

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Thursday, March 09, 2023
TIME: 8:00 A.M.
PLACE: Room C310
MEMBERS PRESENT: Senators Co-Chairman Grow, Bjerke, Burtenshaw, Lent, Cook, VanOrden, Adams, Herndon, Ward-Engelking, Just
Representatives Co-Chairman Horman, Miller, Bundy, Raybould, Furniss, Handy, Lambert, Petzke, Tanner, Nash
ABSENT/ EXCUSED: Representative Furniss

Co-Chairman Horman called the meeting to order at 8:00 a.m.

Co-Chairman Horman explained the committee will dismiss no later than 9:45 a.m. to accommodate the memorial events for former **Governor Phil Batt**.

Ms. Janet Jessup, Principal Analyst, LSO Budget & Policy Analysis, explained the technical correction for the Department of Water Resources.

Sen. VanOrden expressed appreciation for this language, which stipulates the work toward restoring and stabilizing the water aquifer.

UNANIMOUS CONSENT REQUEST: **Sen. VanOrden** requested and it was granted by unanimous consent, the FY 2024 budget for the Department of Water Resources was reopened.

UNANIMOUS CONSENT REQUEST: **Sen. VanOrden** requested and it was granted by unanimous consent, to accept the following language:

LANGUAGE: SECTION __. WATER PROJECTS ELIGIBLE FOR FUNDING FROM THE AMERICAN RESCUE PLAN ACT (ARPA). It is the intent of the legislature to provide approximately \$250,000,000 of American Rescue Plan Act (ARPA) funding to support projects managed by the Idaho Water Resource Board. Moneys shall be appropriated from the ARPA State Fiscal Recovery Fund for this purpose. Projects may include:

(a) The continued identification, study, construction, or enlargement of managed aquifer recharge sites above Milner Dam in accordance with Section 42-1760(2)(c) and (d), Idaho Code, that, based on scientific data and technical analysis, addresses the restoration and stabilization of the Eastern Snake Plain Aquifer;

(b) The enlargement of Anderson Ranch Reservoir, located on the south fork of the Boise River;

(c) Construction of water delivery and treatment systems for the Mountain Home Air Force Base, provided that the Idaho Water Resource Board shall have the authority to transfer ownership of the state-constructed pump station and pipeline to the Air Force at no cost upon completion, provided further that, notwithstanding the transfer of the pump station and pipeline, the Snake River water rights for the project shall remain in the board's ownership;

(d) The design, planning, construction, and implementation of other ARPA-eligible water resource management programs, plans, and projects approved by the board.

Mr. Nate Osborne, Analyst, LSO Budget & Policy Analysis, presented the FY 2024 appropriation for Colleges and Universities in the State Board of Education. Mr. Osborne stated the Colleges and Universities budget includes state support from the General Fund, state-managed endowments, and student fees. The Legislature does not appropriate special course fees, student health insurance premiums, room and board revenues, activity fees, or federal funds from grants or student aid.

MOTION:

Rep. Petzke made a motion, seconded by **Sen. VanOrden**, for Colleges and Universities, beginning with the FY 2024 Base, to include JFAC-adjusted budget items: \$5,484,200 for benefit costs, \$2,582,200 for statewide cost allocation, \$14,702,800 for change in employee compensation, \$102,700 for Human Resources consolidation, and a reduction of \$2,963,100 for the Enrollment Workload Adjustment. Include \$4,369,900 for inflationary adjustments and \$2,224,600 for replacement items. Also included are the following line items: line item 1, which provides 0.50 FTP for Higher Education Research Council Staff; line item 2, which provides 1.00 FTP and \$103,000 for Academic Technology Support Staff; line item 3, which provides 1.00 FTP and \$96,100 for an Apply Idaho project manager; line item 5, which provides a reduction of 10.00 FTP and a reduction of \$1,203,900 for audit staff transfer to the Office of the State Board of Education; line item 62, which provides a reduction of \$55,200 of operating expenditures from the General Fund, an increase of \$52,200 of personnel costs, and an increase of \$3,000 of capital outlay from the General Fund for funding of the Higher Education Research Council staff position requested in line item 1; and line item 65, which provides \$5,937,200 for the Governor's recommended institution funding.

This motion for Colleges and Universities for FY 2024 includes \$353,942,200 from the General Fund and \$324,608,300 from dedicated funds, for a total of \$678,550,500, and there is no FTP cap.

