

# SINE DIE REPORT

## THE IDAHO STATE LEGISLATURE



**A Summation of the 2016 Legislative Session**

**April 2016**

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This report and a complete listing of all legislation are available on the Idaho Legislature's Internet site. Full text of all bills is included, along with statements of purpose, fiscal notes and legislative action. The Legislature's Website is:

[www.legislature.idaho.gov](http://www.legislature.idaho.gov)

*Cover photo: Idaho State Capitol*



# 2016 Legislative Leadership

## Senate

Brent Hill, President Pro Tempore

Bart M. Davis, Majority Leader

Chuck Winder, Assistant Majority Leader

Todd Lakey, Majority Caucus Chair

Michelle Stennett, Minority Leader

Cherie Buckner-Webb, Assistant Minority Leader

Grant Burgoyne, Minority Caucus Chair

## House of Representatives

Scott Bedke, Speaker of the House

Mike Moyle, Majority Leader

Brent Crane, Assistant Majority Leader

John Vander Woude, Majority Caucus Chair

John Rusche, Minority Leader

Mat Erpelding, Assistant Minority Leader

Donna Pence, Minority Caucus Chair



## 2016 Committee Chairs

### Senate

Jim Rice  
Agricultural Affairs

Patti Anne Lodge  
Judiciary and Rules

Jim Patrick  
Commerce and Human Resources

Jeff Siddoway  
Local Government and Taxation

Dean Mortimer  
Education

Steve Bair  
Resources and Environment

Shawn Keough  
Finance

Curt McKenzie  
State Affairs

Lee Heider  
Health and Welfare

Bert Brackett  
Transportation

### House of Representatives

Ken Andrus  
Agricultural Affairs

Rich Wills  
Judiciary, Rules and Administration

Maxine Bell  
Appropriations

Lynn Luker  
Local Government

Vito Barbieri  
Business

Dell Raybould  
Resources and Conservation

Stephen Hartgen  
Commerce and Human Resources

Gary Collins  
Revenue and Taxation

Reed DeMordaunt  
Education

Thomas Loertscher  
State Affairs

Jeff Thompson  
Environment, Energy and Technology

Joe Palmer  
Transportation and Defense

Fred Wood  
Health and Welfare

Christy Perry  
Ways and Means

## Introduction

The Second Regular Session of the 63rd Idaho Legislature began on January 11, 2016. The state's economy continued to strengthen, which allowed the Legislature again to address areas of vital interest to Idahoans. For the second consecutive session, the Legislature moved aggressively to strengthen the state's public education system. Both K-12 and higher education received significant increases in General Fund support.

For fiscal year 2017 the Legislature increased the General Fund appropriation for K-12 education for the second consecutive fiscal year by 7.4%. The Legislature also provided colleges and universities a sizeable increase in General Fund appropriations, with an increase of 8.0% over the prior fiscal year. Other notable increases in General Fund appropriations include an 8.7% increase for community colleges and a 10.4% increase for career technical education. The Legislature approved \$2,000,000 for grants, scholarships, and programs, and another \$2,000,000 for startup initiatives that promote Science, Technology, Engineering and Math (STEM) education throughout the state.

Among a number of notable actions, the Legislature took the following steps: recodified state purchasing laws into a new State Procurement Act, which includes new contract oversight requirements; authorized the Public Defense Commission to develop rules for indigent defense standards; required public school districts to offer a reading intervention program to each kindergarten through grade 3 student who exhibits reading deficiency; enhanced state funding for suicide prevention efforts; provided for the regulation of dangerous or at-risk dogs that injure humans; set the homeowner property tax exemption at a maximum of \$100,000; and provided that the state will meet requirements for driver's licenses and ID cards established in the federal REAL ID Act of 2005.

Revenue projections for fiscal year 2017 represent the sixth consecutive year of economic growth in the state. This trend was illustrated in the economic forecasts by the Economic Outlook and Revenue Assessment Committee, which estimated revenue growth of 4.9% for fiscal year 2017 over a 4.1% growth estimate for fiscal year 2016 (this was consistent with the Governor's forecast). Based on the strengthening economy, the Legislature addressed pressing funding needs in a number of state agencies. As indicated above, public education—both K-12 and higher education – received substantial General Fund increases; Idaho State Police received an increase of 6.9%; Department of Health and Welfare received a 7.3% increase; the Department of Environmental Quality received an 8.9% increase while the Public Defense Commission also received a significant increase in its General Fund appropriation. The Legislature also funded the recommendations of the Joint Change in Employee Compensation Committee, which included a 3.0% merit increase for state employees.

This Sine Die Report includes information relating to:

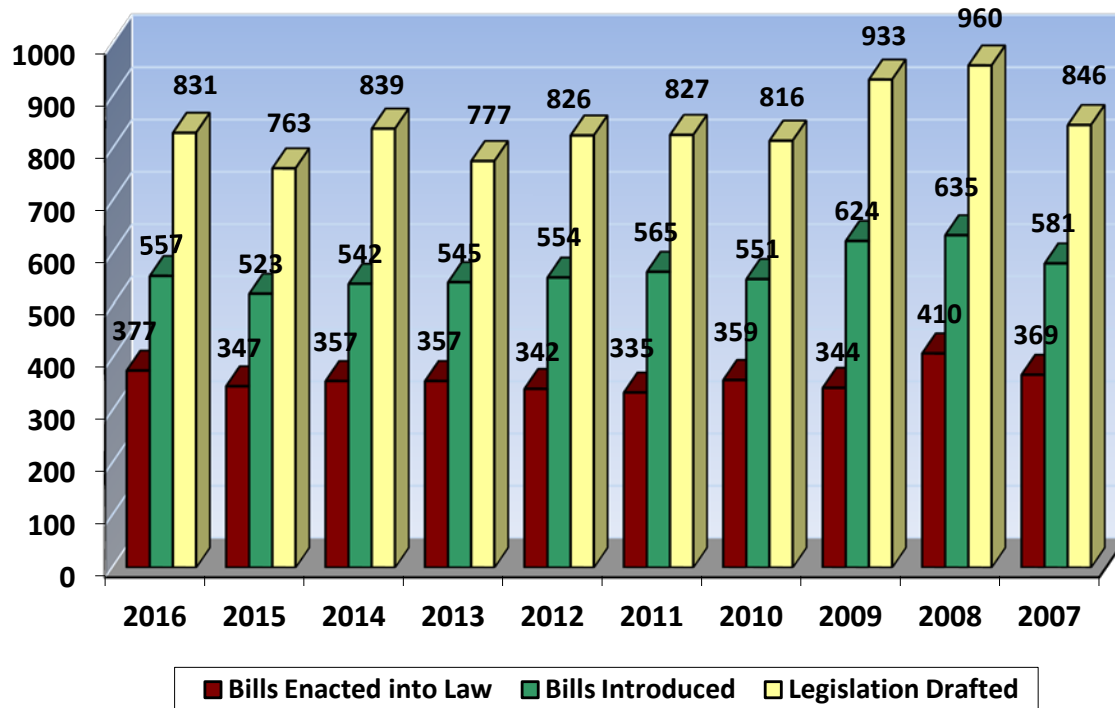
- Volume of legislation drafted in historical context
- Administrative rules review
- Legislation vetoed by the Governor; and
- A budget summary and budget highlights

As legislators prepare for the 2017 legislative session, all of the interim action will be detailed on the Legislature's website at [www.legisalture.idaho.gov](http://www.legisalture.idaho.gov).

# Volume of Legislation and Length of Session

During the 2016 legislative session, 831 proposed pieces of legislation were prepared for legislative committees and individual legislators. From that initial group of draft proposals, 557 bills were actually introduced, along with another 75 resolutions, memorials and proclamations. By the end of the session, 379 bills had been passed. After final legislative action, and following the Governor’s review, 377 introduced bills became law, with the majority of the new laws to become effective July 1, 2016. Two bills were vetoed by the Governor.

**From Drafting to Enactment  
10-Year Comparison**



## Length of Session

When the Legislature adjourned sine die on March 25th, it had been in session for 75 days. The 2016 legislative session was 14 days less than the previous session.

**Length of Recent Sessions (Days)**

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
75	89	74	88	81	88	78	117	87	82

# Rules Review

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At the beginning of each legislative session, the Legislature takes up the important task of reviewing all pending, pending fee and temporary rules that have been promulgated by state agencies. The Legislature can prevent pending rules from going into effect, as well as prevent final rules from remaining in effect, by rejecting them. Pending fee rules go into effect only if the Legislature approves them. Temporary rules expire at the end of the legislative session unless approved by the Legislature.

During the 2016 legislative session, the Senate and the House of Representatives were each asked to review 174 individual rulemaking dockets. This figure is down from the 194 dockets reviewed during the 2015 legislative session, and up slightly from the 173 dockets reviewed during the 2014 legislative session.

Nine of the 153 pending rule dockets reviewed were rejected entirely or in part:

1. An entire rulemaking docket of the Idaho State Police relating to Rules Governing Alcohol Beverage Control (HCR 40);
2. An entire rulemaking docket of the State Board of and State Department of Education relating to Rules Governing Thoroughness (HCR 44);
3. Parts of a State Board of Education docket relating to Rules Governing the Opportunity Scholarship Program (HCR 45);
4. Parts of an Idaho Wheat Commission docket relating to Rules of the Idaho Wheat Commission (HCR 49);
5. Parts of an Idaho Public Utilities Commission docket relating to Rules Governing Safety and Accident Reporting Rules for Utilities Regulated by the Idaho Public Utilities Commission (HCR 51);
6. An entire rulemaking docket of the Idaho Department of Fish and Game relating to Rules Governing the Trapping of Predatory and Unprotected Wildlife and the Taking of Furbearing Animals (HCR 55); and
7. Three rulemaking dockets of the State Board of and State Department of Education relating to Rules Governing Thoroughness (SCR 139, SCR 140 and SCR141).

The proclamation adopted by the Board of Correction was approved.

All three temporary rule dockets were approved and extended (SCR 154).

Two of the seventeen pending fee rules were rejected, which include an Idaho State Police fee rule docket relating to Rules Governing Alcohol Beverage Control, and a Department of Health and Welfare fee rule docket relating to Rules Governing Certified Family Homes. All other pending fee rule dockets were approved (SCR 153).

Parts of a final rule of the Idaho Public Utilities Commission relating to Rules Governing Safety and Accident Reporting Rules for Utilities Regulated by the Idaho Public Utilities Commission were rejected (HCR 51).



# 2016 Legislative Action on Major Issues

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## Agriculture

**H 499** Establishes the Idaho State Department of Agriculture as the delegated state authority for regulation of any nonretail activities subject to the Food and Drug Administration's Food Safety and Modernization Act in the event the Legislature enacts legislation directing that the state seek federal authorization of such regulation.

**H 531** Prohibits breaches of biosecurity through acts with the intent to damage, poison or infect the crops, livestock, products or facilities of an agricultural facility or agricultural operation, without the knowledge and consent of the owner of the facility or operation, and provides for penalties and fines.



**S 1214** Provides livestock removal requirements for approved feedlots, approved trader lots, buying stations, livestock dealers and livestock markets and specifies trichomoniasis testing requirements for non-virgin bulls and bulls over eighteen months of age that are leaving a trader lot.

**S 1222** Provides that if nonirrigators join a ground water district for mitigation purposes only, they may be subject to all mitigation plans and activities of the district.

**S 1223** Gives ground water districts the ability to contract with nonmembers who wish to participate in, and obtain the benefits of, the district's mitigation plan, purpose or activity the district has in force or is developing, pursuant to terms and conditions acceptable to both parties.

**S 1224** Provides that ground water districts may impose assessments based on the number of acres authorized to be irrigated as an alternative to the quantity of water authorized to be diverted.

**S 1225** Clarifies that ground water districts may incur short-term debt with a repayment term not exceeding one year without holding an election or seeking judicial confirmation.

**S 1240** Increases the maximum amount of administrative charges that may be levied against each holder of a stock certificate of a canal company.

**S 1241** Provides that irrigation district assessment payments are timely when postmarked or received on the due date, and that payments due on a weekend are timely if postmarked or received the next business day.

**S 1242** Provides that irrigation districts have the discretion whether or not to issue tax certificates for delinquencies.

**S 1304** Provides that an irrigation district is not required to conduct an election or confirmation proceeding when the contract for construction of a hydroelectric plant by the district does not involve questions of indebtedness incurred by the district.

## **Criminal Justice**

**H 331aa** Prohibits the possession, sale, purchase and use of powdered alcohol and provides for the revocation of liquor licenses held by violators.

**H 429** Allows a court, in its discretion and with input from the prosecution and defense, to grant a withheld judgment in controlled substance cases so that more persons may be admitted to problem-solving court programs.

**H 439** Clarifies that the State Appellate Public Defender shall provide representation for all post-conviction relief and habeas corpus proceedings and all other various appeals.

**H 478** Provides that records of any certification or notification required by federal law to be made in connection with the acquisition or transfer of a firearm are exempt from disclosure under the Public Records Act.

**H 487** Creates a presumption that an employee or independent contractor caused harm to an employer, if a court finds that the employee or independent contractor breached an agreement with the employer.

**H 494aaS** Reclassifies a first offense for underage alcohol possession or consumption from a misdemeanor to an infraction.

**H 495** Provides that a one-time violator who uses, possesses or dispenses alcohol and is under 21 may have a finding of guilt vacated and the court records sealed if the violator does not have an alcohol or drug-related finding of guilt within five years following the violation.

**H 504** Authorizes the Public Defense Commission to develop rules for indigent defense standards, requires compliance with indigent defense standards, provides grant money to counties to assist in providing pub-

lic defense; provides procedures for noncompliance with indigent defense standards, and revises reporting requirements for defending attorneys.

**H 521aaS** Provides limited immunity from a misdemeanor offense of possession or consumption of alcohol to a minor who acts in good faith in seeking emergency medical help for himself or another.

**H 524** Provides that torture of a companion animal is a felony on the first offense if the person has been convicted of voluntary infliction of bodily injury upon a person within the previous ten years and provides that a court, in its discretion, may order a presentence investigation that includes a psychological evaluation.

**H 525aa** Provides for the regulation of dangerous or at-risk dogs that injure humans by allowing courts discretion to differentiate less severe at-risk behavior from dangerous behavior, and provides appropriate conditions for restraining the offending dog to ensure public safety.



**H 528** Provides that the Idaho State Police Forensic Services Laboratory shall test sexual assault evidence kits within 90 days, provides duties for health care facilities and local law enforcement, provides procedures for testing kits, provides for the retention of kits, provides reporting and auditing requirements for untested kits and provides for victim notification regarding the testing of kits.

**H 544** Clarifies that only the showing of films, still pictures, electronic reproductions or other visual reproductions that violate state indecency and obscenity laws or federal laws regarding pornography, indecency or obscenity shall be prohibited in or on a premises licensed to serve alcohol.

**H 555aaS** Provides that certain forms of “sexting” by a minor to another minor shall be a misdemeanor for the first offense, thereby eliminating the risk that the “sexting” results in registry as a sex offender. Repeated distribution or using material as a form of extortion shall be a felony.

**H 558** Allows a person other than a minor’s parents, such as a conservator, guardian or other legal representative, to submit a proposed compromise of a minor’s legal claim for money to the court. Certain information must also be provided to the court so that the court can determine whether the compromise is reasonable and in the best interest of the minor.

**H 580** Provides that a victim of rape need not offer resistance where the victim has a well-founded belief that resistance would be futile or that resistance would result in the use of force or violence, provides that both males and females are capable of committing rape, and revises the definition of “rape” to make it gender neutral.

**H 649** Allows persons under 21 to enter or be on the premises of a licensed brewery where beer is consumed.

**S 1343** Provides that a hearing officer does not have to automatically impose a 90 or 180-day sanction for a parole violation when the violation is sexual or violent in nature.

**S 1351** Provides that prisoners in a county jail may be required to perform labor on community service projects.

**S 1352** Corrects an omission in Idaho law to provide that a person interested in the welfare of a ward, or a ward who is at least 14, may petition the court for modification or termination of a guardianship when it would be in the best interest of the ward. Previously there was only a procedure for terminating the guardianship of a child who has been found to be abandoned, abused or neglected.

**S 1354aaH** Authorizes the issuance of alcohol beverage catering permits for musical and cultural festivals and permits the chief of police and fire chief to attach conditions to alcohol beverage catering permits to ensure public safety.

**S 1361** Provides that money to administer public defense may be appropriated from the Justice Fund, the Nonmedical Indigent Fund and the Current Expense Fund.

**S 1373** Provides that a victim of malicious harassment, stalking or telephone harassment may file for a protection order and an ex parte temporary protection order.

**S 1389** Allows persons, who are not otherwise disqualified, to carry concealed weapons without a license.

**S 1420** Raises the annual salaries of magistrate judges by 4% and district judges by 3.6%.

**SCR 132** Recognizes and honors Idaho peace officers for their service to the state and their commitment to safeguarding communities.

## Education

**H 379aaS** Establishes the Computer Science Initiative for Public Schools and requires the STEM Action Center Board, the State Board of Education and the State Department of Education to collaborate to develop and implement the initiative.

**H 398** Governs the relations among student athletes, athlete agents and educational institutions and regulates the activities of athlete agents. It also helps protect the interests of student athletes and academic institutions by regulating the activities of athlete agents.

**H 451** Requires public school districts to offer a Reading Intervention Program to each kindergarten through grade 3 student who exhibits a reading deficiency on the statewide reading assessment. The program includes reading improvement plans, a process for parent notification, annual reporting by school districts and by the State Department of Education, and technical assistance to aid school districts in implementing the program. The purpose of the reading intervention program is to ensure that students are reading at or above grade level by the end of grade 3.

**H 452aaS** Provides that any employee who becomes an eligible employee of a state educational agency immediately following termination of employment with a public educational entity shall be credited with the amount of any unused sick leave previously accrued. This bill also provides that any employee who becomes an eligible employee of a public educational entity immediately following termination of employment with a state educational agency shall be credited with the amount of sick leave accrued.

