconded by Broadsword, to approve for introduction \$0 General Fund, \$0 dedicated funds, \$700,000 federal funds for a total of \$700,000 with FTP of 0.00. Ongoing spending authority

Ayes: 19

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Nays: 0

Ab/Ex: 1 Eskridge

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 Bell.

Division of Welfare: Self-Reliance Operations

Child Support Loss of Federal Match

Carried

Original Motion

Moved by Jaquet, seconded by Bair, to approve for introduction \$1,695,800 General Fund, \$0 dedicated funds, \$(1,695,800) federal funds for a total of \$0 with FTP of 0.00. Ongoing.

Ayes: 19

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Nays: 0

Ab/Ex: 1 Eskridge

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 Bell.

STATE INDEPENDENT LIVING COUNCIL

Request a one-time increase of \$45,000 in dedicated funds for a contract with the Idaho Coalition Against Sexual and Domestic Violence.

Unanimous Consent Request

On request by Broadsword, granted by unanimous consent, the FY 2012 budget for the Idaho State Independent Living Council was reopened.

Carried

Original Motion

Moved by Broadsword, seconded by Jaquet, to approve for introduction \$0 General Fund, \$45,000 dedicated funds, \$0 federal funds for a total of \$45,000 with FTP of 0.00.

Ayes: 19

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Nays: 0

Ab/Ex: 1 Eskridge

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 Bell.

STATE INDEPENDENT LIVING COUNCIL

Request for a one-time increase in federal funds for a contract with the Department of Health and Welfare, Division of Medical Assistance Services, for the Idaho Home Choice Money Follows the Person grant.

Carried

Original Motion

Moved by Jaquet, seconded by Broadsword, to approve for introduction, \$0 General Fund, \$0 dedicated funds, \$68,000 federal funds for a total of \$68,000 with FTP of 0.00.

Ayes: 19

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Nays: 0

Ab/Ex: 1 Eskridge

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 Bell.

BOARD OF LAND COMMISSIONERS: Endowment Fund Investment Board

Presenter: Ray Houston, Principal Analyst, Budget & Policy Analysis

Endowment Fund Investment Board for FY 2012, the ongoing budget reallocation.

Unanimous Consent Request

On request by Patrick, granted by unanimous consent, to reopen the FY 2012 budget for the Endowment Fund Investment Board.

Carried

Original Motion

Moved by Patrick, seconded by Mortimer, to approve for introduction \$0 General Fund, \$0 dedicated funds, \$0 federal funds for a total of \$0 with FTP of 0.00. Object Transfer Net to Zero

Ayes: 19

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Nays: 0

Ab/Ex: 1 Eskridge

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 Bell.

Legislative Intent Language

“To make changes in the fiscal year 2012 legislative intent for the Endowment Fund Investment Board as follows: First, change the a total transfer from \$46,041,000 to \$46,425,000; second, correct the Charitable Institutions transfer from \$2,964,000, to \$2,964,600; and third, adjust the Mental Hospital transfer from \$1,917,600 to \$2,301,600.”

Unanimous Consent Request

Upon request by Patrick, granted by unanimous consent, to correct legislative intent language as shown above.

DEPARTMENT OF WATER RESOURCES

Presenter: Ray Houston, Principal Analyst, Budget & Policy Analysis

Water Storage & and Supply Issues

Carried **Original Motion**

Moved by Brackett, seconded by Patrick, to approve for introduction \$25,000 General Fund, \$0 dedicated funds, \$0 federal funds for a total of \$25,000 with FTP of 0.00.

Ayes: 19

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Nays: 0

Ab/Ex: 1 Eskridge

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 Bell.

DEPARTMENT OF AGRICULTURE

Poultry Inspection Program

No spending authority was passed before legislative session for the Poultry Inspection Program.

Unanimous Consent Request

On request by Patrick, granted by unanimous consent, to reopen the FY 2012 budget for the Department of Agriculture.

Carried **Original Motion**

Moved by Patrick, seconded by Thompson, to approve for introduction \$0 General Fund, \$5,000 dedicated funds, \$0 federal funds for a total of \$5,000 with FTP of 0.00.

Ayes: 19

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Nays: 0

Ab/Ex: 1 Eskridge

The majority having voted in the affirmative, the motion has passed and there being no objection will carry a DO PASS recommendation.

Plant Industries

Quality Assurance Lab

Carried

Original Motion

Moved by Patrick, seconded by Brackett, to approve for introduction \$0 General Fund, \$175,000 dedicated funds, \$0 federal funds, for a total of \$175,000 with FTP of 0.00.

Ayes: 19

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Nays: 0

Ab/Ex: 1 Eskridge

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 Bell.

Market Development

Specialty Crop Program

Carried

Original Motion

Moved by Patrick, seconded by Brackett, to approve for introduction \$0 General Fund, \$0 dedicated funds, \$275,000 federal funds for a total of \$275,000 with FTP of 0.00.

Ayes: 19

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Nays: 0

Ab/Ex: 1 Eskridge

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 Bell.

DEPARTMENT OF ADMINISTRATION

Information Technology

Presenter: Robyn Lockett, Analyst, Budget & Policy Analysis

Unanimous Consent Request

Upon request by Toryanski, granted by unanimous consent, to reopen the FY 2012 Budget for the Department of Administration.

IT Systems Analyst—this position will support the state’s Enterprise Consolidated Messaging System. Revenue to support this request comes from a combination of support fees from the Division of Human Resources and the Department of Administration

Carried Original Motion

Moved by Toryanski, seconded by Mortimer, to approve for introduction \$0 General Fund, \$62,900 dedicated funds, \$0 federal funds for a total of \$62,900 with FTP of 1.00.: ongoing.

Ayes: 19

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Nays: 0

Ab/Ex: 1 Eskridge

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 Bell.

Insurance Management Program

Request positions to help ensure the state maintains an efficient and effective Office of Group Insurance. Revenue to support this request comes from the Employee Group Insurance Fund and the increased level of service will benefit all state employees.

Carried Original Motion

Moved by Toryanski, seconded by Cameron, to approve for introduction \$0 General Fund, \$150,000 dedicated funds, \$0 federal funds for a total of \$150,000 with FTP of 2.0.; ongoing.

Ayes: 19

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Nays: 0

Ab/Ex: 1 Eskridge

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 Bell.

ADJOURNED

Maxine Bell, Chairman

Kathryn Yost, Secretary

JFAC COMMITTEE MEETING MINUTES

2/21/12

The hearing was held in C310, Statehouse, commencing at 8:00 a.m. and concluding at 9:05 a.m. with Chairman Cameron presiding.

Roll Call:

Senators: Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour

Representatives: Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Excused: None

Staff Present: Houston, Bybee

SETTING FY2013 APPROPRIATIONS

DEPARTMENT OF FINANCE

Presenter: Keith Bybee, Principal Analyst, Budget and Policy Analysis

Carried Original Motion

Moved by Jaquet, seconded by Mortimer, to approve for introduction \$0 General Fund, \$6,399,800 dedicated funds, \$0 federal funds for a total of \$6,399,800 with FTP of 62.00.

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick,

Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Cameron.

SELF-GOVERNING AGENCIES

Division of Building Safety

Presenter: Keith Bybee, Principal Analyst, Budget and Policy Analysis

Carried **Original Motion**

Moved by Broadsword, seconded by Jaquet, to approve for introduction \$0 General Fund, \$11,188,000 dedicated funds, \$42,500 federal funds for a total of \$11,230,500 with FTP of 131.00.

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Cameron.

State Lottery

Carried **Original Motion**

Moved by Ringo, seconded by Bilyeu, to approve for introduction \$0 General Fund, \$5,274,600 dedicated funds, \$0 federal funds for a total of \$5,274,600 with FTP of 47.00.

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Cameron.

Legislative Intent Language

It is legislative intent that 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 State Lottery under the provisions of Section 67-7428, Idaho.

Unanimous Consent Request

Upon request by Ringo, granted by unanimous consent, the legislative intent language shown above was accepted.

Commission on Hispanic Affairs

Carried **Original Motion**

Moved by Keough, seconded by Brackett, to approve for introduction \$94,700 General Fund, \$87,500 dedicated funds, \$28,700 federal funds for a total of \$210,900 with FTP of 3.00.

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Cameron.

BOARD OF LAND COMMISSIONERS: Endowment Fund Investment Board

Presenter: Ray Houston, Principal Analyst, Budget and Policy Analysis

Carried **Original Motion**

Moved by Patrick, seconded by Thompson, to approve for introduction \$0 General Fund, \$607,600 dedicated funds, \$0 federal funds for a total of \$607,600 with FTP of 4.00.

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and there being no objection will carry a DO PASS recommendation.

Legislative Intent Language

SECTION 2. In accordance with Section 67-3519, Idaho Code, the Endowment Fund Investment Board is authorized no more than four (4) full-time equivalent positions at any point during the period July 1, 2012, through June 30, 2013, for the program specified in Section 1 of this act, unless specifically authorized by the Governor. The Joint Finance-Appropriations Committee will be notified promptly of any increased positions so authorized.

SECTION 3. The Endowment Fund Investment Board is hereby granted continuous appropriation authority for consulting fees, bank custodial fees, and portfolio-related external costs for the period July 1, 2012, through June 30, 2013.

SECTION 4. It is legislative intent that for fiscal year 2013, the Endowment Fund Investment Board transfer \$47,508,600 as follows: \$31,229,240 from the Public School Earnings Reserve Fund to the Public School Income Fund; \$916,800 from the Agricultural College Earnings Reserve Fund to the Agricultural College Income Fund; \$2,964,600 from the Charitable Institutions Earnings Reserve Fund to the Charitable Institutions Income Fund; \$2,670,000 from the Normal School Earnings Reserve Fund to the Normal School Income Fund; \$1,246,800 from the Penitentiary Earnings Reserve Fund to the Penitentiary Income Fund; \$2,997,600 from the Scientific School Earnings Reserve Fund to the Scientific School Income Fund; \$2,868,000 from the Mental Hospital Earnings Reserve Fund to the Mental Hospital Income Fund; and \$2,552,400 from the University Earnings Reserve Fund to the University Income Fund.

Unanimous Consent Request

On request by Patrick, granted by unanimous consent, the legislative intent language shown above was accepted.

OFFICE OF THE GOVERNOR: Office of Energy Resources

Presenter: Ray Houston, Principal Analyst, Budget and Policy Analysis

Carried Original Motion

Moved by Eskridge, seconded by Thompson, to approve for introduction \$0 General Fund, \$1,683,000 dedicated funds, \$943,300 federal funds for a total of \$2,626,300 with FTP of 14.00.

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Cameron.

Legislative Carryover Language

There is hereby re-appropriated to the Office of Energy Resources the unexpended and unencumbered balance of any American Reinvestment Fund moneys and any stimulus-related Indirect Cost Recovery Fund money re-appropriated for fiscal year 2012, to be used for nonrecurring expenditures only, for the period July 1, 2012, through June 30, 2013.

Unanimous Consent Request

On request by Eskridge, granted by unanimous consent, the legislative carryover language shown above was accepted.

PUBLIC UTILITIES COMMISSION

Presenter: Ray Houston, Principal Analyst, Budget and Policy Analysis

Carried Original Motion

Moved by Jaquet, seconded by Eskridge, to approve for introduction \$0 General Fund, \$5,137,200 dedicated funds, \$118,700 federal funds for a total of \$5,255,900 with FTP of 49.00.

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Cameron.

Legislative Intent Language

SECTION 3. That Section 61-215, Idaho Code, be, and the same is hereby amended to read, as follows:

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, 2008~~2012~~, the annual salary of members of the public utilities commission shall be ninety- ~~two~~four thousand ~~one~~ hundred ~~sixty seven~~ ~~ten~~ dollars (~~\$92,167~~) (\$94,010) and shall be paid from sources set by the legislature.

Unanimous Consent Request

On request by Jaquet, granted by unanimous consent, the legislative intent language shown above was accepted.

DEPARTMENT OF ENVIRONMENTAL QUALITY

Presenter: Ray Houston, Principal Analyst, Budget and Policy Analysis

Original Motion

Moved by Keough, seconded by Broadsword, to approve for introduction \$14,276,200 General Fund, \$11,624,800 dedicated funds, \$36,053,400 federal funds for a total of \$61,954,400 with FTP of 376.05

Substitute Motion

Moved by Ringo, seconded by LeFavour, to approve for introduction \$14,415,400 General Fund, \$11,723,200 dedicated funds, \$36,291,300 federal funds for a total of \$62,429,900 with FTP of 376.05.

Failed

Amended Substitute Motion

Moved by Jaquet, seconded by Bilyeu, to approve for introduction \$14,515,400 General Fund, \$11,723,200 dedicated funds, \$36,291,300 federal funds for a total of \$62,529,900 with FTP of 376.05.

Ayes: 4

Bilyeu, LeFavour, Ringo, Jaquet

Nays: 16

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude

Ab/Ex: 0

Failed

Vote on Substitute Motion

Ayes: 4

Bilyeu, LeFavour, Ringo, Jaquet

Nays: 16

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude

Ab/Ex: 0

Vote on Original Motion

Carried

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Cameron.

Vote on Transfer of Funds

Carried Original Motion

Keough moved, seconded by Broadsword, that it is hereby appropriated to the Department of Environmental Quality and the State Controller shall transfer \$1,500,000 (dedicated funds) from the Water Pollution Control Fund to the Environmental Remediation Basin Fund, through installments or as practicable for the period July 1, 2012 through June 30, 2013.

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Cameron.

Legislative Intent Language

SECTION 4. It is legislative intent that moneys deposited into the Environmental Remediation Basin Fund are to 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 each year with the Governor, the Legislature, and the Coeur d'Alene Basin Environmental Improvement Project Commission on the remediation progress and the expenditures involved.

SECTION 5. It is legislative intent that the appropriation of moneys from the Water Pollution Control Fund in this act specifically supersedes the provisions of Section 39-3630, Idaho Code.

Unanimous Consent Request

On request by Keough, granted by unanimous consent, the legislative intent language shown above was accepted.

ADJOURNED

Senator Dean L. Cameron, Chairman

Peggy Moyer, Secretary

JFAC COMMITTEE MEETING MINUTES

2/22/12

The hearing was held in Room C310, Statehouse, commencing at 8:00 a.m. and concluding at 9:14 a.m. with Chairman Bell presiding.

Roll Call:

Senators: Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour

Representatives: Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Absent/Excused: None

Staff Present: Ellsworth, Lockett

SETTING FY 2013 APPROPRIATIONS

PUBLIC HEALTH DISTRICTS

Presenter: Matt Ellsworth, Senior Analyst, Budget & Policy Analysis

Carried Original Motion

Moved by Broadsword, seconded by Ringo, to approve for introduction \$8,136,100 General Fund, \$0 dedicated funds, \$0 federal funds for a total of \$8,136,100 with FTP of 0.00.

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Bell.

CATASTROPHIC HEALTH CARE PLAN

Presenter: Matt Ellsworth, Senior Analyst, Budget & Policy Analysis

Carried **Original Motion**

Moved by Wood, seconded by Broadsword, to approve for introduction \$36,532,800 General Fund, \$0 dedicated funds, \$0 federal funds for a total of \$36,532,800 with FTP of 0.00.

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Bell.

Unanimous Consent Request

Upon request by Wood, granted by unanimous consent, the legislative intent language shown below was accepted.

Legislative Intent

Notwithstanding the provisions of Section 57-813, Idaho Code, it is the intent of the Legislature that, after financial obligations resulting from cases approved by the Catastrophic Health Care Cost Program Board of Trustees are paid, any unused funds in the Catastrophic Health Care Cost Account, as established by Section 57-813m Idaho Code, shall be transferred to the General Fund at the end of fiscal year 2013.

SELF-GOVERNING AGENCIES: Medical Boards

Presenter: Matt Ellsworth, Senior Analyst, Budget & Policy Analysis

Carried **Original Motion**

Moved by Broadsword, seconded by Wood, to approve for introduction \$0 General Fund, \$5,327,400 dedicated funds, \$50,200 federal funds for a total of \$5,377,600 with FTP of 43.30.

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Bell.

FY 2012 SUPPLEMENTAL APPROPRIATIONS

SELF-GOVERNING AGENCIES: Division of Veterans Services

Presenter: Matt Ellsworth, Senior Analyst, Budget & Policy Analysis

Unanimous Consent Request

On request by Eskridge, granted by unanimous consent, the FY 2012 budget for the Division of Veterans Services was reopened.

Clinical, Billing, Pharmacy Software

Carried Original Motion

Moved by Eskridge, seconded by Hagedorn, to approve for introduction \$0 General Fund, \$1,080,000 dedicated funds, \$920,000 federal funds for a total of \$2,000,000 with FTP of 0.00.

OT DED = \$1,026,000

OT FED = \$874,000

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Bell.

STATE BOARD OF EDUCATION: Division of Vocational Rehabilitation

Presenter: Matt Ellsworth, Senior Analyst, Budget & Policy Analysis

Unanimous Consent Request

Upon request by Broadsword, granted by unanimous consent, the FY 2012 budget for the Division of Vocational Rehabilitation was reopened. General Fund to Correct Ineligible Allocation to Vocational Rehabilitation

Carried Original Motion

Moved by Broadsword, seconded by Mortimer, to approve for introduction \$367,000 General Fund, \$0 dedicated funds, \$0 federal funds for a

total of \$367,000 with FTP of 0.00.

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Bell.

OFFICE OF THE GOVERNOR

Commission on Aging

Presenter: Matt Ellsworth, Senior Analyst, Budget & Policy Analysis

Unanimous Consent Request

On request by Broadsword, granted by unanimous consent, the FY 2012 budget for the Commission on Aging was reopened.

Disclosure of Possible Conflict of Interest

Pursuant to House Rule 38, Representative Bolz disclosed he has a possible conflict of interest under applicable law; he does plan to vote on the issue currently before the Committee.

The Commission requests \$810,000 in federal funds for the Older Americans Grant, OT

Carried

Original Motion

Moved by Broadsword, seconded by Jaquet, to approve for introduction \$0 General Fund, \$0 dedicated funds, \$810,800 federal funds for a total of \$810,800 with FTP of 0.00.

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Bell .

Commission for the Blind and Visually Impaired

Presenter: Matt Ellsworth, Senior Analyst, Budget & Policy Analysis

Unanimous Consent Request

On request by Jaquet, granted by unanimous consent, the FY12 budget for the Commission for the Blind and Visually Impaired was reopened.

The Commission requests \$217,500 in federal grant spending authority to receive an unused amount of basic support funding from the Division of Vocational Rehabilitation.

