AGENDA

JOINT FINANCE-APPROPRIATIONS COMMITTEE

8:00 A.M.
Room C310
Tuesday, January 12, 2016

TIME	DESCRIPTION	PRESENTER
8:00-8:10	Welcome and Introductions	*Co-chairmen*
8:10-8:30	Committee Seat Selection/Set up Laptops	
8:30-9:30	Review of Governor's Recommendation	*Jani Revier* *Administrator* *Division of Financial Management*
9:30-9:40	*Break*	
9:40-10:50	Review Budget Hearing Schedule, Legislative Budget Book, and General Fund FY 2016 - FY 2017 Budget Scenarios	*Paul Headlee* *Deputy Division Manager* *LSO, Budget & Policy Analysis*

MINUTES

JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE:	Tuesday, January 12, 2016
TIME:	8:00 A.M.
PLACE:	Room C310
MEMBERS:	Senators Co-chairman Keough, Bair, Mortimer, Brackett, Nuxoll, Johnson, Thayn, Guthrie, Schmidt, Lacey Representatives Co-chairman Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
ABSENT/ EXCUSED:	None
CONVENED:	Chairman Keough called the meeting to order at 8:00 A.M..
WELCOME AND PAGE INTRODUCTIONS:	Chairman Keough welcomed all Joint Finance-Appropriations Committee (JFAC) members to the Second Regular Session of the Sixty-Third Legislature. After seat selection which was done according to seniority and set up of laptop computers, the Chairman introduced the high school Pages who will serve the Committee for the first six weeks of the session. Emily Anderson from Rigby, Idaho, who attends Rigby High School will serve as the House Page. Marshall Toryanski who lives in Boise, Idaho and attends Timberline High School will serve as the Senate Page.
LSO STAFF INTRODUCTIONS:	The following people were introduced as members of the Budget and Policy Analysis Division of the Legislative Services Office: Deputy Manager Paul Headlee; Analysts Richard Burns, Ray Houston, Keith Bybee, Robyn Lockett, Jared Tatro, and Jared Hoskins; Data Systems Coordinator Shane Winslow; and Margaret Major provides administrative support. The Division Manager, Cathy Holland-Smith, was working offsite.
AGENCY PRESENTATION:	**REVIEW OF GOVERNOR'S FY 2017 BUDGET RECOMMENDATIONS**
PRESENTER:	**Jani Revier, Administrator, Division of Financial Management (DFM)** **Ms. Revier** presented the Governor's budget recommendations for FY 2017. To view the presentation, please click on the following link: Review of Governor's Recommendation **Revier** introduced the following DFM staff members: David Fulkerson, Deputy Administrator/State Financial Officer and Acting Administrator of the Division of Human Resources; Shelby Kerns, Budget Bureau Chief; Financial Management Analysts David Hahn, Sara Stover, Anita Hamann, Adam Jarvis, Matt Warnick, and Gideon Tolman; Nate Clayville, Economic Analysis Bureau and Derek Santos, Chief Economist.

Revier reviewed the current condition of Idaho's economy and General Fund revenue collections. Idaho is settling into a sustainable period of economic expansion. Employment has grown steadily since FY 2011 and the unemployment rate dropped to 3.9% in the fourth quarter of 2015; wages and salaries should accelerate. Idaho nominal personal income is forecasted to grow over the next few years which is encouraging since personal income is a major determinant of the State's General Fund. The largest component of General Fund receipts is the individual income tax; sales tax is the second largest component of receipts and is also influenced by income. Farm proprietors' incomes were at record highs in FY 2014 but have since retreated as commodity prices declined. The state economists' projection, based on several indicators, becomes the basis for the Governor's Executive Budget recommendation. The General Fund grew by 8.6% and topped $3 billion for the first time last year; revenue is projected to increase. Between reversions and increased receipts, a surplus of $108 million was split between the Budget Stabilization Fund and the Idaho Transportation Department (Strategic Initiatives Program). After the statutory balance transfer at the end of FY 2015, the Budget Stabilization Fund had a balance of almost $244 million.

The revised General Fund forecast for FY 2016 is $3.18 billion or 4.1% growth which is $56 million higher than anticipated. The following events have impacted revenues available for FY 2016: 1) tax conformity legislation for $17,202,000, 2) a transfer to the Group Insurance Account for $13,140,000, 3) a transfer to the Constitutional Defense Fund for $2,000,000, and 4) $425,400 for supplementals and deficiency warrants.