**H 458aaS** Consolidates the advanced opportunities for secondary students into a contiguous program that allows students to access state support in grades 7 through 12 for overload courses, dual credits, college credit-bearing examinations and professional certificate examinations.

**H 459** Adds the Community College Start-Up Account to the Higher Education Stabilization Fund, in which moneys are to be used for the establishment, use and support of a community college in eastern Idaho if the voters in that region approve a community

college district.

**H 476** Currently, data across the state is collected to determine an average class size for each school district. The average class size is then used to determine if a school district receives its full use-it or lose-it exemption. If a school district's class size exceeds the statewide average, then it begins to lose its exemption at 1% per year. Because class size varies depending on the student population of the school districts, this method of averaging raises questions of equity among school districts. This legislation allows for comparisons of school districts based on student enrollment and uses the student enrollment breakdowns already found in Idaho Code that are currently used for funding.



**H 477aa, aaS** Provides for a Postsecondary Credit Scholarship for students who earn a minimum number of college credits while in high school. The scholarship award is to be used for tuition and fees at any eligible Idaho postsecondary educational institution.

**H 512** Provides for Community College Trustee Zones within a Community College District and requires trustee representation in each zone. The purpose of this legislation is to ensure representation is distributed evenly throughout a community college district. The bill utilizes the same processes for zoning and rezoning within the district that Idaho Code already requires of school districts. In the event a community college seeks to expand,

this bill appends the existing process of seeking State Board of Education approval by adding the rezoning plan to the request for approval.

**H 514** Establishes the Idaho School Safety and Security Act to enhance the safety and security of students and educators who use Idaho's public schools and campuses by providing for the Office of School Safety and Security and the Idaho School Safety and Security Advisory Board, within the Division of Building Safety. The office provides Idaho educators with on-site security assessments and, if requested, training and technical assistance on best practices and resources for school safety and security. The thirteen-member board develops the school safety and security guidelines and reports annually to the Legislature and to the Governor.

**H 526** Cleans up existing code language, expands reading assessments and establishes literacy interventions for students in kindergarten through grade 3.

**H 570** Establishes the Local Innovation School Act to allow a certain number of public schools to become innovation schools by entering into an agreement that exempts the schools from the governance of certain Idaho Code statutes, rules promulgated by the State Board of Education and local district policies.

**H 571** Moves pupil service staff employees onto the career ladder based on quantifiable student outcomes.

**H 603** Allows school districts and public charter schools to receive salary-based apportionment based on adjusted mid-term support units if full-term support units are at least 3% greater than mid-term support units. The adjustment is equal to 75% of the difference between full-term support and mid-term support units. This enables the schools that experience enrollment growth as the school year progresses to receive additional

funding for additional students.

**H 627** Provides for a leadership premium for staff employees who serve or are hired to serve in a hard-to-fill instructional position in a career technical education program and requires additional information to be reported regarding leadership premiums.

**H 629** Revises the funding distribution for college and career counseling to school districts and public charter schools so that funding is distributed in full or pro rata based on secondary student enrollment in grades 8 through 12.

**H 630** Provides an additional \$3,000 allocation for Career Technical Education instructional staff holding an occupational specialist certificate for the area in which they teach.

**HCR 33** Authorizes the Legislative Council to appoint a committee to undertake and complete a study of the public school funding formula and to make recommendations. The committee will evaluate the existing formula to assess how it meets the needs of different learning modalities, serves Idaho students and provides fiscal stability to public school districts and public charter schools.

**S 1210** Updates references in Idaho Code from Professional-Technical Education to Career Technical Education, which is consistent with nationally recognized terminology.

**S 1249** Clarifies the minimum number of meetings the STEM Action Center Board must hold, how the members are to be compensated and how and when the board must organize.

**S 1279** Establishes the STEM Education Fund, the moneys in which are to be used to support the programs and priorities of the state in advancing science, technology, engineering and mathematics education as approved by the Idaho STEM Action Center



Board.

**S 1280aa** Revises residency requirements for students of Idaho public institutions of higher education.

**S 1293aa** Affirms parental rights in education by defining the reasonable accommodations to be offered to parents and guardians, by requiring school districts and public charter schools to facilitate parental involvement in the education of their children and by providing a process by which parents may withdraw their children from an activity, class or program in which objectionable material is used.

**S 1330** Provides that the board of trustees of each school district shall adopt a policy permitting the self-administration of diabetes medication and blood glucose monitoring by pupils with diabetes.

**S 1333** Creates the Broadband Infrastructure Improvement Grant Fund for the purpose of investing in special construction projects for high-speed broadband connections to Idaho public schools and other E-rate eligible entities. Qualifying entities can apply for BIIG Fund moneys up to 10% of the project costs and, based on the state funding commitment, school districts will receive additional federal E-rate funding for the project.

**S 1334** Repeals the Idaho Education Network and establishes the Education Opportunity Resource Act to provide broadband and related resources for Idaho's education and library systems through the cooperative efforts of the Education Opportunity Resource Committee and the State Department of Education.

**S 1336** Provides that pupils who receive special education services will be governed by such pupils' individualized education plans as to whether they will need to take and pass the statutorily required civics test.

**S 1376** Provides additional transparency regarding the management of charter schools and allows for a streamlined process for charter holders to replicate high-achieving charter schools.

## Elections

**H 542** Existing law requires that persons making expenditures for the purpose of financing communications expressly advocating an election, approval or defeat of a candidate or measure be clearly identified on the communication. The bill extends this requirement to communications relating to elections for precinct committeeman.



**S 1257aaH** Requires write-in candidates for school board trustee elections to submit five qualified elector signatures of support from within the candidate's trustee zone.

**S 1274** Currently, voters may request an absentee ballot to be mailed to them up to the sixth day preceding an election. Recently, the United States Post Office restructured its postal services in Pocatello and is expected to make similar changes in Boise. The changes do not allow enough time for the county clerks to mail the ballot to the voter and for the voter to vote and return the ballot in time for it to be counted. This bill extends the current six days to eleven days to allow for adequate mailing time.

**S 1275** Allows counties that use modern polling place-based counters to participate in early voting.

**S 1297aa,aa,aaH** Provides for an electronic voter registration system that allows any qualified elector who has a current valid driver's license or identification card to register to vote by submitting a completed voter registration application electronically through the official website of the Office of the Secretary of State.

## **General Government**

**H 341** Updates the Patient Freedom of Information Act to require that certain information about health care providers, including their licensure status and professional disciplinary record, is made available to the public online.

**H 372** Prohibits any local prohibitions, regulation or taxation of auxiliary containers, such as bags or boxes or Styrofoam containers used by restaurants and retail establishments.

**H 375** Removes references to the legislative Health Care Task Force from the Idaho Code, as the Health Care Task Force will no longer be meeting.

**H 405** Revises the membership and sub-district requirements for fire protection districts, and authorizes the reduction of the size of the boards.

**H 406aa** Provides for the annexation of and withdrawal from recreational water or sewer districts, and authorizes the creation of board of director zones and member appointments.

**H 417** Revises the membership and responsibilities of the Idaho Rural Development Partnership.

**H 436** Revises the day of celebration for Idaho Day when March 4 falls on a Saturday or Sunday.

**H 443aa** Amends existing law regarding retention and storage of historical municipal records using photographic and digital media.

**H 454** Provides for Idaho primacy in the protection of the public health and safety regarding underground facilities and reduces damages to those facilities by the creation of a Damage Prevention Board in the Division of Building Safety. The board will provide statewide education and administrative enforcement of the underground damage prevention statutes and prevent federal oversight and enforcement related to underground facilities.

**H 463** Prohibits political subdivisions from establishing a minimum wage that is higher than the minimum wage provided by state law.

**H 480** Removes the requirement that the Idaho Board of Licensure of Professional Engineers and Professional Land Surveyors hire a licensed professional engineer or professional land surveyor as its executive director, that the Board of Nursing hire a licensed nurse as its executive director, and that the Board of Pharmacy hire a licensed pharmacist as its executive director. The Board of Licensure of Professional Engineers and Professional Land Surveyors, the Board of Nursing, and the Board of Pharmacy are the state's only three regulatory licensure boards that are compelled by statute or rule to hire a licensee as their executive director. This bill will allow these boards to hire a licensee if the board wishes, but does not mandate it.

**H 485** Provides that weekly unemployment benefits shall be 55% of the state average weekly wage and provides that the maximum weeks of benefit entitlement shall be adjusted based on the unemployment rate.

**H 491aa** Prohibits nonconsensual common law liens, which are liens that have no express legal basis.



**H 496** Provides a way for cities or cemetery maintenance districts operating cemeteries to recover and resell unused cemetery lots.

**H 501** Allows insurance companies to utilize certain Idaho bonds as security deposits for worker's compensation insurance.

**H 538** Recodifies the state purchasing laws into a new State Procurement Act and enacts new requirements relating to contract oversight, procurement training and ethics.

**H 541** Creates an exception to local government purchasing laws for contracts entered into by the State Division of Purchasing.

**H 556aaS** Enhances the role of the courts in the decision-making process regarding adoption choices and placement of foster children, and outlines circumstances by which foster children can be moved from one foster home to another.

**HCR 36** Recognizes National Apprenticeship Week, which was established to raise awareness about the benefits of apprenticeships in career development.

**HCR 38** Recognizes National Day of the Cowboy, which honors the contributions of cowboys to American history, society and culture.

**HCR 43** Recognizes Idaho Power Company for a century of contributions and services to the state.

**HCR 57** Encourages everyone in Idaho to fly the Idaho state flag along with the U.S. flag on certain dates.

**HCR 61** Authorizes the Legislative Council to appoint a committee to study state employee group insurance and total compensation package.

**HJR 5** Proposes an amendment to the Idaho Constitution that provides for the legislative review of administrative rules and clarifies that such legislative review is not subject to veto by the Governor.

**S 1212** Creates the Idaho Public Safety Communications Commission and charges it with the duties formerly held by the Idaho Emergency Communications Commission and the Statewide Interoperability Executive Council.

**S 1221** Provides additional circumstances for terminating a nonresident Idaho license, where the resident license in another state has been voluntarily surrendered or lapsed. Provides that a former licensee, whose license has been revoked, may not reapply for a license until not less than one year has passed, and up to five years have passed rather than the current one year waiting period, and provides that a person whose application for a producer license has been denied must wait one year before reapplying. Currently there is no specific time period during which a person must wait before reapplying for a producer license.

**S 1288** Amends the Workforce Development Training Fund provision of the Employment Security Law by eliminating the transfer of training funds to the Employment Security Reserve Fund, broadening the purposes for which workforce development training funds may be used and extending the sunset clause for the training tax on covered employers to the year 2022. Previously, when the unobligated fund balance in the Workforce Devel-



opment Training Fund exceeded \$6 million, the excess amount was transferred to the Employment Security Reserve Fund.

**S 1303aa** Allows a fiduciary to access digital assets such as electronic documents, emails, social media accounts and online banking, and allows an account holder to specify whether digital assets should be preserved, distributed to heirs or destroyed.

**S 1317aa** Provides that attorney's fees and costs may be collected, as well as a lien filed for attorney's fees and costs by a homeowner's association, only after being awarded in an amount found to be reasonable by a court of competent jurisdiction.

**SCR 150** Provides for the amendment of Joint Rule 18 of the Joint Rules of the Senate and the House of Representatives to revise provisions relating to statements of purpose and fiscal notes.

**SCR 151** Authorizes the Legislature to appoint a legislative interim committee to study the issue of fairness in administrative appeals to state agencies.

### **Health and Human Services**

**H 340** Repeals laws relating to the sale and distribution of nonprescription contraceptives and prophylactics.

**H 432** Updates the current valuation method used for life insurance premiums to Principle Based Reserves, which is a formula-based static approach to calculate reserves for life insurance products. The method for calculating life insurance had not changed in 150 years.

**H 481** Implements the Right to Try Act, which allows terminally ill patients to make use of investigational drugs.

**H 483** Provides that a pharmacist who dispenses a substitute biological product to a patient shall notify the patient's prescriber of the substitution.

**H 516** Provides that the Department of Health and Welfare shall compile a list of providers that perform free ultrasounds and states that a patient has the right to obtain a free ultrasound, view an ultrasound image and hear heart tone monitoring, and to provide that no abortion shall be performed unless the woman is informed that ultrasound imaging and heart tone monitoring are available.



**H 554** Creates a presumption that cancers suffered by firefighters are occupational diseases if certain conditions are met.

**S 1250** Enacts the Advanced Practice Registered Nurse Compact, an agreement among participating states to recognize advanced practice registered nurse licenses issued by other participating states. This will eliminate the need for advanced practice registered nurses to hold multiple licenses.

**S 1251** Enacts an amended version of the Nurse Licensure Compact, an agreement among participating states to recognize nurse licenses issued by other states, thereby elimi-

nating the need for nurses to hold multiple licenses. The amended compact clarifies uniform licensure requirements, rulemaking processes, and enforcement procedures.

**S 1253** Provides liability protection for foster parents who enroll their foster children in extracurricular and social activities. To qualify for such protection, the foster parents must exercise the “reasonable and prudent parent” standard, which is characterized as making careful and sensible decisions that maintain a child’s health and safety while also encouraging the child’s emotional and developmental growth.

**S 1265aaH** Reestablishes the funding source for the Idaho Individual High Risk Reinsurance Pool established in Chapter 55, Title 41, Idaho Code. The High Risk Reinsurance Pool will again receive one-fourth of funds in excess of \$45 million of Insurance Premium Taxes beginning July 1, 2017.

**S 1281** Enacts the EMS Personnel Licensure Compact, an agreement among participating states to recognize licenses for emergency medical services personnel that are issued by other participating states. This will facilitate the ability of EMS personnel to work across state boundaries and thereby increase the public’s access to emergency medical services.

**S 1294** Provides that pharmacists may prescribe immunizations for persons six years of age or older.

**S 1322aaH** Provides that epinephrine auto-injectors may be prescribed and dispensed to authorized entities, such as universities, sports arenas or employers, so that the auto-injectors are available at the location if a person experiences life-threatening allergic reactions.

**S 1326** Grants authority to the director of Health and Welfare to include services for suicide prevention in the Department of Health and Welfare.

**S 1404aa** Enacts the Idaho Unborn Infants Dignity Act, which prohibits the sale, distribution or use of fetal remains for experimentation or other purposes in cases of abortion, and establishes penalties for persons who violate the act.

## **Natural Resources**

**H 378** Provides that the Fish and Game Commission shall prescribe and administer education programs in trapping, adding to the existing authorization for hunter education and archery education programs.

**H 383** Repeals the Aquaculture Commission and provides for the transfer of any unexpended and unencumbered balances in the Idaho Aquaculture Commission Account to the Idaho State Department of Agriculture’s Seminars and Publications Fund.

**H 509** Provides for the sharing of mineral, oil and gas geological records derived from exploration or production on lands within the state between the Idaho Geological Survey, the Idaho Department of Lands and the Oil and Gas Conservation Commission.

**H 595** Provides that water right holders participating in an approved ground water management plan shall not be subject to administration on a time priority basis so long as they are in compliance with the ground water management plan.

**HCR 46** Urges Idahoans to participate in the activities surrounding the 2016 U.S. Capitol Christmas tree and urges communities, businesses and schools throughout Idaho to contribute toward the effort to provide the U.S. Capitol Christmas tree, including involving organizations and schoolchildren in mak-

ing ornaments for the tree. The resolution also urges Idahoans to participate in community celebrations that may occur in their communities as the tree travels throughout Idaho prior to its trip across the United States to Washington, D.C.

**HJM 13** Resolves that Congress should, by legislative enactment, provide protections for adoption and implementation of state sage-grouse conservation plans by, among other things, making no funds available for use by either the Secretary of the Interior or the Secretary of Agriculture to implement recent federal land use plan amendments if they are inconsistent with the state's sage-grouse conservation plan for a period of 10 years through and including fiscal year 2026.

**S 1197** Provides that if the Department of Lands proposes a performance bond that exceeds \$15,000 per acre to assure proper reclamation of a surface mine, the operator shall be entitled to a hearing before the Land Board to contest the proposed bond amount. This bill increases the bond threshold amount from \$2,500 per acre to \$15,000 per acre. Operators may request release of the bond when reclamation is completed and, if the department denies the request, it is required to notify the operator in writing.

**S 1213** Prohibits the use of unmanned aircraft systems (drones) for hunting, molesting or locating game animals, game birds and furbearing animals.

**S 1237** Provides the Department of Environmental Quality with additional flexibility allowed under Clean Water Act regulations to take factors such as department resources and data quality, in addition to severity of pollution and uses of water bodies, into consideration when prioritizing total maximum daily loads of water bodies.

**S 1239** Provides requisite statutory provisions for Idaho to submit an application to the Environmental Protection Agency (EPA) requesting authorization to implement a state National Pollutant Discharge Elimination System program. In 2014, the Department of Environmental Quality (DEQ) was statutorily directed to submit an application to the EPA by September 1, 2016. The program will be known as the Idaho National Pollutant Discharge Elimination System (IPDES) program, and this bill establishes the process for appealing IPDES permits issued by DEQ and provides DEQ with necessary minimum enforcement authorities.

**S 1260aa** Provides requisite statutory provisions for Idaho to submit an application to the Environmental Protection Agency (EPA) requesting authorization to implement a state National Pollutant Discharge Elimination System program. In 2014, the Department of Environmental Quality (DEQ) was statutorily directed to submit an application to the EPA by September 1, 2016. The program will be known as the Idaho National Pollutant Discharge Elimination System (IPDES) program, and this bill ensures DEQ has the authorities required by the EPA for IPDES regulation of dairy and beef cattle operations.