Carried **Original Motion**

Moved by Jaquet, seconded by Broadsword, to approve for introduction \$0 General Fund, \$0 dedicated funds, \$217,500 federal funds for a total of \$217,500 with FTP of 0.00.

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Bell.

DEPARTMENT OF HEALTH AND WELFARE

Division of Medical Assistance Services

Presenter: Matt Ellsworth, Senior Analyst, Budget & Policy Analysis

Unanimous Consent Request

On request by Wood, granted by unanimous consent, the FY 2012 budget for the Division of Medical Assistance Services was reopened.

The Medical Assistance Services Division requests \$950,000 from the General Fund and \$2,850,000 in federal funds for contractor services to complete the certification phase of the MMIS project (one-time).

Carried **Original Motion**

Moved by Wood, seconded by Bair, to approve for introduction \$950,000 General Fund, \$0 dedicated funds, \$2,850,000 federal funds for a total of \$3,800,000 with FTP of 0.00.

Ayes: 19

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Vander Woude, Ringo, Jaquet

Nays: 0

Ab/Ex: 1 Thompson

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 Bell.

Medicaid Management Information System (MMIS)

The Medical Assistance Services Division request \$430,500 from the General Fund and \$1,291,500 in federal funds for changes to the MMIS system resulting from H701 and H260, from the 2011 legislative session (one-time).

Carried **Original Motion**

Moved by Wood, seconded by Broadsword, to approve for introduction \$430,500 General Fund, \$0 dedicated funds, \$1,291,500 federal funds for a total of \$1,722,000 with FTP of 0.00.

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Bell.

Basic Medical Plan, Enhanced Medicaid Plan: SCHIP Vaccines

The Medical Assistance Services Division requests \$170,000 from the General Fund and \$680,000 in federal funds to provide vaccines for children under the State Children's Health Insurance Plan (SCHIP).

Carried **Original Motion**

Moved by Jaquet, seconded by Bair, to approve for introduction \$170,000 General Fund, \$0 dedicated funds, \$680,000 federal funds for a total of \$850,000 with FTP of 0.00.

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Bell.

Target Service Coordinator (TSC)

The Medical Assistance Services Division requests \$390,000 from the General Fund and \$810,000 in federal funds for a Targeted Service Coordination Provider rate increases (ongoing). Court ordered.

Carried Original Motion

Moved by Jaquet, seconded by Bair, to approve for introduction \$390,000 General Fund, \$0 dedicated funds, \$810,000 federal funds for a total of \$1,200,000 with FTP of 0.00.

Ayes: 19

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Thompson, Vander Woude, Ringo, Jaquet

Nays: 0

Ab/Ex: 1 Hagedorn

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 Bell.

Health Information Technology Plan

The Medical Assistance Services Division request \$360,000 in federal funds to develop the State Medicaid Health Information Technology Plan Implementation Advance Planning Document (1-APD) for the Medical Electronic Health Record Incentive Program (one-time).

Carried Original Motion

Moved by Wood, seconded by Broadsword, to approve for introduction \$0 General Fund, \$0 dedicated funds, \$360,000 federal funds for a total of \$360,000 with FTP of 0.00.

Ayes: 19

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Thompson, Vander Woude, Ringo, Jaquet

Nays: 0

Ab/Ex: 1 Hagedorn

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 Bell.

SETTING FY 2013 APPROPRIATIONS

OFFICE OF THE GOVERNOR

Division of Human Resources

Presenter: Robyn Lockett, Analyst, Budget & Policy Analysis

Carried **Original Motion**

Moved by Keough, seconded by Bolz, to approve for introduction \$0 General Fund, \$1,680,500 dedicated funds, \$0 federal funds for a total of \$1,680,500 with FTP of 13.00.

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Bell.

Public Employee Retirement System

Carried **Original Motion**

Moved by Thompson, seconded by LeFavour, to approve for introduction \$0 General Fund, \$13,442,000 dedicated funds, \$0 federal funds for a total of \$13,442,000 with FTP of 63.00.

Ayes: 19

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Nays: 0

Ab/Ex: 1 Patrick

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 Bell.

Commission on the Arts

Carried

Original Motion

Moved by LeFavour, seconded by Ringo, to approve for introduction \$686,800 General Fund, \$102,200 dedicated funds, \$1,000,900 federal funds for a total of \$1,789,900 with FTP of 10.00.

Ayes: 18

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Thompson, Vander Woude, Ringo, Jaquet

Nays: 1 Hagedorn

Ab/Ex: 1 Patrick

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 Bell.

ADJOURNED

Maxine Bell, Chairman

Kathryn Yost, Secretary

JFAC COMMITTEE MEETING MINUTES

2/23/12

The hearing was held in C310, Statehouse, commencing at 8:00 a.m. and concluding at 8:53 a.m. with Chairman Cameron presiding.

Roll Call:

Senators: Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour

Representatives: Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Excused: None

Staff Present: Headlee, Bybee

SETTING FY2013 APPROPRIATIONS

STATE BOARD OF EDUCATION

Agricultural Research and Extension

Presenter: Paul Headlee, Principal Analyst, Budget and Policy Analysis

Carried **Original Motion**

Moved by Brackett, seconded by Ringo, to approve for introduction \$23,604,100 General Fund, \$50,000 dedicated funds, \$0 federal funds for a total of \$23,654,100 with FTP of 277.79.

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Cameron.

Educational Public Broadcasting (IPTV)

Carried **Original Motion**

Moved by Bilyeu, seconded by Bell, to approve for introduction \$1,587,000 General Fund, \$965,700 dedicated funds, \$0 federal funds for a total of \$2,552,700 with FTP of 31.00. (One Time General Fund \$189,600)

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Cameron.

Professional-Technical Education

Carried **Original Motion**

Moved by Thompson, seconded by Mortimer, to approve for introduction \$48,259,600 General Fund, \$1,166,500 dedicated funds, \$8,648,100 federal funds for a total of \$58,074,200 with FTP of 529.18.

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Cameron.

INDUSTRIAL COMMISSION

Presenter: Keith Bybee, Principal Analyst, Budget and Policy Analysis

Carried **Original Motion**

Moved by Ringo, seconded by Heider, to approve for introduction \$0 General Fund, \$14,289,600 dedicated funds, \$805,100 federal funds for a total of \$15,094,700 with FTP of 137.25.

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Cameron.

Legislative Intent Language

SECTION 5. That Section 72-503, Idaho Code, be, and the same is hereby amended to read as follows:

72-503. SALARY. Commencing on July 1, 2008~~2012~~, the annual salary of each member of the industrial commission shall be ~~eighty-nine~~ninety-one thousand ~~seven hundred eleven~~five hundred five dollars (~~\$89,711~~)(\$91,505). 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.

Unanimous Consent Request

On request by Ringo, granted by unanimous consent, the legislative intent language shown above was accepted.

DEPARTMENT OF INSURANCE

Presenter: Keith Bybee, Principal Analyst, Budget and Policy Analysis

Carried **Original Motion**

Moved by Jaquet, seconded by Mortimer, to approve for introduction \$0 General Fund, \$7,529,000 dedicated funds, \$634,300 federal funds for a total of \$8,163,300 with FTP of 72.00.

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Cameron.

STATE TREASURER

Presenter: Keith Bybee, Principal Analyst, Budget and Policy Analysis

Carried **Original Motion**

Moved by Ringo, seconded by Mortimer, to approve for introduction \$1,341,600 General Fund, \$1,873,700 dedicated funds, \$0 federal funds for a total of \$3,215,300 with FTP of 26.00.

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Cameron.

Legislative Intent Language

SECTION . Of the amount appropriated in Section 1 of this act, \$435,900 or so much thereof as is necessary, is to be used solely and only for the payment of bank service fees for the period July 1, 2012, through June 30, 2013.

Unanimous Consent Request

On request by Ringo, granted by unanimous consent, the legislative intent language shown above was accepted.

FY 2012 SUPPLEMENTAL: STATE TAX COMMISSION

Presenter: Keith Bybee, Principal Analyst, Budget and Policy Analysis

Administration of New Auditorium District in Idaho Falls

The appropriation is to be used by the Tax Commission to administer and collect taxes for the newly created auditorium district in Idaho Falls.

Unanimous Consent Request

On request by Bolz, granted by unanimous consent, the FY 2012 budget for the State Tax Commission was reopened.

Carried

Original Motion

Moved by Bolz, seconded by Mortimer, to approve for introduction \$0 General Fund, \$65,400 dedicated funds, \$0 federal funds for a total of \$65,400 with FTP of 0.00. (\$5,900 is ongoing)

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Cameron.

Additional Litigation Support from the Multi-State Tax Compact

The appropriation is to be used by the Tax Commission to contest, in court, the conclusions and contentions of audit findings for businesses and individuals dealing with multi-state tax issues.

Carried **Original Motion**

Moved by Ringo, seconded by LeFavour, to approve for introduction \$0 General Fund, \$250,000 dedicated funds, \$0 federal funds for a total of \$250,000 with FTP of 0.00.

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Cameron.

Ongoing Federal Grant for Fuel Tax Compliance & Tax Evasion Prevention

The appropriation is to be used by the Tax Commission to ensure compliance and prevent evasion of fuel taxes. This grant is a pass-through from the Idaho Department of Transportation.

Carried **Original Motion**

Moved by Mortimer, seconded by Jaquet, to approve for introduction \$0 General Fund, \$0 dedicated funds, \$108,000 federal funds for a total of \$108,000 with FTP of 0.00.

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Cameron.

ADJOURNED

Senator Dean L. Cameron, Chairman

Peggy Moyer, Secretary

JFAC COMMITTEE MEETING MINUTES

2/24/12

The hearing was held in Room C310, Statehouse, commencing at 8:00 a.m. and concluding at 8:25 a.m. with Chairman Bell presiding.

Roll Call:

Senators: Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour

Representatives: Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Absent/Excused: None

Staff Present: Holland-Smith, Burns

SETTING FY 2013 APPROPRIATIONS

OFFICE OF THE GOVERNOR: Executive Office of the Governor

Presenter: Cathy Holland-Smith, Manager, Budget & Policy Analysis

Carried Original Motion

Moved by Thompson, seconded by Toryanski, to approve for introduction \$1,910,200 General Fund, \$0 dedicated funds, \$0 federal funds for a total of \$1,910,200 with FTP of 26.00.

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Bell.

LIEUTENANT GOVERNOR

Presenter: Cathy Holland-Smith, Manager, Budget & Policy Analysis

Carried **Original Motion**

Moved by Thompson, seconded by Toryanski, to approve for introduction \$142,800 General Fund, \$0 dedicated funds, \$0 federal funds for a total of \$142,800 with FTP of 3.00.

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Bell.

SELF GOVERNING AGENCIES: Office of State Appellate Public Defender

Presenter: Richard Burns, Principal Analyst, Budget & Policy Analysis

Carried **Original Motion**

Moved by Bolz, seconded by LeFavour, to approve for introduction \$2,053,300 General Fund, \$0 dedicated funds, \$0 federal funds for a total of \$2,053,300 with FTP of 22.00.

Ayes: 18

Cameron, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Nays: 0

Ab/Ex: 2 Keough, Eskridge

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 Bell.

OFFICE OF THE GOVERNOR: Military Division

Presenter: Richard Burns, Principal Analyst, Budget & Policy Analysis

Carried **Original Motion**

Moved by Bolz, seconded by Toryanski, to approve for introduction \$4,892,000 General Fund, \$3,398,600 dedicated funds, \$49,165,700 federal funds for a total of \$57,456,300 with FTP of 240.80.

Ayes: 19

Cameron, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Nays: 0

Ab/Ex: 1

Keough

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 Bell.

Legislative Intent Language

CONTINUOUS APPROPRIATION: The Military Division is hereby granted continuous appropriation authority for the Bureau of Homeland Security's Miscellaneous Revenue Fund for the period July 1, 2012, through June 30, 2013, for the purpose of covering incurred costs arising out of hazardous substance incidents.

Unanimous Consent Request

On request by Bolz, granted by unanimous consent, the legislative intent shown above was accepted.

ATTORNEY GENERAL

Presenter: Richard Burns, Principal Analyst, Budget & Policy Analysis

Carried **Original Motion**

Moved by Bolz, seconded by Bilyeu, to approve for introduction \$16,514,900 General Fund, \$1,165,700 dedicated funds, \$1,044,800 federal funds for a total of \$18,725,400 with FTP of 193.60.

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Bell.

ADJOURNED

Maxine Bell, Chairman

Kathryn Yost, Secretary

JFAC COMMITTEE MEETING MINUTES

2/27/12

The hearing was held in C310, Statehouse, commencing at 8:00 a.m. and concluding at 9:45 a.m. with Chairman Cameron presiding.

Roll Call:

Senators: Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour

Representatives: Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Absent/Excused: None

Staff Present: Houston, Ellsworth

SETTING FY2013 APPROPRIATIONS

DEPARTMENT OF FISH & GAME

Presenter: Ray Houston, Principal Analyst, Budget and Policy Analysis

Carried Original Motion

Moved by Brackett, seconded by Eskridge, to approve for introduction \$0 General Fund, \$45,909,400 dedicated funds, \$47,159,400 federal funds for a total of \$93,068,800 with FTP of 567.00.

Ayes: 16

Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Jaquet

Nays: 3

Cameron, Bilyeu, Ringo

Ab/Ex: 1 Keough

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 Cameron.

Legislative Intent Language

Section 4. Local units of government have not been given fair consideration from the Department of Fish and Game regarding implementation of the wolf conservation and management plan. It is the intent of the legislature that the Fish and Game Commission, through the Department of Fish and Game, consult with local units of government as required by Section 36-715(5), Idaho Code, when implementing the wolf conservation and management plan. That paragraph reads, "In implementing the wolf conservation and management plan, the Office of Species Conservation, and the commission through the department, shall consult with local units of government with respect to, and take into consideration, local economies, custom, culture, and private property rights. The Office of Species Conservation and the department may consult with federal entities and shall coordinate with state and local government entities in the implementation of the plan."

Unanimous Consent Request

Representative Hagedorn requested unanimous consent to adopt the legislative intent language shown above. There was an objection.

Failed

Original Motion

Moved by Hagedorn, seconded by Patrick, to approve for introduction \$0 General Fund, \$0 dedicated funds, \$0 federal funds for a total of \$0 with FTP of 0.00.

Ayes: 9

Brackett, Mortimer, Bell, Bolz, Eskridge, Patrick, Hagedorn, Thompson, Vander Woude

Nays: 10

Cameron, Broadsword, Bair, Heider, Toryanski, Bilyeu, LeFavour, Wood, Ringo, Jaquet

Ab/Ex: 1 Keough

OFFICE OF THE GOVERNOR: Office of Species Conservation

Presenter: Ray Houston, Principal Analyst, Budget and Policy Analysis

Original Motion

Moved by Heider, seconded by Patrick, to approve for introduction \$498,200 General Fund, \$15,000 dedicated funds, \$12,743,100 federal funds for a total of \$13,256,300 with FTP of 12.00.

Carried

Substitute Motion

Moved by Vander Woude, seconded by Eskridge, to approve for introduction \$473,200 General Fund, \$15,000 dedicated funds, \$12,743,100 federal funds for a total of \$13,231,300 with FTP of 12.00.

Ayes: 13

Cameron, Bair, Mortimer, Toryanski, LeFavour, Bell, Bolz, Eskridge, Wood, Hagedorn, Thompson, Vander Woude, Ringo

Nays: 6

Broadsword, Brackett, Heider, Bilyeu, Patrick, Jaquet

Ab/Ex: 1 Keough

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 Cameron.

STATE INDEPENDENT LIVING COUNCIL

Presenter: Matt Ellsworth, Senior Analyst, Budget and Policy Analysis

Carried

Original Motion

Moved by Broadsword, seconded by Bilyeu, to approve for introduction \$97,700 General Fund, \$245,800 dedicated funds, \$635,100 federal funds for a total of \$978,600 with FTP of 5.00.

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Cameron

STATE BOARD OF EDUCATION: Division of Vocational Rehabilitation

Presenter: Matt Ellsworth, Senior Analyst, Budget and Policy Analysis

Carried Original Motion

Moved by Broadsword, seconded by Ringo, to approve for introduction \$7,503,000 General Fund, \$2,052,200 dedicated funds, \$15,722,500 federal funds for a total of \$25,277,700 with FTP of 151.00.

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Cameron.

OFFICE OF THE GOVERNOR

Commission on Aging

Presenter: Matt Ellsworth, Senior Analyst, Budget and Policy Analysis

Conflict of Interest Disclosure

Pursuant to House Rule 38, Representative Bolz disclosed he has a possible conflict of interest under applicable law; he does plan to vote on the issue currently before the Committee.

Original Motion

Moved by Ringo, seconded by Bilyeu, to approve for introduction \$4,463,200 General Fund, \$132,000 dedicated funds, \$8,536,100 federal funds for a total of \$13,131,300 with FTP of 14.35.

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Cameron.

Commission for the Blind & Visually Impaired

Carried Original Motion

Moved by Bilyeu, seconded by Ringo, to approve for introduction \$1,274,200 General Fund, \$371,400 dedicated funds, \$2,527,700 federal funds for a total of \$4,173,300 with FTP of 39.00.

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Cameron.

FY 2012 SUPPLEMENTAL APPROPRIATIONS

DEPARTMENT OF HEALTH AND WELFARE

Indirect Support Services

Presenter: Matt Ellsworth, Senior Analyst, Budget and Policy Analysis

SNAP Administrative Costs – Caseload

The department requests \$1.1 million, with \$531,500 from the General Fund and \$531,500 federal funds, all one-time, for increased administrative expenses related to the Supplemental Nutrition Assistance Program (SNAP, or food stamps). A financial services contractor is responsible for transferring benefits onto each recipient's Electronic Benefit Transfer (EBT) card each month. SNAP caseload growth over the last few years has increased the administrative cost of making EBT deposits statewide. This request is one-time rather than ongoing because the department is scheduled to negotiate a new agreement with its financial services contractor for FY 2013.

Unanimous Consent Request

On request by Broadsword, granted by unanimous consent, the FY 2012 budget for the Department of Health and Welfare was reopened.

Carried Original Motion

Moved by Broadsword, seconded by Jaquet, to approve for introduction \$78,500 General Fund, \$0 dedicated funds, \$78,500 federal funds for a total of \$157,000 with FTP of 0.00.

Ayes: 18

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, LeFavour, Bell, Bolz, Eskridge, Wood, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Nays: 0

Ab/Ex: 2

Bilyeu, Patrick

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 Cameron.