The forecast for FY 2017 General Fund revenue is $3.34 billion or 4.49% growth. Two revenue reducers will be tax conformity for $28,669,000 and $21.2 million for recommended funding of the Primary Care Access Program which will redirect revenue from the existing tobacco tax and a portion of the cigarette tax.

Governor Otter's guidelines for preparing the FY 2017 budget recommendations were: 1) education is the top budget priority, 2) growth in government should be limited, and 3) the focus should remain on strategic investments and core services. The Executive Budget includes recommendations for $8.3 billion in spending from all funding sources (General Fund, dedicated funds, and federal funds). Today's presentation focused on the $3.3 billion General Fund recommendation of which almost two-thirds is education spending. $77,452,900 from the General Fund has been budgeted to maintain current operations including education; of that amount $10,208,000 is for replacement items, $13,185,400 for nondiscretionary adjustments, and $780,100 for inflation (limited to contract inflation). Dedicated fund agencies were given the same scrutiny and held to the same standard as General Fund agencies.

The Governor recommended a 3% CEC based on merit with flexibility for directors to address agency needs. In addition to the CEC, the Governor recommended three agency-specific line items where turnover is significantly higher than the state average or positions cannot be filled due to compensation levels. Idaho will have a 27th payroll in FY 2017 and it is recommended that the amount be paid from the General Fund,

The Executive Budget reflects the Governor's priority of providing significant funding to implement recommendations from the Governor's Task Force for Improving Education including: 1) $40 million for the Career Ladder, 2) $30 million for restoration of operational or discretionary funding, 3) $10.7 million for Literacy Proficiency, 4) $5 million for Teacher Professional Development, 5) $10 million for Classroom Technology, 6) $5 million for college and career advising, 7) $1.1 million for Mastery-Based System Planning and Assessment, and 8) $2.5 million for ADA Stability and Mobility. The Governor also recommended the following strategic investments in public school funding: 1) school security assessments for $270,000 and 5.0 FTP, 2) $97,300 in funding for the Military Division Youth ChalleNGe Program, 3) 189,500 for the Idaho School for the Deaf and Blind to open a cottage to house 10 new residential students, 4) $10 million to support Idaho's programs and priorities in advancing science, technology, engineering, and mathemetics (STEM) education, 5) $2 million for STEM Education Fund, 6) $2 million for professional development promoting STEM education, and 7) $99,000 and one FTP for a new Computer Science and Coding Initiative.

The Governor's higher education budget continues to emphasize meeting the goal of at least 60% of Idaho citizens between the ages of 25 and 34 having a post-secondary degree or professional certification by 2020. The recommendation includes $5 million for the Opportunity Scholarship program, $5 million for a new completion scholarship to incentivize people to finish a post-secondary program, and $10 million for a Tuition Lock program which would cap tuition for qualified students over a four-year period. Other higher education recommendations include: 1) $1 million for the INL/BSU Cyber Security Lab, 2) $617,100 for BSU Materials Science and Engineering Research Initiative, 3) $1.7 million for expansion of the Meridian Campus for ISU, 4) $1.6 million for UI occupancy costs and rent, 5) $193,700 for safety, security and compliance at LCSC, 6) $300,000 for Higher Education Research Council (HERC), and 7) $3.8 million for enrollment-workload adjustment restoration.

For community colleges the Governor recommended the following: 1) $113,200 for CSI Instructional Support and $91,500 for an Institutional Researcher, 2) at NIC, occupancy costs of $116,100 and $615,100 for security measures, 3) $500,000 in funding equity at CSI, and 4) $5 million to establish a community college in eastern Idaho. For Professional-Technical Education, the budget recommendation is for $3.7 million and 38.0 FTP for postsecondary capacity expansion at six postsecondary institutions, and $325,000 for Agricultural and Natural Resource Education grants. In health programs the Governor recommended $278,900 to add five additional seats to the WWAMI medical program, to add two additional seats for medical students at the University of Utah, and $180,000 for the Kootenai Health Family Medicine Residency program.

Other recommendations from the Executive Budget include: 1) funds for fire suppression, fire preparedness, and expansion of fire protection associations, 2) funding for water issues including $2 million for ongoing water sustainability projects, $10 million one-time transfer to the Aquifer Planning, Management and Implementation Fund, and $56,100 and 4.0 FTP for the Surface Water Coalition Settlement Agreement, and 3) funding for the Sage Grouse Initiative. The Governor also recommends important investments in health and human services to provide better outcomes for Idahoans including 1) $19.3 million for the Primary Care Access Program, 2) $1.7 million for another Community Crisis Center, 3) $128,000 to expand the Access Program, and $16.5 million for growth in Medicaid. Regarding Public Safety, the Executive Budget includes $5 million to reform the public defense system, staffing for the ISP Regional Communication Center including 4 FTP for $257,000, and $967,900 to replace the integrated radio and phone console and recording systems at the ISP Regional Communications Centers.