Rep. Petzke stated this motion reflects the Governor's recommendation. He noted the amount for Change in Employee Compensation (CEC) is slightly lower than the Governor's recommendation; the numbers in this motion reflect the action taken by JFAC earlier in the session.

Co-Chairman Horman noted the committee has gone back and forth between direct line-item funding, such as in the Community Colleges budget, and the type of funding used at the institution's discretion rather than dictated through the motion. This difference is illustrated in line item 65 of this motion.

SUBSTITUTE MOTION:

Sen. Ward-Engelking made a substitute motion, seconded by **Sen. Just**, for the Colleges and Universities, beginning with the FY 2024 Base, to include JFAC-adjusted budget items: \$5,484,200 for benefit costs, \$2,582,200 for statewide cost allocation, \$14,702,800 for change in employee compensation, \$102,700 for Human Resources consolidation, and a reduction of \$2,963,100 for the Enrollment Workload Adjustment; also to include \$4,369,900 for inflationary adjustments and \$2,224,600 for replacement items. Also included are the following line items: line item 1, which provides 0.50 FTP for Higher Education Research Council Staff; line item 2, which provides 1.00 FTP and \$103,000 for Academic Technology Support Staff; line item 3, which provides 1.00 FTP and \$96,100 for an Apply Idaho project manager; line item 4, which provides \$706,200 for occupancy costs at all four institutions; line item 5, which provides a reduction of 10.00 FTP and a reduction of \$1,203,900 for audit staff transfer to the Office of the State Board of Education;

line item 62, which provides a reduction of \$55,200 of operating expenditures from the General Fund, an increase of \$52,200 of personnel costs, and an increase of \$3,000 of capital outlay from the General Fund for funding of the Higher Education Research Council staff position requested in line item 1; and line item 65, which provides \$5,937,200 for the Governor's recommended institution funding.

This motion for Colleges and Universities for FY 2024 includes \$354,648,400 from the General Fund and \$324,608,300 from dedicated funds, for a total of \$679,256,700, and there is no FTP cap.

Sen. Ward-Engelking spoke to her motion. She noted Colleges and Universities have been given permission and funding to build buildings; they have also met the requirement to fundraise a portion of those building costs from their communities. She explained before the recession the State Board of Education and the legislature funded occupancy costs of the buildings; during the recession the contribution was reduced to 50%; recently, the legislature has declined to provide any occupancy funds. This motion returns funding to 50% of occupancy costs.

Rep. Petzke noted the Governor's proposal includes those recommendations and requests from the departments and combines them into one line item.

Sen. Ward-Engelking asserted the Governor's recommendations are not enough; between inflation, a lower-than-suggested change in employee compensation (CEC), and the number of non-state employees ineligible for CEC, that line item does not provide enough to cover all the costs for universities.

Co-Chairman Horman put the committee at ease at 8:17 a.m.

Co-Chairman Horman resumed the meeting at 8:20 a.m.

**AMENDED
SUBSTITUTE
MOTION:**

Sen. Herndon made an amended substitute motion, seconded by **Rep. Lambert**, for Colleges and Universities, beginning with the FY 2024 Base, to include JFAC-adjusted budget items: \$5,484,200 for benefit costs, \$2,582,200 for statewide cost allocation, \$14,702,800 for change in employee compensation, \$102,700 for Human Resources consolidation, and a reduction of \$2,963,100 for the Enrollment Workload Adjustment. Include \$4,369,900 for inflationary adjustments and \$2,224,600 for replacement items. Also included are the following line items: line item 1, which provides 0.50 FTP for Higher Education Research Council Staff; line item 2, which provides 1.00 FTP and \$103,000 for Academic Technology Support Staff; line item 3, which provides 1.00 FTP and \$96,100 for an Apply Idaho project manager; line item 4, which provides 6.20 FTP and \$1,412,400 for Occupancy Costs at BSU, ISU, UI, and LCSC; line item 5, which provides a reduction of 10.00 FTP and a reduction of \$1,203,900 for audit staff transfer to the Office of the State Board of Education; line item 6, which provides a reduction of 56.00 FTP and the reduction of \$4,814,800 for the removal of social justice staff at the four institutions; line item 7, which provides the reduction of \$395,000 for the removal of state-appropriated support for Boise State Public Radio; and line item 62, which provides a reduction of \$55,200 of operating expenditures from the General Fund, an increase of \$52,200 of personnel costs, and an increase of \$3,000 of capital outlay from the General Fund for funding of the Higher Education Research Council staff position requested in line item 1.