Medicaid Readiness – Healthcare Reform

The department requests funding to modify the Idaho Benefits Eligibility System (IBES) and Medicaid Management Information System (MMIS) to comply with new federal Medicaid regulations associated with the Affordable Care Act (ACA). Three divisions are impacted by this part of ACA: Welfare, Medical Assistance Services (Medicaid), and Indirect Support. The total estimated cost of the project is \$34,800,000, all one-time, and the department will request the funds over three fiscal years. The supplemental request for FY 2012 is \$7,500,000.

Indirect Support Services – Medicaid Readiness HC Reform

The funds requested in Indirect Support Services are for (1) expansions and upgrades to the department's eligibility and related systems, and (2) additional systems connectivity, both of which are required by the Affordable Care Act.

Carried Original Motion

Moved by Broadsword, seconded by Wood, to approve for introduction \$300,000 General Fund, \$0 dedicated funds, \$2,700,000 federal funds for a total of \$3,000,000 with FTP of 0.00.

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Cameron.

Medical Assistance Services – Medicaid Readiness HC Reform

The funds requested in Medical Assistance Services are for enhancements to allow interface/connectivity with IBES, as well as internal changes to include new coverage groups created by healthcare reform.

Carried **Original Motion**

Moved by Wood, seconded by Broadsword, to approve for introduction \$50,000 General Fund, \$0 dedicated funds, \$450,000 federal funds for a total of \$500,000 with FTP of 0.00.

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Cameron.

Division of Welfare – Medicaid Readiness Health Care Reform

The Division of Welfare processes applications and determines eligibility for the Medicaid Program. The funds for Medicaid Readiness requested in the Division of Welfare are for modifications to the Idaho Benefits Eligibility System (IBES) to support new eligibility rules, new verification and IT interface requirements, and 24/7 processing of Medicaid eligibility under the Affordable Care Act.

Carried **Original Motion**

Moved by Broadsword, seconded by Wood, to approve for introduction \$400,000 General Fund, \$0 dedicated funds, \$3,600,000 federal funds for a total of \$4,000,000 with FTP of 0.00.

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Cameron.

Division of Welfare

Energy Assistance Spending Authority

The grocery tax credit was enacted by the Legislature during the 2008 session. The legislation included a provision that allows taxpayers to donate their grocery tax credit to the Department of Health and Welfare for energy assistance. The current energy assistance program within the department is in the Division of Welfare and is entirely federally funded. This request is for one-time spending authority to use the accumulated balance from this funding source, \$609,300, and for ongoing spending authority for anticipated annual receipts in the amount of \$203,100. The funds are intended to establish a state-funded energy assistance program that mirrors the federal program already in place.

Carried

Original Motion

Moved by Bair, seconded by Jaquet, to approve for introduction \$0 General Fund, \$0 dedicated funds, \$5,827,400 federal funds for a total of \$5,827,400 with FTP of 0.00.

Spend remaining DoE Weatherization Grant from ARRA 2009

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Cameron.

ADJOURNED

Senator Dean L. Cameron, Chairman

Peggy Moyer, Secretary

JFAC COMMITTEE MEETING MINUTES

2/28/12

The hearing was held in Room C310, Statehouse, commencing at 8:00 a.m. and concluding at 10:07 a.m. with Chairman Bell & Chairman Cameron presiding.

Roll Call:

Senators: Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu

Representatives: Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Absent: LeFavour

Staff Present: Lockett, Headlee

SETTING FY 2013 APPROPRIATIONS

SELF GOVERNING AGENCIES

Historical Society

Presenter: Robyn Lockett, Analyst, Budget Policy Analysis

Original Motion

Moved by Heider, seconded by Mortimer, to approve for introduction \$2,220,100 General Fund, \$1,220,600 dedicated funds, \$1,386,000 federal funds for a total of \$4,826,700 with FTP of 47.02.

Carried

Substitute Motion

Moved by Jaquet, seconded by Eskridge, to approve for introduction \$2,260,100 General Fund, \$1,220,600 dedicated funds, \$1,415,000 federal funds for a total of \$4,895,700 with FTP of 47.02.

Ayes: 17

Cameron, Keough, Broadsword, Bair, Brackett, Toryanski, Bilyeu, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Nays: 2

Mortimer, Heider

Ab/Ex: 1 LeFavour

The majority having voted in the affirmative, the motion has passed and There being no objection will carry a DO PASS recommendation.

Idaho Commission for Libraries

Carried Original Motion

Moved by Heider, seconded by Mortimer, to approve for introduction \$3,135,500 General Fund, \$775,300 dedicated funds, \$1,502,100 federal funds for a total of \$5,412,900 with FTP of 40.50.

Ayes: 19

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Nays: 0

Ab/Ex: 1 LeFavour

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 Bell.

SECRETARY OF STATE

Presenter: Robyn Lockett, Analyst, Budget Policy Analysis

Original Motion

Moved by Jaquet, seconded by Mortimer, to approve for introduction \$2,368,300 General Fund, \$0 dedicated funds, \$0 federal funds for a total of \$2,368,300 with FTP of 29.00.

Substitute Motion

Moved by Bolz, seconded by Thompson, to approve for introduction \$2,361,400 General Fund, \$0 dedicated funds, \$0 federal funds for a total of \$2,361,400 with FTP of 29.00.

Carried Amended Substitute Motion

Moved by Hagedorn, seconded by Toryanski, to approve for introduction \$2,308,300 General Fund, \$0 dedicated funds, \$0 federal funds for a total of \$2,308,300 with FTP of 29.00.

Ayes: 16

Cameron, Keough, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, Bell, Eskridge, Wood, Patrick, Hagedorn, Vander Woude, Ringo, Jaquet

Nays: 3

Broadsword, Bolz, Thompson

Ab/Ex: 1 LeFavour

The majority having voted in the affirmative, the motion has passed and There being no objection will carry a DO PASS recommendation.

STATE BOARD OF EDUCATION

Office of the State Board of Education

Presenter: Paul Headlee, Principal Analyst, Budget & Policy & Analysis

Original Motion

Moved by Thompson, seconded by Mortimer, to approve for introduction \$2,157,300 General Fund, \$347,000 dedicated funds, \$2,000,800 federal funds for a total of \$4,505,100 with FTP of 23.75.

Failed

Substitute Motion

Moved by Patrick, seconded by Ringo, to approve for introduction \$2,157,300 General Fund, \$222,000 dedicated funds, \$2,000,800 federal funds for a total of \$4,380,100 with FTP of 23.75.

Ayes: 9

Keough, Bair, Brackett, Bilyeu, Eskridge, Wood, Patrick, Vander Woude, Ringo

Nays: 9

Cameron, Broadsword, Mortimer, Heider, Toryanski, Bell, Bolz, Hagedorn, Thompson

Ab/Ex: 2 LeFavour, Jaquet

Carried

Original Motion

Ayes: 15

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bell, Bolz, Eskridge, Wood, Hagedorn, Thompson, Vander Woude

Nays: 3 Bilyeu, Patrick, Ringo

Ab/Ex: 2 LeFavour, Jaquet

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 Bell.

Colleges and Universities

Disclosure of Possible Conflict of Interest

Pursuant to House Rule 38, Representative Bolz disclosed he has a possible conflict of interest under applicable; does plan to vote on the issue currently before the Committee.

Original Motion

Moved by Mortimer, seconded by Thompson, to approve for introduction \$227,950,500 General Fund, \$218,411,700 dedicated funds, \$0 federal funds for a total of \$446,362,200 with FTP of 3,938.98.

Failed

Substitute Motion

Moved by Ringo, seconded by Bilyeu, to approve for introduction \$229,038,100 General Fund, \$218,411,700 dedicated funds, \$0 federal funds for a total of \$447,449,800 with FTP of 3,944.97.

Ayes: 5

Toryanski, Bilyeu, Patrick, Ringo, Jaquet

Nays: 12

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Bolz, Eskridge, Wood, Thompson, Vander Woude

Ab/Ex: 3 LeFavour, Bell, Hagedorn

Carried

Original Motion

Ayes: 17

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, Bolz, Eskridge, Wood, Patrick, Thompson, Vander Woude, Ringo, Jaquet

Nays: 0

Ab/Ex: 3 LeFavour, Bell, Hagedorn

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 Bell.

Legislative Intent Language

SECTION 3. LEGISLATIVE INTENT. It is the intent of the Legislature that of the amount appropriated from the General Fund in Section 1, Subsection V. of this act, the following amounts may be used as follows:

(1) An amount not to exceed \$140,000 may be used by the Office of the State Board of Education for system-wide needs;

(2) An amount of approximately \$1,435,500 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; and

(3) An amount not to exceed \$942,600 may be used by the State Board of Education for instructional projects designed to foster innovative learning approaches using technology, to promote accountability and information transfer throughout the higher

education system including longitudinal student-level data and program/course transferability, and to promote the Idaho Electronic Campus.

SECTION 4. LEGISLATIVE INTENT. It is the intent of the Legislature that of the amount appropriated from the General Fund in Section 1, Subsection V. of this act, up to \$2,000,000 may be awarded for competitive state university research under the direction of the Higher Education Research Council to support the goals of the Idaho Global Entrepreneurial Mission (IGEM) University Research Initiative. These funds are envisioned as seed funding for strengthening Idaho's future by strategically investing in the development of expertise, products, and services which result in state economic growth. Selected project proposals are expected to exhibit high potential for near term technology transfer to the private sector. The State Board of Education shall establish guidelines for submission, review, approval, and project reporting requirements. Carryover of General Fund funds for the program described herein is allowed.

SECTION 5. LEGISLATIVE INTENT. It is the intent of the Legislature that the State Board of Education shall report to the Joint Finance-Appropriations Committee no later than February 1, 2013 regarding the allocation and use of funds through the System-wide Program.

Unanimous Consent Request

On request by Mortimer, ranted by unanimous consent, the legislative intent language shown above was accepted.

Community Colleges

Carried

Original Motion

Moved by Brackett, seconded by Thompson, to approve for introduction \$27,749,900 General Fund, \$600,000 dedicated funds, \$0 federal funds for a total of \$28,349,900 with FTP of 0.00.

Ayes: 17

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, Bolz, Eskridge, Wood, Patrick, Thompson, Vander Woude, Ringo, Jaquet

Nays: 0

Ab/Ex: 3 LeFavour, Bell, Hagedorn

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 Bell.

ADJOURNED

Maxine Bell, Chairman

Kathryn Yost, Secretary

JFAC COMMITTEE MEETING MINUTES

2/29/12

The hearing was held in C310, Statehouse, commencing at 8:00 a.m. and concluding at 9:17 a.m. with Chairman Cameron presiding.

Roll Call:

Senators: Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour

Representatives: Bell, Bolz, Eskridge, Wood, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Absent/Excused: Patrick

Staff Present: Burns, Bybee

SETTING FY2013 APPROPRIATIONS

DEPARTMENT OF LABOR

Presenter: Keith Bybee, Principal Analyst, Budget and Policy Analysis

Carried **Original Motion**

Moved by Bolz, seconded by Mortimer, to approve for introduction \$436,000 General Fund, \$2,438,400 dedicated funds, \$3,261,900 federal funds for a total of \$6,136,300 with FTP of 31.10.

Ayes: 18

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Hagedorn, Thompson, Vander Woude, Jaquet

Nays: 0

Ab/Ex: 2

Patrick, Ringo

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 Cameron.

Legislative Intent Language

There is hereby appropriated out of the funds made available to the Department of Labor of the state of Idaho, pursuant to Section 903 of the Federal Social Security Act, as amended, \$413,100 for the payment of expenses incurred for the administration of the Unemployment Insurance and Employment Services Program. This appropriation is

authorized and subject to the limitations of Section 72-1346, Idaho Code. This appropriation is for the period July 1, 2012, through June 30, 2013.

SELF-GOVERNING AGENCIES: Regulatory Boards

Presenter: Keith Bybee, Principal Analyst, Budget and Policy Analysis

Carried **Original Motion**

Moved by Heider, seconded by Keough, to approve for introduction \$0 General Fund, \$7,529,200 dedicated funds, \$0 federal funds for a total of \$7,529,200 with FTP of 65.00.

Ayes: 17

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Thompson, Vander Woude, Jaquet

Nays: 0

Ab/Ex: 3

Patrick, Hagedorn, Ringo

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 Cameron.

OFFICE OF THE GOVERNOR: State Liquor Division

Presenter: Keith Bybee, Principal Analyst, Budget and Policy Analysis

Carried **Original Motion**

Moved by Toryanski, seconded by Eskridge, to approve for introduction \$0 General Fund, \$16,735,900 dedicated funds, \$0 federal funds for a total of \$16,735,900 with FTP of 205.00.

Ayes: 18

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Thompson, Vander Woude, Ringo, Jaquet

Nays: 0

Ab/Ex: 2

Patrick, Hagedorn

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 Cameron.

DEPARTMENT OF JUVENILE CORRECTIONS

Presenter: Richard Burns, Principal Analyst, Budget and Policy Analysis

Carried **Original Motion**

Moved by LeFavour, seconded by Bolz, to approve for introduction \$36,717,500 General Fund, \$7,575,500 dedicated funds, \$3,843,300 federal funds for a total of \$48,136,300 with FTP of 394.00. (lump Sum)

Ayes: 18

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Thompson, Vander Woude, Ringo, Jaquet

Nays: 0

Ab/Ex: 2

Patrick, Hagedorn

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 Cameron.

IDAHO STATE POLICE

Brand Inspection

Presenter: Richard Burns, Principal Analyst, Budget and Policy Analysis

Carried **Original Motion**

Moved by Bolz, seconded by Brackett, to approve for introduction \$0 General Fund, \$2,584,300 dedicated funds, \$0 federal funds for a total of \$2,584,300 with FTP of 34.82.

Ayes: 18

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Thompson, Vander Woude, Ringo, Jaquet

Nays: 0

Ab/Ex: 2

Patrick, Hagedorn

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 Cameron.

Division of Idaho State Police

Original Motion

Moved by Bolz, seconded by Thompson, to approve for introduction \$17,616,600 General Fund, \$30,057,600 dedicated funds, \$9,679,400 federal funds for a total of \$57,353,600 with FTP of 466.25. (Lump Sum)

Carried

Substitute Motion

Moved by Brackett, seconded by Mortimer, to approve for introduction \$17,616,600 General Fund, \$30,212,700 dedicated funds, \$9,679,400 federal funds for a total of \$57,508,700 with FTP of 466.25. (Lump Sum)

Ayes: 10

Cameron, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Ringo, Jaquet

Nays: 9

Keough, Broadsword, Bell, Bolz, Eskridge, Wood, Hagedorn, Thompson, Vander Woude

Ab/Ex: 1 Patrick

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 Cameron.

POST Academy

Carried

Original Motion

Moved by Bolz, seconded by Brackett, to approve for introduction \$0 General Fund, \$4,070,000 dedicated funds, \$256,200 federal funds for a total of \$4,326,200 with FTP of 25.00.

Ayes: 19

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Nays: 0

Ab/Ex: 1 Patrick

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 Cameron.

Racing Commission

Carried

Original Motion

Moved by Bolz, seconded by Hagedorn, to approve for introduction \$0 General Fund, \$698,600 dedicated funds, \$0 federal funds for a total of \$698,600 with FTP of 3.00.

Ayes: 19

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Nays: 0

Ab/Ex: 1

Patrick

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 Cameron.

ADJOURNED

Senator Dean L. Cameron, Chairman

Peggy Moyer, Secretary

JFAC COMMITTEE MEETING MINUTES

3/1/12

The hearing was held in Room C310, Statehouse, commencing at 8:04 a.m. and concluding at 10:14 a.m. with Chairman Bell presiding.

Roll Call:

Senators: Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour

Representatives: Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Absent/Excused: None

Staff Present: Ellsworth, Houston

SETTING FY 2013 APPROPRIATIONS

DEPARTMENT OF HEALTH AND WELFARE

Presenter: Matt Ellsworth, Senior Analyst, Budget & Policy Analysis

Indirect Support Services

Carried **Original Motion**

Moved by Bair, seconded by Jaquet, to approve for introduction \$15,489,300 General Fund, \$2,011,800 dedicated funds, \$20,718,600 federal funds for a total of \$38,219,700 with FTP of 270.05.

Ayes: 19

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Nays: 0

Ab/Ex: 1

Patrick

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 Bell.

Legislative Intent Language

GENERAL FUND TRANSFERS:

As appropriated, the State Controller shall make transfers from the General Fund to the Cooperative Welfare Fund, periodically, 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 budgeted in the trustee and benefit payments expenditure class shall not be transferred to any other expense classes during fiscal year 2013.

PROGRAM INTEGRITY:

Notwithstanding any other provisions of law, it is hereby declared to be the intent of the Legislature that 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.

ACTUAL AND FORECAST DETAIL REPORTING. The Department of Health and Welfare Medical Assistance Services Division and Indirect Support Services Division shall deliver on a monthly basis to the Legislative Services Office and Division of Financial Management a report that compares the Medicaid forecast used to set the budget to actual expenditures and remaining forecasted expenditures. The format of

the report, and the information included therein, shall be determined by the Legislative Services Office and Division of Financial Management.

MEDICAID PROGRAM INTEGRITY COLLECTIONS. It is the intent of the Legislature that the Indirect Support Services Division provides quarterly reports to the Legislative Services Office and 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 report will track the new staff and their assessment and collections separately.

Unanimous Consent Request

On request by Bair, granted by unanimous consent, the legislative intent language as shown above was accepted.

Independent Councils

Carried

Original Motion

Moved by Jaquet, seconded by Bair, to approve for introduction \$113,500 General Fund, \$545,200 dedicated funds, \$4,103,800 federal funds for a total of \$4,762,500 with FTP of 10.00.

Ayes: 19

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Nays: 0

Ab/Ex: 1 Patrick

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 Bell.

Legislative Intent Language

GENERAL FUND TRANSFERS:

As appropriated, the State Controller shall make transfers from the General Fund to the Cooperative Welfare Fund, periodically, 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 budgeted in the trustee and benefit payments expenditure class shall not be transferred to any other expense classes during fiscal year 2013.

PROGRAM INTEGRITY:

Notwithstanding any other provisions of law, it is hereby declared to be the intent of the Legislature that 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.

Unanimous Consent Request

On request by Jaquet, granted by unanimous consent, the legislative intent language as shown above was accepted.

Public Health Services

Carried **Original Motion**

Moved by Broadsword, seconded by Jaquet, to approve for introduction \$5,769,200 General Fund, \$26,634,000 dedicated funds, \$59,028,900 federal funds for a total of \$91,432,100 with FTP of 213.50.