The Governor also recommends $4 million in General Funds with an additional $4 million in dedicated fund spending authority for the Idaho State Historical Museum Educational Exhibitions. Regarding the Idaho Transportation Department, the Governor is recommending increased spending authority to include $58.2 million in the State Highway Account, $54.7 million for the Strategic Initiatives Program, and a federal fund increase of $21.2 million. The Governor also recommended ongoing funding for the State Tax Commission Fraud and Identity Theft Prevention program amounting to $363,500 and 2.0 FTP.

Under current statute, when General Fund revenue grows by more than 4 percent over the previous year, revenue above 4 percent, up to a maximum of 1 percent of total General Fund collections, is transferred to the Budget Stabilization Fund. The 4.1% growth in FY 16 triggers a $4.6 million transfer while the 4.9% growth in FY 17 triggers a $28.9 million transfer. However, when adjusted for the reduction in revenue from tax conformity and the redirection of tobacco and cigarette tax, growth drops below 4% so no statutory transfer is triggered. (If the legislation proposed for tax conformity or for the Primary Care Access Program does not pass, a transfer to the Budget Stabilization Fund may be triggered.

BUDGET & POLICY PRESENTATION: **Review of Budget Hearing Schedule, Legislative Budget Book, and FY 2016 and FY 2017 General Fund Review**

PRESENTER: **Paul Headlee, Deputy Division Manager, Budget & Policy Division, Legislative Services Office**

To view the presentation, please click on the following link: Review FY 2016 — FY 2017 Budget and FY 2017 Line Item Comparison

The Budget and Policy Analysis Division assists legislators with the State's budget and appropriations process. Analysts provide professional, nonpartisan fiscal and policy analysis for the Joint Finance-Appropriations Committee, individual legislators and other legislative committees.

The following information was discussed with the Committee: 1) a review of the Governor's FY 2016 recommendation for a revenue estimate of 4.1% and recommended supplemental appropriations leaving an estimated FY 2017 General Fund ending balance of $102,464,200, 2) an FY 2017 Comparison showing the Governor's estimated ending balance of $5,779,700, 3) the Governor's FY 2017 budget breaking out public schools from other state agencies, 4) information on the Governor's recommendation for the State's savings accounts, and an FY 2017 Line Item Comparison.

ADJOURNED: There being no further business, Chairman Keough adjourned the meeting at 10:30 A.M.

Senator Keough
Chair

Peggy Moyer
Secretary

AGENDA

JOINT FINANCE-APPROPRIATIONS COMMITTEE

8:00 A.M.
Room C310
Wednesday, January 13, 2016

Special Hearings

TIME	DESCRIPTION	PRESENTER
8:00-8:30	The General Fund Distribution Formula for Public Health Districts	*Bryon Welch, Principal Evaluator* *Office of Performance Evaluations*
8:30-9:00	Follow-up on Funding Allocation for Public Communications Sites	*Richard Burns, Principal Analyst* *Ray Houston, Principal Analyst* *Budget & Policy Analysis*
9:00-9:10	*Break*	
9:10-9:40	Mechanics of H312 in the General Fund Budget Process	*Paul Headlee, Deputy Div Manager* *Budget & Policy Analysis*
9:40-10:00	Review of Deficiency Warrants and Supplemental Appropriations	*Jared Hoskins, Senior Analyst* *Budget & Policy Analysis*

MINUTES

JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE:	Wednesday, January 13, 2016
TIME:	8:00 A.M.
PLACE:	Room C310
MEMBERS:	Senators Co-chairman Keough, Bair, Mortimer, Brackett, Nuxoll, Johnson, Thayn, Guthrie, Schmidt, Lacey Representatives Co-chairman Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
ABSENT/ EXCUSED:	None
CONVENED:	**Chairman Bell** convened the meeting at 8:00 AM

PRESENTER: **Bryon Welch, Principal Evaluator, Office of Performance Evaluations**

The General Fund Distribution Formula for Public Health Districts

Mr. Welch delivered a presentation centered around the findings of the Distribution of State Fund Dollars to Public Health Districts. The formula, which distributes State General Fund dollars to public health districts, is not clearly or consistently linked to the program needs within districts. $8.5 million of the districts' FY 2015 $50.4 million budget comes from the State General Fund, 67% required match of State General Fund dollars to county contributions. Payment for contract services does not fully cover the cost of some programs so the difference is made up with state and county funds. Programs with regulatory fees are subsidized with state and county funds. These programs are subsidized unequally. Insufficient funding of regulatory programs reduces funding available for other public health services. After 2014, changes to the formula, State General Fund dollars decreased in districts 3 and 4 from 2013 levels despite increases in county contributions.