**S 1278** Provides that a person or entity operating a canal or conduit for irrigation or other beneficial uses authorized by a water right that permits water to be diverted from a natural watercourse for such purposes shall not be required to obtain an additional water right for the incidental use of that same water where the water is diverted for irrigation or other beneficial use and thereafter used to generate hydroelectricity in the canal or conduit, if (a) the use for hydroelectric purposes does not increase the rate of diversion of water from the natural watercourse, and (b) the person or entity has the right to generate electricity under a license or exemption issued under the Federal Power Act, a lease of

power privileges or other authorization, agreement or contract with the Bureau of Reclamation or other federal, state or local governmental agency. The bill also provides that the incidental hydropower use shall be junior to and fully subordinated to all existing and future uses and shall be nonconsumptive.

**S 1338** Allows counties in Idaho to declare a catastrophic public nuisance and request abatement from federal land management agencies when the condition of federally managed land presents a danger of catastrophic wildfire and threatens the health, safety and welfare of the citizens.

**S 1339** Provides a procedure relating to requests for permits and authorizations to drill or treat wells for oil and gas and provides that the Department of Lands shall have specified responsibilities associated with spacing units and unit operations. The bill also revises provisions regarding the integration of tracts and integration orders and provides for the confidentiality of certain applicant information for a specified time.

**S 1340** Authorizes claims against the Big Game Depredation Account for damage to bees and beehives by bears, in addition to existing authorization for damage to honey.

**S 1344** Requires the Department of Fish and Game to contract with a private entity to conduct drawings for controlled hunt permits and tags as established by the Fish and Game Commission.

**SCR 136** Recognizes the need for managed recharge of the Eastern Snake Plain Aquifer (ESPA) and resolves that the state establish a managed recharge goal of 250,000 acre-feet on an average annual basis across the ESPA, develop the capacity to achieve 250,000 acre-feet of average annual managed recharge on or before December 31, 2024, and increase the 100,000 acre-feet average annual ESSPA CAMP Phase I target for state-funded man-

aged recharge to 250,000 acre-feet of average annual recharge across the ESPA.



**SCR 137** Requests that the Idaho Water Resource Board address statewide aquifer stabilization and sustainability projects including managed recharge, conduct aquifer recharge studies and develop a ground water model with all necessary measurement networks for the Treasure Valley aquifer, partner in studies with local entities to find alternate water supplies for Mountain Home, participate in discussions with the surface water users, the ground water users, and other parties in the Big and Little Wood River Basins and attempt to find resolution to the water delivery calls, partner in studies with local entities to find alternate water supplies for the Palouse Basin, undertake studies of the deep regional aquifer in the Lewiston area in order to define its geographic extent and sustainable yield, and evaluate other aquifers across the state and take management actions as necessary.

**SCR 138** Supporting the settlement agreement entered into on June 30, 2015, between participating members of the Surface Water Coalition and participating members of the Idaho Ground Water Appropriators, Inc., to resolve litigation, avoid curtailment, maintain sustainable ground and surface water supplies on the ESPA and minimize harm to Idaho's economy, supporting state management to ensure ESPA water supply issues are timely addressed, and supporting the goal of stabilizing and reversing the trend of declining ESPA water levels in the Eastern Snake Plain Aquifer.



**SJM 104** Requesting that Congress ensure the continued appropriation of funds in the fiscal year 2017 budget to significantly enhance aquatic invasive species prevention efforts and to implement the intent of the Water Resources Reform and Development Act.

## **Taxation**

**H 344** Changes the filing deadline to apply for a hardship application with the Board of Equalization.

**H 345** Provides an appeals process for a taxpayer when an assessor has determined that a property no longer meets the criteria of forest land.



**H 347** Exempts certain hand tools up to \$100 from the sales and use tax when directly used in the production of radio and television broadcasts, production of certain free newspapers, agricultural irrigation, and logging.

**H 348** Adds paddleboards and similar vessels to the list of watercraft that is taxable to nonresident purchasers.

**H 352** Moves the deadline for employers to transmit employee wage and withholding (W-2) information to the Idaho State Tax Commission from the last day of the second month of the year to the last day of the first month of the year and provides a time period for the correction of errors for W-2s submitted electronically.

**H 353** Allows employers who only have one pay period per month to pay income tax withholding on a monthly basis.

**H 357** Creates an income tax credit for a charitable contribution to the Idaho STEM Action Center.

**H 359** Clarifies that operating property is not included in a levy that is to be made only against real property by flood control, community infrastructure, watershed improvement, herd, and levee districts.

**H 360** Requires that any taxing district must be formed or organized by the first day of January in order to make a levy for that calendar year.

**H 361** Removes the sunset clause for a sales tax exemption on airplane parts for private aircraft owned by nonresidents and repaired by Idaho mechanics.

**H 376** Revises cigarette wholesaler bonding requirements and provides an alternative of prepaying the full value of stamps in lieu of posting bond.

**H 425** Updates references to the current Internal Revenue Code and adds language regarding marriages recognized by the U.S. Supreme Court.

**H 431** Sets the homeowner property tax exemption at \$100,000 and removes cost of living adjustments to the exemption amount.

**H 474** Requires that a taxing district that wishes to budget a forgone increase must first provide notice and a public hearing.

**H 534** Exempts solar energy property from property tax and levies a solar energy tax based on gross receipts, similar to the tax on geothermal or wind energy.

**H 535** Removes language that limits the ability to take a capital gains income tax de-

duction for cattle, horses or breeding livestock to those whose gross income is at least 50% from farming or ranching operations in Idaho.

**H 540** Provides a sales and use tax exemption for the sale, lease, purchase or use of fixed-wing aircraft primarily used as an air tactical group supervisor platform under contract with a governmental entity for wildfire activity.



**H 606aa,aaS,aaS** Revises the makeup of boards and allows for an elected board, provides that urban renewal plans be submitted to the State Tax Commission, and provides for the effect of an ordinance to modify an urban renewal plan.

**S 1325** Provides that an owner of private property may submit a written request for a regulatory takings analysis with the clerk or the agency or entity taking the regulatory or administrative action and provides that a private property owner is not required to submit a request under the regulatory takings chapter and the failure to submit a written request shall not prevent or prohibit the private property owner from seeking any legal or equitable remedy including, but not limited to, the payment of just compensation.

**S 1347aa** Allows county commissioners to notify parties in interest and to transfer the responsibility of handling excess proceeds from tax deed sales to the State Treasurer, who may handle claims and otherwise treat

excess proceeds under the unclaimed property law.

**S 1388aa** Provides that the county cannot extinguish valid easements on a property sold through a tax deed, and that the easements continue with the property.

## Transportation

**H 472** Provides that for commercial vehicles, the Idaho Transportation Department shall provide new plates bearing the same number upon renewal, or a different number upon request.

**H 513aa, aaS** Provides that the state shall meet the requirements for driver's licenses and identification cards as set forth in the federal REAL ID Act of 2005, as such requirements existed on January 1, 2016.

**H 553** Provides that all-terrain vehicles, utility type vehicles, specialty off-highway vehicles and motorbikes may travel upon state highways within city limits and within one mile of a city limit, as long as the speed limit is 45 miles per hour or less. The bill also provides that such vehicles may cross state highways at public road intersections and provides that the Idaho Transportation Department and local road authorities are authorized to restrict such vehicle travel and crossings as needed for public safety.

**S 1229** Implements Section 127 of Title 23, United States Code, contained in the Consolidated Appropriations Act of 2016, that provides legal authority for the state of Idaho to allow vehicle combinations with a gross weight of 129,000 or less on Idaho's interstate highway system.

**S 1246** Clarifies that any future director of the Idaho Transportation Department shall be an at-will employee who serves at the pleasure of the Idaho Transportation Board.

**S 1261** Allows a stinger-steered automobile transporter a vehicle length limitation of eighty feet and provides that a front overhang of an auto transporter shall not extend more than four feet and a rear overhang of an auto transporter shall not extend more than six feet.

**S 1283** Provides that the Idaho Transportation Department shall promulgate rules to provide insurers an online alternative method for verifying motor vehicle insurance policy data and provides that failure to comply with uninsured vehicle tracking through online insurance verification shall constitute a wrongful practice and subject insurers to penalties.



# Interim Committees

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## New Committees:

**Administrative Hearing Officer Interim Committee:** Authorized by SCR 151 in the 2016 session, stating findings of the legislature and authorizing the Legislative Council to appoint an interim committee to undertake and complete a study of potential approaches to mitigating the risk of bias in contested cases.

**Foster Care System Interim Committee:** Authorized by HCR 59 in the 2016 session, stating findings of the Legislature and authorizing the Legislative Council to appoint a committee to undertake and complete a study of the foster care system in Idaho and of the Idaho Code provisions governing the conservatorship and guardianship of adults, minors and persons with a developmental disability.

**Public Procurement Interim Committee:** Authorized by HCR 48 in the 2016 session, stating findings of the Legislature and authorizing the Legislative Council to appoint a committee to undertake and complete a study of issues relating to public procurement and to make recommendations.

**Public School Funding Formula Interim Committee:** Authorized by HCR 33 in the 2016 session, stating findings of the Legislature and authorizing the Legislative Council to appoint a committee to conduct a study of the public school funding formula and to make recommendations.

**State Employee Group Insurance Plan Interim Committee:** Authorized by HCR 61 in the 2016 session, stating findings of the Legislature and authorizing the Legislative Council to appoint a committee to undertake and complete a study of the state's employee group insurance plan structure and total compensation package, including salary and benefits, and to make recommendations.

## Ongoing Committees:

**Criminal Justice Reinvestment Oversight Committee:** Authorized by S 1393 in the 2014 session to monitor performance and outcome measures as set forth in the Justice Reinvestment Act and study the data-driven justice reinvestment and resource allocation approach and policies to improve public safety, reduce recidivism and reduce spending on corrections in Idaho. This committee will sunset after five years.

**Idaho Council on Indian Affairs:** Monitors and reviews legislation and state policies that impact state/tribal relations and advises the Governor, the Legislature, and state departments and agencies on state/tribal relations. The council consists of two members of the House of Representatives, two members of the Senate, one person representing the Office of the Governor and five members representing each of the five Indian tribes of the state.

**Natural Resources Interim Committee:** Authorized by HCR 8 in the 2015 session to undertake and complete a study of natural resource issues.



## Legislation Vetoed by the Governor

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**H 650** Appropriates an additional \$400,000 from the General Fund to the Department of Health and Welfare for the Healthcare Policy Initiatives Program for fiscal year 2017, transfers \$5,000,000 from the Idaho Millennium Fund to the Idaho Millennium Income Fund, and appropriates an additional \$5,000,000 from the Millennium Income Fund for the Health Care Initiatives Program for fiscal year 2017.

**S 1342aa** Permits the use of religious texts, including the Bible, in public schools for reference purposes to further the study of enumerated topics where an understanding of religious texts may be useful or relevant; however, religious or doctrinal instruction is not permitted. The bill specifies that no student will be required to use any religious text for reference purposes if the student or the student's parents object.

# Budget Summary

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## GENERAL FUND BUDGET UPDATE FISCAL YEAR 2016

	<b>Gov's Revised Recommendation</b>	<b>Legislative Action</b>
<b><u>REVENUES</u></b>		
1. Beginning Balance	\$ 44,946,500	\$ 44,946,500
2. Reappropriation	19,997,600	19,997,600
3. FY 2015 After Year-End Cash Reversions	8,347,500	8,347,500
4. Adjusted Beginning Balance	73,291,600	73,291,600
5. DFM Revised Rev Est (4.1% increase over FY15 actual)	3,183,609,000	3,183,609,000
6. H386 Expand Production Exemption	0	(52,000)
7. H425 Federal Tax Conformity	(17,202,000)	(17,202,000)
8. Total Revenues	3,166,407,000	3,166,355,000
9. TOTAL REVENUES AND BEGINNING BALANCE	\$ 3,239,698,600	\$ 3,239,646,600
<b><u>TRANSFERS</u></b>		
10. 2015 Legislative Session Transfers	(48,870,000)	(48,870,000)
11. H342 Pest Deficiency Warrants - Dept of Agriculture	(324,000)	(324,000)
12. H403 Federal Grant Fund - Idaho State Police	(16,400)	(16,400)
13. H532 Fire Suppression Fund - Dept of Lands	0	(60,000,000)
14. S1419 Group Insurance Fund - Dept of Administration	(13,140,000)	(13,140,000)
15. S1421 Constitutional Defense Fund - Legislature	(2,000,000)	(2,000,000)
16. S1428 Legislative Legal Defense Fund - Legislature	0	(8,000,000)
17. Net Transfers In (Out)	(64,350,400)	(132,350,400)
18. NET REVENUES AND TRANSFERS	\$ 3,175,348,200	\$ 3,107,296,200
<b><u>APPROPRIATIONS</u></b>		
19. FY 2016 Original Appropriations	3,071,860,500	3,071,860,500
20. Reappropriations	19,997,600	19,997,600
21. Reversion - Supt of Public Instruction	(1,372,800)	(1,372,800)
22. Supplementals & Rescissions	(13,456,600)	(10,505,400)
23. Cash Transfers to Other Funds	(15,140,000)	(23,140,000)
24. FY 2016 Total Appropriations	3,061,888,700	3,056,839,900
25. FY 2016 ESTIMATED ENDING BALANCE	\$ 113,459,500	\$ 50,456,300

**GENERAL FUND BUDGET UPDATE  
FISCAL YEAR 2017**

<b><u>REVENUES</u></b>	<b><u>Gov's Revised Recommendation</u></b>	<b><u>Legislative Action</u></b>
1. Estimated Beginning Balance	\$ 113,459,500	\$ 50,456,300
2. DFM Orig Rev Est (4.9% increase from FY16 forecast)	3,340,372,000	3,340,372,000
3. Proposed Executive Branch Legislation	(21,190,900)	0
4. H347 Hand Tool Exemption	(81,100)	(81,100)
5. H348 Vessel Sales to Non-Residents	20,300	20,300
6. H357 STEM Income Tax Credit	(25,000)	(25,000)
7. H386 Expand Production Exemption	0	(125,000)
8. H425 Federal Tax Conformity	(28,669,000)	(28,669,000)
9. H461 Court Fees/Surcharge	0	2,898,500
10. H494 Court Fines/Fees	0	(19,500)
11. H540 Sales Tax Exemption, Wildlife Aircraft	0	(88,500)
12. Total Revenues	3,290,426,300	3,314,282,700
13. TOTAL REVENUES AND BEGINNING BALANCE	\$ 3,403,885,800	\$ 3,364,739,000
 <b><u>TRANSFERS</u></b>		
14. Economic Recovery Reserve Fund - 27th Payroll	9,500,000	0
15. Higher Education Stabilization Fund - Tuition Lock	(10,000,000)	0
16. Reserve for Public Defense Reform	(5,000,000)	0
17. Second Aquifer Plan, Mgt & Imp Fund - Dept of Water Resources	(16,500,000)	0
18. H636 Fire Suppression Fund - Dept of Lands	(50,000,000)	(34,500,000)
19. S1333 Broadband Infrastructure Grant Fund - SUPI	0	(2,700,000)
20. S1402 Priest Lake Outlet Subaccount - Dept of Water Resources	0	(100,400)
21. S1414 Wolf Control Fund - Wolf Depredation Control Board	(400,000)	(400,000)
22. S1429 HESF Eastern ID Community College - OSBE	(5,000,000)	(5,000,000)
23. S1429 STEM Education Fund - STEM Action Center	(10,000,000)	(2,000,000)
24. Net Transfers In (Out)	(87,400,000)	(44,700,400)
25. NET REVENUES AND TRANSFERS	\$ 3,316,485,800	\$ 3,320,038,600
 <b><u>APPROPRIATIONS</u></b>		
26. FY 2017 Appropriations	3,383,593,600	3,317,691,400
27. Cash Transfers to Other Funds	(82,400,000)	(44,700,400)
28. FY 2017 Original Appropriations	3,301,193,600	3,272,991,000
29. FY 2017 ESTIMATED ENDING BALANCE	\$ 15,292,200	\$ 47,047,600

## General Fund Revenue Collections and Estimates

The Economic Outlook and Revenue Assessment Committee (EORAC), appointed by leadership and made up of nine members from the Senate and nine members from the House, convened before the session and heard testimony from economists and key industry representatives from throughout the state. The committee then reviewed the FY 2016 and FY 2017 General Fund revenue forecasts presented to the Second Regular Session of the 63rd Idaho Legislature in the Governor's State of the State speech. The committee concluded that total General Fund revenues available for appropriation were \$3,183,609,000 for FY 2016 and \$3,340,372,000 for FY 2017. The committee's median forecast was higher than the executive forecast by 0.4% or \$12.6 million for FY 2016, and 0.2% or \$5.5 million lower for FY 2017.

The Joint Finance-Appropriations Committee used the executive forecast for both FY 2016 and FY 2017. The numbers below include adjustments from legislation impacting General Fund revenues. The bill number, description and estimated fiscal impact of each of the law changes can be found on the General Fund Budget Update.