Ayes: 19

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Nays: 0

Ab/Ex: 1 Patrick

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 Bell.

Legislative Intent Language

GENERAL FUND TRANSFERS:

As appropriated, the State Controller shall make transfers from the General Fund to the Cooperative Welfare Fund, periodically, 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 budgeted in the trustee and benefit payments expenditure class shall not be transferred to any other expense classes during fiscal year 2013.

PROGRAM INTEGRITY:

Notwithstanding any other provisions of law, it is hereby declared to be the intent of the Legislature that 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.

Unanimous Consent Request

On request by Broadsword, granted by unanimous consent, the legislative intent language as shown above was accepted.

SELF GOVERNING AGENCIES

Division of Veterans Services

Presenter: Matt Ellsworth, Senior Analyst, Budget & Policy Analysis

Carried **Original Motion**

Moved by Hagedorn, seconded by Eskridge, to approve for introduction \$1,067,400 General Fund, \$17,389,700 dedicated funds, \$20,839,400 federal funds for a total of \$39,296,500 with FTP of 310.70.

Ayes: 19

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Nays: 0

Ab/Ex: 1 Patrick

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 Bell.

Legislative Intent Language

It is the intent of the Legislature that the Division of Veterans Services, with the cooperation and assistance of the Division of Financial Management, the Division of Medicaid in the Department of Health and Welfare, and the Legislative Services Office, analyze and report on the cause of ongoing excess revenues being generated by the services provided by the Division of Veterans Services. The Division of Veterans Services is also requested to prepare a plan and include such plan to reduce the generation of excess revenues as part of its fiscal year 2014 budget submission. In addition, the Division of Veteran Services shall develop a long-range proposal, subject to the approval of the Governor and appropriations by the Legislature, to maximize the use of existing fund balances for the support and benefit of all veterans as appropriate. The Division of Veterans Services shall update the Division of Financial Management and Legislative Services Office at least quarterly on its progress in plan development, and may be requested to update the Joint Finance-Appropriations Committee during interim meetings at the request of the Co-Chairmen.

Unanimous Consent Request

On request by Hagedorn, granted by unanimous consent, the legislative intent language as shown above was accepted.

BOARD OF LAND COMMISSIONERS: Department of Lands

Presenter: Ray Houston, Principal Analyst, Budget & Policy Analysis

Carried Original Motion

Moved by Keough, seconded by Eskridge, to approve for introduction \$4,258,000 General Fund, \$35,645,400 dedicated funds, \$6,234,200 federal funds for a total of \$46,137,600 with FTP of 260.47.

Lump Sum for Fire Program only

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Bell.

DEPARTMENT OF WATER RESOURCES

Presenter: Ray Houston, Principal Analyst, Budget & Policy Analysis

Carried Original Motion

Moved by Patrick, seconded by Bair, to approve for introduction \$11,101,500 General Fund, \$6,015,800 dedicated funds, \$3,581,100 federal funds for a total of \$20,698,400 with FTP of 159.00.

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Bell.

Legislative Intent Language

SECTION 3. In addition to the appropriation made in Section 1 of this act, and any other appropriation provided by law, there is hereby appropriated to the Department of Water Resources and the State Controller shall transfer as soon as practicable, \$1,232,000 from the Revolving Development Fund to the Secondary Aquifer Planning, Management, and Implementation Fund, for the period July 1, 2012, through June 30, 2013.

SECTION 4. LEGISLATIVE INTENT: Notwithstanding Section 42-1414(1)(c), Idaho Code, it is the intent of the Legislature that moneys appropriated in Section 1 of this act, for the Northern Idaho Adjudication Program from the General Fund, count toward the filing fees required under Section 42-1414(1)(a) and Section 42-1414(1)(b), Idaho Code for water right claims filed in the Northern Idaho adjudication by the Idaho Water Resource Board and the Governor of the state of Idaho, based on instream flow, public lake level maintenance, or recreation. If the General Fund appropriation exceeds the amount required for the Idaho Water Resource Board's and the Governor's filing fees in the current fiscal year, the excess shall be counted toward future filing fees required for those same purposes. If the General Fund appropriation does not meet or exceed the fee required for claims of the Idaho Water Resource Board or the Governor of the state of Idaho, the director of the Department of Water Resources shall grant an extension of time to the Idaho Water Resource Board or the Governor of the state of Idaho to file the claim, and the General Fund appropriation for the following fiscal year shall be counted toward the balance of the filing fee.

Unanimous Consent Request

On request by Patrick, granted by unanimous request, the legislative intent language as shown above was accepted.

ADJOURNED

Maxine Bell, Chairman

Kathryn Yost, Secretary

JFAC COMMITTEE MEETING MINUTES

3/2/12

The hearing was held in C310, Statehouse, commencing at 8:00 a.m. and concluding at 9:00 a.m. with Chairman Cameron presiding.

Roll Call:

Senators: Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu

Representatives: Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Absent: LeFavour

Staff Present: Bybee, Lockett

SETTING FY2013 APPROPRIATIONS

DEPARTMENT OF REVENUE AND TAXATION

Board of Tax Appeals

Presenter: Keith Bybee, Principal Analyst, Budget and Policy Analysis

Carried Original Motion

Moved by Ringo, seconded by Bilyeu, to approve for introduction \$477,900 General Fund, \$0 dedicated funds, \$0 federal funds for a total of \$477,900 with FTP of 5.00.

Ayes: 19

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Nays: 0

Ab/Ex: 1

LeFavour

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 Cameron.

State Tax Commission

Carried Original Motion

Moved by Bolz, seconded by Jaquet, to approve for introduction \$29,235,100 General Fund, \$6,522,000 dedicated funds, \$108,000 federal funds for a total of \$35,865,100 with FTP of 461.00.

Ayes: 19

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Nays: 0

Ab/Ex: 1 LeFavour

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 Cameron.

Legislative Intent Language (Statutory Change)

SECTION . That Section 63-102, Idaho Code, be, and the same is hereby amended to read as follows:

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, ~~2008~~2012, the annual salary for members of the state tax commission shall be ~~eighty-five~~seventy thousand ~~four~~one hundred ~~forty-seven~~fifty-six dollars (~~\$85,447~~\$87,156).

(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 Request

On request by Bolz, granted by unanimous consent, the legislative intent language shown above was accepted.

Legislative Intent Language

SECTION _____. LEGISLATIVE INTENT. It is the intent of the Legislature that the State Tax Commission provide quarterly reports to the Governor and the Joint Finance-Appropriations Committee comparing the total costs from all funding sources used for all phases of the "Tax Gap" compliance efforts and the year-to-date and historical collections related to those efforts. The state tax commission shall present an update of the Tax Gap study to the Joint Finance-Appropriations Committee at its fall meeting. The update shall include, but is not limited to, a historical analysis of how many positions were provided by the Legislature for Governor's initiatives, what were those positions original responsibilities, what are their current responsibilities, and how will they continue to address compliance issues.

Unanimous Consent Request

On request by Bolz, granted by unanimous consent, the legislative intent language shown above was accepted.

IDAHO TRANSPORTATION DEPARTMENT

Presenter: Robyn Lockett, Analyst, Budget and Policy Analysis

Transportation Services

Carried

Original Motion

Moved by Hagedorn, seconded by Keough, to approve for introduction \$0 General Fund, \$27,404,100 dedicated funds, \$11,118,200 federal funds for a total of \$38,522,300 with FTP of 228.00.

Ayes: 17

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, Bell, Bolz, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo

Nays: 0

Ab/Ex: 3 LeFavour, Eskridge, Jaquet

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 Cameron.

Planning Division (Eliminating Division – no appropriation)

Carried **Original Motion**

Moved by Hagedorn, seconded by Keough, to approve for introduction \$0 General Fund, \$0 dedicated funds, \$0 federal funds for a total of \$0 with FTP of 0.00. Elimination of this budgeted program

Ayes: 17

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, Bell, Bolz, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo

Nays: 0

Ab/Ex: 3 LeFavour, Eskridge, Jaquet

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 Cameron.

Motor Vehicles

Carried **Original Motion**

Moved by Hagedorn, seconded by Eskridge, to approve for introduction \$0 General Fund, \$29,326,100 dedicated funds, \$2,599,900 federal funds for a total of \$31,926,000 with FTP of 238.50.

Ayes: 19

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Nays: 0

Ab/Ex: 1

LeFavour

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 Cameron.

Highway Operations

Carried **Original Motion**

Moved by Hagedorn, seconded by Wood, to approve for introduction \$0 General Fund, \$147,369,300 dedicated funds, \$15,686,700 federal funds for a total of \$163,056,000 with FTP of 1,361.00.

Ayes: 19

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Nays: 0

Ab/Ex: 1 LeFavour

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 Cameron.

Contract Construction & Right-of-Way Acquisition

Carried Original Motion

Moved by Hagedorn, seconded by Eskridge, to approve for introduction \$0 General Fund, \$63,108,200 dedicated funds, \$235,572,100 federal funds for a total of \$298,680,300 with FTP of 0.00.

Ayes: 19

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Nays: 0

Ab/Ex: 1 LeFavour

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 Cameron.

Legislative Intent Language

IDAHO TRANSPORTATION DEPARTMENT:

LEGISLATIVE INTENT. It is legislative intent that 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 purposes of those funds.

LEGISLATIVE INTENT. There is hereby appropriated and the State Controller is directed to transfer \$25,000 from the State Highway Fund to the Tourism and Promotion fund in the Department of Commerce during fiscal year 2013. This transfer will provide the matching fund support of the Gateway Visitor Centers.

NON-GENERAL FUND RE-APPROPRIATION AUTHORITY. There is hereby re-appropriated to the Idaho Transportation Department any unexpended and unencumbered balances of moneys categorized as the State Highway Fund for the Contract Construction & Right-of-Way Acquisition program as appropriated or re-

appropriated for fiscal year 2012, to be used for nonrecurring expenditures, for the period July 1, 2012 through June 30, 2013.

NON-GENERAL FUND RE-APPROPRIATION AUTHORITY. There is hereby re-appropriated to the Idaho Transportation Department any unexpended and unencumbered balances of moneys categorized as the State Aeronautics Fund as appropriated or re-appropriated for trustee and benefit payments to be used for Airport Development Grants for fiscal year 2012, to be used for nonrecurring expenditures, for the period July 1, 2012, through June 30, 2013.

NON-GENERAL FUND RE-APPROPRIATION AUTHORITY. There is hereby re-appropriated to the Idaho Transportation Department any unexpended and unencumbered balances of moneys categorized as Title XII and Title XIV of the American Recovery and Reinvestment Act as appropriated or re-appropriated for fiscal year 2012, to be used for nonrecurring expenditures, according to all the requirements of the federal act.

BOND PAYMENT AUTHORIZATION. The federal GARVEE bond payment for fiscal year 2013 is approximately \$50,000,000. The Idaho Transportation Board is hereby authorized to transfer up to \$4,300,000 from within the State Highway Account to the GARVEE Debt Service Fund to pay the state match as required for federal funds committed to pay the annual scheduled debt service.

Unanimous Consent Request

On request by Hagedorn, granted by unanimous consent, the legislative intent language shown above was accepted.

STATE CONTROLLER

Presenter: Robyn Lockett, Analyst, Budget & Policy Analysis

Carried Original Motion

Moved by Toryanski, seconded by Bilyeu, to approve for introduction \$6,236,800 General Fund, \$7,170,400 dedicated funds, \$0 federal funds for a total of \$13,407,200 with FTP of 96.00.

Ayes: 19

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Nays: 0

Ab/Ex: 1 LeFavour

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 Cameron.

Legislative Intent Language

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. On June 30, 2013, the State Controller shall transfer the amount assessed in the statewide cost allocation plan from the Indirect Cost Recovery Fund to the state General Fund.

NON-GENERAL FUND RE-APPROPRIATION AUTHORITY. There is hereby re-appropriated to the State Controller any unexpended and unencumbered balances of moneys categorized as dedicated funds as appropriated for fiscal year 2012, to be used for nonrecurring expenditures, for the period July 1, 2012, through June 30, 2013.

GENERAL FUND RE-APPROPRIATION AUTHORITY. There is hereby re-appropriated to the State Controller, for the Statewide Payroll Division, the unexpended and unencumbered balance of General Fund moneys as appropriated for the 218 Referendum for fiscal year 2012, to be used for nonrecurring expenditures, for the period July 1, 2012, through June 30, 2013. The re-appropriation for the General Fund granted in this section shall be subject to the following provisions: (1) If the unexpended and unencumbered balance in the General Fund on June 30, 2012, is zero, the re-appropriation for the General Fund in this section is hereby declared to be null and void; (2) If the unexpended and unencumbered balance in the General Fund on June 30, 2012, is greater than zero, but less than the total General Fund re-appropriation authority granted to all state agencies, the amount re-appropriated in this section shall be in the proportion that the re-appropriation of this agency bears to the total General Fund re-appropriation authority granted to all state agencies.

Unanimous Consent Request

On request by Toryanski, granted by unanimous consent, the legislative intent language as shown above was accepted.

ADJOURNED

Senator Dean L. Cameron, Chairman

Peggy Moyer, Secretary

JFAC COMMITTEE MEETING MINUTES

3/5/12

The hearing was held in Room C310, Statehouse, commencing at 8:00 a.m. and concluding at 10:05 a.m. with Chairman Bell presiding.

Roll Call:

Senators: Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour

Representatives: Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Absent/Excused: None

Staff Present: Headlee, Burns

Others Present: Tom Luna, Superintendent of Public Instruction

SUPPLEMENTALS APPROPRIATION

PUBLIC SCHOOL SUPPORT- Teachers Division

Presenter: Paul Headlee, Principal Analyst, Budget & Policy Analysis

Remaining Education Jobs Funds

Unanimous Consent Request

On request by Mortimer, granted by unanimous consent, the FY 2012 budget for the Public School support, Teachers Division was reopened.

Carried Original Motion

Moved by Mortimer, seconded by Thompson, to approve for introduction \$0 General Fund, \$0 dedicated funds, \$10,470,200 federal funds for a total of \$10,470,200 with FTP of 0.00.

Ayes: 19

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Nays: 0

Ab/Ex: 1 Eskridge

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 Bell.

SETTING FY 2013 APPROPRIATIONS

PUBLIC SCHOOL SUPPORT

Presenter: Paul Headlee, Principal Analyst, Budget & Policy Analysis

Administrators

Original Motion

Moved by Mortimer, seconded by Thompson, to approve for introduction \$78,996,600 General Fund, \$0 dedicated funds, \$0 federal funds for a total of \$78,996,600 with FTP of 0.00.

Failed

Substitute Motion

Moved by Ringo, seconded by LeFavour, to approve for introduction \$79,339,000 General Fund, \$0 dedicated funds, \$0 federal funds for a total of \$79,339,000 with FTP of 0.00.

Ayes: 4

Bilyeu, LeFavour, Ringo, Jaquet

Nays: 16

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude

Ab/Ex: 0

Carried

Original Motion

Ayes: 16

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude

Nays: 4

Bilyeu, LeFavour, Ringo, Jaquet

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 Bell.

Teachers

Original Motion

Moved by Vander Woude, seconded by Thompson, to approve for introduction \$723,471,100 General Fund, \$0 dedicated funds, \$30,000,000 federal funds for a total of \$753,471,100 with FTP of 0.00. C/O for Ed Jobs Funds

Failed

Substitute Motion

Moved by Ringo, seconded by LeFavour, to approve for introduction \$730,259,600 General Fund, \$0 dedicated funds, \$30,000,000 federal funds for a total of \$760,259,600 with FTP of 0.00. C/O for Ed Jobs Funds

Ayes: 4

Bilyeu, LeFavour, Ringo, Jaquet

Nays: 16

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude

Ab/Ex: 0

Original Motion

Carried

Ayes: 16

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude

Nays: 4

Bilyeu, LeFavour, Ringo, Jaquet

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 Bell.

Operations

Original Motion

Moved by Thompson, seconded by Vander Woude, to approve for introduction \$433,405,800 General Fund, \$58,023,800 dedicated funds, \$8,000,000 federal funds for a total of \$499,429,600 with FTP of 0.00.

Failed

Substitute Motion

Moved by LeFavour, seconded by Ringo, to approve for introduction \$431,685,500 General Fund, \$60,523,800 dedicated funds, \$8,000,000 federal funds for a total of \$500,209,300 with FTP of 0.00.

Ayes: 4

Bilyeu, LeFavour, Ringo, Jaquet

Nays: 16

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude

Ab/Ex: 0

Carried **Original Motion**

Ayes: 16

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude

Nays: 4

Bilyeu, LeFavour, Ringo, Jaquet

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 Bell.

Children's Programs

Carried **Original Motion**

Moved by Toryanski, seconded by Mortimer, to approve for introduction \$23,480,200 General Fund, \$4,318,600 dedicated funds, \$182,000,000 federal funds for a total of \$209,798,800 with FTP of 0.00.

Ayes: 18

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, Bell, Bolz, Eskridge, Wood, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Nays: 1 LeFavour

Ab/Ex: 1 Patrick

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 Bell.

Facilities

Carried **Original Motion**

Moved by LeFavour, seconded by Mortimer, to approve for introduction \$13,077,000 General Fund, \$4,323,000 dedicated funds, \$0 federal funds for a total of \$17,400,000 with FTP of 0.00.

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Bell.

Educational Services for the Deaf and Blind

Carried **Original Motion**

Moved by Ringo, seconded by Hagedorn, to approve for introduction \$7,387,900 General Fund, \$208,000 dedicated funds, \$121,100 federal funds for a total of \$7,717,000 with FTP of 0.00.

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Bell.

Legislative Intent Language

SECTION 10. Of the moneys appropriated to the Educational Support Program, the amount necessary to fund the provisions of Section 33-906, Idaho Code, is hereby transferred and appropriated to the Bond Levy Equalization Fund.

SECTION 11. The provisions of subsection (4) of Section 63-2520, Idaho Code, notwithstanding, the amount of revenue distributed to the General Fund shall be \$13,077,000 for the period July 1, 2012, through June 30, 2013.

SECTION 13. That Section 33-1004E, Idaho Code, be, and the same is hereby amended to read as follows:

33-1004E. District's salary-based apportionment. Each district shall be entitled to a salary-based apportionment calculated as provided in this section.