Mr. Welch concluded his presentation with recommendations to the Trustees of the Boards of Health, urging to phase in future changes to the formula over the next several years, eliminate the part of the formula that gives weight to county contributions, and review the indirect cost rate calculation method. He urged the legislative body to consider funding regulatory, fee-based programs differently so they are more self-sustaining and further the studies available on how to link funding with program needs. The General Fund Distribution for the Public Health Districts

PRESENTER: **Richard Burns, Principal Analyst and Ray Houston, Principal Analyst, Division of Budget and Policy Analysis**

Follow-up on Funding Allocation for Public Communications Sites

Richard Burns began the presentation with a brief overview of the public communication site issues from the previous year and what is being proposed for FY 2017. First, The military division of public safety communication manages communication sites on six endowment trust properties. These communication sites provide critical communication services to a variety of public safety agencies. The sites were authorized for use until August of 2015 through a land use permit. When the land use permit was to expire, a new fee schedule adopted by the Land Board in 2010 with an annual rent increase of 3% per annum, would take effect. The annual fees for the sites were scheduled to increase from $5,473 to $81,632 in the first year. Rather than have public safety agencies absorb this increase, the Governor recommended that the Department of Lands issue a 20-year lease for these six sites and prepay the full cost with a one-time General Fund appropriation of $1,300,800. The fee was based on the current approved communications site fee schedule according to net present value and length of lease, calculated with a 6% discount rate.

After much discussion, the Legislature opted to go for a 10-year lease with costs allocated out to the various users of the system and provided for an annual 3% increase. A one-time appropriation of $102,400 was provided for FY 2016 that included $18,100 to cover back rent due. The appropriation did not include $22,700 for interest and penalties that the Department of Lands had been seeking as part of the negotiated agreement. The appropriation was made one-time so that the Legislature could review it again for FY 2017. Mr. Burns then reviewed the proposed figures that had been proposed by the Military Division, Division of Financial Management, and the Legislative Services Office.

State agencies using the communication sites include the Idaho Department of Transportation, the Idaho State Police, Idaho Department of Fish and Game, Idaho Department of Lands, Department of Corrections, The Idaho Bureau of Homeland Security, and the Idaho Medical Emergency Services. **Mr. Burns** then Stood for questions regarding the Budget Recommendation. Public Communication Sites

PRESENTER: **Paul Headlee, Deputy Division Manager, Budget and Policy Analysis**

Mechanics of H 312 in the General Fund Budget Process

Deputy Director Paul Headlee presented to the body the implications of H 312 on the General Fund fiscal year-end closing process. This legislation references the transfer of surplus General Fund monies for a certain purpose at the end of FY 2015 and FY 2016 under certain circumstances. This requires a final General Fund revenue forecast that is included as a part of the Governor's budget and/or EORAC projection. Usually, this is approved when the Legislature wants to fund something only if revenue turns out to be more than the forecast. Policymakers may or may not already be a seeing a potential surplus during the legislative session, but may not be comfortable enough to recognize it in the budget process.

The fiscal year-end is June 30th however, year-end close out is actually finalized closer to mid-July, but all transactions are dated as of June 30th. The State Controller works with State agencies, the Department of Financial Management, and the Legislative Services Offices to ensure all provisions of law-impacting, year-end transactions are processed as intended. In addition to the publicized year-end balance, sufficient cash is set aside for encumbrances and re-appropriation authority. Any excess cash will follow in accordance with Idaho code section 57–814(3) and will be split in half and shared between the Budget Stabilization Fund and Strategic Initiatives Program Fund. Mechanics of H 312

PRESENTER: **Jared Hoskins, Senior Analyst, Division of Budget and Policy Analysis**

Review of Deficiency Warrants and Supplemental Appropriations

Mr. Hoskins brought before the committee a review of the Deficiency Warrants, Supplemental Appropriations, and Rescissions scheduled to be heard and receive action this legislative session. Budget Setting Order includes Comparison and Detail to Deficiency Warrants and Comparison and Detail to Supplemental Appropriations. Deficiency Warrants are expenditures that are essentially pre-authorized under Idaho Code and function much like a expense account or a line of credit. Mr. Hoskins then delivered an illustration referencing the Governor's Budget Recommendations and how the Deficiency Warrants differ from previous sessions.