REVENUE SOURCE	FY 2015 Actual Collections	Revenue Estimates		FY 2017	
		FY 2016		January Forecast	With Law Changes
		January Forecast	With Law Changes		
Individual Income Tax	\$1,470,856,972	\$1,523,905,000	\$1,506,651,000	\$1,606,147,000	\$1,577,328,000
Corporate Income Tax	215,402,876	216,505,000	216,505,000	222,059,000	222,059,000
Sales Tax	1,218,769,691	1,279,073,000	1,279,073,000	1,345,130,000	1,344,980,700
Product Taxes					
Cigarette Tax	3,337,597	7,900,000	7,900,000	9,948,000	9,948,000
Tobacco Tax	10,504,522	10,942,000	10,942,000	11,218,000	11,218,000
Beer Tax	1,911,292	1,775,000	1,775,000	1,858,000	1,858,000
Wine Tax	4,237,620	4,174,000	4,174,000	4,286,000	4,286,000
Liquor Transfer	25,480,000	25,890,000	25,890,000	27,294,000	27,294,000
Total Product Taxes	45,471,031	50,681,000	50,681,000	54,604,000	54,604,000
Miscellaneous Revenue					
Kilowatt Hour Tax	1,917,809	1,800,000	1,800,000	1,900,000	1,900,000
Mine License Tax	69,318	400,000	400,000	500,000	500,000
State Treasurer	(1,571,264)	(455,000)	(455,000)	685,000	685,000
Judicial Branch	6,141,488	5,769,000	5,769,000	5,856,000	8,735,000
Insurance Premium Tax	61,747,055	65,045,000	65,045,000	66,346,000	66,346,000
State Police	(3,171)	0	0	0	0
Secretary of State	2,764,659	2,870,000	2,870,000	2,975,000	2,975,000
Unclaimed Property	6,293,300	6,000,000	6,000,000	6,000,000	6,000,000
Estate Tax	(1)	0	0	0	0
Other/Department Transfers	28,905,769	32,016,000	32,016,000	28,170,000	28,170,000
Total Miscellaneous Revenue	106,264,962	113,445,000	113,445,000	112,432,000	115,311,000
<b>TOTAL REVENUES</b>	<b>\$3,056,765,532</b>	<b>\$3,183,609,000</b>	<b>\$3,166,355,000</b>	<b>\$3,340,372,000</b>	<b>\$3,314,282,700</b>
<i>% Change from prior year</i>	<i>8.6%</i>	<i>4.1%</i>	<i>3.6%</i>	<i>4.9%</i>	<i>4.7%</i>
with Beginning Balances	53,574,800	73,291,600	73,291,600	50,456,300	50,456,300
<b>REVENUES &amp; BALANCES</b>	<b>\$3,110,340,332</b>	<b>\$3,256,900,600</b>	<b>\$3,239,646,600</b>	<b>\$3,390,828,300</b>	<b>\$3,364,739,000</b>

## FY 2016 General Fund Revenues

In January 2016, the Division of Financial Management (DFM) revised the FY 2016 August forecast up by \$2.6 million, to \$3,183,609,000, which kept the percentage increase the same at 4.9% growth. Last year's end-of-session estimate called for 5.5% growth, but when FY 2015 had significantly higher collections than forecast, the percentage growth for the current year was reduced. The dollar amount projected for FY 2016 is \$66.7 million more than estimated last year at Sine Die.

At the beginning of this session, the Economic Outlook and Revenue Assessment Committee (EORAC) supported the DFM's revised forecast, and the Joint Finance-Appropriations Committee (JFAC) accepted that amount for budgeting purposes for the remainder of the year.

To finalize the General Fund budget for FY 2016, the Legislature relied upon a beginning balance of \$44.9 million accumulated from the previous year, \$8.3 million after year-end reversions, net \$15 million in reduced FY 2016 appropriations, and an estimated ending balance of \$50.5 million. Two bills impacted FY 2016 revenues; one **H 386**, expanded a production exemption resulting in a \$52,000 reduction in revenue; and **H 425** brought by the State Tax Commission for the state to conform to the federal tax code changes came with a significant negative fiscal impact of \$17.2 million. The adjusted revenue forecast of \$3,166,355,000 represents a 3.6% General Fund increase. Under this scenario, with revenue estimated to be below 4%, there is no scheduled transfer to the Budget Stabilization Fund.

## FY 2016 Deficiency Warrants

The Legislature appropriated \$324,000 in **H 342** to the Department of Agriculture, of which \$289,900 was for Japanese beetle treatment, and \$16,000 for potato cyst nematode monitoring.

**H 532** appropriated \$60 million to the Department of Lands for fire suppression on public and private lands. The State Forester described the 2015 fire season as the perfect storm. We had a mild winter, a warm, dry spring and summer, record low soil and fuel moisture, record low humidity, high likelihood of ignition, a shortage of resources, and a long fire season, although it was only slightly above average in terms of fire occurrence. There were 321 fires on lands protected by the state, which was 102% of the 20-year average of 315 fires. However, 16 escaped initial attack, and the 78,571 acres that burned were 391% of the 20-year average. Furthermore, the agency estimated fire costs at \$60.2 million, which is 354% of the 10-year average of \$17 million. Over 75% of the lands protected by the state are in the wildland-urban interface. The largest, most expensive fire was the Clearwater Complex that burned 68,100 acres, 62 residences, and 211 outbuildings.

## FY 2016 Transfers

A total of \$23.2 million was appropriated and transferred into various dedicated funds during the session. **H 403** transferred \$16,400 from the General Fund to the Federal Grant Fund to cover the Idaho State Police's federal fund portion of the State Treasurer IDLE Pool portfolio loss distribution. The federal Office of Justice Programs considers this loss distribution to be unallowable as a condition of receiving the federal grant award. **S 1419** transferred \$13.1 million to the Group Insurance Fund in the Department of Administration to maintain the contractually required FY 2017 minimum beginning reserve fund balance for the health insurance contract with Blue Cross of Idaho. The amount is based on projected estimates, as of December 2015, and related to higher-than-estimated utilization and plan cost. **S 1421** transferred \$2 million into the Constitutional Defense Fund and **S 1428** transferred \$8 million into the Legislative Legal Defense Fund, both of which are managed by the Legislature and are continuously appropriated. The Constitutional Defense Council

is made up of the Governor, Attorney General, President Pro Tempore of the Senate, and Speaker of the House. The Legislative Legal Defense Fund is managed by the Pro Tem and the Speaker.

## Supplementals and Rescissions

The net impact of supplemental appropriations and rescissions resulted in \$10,505,400 of savings to the General Fund in FY 2016.

### Supplementals:

- Medicaid received \$5.1 million for additional costs to provide services to developmentally disabled Medicaid recipients referred to as part of the KW Lawsuit. In March 2014, the federal court granted class action status in the lawsuit, which extended the suit to all developmentally disabled waiver participants (~3,900 adults). The court also issued an injunction that Medicaid restore budgets for developmentally disabled waiver participants to their highest amount since 2011 while the matter gets resolved in court.
- Medicaid was appropriated \$1.4 million to pay for Medicare premiums for persons eligible for Medicare and Medicaid. Idaho participates in the Medicare Savings Program, which prevents Medicaid from being the primary payer on the majority of the medical bills incurred by dual-eligible persons. The state, through Medicaid, pays the Medicare premiums for individuals, and the rates for FY 2016 and FY 2017 have increased substantially.
- The Department of Correction was provided \$250,000 to pay court-ordered legal expenses for the Balla Case; \$23,700 for IT costs related to taking over operations of the private prison; \$205,000 to provide offender intervention training in the prisons; and \$419,400 to change food service delivery in the Idaho State Correctional Center from contract to employee-based; and \$317,400 for additional probation and parole staff and operating costs.
- The Department of Juvenile Corrections received \$49,200 for WAN and broadband costs.
- The Department of Lands was appropriated an additional \$189,500 for fire preparedness.
- The Department of Water Resources received \$484,900 to remodel office space at the Water Center so that the State Appellate Public Defender and the Soil and Water Conservation Commission can move their operations into the center.
- The Department of Agriculture was appropriated \$250,000 to investigate and remediate some of the impacts of using methyl bromide to combat pale cyst nematode in eastern Idaho. The department was provided \$120,000 to dispose of nearly 2,000 tons of infested hay; \$25,000 for water sampling and testing; \$45,000 to test for infected cattle; \$10,000 for field test plot preparation and soil sampling; and \$50,000 to Boise State University for literature review, research, and analysis.
- \$1.2 million for legal expenses to the Department of Administration related to the IEN.
- \$1.3 million to the Secretary of State for voting system grants to counties, and \$258,000 for an online voter registration system.

**Rescissions:**

- The Superintendent of Public Instruction's appropriation was reduced by \$5.5 million, for an excess of funding for broadband services.
- The Catastrophic Health Care Program had excess funding for FY 2015 and FY 2016, and \$28,892,700 was rescinded from the CAT Fund to the General Fund.
- Medicaid had \$7.6 million in savings this fiscal year due to the federal reauthorization of the CHIP Program, which maintained the enhanced federal match rate.
- The Department of Correction's appropriation was reduced by \$2.4 million due to lower than expected inmate growth, the closure of Unit 24 at ISCI, and lower-than-projected training costs for probation and parole officers as part of Justice Reinvestment.
- Idaho State Police's appropriation was reduced by \$16,400 to pay for the losses incurred in the Federal Grant Fund due the State Treasurer IDLE Pool portfolio loss distribution.

## FY 2017 General Fund Revenues

The Governor, EORAC, and JFAC all supported using DFM's General Fund forecast of 4.9% over the FY 2016 estimate, to build the FY 2017 budgets. The original revenue estimate of \$3,340,372,000 was impacted by eight bills.

The net impact of these bills reduces General Fund revenue by \$25,927,100 or (0.2%):

- **H 347** made hand tools costing less than \$100 sales tax exempt when used in production (\$81,100).
- **H 348** removed an exemption of sales tax for paddleboard and similar vessels for nonresidents \$20,300.
- **H 357** added a charitable income tax credit for individuals and corporations to donate to the STEM Action Center (\$25,000).
- **H 386** amended the production exemption for farming operations to "include removal from storage" of agricultural commodities (\$125,000).
- **H 425** was proposed by the State Tax Commission and recommended by the Governor to conform to the federal tax code (\$28,669,000).
- **H 461** was proposed by the Supreme Court to deposit certain court fees into the General Fund instead of the Drug Court Fund to maintain the operation of vital court services and programs and rely instead upon a General Fund appropriation (\$2,898,500).
- **H 494** reclassified a first offense for underage alcohol possession or consumption from a misdemeanor to an infraction (\$19,500).
- **H 540** eliminated the disadvantage Idaho aviation businesses encounter when competing with nonresidents providing tactical wildfire suppression services under contract with the federal government by providing a sales and use tax exemption for aircraft used to fight fires (\$88,500).

The adjusted revenue forecast of \$3,364,739,000 represents a 4.7% General Fund increase for FY 2017.

## FY 2017 Transfers and Appropriations

- **H 636** directed \$34.5 million to the Fire Suppression Deficiency Fund for FY 2017;
- **S 1333** appropriated \$2.7 million to the Broadband Infrastructure Grant Fund in the Superintendent of Public Instruction's budget;
- **S 1402** transferred \$100,400 to the Priest Lake Outlet Subaccount in the Department of Water Resources;
- **S 1414** transferred \$400,000 to the Wolf Control Fund; and
- **S 1429** appropriated \$5 million to the Higher Education Stabilization Fund to be used if voters decide to create the Eastern Idaho Community College and \$2 million to the STEM Education Fund, both in support of new legislation.

The Legislature appropriated \$3,272,991,000 from the General Fund in FY 2017, for a 6.5% increase over FY 2016 Original Appropriations. This is \$201,130,500 more than in FY 2016 and is split \$3,235,300 for ongoing expenditures and \$37,700,000 for one-time expenditures.



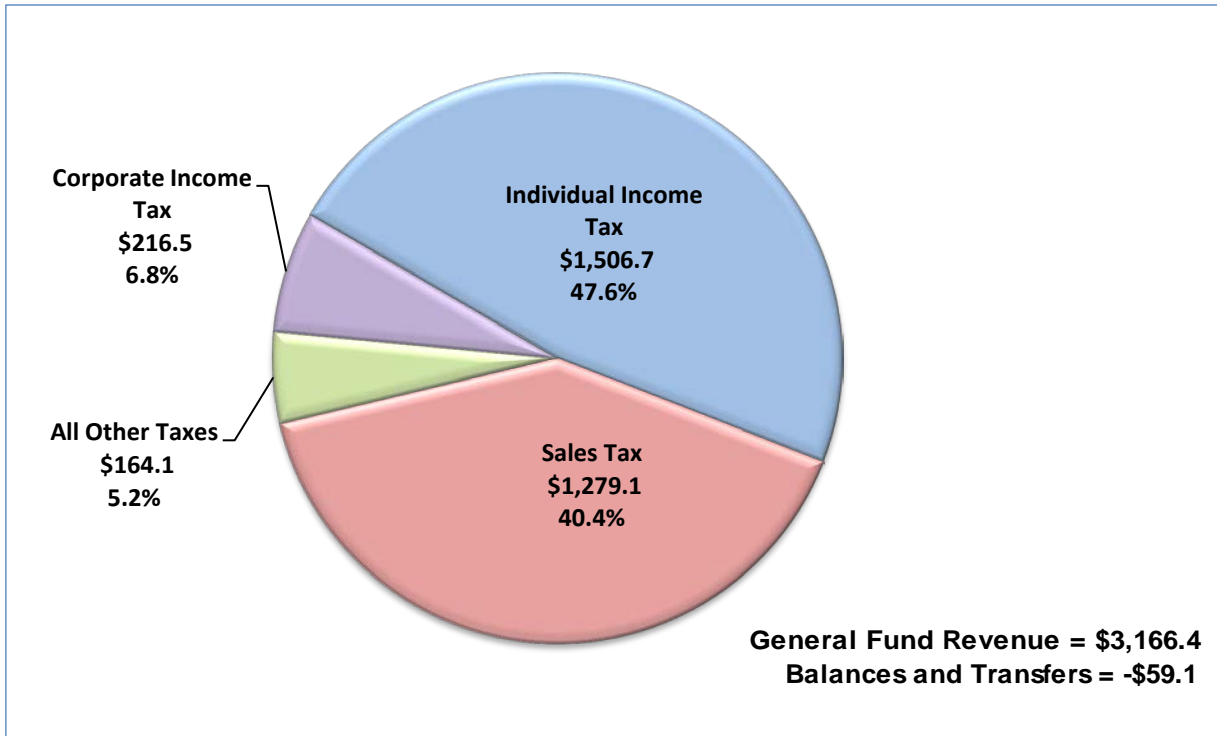
**General Fund Comparison Original Appropriation  
to Governor's Recommendation & JFAC Action**

Department/Agency	FY 2016 Orig Approp	FY 2017 Gov's Revised Rec	Change from 2016 Orig	FY 2017 JFAC Action	Dollar Difference from Governor	Dollar Differ- ence from FY 2016	Change from 2016 Orig
<b>Education</b>							
Public School Support	1,475,784,000	1,596,325,100	8.2%	1,584,669,400	(11,655,700)	108,885,400	7.4%
Ag Research & Extension Service	28,736,200	30,516,700	6.2%	30,516,700	0	1,780,500	6.2%
College and Universities	258,776,400	281,545,600	8.8%	279,546,500	(1,999,100)	20,770,100	8.0%
Community Colleges	33,961,000	37,221,300	9.6%	36,919,000	(302,300)	2,958,000	8.7%
Education, Office of the State Board of	2,441,500	2,877,000	17.8%	3,477,000	600,000	1,035,500	42.4%
Health Education Programs	12,795,300	13,514,000	5.6%	13,514,000	0	718,700	5.6%
Career Technical Education	56,204,600	62,057,600	10.4%	62,057,600	0	5,853,000	10.4%
Public Television,	2,314,000	3,026,100	30.8%	3,022,100	(4,000)	708,100	30.6%
Idaho Special Programs	9,836,700	20,347,300	106.9%	15,430,100	(4,917,200)	5,593,400	56.9%
Superintendent of Public Instruction	15,866,900	12,993,300	(18.1%)	14,184,800	1,191,500	(1,682,100)	(10.6%)
Vocational Rehabilitation	7,557,800	8,336,100	10.3%	8,336,100	0	778,300	10.3%
<b>Health &amp; Human Services</b>							
Catastrophic Health Care Program	27,000,000	18,998,400	(29.6%)	18,000,000	(998,400)	(9,000,000)	(33.3%)
Health & Welfare, Department of	146,795,600	160,965,300	9.7%	157,492,500	(3,472,800)	10,696,900	7.3%
Medicaid	502,684,900	520,652,300	3.6%	519,607,200	(1,045,100)	16,922,300	3.4%
Public Health Districts	8,719,200	9,289,500	6.5%	9,289,500	0	570,300	6.5%
Independent Living Council, State	100,000	124,100	24.1%	124,100	0	24,100	24.1%
<b>Public Safety</b>							
Correction, Department of	207,581,400	221,030,800	6.5%	215,229,500	(5,801,300)	7,648,100	3.7%
Judicial Branch	39,743,600	41,908,600	5.4%	42,415,900	507,300	2,672,300	6.7%
Juvenile Corrections, Department of	39,861,500	41,867,500	5.0%	40,967,500	(900,000)	1,106,000	2.8%
Police, Idaho State	25,597,800	27,990,000	9.3%	27,352,500	(637,500)	1,754,700	6.9%
<b>Natural Resources</b>							
Environmental Quality, Department of	16,449,600	18,114,500	10.1%	17,908,000	(206,500)	1,458,400	8.9%
Lands, Department of	5,473,100	5,461,800	(0.2%)	5,344,900	(116,900)	(128,200)	(2.3%)
Parks & Recreation, Department of	3,407,700	3,336,700	(2.1%)	3,336,700	0	(71,000)	(2.1%)
Water Resources, Department of	12,161,700	18,547,200	52.5%	18,530,400	(16,800)	6,368,700	52.4%
<b>Economic Development</b>							
Agriculture, Department of	10,639,900	11,171,800	5.0%	11,175,800	4,000	535,900	5.0%
Commerce, Department of	5,568,700	5,713,800	2.6%	5,713,800	0	145,100	2.6%
Labor, Department of	320,700	389,600	21.5%	389,600	0	68,900	21.5%
Self-Governing Agencies							
Building Safety	0	270,000	n/a	270,000	0	270,000	n/a
Hispanic Affairs, Commission	124,000	134,300	8.3%	134,300	0	10,300	8.3%
Historical Society	2,775,900	7,022,900	153.0%	2,776,800	(4,246,100)	900	0.0%
Libraries, State Commission for	3,583,400	3,822,300	6.7%	4,002,300	180,000	418,900	11.7%
Public Defense Commission	304,300	314,100	3.2%	5,796,900	5,482,800	5,492,600	1805.0%
State Appellate Public Defender	2,451,300	2,636,600	7.6%	2,636,600	0	185,300	7.6%
Veterans Services, Division of	987,400	1,056,400	7.0%	1,056,400	0	69,000	7.0%
<b>General Government</b>							
Administration, Department of	7,723,700	7,840,700	1.5%	7,665,700	(175,000)	(58,000)	(0.8%)
Attorney General	21,318,200	22,699,900	6.5%	22,699,900	0	1,381,700	6.5%
Controller, State	6,959,700	7,524,400	8.1%	7,524,400	0	564,700	8.1%
Office of the Governor							
Aging, Commission on	4,494,700	4,531,000	0.8%	4,531,000	0	36,300	0.8%
Arts, Commission on the	759,400	782,900	3.1%	782,900	0	23,500	3.1%
Blind, Commission for the	1,389,600	1,455,500	4.7%	1,455,500	0	65,900	4.7%
Drug Policy, Office of	303,000	320,700	5.8%	320,700	0	17,700	5.8%
Financial Management, Division of	1,664,200	1,769,800	6.3%	1,769,800	0	105,600	6.3%
Governor, Executive Office of the	2,032,600	2,160,500	6.3%	2,160,500	0	127,900	6.3%
Military Division	6,340,900	6,758,800	6.6%	6,661,500	(97,300)	320,600	5.1%
Species Conservation, Office of	1,004,800	1,038,100	3.3%	538,100	(500,000)	(466,700)	(46.4%)
STEM Action Center	547,300	2,420,700	342.3%	2,420,700	0	1,873,400	342.3%
Legislative Transfer	6,755,000	6,755,000	0.0%	6,755,000	0	0	0.0%
Legislative Services Office	4,694,400	5,031,100	7.2%	5,112,500	81,400	418,100	8.9%
Office of Performance Evaluations	818,800	876,600	7.1%	889,200	12,600	70,400	8.6%
Lieutenant Governor	163,600	170,000	3.9%	170,000	0	6,400	3.9%
Board of Tax Appeals	534,400	567,500	6.2%	565,300	(2,200)	30,900	5.8%
State Tax Commission	32,175,500	34,330,600	6.7%	35,162,600	832,000	2,987,100	9.3%
Secretary of State	4,159,300	3,175,600	(23.7%)	3,175,600	0	(983,700)	(23.7%)
Treasurer, State	1,415,300	1,405,600	(0.7%)	1,405,600	0	(9,700)	(0.7%)
<b>STATEWIDE TOTAL</b>	<b>3,071,860,500</b>	<b>3,301,193,600</b>	<b>7.5%</b>	<b>3,272,991,000</b>	<b>(28,202,600)</b>	<b>201,130,500</b>	<b>6.5%</b>