1. To determine the apportionment for instructional staff, first determine the district average experience and education index by placing all eligible district certificated

instructional employees on the statewide index provided in section 33-1004A, Idaho Code. The resulting average is the district index. The district instructional staff index shall be multiplied by the instructional base salary of \$23,123. The amount so determined shall be multiplied by the district staff allowance for instructional staff determined as provided in section 33-1004(2), Idaho Code. The instructional salary allocation shall be further increased by the amount necessary for each full-time equivalent instructional staff member placed on the experience and education index to be allocated at least the minimum salary mandated by this section. Full-time instructional staff salaries shall be determined from a salary schedule developed by each district and submitted to the state department of education. No full-time instructional staff member shall be paid less than ~~\$29,655 for fiscal year 2011, or \$30,000-\$30,500 thereafter.~~ The resulting amount is the district's salary-based apportionment for instructional staff. After the base and minimum salaries established pursuant to this subsection have reached the amounts that were in effect in fiscal year 2009, all further increases to these base and minimum salaries shall be allocated such that the percentage increase in the minimum salary is one and one-half (1.5) times the percentage increase in the base salary.

2. To determine the apportionment for district administrative staff, first determine the district average experience and education index by placing all eligible certificated administrative employees on the statewide index provided in section 33-1004A, Idaho Code. The resulting average is the district index. The district administrative staff index shall be multiplied by the base salary of \$31,833. The amount so determined shall be multiplied by the district staff allowance for administrative staff determined as provided in section 33-1004(3), Idaho Code. The resulting amount is the district's salary-based apportionment for administrative staff.

3. To determine the apportionment for classified staff, multiply ~~\$18,684~~ \$19,058 by the district classified staff allowance determined as provided in section 33-1004(4), Idaho Code. The amount so determined is the district's apportionment for classified staff.

4. The district's salary-based apportionment shall be the sum of the apportionments calculated in subsections 1., 2. and 3., of this section, adjusted by the following percentages:

Fiscal Year	Percentage
2012	(1.67%)
2013	(4.05%)
2014	(6.30%)
2015	(6.42%)
2016	(6.21%)
2017 and each fiscal year thereafter	(5.74%)

plus the benefit apportionment as provided in section [33-1004F](#), Idaho Code.

SECTION 14. Notwithstanding the provisions of Sections 33-905 and 33-1019, Idaho Code, for the period July 1, 2012, through June 30, 2013, all moneys appropriated from the School District Building Account shall be distributed as discretionary funds within the Educational Support Program/Division of Operations and school districts and charter schools are hereby relieved of any restrictions on the use of such funds, apart from restrictions that apply to the use of discretionary funds.

SECTION 15. Notwithstanding the provisions of Sections 33-1018B and 33-1019, Idaho Code, for the period July 1, 2012, through June 30, 2013, only, the state is hereby temporarily relieved from the requirement to provide its portion of the school maintenance matching funds normally required by such sections, nor shall school districts be required to make up such portion that would otherwise be provided by the state.

SECTION 16. Pursuant to the provisions of Section 33-1018, Idaho Code, for the period July 1, 2012, through June 30, 2013, it is estimated that the appropriation of state funds to the Educational Support Program/Division of Operations will result in total discretionary funds of \$19,706 per support unit.

SECTION 17. Notwithstanding the provisions of Section 33-1006, Idaho Code, for the period July 1, 2012, through June 30, 2013, the total moneys paid to school districts and charter schools for eligible transportation costs shall be reduced by a proportionate amount to equal \$7,500,000 and shall be used as discretionary spending.

SECTION 18. Notwithstanding the provisions of any law to the contrary, of the moneys appropriated in Section 7 of this act, up to \$4,381,400 from funds determined by available Tobacco, Cigarette and Lottery income tax revenues accruing, appropriated, or distributed to the Public School Income Fund pursuant to Sections 63-2506, 63-2552A, 63-3035A and 63-3067, Idaho Code, for the period July 1, 2012, through June 30, 2013, shall be distributed as discretionary funds within the Educational Support Program/Division of Operations, and school districts and charter schools are hereby relieved of any restrictions on the use of such funds, apart from restrictions that apply to the use of discretionary funds.

SECTION 19. Of the moneys appropriated in Section 8 of this act, \$318,600 from funds determined by available revenues accruing, appropriated, or distributed to the Public School Income Fund pursuant to Sections 63-2506, 63-2552A, 63-3035A and 63-3067, Idaho Code, and other such moneys that may become available pursuant to Idaho laws, for the period July 1, 2012, through June 30, 2013, shall be distributed as follows: the provisions of Section 63-2552A(3), Idaho Code, notwithstanding, \$200,000 shall be remitted to the Idaho State Police to increase toxicology lab capacity in the bureau of forensic services for drug testing of juveniles. The Superintendent of Public Instruction may use up to \$40,000 for Safe and Drug-Free Schools Program administration, technical assistance, and evaluation; and up to \$78,600 in grants may be authorized to the Commission on Hispanic Affairs.

SECTION 20. Of the moneys appropriated in Section 8 of this act, \$9,400,000 shall be used for literacy programs, as outlined in Sections 33-1207A (2), 33-1614 and 33-1615, Idaho Code; remedial coursework for students failing to achieve proficiency in the Idaho Standards Achievement Test; computerized remediation services to schools; and math initiative efforts, in dollar amounts determined by the Superintendent of Public Instruction. It is legislative intent that the State Board of Education and State Department of Education coordinate federally funded literacy programs with state literacy programs, resulting in well-coordinated, complimentary literacy efforts. The Superintendent of Public Instruction shall report to the Joint Finance-Appropriations Committee and the House and Senate Education Committees, by no later than February 1, 2014, on the uses of funds and effectiveness of the programs and efforts.

SECTION 21. Pursuant to Section 33-1617, Idaho Code, of the moneys appropriated in Section 8 of this act, \$4,000,000 shall be distributed for support of programs for students with non-English or limited English proficiency, as follows:

(1) The State Department of Education shall distribute \$3,500,000 to school districts pro rata, based upon the population of limited English proficient students under criteria established by the department.

(2) The State Department of Education shall use \$500,000 for the competitive grant program for school districts in which the population of English language learners failed to meet Adequate Yearly Progress (AYP) in math or reading, as defined in federal law. Of this amount, \$450,000 shall be distributed annually to school districts in three (3) year grant cycles, in which the recipients will receive full grant awards each of the three (3) years, contingent upon appropriation. The remaining \$50,000 will be used for evaluation and administration of the program.

(3) The department shall develop the program elements governing the use of these funds, modeled on the training, intervention and remediation elements of the literacy programs referenced in Section 18 of this act. The purpose of these funds is to improve the English language skills of English language learners, to enable such students to better access the educational opportunities offered in public schools. The Superintendent of Public Instruction shall report to the Joint Finance-Appropriations Committee and the House and Senate Education Committees by no later than February 1, 2014, on the program design, uses of funds and effectiveness of the program.

SECTION 22. Notwithstanding Section 33-1020, Idaho Code, the Idaho Digital Learning Academy (IDLA), created pursuant to Chapter 55, Title 33, Idaho Code, shall utilize state appropriated funds not to exceed \$5,031,000 for the period July 1, 2012, through June 30, 2013, to achieve the following:

(1) Tuition charged by IDLA to Idaho students shall not exceed \$100.00 per enrollment.

(2) Provide remedial coursework for students failing to achieve proficiency in one (1) or more areas of the Idaho Standards Achievement Test.

(3) Pursuant to the fiscal impact statement for the State Board of Education rule, IDAPA 08.02.03, Docket Number 08-0203-0605, provide advanced learning opportunities for students.

(4) Pursuant to State Board of Education rule, IDAPA 08.02.03, Docket Number 08-0203-0605, work with institutions of higher education to provide dual credit coursework.

The preceding list shall not be construed as excluding other instruction and training that may be provided by the Idaho Digital Learning Academy.

SECTION 23. No moneys are appropriated for programs for expectant or delivered mothers for the period July 1, 2012, through June 30, 2013, the provisions of Sections 33-1002, 33-2006 and 33-2007, Idaho Code, notwithstanding.

SECTION 24. Of the moneys appropriated in Section 7 of this act, \$2,500,000 million shall be distributed for public school information technology staff costs. Such moneys shall be distributed pursuant to a formula, with a minimum distribution per school district and public charter school, determined by the Superintendent of Public Instruction.

SECTION 25. It is legislative intent that the State Department of Education shall compile information concerning the numbers of students enrolling in dual credit according to the provisions of Section 33-1626, Idaho Code, whether coursework is successfully completed, and total expenditures for fiscal year 2013. As nearly as possible, the report shall contain information about enrollment of this student population in post-high school education. A report containing such information shall be posted on the website of the State Department of Education no later than December 31, 2013.

SECTION 26. The State Department of Education is hereby granted the authority to transfer appropriations between the Administrators, Teachers, Operations, Children's Programs, and Facilities divisions of the Educational Support Program budget, in any amount necessary, to comply with the public school funding provisions of appropriations and the Idaho Code.

Unanimous Consent Request

On request by Mortimer, granted by unanimous consent, the legislative intent language of Sections 10 through 26, as shown above, was accepted.

DEPARTMENT OF CORRECTION

Presenter: Richard Burns, Principal Analyst, Budget & Policy Analysis

Management Services

Carried Original Motion

Moved by Bolz, seconded by Brackett, to approve for introduction \$10,525,700 General Fund, \$847,000 dedicated funds, \$414,000 federal funds for a total of \$11,786,700 with FTP of 113.25.

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Bell.

State Prisons

Carried

Original Motion

Moved by Bolz, seconded by Brackett, to approve for introduction \$62,334,700 General Funds, \$7,650,000 Dedicated Funds, \$997,700 Federal Funds for a total of \$70,982,400 with FTP of 1,031.50.

Ayes: 19

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Nays: 1

LeFavour

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 Bell.

Private Prisons

Carried

Original Motion

Moved by Bolz, seconded by Brackett, to approve for introduction \$29,766,000 General Fund, \$0 dedicated funds, \$0 federal funds for a total of \$29,766,000 with FTP of 0.00.

Ayes: 17

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Jaquet

Nays: 3

Bilyeu, LeFavour, Ringo

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 Bell.

County & Out-of-State Placements

Carried

Original Motion

Moved by Bolz, seconded by Brackett, to approve for introduction \$7,100,000 General Fund, \$0 dedicated funds, \$83,700 federal funds for a total of \$7,183,700 with FTP of 0.00.

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Bell.

Correctional Alternative Placement

Carried

Original Motion

Moved by Bolz, seconded by LeFavour, to approve for introduction \$8,387,100 General Fund, \$90,000 dedicated funds, \$0 federal funds for a total of \$8,477,100 with FTP of 0.00.

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Bell.

Community Corrections

Carried

Original Motion

Moved by Bolz, seconded by Brackett, to approve for introduction \$15,482,000 General Fund, \$8,833,300 dedicated funds, \$124,600 federal funds for a total of \$24,439,900 with FTP of 365.18.

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Bell.

Education & Treatment

Carried **Original Motion**

Moved by Bolz, seconded by Brackett, to approve for introduction \$7,682,200 General Fund, \$234,400 dedicated funds, \$1,245,600 federal funds for a total of \$9,162,200 with FTP of 52.00.

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Bell.

Medical Services

Carried **Original Motion**

Moved by Bolz, seconded by Brackett, to approve for introduction \$25,221,000 General Fund, \$81,000 dedicated funds, \$0 federal funds for a total of \$25,302,000 with FTP of 0.00.

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Bell.

Legislative Intent Language

EXEMPTIONS FROM CERTAIN PROGRAM TRANSFER LIMITATIONS.

For fiscal year 2013, the Department of Correction is hereby exempted from the provisions of Section 63-3511(2), Idaho Code, allowing unlimited transfers only between and among the Private Prisons, County and Out-of-State Placement, Correctional Alternative Placement and Medical Services programs, for all General Fund moneys appropriated to those programs for the period July 1, 2012, through June 30, 2013. Legislative appropriations shall not be transferred from one fund to another fund unless expressly approved by the Legislature.

Unanimous Consent Request

On request by Bolz, granted by unanimous consent, the legislative intent language as shown above was accepted.

COMMISSION FOR PARDONS & PAROLE

Presenter: Richard Burns, Principal Analyst, Budget & Policy Analysis

Carried **Original Motion**

Moved by Bolz, seconded by Brackett, to approve for introduction \$2,279,000 General Fund, \$70,700 dedicated funds, \$0 federal funds for a total of \$2,349,700 with FTP of 32.00.

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Bell.

ADJOURNED

Maxine Bell, Chairman

Kathryn Yost, Secretary

JFAC COMMITTEE MEETING MINUTES

3/6/12

The hearing was held in C310, Statehouse, commencing at 8:00 a.m. and concluding at 8:55 a.m. with Chairman Cameron presiding.

Roll Call:

Senators: Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour

Representatives: Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Absent/Excused: None

Staff Present: Holland-Smith, Houston

SETTING FY2013 APPROPRIATIONS

OFFICE OF THE GOVERNOR: Division of Financial Management

Presenter: Cathy Holland-Smith, Division Manager, Budget & Policy Analysis

Carried Original Motion

Moved by Bair, seconded by Eskridge, to approve for introduction \$1,537,900 General Fund, \$40,500 dedicated funds, \$0 federal funds for a total of \$1,578,400 with FTP of 17.00.

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Cameron.

LEGISLATIVE BRANCH: Legislature

Legislative Intent Language

Section 1. On July 1, 2012, the President Pro Tempore of the Senate and the Speaker of the House of Representatives shall direct the State Controller to limit the amount transferred from the General Fund to the Legislative Fund pursuant to Section 67-415 (2) Idaho Code, to \$5,846,000 for the period July 1, 2012, through June 30, 2013.

Section 2. There is hereby created in the state treasury the Legislative Capitol Facilities Fund which shall retain its own interest and shall be continuously appropriated to the legislative department. On June 30, 2012, the State Controller shall transfer any balance remaining in the Permanent Building Fund appropriated to the legislative department, into the Legislative Capitol Facilities Fund. On July 1, 2012, forty percent (40%) of the balance of the Legislative Capitol Facilities Fund shall be appropriated to the Senate, forty percent (40%) shall be appropriated to the House of Representatives, and twenty percent (20%) shall be appropriated to the Legislative Services Office.

Unanimous Consent Request

On request by Bair, granted by unanimous consent, the legislative intent language shown above was accepted.

Legislative Services Office

Carried

Original Motion

Moved by Bair, seconded by Eskridge, to approve for introduction \$4,316,500 General Fund, \$1,443,800 dedicated funds, \$0 federal funds for a total of \$5,760,300 with FTP of 64.00. (Includes Lump Sum and Carryover for dedicated funds)

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Cameron.

Office of Performance Evaluations

Carried

Original Motion

Moved by Ringo, seconded by LeFavour, to approve for introduction \$719,500 General Fund, \$0 dedicated funds, \$0 federal funds for a total of \$719,500 with FTP of 8.00. (Lump Sum)

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Cameron.

DEPARTMENT OF PARKS AND RECREATION

Presenter: Ray Houston, Principal Analyst, Budget and Policy Analysis

Carried Original Motion

Moved by Eskridge, seconded by Jaquet, to approve for introduction \$1,322,600 General Fund, \$25,961,500 dedicated funds, \$5,088,400 federal funds for a total of \$32,372,500 with FTP of 143.50.

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Cameron.

Legislative Intent Language

SECTION 3. EXEMPTIONS FROM PROGRAM TRANSFER LIMITATIONS.

Notwithstanding Section 673511(2), Idaho Code, trustee and benefit payments for project grants in the Management Services Program may be transferred to the Capital Development Program to reflect project grants awarded to the Department of Parks and Recreation for the period July 1, 2012 through June 30, 2013. Legislative appropriations shall not be transferred from one fund to another unless expressly approved by the Legislature.

SECTION 4. RE-APPROPRIATION. Unexpended and unencumbered capital outlay balances in the Park Development Program for fiscal year 2012 are hereby re-appropriated for capital outlay in that program for the period July 1, 2012 through June 30, 2013.

Unanimous Consent Request

On request by Eskridge, granted by unanimous consent, the legislative intent language shown above was accepted.

Lava Hot Springs

Carried **Original Motion**

Moved by Bilyeu, seconded by Bair, to approve for introduction \$0 General Fund, \$3,190,300 dedicated funds, \$0 federal funds for a total of \$3,190,300 with FTP of 13.80.

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Cameron.

DEPARTMENT OF AGRICULTURE

Presenter: Ray Houston, Principal Analyst, Policy and Budget Analysis

Carried **Original Motion**

Moved by Heider, seconded by Patrick, to approve for introduction \$7,510,100 General Fund, \$21,556,300 dedicated funds, \$7,382,000 federal funds for a total of \$36,448,400 with FTP of 195.68.

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Cameron.

Soil and Water Conservation Commission

Carried

Original Motion

Moved by Hagedorn, seconded by Patrick, to approve for introduction \$2,306,400 General Fund, \$340,100 dedicated funds, \$60,000 federal funds for a total of \$2,706,500 with FTP of 16.00.

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Cameron.

ADJOURNED

Senator Dean L. Cameron, Chairman

Peggy Moyer, Secretary

JFAC COMMITTEE MEETING MINUTES

3/7/12

The hearing was held in Room C310, Statehouse, commencing at 10:00 a.m. and concluding at 11:17 a.m. with Chairman Bell presiding.

Roll Call:

Senators: Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour

Representatives: Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Absent/Excused: None

Staff Present: Ellsworth, Lockett

SETTING FY 2013 APPROPRIATIONS
DEPARTMENT OF HEALTH & WELFARE

Presenter: Matt Ellsworth, Senior Analyst, Budget & Policy Analysis

Mental Health Services

Carried **Original Motion**

Moved by Broadsword, seconded by Jaquet, to approve for introduction \$21,828,700 General Fund, \$1,276,000 dedicated funds, \$8,183,000 federal funds for a total of \$31,287,700 with FTP of 280.04.

Ayes: 19

Cameron, Keough, Broadsword, Bair, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Nays: 0

Ab/Ex: 1 Brackett

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 Bell.

Legislative Intent Language

GENERAL FUND TRANSFERS:

As appropriated, the State Controller shall make transfers from the General Fund to the Cooperative Welfare Fund, periodically, 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 budgeted in the trustee and benefit payments expenditure class shall not be transferred to any other expense classes during fiscal year 2013.

PROGRAM INTEGRITY:

Notwithstanding any other provisions of law, it is hereby declared to be the intent of the Legislature that 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.

INTERAGENCY PAYMENT FOR JUVENILE DETENTION CLINICIANS CONTRACT

The Children's Mental Program shall, no later than July 15, 2012, 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, 2012, through June 30, 2013.