Mr. Hoskins reviewed a chart explaining the purpose of each Deficiency Warrant and the Agency, Authorization, Maximum Amount, and Statutory Authority within. Mr. Hoskins continued his presentation with the Supplemental Appropriation changes explaining the current year appropriations and reductions, and comparing them to previous legislative sessions. Clarification was made regarding the JFAC Rule number 13: "Unanimous Consent" or 2/3 vote required to re-open current year budget. Once reopened, a simple majority vote is required for approval of deficiency warrants or Supplemental Appropriations. Mr. Hoskins stood for question regarding the Budget Recommendations. Review of Deficiency Warrants

ADJOURN: There being no further business to come before the Committee, **Chairman Bell** adjourned the Committee at 9:52 AM

Representative Bell
Chair

Christi Cox
Secretary

AGENDA

JOINT FINANCE-APPROPRIATIONS COMMITTEE

8:00 A.M.
Room C310
Thursday, January 14, 2016

TIME	DESCRIPTION	PRESENTER
8:00-9:15	Idaho Transportation Department LBB 5-137	*Director Brian Ness* *Idaho Transportation Dept*
9:15-9:30	*Break*	
9:30-10:30	**Deficiency Warrants & Supplemental Appropriations:**	
	DEPARTMENT OF AGRICULTURE P.2 #1 Pest Control Deficiency Warrants	*Ray Houston* *Principal Analyst*
	DEPARTMENT OF FISH AND GAME p.18 #32 Fisheries Projects p.18 #33 Elk Management Program	
	BOARD OF LAND COMMISSIONERS **Department of Lands** p.19 #34 Fire Preparedness	
	SELF-GOVERNING AGENCIES **Medical Boards** p.24 #46 IT Systems Integration Analyst (Pharmacy) p.24 #47 New Licensing System (Dentistry)	*Jared Tatro* *Principal Analyst*

MINUTES

JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE:	Thursday, January 14, 2016
TIME:	8:00 A.M.
PLACE:	Room C310
MEMBERS:	Senators Co-chairman Keough, Bair, Mortimer, Brackett, Nuxoll, Johnson, Thayn, Guthrie, Schmidt, Lacey Representatives Co-chairman Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
ABSENT/ EXCUSED:	None
CONVENED:	Chairman Keough called the meeting to order at 8:00 A.M.
STAFF PRESENT:	Houston, Tatro, Bybee
AGENCY PRESENTATION:	**IDAHO TRANSPORTATION DEPARTMENT (ITD)**
PRESENTER:	**Jerry Whitehead, Chairman, Idaho Transportation Board** **Brian Ness, Director**

To view the presentation, please click on the following link: Idaho Transportation Department

Whitehead explained the Transportation Board is bipartisan and each Board member represents one of the six districts in Idaho. He thanked the Joint Finance-Appropriations Committee (JFAC) for the increased funding from the last legislative session; the money has been put to good use. He also acknowledged the dedicated staff at ITD and said there has been a total turnaround at ITD in the last few years.

Ness thanked the ITD Board members for their leadership. In 2010, he implemented a plan to make the agency become more efficient making significant improvements that created millions of dollars in savings in order to invest in road and bridge projects that provided the best return on investment. Today's presentation will outline ITD'S strategic direction for the next five years. First he addressed the FY 2017 Governor's budget recommendation and the FY 2016 supplemental appropriation recommendation. The FY 2017 base amount is $576.4 million with about 1,700 full-time positions. Including adjustments, 11 line items, and debt service, the total funding from all sources is $707.7 million. The Department is hoping to reduce the workforce by another 20 positions which should be possible with increased efficiency. There is a new, five-year, federal funding bill, Fixing America's Surface Transportation Act, known as "FAST" which will allow for long-term planning. This new federal funding bill streamlines the environmental review and permitting processes; increases public transportation funding, expands public-private investment and partnerships, and allows more state control in safety programs. The FY 2016 supplemental requests spending authority for $160.4 million covering the following five items: 1) $15.8 million from the FAST Act, 2) authority to invest the revenue from the user-fee increases, an ongoing adjustment for about $50 million, 3) one-time adjustment of $54.7 million for the Strategic Initiatives

Program Fund, 4) $40 million for federal construction payouts, ongoing, and 5) one-time authorization to make accounting adjustments to allow transfer of costs as the GARVEE Program is closed out. In December, 2015, the Idaho Transportation Board selected 17 projects to be funded by the General Fund surplus, in addition to the 27 projects funded by the user-fee increases. These projects will be bid and awarded as soon as ITD receives spending authority.