# FY 2016 General Fund Revenue & Appropriations

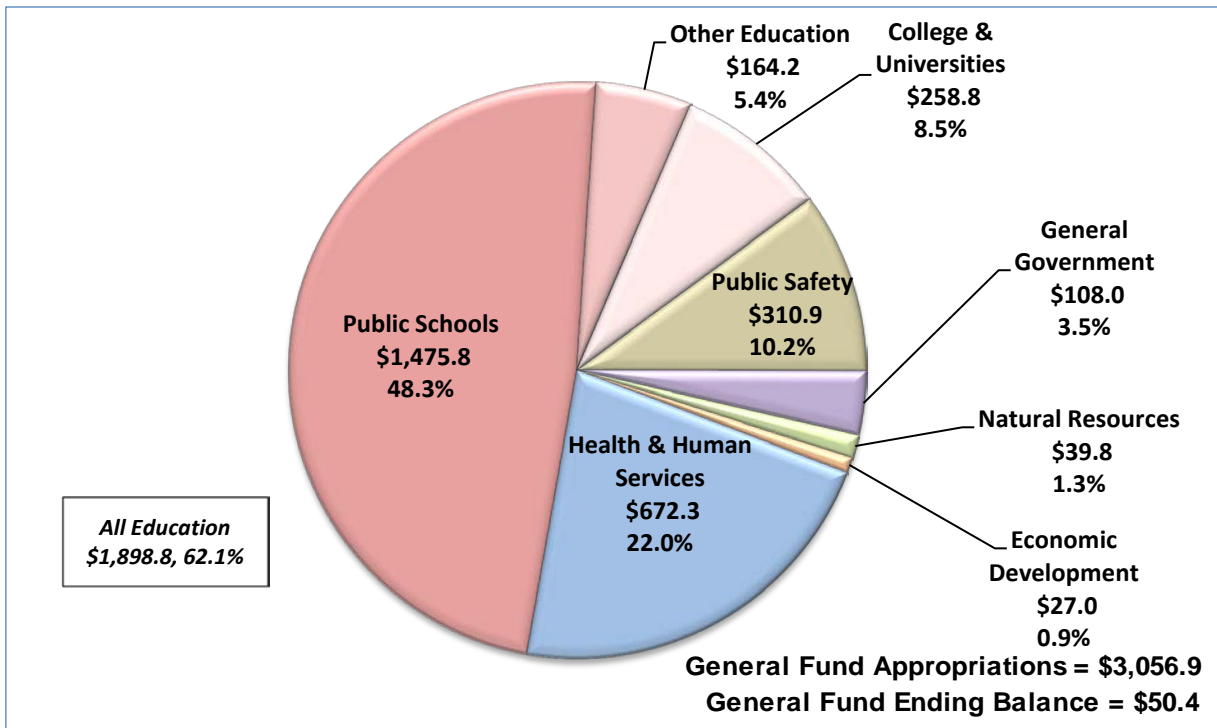
## "Where the money comes from ..."

Dollars In Millions (Percent of Revenue)



## "Where the money goes ..."

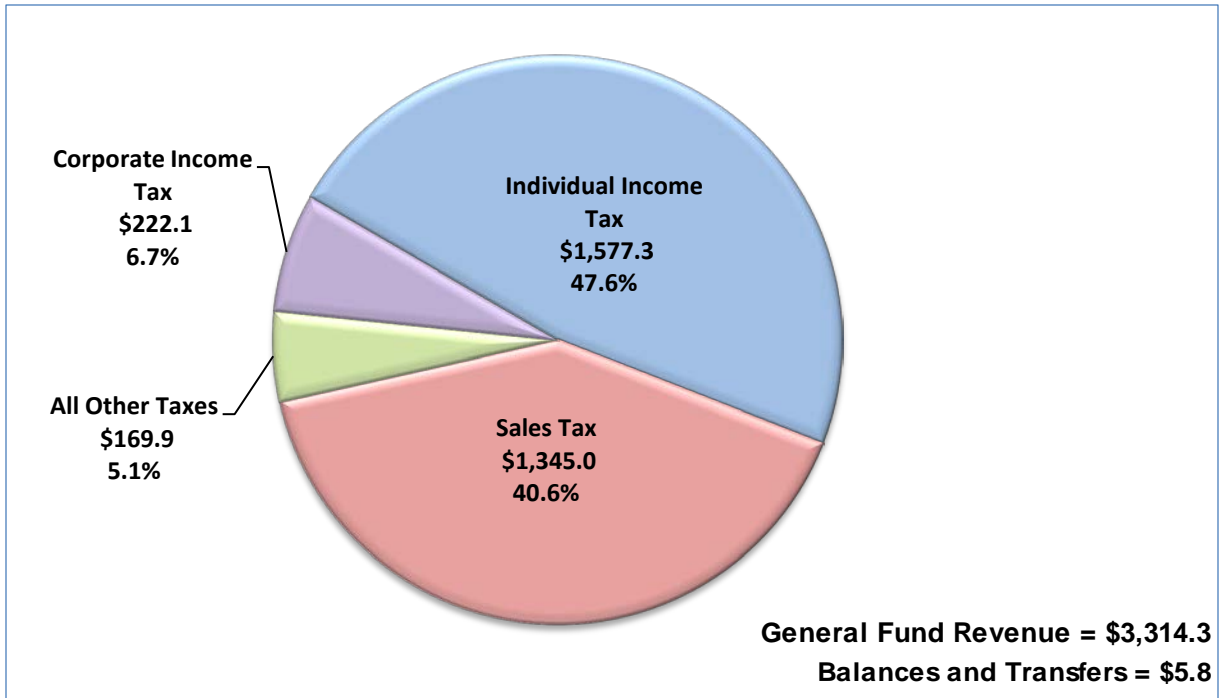
Dollars In Millions (Percent of Appropriations)



# FY 2017 General Fund Revenue & Appropriations

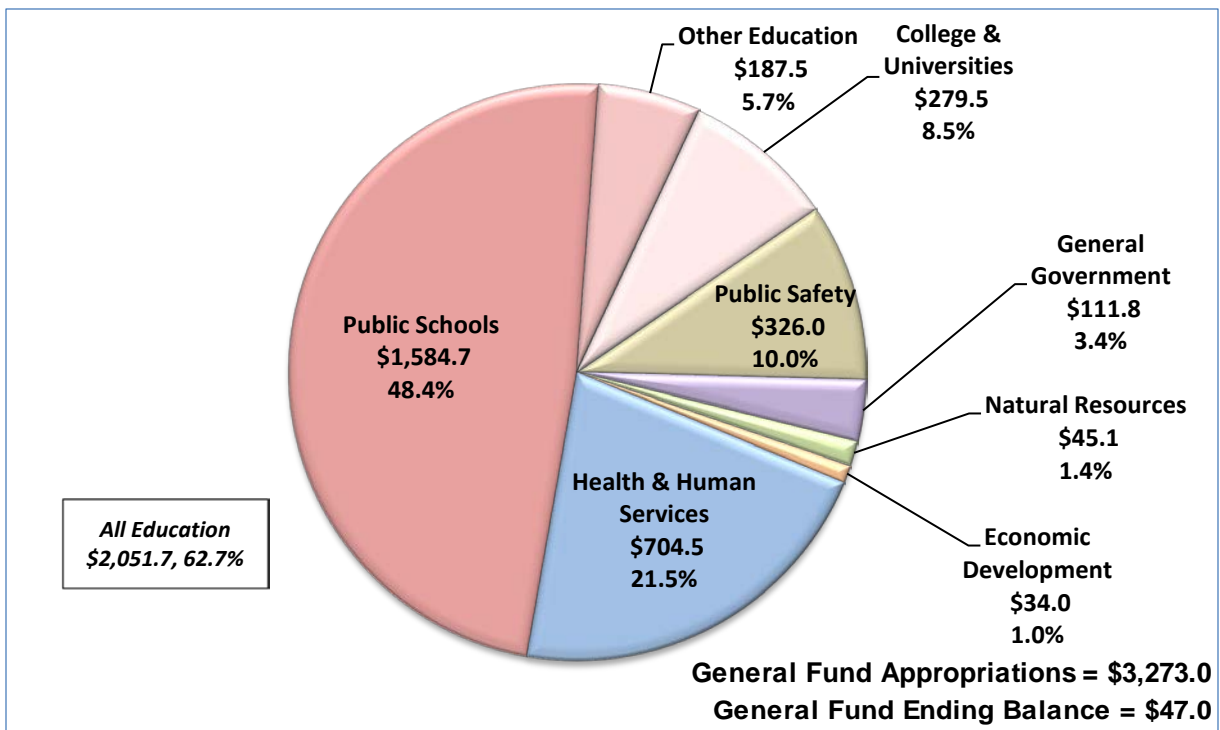
## "Where the money comes from ..."

Dollars In Millions (Percent of Revenue)



## "Where the money goes ..."

Dollars In Millions (Percent of Appropriations)



# State of Idaho Major Reserve Fund Balances

Emergency Funds include: 1) Governor's Emergency, Section 57-1601, Idaho Code; and 2) Disaster Emergency, Section 46-1005A, Idaho Code, which includes both Federal Emergency Management Act and state moneys.

In Millions of Dollars	Budget Stabilization Fund	Public Ed Stabilization Fund	Economic Recovery Reserve	Idaho Millennium Fund	Higher Ed Stabilization Fund	Emergency Funds	TOTAL
1. Balance June 30, 2003	\$ 0.000	\$ 0.000	\$ 0.000	\$ 0.000	\$ 0.000	(\$ 0.218)	(\$ 0.218)
2. Balance June 30, 2004	\$ 0.000	\$ 7.135	\$ 0.000	\$ 22.872	\$ 0.000	\$ 0.154	\$ 30.161
3. Balance June 30, 2005	\$ 15.971	\$ 12.135	\$ 22.044	\$ 44.677	\$ 0.000	\$ 0.132	\$ 94.960
4. Balance June 30, 2006	\$ 108.648	\$ 7.771	\$ 24.632	\$ 67.436	\$ 0.000	\$ 0.281	\$ 208.768
5. Balance June 30, 2007	\$ 121.566	\$ 109.030	\$ 2.657	\$ 64.079	\$ 0.000	\$ 0.875	\$ 298.207
6. Balance June 30, 2008	\$ 140.625	\$ 112.046	\$ 66.133	\$ 70.207	\$ 0.000	\$ 3.337	\$ 392.349
7. Balance June 30, 2009	\$ 128.225	\$ 17.979	\$ 68.101	\$ 74.206	\$ 0.000	\$ 0.720	\$ 289.231
8. Balance June 30, 2010	\$ 30.820	\$ 23.174	\$ 48.847	\$ 76.967	\$ 0.000	\$ 0.792	\$ 180.600
9. Balance June 30, 2011	\$ 0.100	\$ 11.154	\$ 0.054	\$ 74.589	\$ 0.000	\$ 3.339	\$ 89.235
10. Balance June 30, 2012	\$ 23.869	\$ 36.968	\$ 0.056	\$ 14.156	\$ 0.367	\$ 4.233	\$ 79.648
11. Balance June 30, 2013	\$ 135.138	\$ 49.049	\$ 0.057	\$ 15.492	\$ 0.942	\$ 3.424	\$ 204.103
12. Balance June 30, 2014	\$ 161.514	\$ 72.851	\$ 0.057	\$ 20.235	\$ 3.227	\$ 3.373	\$ 261.256
<b>FY 2015 Actuals</b>							
13. After Year-End Adjustments		(1.654)					(1.654)
14. Interest Earnings Estimate		(0.199)	(0.000)	(0.059)	(0.007)	0.000	(0.266)
15. Transfers In Surplus Eliminator	54.152	0.105		5.820	0.272	2.166	62.515
16. Disbursements		(1.654)		(0.587)		(2.743)	(4.984)
17. Transfers from GF §57-814 Δ 8.57%	28.154						28.154
18. Consumer Protection Transfer - S1186		21.500					21.500
19. Balance June 30, 2015	\$ 243.821	\$ 90.948	\$ 0.057	\$ 25.409	\$ 3.492	\$ 2.795	\$ 366.522
General Fund Revenue = \$ 3,056.8	8.0%	3.0%	0.0%	0.8%	0.1%	0.1%	12.0%
<b>* FY 2016 Estimates</b>							
20. After Year-End Adjustments		(2.359)					(2.359)
21. Interest Earnings and Revenues		0.116	0.000	0.230	0.004	0.461	0.811
22. Transfers In (Out) S1190 ERRF			20.000	5.000	(0.443)	(0.001)	24.556
23. Disbursements				(0.805)		(0.850)	(1.655)
24. Transfers from GF §57-814 Δ 3.59%	0.000						0.000
25. End-of-Year Surplus Eliminator	Pending						0.000
26. Estimate* June 30, 2016	\$ 243.821	\$ 88.705	\$ 20.057	\$ 29.835	\$ 3.053	\$ 2.405	\$ 387.875
General Fund Revenue = \$ 3,166.4	7.7%	2.8%	0.6%	0.9%	0.1%	0.1%	12.2%
<b>* FY 2017 Estimates</b>							
27. After Year-End Adjustments		0.000			(0.443)		(0.443)
28. Interest Earnings and Revenues		0.887	0.100	0.300	0.004		1.291
29. Transfers In (Out)				5.000	5.000		10.000
30. Disbursements			(19.840)	(1.048)			(20.888)
31. Transfers from GF §57-814 Δ 4.67%	0.000						0.000
32. End-of-Year Transfers							0.000
33. Estimate* June 30, 2017	\$ 243.821	\$ 89.592	\$ 0.317	\$ 34.086	\$ 7.614	\$ 2.405	\$ 377.835
General Fund Revenue = \$ 3,314.3	7.4%	2.7%	0.0%	1.0%	0.2%	0.1%	11.4%
The balance in Idaho's major reserve funds at the end of FY 2017 (line 33) is estimated to be \$377.8 million or 11.4% of the FY 2017 General Fund Revenue Estimate.							

# Budget Highlights

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## Education

### Public Schools

H 617 through H 623 and H 647 (trailer appropriation to H 526, H 570, and H 571) comprise the FY 2017 K-12 Public Schools appropriation and resulted in a total of \$1,926,504,100. The appropriation includes:

	FY 2016 Original Appropriation	FY 2017 Original Appropriation
<b>Sources of Funds:</b>		
General Fund	\$1,475,784,000	\$1,584,669,400
Dedicated Funds	74,189,400	77,496,200
Federal Funds	264,338,500	264,338,500
<b>TOTAL APPROPRIATIONS</b>	<b>\$1,814,311,900</b>	<b>\$1,926,504,100</b>
<i>General Fund Percent Change:</i>		7.4%
<i>Total Funds Percent Change:</i>		6.2%

As shown above, the appropriation includes a 7.4% increase from the General Fund over the current year funding. There were three main items funded in this budget. First is \$41.5 million to fund the second year of the career ladder teacher compensation system. Second is \$27.3 million to increase operational dollars per support unit to \$25,696. This is a 7.7% increase over the current year. Third is the addition of \$9.1 million for early literacy proficiency for students in kindergarten through grade 3. This amount, added to the \$2.3 million already in the base budget, provides \$11.4 million for this effort. Other increases included \$6.4 million for a 3% base salary increase for employees not on the career ladder, \$5 million for classroom technology, \$3 million for professional development, and \$1 million for gifted and talented student teacher training.