This motion for Colleges and Universities for FY 2024 includes \$344,207,600 from the General Fund and \$324,608,300 from dedicated funds, for a total of \$668,815,900, and there is no FTP cap.

Sen. Herndon stated his motion eliminated funding for 56 FTPs related to various diversity, equity, and inclusion positions at universities. He noted universities have indicated their ability to locate funding outside of state appropriations. He cited Lewis-Clark University as having only one such position, compared to the number at Boise State University and University of Idaho. His motion excludes funding for Boise State Radio because that agency has \$6M in supporter funds and can raise funding from other sources besides state appropriation.

Rep. Petzke noted language in the original motion could accomplish the intent of **Sen. Herndon**.

The committee discussed the language associated with the original motion.

**ROLL CALL
VOTE ON
AMENDED
SUBSTITUTE
MOTION:**

Amended substitute motion failed by a total vote of 6 AYES, 13 NAYS, 1 ABSENT/EXCUSED. Senators voting in favor of the motion: Bjerke, Adams, Herndon. Senators voting in opposition to the motion: Grow, Burtenshaw, Lent, Cook, VanOrden, Ward-Engelking, Just. Representatives voting in favor of the motion: Lambert, Tanner, Handy. Representatives voting in opposition to the motion: Horman, Miller, Bundy, Raybould, Petzke, Nash. Representatives absent/excused: Furniss.

**ROLL CALL
VOTE ON
SUBSTITUTE
MOTION:**

Substitute motion failed by a total vote of 3 AYES, 16 NAYS, 1 ABSENT/EXCUSED. Senators voting in favor of the motion: Ward-Engelking, Just. Senators voting in opposition to the motion: Grow, Bjerke, Burtenshaw, Lent, Cook, VanOrden, Adams, Herndon. Representatives voting in favor of the motion: Nash. Representatives voting in opposition to the motion: Horman, Miller, Bundy, Raybould, Lambert, Tanner, Petzke, Handy. Representatives absent/excused: Furniss.

Rep. Nash stated his preference to cap tuition at \$6K per year per student, but he would vote for the original motion. He urged budget recommendations to consider the price of tuition and the debt students must incur.

**ROLL CALL
VOTE ON
ORIGINAL
MOTION:**

Original motion carried by a total vote of 16 AYES, 3 NAYS, 1 ABSENT/EXCUSED. Senators voting in favor of the motion: Grow, Bjerke, Burtenshaw, Lent, Cook, VanOrden, Adams, Ward-Engelking, Just. Senators voting in opposition to the motion: Herndon. Representatives voting in favor of the motion: Horman, Miller, Bundy, Raybould, Furniss, Petzke, Handy, Nash. Representatives voting in opposition to the motion: Lambert, Tanner. Representatives absent/excused: Furniss.

The majority having voted in the affirmative and without objection the legislation will carry a **DO PASS** recommendation. There being no objection, it was so ordered by **Co-Chairman Horman**.

Mr. Osborne explained the sections of language associated with this budget.

**UNANIMOUS
CONSENT
REQUEST:**

Rep. Petzke requested and it was granted by unanimous consent, to accept the following language:

LANGUAGE: SECTION __. REAPPROPRIATION AUTHORITY. There is hereby reappropriated to the State Board of Education and the Board of Regents of the University of Idaho for Colleges and Universities and the Office of the State Board of Education any unexpended and unencumbered balances appropriated or reappropriated to the State Board of Education and the Board of Regents of the University of Idaho for Colleges and Universities and the Office of the State Board of Education from dedicated funds for fiscal year 2023 to be used for nonrecurring expenditures for the period July 1, 2023, through June 30, 2024. The Office of the State Controller shall confirm the reappropriation amount, by fund, expense class, and program, with the Legislative Services Office prior to processing the reappropriation authorized herein.