Last year's increased revenue provided an immediate return on investment in the form of new jobs and safer roads and bridges. The Governor's Task Force on Transportation Funding found the state and local transportation systems had an annual shortfall of $262 million. With user-fee increases which are ongoing, it reduced the annual shortfall by about one third to $165.3 million. The number one priority is to address high-accident locations and improve operations by replacing the oldest bridges and fixing some of the most deteriorated pavement.

ITD has a new, five-year strategic plan which will set the direction and organizational structure of ITD for the next 25 to 30 years. The goals are: 1) to build on the foundation of success already created by making ITD's work culture more constructive, 2) to take the innovative spirit of employees to an even higher level which will allow them to be creative and develop procedures that save time and money and improve services, 3) to establish the 2020 vision and a strong succession staffing plan implementing a Horizontal Career Paths program where pay rates are tied to job performance, 4) to invest money wisely at the state level for maximum return on investment prioritizing projects by measuring safety, mobility, and economic growth, and finally, 5) to be involved in partnerships in the western states to provide a seamless transportation system for producing, shipping, and receiving commerce.

Ness also discussed several awards ITD has won over the last few years. In 2015 ITD earned a total of 53 state, regional and national awards for excellence and innovation, including another American Association of State Highway and Transportation Officials (AASHTO) President's Award.

FY 2016 DEFICIENCY WARRANT

DEFICIENCY WARRANT: **DEPARTMENT OF AGRICULTURE**
Plant Industries
Pest Control Deficiency Warrants

PRESENTER: **Ray Houston, Principal Analyst, Budget & Policy, Legislative Services Office**

Funding is requested to reimburse actual expenditures incurred in FY 2015 for exotic pest monitoring and control. The existence of exotic or invasive pests in the state, and the lack of information about the distribution of those pests, can cause economic losses to the public by the direct effects of the pests and through the placement of quarantines and import restrictions by other states and countries. Although some funding is provided in the base budget for gypsy moth monitoring, water milfoil treatment, and quagga mussel prevention, there is little funding in the base budget for other survey, control and eradication activities. These programs are carried out under the deficiency warrant authority provided in Chapters 19 and 20, Title 22, Idaho Code. FY 2015 costs included $18,100 for exotic pest monitoring, $289,900 for Japanese Beetle treatment, and $16,000 for potato cyst nematode monitoring. (One-time)

UNANIMOUS CONSENT: On request by Miller, granted by unanimous consent, the FY 2016 budget for the Department of Agriculture was reopened.

CARRIED:

Original Motion
Moved by Miller, seconded by Bair, to approve for introduction $324,000 General Funds, $0 Dedicated Funds, $0 Federal Funds for a total of $324,000 with FTP of 0.00

Ayes: 19

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 1

Lacey

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

FY 2016 SUPPLEMENTALS

SUPPLEMENTAL: **DEPARTMENT OF FISH AND GAME**
Fisheries — Fish Projects

PRESENTER: **Ray Houston, Principal Analyst, Budget & Policy, Legislative Services Office**

This supplemental request is in four parts totaling $1,238,700 from federal funds. First, it includes $691,000 one-time from federal U.S. Fish and Wildlife Service moneys to make the down payment on a $2.4 million capital lease to upgrade Idaho's fleet of fish marking trailers. Second, this supplemental includes $456,600 ongoing in operating expenditures from federal Bonneville Power Administration (BPA) moneys for additional chinook salmon genetics work. Third, this supplemental includes $74,600 in ongoing operating expenditures from federal U.S. and Wildlife Service moneys for salmon and steelhead management. Fourth, the supplemental request includes $14,000 in personnel costs and $2,500 in operating expenditures for federal U.S. Fish and Wildlife Service moneys to increase chinook salmon production at the Sawtooth Fish Hatchery, near Stanley. The request is $547,700 ongoing and $691,000 one-time for a total of $1,238,700 from federal funds.

UNANIMOUS CONSENT: On request by Bair, granted by unanimous consent, the FY 2016 budget for the Idaho Department of Fish and Game was reopened.