### College and Universities

H 637 provides the College and Universities an appropriation in the amount of \$556,135,800. This includes \$2,000,000 for the Complete College Idaho initiative to be distributed to the four-year institutions. Additionally, BSU will receive \$617,100 to expand its PhD program in materials sciences and \$1,000,000 to develop a cybersecurity lab in collaboration with the INL. ISU will receive \$1,740,600 to expand the Doctor of Physical Therapy Program at the Meridian Health Science Center. The University of Idaho will receive \$950,000 from the General Fund to provide a complete third year of coursework in Coeur d'Alene for students completing an associate degree in computer science from North Idaho College. Also included is \$839,300 from the General Fund to replace computer equipment at Lewis-Clark State College.

### Health Education Programs

H 625 provides the Health Education Program with five new seats in the WWAMI (Washington, Wyoming, Alaska, Montana, and Idaho) Medical School Program, two new seats for the University of Utah Medical School Program, and the third year of a three-year build-out that will provide a to-

tal of 18 residencies in the Kootenai Health Family Medicine Residencies Program in Coeur d'Alene.

## **Special Programs**

**S 1398** provides Special Programs under the State Board of Education \$5 million to double the amount of funding available for students through the Opportunity Scholarship Program. The additional funding will provide new scholarships to approximately 1,800 students.

## **Community Colleges**

**H 638** is the appropriation to community colleges (College of Southern Idaho, College of Western Idaho, and North Idaho College) in the amount of \$37,519,000. This is an 8.7% increase from the General Fund and includes increases for the Complete College Idaho initiative for each of the three institutions, additional staff at the College of Southern Idaho, equity funding for the College of Western Idaho, and occupancy costs for North Idaho College.

## **Career Technical Education**

**H 625** is the FY 2017 appropriation to the Division of Career Technical Education (CTE) in the amount of \$71,849,200. This resulted in a 10.4% increase from the General Fund and included \$3,791,200 for postsecondary capacity expansion in four major industry areas that are high wage, high skill, and high demand. Funding will be allocated by CTE to the six technical colleges at CSI, NIC, CWI, LCSC, ISU, and EITC and will be targeted toward dental hygiene, pharmacy technician, LPN and RN, surgical technology, software and web design development, health information technology, network systems and security, aerospace technology, aircraft maintenance, food processing, welding technology, and diesel technology.

## **Education-Related Fund Transfers**

**S 1429** included General Fund transfers to three newly created funds. This included \$5,000,000 transferred to the Community College Start-Up Fund, \$2,700,000 to the Broadband Infrastructure Improvement Grant Fund in the Superintendent of Public Instruction's budget, and \$2,000,000 to the STEM Education Fund in the STEM Action Center under the Office of the Governor.

## **Idaho Public Television**

**S 1370** appropriated \$9,294,600 to Idaho Public Television for FY 2017 for an overall increase of \$595,300, or 6.8%. Of the total appropriation, \$3,022,100 was from the General Fund and represents an increase of \$708,100, or 30.6% over the previous year. Funding was provided to cover employee benefits, contract inflationary increases, replacement items, changes made in the statewide cost allocation plan, change in employee compensation, and the 27th payroll. An amount of \$125,000 was shifted from the Miscellaneous Revenue Fund to the General Fund to cover a portion of employer health benefit and employee compensation increases that cannot be covered by the agency's dedicated fund. In addition, long-term benefited, part-time positions were converted to classified part-time, which increased their authorized full-time position count by 4.48 employees. Additional funding was not required in making this adjustment.

## **Health and Human Services**

### **Catastrophic Health Care Cost (CAT) Program**

**S 1201** is an FY 2016 rescission that transferred \$28,892,700 from the CAT Fund to the General Fund. The excess was the result of the CAT Board conducting medical reviews, a dual Medicaid-indigence application, and more individuals being covered by insurance creating savings in FY 2015



and FY 2016. **S 1393** is the FY 2017 appropriation for the Catastrophic Health Care Program for \$18 million, which reflects a decrease of \$9 million, or 33.3%, from the FY 2016 Original Appropriation.

## **Department of Health and Welfare**

The FY 2017 appropriation for the Department of Health and Welfare totaled \$2,789,337,500, consisting of \$649,480,500 from the General Fund, \$343,072,700 in dedicated funds, and \$1,732,293,700 in federal funds. This reflects an increase of 1.9% from the General Fund and 5.5% in total funds. The number of authorized personnel was increased by 35.67.

### **Medicaid**

**S 1391** includes \$519,607,200 from the General Fund and \$2,233,804,500 in total funds appropriated to the Medicaid Division. The General Fund increase for Medicaid is 3.4% and enhancements for all funds include:

- \$91.5 million for changes in caseloads, mandatory price changes, and the federal match rate, of which \$15.5 million was from the General Fund.
- \$9.8 million to reestablish the transitional Medicaid program, which is designed to support families working their way off welfare without the immediate loss of health coverage assistance.
- \$17.1 million for the continuation of incentivizing providers to transition to electronic health records. This requires a minimal match of \$69,600 from the General Fund.
- \$1.5 million to provide an increase for the personal needs allowance, which helps Medicaid participants living at the community level pay for living essentials such as rent, utilities, food and personal expenses.
- \$1 million to provide IT system enhancements to help safeguard the provider enrollment process.
- \$728,100 for the continuation of the Money Follows the Person Grant.

### **Mental Health Services and Psychiatric Hospitalization**

**H 579** is the appropriation bill for behavioral health services and includes Mental Health Services that received an 18.6% General Fund increase, with a total increase of 16.3% from all funds; and Psychiatric Hospitalization received a 6.5% increase from the General Fund, and a total increase of 8.4% for all funds. Enhancements to support mental health care in the community and in the state hospitals include:

- \$2.2 million to improve the Children's Mental Health Program with a Child and Adolescent Needs and Strengths (CANS) comprehensive assessment tool and additional respite care funding. These programs are being added in accordance with a settlement agreement reached in the judicial process. \$1,047,000 is from the General Fund.
- \$1.5 million and \$750,000 of General Fund carryover to establish and operate two additional behavioral health community crisis centers in South Central Idaho (Twin Falls area) and Southwest Idaho (Boise area); all funds are from the General Fund.
- \$1 million from the General Fund to provide bridge funding to the Residential Assisted Living Facilities (RALFs) that provide care for Idahoans with serious mental health issues. Bridge funding was provided while the department and providers identify a long-term care solution for this population.

- \$992,000 for various alteration and repair projects as well as replacement items at each hospital.
- \$621,900 and 12.00 FTP were added to the state hospitals to help ensure patient needs are met and that staff are in safe working conditions; six positions were added to each hospital and \$371,600 is from the General Fund.
- \$64,100 to increase the starting salary of the hard-to-recruit and retain psychologist positions at both hospitals; \$45,300 is from the General Fund.

### **Other Department of Health and Welfare Budget Highlights**

- **S 1413:** Licensing & Certification received an additional \$750,000 from federal funds to address facility licensing and certification backlog throughout the state. The program also received \$87,000, with half from the General Fund, to offset the costs of oversight for Certified Family Homes; a proposed fee rule was rejected by the Legislature, which would have filled the shortfall with dedicated fee revenue.
- **H 281:** Public Health Services received \$971,100 from the General Fund to establish and operate a Suicide Prevention and Awareness Program; \$596,000 for fifth year of paying for immunizations for children covered by TRICARE; \$128,000 to fund the Expanded Access Program that provides for treatment-resistant epilepsy in children; \$170,000 to replace communication equipment used by EMS and other emergency responders; and \$20,000 to replace the landscaping at the state lab with xeriscaping. The xeriscaping project will be done in cooperation with the College of Western Idaho's Horticulture Program.
- **H 274:** Division of Welfare received \$9.6 million from dedicated and federal funds to transition the Child Support Enforcement System and the Child Care Program Automated System off the State Controller's mainframe and into the department's eligibility system.

## **Public Safety**

### **Department of Correction**

**S 1353** appropriated to the Department of Correction an additional \$1,146,500 from the General Fund, \$441,100 from dedicated funds, and \$263,700 from federal funds for a total of \$1,851,300 for FY 2016 and reduced the General Fund appropriation to the Department of Correction by \$3,029,900 for FY 2016. These changes represent a net reduction of \$1,883,400 in the General Fund and an overall net reduction of \$1,178,600 in all funds.

**S 1409** appropriated \$240,321,600 for FY 2017 and capped the number of authorized full-time equivalent positions at 1,972.85. For program maintenance, the bill included funding for the employer's share of increased benefit costs, inflationary adjustments, replacement items, and statewide cost allocation. It provided for an ongoing 3% merit-based increase in employee compensation for permanent employees to be distributed at the discretion of agency heads, and funded the 27th payroll. Additional funding was provided for:

- \$2,193,100 for year two of the department's security officer retention plan; \$36,100 for encrypted radios in District 7;
- \$229,000 for security cameras;
- \$264,800 for an access control system;



- \$169,000 for door operators at ISCI;
- \$26,100 for a fire alarm system at the East Boise Community Reentry Center;
- \$142,500 for six vehicles for probation and parole officers;
- \$7,000 for an HVAC system at the East Boise Community Reentry Center;
- \$242,300 for population-driven costs in the Correctional Alternative Placement Program;
- \$823,200 for population-driven costs in the Medical Services Program;
- \$3,106,100 for hepatitis-C treatment;
- A reduction of \$3,773,300 for population-driven costs in the County and Out-of-State Placement Program;
- \$105,000 for the Special Assistant United States Attorney (SAUSA) program; and
- A net-zero reallocation of 43.00 FTP, along with their associated personnel costs and operating expenditures, in order to decentralize and defund Offender Programs and redistribute headquarters staff.

### **Commission for Pardons and Parole**

**S 1405** appropriated \$2,969,000 to the Commission for Pardons and Parole for FY 2017 and capped the number of authorized full-time equivalent positions at 33. Two new items were funded: \$38,300 for personnel reclassification and \$23,000 for a digital recording system.

### **Judicial Branch**

**H 576** appropriated \$66,709,900 to the Supreme Court for FY 2017 and exempted the appropriation from object and program transfer limitations. For program maintenance, the bill included funding for the employer's share of increased benefit costs, increases in statewide cost allocation, and funding for two magistrate judges that were partially funded in FY 2016. It also provided for an ongoing 3% merit-based increase in employee compensation for permanent, nonjudicial employees to be distributed at the discretion of the agency head. Five line items were also included, which provide: \$2,000,000 for court technology; \$865,000 for senior judges; 1.00 FTP and \$443,300 for language access; 1.00 FTP and \$118,000 for the Judicial Excellence and Education Program; and the net-zero program transfer of \$865,000 from the Supreme Court Program and \$163,100 from the Magistrates Division Program, for a total of \$1,028,100, to the newly created Senior Judges Program, which was created for budgeting and accounting purposes.

**H 461** redirected 80% of the revenue generated by the emergency surcharge from the Drug Court, Mental Health Court and Family Court Services Fund to the General Fund. The redirection will generate an estimated \$2,898,500 in new General Fund revenue in FY 2017. **H 608** provided for a fund shift in the FY 2017 appropriation to the Supreme Court, in the amount of \$2,949,000, from the Drug Court, Mental Health Court and Family Court Services Fund to the General Fund, to address the fiscal impact of **H 461**. Consistent with the entire FY 2017 appropriation for the Supreme Court, the bill provided lump sum authority.

**S 1420** adjusted the judicial salary schedule by providing pay increases to magistrate and district judges, effective July 1, 2016. Magistrate salaries will increase by 4.0%, from \$112,000 to \$116,500. District judge salaries will increase by 3.6%, from \$124,000 to \$128,500. **S 1427** provided an additional \$815,700 from the General Fund to the Supreme Court for FY 2017 to address the fiscal impact of **S 1420**, which addressed judicial salaries. The total appropriation provided by the bill amounts to \$320,600 for district court judges and \$495,100 for magistrate judges. Consistent with the entire FY 2017 appropriation for the Supreme Court, the bill provided lump sum authority.

## Department of Juvenile Corrections

**S 1233** appropriated an additional \$296,200 to the Department of Juvenile Corrections for FY 2016 and reduced its appropriation by \$247,000 for FY 2016, for an overall net increase of \$49,200.

Within the Community-Based Substance Abuse Treatment Services Program, the bill transferred \$147,000 between object classes in order to address changes in the department's managed service contract and its electronic health records and claims processing system; within the Institutions Program, the bill provided an additional \$49,200 to be used for increases in administrative wide-area network (WAN) and broadband costs; and from the Institutions Program, the bill transferred \$100,000 between object classes to be used for the Community Incentive Program.

**H 562** appropriated \$51,402,600 to the Department of Juvenile Corrections for FY 2017 and limited the number of authorized full-time equivalent positions to 412. Eight new items were funded, which provide: \$73,700 and 1.00 FTP for a clinician position; 1.00 FTP and the transfer of \$42,100 in operating expenditures to personnel costs to fund a maintenance craftsman position; \$25,300 for POST training; \$6,600 for a personnel cost shortfall associated with 1.50 FTP; a transfer of \$50,000 between programs to be used for the Community Incentive Program; a transfer of \$55,000 between programs to be used for additional POST training; \$14,100 for travel costs; and the reduction of \$900,000 for substance use disorder services to align the agency's budget with program needs.

## Idaho State Police

**H 403** reduced the General Fund appropriation to the Idaho State Police by \$16,400, then appropriated and transferred up to \$16,400 from the General Fund to the Federal Grant Fund within the Idaho State Police for FY 2016, for a net effect of zero. The appropriation and transfer of funds was required to reimburse the Edward Byrne Memorial Justice Assistance Grant Program (JAG) and Equitable Share Program for federal losses incurred within the State Treasurer's IDLE Pool portfolio. According to the Office of Justice Programs, such losses are unallowable as a condition of receiving federal grant awards.

**S 1390** appropriated \$77,449,600 to the Idaho State Police for FY 2017 for an overall increase of \$6,716,900, or 9.5%. Of the total amount appropriated, \$27,130,200 was from the General Fund and represents an increase of \$1,532,400, or 6.1% over the previous year. Funding was provided to cover employee benefits, replacement items, changes made in the statewide cost allocation plan, change in employee compensation, and the 27th payroll. In addition, \$4,613,000 was provided for certain line items, which include:

- \$558,100 to realign personnel costs between the Project CHOICE Fund and the Idaho Law Enforcement Fund for moneys borrowed against Project CHOICE in previous years;
- \$1,422,600 to replace regional communication center integrated radio/phone console and recording systems, implement a pay retention plan for regional communication officers, hire four additional staff, and cover the department's share of negotiated rent increases for repeater sites located on state endowment trust lands;
- \$299,200 to hire two new forensic scientists, upgrade two classified part-time forensic scientists to full-time, and cover software maintenance contracts;
- \$1,400,000 to replace the current Uniform Crime Reporting (UCR)/National Incident-Based Reporting System (NIBRS);
- \$378,800 to hire two new investigators, and purchase surveillance equipment;

- \$194,300 to cover the cost of moving and to furnish a new facility in Pocatello that is scheduled for completion in the spring of 2017; and
- \$360,000 to obligate and expend anticipated federal grant awards.

**H 612** appropriated an additional \$222,300 from the General Fund for the Forensic Services Program for FY 2017 to hire three positions to implement the provisions of **H 528**. This legislation created and codified systems used by law enforcement, health care facilities, and the Idaho State Police Forensics Laboratory in the processing of sexual assault evidence kits in the state of Idaho. It also created a system of tracking and reporting and directed the department to provide the Idaho Legislature with an annual audit and report about the collection of evidence and testing.

## **Natural Resources**

### **Department of Environmental Quality**

**S 1415** appropriates \$67,332,600 to the Department of Environmental Quality for FY 2017. The budget transfers \$1.5 million from the Water Pollution Control Fund to the Environmental Remediation Fund, expresses legislative intent regarding an annual progress report of the superfund cleanup, and acknowledges that the Water Pollution Control Fund is being used for a variety of water quality projects not specified in Idaho Code.

The budget includes three line items:

- \$464,200 for the third year of the takeover of primacy of the National Pollutant Discharge Elimination System. Costs at full build-out in 2022 are estimated at 29.00 FTP and \$3.1 million. The line item includes funding for 4.00 FTP from the General Fund, and provides for travel, office supplies, rent costs, computers, furniture, and field equipment;
- \$160,000 one-time from the Economic Recovery Reserve Fund to offset a like reduction in federal funds. This amount is needed to support the Underground Storage Tank Program while the department seeks approval for user fees;
- The transfer of \$60,000 from operating expenditures to personnel costs to bring weather forecasting services in-house.

The General Fund budget is an 8.9% increase, and the overall budget is a 4.2% increase from FY 2016.

### **Department of Fish and Game**

**H 349** is an FY 2016 supplemental for \$1,638,700 in two parts. First, it includes \$1,238,700 in federal funds for fisheries projects, including moneys for fish marking trailers, salmon and steelhead management, hatchery operations, and Chinook salmon genetics research. Second, it includes \$300,000 from federal funds and \$100,000 from licenses and tag revenue to enhance the elk management program through capture, radio collaring and the use of aerial surveys. The program allows the department to monitor survival and mortalities, including losses due to predation.

**H 641** appropriates \$104,070,300 to the Department of Fish and Game for FY 2017. The bill includes approval of thirteen line items including: improving shooting ranges; screening diversions and maintaining boating access; managing game, increasing access, and stocking pheasants; maintaining resident fish hatchery production; expanding hunter education and outreach; expanding wildlife monitoring and habitat management; upgrading fish marking and tagging trailers; support

ing fish stocking and research; providing for lease increases and acquisition of a seven-acre parcel in Canyon County for a new regional office; approving the rebuild of the Snake River sockeye salmon trap on Little Redfish Lake Creek funding salmon and steelhead habitat projects; approving agencywide fund shifts; and providing appropriation for sage-grouse lek monitoring. Lastly, the bill authorizes ongoing funding to cover the increased costs of radio communication sites. There are no General Funds in this budget. It is a 10.7% increase in dedicated funds and an 8.7% increase in all funds over the original FY 2016 budget.