SECTION __. EXEMPTIONS FROM OBJECT AND PROGRAM TRANSFER LIMITATIONS. The State Board of Education and the Board of Regents of the University of Idaho for Colleges and Universities and the Office of the State Board of Education are hereby exempted from the provisions of Section 67-3511(1), (2), and (3), Idaho Code, allowing unlimited transfers between object codes and between programs for all moneys appropriated to them for the period July 1, 2023, through June 30, 2024. Legislative appropriations shall not be transferred from one fund to another fund unless expressly approved by the Legislature.

SECTION __. SYSTEMWIDE NEEDS. Of the amount appropriated in Section 1, Subsection V. of this act, the following amounts may be used as follows: (1) an amount not to exceed \$902,600 may be used by the Office of the State Board of Education for systemwide needs that benefit all of the four-year institutions, including but not limited to projects to promote accountability and information transfer throughout the higher education system; and (2) an amount of approximately \$1,960,500 may be used for the mission and goals of the Higher Education Research Council as outlined in State Board of Education Policy III.W., which includes awards for infrastructure, matching grants, and competitive grants through the Idaho Incubation Fund program.

SECTION __. STUDENT TUITION AND FEES FOR FISCAL YEAR 2024. Notwithstanding the provisions of Section 67-3516(2), Idaho Code, the Division of Financial Management may approve the expenditure of dedicated state funds pursuant to the noncognizable process for student tuition and fees during fiscal year 2023. Each of the institutions' budget requests for fiscal year 2025 shall reflect all adjustments so approved by the Division of Financial Management.

Sen. Herndon introduced his proposed language for this budget. He explained this language is similar to **S 1179**, brought forward in the 2021 Legislature. This motion targets positions at Boise State University (BSU) and University of Idaho (U of I) and addresses the same issues in his amended substitution motion. This language would prohibit the use of state-appropriated funds for those diversity, equity, and inclusion positions. This language also requires four-year colleges and universities to submit expenditure reports to the Legislature.

In response to a committee question, **Mr. Keith Bybee**, Division Manager, LSO Budget & Policy Analysis, reminded the committee LSO auditors do not audit the Colleges and Universities budget. Colleges and Universities use an outside auditing firm, subject to Government Accounting Standards. Other state agencies also need to use outside auditors; those budgets also do not contain the standard appropriation language. He noted the LSO office does not have the staff necessary to audit all those organizations.

Sen. Ward-Engelking commented efforts toward diversity, equity, and inclusion are required for accreditation. She indicated if this language passes, she may withdraw her support for the recently passed budget.

Co-Chairman Grow stated the Legislature should not inject itself into specific personnel decisions. He expressed comfort with the language in this motion because it puts forward a statement as to the concerns of the committee.

MOTION: **Sen. Herndon** made a motion, seconded by **Rep. Tanner**, to accept the following language:

LANGUAGE: SECTION __. USE OF APPROPRIATED FUNDS. The college and universities shall verify no state-appropriated funds are used to support diversity, equity, inclusion, or social justice ideology as part of any student activities, clubs, events, or organizations on campus. Each college and university shall submit a written report of its expenditures related to these activities to the Joint Finance-Appropriations Committee no later than January 14, 2024.

ROLL CALL VOTE ON MOTION: **Motion carried by a total vote of 16 AYES, 3 NAYS, 1 ABSENT/EXCUSED. Senators voting in favor of the motion: Grow, Bjerke, Burtenshaw, Lent, Cook, VanOrden, Adams, Herndon. Senators voting in opposition to the motion: Ward-Engelking, Just. Representatives voting in favor of the motion: Horman, Miller, Bundy, Raybould, Lambert, Tanner, Petzke, Handy. Representatives voting in opposition to the motion: Nash. Representatives absent/excused: Furniss.**

The majority having voted in the affirmative and without objection the legislation will carry a **DO PASS** recommendation. There being no objection, it was so ordered by **Co-Chairman Horman**.

Rep. Petzke noted the language in a previously passed motion had an incorrect date in the section titled “Student Tuition and Fees for Fiscal Year 2024.”

UNANIMOUS CONSENT REQUEST: **Rep. Petzke** requested and it was granted by unanimous consent, to accept the corrected language below.

LANGUAGE: SECTION __. STUDENT TUITION AND FEES FOR FISCAL YEAR 2024. Notwithstanding the provisions of Section 67-3516(2), Idaho Code, the Division of Financial Management may approve the expenditure of dedicated state funds pursuant to the noncognizable process for student tuition and fees during fiscal year 2024. Each of the institutions' budget requests for fiscal year 2025 shall reflect all adjustments so approved by the Division of Financial Management.