CARRIED:

Original Motion
Moved by Bair, seconded by Burtenshaw, to approve for introduction $0 General Funds, $0 Dedicated Funds, $1,238,700 Federal Funds for a total of $1,238,700 with FTP of 0.00 (547,700 ongoing 691,000 OT)

Ayes: 19

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 1

Lacey

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

SUPPLEMENTAL: **Wildlife — Elk Management**

This supplemental request is for $100,000 in license moneys to match $300,000 in federal Pittman-Robertson moneys to maintain an enhanced elk management program and allow for the continued capture and radio-collaring of over 400 elk annually. This program enables the department, through the use of aerial surveys and radio-collaring, to monitor survival and mortalities, including losses due to predation. This request will restore the operating expenditure appropriation that was reduced for FY 2015 to reconcile license revenue with license appropriation. License and tag-sale projections have exceeded expectations and federal PR apportionments are available if state match is provided. (Ongoing)

CARRIED:

Original Motion
Moved by Miller, seconded by Burtenshaw, to approve for introduction $0 General Funds, $100,000 Dedicated Funds, $300,000 Federal Funds for a total of $400,000 with FTP of 0.00 OE

Ayes: 19

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 1

Lacey

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

SUPPLEMENTAL: **IDAHO DEPARTMENT OF LANDS (IDL)**
Forest and Range Fire Protection
Fire Preparedness

PRESENTER: **Ray Houston, Principal Analyst, Budget & Policy, Legislative Services Office**

The Governor recommends funding to enhance fire preparedness. The National Interagency Coordination Center is predicting 2016 fire conditions similar to 2015. The recommendation focuses on retaining, extending, and increasing fire line staffing levels that have been the greatest potential to improve initial attack response. It includes three months' funding in the amount of $379,000, split 50% from the General Fund and 50% from dedicated fire preparedness moneys, with $540,800 for the remaining nine months in an FY 2017 annualization. The ongoing recommendation includes funding for a 2,080 hour (1.00 FTP) assistant fire warden at Kootenai Valley, a 1,726 hour (0.83 FTP) helitack manager, a 1,726 hour (0.83 FTP) Grangeville Interagency Fire Center (GVC) assistant manager, a 1,394 hour (0.67 FTP) administrative assistant, an increase in the payscale for the seasonal workforce, the extension of 12 five-month seasonal employees to eight months, additional operating expenditures for travel costs, and $30,000 for training of seasonal employees and contractors. Furthermore, it includes one-time funding in the amount of $150,000 for a review of the fire program, $24,000 for a vehicle, and $2,400 for two computers. ($202,600 ongoing and $176,400 one-time) The FY 2016–2017 total will be $1,122,400.

UNANIMOUS CONSENT: On request by Nuxoll, granted by unanimous consent, the FY 2016 budget for the Idaho Department of Lands was reopened.

CARRIED:

Original Motion
Moved by Nuxoll, seconded by Gibbs, to approve for introduction $189,500 General Funds, $189,500 Dedicated Funds, $0 Federal Funds for a total of $379,000 with FTP of 3.33 ($202,600 ongoing $176,400 (one-time)

Ayes: 19

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 1

Lacey

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

SUPPLEMENTAL: **SELF-GOVERNING AGENCIES**
Medical Boards — Board of Pharmacy
IT Systems Integration Analyst FTP

PRESENTER: **Jared Tatro, Principal Analyst, Budget & Policy, Legislative Services Office**

The Board of Pharmacy requests 1.00 FTP and associated funding for a new IT system integration analyst. This position will be responsible for oversight of building and implementing a new licensing system. This request is for a total of $73,100 with $21,100 being requested as a supplemental appropriation and $52,000 as an annualized appropriation. The supplemental would be used to recruit, hire, train, and equip the requested IT position and represents about three months of service. The board is requesting the position and funding as a supplemental so they can get the position filled and trained in time to issue an RFP and have a new system up and running when the current system contract expires in October of 2016. This process can take 9 to 12 months. (ongoing and one-time)

DISCLOSURE — CONFLICT OF INTEREST: Pursuant to House Rule 38, Representative Monks disclosed he has a possible conflict of interest under applicable law; he does plan to vote on the issue currently before the Committee.

UNANIMOUS CONSENT: On request by King, granted by unanimous consent, the FY 2016 budget for Self-Governing Agencies, Medical Boards, was reopened.

CARRIED:

Original Motion
Moved by King, seconded by Bell, to approve for introduction $0 General Funds, $21,100 Dedicated Funds, $0 Federal Funds for a total of $21,100 with FTP of 1.00 (15,900 ongoing 5,200 OT)

Ayes: 19

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 1

Lacey

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

SUPPLEMENTAL: **Medical Boards —Board of Dentistry**
New Licensing System

The Board of Dentistry requests $80,000 one-time, for the purchase of a new licensing system. The current system is set to expire in September of 2016, which is the same date that all dental licenses are set to expire. The board needs to have a new system in place by July 1, 2016 so it can be tested before going live. The board is also requesting $40,000 as a one-time line item for the balance of installing the new system. The board maintains a free-fund balance of about $700,000 or about 14 months of operations. (One-time)

CARRIED:

Original Motion
Moved by King, seconded by Johnson, to approve for introduction $0 General Funds, $80,000 Dedicated Funds, $0 Federal Funds for a total of $80,000 with FTP of 0.00 OT, OE
Ayes: 19

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 1
Lacey

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

PRESENTATION: **Keith Bybee, Principal & Budget Policy Analyst, Legislative Services Office**

Bybee gave a brief presentation on General Fund Budget Update sheets (known as the "green sheet") that are prepared daily which compare legislative action with the Governor's budget recommendations as well as tracking bills that have a fiscal impact.