**H 646** is an additional FY 2017 appropriation to the Department of Fish and Game for \$2 million from federal funds to purchase the Clagstone Meadows conservation easement. The Forest Legacy Program is a federal program that supports state efforts to protect environmentally sensitive forests. The conservation easement is valued at \$12.6 million. The landowner will donate 25% of the value or \$3.125 million, the USDA awarded \$5.5 million through the Department of Lands, the Trust for Public Land will raise \$2 million, and the Idaho Department of Fish and Game will contribute \$2 million to complete the transaction.

## Department of Lands

**S 1200** is an FY 2016 supplemental appropriation for \$379,000 for wildfire preparedness. It focuses on retaining, extending, and increasing the staffing levels that have the greatest potential to improve initial response. It includes three months of funding, split 50% from the General Fund and 50% from dedicated fire preparedness moneys.

**H 532** is an FY 2016 supplemental appropriation for \$60 million to cover the costs of the 2015 wildfire season on lands protected by the state. There were 321 fires that burned 78,571 acres.

**H 640** appropriates \$54,525,400 to the Idaho Department of Lands for FY 2017. The appropriation includes approval of 18 line items as follows:

- \$960,000 for the second phase of the Lands and Waterways Information System;
- \$113,800 for a new eastern Idaho fire services coordinator;
- The addition of 0.66 FTP to make two part-time positions full-time;
- \$112,400 for seasonal firefighting support;
- \$171,000 and one position for oil and gas and mineral resource protection;
- \$223,500 for a remote sensing analyst and seasonal personnel;
- \$140,000 for startup costs for two additional rangeland fire protection associations;
- \$79,200 for an IT systems analyst;
- \$63,000 for geospatial server software;
- \$195,000 to continue the Governor's sage-grouse conservation initiative;
- \$150,100 for additional equipment for the Forest Resource Management, Lands and Waterways, and Forest and Range Fire Protection programs;
- \$562,000 and 2.33 FTP to use the Good Neighbor Authority Agreement;
- \$1,350,000 to match a \$1,665,300 Permanent Building Fund appropriation to expand the Coeur d'Alene staff office;
- \$60,000 to match a \$54,500 Permanent Building Fund appropriation to remodel the existing Coeur d'Alene staff office;
- \$23,100 for Timber Protective Association employee compensation;

- Approval of the shift of \$550,000 from the General Fund to the Navigable Waterways Fund;
- \$10,100 for a part-time contracted check scaler;
- \$4,800 for an increase in public safety communication site rent.

The budget for the Forest and Range Fire Protection Program is lump sum, meaning that the department may transfer appropriation from operating expenditures to personnel costs in that program if needed. The budget is a 2.3% decrease in the General Fund and a 7.7% increase in all funds.

**H 636** is an additional FY 2017 appropriation for \$34.5 million to cover the costs of the 2016 wild-fire season on lands protected by the state. It is the average of the last three years of estimated fire suppression costs. **H 646** is an additional FY 2017 appropriation for \$5 million to the Department of Lands from federal funds to purchase the Clagstone Meadows conservation easement. The Forest Legacy Program is a federal program that supports state efforts to protect environmentally sensitive forests. The conservation easement is valued at \$12.6 million. The landowner will donate 25% of the value or \$3.125 million, the USDA awarded \$5.5 million through the Department of Lands, the Trust for Public Land will raise \$2 million, and the Idaho Department of Fish and Game will contribute \$2 million to complete the transaction.

### **Department of Parks and Recreation**

**S 1401** appropriates \$39,630,900 to the Department of Parks and Recreation for FY 2017 and caps the number of authorized FTP at 150.89. The budget is 8% from the General Fund, 79% from dedicated funds and 13% from federal funds. It provides \$2,405,900 in dedicated funding for park repairs and replacement items. The bill funds twelve line items:

- \$78,700 and one position from park entry and camping fees for an interpretive education coordinator;
- \$1,000,000 from the Recreational Fuels Capital Improvement Fund to match \$600,000 from the Permanent Building Fund to construct a visitor center for Cascade State Park;
- \$650,000 from park entry and camping fees to construct five new deluxe cabins at Ponderosa State Park;
- \$38,000 from rentals and vendor fees to install a new double CXT vault toilet at Heyburn State Park;
- \$38,000 from park entry and camping fees to construct a new double CXT vault toilet at Winchester Lake State Park;
- \$30,000 from park entry and camping fees to construct an entry kiosk at the Ranch Unit of Castle Rocks State Park;
- \$50,000 from the Recreational Fuels Capital Improvement Fund to develop a day use area in the Sage Flat at Harriman State Park;
- \$10,000 from the Public Recreation Enterprise Fund to purchase and install a storage building at Bruneau Dunes State Park;
- \$35,000 from the Public Recreation Enterprise Fund to purchase and install two camper cabins at Castle Rocks State Park;

- \$2,100,000 from the Recreational Vehicle Registration Fund to develop a new 50-site campground loop at Farragut State Park;
- Approval to shift \$100,000 in federal fund appropriation for personnel costs to dedicated park entry and camping fees and enterprise funds to offset stagnant federal fund appropriations from the Bureau of Reclamation and the National Park Service;
- \$40,000 from park entry and campground fees to contract for the creation of a conceptual plan to remodel the Museum at the Brig at Farragut State Park.

The overall budget is a 2.1% reduction in the General Fund, a 15.2% increase in dedicated funds, and a 1% reduction in federal funds for a total increase of 11.3% from the current appropriation.

### **Department of Water Resources and Water Resource Board**

**H 446** is an FY 2016 supplemental appropriation to the Department of Water Resources in the amount of \$484,900 from the General Fund to renovate 9,037 square feet on the fifth floor of the Idaho Water Center. The space was previously occupied by the Idaho Supreme Court Law Library and the University of Idaho Law School until both were vacated in July 2015. The space is to be remodeled for the State Appellate Public Defender and the Soil and Water Conservation Commission.

**S 1402** appropriates \$28,274,300 for FY 2017. The source of funding is 65.5% from the General Fund, 26.4% from dedicated funds, and 8.1% from federal funds. Nine new items are approved:

- \$18,200 in dedicated appropriation to allow the department to spend receipts from subleases to the State Appellate Public Defender and the Soil and Water Conservation Commission;
- Transfers \$716,000 to the Aquifer Planning and Management Fund for aquifer monitoring, measurement, and modeling statewide. Moneys are from the seventh year of loan repayments from groundwater users for purchase of the water rights at Pristine Springs;
- Shifts \$81,300 to the General Fund for the last remaining position in the Northern Idaho Adjudication currently funded with dedicated funds;
- \$546,100 for five positions to support the Surface Water Settlement Agreement;
- \$5,000 ongoing to cover increases in the Bear River Commission Assessment;
- \$125,900 for one technical hydrogeologist needed in Coeur d'Alene;
- \$235,800 for two positions to work on water right licensing backlogs;
- \$5 million ongoing from the General Fund and \$2.5 million one-time from the Economic Recovery Reserve Fund for water recharge and aquifer stabilization projects. Those moneys are then transferred to the Secondary Aquifer Planning, Management, and Implementation Fund;
- Transfers \$100,400 from the General Fund to the Priest Lake Outlet Subaccount to restore cash used for the 2005 move of the Department of Water Resources from Orchard Street to the Idaho Water Center. This \$100,400 is counted as a General Fund "transfer out" in the legislative record.

Overall, the budget adds funding for eight positions: one in Coeur d'Alene, two in Idaho Falls, one in Twin Falls, three at the Boise Regional Office, and one at the Boise Headquarters. The total budget



is a 52.4% increase in the General Fund and a 36.7% increase in all funds.

Legislative intent is included to direct the Water Resource Board to sell the Pristine Springs property for the appraised value and deposit the proceeds to the General Fund. An October 28, 2013, appraisal of the 386.93-acre Pristine Springs Ranch put a value of \$3.6 million on the hatchery, power plant, buildings, and land. The Water Resource Board has over \$5 million into the property from the Revolving Development Fund.

## **Office of Species Conservation**

**H 564** appropriates \$13,878,400 to the Office of Species Conservation for FY 2017 and caps at 12.63 the number of authorized FTP. There are two line items. The first is \$500,000 from the Economic Recovery Reserve Fund for sage-grouse conservation. Funding includes \$250,000 for conservation projects on state and private land; \$100,000 for lek monitoring to be conducted by the Department of Fish and Game; \$110,000 for equipment and training for the Rangeland Fire Protection Associations; \$25,000 for infrastructure mitigation program development; and \$15,000 for coordination costs of the Office of Species Conservation. The second authorizes the conversion of a temporary position to a permanent position and provides a 0.63 FTP. Legislative intent is included to recognize that although the greater sage-grouse is not an endangered species and not warranted for protection under the Endangered Species Act, the Office of Species Conservation is to continue working on sage-grouse conservation actions. The overall budget is an increase of 0.5% from the current FY 2016 budget.

## **Wolf Depredation Control Board**

**S 1414** appropriates and transfers \$400,000 from the General Fund to the Wolf Control Fund Other Money Subaccount for FY 2017. The responsibility of the Wolf Control Board is to allocate the money for control actions approved by the Fish and Game Commission for wolves, when there is a depredation conflict between wolves and livestock or unacceptable levels of conflict between wolves and wildlife. The board has a cooperative services agreement and a work plan with Wildlife Services.

## **Economic Development**

### **Department of Agriculture**

**H 342** transfers \$324,000 from the General Fund to the Pest Control Deficiency Fund for fiscal year 2016. Actual costs were \$18,100 for an exotic pest survey, \$289,900 for a Japanese Beetle survey and treatment, and \$16,000 for potato cyst nematode monitoring.

**H 445** is a FY 2016 supplemental appropriation in the amount of \$2,014,500 to the Idaho State Department of Agriculture for five items:

- \$250,000 from the General Fund for a methyl bromide investigation, including \$120,000 for disposal of over 2,000 tons of infested hay; \$25,000 for water sampling and testing; \$45,000 for testing for infected cattle; \$10,000 for field test plot preparation and soil sampling; and \$50,000 to Boise State University for literature review, research, and analysis;
- \$1,699,200 for the Fresh Fruit and Vegetable Program, from fees paid by processors, to expand the inspection program as need expands. Food safety audit requests have increased, which requires additional training and hours worked by staff. Furthermore, potato processing facilities are asking the Fresh Fruit and Vegetable Program to staff and perform additional inspections at the raw lab stations;

- \$65,300 from the dedicated Organic Food Products Fund for one full-time inspector with partial-year funding for personnel costs; operating expenditures for Twin Falls office space, travel, and training; audit costs; a rugged laptop; and vehicle costs. Additional inspections are needed to certify organic food growers;
- The transfer of \$1 million in federal appropriation from the Plant Industries Program to the Market Development Program. The Specialty Crop Grant Program has grown beyond expectations from \$121,000 in FY 2006 to nearly \$2 million in FY 2016. Grants are used for research and marketing;
- The transfer of \$8,000 from operating expenditures to personnel costs in the Facilities Maintenance Fund to replace a janitorial contract with the use of in-house staff.

**S 1417** appropriates an additional \$300,000 from the Invasive Species Fund, one-time for FY 2016, to pay for additional hours for roadside boat inspections in a manner as determined by the department.

**S 1417** appropriates \$40,428,500 for FY 2017. The bill includes funding for five line items:

- \$93,800 from the General Fund, one-time, for an organic food program inspector. It is expected that dedicated fees will support this position in the future;
- \$60,000 from federal funds for laboratory equipment and the addition of two positions to beef up the staff for brucellosis testing. Additional slaughterhouse capacity is driving this program that the state undertakes on behalf of the USDA;
- \$65,000 from the Laboratory Services Fund to expand water testing services at the Food Quality Assurance Laboratory in Twin Falls. The department is doing more testing for pesticides and more work for the onion industry;
- \$4,000 ongoing from the General Fund for a sheep predator report. The 2012 report estimated Idaho sheep producer losses from coyotes, wolves, dogs, mountain lions, bears and other predators accounted for 8,600 head valued at \$1.78 million. The USDA has started to charge for the report;
- \$700,000 from the Invasive Species Fund, one-time, to increase efforts to prevent the spread of invasive zebra and quagga mussels into Idaho's waters. Legislative intent is included to encourage the department to leverage state funding, to secure federal funding, and to further enhance invasive species detection and prevention efforts.

The budget is a 5.5% increase in the General Fund and a 10.9% increase in all funds over the FY 2016 original appropriation.

### **Soil and Water Conservation Commission**

**S 1416** appropriates \$3,158,500 for FY 2017 and limits the number of FTP to 17.75. There are three line items:

- \$12,900 ongoing and \$7,600 one-time from the General Fund to pay increased office space costs as the commission moves from the Len B. Jordan Building to the Idaho Water Center;
- \$10,000 from the Miscellaneous Revenue Fund to increase the appropriation available to provide technical services for other agencies;

- \$100,000 from the Economic Recovery Reserve Fund, one-time, to be paid to the North Central Idaho Wildfire Restoration Group. The Clearwater, Idaho, Latah, Lewis, and Nez Perce soil and water conservation districts will use this money to coordinate a regional response to initiate restoration work on private and municipal land impacted by the 2015 wildfires.

The budget is a 3.7% increase in the General Fund and a 34.4% increase in dedicated funds for an overall increase of 7.4% over the original FY 2016 appropriation.

## Department of Labor

**S 1400** is the FY 2017 appropriation to the Department of Labor in the amount of \$104,819,200 with full-time equivalent positions capped at 700. The appropriation includes funding for benefit cost increases, statewide cost allocation, a 3% CEC, and the 27th payroll. The 3% CEC is a merit-based increase in employee compensation for permanent employees, to be distributed at the discretion of each director. Additionally, this bill includes funding for replacement items, which include two vehicles and two network switches. Line item 1 provides \$328,000 for new IT equipment. Line item 2 provides \$6,112,700 from the Miscellaneous Revenue Fund for unemployment insurance tax and benefit system expansion. These moneys are passed through from Iowa and Vermont to Idaho for the purpose of replicating our unemployment insurance tax and benefit system. The moneys originate with US Department of Labor. Line item 3 provides \$2,000,000 to increase grant capacity from the Workforce Development Training Fund. Line item 4 provides \$264,500 for local office building maintenance and repairs. Line item 5 provides \$136,500 from federal funds to expand casework at the Human Rights Commission. Finally, line item 7 provides \$50,000 one-time to the Idaho Rural Partnership. Overall, this budget is a 13.2% increase over the FY 2016 original appropriation.

## Idaho Transportation Department

**H 312aaS,aaS** increased funding for Idaho's aging transportation infrastructure in the 2015 legislative session. It increased registration fees by \$21 for personal vehicles and \$25 for commercial vehicles. It increases the motor fuels tax from 25 cents to 32 cents per gallon. The increase in registration and motor fuels tax shall be subject to a 60-40 split between the State Highway Account and local highway jurisdictions beginning July 1, 2015. The legislation also created a strategic initiatives program in the Idaho Transportation Department for transportation projects proposed by ITD and rated competitively on their return on investment in safety, mobility, economic opportunity, plus repair and maintenance of bridges and the purchase of right-of-way. It was funded by a General Fund surplus eliminator of \$54.7 million at the end of FY 2015 and a potential surplus eliminator of the General Fund at the end of FY 2016, after which time the surplus clause sunsets. All additional funds raised in **H 312aaS,aaS** are to be used exclusively for the maintenance of bridges and road and replacement projects at the state and local level. A supplemental appropriation of \$104,586,700 to spend the funds raised in **H 312aaS,aaS** was approved in **H 363** this session.

**S 1423** is the FY 2017 appropriation to the Idaho Transportation Department for \$354,476,100 in dedicated funds and \$301,409,000 in federal funds for a total of \$655,885,100. It also includes \$57,792,700 in supplemental funding for FY 2016. The FY 2017 budget includes a full-time equivalent position cap of 1,698. This bill includes \$1,770,200 for an increased cost of benefits, \$285,300 for inflation, \$26,100,000 for replacement items, \$787,200 for statewide cost allocation, \$8,361,100 for the annualization of the funds raised in **H 312aaS,aaS** of the 2016 session, \$3,132,300 for an ongoing 3% merit-based increase in employee compensation for permanent employees, and \$3,640,000 for the 27th payroll.

This bill provides new funding for the following items:

- \$28,637,400 in increased funding over FY 2016 for the roads. Funding comes from revenues accumulating in excess of forecast and other sources;
- \$327,200 to purchase highway operations equipment;
- \$8,000 for seven computer workstations and one touchscreen testing workstation for the county DMV offices;
- \$1,364,900 for IT-related licenses, equipment, and software to enhance security and storage of the department's data;
- A fund shift of \$1,611,200 from the federal State Highway Fund to the dedicated State Highway Fund in capital outlay to align the appropriation to the projected level of funding available to the division by fund source;
- A fund shift of \$1,488,100 from the dedicated State Highway Fund to the federal State Highway Fund in order to align the appropriation to the projected level of federally reimbursed personnel costs in FY 2017 and forward;
- \$6,814,800 in dedicated and federal fund appropriations related to the new federal transportation authorization entitled the Fixing America's Surface Transportation (FAST) Act. The Act reauthorizes U.S. Department of Transportation programs and provides increased federal funding for highway transportation and safety;
- \$7,200 to cover increased costs for public safety communication sites.

### **Division of Building Safety**

**H 365, S 1379, and H 635** are the appropriation bills to the Division of Building Safety for FY 2016 and FY 2017. **H 365** provided \$300,000 from the Miscellaneous Revenue/School Security Assessment Fund to review the original 75 school security inspections conducted by the State Department of Education and identify a model approach to security inspections, similar to how the school building inspections are currently conducted. **S 1379** provided \$12,707,600 with full-time equivalent positions capped at 126 for FY 2017. Finally, **H 635** was a trailer appropriation to **H 514**, which created the Office of School Safety and Security organized in the Division of Building Safety. It provided funding from the General Fund for 5 FTP, \$180,200 in personnel costs for three analysts, an office manager, and an administrative assistant, and \$89,800 in capital outlay for three vehicles, two computers, and two laptop computers. Additionally, this bill includes an object transfer of \$247,500 from operating expenditures to personnel costs from the Miscellaneous Revenue/School Security Assessment Fund.