MOTION: **Sen. Herndon** made a motion, seconded by **Rep. Tanner**, to accept the following language:

LANGUAGE: SECTION __. USE OF APPROPRIATED FUNDS. Boise State University shall verify no state-appropriated funds are used to support Boise State Public Radio. Boise State University shall submit a written report of its expenditures related to Boise State Public Radio to the Joint Finance-Appropriations Committee no later than January 14, 2024.

The committee discussed the motion.

In response to a committee question, **Mr. Andrew Mitzel**, Director of Public Affairs, Boise State University, confirmed Boise State Radio is part of the Emergency Broadcast System.

**ROLL CALL
VOTE ON
MOTION:**

Motion failed by a total vote of 4 AYES, 15 NAYS, 1 ABSENT/EXCUSED. Senators voting in favor of the motion: Bjerke, Herndon. Senators voting in opposition to the motion: Grow, Burtenshaw, Lent, Cook, VanOrden, Adams, Ward-Engelking, Just. Representatives voting in favor of the motion: Lambert, Tanner. Representatives voting in opposition to the motion: Horman, Miller, Bundy, Raybould, Petzke, Handy, Nash. Representatives absent/excused: Furniss.

Co-Chairman Horman and Co-Chairman Grow asked **Mr. Bybee** if the standard accountability language could be added to the Colleges and Universities budget. Mr. Bybee explained the LSO Audit Department does not have the capacity to audit these institutions; hence the use of outside auditors. He noted the Idaho Lottery Commission and the Endowment Fund Investment Board also use outside auditors. Mr. Bybee explained the use of outside auditors makes it difficult to adopt the standard accountability language in those budgets.

Mr. Osborne presented the FY 2024 appropriation for Special Programs in the State Board of Education. He noted line item one in this budget provides monies to fund the second year of the Rural Educator Incentive Program. This program was established by **S 1290** in the 2022 legislative session .

MOTION:

Rep. Raybould made a motion, seconded by **Sen. Bjerke**, for the Division of Special Programs, beginning with the FY 2024 Base, to include the following items as part of the JFAC-adjusted budget: \$55,200 for benefit costs, \$142,900 for change in employee compensation, and \$600 for Human Resources consolidation, and to include \$4,900 for replacement items. Also included are the following line items: line item 1, which provides \$1,250,400 for the Rural Educator Incentive Program; line item 2, which provides \$23,100 and 0.50 FTP for a rural service consultant position for the Small Business Development Centers; line item 3, which provides 0.10 FTP and \$11,700 for a center director at TechHelp; line item 4, which provides 1.00 FTP and \$218,900 for a technical assistance grant for the Small Business Development Centers; line item 5, which provides \$12,400 for employee retention compensation for the Idaho Geological Survey; and line item 6, which provides 0.10 FTP and \$18,200 for the Wildland Fire Center as part of the Forest Utilization Research Program.

This motion for the Division of Special Programs for FY 2024 includes \$29,138,000 from the General Fund, \$1,000,000 from dedicated funds, and \$4,747,600 from federal funds, for a total of \$34,885,600, and caps full-time equivalent positions at 48.79.

Rep. Raybould explained the amount determined for line item one is based on the fiscal note for **S 1290**.

**ROLL CALL
VOTE ON
MOTION:**

Motion carried by a total vote of 18 AYES, 0 NAYS, 2 ABSENT/EXCUSED. Senators voting in favor of the motion: Bjerke, Burtenshaw, Lent, Cook, VanOrden, Adams, Herndon, Ward-Engelking, Just. Senators voting in opposition to the motion: None. Senators absent/excused: Grow. Representatives voting in favor of the motion: Horman, Miller, Bundy, Raybould, Lambert, Tanner, Petzke, Handy, Nash. Representatives voting in opposition to the motion: None. Representatives absent/excused: Furniss.

The majority having voted in the affirmative and without objection the legislation will carry a **DO PASS** recommendation. There being no objection, it was so ordered by **Co-Chairman Horman**.

Mr. Osborne explained the two sections of language associated with this budget. In response to a committee question, Mr. Osborne explained if **H 24** passes into law and eliminates the Opportunities Scholarship Program, this action would become moot, because money cannot be appropriated to a program that no longer exists.