Unanimous Consent Request

Upon request by Broadsword, granted by unanimous consent, to accept the legislative language as shown above.

Failed

Original Motion

Moved by LeFavour, seconded by Ringo, to include legislative Intent language for certain divisions as shown above.

Ayes: 4

Bilyeu, LeFavour, Ringo, Jaquet

Nays: 15

Cameron, Keough, Broadsword, Bair, Mortimer, Heider, Toryanski, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude

Ab/Ex: 1 Brackett

Psychiatric Hospitalization

Carried

Original Motion

Moved by Wood, seconded by Broadsword, to approve for introduction \$18,800,200 General Fund, \$6,938,000 dedicated funds, \$4,435,100 federal funds for a total of \$30,173,300 with FTP of 365.45.

Ayes: 19

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Nays: 1

LeFavour

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 Bell.

Legislative Intent Language

GENERAL FUND TRANSFERS:

As appropriated, the State Controller shall make transfers from the General Fund to the Cooperative Welfare Fund, periodically, 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 budgeted in the trustee and benefit payments expenditure class shall not be transferred to any other expense classes during fiscal year 2013.

PROGRAM INTEGRITY:

Notwithstanding any other provisions of law, it is hereby declared to be the intent of the Legislature that 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.

Unanimous Consent Request

Upon request by Wood, granted by unanimous consent, the legislative intent language as shown above was accepted.

Substance Abuse Treatment & Prevention

Carried **Original Motion**

Moved by Wood, seconded by Broadsword, to approve for introduction \$2,524,300 General Fund, \$1,184,000 dedicated funds, \$15,592,300 federal funds for a total of \$19,300,600 with FTP of 17.34.

Ayes: 18

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Jaquet

Nays: 2

LeFavour, Ringo

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 Bell.

Legislative Intent Language

GENERAL FUND TRANSFERS:

As appropriated, the State Controller shall make transfers from the General Fund to the Cooperative Welfare Fund, periodically, 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 budgeted in the trustee and benefit payments expenditure class shall not be transferred to any other expense classes during fiscal year 2013.

PROGRAM INTEGRITY:

Notwithstanding any other provisions of law, it is hereby declared to be the intent of the Legislature that 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.

STATEWIDE MEDIA CAMPAIGN ON UNDERAGE DRINKING:

It is the intent of the Legislature that, for fiscal year 2013, the Substance Abuse Treatment and Prevention Division shall continue to fund at least \$50,000 of the \$1,600,000 prevention budget for the youth adult media campaign on underage drinking.

COURT SERVICES FUND TRANSFERS:

As appropriated, the State Controller shall make transfers of the Court Services Fund to the Cooperative Welfare Fund periodically, as requested by the director of the Department of Health Welfare and approved by the Board of Examiners.

SUBSTANCE ABUSE NETWORK MANAGEMENT AND SERVICE COORDINATION CONTRACT:

It is the intent of the Legislature that the Department of Health and Welfare, and all state agencies that provide substance abuse services, issue a joint request for proposals for contract services to provide administrative services to the coordinated, statewide substance abuse system, manage the statewide provider network, coordinate client services, manage and report data per applicable federal and state requirements, track fiscal data for the program, and provide other necessary services as identified by the department and partnering state agencies. The department and partnering state agencies shall issue the request for proposals in time to execute a new contract for such services by June 30, 2013.

Child Welfare

Original Motion

Moved by Jaquet, seconded by Bair, to approve for introduction \$19,640,100 General Fund, \$1,044,700 dedicated funds, \$34,593,100 federal funds for a total of \$55,277,900 with FTP of 380.77.

Failed

Substitute Motion

Moved by Ringo, seconded by LeFavour, to approve for introduction \$19,949,100 General Fund, \$1,044,700 dedicated funds, \$35,310,100 federal funds for a total of \$56,303,900 with FTP of 380.77.

Ayes: 5

Toryanski, Bilyeu, LeFavour, Vander Woude, Ringo

Nays: 15

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Jaquet

Ab/Ex: 0

Carried

Original Motion

Ayes: 18

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Jaquet

Nays: 2

LeFavour, Ringo

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 Bell.

Legislative Intent Language

GENERAL FUND TRANSFERS:

As appropriated, the State Controller shall make transfers from the General Fund to the Cooperative Welfare Fund, periodically, 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 budgeted in the trustee and benefit payments expenditure class shall not be transferred to any other expense classes during fiscal year 2013.

PROGRAM INTEGRITY:

Notwithstanding any other provisions of law, it is hereby declared to be the intent of the Legislature that 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.

HEAD START APPROPRIATIONS FROM (TANF) TEMPORARY ASSISTANCE FOR NEEDY FAMILIES FUNDS:

At a minimum, the Department of Health and Welfare is directed to maintain Head Start appropriations paid from federal Temporary Assistance for Needy Families funds at the same level as was paid to the Head Start Program in fiscal year 2007.

Unanimous Consent Request

On request by Jaquet, granted by unanimous consent, the Legislative intent language as shown above was accepted.

Services for the Developmentally Disabled

Carried

Original Motion

Moved by Broadsword, seconded by Jaquet, to approve for introduction \$11,958,500 General Fund, \$3,539,800 dedicated funds, \$18,301,500 federal funds for a total of \$33,799,800 with FTP of 429.01.

Ayes: 19

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Nays: 1

LeFavour

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 Bell.

Legislative Intent Language

GENERAL FUND TRANSFERS:

As appropriated, the State Controller shall make transfers from the General Fund to the Cooperative Welfare Fund, periodically, 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 budgeted in the trustee and benefit payments expenditure class shall not be transferred to any other expense classes during fiscal year 2013.

PROGRAM INTEGRITY:

Notwithstanding any other provisions of law, it is hereby declared to be the intent of the Legislature that 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.

Unanimous Consent Request

On request by Broadsword, granted by unanimous consent, the legislative intent language shown above was accepted.

DEPARTMENT OF ADMINISTRATION

Presenter: Robyn Lockett, Analyst, Budget & Policy Analysis

Carried Original Motion

Moved by Thompson, seconded by Toryanski, to approve for introduction \$4,539,900 General Fund, \$18,886,100 dedicated funds, \$0 federal funds for a total of \$23,426,000 with FTP of 150.75.

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Bell.

Legislative Intent Language

SECTION____. There is hereby appropriated and the State Controller shall transfer \$1,368,750 from the Permanent Building Fund to the Administrative and Accounting Services Fund on July 1, 2012, or as soon thereafter as practicable, and on January 1, 2013, or as soon thereafter as practicable for a total transfer of \$2,737,500 for the Public Officials/ Capitol Mall Facilities payment due in fiscal year 2013.

Permanent Building Fund

Carried

Original Motion

Moved by Toryanski, seconded by Thompson, to approve for introduction \$0 General Fund, \$22,614,500 dedicated funds, \$0 federal funds for a total of \$22,614,500 with FTP of 0.00.

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Bell.

Legislative Intent Language

SECTION____. UTILIZATION OF MATCHING FUNDS. It is legislative intent that the 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 it is further the express intention of the Legislature to authorize the Division of Public Works to expend, for the purpose of paying the cost of any land, building, equipment or the rebuilding, renovation or repairs of building, money appropriated for public works to various agencies as part of the respective agency operating budgets; provided the express approval by the Permanent Building fund Advisor Council is granted to make application for such moneys in each instance.

SECTION____. EXEMPTION OF APPROPRIATIONS FROM CERTAIN PROVISIONS. All appropriations made herein shall be exempt from the provisions of Chapter 36, Title 67, and Section 67-3516, Idaho Code, but shall be available for expenditure only after allotment in accordance with the other provisions of Chapter 35, Title 67, Idaho Code, and all appropriations made hereunder shall be subject to the provisions of Section 67-5711, Idaho Code, except as otherwise provided herein.

SECTION____. ISSUANCE OF TAX ANTICIPATION NOTES. The State Treasurer is hereby authorized and directed to anticipate the revenues in the Permanent Build Fund by the issuance of tax anticipation notes in accordance with authority conferred in Sections 63-3201 through 63-3204, Idaho Code, and in accordance with the procedures and subject to the limitations provided in those sections, in the same manner as through

the revenues in the General Fund were being anticipated.
SECTION____. REALLOCATION OF PROJECT SAVINGS. It is the intent of the Legislature that the Division of Public Works have the flexibility to allocate any savings or unused appropriation from any capital, line-item project to any other requested and funded FY 2012 capital projects. The reallocation of such appropriation must be approved by the Permanent Building Fund Advisory Council prior to the funds being spent.

Unanimous Consent Request

On request by Toryanski, granted by unanimous request, the legislative intent language shown above was accepted.

Capitol Commission

Carried

Original Motion

Moved by Patrick, seconded by Mortimer, to approve for introduction \$0 General Fund, \$327,200 dedicated funds, \$0 federal funds for a total of \$327,200 with FTP of 0.00. C/O for unspent dedicated funds

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Bell.

Legislative Intent Language

SECTION 2. NON-GENERAL FUND REAPPROPRIATION AUTHORITY. There is hereby reappropriated to the Department of Administration for the Idaho Capitol Commission any unexpended and unencumbered balances of moneys categorized as dedicated funds as appropriated for fiscal year 2012, to be used for non-recurring expenditures, for the period July 1, 2012, through June 30, 2013.

Bond Payments

Carried

Original Motion

Moved by Thompson, seconded by Mortimer, to approve for introduction \$4,367,600 General Fund, \$28,414,600 dedicated funds, \$0 federal funds for a total of \$32,782,200 with FTP of 0.00.

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Bell.

ADJOURNED

Maxine Bell, Chairman

Kathryn Yost, Secretary

JFAC COMMITTEE MEETING MINUTES

3/8/12

The hearing was held in C310, Statehouse, commencing at approximately 8:00 a.m. and concluding at approximately 9:00 a.m. with Chairman Cameron presiding.

Roll Call at Time of Vote:

Senators: Cameron, Keough, Broadsword, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour

Representatives: Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo

Absent/Excused: Bair, LeFavour, Jaquet

Staff Present: Headlee, Burns

FY2012 SUPPLEMENTAL APPROPRIATION: Health Education Programs

Presenter: Paul Headlee, Principal Budget and Policy Analyst

Unanimous Consent Request

On request by Mortimer, granted by unanimous consent, the FY 2012 budget for the Health Education Programs was reopened.

Health Education Programs, WWAMI - Move Operating Dollars into Personnel

Carried Original Motion

Moved by Mortimer, seconded by Brackett, to approve for introduction \$0 General Fund, \$112,200 dedicated funds, \$0 federal funds for a total of \$112,200 with FTP of 0.00. Object Shift.

Ayes: 17

Cameron, Keough, Broadsword, Brackett, Mortimer, Heider, Toryanski, Bilyeu, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo

Nays: 0

Ab/Ex: 3 Bair, LeFavour, Jaquet

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 Bell.

SETTING FY2013 APPROPRIATIONS

STATE BOARD OF EDUCATION

Health Education Programs

Carried **Original Motion**

Moved by Ringo, seconded by Bilyeu, to approve for introduction \$10,119,300 General Fund, \$805,900 dedicated funds, \$0 federal funds for a total of \$10,925,200 with FTP of 20.50.

OT \$20,900 Gen Fund for critical replacement items.

Ayes: 17

Cameron, Keough, Broadsword, Brackett, Mortimer, Heider, Toryanski, Bilyeu, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo

Nays: 0

Ab/Ex: 3 Bair, LeFavour, Jaquet

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 Cameron.

Special Programs

Carried **Original Motion**

Moved by Keough, seconded by Mortimer, to approve for introduction \$8,712,500 General Fund, \$0 dedicated funds, \$1,317,200 federal funds, for a total of \$10,029,700 with FTP of 27.33. (Carryover for scholarship program only.)

Ayes: 18

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo

Nays: 0

Ab/Ex: 2 LeFavour, Jaquet

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 Cameron.

SUPERINTENDENT OF PUBLIC INSTRUCTION

Carried **Original Motion**

Moved by Mortimer, seconded by Thompson, to approve for introduction \$8,270,600 General Fund, \$17,053,200 dedicated funds, \$21,066,100 federal funds for a total of \$46,389,900 with FTP of 142.00.

Ayes: 18

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo

Nays: 0

Ab/Ex: 2 LeFavour, Jaquet

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 Cameron.

Carried **Original Motion**

Moved by Hagedorn, seconded by Bell, to approve for introduction \$3,200 General Fund, \$0 dedicated funds, \$0 federal funds for a total of \$3,200 with FTP of 0.00; 2% CEC For Charter School Commission

Ayes: 18

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo

Nays: 0

Ab/Ex: 2 LeFavour, Jaquet

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 Cameron.

Office of State Board of Education: Charter School Commission (Correction)
2% CEC for Charter School Commission

Provides funding for the 2% CEC that was inadvertently left out of the budget when funding for the charter school commission was moved to its own program.

Unanimous Consent Request

On request by Hagedorn, granted by unanimous consent, the FY 2013 budget for the Charter School Commission, Office of the State Board of Education, was reopened.

Carried

Original Motion

Moved by Hagedorn, seconded by Bell, to approve for introduction an additional \$3,200 of ongoing General Fund dollars for personnel costs in the Charter School Commission program.

Ayes: 18

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo

Nays: 0

Ab/Ex: 2 LeFavour, Jaquet

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 Cameron.

JUDICIAL BRANCH

Presenter: Richard Burns, Principal Analyst, Budget & Policy Analysis

Carried

Original Motion

Moved by Bolz, seconded by Broadsword, to approve for introduction \$30,213,000 General Fund, \$16,904,200 dedicated funds, \$1,841,800 federal funds for a total of \$48,959,000 with FTP of 273.00.

Ayes: 18

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo

Nays: 0

Ab/Ex: 2 LeFavour, Jaquet

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 Cameron.

OFFICE OF THE GOVERNOR: Office of Drug Policy

Presenter: Richard Burns, Principal Analyst, Budget & Policy Analysis

Carried **Original Motion**

Moved by Bolz, seconded by Thompson, to approve for introduction \$1,072,900 General Fund, \$3,500 dedicated funds, \$0 federal funds for a total of \$1,076,400 with FTP of 3.00.

Ayes: 18

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo

Nays: 0

Ab/Ex: 2 LeFavour, Jaquet

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 Cameron.

STATE TREASURER: FY 2012 SUPPLEMENTAL

Presenter: Richard Burns, Principal Analyst, Budget & Policy Analysis

Cash Transfer

Provides a one-time supplemental appropriation and transfer of \$161,000, from the Millennium Fund, to the Millennium Permanent Endowment Fund; to repay prior year investment management consulting fees that were paid in error from the permanent endowment fund from FY 2009 through FY 2011.

Carried **Original Motion**

Moved by Patrick, seconded by Broadsword, to approve for introduction \$0 General Fund, \$161,000 dedicated funds, \$0 federal funds for a total of \$161,000 with FTP of 0.00.

Ayes: 18

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo

Nays: 0

Ab/Ex: 2 LeFavour, Jaquet

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 Cameron.

Cash Transfer

Provides a one-time supplemental appropriation and transfer of \$80,000 from the Millennium Fund to the Millennium Income Fund in order to appropriate that amount to the State Treasurer to cover current year investment management consulting fees.

Carried

Original Motion

Moved by Patrick, seconded by Broadsword, to approve for introduction \$0 General Fund, \$80,000 dedicated funds, \$0 federal funds for a total of \$80,000 with FTP of 0.00.

Ayes: 18

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo

Nays: 0

Ab/Ex: 2 LeFavour, Jaquet

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 Cameron.

Unanimous Consent Request

On request by Patrick, granted by unanimous consent, the FY 2012 budget for the State Treasurer was reopened.

Additional FY 2012 Supplemental

Need a one-time \$80,000 supplemental appropriation to the State Treasurer from the Millennium Income Fund for FY 2012, for the purpose of covering current year investment management consulting fees.

Carried

Original Motion

Moved by Patrick, seconded by Broadsword, to approve for introduction \$0 General Fund, \$80,000 dedicated funds, \$0 federal funds for a total of \$80,000 with FTP of 0.00.

Ayes: 18

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo

Nays: 0

Ab/Ex: 2 LeFavour, Jaquet

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 Cameron.

SETTING FY2013 APPROPRIATION
STATE TREASURER: Millennium Income Fund

Carried

Original Motion

Moved by Patrick, seconded by Thompson, to approve for introduction \$0 General Fund, \$5,714,400 dedicated funds, \$0 federal funds for a total of \$5,714,400 with FTP of 0.00. (from Millennium Income Fund)

Ayes: 18

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo

Nays: 0

Ab/Ex: 2 LeFavour, Jaquet

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 Cameron.

Legislative Intent Language

REVERSION OF UNEXPENDED BALANCES. Notwithstanding any other provision of law to the contrary, on June 30, 2013, or as soon thereafter as is practicable, any remaining unexpended and unencumbered balance of moneys appropriated in Section ___ of this act shall be reverted to the Idaho Millennium Income Fund. ~~The State Controller shall then transfer said reverted moneys and all earnings credited to the Idaho Millennium Income Fund to the Idaho Millennium Fund.~~

DEPARTMENT OF HEALTH AND WELFARE. It is the intent of the Legislature that moneys appropriated to the Department of Health and Welfare in Section ___ of this act shall be designated for Project Filter tobacco prevention and control programs; counter-marketing; QuitNet and QuitLine tobacco cessation programs; and nicotine replacement therapy. These funds shall not be used for local programs identified in the department's application proposal since they may duplicate other programs funded by the Millennium Income Fund.

Unanimous Consent Request

On request by Patrick, granted by unanimous consent, the legislative intent language shown above was accepted.

ADJOURNED

Senator Dean L. Cameron, Chairman

Margaret Major, Peggy Moyer; Secretaries

JFAC COMMITTEE MEETING MINUTES

3/9/12

The hearing was held in Room C310, Statehouse, commencing at 8:00 a.m. and concluding at 9:29 a.m. with Chairman Bell presiding.

Roll Call:

Senators: Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu

Representatives: Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Vander Woude, Ringo, Jaquet

Absent: LeFavour

Excused: Thompson

Staff Present: Holland-Smith, Bybee, Ellsworth

SETTING FY 2013 APPROPRIATIONS

DEPARTMENT OF COMMERCE

Presenter: Keith Bybee, Principal Analyst, Budget & Policy Analysis

Carried Original Motion

Moved by Jaquet, seconded by Cameron, to approve for introduction \$5,753,300 General Fund, \$9,089,000 dedicated funds, \$25,191,000 federal funds for a total of \$40,033,300 with FTP of 53.00.