### **Idaho Historical Society**

**S 1407** is the FY 2017 appropriation to the State Historical Society for \$2,776,800 from the General Fund, \$9,912,000 from dedicated funds, and \$1,564,200 from federal funds for a total of \$14,253,000. Full-time equivalent positions are capped at 49.00. An appropriation of \$8 million was provided for exhibits at the State Historical Museum which is scheduled to reopen in fall 2017. Half of the funds will be raised through private donations to the historical society and the other half are from the Economic Recovery Reserve Fund. An additional \$100,000 from the General Fund was provided to enhance security at all historical society properties. Spending authority of \$151,300 from federal funds was granted for a two-year federal grant that will pay for the agency's work to digitize 50,000 pages of Idaho territorial newspapers, dating from 1864 to 1890, with searchable

keyword functions for free online public access. The digital newspapers will be on the web pages of the Library of Congress and the Idaho State Historical Society. The last line item in the appropriation provides \$50,000 to pay a small portion of the museum renovation project with funds that were raised from the historic preservation license plate sales.

## **Public Defense Commission**

**H 578** appropriated \$314,100 to the Public Defense Commission for FY 2017 and limited the number of authorized full-time equivalent positions to 1.5. The bill included funding for the employer's share of increased benefit costs and accounted for increases in statewide cost allocation. It provided for an ongoing 3% merit-based increase in employee compensation for permanent employees, to be distributed at the discretion of agency heads, and it funded the 27th payroll. One line item provided for a net-zero object transfer of \$110,000 between object classes to align the appropriation with actual use of the funds.

**H 504** authorized the Public Defense Commission to promulgate rules for the enforcement of indigent defense standards and to administer a grant program for counties to offset the cost of compliance with those standards. **H 609** appropriated funding to the Public Defense Commission for costs associated with its expanded roles and responsibilities, as established by **H 504**. The bill provided an additional \$5,482,800 to the Public Defense Commission for FY 2017 as follows:

- \$4,266,500 for formulaic grants to counties to offset the cost of compliance with indigent defense standards;
- \$550,000 to incentivize counties to merge their services and form joint public defender offices;
- \$250,000 for additional funding to counties for extraordinary litigation costs; and
- \$368,700 in personnel costs, \$34,200 in operating expenditures, \$13,400 in one-time capital outlay, and 4.50 FTP.

## **State Appellate Public Defender**

**H 600** appropriated \$2,661,600 to the Office of the State Appellate Public Defender for FY 2017 and capped the number of authorized full-time equivalent positions at 23. For program maintenance, the bill included funding for the employer's share of increased benefit costs as well as for statewide cost allocation. The bill also provided for an ongoing 3% merit-based increase in employee compensation for permanent employees to be distributed at the discretion of agency heads, and funded the 27th payroll. Two line items were included, which provide \$39,500 to cover an increase in office space lease costs at the Water Center and \$5,000 one-time for a licensing fee for Voice Over Internet Protocol (VOIP) software.

## **General Government**

### **Department of Administration**

**S 1217** is a supplemental appropriation to the Department of Administration for FY 2016. It includes three parts that are related to the Idaho Education Network. The enabling IEN statute was repealed in **S 1334**:

- One-time moneys from the General Fund in the amount of \$229,300 for legal fees related to the Idaho Education Network lawsuit. This is the amount the department estimates will be necessary to complete the appeal of *Syringa Networks v. Idaho Department of Administration*. The items being contested are the ruling by the District Court regarding the validity of two

- statewide blanket purchase orders and the award of legal fees, all of which are yet to be determined.
- A one-time cash transfer of \$176,000 in grant funds from the Idaho Education Network Fund to the Public Instruction Fund at the Superintendent of Public Instruction. The funds are what remain of a Title II grant used for the payment of teacher stipends and training formerly under the Idaho Education Network.
- An appropriation of \$461,800 in the Information Technology Program to return funds originally granted to the state by the J.A. & Kathryn Albertson Family Foundation for the build-out of the Idaho Education Network. The balance is being returned to the foundation because it wasn't used. The original grant was \$6 million.

Additionally, **S 1421** appropriates \$971,700 from the General Fund to the Department of Administration in FY 2016 to pay the Board of Examiner's approved legal fees and interest to Syringa Networks relating to the IEN lawsuit. On June 30, 2015, the District Court entered a supplemental judgment awarding Syringa costs and attorney fees against the Department of Administration.

### **Permanent Building Fund**

**S 1422** is a FY 2016 supplemental appropriation to the Permanent Building Fund in the amount of \$2,897,000 for three capital projects:

1. State Historical Museum for \$1.9 million;
2. Idaho State Police combined facility in Pocatello for \$500,000;
3. Edgemeade Armory for \$497,000.

**S 1422** is also the FY 2017 appropriation for the Permanent Building Fund that totals \$26,729,700. The total includes \$17,458,600 for statewide building alteration and repair projects, \$200,000 for asbestos abatement, \$800,000 for ADA compliance, and \$300,000 for Capitol Mall maintenance. Additionally, this appropriation includes \$10,868,100 in dedicated funds for six capital construction projects:

1. Dept. of Corrections Waste Water Project for \$1,505,800;
2. BSU Fine Arts Building for \$2,500,000;
3. Collaborative Education Facility (UI, LCSC, and NIC) for \$1,000,000;
4. Dept. of Lands Office Expansion in Coeur d'Alene for \$1,665,300;
5. Parks & Recreation Administrative Center in Cascade for \$600,000;
6. Military Division Communications Tower at the St. Joe's communication site that is located northeast of St. Maries for \$700,000.

### **Attorney General**

**H 577** appropriated \$24,282,700 to the Attorney General for FY 2017 and limited the number of authorized full-time equivalent positions to 205.6. The bill included funding for the employer's share of increased benefit costs, replacement items, and accounts for increases in statewide cost allocation. It provided for an ongoing 3% merit-based increase in employee compensation for permanent employees, to be distributed at the discretion of agency heads, and funded the 27th payroll. Seven line items were also included, which provide: \$61,500 for a paralegal to be assigned to the Idaho State Police; \$53,400 for a legal assistant to be assigned to the Department of Health



and Welfare; 2.00 FTP and the net-zero object transfer of \$192,700 to fund two investigator positions; 1.00 FTP and \$51,100 for a paralegal to be assigned to the State Tax Commission; \$15,200 for Medicaid fraud control equipment; \$28,900 for network management software and equipment; and \$8,700 for polygraph equipment. Under budget law exceptions, the Attorney General was provided lump sum authority, which allows for the transfer of moneys between object classes and programs without the need for approval by the Division of Financial Management.

### **Commission on Aging**

**H 561** appropriated \$12,570,600 to the Commission on Aging for FY 2017. Of the total appropriation, \$4,531,000 is from the General Fund. The bill also included two sections of legislative intent language with the first section directing the commission to provide an annual report to the Legislature on how the commission is implementing the audit findings and recommendations from Management Report 18715 that was issued by the Legislative Audit Division. The second section of intent language directs the commission to provide quarterly reports on the status of selecting and transitioning responsibilities to a new Area Agency on Aging (AAA) in southwest Idaho.

### **Commission on the Arts**

**H 642** is the FY 2017 appropriation to Idaho Commission on the Arts for \$782,900 from the General Fund, \$106,300 in dedicated funds, and \$1,067,000 in federal funds for a total appropriation of \$1,956,200. Full-time equivalent positions are capped at ten. It includes \$10,400 in benefit cost increases, \$300 for statewide cost allocation, \$18,000 for an ongoing 3% merit-based increase in employee compensation for permanent employees to be distributed at the discretion of agency heads, and \$21,600 for the cost of the 27th payroll that will occur in FY 2017 for all state agencies using a bi-weekly payroll. The budget also includes \$200 in dedicated funds for arts education project grants. Moneys to fund the grants were donated by legislators after the initial FY 2017 appropriation bill for the Commission on the Arts failed in the House earlier in the session.

### **Commission for the Blind and Visually Impaired**

**H 253** appropriated \$4,750,000 to the Commission for the Blind and Visually Impaired for FY 2016. Of the total appropriation, \$1,389,600 is from the General Fund. In addition to maintenance adjustments for an increase in benefit costs and a decrease in statewide cost allocation, the bill provided funding for an ongoing 3% change in employee compensation. The bill also provided \$50,000 for the continued use of a charitable contribution, to be used in the Older Individuals Who Are Blind (OIB) Program. A second item provided 1.0 FTP and \$64,300 from the General Fund to hire an instructor for the OIB Program. The final line item provided \$50,000 in one-time dedicated funds to replace the agency's point-of-sale (POS) system for its Adaptive Aids & Appliances Stores.

### **State Tax Commission**

**H 589** appropriated \$42,650,200 with full-time equivalent positions capped at 451 for FY 2017. Funding was provided for contract inflation for GenTax and Manatron software maintenance. Additionally, this budget includes funding for replacement items for point-of-sale software, computer supplies, network servers, software replacement, and funding for two vehicles. Line item 1 provides \$1,579,600 for an annual enhanced maintenance contract with FAST Enterprises which created the integrated tax processing software package called GenTax. Built into the maintenance contract is the ability to upgrade GenTax software versions at the Tax Commission's leisure, which is a dramatic change from the past. When GenTax was upgraded from version 6 to version 9 in 2014, the upgrade cost \$5.2 million, in addition to its annual maintenance of \$700,000 and caused major delays in the Tax Commission's daily workflow. With the enhanced maintenance contract, the state

will no longer have to come up with millions of dollars in order to upgrade versions or slow down operations while the new version is being installed. The enhanced maintenance contract will bring 3-4 additional full-time FAST employees onsite, full-time at the Tax Commission, and will be responsible for systems analysis and database analysis. The State Tax Commission currently has only one FAST employee onsite full-time for programming. This enhancement will protect the state's investment of over \$30 million, and potentially save taxpayers \$15.2 million over the next 8 years. Line item 2 provides funding for an identity theft fraud unit. It includes the ongoing funding for the identity theft module in GenTax, which was funded one-time last year, and 2 FTP (1 in Revenue Operations and 1 in Audit) to help alleviate identity theft workload. Line item 3 provides 2 additional tax appeals specialists to address the appeals backlog. Line item 4 provides a fund shift to the Multistate Tax Compact Fund from the General Fund to more closely match expenditures. The shift includes 1 FTP and \$94,100 in personnel costs. Line item 5 reduces funding in the Tax Commission's budget for a paralegal position that has been absorbed by the Attorney General's budget. Overall, this budget is a 9.0% increase above the FY 2016 appropriation.

### **Office of Energy Resources**

**H551** appropriates \$1,257,700 to the Office of Energy Resources for FY 2017 and caps the number of authorized full-time equivalent positions at eight. There are three line items:

- \$11,000 from the Indirect Cost Recovery Fund to account for allowable overhead costs for a state energy program competitive grant;
- \$30,000 in federal funds to complete the administration of the statewide wood energy team grant;
- \$31,000 shift from the Renewable Energy Resources Fund to the Petroleum Price Violation Fund to continue the Government by Example Program. Moneys will allow for the continuation of energy audits on state and local government facilities.

The overall budget is a decrease of 17% due to the removal of a one-time federal grant for regional planning and coordination.

### **Millennium Fund**

For FY 2017, the Legislature appropriated \$9,587,000 from the Idaho Millennium Income Fund, with \$2,588,200 to be distributed to various nongovernmental entities, and \$6,998,800 to be transferred to several state entities. Individual grant awards include:

- \$202,000 to the American Lung Association for youth tobacco prevention programs;
- \$600,000 to the Association of Counties for four additional recovery community centers;
- \$50,000 to the PEER Wellness Center for continued operations of the Ada County recovery community center;
- \$50,000 to the Canyon County Community Clinic for continued operations of the Canyon County recovery community center;
- \$50,000 to Recovery Idaho for continued operations of the Gem County recovery community center;
- \$50,000 to Sojourners' Alliance for continued operations of the Latah County recovery community center;
- \$750,000 to the Public Health Districts for tobacco cessation programs;

- \$194,200 to the American Cancer Society for a women’s health program and cancer screening awareness;
- \$495,600 to the Idaho Prevention Project for a prevention and public awareness campaign and continuance of its prescription drug education component;
- \$50,000 to the Idaho Youth Ranch for personnel funding at the organization’s Anchor House, which is a family therapy and support center in Coeur d’Alene that serves children, teens, and families throughout north Idaho;
- \$120,000 to Jannus, Inc., for operational funding of the Idaho Suicide Hotline;
- \$194,600 to the St. Alphonsus Regional Medical Center for the Tobacco-Free Living Program;
- \$423,400 to the Boys & Girls Club for the Youth Empowerment Project;
- \$1,062,800 to the Department of Juvenile Corrections for youth prevention and cessation programs;
- \$94,000 to the Idaho State Police for tobacco permittee compliance inspections as required by law;
- \$1,859,200 to the Department of Correction for community-based substance abuse treatment services;
- \$2,706,700 to the Department of Health and Welfare for Project Filter tobacco cessation services and counter-marketing campaign;
- \$24,000 to the Community Coalitions of Idaho to assist communities in establishing and maintaining local anti-drug coalitions;
- \$84,400 to the Idaho Academy of Family Physicians for awareness on the consequences of tobacco use;
- \$127,700 to Lewis-Clark State College for the Fresh Mouth Campaign, which is designed to educate participants about the impacts of smoking on oral health and to motivate clients to reduce or cease smoking; and
- \$398,400 to the University of Idaho to develop, test, and implement an awareness program on electronic devices used for ingesting nicotine and THC by youth.

## Secretary of State

**H 384** appropriated an additional \$1,300,000 to the Secretary of State for fiscal year 2016 to be used for grants to counties in order for them to make upgrades to their voting systems.

**S 1297aa** authorized the Secretary of State to develop and implement an online voter registration application on the office’s website. **S 1418** provided an additional \$258,000 from the General Fund to the Secretary of State for FY 2016 in order to implement an online voter registration system, as authorized by **S 1297aa**. Under budget law exceptions, the Secretary of State was also provided with carryover authority of any unspent appropriation for the implementation costs of the online voter registration system.

**H 563** appropriated \$3,175,600 to the Secretary of State for FY 2017 and limited the number of authorized full-time equivalent positions to 27. For program maintenance, the bill included funding for the employer's share of increased benefit costs as well as increases for statewide cost allocation. It included an annualization and increase for the Secretary of State's salary changes, as provided by Section 59-501, Idaho Code. The bill also provided for an ongoing 3% merit-based in-

crease in employee compensation for permanent employees, to be distributed at the discretion of agency heads, and funds the 27th payroll. Three line items were included, which provide \$627,000 ongoing for maintenance costs associated with the statewide voter registration system, \$300,000 one-time for election costs, and \$6,700 one-time for the Commission on Uniform State Laws conference costs.

### **State Treasurer**

**H 601** appropriated \$4,035,800 to the State Treasurer for FY 2017 and capped the number of authorized full-time equivalent positions at 26. One enhancement was included, which provides \$60,000 in ongoing dedicated funds for a third party to audit the financial statements of the various investment pools managed by the State Treasurer. Under budget law exceptions, the State Treasurer was provided with carryover spending authority of unspent appropriations from FY 2016 for the Local Government Investment Pool (LGIP) Fund. The bill also expressed legislative intent, which restricts conference-related activity, payment of bank service fees, and mitigation of bank service fees.

**H 464** revised the duties of the State Treasurer, allowing the investment of endowments funds and funds held in trust by agencies that are not idle funds otherwise eligible for investment by the State Treasurer. The bill also created a new continuously appropriated fund, the Treasurer's Administrative Fund.

### **Employee Compensation, including Salary and Benefits**

The Division of Human Resources recommended a 3% salary increase for state employees in its statutorily required report to the Governor on state employee compensation and benefits. The Governor recommended a 3% increase in funding distributed on merit for permanent state employees, and did not include a compensation increase for group and temporary positions, and recommended funding for a 3% increase for judges and other appointed officials, which required statutory changes. The Governor's recommendation provided funding for a 9.3% increase for the cost of health insurance, for a total employer-paid premium of \$12,240 per eligible FTP. The Legislature's Joint Change in Employee Compensation (CEC) Committee opted to recommend the 3% compensation and health insurance increases as well. The premium increase will be paid by the employer only. Employee premium costs remained the same as FY 2016 (the exact amount per employee depends on which plan the employee is enrolled in and whether there are dependents on the plan). The Governor also recommended discontinuing *thriveidaho*, the state's recently created wellness program. The Legislature discontinued the program in **S 1419**.

With the exception of the Attorney General, statewide-elected officials will receive a 1.5% pay increase in January 2017, as authorized during the 2014 session. The Attorney General's pay is adjusted to match state district judges' pay at the beginning of his term of office. **S 1420** adjusts the judicial salary schedule by providing pay increases to magistrate and district judges, effective July 1, 2016. Magistrate salaries will increase by 4.0% from \$112,000 to \$116,500. District judge salaries will increase by 3.6% from \$124,000 to \$128,500. Also, the Legislature authorized and funded a 3% increase in **H 575** for appointed officials, effective July 1, 2016:

<b>Appointed Official</b>	<b>Current</b>	<b>FY 2017</b>
Public Utilities Commissioner	\$97,799	\$100,733
Tax Commissioner	\$90,669	\$93,389
Industrial Commissioner	\$95,193	\$98,049

There was no increase in the PERSI retirement contribution rates for FY 2017, the rates remain at 11.32% for the employer and 6.79% for employees. The current portfolio value is approximately \$15 billion and is 86% funded. The annual payout to PERSI retirees is approximately \$751 million, with an average monthly payment of \$1,473. Nearly 90% of those retirees live in Idaho and pay state and federal income tax on their retirement income.