**UNANIMOUS
CONSENT
REQUEST:**

Rep. Raybould requested and it was granted by unanimous consent, to accept the following language:

LANGUAGE:

SECTION __. ACCOUNTABILITY REPORTS. Funds specifically identified in statute or in an appropriation act as intended for a certain purpose may be used only for that purpose. All funds provided in this act shall be subject to accountability reports and management reviews in accordance with Section 67-702, Idaho Code.

SECTION __. OPPORTUNITY SCHOLARSHIP PROGRAM ACCOUNT. Moneys appropriated from the General Fund to the Scholarships and Grants Program for fiscal year 2023 that are unexpended and unencumbered on June 30, 2023, are hereby appropriated and shall be transferred by the Office of the State Controller to the Opportunity Scholarship Program Account created in Section 33-4303, Idaho Code.

Mr. Osborne presented the FY 2024 appropriation for Career Technical Education in the State Board of Education.

MOTION:

Rep. Miller made a motion, seconded by **Sen. VanOrden**, for Career Technical Education, beginning with the FY 2024 Base, to include JFAC-adjusted budget items: \$432,200 for benefit costs, \$19,800 for statewide cost allocation, \$1,675,900 for change in employee compensation, and \$39,500 for Human Resources consolidation. Also included are the following line items: line item 1, which provides 6.00 FTP and \$592,900 for additional CTE personnel; line item 2, which provides 4.50 FTP and \$581,800 for new postsecondary staff support; line item 3, which provides \$131,700 for funding for higher secondary enrollment; line item 4, which provides 1.00 FTP and \$910,700 for an apprenticeship grant; line item 5, which provides for a transfer of \$370,000 from the General Fund from the administration program to the educator services program for Luma reporting alignment; line item 6, which provides \$434,800 for a firefighter training grant; and line item 7, which provides \$15,000,000 one-time for additional funding of postsecondary programs, secondary programs, and added-cost funding for CTE programs in secondary schools from the In Demand Careers Fund.

This motion for the Division of Career Technical Education for FY 2024 includes 564.14 FTP, \$76,509,300 from the General Fund, \$15,552,800 from dedicated funds, and \$11,234,700 from federal funds, for a grand total of \$103,296,800. Consistent with other higher education budgets, there is no FTP cap for Postsecondary Programs.

Rep. Nash expressed his support for this opportunity to use available onetime funds for in-demand careers.

Sen. VanOrden expressed appreciation to the College of Eastern Idaho for the notification of its plans to shift funding from a medical lab technician program to a dental hygiene program.

**ROLL CALL
VOTE ON
MOTION:**

Motion carried by a total vote of 18 AYES, 0 NAYS, 2 ABSENT/EXCUSED. Senators voting in favor of the motion: Bjerke, Burtenshaw, Lent, Cook, VanOrden, Adams, Herndon, Ward-Engelking, Just. Senators voting in opposition to the motion: None. Senators absent/excused: Grow. Representatives voting in favor of the motion: Horman, Miller, Bundy, Raybould, Lambert, Tanner, Petzke, Handy, Nash. Representatives voting in opposition to the motion: None. Representatives absent/excused: Furniss.

The majority having voted in the affirmative and without objection the legislation will carry a **DO PASS** recommendation. There being no objection, it was so ordered by **Co-Chairman Horman**.

Mr. Osborne explained the sections of language associated with this budget.

**UNANIMOUS
CONSENT
REQUEST:**

Rep. Miller requested and it was granted by unanimous consent, to accept the following language:

LANGUAGE:

SECTION __. EXEMPTIONS FROM OBJECT TRANSFER LIMITATIONS. Postsecondary Programs within the Division of Career Technical Education are hereby exempted from the provisions of Section 67-3511(1) and (3), Idaho Code, allowing unlimited transfers between object codes for all moneys appropriated to it for the period July 1, 2023, through June 30, 2024. Legislative appropriations shall not be transferred from one fund to another fund unless expressly approved by the Legislature.

SECTION __. ACCOUNTABILITY REPORTS. Funds specifically identified in statute or in an appropriation act as intended for a certain purpose may be used only for that purpose. All funds provided in this act shall be subject to accountability reports and management reviews in accordance with Section 67-702, Idaho Code.