Ayes: 17

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, Bell, Bolz, Wood, Patrick, Hagedorn, Vander Woude, Ringo, Jaquet

Nays: 0

Ab/Ex: 3 LeFavour, Eskridge, Thompson

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 Bell.

Legislative Intent Language

SECTION 4. LEGISLATIVE INTENT. Of the amount appropriated in Section 1 of this act for grants that support the Idaho Global Entrepreneurial Mission, the director has the discretion to use these moneys, as much thereof as is necessary, for the purposes prescribed in House Bill 546 and for grants towards the goals of the Business and Jobs Development program. The Department of Commerce at the request of the

Co-Chairman shall report to the Joint Finance-Appropriation Committee's interim meeting, the Department of Commerce shall provide biennial updates to the Governor and the Joint Finance-Appropriations Committee for economic development and return on investment.

Unanimous Consent Request

On request by Jaquet, granted by unanimous consent, the legislative Intent Language shown above was accepted.

**FY 2012 SUPPLEMENTAL
RECONSIDERATION OF COMMISSIONER PAY**

Unanimous Consent Request

On request by Hagedorn, granted by unanimous consent, to reopen the FY 2013 budgets for the Public Utilities Commission, the Idaho Industrial Commission, and the Idaho State Tax Commission.

Idaho State Tax Commission

SECTION . That Section 63-102, Idaho Code, be, and the same is hereby amended to read as follows:

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, ~~2008~~2012, the annual salary for members of the state tax commission shall be ~~eighty-five~~seventy thousand ~~four~~one hundred ~~forty-seven~~fifty-six dollars (~~\$85,447~~87,156).

(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.

Carried

Original Motion

Moved by Hagedorn, seconded by Cameron, to accept language to strike 3 sections (amending code) from the FY 2013 appropriation bills for the PUC, Industrial Commission and State Tax Commission.

Ayes: 18

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Vander Woude, Ringo, Jaquet

Nays: 0

Ab/Ex: 2 LeFavour, Thompson

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 Bell.

SETTING FY 2013 APPROPRIATIONS
DEPARTMENT OF HEALTH AND WELFARE

Presenter: Matt Ellsworth, Senior Analyst, Budget & Policy Analysis

Division of Welfare

Carried

Original Motion

Moved by Broadsword, seconded by Wood, to approve for introduction \$37,382,900 General Fund, \$2,620,900 dedicated funds, \$97,441,600 federal funds for a total of \$137,445,400 with FTP of 591.56.

OT = \$820,000 from GF, and \$7,380,000 federal

Ayes: 18

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Vander Woude, Ringo, Jaquet

Nays: 0

Ab/Ex: 2 LeFavour, Thompson

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 Bell.

Legislative Intent Language

GENERAL FUND TRANSFERS:

As appropriated, the State Controller shall make transfers from the General Fund to the Cooperative Welfare Fund, periodically, 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 budgeted in the trustee and benefit payments expenditure class shall not be transferred to any other expense classes during fiscal year 2013.

PROGRAM INTEGRITY:

Notwithstanding any other provisions of law, it is hereby declared to be the intent of the Legislature that 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.

ACTUAL AND FORECAST DETAIL REPORTING:

The Division of Welfare shall deliver the Self-Reliance Programs Forecast to the Legislative Service Office and Division of Financial Management no less than quarterly. The report shall include monthly caseload details for Temporary Assistance for Needy Families (TANF), Child Care, Medicaid, Aid to the Aged, Blind and Disabled, Food Stamps, and Child Support programs. The Self-Reliance Programs Forecast shall also include expenditure details for all of the named programs with the exception of 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.

Unanimous Consent Request

On request by Broadsword, granted by unanimous consent, the legislative intent language as shown above was accepted.

Service Integration

Carried

Original Motion

Moved by Wood, seconded by Broadsword, to approve for introduction \$891,700 General Fund, \$69,500 dedicated funds, \$4,197,000 federal funds for a total of \$5,158,200 with FTP of 36.00.

Ayes: 18

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Vander Woude, Ringo, Jaquet

Nays: 0

Ab/Ex: 2 LeFavour, Thompson

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 Bell.

Legislative Intent Language

GENERAL FUND TRANSFERS:

As appropriated, the State Controller shall make transfers from the General Fund to the Cooperative Welfare Fund, periodically, 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 budgeted in the trustee and benefit payments expenditure class shall not be transferred to any other expense classes during fiscal year 2013.

PROGRAM INTEGRITY:

Notwithstanding any other provisions of law, it is hereby declared to be the intent of the Legislature that 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.

Legislative Intent Language

On request by Wood, granted by unanimous consent, the legislative intent language as shown above was accepted.

Medically Indigent Administration

Carried

Original Motion

Moved by Jaquet, seconded by Broadsword, to approve for introduction \$132,700 General Fund, \$0 dedicated funds, \$0 federal funds for a total of \$132,700 with FTP of 1.25.

Ayes: 18

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Vander Woude, Ringo, Jaquet

Nays: 0

Ab/Ex: 2 LeFavour, Thompson

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 Bell.

Legislative Intent Language

GENERAL FUND TRANSFERS:

As appropriated, the State Controller shall make transfers from the General Fund to the Cooperative Welfare Fund, periodically, 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 budgeted in the trustee and benefit payments expenditure class shall not be transferred to any other expense classes during fiscal year 2013.

PROGRAM INTEGRITY:

Notwithstanding any other provisions of law, it is hereby declared to be the intent of the Legislature that 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.

Unanimous Consent Request

On request by Jaquet, granted by unanimous consent, the legislative intent language as shown above was accepted.

Medical Assistance Services

Carried

Original Motion

Moved by Wood, seconded by Bair, to approve for introduction \$474,177,200 General Fund, \$199,623,700 dedicated funds, \$1,237,558,600 federal funds for a total of \$1,911,359,500 with FTP of 208.00. See Motion for OT Detail

Ayes: 18

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Vander Woude, Ringo, Jaquet

Nays: 0

Ab/Ex: 2 LeFavour, Thompson

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 Bell.

Legislative Intent Language

GENERAL FUND TRANSFERS:

As appropriated, the State Controller shall make transfers from the General Fund to the Cooperative Welfare Fund, periodically, 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 budgeted in the trustee and benefit payments expenditure class shall not be transferred to any other expense classes during fiscal year 2013.

PROGRAM INTEGRITY:

Notwithstanding any other provisions of law, it is hereby declared to be the intent of the Legislature that 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.

GENERAL FUND REAPPROPRIATION AUTHORITY

There is hereby reappropriated to the Department of Health and Welfare any unexpended and unencumbered balance of General Fund moneys in the Cooperative Welfare Fund as appropriated to the Coordinated Medicaid Plan, Enhanced Medicaid Plan, and Basic Medicaid Plan for trustee and benefit payments for fiscal year 2012, to be made available for the period July 1, 2012 to June 30, 2013. The re-appropriation shall be computed by the Department of Health and Welfare and, for budgeting purposes, any General Fund portion of the balance in the Cooperative Welfare Fund from trustee and benefit payments in the Medical Assistance Services Division, in the programs identified herein, shall be identified as part of the General Fund. The re-appropriation for the General Fund portion of the Cooperative Welfare Fund granted in this section shall be subject to the following provisions: (1) If the unexpended and unencumbered balance in the General Fund on June 30, 2012, is zero, the re-appropriation for the General Fund in this section is hereby declared to be null and void: (2) If the unexpended and unencumbered balance in the General Fund on June 30, 2012, is greater than zero, but less than the total General Fund re-appropriation authority granted to all state agencies, the amount re-appropriated in this section shall be in the proportion that the re-appropriation of this agency bears to the total General Fund re-appropriation authority granted to all state agencies.

NURSING FACILITY ADJUSTMENT PAYMENTS

Notwithstanding the provisions of §56-1511, with the exceptions noted herein, and pending the availability of General Fund resources, the Department of Health and Welfare shall devote \$1,500,000 of unexpended and unencumbered funds for fiscal year 2012 to decrease the portion of the Nursing Facility Assessment referred to as the Nursing Facility Gap/Trustee & Benefit Assessment. The Gap/Trustee & Benefit Assessment is the portion of the assessment attributable to the provisions of §56-1504(3)(g), Idaho Code. In doing so, the \$13,500,000 currently budgeted from the Nursing Facility Gap/Trustee & Benefit Assessment shall decrease to \$12,000,000, allowing a like increase in available Nursing Facility Assessment moneys to devote to the Nursing Home Upper Payment Limit Assessment, resulting in a net zero impact to overall Nursing Home Assessment Payments. As soon as practicable, the Department of Health and Welfare shall issue additional Nursing Facility Adjustment Payments as

defined in §56-1511 Idaho Code. The distribution methodology for the additional Nursing Facility Payments shall be consistent with §56-1511, Idaho Code.

ACTUAL AND FORECAST DETAIL REPORTING

The Department of Health and Welfare Medical Assistance Services Division and Indirect Support Services Division shall deliver on a monthly basis to the Legislative Services Office and Division of Financial Management a report that compares the Medicaid Forecast used to set the budget to actual expenditures and remaining forecasted expenditures. The format of the report, and the information included therein, shall be determined by the Legislative Services Office and 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 Medical Assistance Services Division may be transferred in excess of ten percent (10%) among the Coordinated Medicaid Plan, Enhanced Medicaid Plan, and Basic Medicaid Plan, but shall not be transferred to any other budgeted programs or expenditure classes within the Department of Health and Welfare during fiscal year 2013

REPORTING ON IMPLEMENTATION OF HOUSE BILL NO. 260 OF 2011:

The Medical Assistance Services Division shall report on a quarterly basis the status of the implementation of House Bill No. 260, as enacted by the First Regular Session of the Sixty-first Idaho Legislature, to the Legislative Services Office and Division of Financial Management. The report shall, at a minimum, include benefit modification implementation updates on both long-term and short-term changes, and actual cost savings realized as a result of those changes compared to estimated savings for each modification. The format of the report, and information contained therein, shall be determined by the Legislative Services Office and Division of Financial Management.

MEDICAID MANAGED CARE IMPLEMENTATION:

The Medical Assistance Services Division shall deliver the Medicaid Managed Care actuarial analysis required in House Bill No. 260, as enacted by the First Regular Session of the Sixty-first Idaho Legislature, upon completion. Further, in acknowledgement of the associated funding provided in [Section 1] for development of an Idaho Managed Care Implementation Plan, the Medical Assistance Services Division shall submit written reports not less than quarterly to the Legislative Services Office and Division of Financial Management on the progress of the Idaho Managed Care Implementation Plan development. The format of the quarterly report, and the information contained therein, shall be determined by the Legislative Services Office and Division of Financial Management. It is the intent of the Legislature that the Idaho Managed Care Implementation Plan shall be complete by June 30, 2013, and provided to the Legislative Services Office and Division of Financial Management upon completion.

Unanimous Consent Request

On request by Wood, granted by unanimous consent, the legislative intent language as shown above was accepted.

LICENSING AND CERTIFICATION

Carried

Original Motion

Moved by Wood, seconded by Bair, to approve for introduction \$1,306,600 General Fund, \$614,500 dedicated funds, \$3,120,200 federal funds for a total of \$5,041,300 with FTP of 60.00.

Ayes: 18

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Vander Woude, Ringo, Jaquet

Nays: 0

Ab/Ex: 2 LeFavour, Thompson

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 Bell.

Legislative Intent Language

GENERAL FUND TRANSFERS:

As appropriated, the State Controller shall make transfers from the General Fund to the Cooperative Welfare Fund, periodically, 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 budgeted in the trustee and benefit payments expenditure class shall not be transferred to any other expense classes during fiscal year 2013.

PROGRAM INTEGRITY:

Notwithstanding any other provisions of law, it is hereby declared to be the intent of the Legislature that 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 budget program.

Unanimous Consent

On request by Wood, granted by unanimous consent, the legislative intent language as shown above was accepted.

GENERAL BUDGET ANALYSIS FOR FY 2012-2013

Presenter: Cathy Holland-Smith, Division Manager, Budget & Policy Analysis

GOVERNOR'S REVISED REC/JFAC ACTION FOR FY 2012 - 2013

1 FY 2011 Actual Gen Fund Collections	2,444,477,848		2,444,477,848	2,444,477,848		2,444,477,848
	Gov Rec Revised/ EORAC	One-Time	Ongoing	JFAC Action	One-Time JFAC Action	Ongoing for JFAC Action
2 FY 2012 Beginning Balance	69,942,500	69,942,500		69,942,500	69,942,500	
3 FY 2012 Revenue Estimate	2,552,710,000		2,552,710,000	2,552,710,000		2,552,710,000
4 Bills with Fiscal Impact				(164,000)		(164,000)
5 % Change from FY 2011 4.428%						
6 FY 2012 Net Transfers/2011 Session	38,004,700	38,004,700		38,004,700	38,004,700	
7 FY 2012 Net Transfers/2012 Session	(4,225,700)	(4,225,700)		(4,225,700)	(4,225,700)	
8 FY 2012 Net Transfers	33,779,000	33,779,000	-	33,779,000	33,779,000	-
9 FY 2012 Original Appropriation	2,528,960,600	3,205,700	2,525,754,900	2,528,960,600	3,205,700	2,525,754,900
10 Reappropriations	32,300	32,300		32,300	32,300	
11 Rescission - H&W Medicaid	(18,614,700)		(18,614,700)			
12 FY 2012 Supplementals - Ongoing	5,527,000			11,680,500		11,680,500
13 FY 2012 Supplementals - One-Time	19,850,300	19,850,300		8,177,100	8,177,100	
14 Total FY 2012 Estimated Expenditures	2,535,755,500	23,088,300	2,512,667,200	2,548,850,500	11,415,100	2,537,435,400
15 FY 2012 Estimated Ending Balance	120,676,000	80,633,200	40,042,800	107,417,000	92,306,400	15,110,600
16 FY 2013 Beginning Balance	120,676,000	120,676,000		107,417,000	107,417,000	
17 % Change from FY 2012	4.30%					
18 FY 2013 Revenue Estimate	2,667,582,000		2,667,582,000	2,667,582,000		2,667,582,000
19 Bills with Fiscal Impact				(14,000)		(14,000)
20 Gov's Tax Relief Package	(45,000,000)		(45,000,000)			
21 FY 2013 Total Available Cash	2,743,258,000	120,676,000	2,622,582,000	2,774,985,000	107,417,000	2,667,568,000
FY 2013 Transfers to Stabilization Funds						
22 S1285 Transfer from Bond Levy Equalization	15,900,000	15,900,000				
23 Statutory Transfer to Budget Stabil Fund	(10,914,500)	(10,914,500)		(10,914,500)	(10,914,500)	
24 Transfer to Budget Stabil Fund - add'l amount	(15,065,500)	(15,065,500)				
25 Transfer to Higher Ed Stabil Fund	(4,980,000)	(4,980,000)				
26 Transfer to Public Ed Stabil Fund	(29,040,000)	(29,040,000)				
27 Total	(44,100,000)	(44,100,000)	-	(10,914,500)	(10,914,500)	-
FY 2013 Other Fund Transfers						
28 In from Division of Veterans Services	19,000,000	19,000,000				
29 Out to Constitutional Defense Fund	(1,500,000)	(1,500,000)		(500,000)	(500,000)	
30 Total	17,500,000	17,500,000		(500,000)	(500,000)	
31 FY 2013 Base	2,512,599,900	-	2,512,599,900	2,537,352,300		2,537,352,300
32 Benefit Changes	12,479,400		12,479,400	12,366,800		12,366,800
33 Inflationary Adjustments	92,600		92,600	110,500		110,500
34 Replacement Items	35,300	35,300		2,000,000	2,000,000	
35 Statewide Cost Allocation	(395,100)		(395,100)	(395,100)		(395,100)
36 Annualizations	500,000		500,000	-		
37 Change in Employee Compensation - Elected	18,300		18,300	18,300		18,300
38 Change in Employee Compensation	15,562,700	15,562,700		9,978,700		9,978,700
39 Public School Salary Increase	25,544,400	25,544,400		2,345,300		2,345,300
Nondiscretionary Adjustments						
40 Public Schools - New Support Units 150	11,208,100		11,208,100	3,986,500		3,986,500
41 Increase	38,774,600		38,774,600	38,774,600		38,774,600
42 Apport by 2.38%	(19,515,000)		(19,515,000)	-		-
43 Public Schools - Reduce IDLA Funding	(5,000,000)		(5,000,000)	(4,969,000)		(4,969,000)
44 Public Schools - Mobile Computing/Trans etc.	6,098,700		6,098,700	3,154,800		3,154,800
45 Higher Ed - Enrollment Workload Adjustment	8,352,400		8,352,400	8,352,400		8,352,400
46 H&W Medicaid Caseload, Utilization, Pricing	44,332,000		44,332,000	(299,600)		(299,600)
47 Endowment Adjustments	(312,300)		(312,300)	(1,500)		(1,500)
48 FY 2013 Maintenance of Current Operations	2,650,376,000	41,142,400	2,609,233,600	2,614,775,000	2,000,000	2,612,775,000
49 Line Items	29,416,500	3,132,100	24,284,400	30,207,900	4,963,500	25,244,400
50 Medicaid Assessments Sunset	36,400,000	17,785,300	18,614,700	36,400,000		36,400,000
51 PS Increase Teacher Min Pay to \$30,500				2,861,100		2,861,100
52 PS Restore Discretionary/Dedicated Funds				3,288,900		3,288,900
53 Public Schools District IT Staffing				2,500,000		2,500,000
54 Fund Catastrophic Health Care Program				9,741,400		9,741,400
55 FY 2013 Total Recommendation	2,716,192,500	64,059,800	2,652,132,700	2,701,774,300	6,963,500	2,694,810,800
56 FY 2013 Estimated Ending Balance	465,500	30,016,200	(29,550,700)	61,796,200	89,039,000	(27,242,800)
57 % Change from Orig Approp FY 2012	7.4%			6.8%	117.2%	6.7%
58 Public Schools	1,280,769,400	25,498,200	1,255,271,200	1,279,818,600	-	1,279,818,600
59 All Other State Government	1,435,423,100	38,561,600	1,396,861,500	1,421,955,700	6,963,500	1,414,992,200
60 Total	2,716,192,500	64,059,800	2,652,132,700	2,701,774,300	6,963,500	2,694,810,800

ADJOURNED
Maxine Bell, Chairman

Kathryn Yost, Secretary

JFAC COMMITTEE MEETING MINUTES

3/21/12

The hearing was held in C310, Statehouse, commencing at 8:00 a.m. and concluding at 9:00 a.m. with Chairman Cameron presiding.