Mr. Osborne presented the FY 2024 appropriation for the Office of the State Board of Education in the State Board of Education, which is comprised of three distinctly budgeted programs. The first is the Officers Administration Division, which provides professional support to the State Board of Education in fiscal, academic, legal policy, and personnel areas. The second program is I.T. and Data Management, which is responsible for publishing a public inventory and index of data elements, developing a detailed data security plan, and developing model policies for school districts and public charter schools. The third program is School Safety and Security, with the mission of fostering a safer student environment by supporting the school communities in assessment, training, and expertise.

MOTION:

Sen. Lent made a motion, seconded by **Rep. Petzke**, for the Office of the State Board of Education, beginning with the FY 2024 Base, to include JFAC-adjusted budget items: \$51,000 for benefit costs, \$62,000 for statewide cost allocation, \$182,800 for change in employee compensation, and a reduction of 1.00 FTP and \$27,900 for Human Resources consolidation, and to include \$13,800 for inflationary adjustments. Also included are the following line items: line item 1, which provides \$26,000 for a federal grant transfer; line item 2, which provides 1.00 FTP and \$103,800 for an ISEE coordinator; line item 3, which provides 1.00 FTP and \$72,200 for a new finance specialist; line item 4, which provides 10.00 FTP and \$1,203,900 for the transfer of audit staff; line item 5, which provides \$47,234,700 for federal COVID funding; line item 6, which provides 3.00 FTP and \$297,300 to transfer IT staff; and line item 65, which provides \$30,000,000 for Empowering Parents grants.

This motion for the Office of the State Board of Education for FY 2024 includes 74.25 FTP, \$11,353,500 from the General Fund, \$37,020,300 from dedicated funds, and \$48,002,400 from federal funds, for a grand total of \$96,376,200.

Sen. Ward-Engelking referenced the Empowering Parents legislation passed in 2022. This program helps parents address the learning lag children experienced during the Covid pandemic. Last year the program used ARPA federal funding; this year the program uses the General Fund and dedicated funds. Sen. Ward-Engelking noted private school tuition fees are not approved expenses; if that were to change, she would not support this budget.

Mr. Osborne reviewed the allowable uses of the \$47M in line item five. He explained the title of line item five, "COVID Relief Funding," is due to the fund source, which is ARPA and the state's COVID-19 Relief Fund. The original total amount was \$65M; the \$47.2M in this motion reflects the most current unspent amount. The bulk of the money is intended to rebuild the ISEE program. This funding will also be used for other line items, such as the dyslexia handbook, summer and after-school learning programs, the Idaho out-of-school network, the math accelerated learning program, and STEM programs.

Co-Chairman Horman explained the Governor recommended the Empowering Parents Grant Fund as part of the \$330M cash transfer in the 2022 special legislative session. The Empowering Parents Grant Fund is currently designated as dedicated funds, although the original fund source was the General Fund. The LSO Budget & Policy staff is determining a method and language to accurately reflect there are no reductions to Public Schools from the General Fund.

In response to a committee question, **Mr. Osborne** confirmed line item five comprises both ARPA monies and the state's COVID-19 Relief Fund monies.

**ROLL CALL
VOTE ON
MOTION:**

Motion carried by a total vote of 14 AYES, 4 NAYS, 2 ABSENT/EXCUSED. Senators voting in favor of the motion: Bjerke, Burtenshaw, Lent, Cook, VanOrden, Herndon, Ward-Engelking, Just. Senators voting in opposition to the motion: Adams. Senators absent/excused: Grow. Representatives voting in favor of the motion: Horman, Miller, Bundy, Raybould, Petzke, Handy. Representatives voting in opposition to the motion: Lambert, Tanner, Nash. Representatives absent/excused: Furniss.

The majority having voted in the affirmative and without objection the legislation will carry a **DO PASS** recommendation. There being no objection, it was so ordered by **Co-Chairman Horman**.

Mr. Osborne explained the sections of language associated with this budget.

**UNANIMOUS
CONSENT
REQUEST:**

Sen. Lent requested and it was granted by unanimous consent, to accept the following language:

LANGUAGE:

SECTION __. REAPPROPRIATION AUTHORITY FOR GENERAL FUNDS. There is hereby reappropriated to the Office of the State Board of Education any unexpended and unencumbered balances appropriated to the Office of the State Board of Education from the General Fund for arts grants for rural K-12 schools for fiscal year 2023 from the General Fund to be used for nonrecurring expenditures for the period July 1, 2023, through June 30, 2024. The Office of the State Controller shall confirm the reappropriation amount, by fund, expense class, and program, with the Legislative Services Office prior to processing the reappropriation authorized herein.

SECTION __. REAPPROPRIATION AUTHORITY FOR GENERAL FUNDS. There is hereby reappropriated to the Office of the State Board of Education any unexpended and unencumbered balances appropriated to the Office of the State Board of Education from the General Fund for K-12 School Safety and Security for fiscal year 2023 from the General Fund to be used for nonrecurring expenditures for the period July 1, 2023, through June 30, 2024. The Office of the State Controller shall confirm the reappropriation amount, by fund, expense class, and program, with the Legislative Services Office prior to processing the reappropriation authorized herein.

**UNANIMOUS
CONSENT
REQUEST:**

Sen. Lent requested and it was granted by unanimous consent, to accept the following language:

LANGUAGE:

SECTION __. The Office of the State Board of Education shall submit a report regarding the expenditure of funds appropriated in Section __ of this act for school safety and security no later than January 15, 2024, to the Legislative Services Office. This report shall include an itemized list of all expenditures. The format of the report and the information included therein shall be determined by the Legislative Services Office.

SECTION __. ACCOUNTABILITY REPORTS. Funds specifically identified in statute or in an appropriation act as intended for a certain purpose may be used only for that purpose. All funds provided in this act shall be subject to accountability reports and management reviews in accordance with Section 67-702, Idaho Code.

Mr. Osborne presented the FY 2023 supplemental appropriation for the Office of the State Board of Education in the State Board of Education. He explained funds are requested as a supplemental appropriation based on the school calendar year, because these programs will begin in the summer. The schools would receive the money through a grant application process.

In response to committee questions, **Mr. Matt Freeman**, Executive Director, State Department of Education, explained the grant process. The department hopes to distribute the money through the grant process as soon as possible. This would allow the schools to perform the necessary work during the summer months while children are not in school. He further explained the department is not involved in the procurement process.

In response to additional committee questions, **Co-Chairman Horman** explained the history and establishment of the Office of School Safety and Security. These analysts are not building safety inspectors; these analysts make recommendations regarding school safety and security issues on a three-year cycle. Unlike the Division of Building Safety, the analysts' recommendations are optional for schools. This supplemental appropriation would fund approximately \$9M of previously identified improvements.

**UNANIMOUS
CONSENT
REQUEST:**

Sen. VanOrden requested and it was granted by unanimous consent, the FY 2023 budget for the Office of the State Board of Education was reopened.

MOTION:

Sen. VanOrden made a motion, seconded by **Rep. Raybould**, for FY 2023, for the Office of the State Board of Education, an additional \$20,000,000 from the General Fund to provide funding for K-12 public school security.

Sen. Herndon spoke against the motion because the department does not have the grant process already in place. He also spoke against supplementals vs. budget line items.

Co-Chairman Horman noted the Office of the State Board of Education has used the grant application process before. She referenced the Arts in Rural Schools program, funded by 2022 legislation in a supplemental appropriation; the monies were distributed by June 30, 2022.

**ROLL CALL
VOTE ON
MOTION:**

Motion carried by a total vote of 16 AYES, 2 NAYS, 2 ABSENT/EXCUSED. Senators voting in favor of the motion: Bjerke, Burtenshaw, Lent, Cook, VanOrden, Adams, Ward-Engelking, Just. Senators voting in opposition to the motion: Herndon. Senators absent/excused: Grow. Representatives voting in favor of the motion: Horman, Miller, Bundy, Raybould, Tanner, Petzke, Handy, Nash. Representatives voting in opposition to the motion: Lambert. Representatives absent/excused: Furniss.

The majority having voted in the affirmative and without objection the legislation will carry a **DO PASS** recommendation. There being no objection, it was so ordered by **Co-Chairman Horman**.

Co-Chairman Horman made closing remarks. She announced the House Appropriations committee would convene at 1:15 p.m. in the afternoon to address fiscal policy issues. Due to time constraints the remaining JFAC agenda items were carried over to the next meeting.

ADJOURN:

There being no further business to come before the committee, the meeting adjourned at 9:43 a.m.

Representative Horman
Chair

Alyson Jackson
Secretary