Roll Call:

Senators: Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour

Representatives: Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Absent/Excused: None

Staff Present: Lockett, Burns, Ellsworth, Holland-Smith

Others Present: Brian Kane, Assistant Chief Deputy

SETTING FY 2013 APPROPRIATIONS

IDAHO STATE HISTORICAL SOCIETY ; DEPARTMENT OF ADMINISTRATION
FY 2013 Trailer Appropriation to HB599

Presenter: Robyn Lockett, Analyst, Budget & Policy Analysis

Historical Society/Dept of Administration: Records Management Consolidation

The Idaho State Historical Society, in collaboration with the Department of Administration, recommends consolidation of the records function of the State Records Center and the Idaho State Archives under the direction of the Historical Society.

Unanimous Consent Request

On request by Heider, granted by unanimous consent, the FY 2013 budgets for both the Idaho State Historical Society and the Department of Administration were reopened.

Idaho State Historical Society – Fund Transfer

It is necessary to transfer \$21,400 from the Federal Grant Fund to the Records Management Service Fund for the Idaho State Historical Society for FY 2013.

Carried **Original Motion**

Moved by Heider, seconded by Jaquet, to approve for introduction \$0 General Funds, \$0 dedicated funds, \$21,400 federal funds for a total of \$21,400 with FTP of 0.00.

Ayes: 19

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Nays: 0

Ab/Ex: 1

Eskridge

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 Cameron.

DEPARTMENT OF ADMINISTRATION

State Records Center – Administrative & Accounting Services Fund

(Fund Reduction)

The \$237,000 dedicated fund appropriation in the Department of Administration for the State Records Center needs to be transferred to the Historical Society. State agencies currently pay fees to the Department of Administration to manage the records.

Carried Original Motion

Moved by Heider, seconded by Jaquet, to approve for introduction \$0 General Fund, \$(237,000) dedicated funds, \$0 federal funds for a total of \$(237,000) with FTP of (2.00).

Ayes: 19

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Nays: 0

Ab/Ex: 1

Eskridge

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 Cameron.

SELF-GOVERNING AGENCIES: Idaho State Historical Society

A trailer appropriation request for House Bill 599 reduces the FY 2013 appropriation to the Department of Administration by \$237,000 and two FTP and increases the FY 2013 appropriation to the Historical Society by \$323,400 and two FTP. The difference of \$86,400 is one-time funds and includes \$65,000 from the General Fund to conduct a records study and \$21,400 to serve as start-up costs for the consolidation.

Carried **Original Motion**

Moved by Heider, seconded by Jaquet, to approve for introduction \$65,000 General Fund, \$258,400 dedicated funds, \$0 federal funds for a total of \$323,400 with FTP of 2.00. (\$86,400 one time)

Ayes: 19

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Nays: 0

Ab/Ex: 1 Eskridge

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 Cameron.

IDAHO STATE POLICE: FY 2013 Trailer Appropriation to HB450aS

Presenter: Richard Burns, Principal Analyst, Budget & Policy Analysis

Law Enforcement Programs: Alcohol Beverage Control

HB 450aS created a dedicated funding source for Alcohol Beverage Control (ABC) within the Idaho State Police for ABC staffing and operations. Approximately \$1,500,000 from license fees, which currently are deposited in the General Fund, would be deposited in the newly created account dedicated to alcohol beverage control.

Disclosure of Possible Conflict of Interest

Pursuant to Rule 38, Representative Vander Woude disclosed he has a possible conflict of interest under applicable law; he does plan to vote on the issue currently before the Committee.

Carried **Original Motion**

Moved by Bolz, seconded by LeFavour, to approve for introduction \$0 General Fund, \$1,500,000 dedicated funds, \$0 federal funds for a total of \$1,500,000 with FTP of 12.00.

Ayes: 18

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Wood, Patrick, Thompson, Vander Woude, Ringo, Jaquet

Nays: 0

Ab/Ex: 2 Eskridge, Hagedorn

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 Cameron.

FY 2012 SUPPLEMENTAL

STATE BOARD OF EDUCATION: Vocational Rehabilitation

Presenter: Matt Ellsworth, Senior Analyst, Budget & Policy Analysis

Council for the Deaf and Hard of Hearing (CDHH)

An earlier supplemental, which has since been signed into law, gave CDHH \$84,400 to backfill federal funds that were originally appropriated to CDHH for FY 2012. Before knowing that the federal funds were ineligible for CEHH use, CDHH spent an amount of federal funds this fiscal year. As a result, IDVR removed some of the General Fund supplemental to pay back expended federal funds, resulting in a shortfall for the remainder of the year.

Unanimous Consent Request

On request by Broadsword, granted by unanimous consent, the FY 2012 budget for Council for the Deaf and Hard of Hearing, Vocational Rehabilitation Division, was reopened.

Carried

Original Motion

Moved by Broadsword, seconded by Mortimer, to approve for introduction \$3,000 General Fund, \$0 dedicated funds, \$0 federal funds for a total of \$3,000 with FTP of 0.00.

Ayes: 18

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Wood, Patrick, Thompson, Vander Woude, Ringo, Jaquet

Nays: 0

Ab/Ex: 2 Eskridge, Hagedorn

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 Cameron.

SETTING FY 2013 APPROPRIATIONS

DEPARTMENT OF HEALTH & WELFARE: Child Welfare - Reconsideration

Presenter: Matt Ellsworth, Senior Analyst, Budget & Policy Analysis

Foster & Assistance Payments

Idaho provides monthly reimbursements to foster families on a tiered basis according to age. Child Welfare has requested an increase in the rate of the foster care monthly stipend since Idaho's rate is one of the lowest in the nation.

Unanimous Consent Request

On request by Jaquet, granted by unanimous consent, the FY 2013 budget for Child Welfare, Department of Health and Welfare, was reopened.

Carried

Original Motion

Moved by Jaquet, seconded by Bair, to approve for introduction \$150,000 General Fund, \$0 dedicated funds, \$498,100 federal funds for a total of \$648,100 with FTP of 0.00.

Ayes: 19

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Thompson, Vander Woude, Ringo, Jaquet

Nays: 0

Ab/Ex: 1 Hagedorn

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 Cameron.

LEGISLATURE

Constitutional Defense Council Fund

Presenter: Cathy Holland-Smith, Manager, Budget and Policy Analysis

General Fund Transfer

According to Section 67-6301, Idaho Code, the Constitutional Defense Council was created in the 1990's and consists of the Governor, President Pro Tempore of the Senate, Speaker of the House of Representatives and Attorney General. The Council's purpose includes, among other things, restoring, maintaining and advancing the sovereignty and authority over issues that affect Idaho and its citizens. The fund is housed in the House of Representatives and moneys in the fund are continuously appropriated. There were no transfers into the account in FY 2007, 2008, 2010 or 2011. The current fund balance is \$186,072.

Carried

Original Motion

Moved by Keough, seconded by Bolz, to approve for introduction \$500,000 General Fund, \$0 dedicated funds, \$0 federal funds for a total of \$500,000 with FTP of 0.00.

Ayes: 19

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Thompson, Vander Woude, Ringo, Jaquet

Nays: 0

Ab/Ex: 1

Hagedorn

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 Cameron.

Legislative Legal Defense Fund

RS 21552 provides for a new section in Idaho Code, Section 67-451A, creating the Legislative Legal Defense Fund, which consists of moneys placed into it by appropriations and shall be continuously appropriated to the Senate and House of Representatives. The President Pro Tempore of the Senate and the Speaker of the House of Representatives are authorized to make expenditures out of the fund for necessary legal expenses of the legislature.

Carried

Original Motion

Moved by Bair, seconded by Bell, to approve for introduction RS 21552 and \$200,000 in General Fund, \$0 dedicated funds, \$0 federal funds for a total of \$200,000; FTP of 0.00. RS21552 will be sent directly to the Floor.

Ayes: 16

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude

Nays: 4

Bilyeu, LeFavour, Ringo, Jaquet

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 Cameron.

ATTORNEY GENERAL BRIEFING: Mortgage Foreclosure Settlement

Presenter: Brian Kane, Assistant Chief Deputy, Office of Attorney General

The state of Idaho has reached a \$13.3 million settlement with five major mortgage lenders. The Attorney General's office proposes to spend \$660,000 of mortgage foreclosure settlement funds to help Idaho's homeowners and improve Idaho's housing market with the following recommendations:

<u>Recipient</u>	<u>Purpose</u>	<u>Amount</u>
Id. State Bar Volunteer Legal Program	Fund to provide pro-bono representation for homeowners facing foreclosure to help them better understand their legal rights and options under state and federal laws.	\$150,000
Id Legal Aid	Funding to continue ILAS'S foreclosure-related legal services to help low-income families negotiate modifications, obtain deficiency waivers, and generally assist them with making sound legal and financial decisions about their home loans.	\$150,000
HUD-approved housing counselors	Non-profit agencies in Boise, Pocatello, Lewiston and Coeur d'Alene provide mortgage delinquency and default resolution counseling to homeowners, as well as homebuyer education and rental housing counseling. Idaho Housing & Finance distributes funding to a number of separate entities in Idaho.	\$150,000
Workbook Publication	Full-size professionally published workbook-style manual to explain in consumer-friendly language how to avoid delinquency, default, and foreclosure. This will help homeowners understand Idaho's new foreclosure laws, the nat'l settlement's mortgage servicing standards, and available modification programs. Include design/layout/printing	\$ 10,000
Displaced Homeowner Fund	Fund to assist homeowners transition from foreclosure to rental, family, assisted-living, shelter or temporary housing. Displaced homeowners could apply for grants to help pay for moving or storage costs, security deposits, or other emergency expenses. Any unused funds at the end of the year would revert back to the General Fund.	\$150,000

Temporary, Full-time Housing Specialist	Hire temporary, full-time housing specialist within Attorney General's office would have primary responsibility over outreach activities involving distribution of the Foreclosure Prevention Workbook Throughout Idaho and would host homeowner Events to answer questions about the National Mortgage Servicing Settlement and other Housing-related issues	<u>\$ 50,000</u>
	TOTAL	\$660,000

ADJOURNED

Senator Dean L. Cameron, Chairman

Peggy Moyer, Secretary

JFAC COMMITTEE MEETING MINUTES

3/28/12

The hearing was held in Room C310, Statehouse, commencing at 4:15 p.m. and concluding at 6:13 p.m. with Chairman Bell presiding.

Roll Call:

Senators: Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour

Representatives: Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Absent/Excused: None

Staff Present: Burns, Holland-Smith

Others Present: Tara Orr, Office of the Attorney; David Hahn, Department of Financial Management; General Sayler, Military Division

OFFICE OF THE ATTORNEY GENERAL

Presenter: Richard Burns, Principal Budget & Policy Analyst

Unanimous Consent Request

On request by Jaquet, granted by unanimous consent, the FY 2013 budget for the Attorney General was reopened.

Carried

Original Motion

Moved by Jaquet seconded by Mortimer, that upon receiving the settlement proceeds provided for in the March 12, 2012 National Mortgage Settlement Agreement and remitted to the General Fund, an additional \$500,000 in one-time dedicated funds for a total of \$500,000 be appropriated to the Attorney General for FY 2012-13. The appropriation would be lump sum and include \$50,000 for increasing a part-time housing specialist to full-time in the Attorney General's Office, \$120,000 for distribution to the Idaho State Bar's Volunteer Legal Program, \$120,000 for distribution to Idaho Legal Aid, \$110,000 for distribution to other governmental entities or organizations, and \$100,000 for distribution to the Community Action Partnership.

Failed

Substitute Motion

Moved by Patrick, seconded by Hagedorn, that upon receiving the settlement proceeds provided for in the March 12, 2012 National Mortgage Settlement Agreement and remitted to the General Fund, an additional \$500,000 in one-time dedicated funds for a total of \$500,000 be appropriated to the Attorney General for FY 2012-13. The appropriation would be lump sum and include \$50,000 for increasing a part-time housing specialist to full-time in the Attorney General's Office, \$120,000 for distribution to the Idaho State Bar's Volunteer Legal Program, **\$120,000 for distribution to HUD-approved housing counselors instead of Idaho Legal Aid.** \$110,000 for distribution to other governmental entities or organizations, and \$100,000 for distribution to the Community Action Partnership Association of Idaho.

Ayes: 5

Cameron, Brackett, Heider, Patrick, Hagedorn

Nays: 15

Keough, Broadsword, Bair, Mortimer, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Thompson, Vander Woude, Ringo, Jaquet

Ab/Ex: 0

Carried

Original Motion

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and There being no objection will carry a DO PASS recommendation.

Carried

Original Motion

Moved by Jaquet, seconded by Keough, that upon receipt of an estimated \$13.3 million in settlement proceeds provided for in the March 12, 2012 National Mortgage Settlement Agreement and remitted to the General Fund, \$500,000 be appropriated and transferred from the General Fund to the Consumer Protection Fund within the Office of the Attorney General for FY 2012-13.

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Nays: 0

Ab/Ex:

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 Bell.

SUPREME COURT

Trailer to H660: Judges Retirement Fund

Carried

Original Motion

Moved by Bolz, seconded by Cameron, to move an on-going lump sum appropriation of \$116,400 from the General Fund to the Supreme Court for fiscal year 2013, for a total of \$116,400. The purpose of this appropriation is to cover the increased employer's contribution rate that will go from 7% to 8.67% in fiscal year 2013.

Ayes: 19

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Ringo, Jaquet

Nays: 1

Vander Woude

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 Bell.

OFFICE OF THE GOVERNOR: Military Division

Trailer to H662: Youth Challenge Program

Failed

Original Motion

Moved by Brackett, seconded by Mortimer, to approve a one-time supplemental appropriation to the Military Division for the Youth Challenge program in the amount of \$500,000 in dedicated funds and \$1,000,000 in federal funds for a total of \$1,500,000 and include the addition of 6 full-time authorized positions on a one-time basis for FY 2012.

Ayes: 10

Keough, Brackett, Mortimer, LeFavour, Bell, Bolz, Eskridge, Hagedorn, Ringo, Jaquet

Nays: 10

Cameron, Broadsword, Bair, Heider, Toryanski, Bilyeu, Wood, Patrick, Thompson, Vander Woude

Ab/Ex: 0

YEAR – END APPROPRIATION FY 2012 TRANSFERS

Legislative Intent Language

SECTION 1. It is the intent of the Legislature, at the end of fiscal year 2012, to transfer General Fund balances to the Budget Stabilization Fund in excess of the amounts necessary 1) to provide funding to support communities in the event of declared disasters, 2) to provide a transfer to the Public Education Stabilization Fund for guaranteed funding of salary-based apportionment in fiscal year 2014, 3) to provide for fiscal year 2013 appropriations that are more than projected revenues, and 4) to provide a beginning General Fund balance for fiscal year 2013 to support funding for deficiency warrants and supplemental appropriations to be considered during the first regular session of the Sixty-Second Legislature.

Carried

Original Motion

Moved by Cameron, seconded by Thompson, to accept the language as shown above that states Legislative Emergency Intent for the purpose of the proposed bill.

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Bell.

Legislative Intent Language

SECTION 2. There is hereby appropriated and upon passage and approval of this act, the State Controller shall transfer \$2,000,000 from the General Fund to the Disaster Emergency Fund.

Carried **Original Motion**

Moved by Cameron, seconded by Heider, to transfer \$2,000,000 from the General Fund to the Disaster Emergency Fund (dedicated funds) in FY 2012

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

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 Bell.

Legislative Intent Language

SECTION 3. There is hereby appropriated and upon passage and approval of this act, the State Controller shall transfer \$21,452,600 from the General Fund to the Public Education Stabilization Fund.

Carried **Original Motion**

Moved by Cameron, seconded by Thompson, to transfer \$21,452,600 from the General Fund, to the Public Education Stabilization Fund (dedicated fund) in FY 2012.

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and there being no objection will carry a DO PASS recommendation.

Higher Education Stabilization Fund Transfer

Failed

Original Motion

Moved by Jaquet, seconded by Ringo, to approve for introduction \$1,000,000 General Fund, \$0 dedicated funds, \$0 federal funds for a total of \$1,000,000 with FTP of 0.00.

Ayes: 4

Bilyeu, LeFavour, Ringo, Jaquet

Nays: 16

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude

Ab/Ex: 0

Legislative intent Language

SECTION 4. There is hereby appropriated and the State Controller shall transfer any excess cash balance from the General Fund to the Budget Stabilization Fund upon the financial close of fiscal year 2012. When calculating any excess cash balance the State Controller shall provide for an ending balance of \$5,000,000 to be carried over into fiscal year 2013, plus an amount sufficient to cover General Fund appropriations in fiscal year 2013 that rely upon fiscal year 2012 year-end cash balances, encumbrances authorized by the Division of Financial Management, and any General Fund re-appropriation authorized by the Legislature. The State Controller shall determine when the financial close of fiscal year 2012 is complete, and after consultation with the Division of Financial Management and the Legislative Services.

Carried

Original Motion

Moved by Cameron, seconded by Thompson, to accept the language as shown above that provides for a transfer to the Budget Stabilization Fund at the end of Fiscal Year 2012, after considering funding needs for fiscal year 2013, and maintaining an unobligated beginning fund balance of \$5,000,000 in the General Fund for Fiscal Year 2013.

Ayes: 20

Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Heider, Toryanski, Bilyeu, LeFavour, Bell, Bolz, Eskridge, Wood, Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and there being no objection will carry a DO PASS recommendation.

Legislative Intent Language

SECTION 5. An emergency existing therefore, which emergency is hereby declared to exist, this act shall be in full force and in effect on, and after, its passage and approval.

Unanimous Consent Request

On request by Cameron, granted by unanimous consent, to accept the legislative intent language in SECTION 5 as shown above.

GENERAL FUND BUDGET UPDATE – Hypothetical

Presenter: Cathy Holland Smith, Manager, Budget & Policy analysis

State Stabilization Funds-Hypothetical (1) & (2)

Total estimated ending balance:

Governor’s Revised Recommendation: \$243,000

Hypothetical: \$5,000,000

State Stabilization Funds-Hypothetical (1) Ending Balance

Budget Stabilization Fund: \$23,392,000

Public Education Stabilization Fund: \$36,921,430

Higher Education Fund: \$365,000

Total \$60,678,430

State Stabilization Funds-Hypothetical (2)

Budget Stabilization Fund: \$59,092,000

Public Education Stabilization Fund: \$36,921,430

Higher Education Stabilization Fund: \$365,000

Total \$96,378,430

ADJOURNED

Maxine Bell, Chairman

Kathryn Yost, Secretary