ADJOURNED: There being no further business to come before the Committee, Chairman Keough adjourned the meeting at 10:25 A.M.

Senator Keough
Chair

Peggy Moyer
Secretary

AGENDA

JOINT FINANCE-APPROPRIATIONS COMMITTEE

8:00 A.M.
Room C310
Friday, January 15, 2016

TIME	DESCRIPTION	PRESENTER
8:00-8:30	Economic Outlook & Revenue Assessment Committee (EORAC)	*Senator Dan Johnson and Representative Marc Gibbs, Co-chairs*
8:30-10:30	**SUPPLEMENTAL APPROPRIATIONS**	
	IDAHO TRANSPORTATION DEPARTMENT **Contract and Right-of-Way Acquisition** p.26 #52 New Ongoing Revenue: H312 & H132 P.27 #53 Strategic Initiatives Prog. Fund Authority	*Robyn Lockett* *Principal Analyst*
	DEPARTMENT OF ADMINISTRATION p.28 #56 Legal Fees for IEN Lawsuit p.28 #57 Transfer Grant Funds to Public Schools p.28 #58 Return Albertson Foundation Grant	
	CATASTROPHIC HEALTH CARE PROGRAM P.6 #2 Reduce Excess OT Funding	*Jared Tatro* *Principal Analyst*
	DEPARTMENT OF LABOR P.22 #42 Longitudinal Data System p.23 #44 Fraud Prevention	*Keith Bybee* *Principal Analyst*
	SELF-GOVERNING AGENCIES **Division of Building Safety** p.23 #45 School Safety Inspections	
	DEPARTMENT OF HEALTH AND WELFARE **Psychiatric Hospitalization** p.9 #10 Personnel Funding Shortfall SHS	*Jared Tatro* *Principal Analyst*
	Indirect Support Services p.7 #4 Federal Earned Revenue Rate	
	Independent Councils p.6 #3 Victims of Crime Act- Additional Oversight	

MINUTES

JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE:	Friday, January 15, 2016
TIME:	8:00 A.M.
PLACE:	Room C310
MEMBERS PRESENT:	Senators Co-chairman Keough, Bair, Mortimer, Brackett, Nuxoll, Johnson, Thayn, Guthrie, Schmidt, Lacey Representatives Co-chairman Bell, Gibbs, Miller, Youngblood, Burtenshaw, Horman, Malek, Monks, King, Gannon
ABSENT/ EXCUSED:	None
CONVENED:	**Chairman Bell** convened the meeting at 8:00 AM.

PRESENTER: **Senator Dan Johnson and Representative Marc Gibbs, Co-Chairs, Joint-Financial-Approprations-Committee**

Economic Outlook & Revenue Assessment Committee (EORAC)

Senator Johnson and Representative Gibbs delivered a brief overview of the projections on the above and descriptions about the state of the economic outlook of the State of Idaho. Together they responded to concerns about Idaho incomes. Questions about an actual dollar amounts were raised by committee members. Economic Outlook & Revenue Assessment Committee (EORAC)

IDAHO DEPARTMENT OF TRANSPORTATION

PRESENTER: **Robyn Lockett, Principal Analyst, Division of Budget and Policy Analysis**

Analyst Robyn Lockett presented to the Budget Committee a brief overview of the Contract Construction & Right of Way Acquisition Division. The request is ongoing capital outlay from the Dedicated State Highway Fund for road and bridge maintenance and replacement projects on the State Highway System. Just after Sine Die of the 2015 Session, H 312 was signed into law. It raised the gas tax by 7 cents and increased registration fees by $21 for personal vehicles and $25 for commercial vehicles. At that time the new revenue was estimated to generate $94 million dollars annually. The ongoing increase in registration and motor fuels is split 60%-40% between the State Highway Account and local highway jurisdictions.

The request for the appropriation will be to spend the equivalent of the first ten months of the new revenue on 27 projects that were identified by the Transportation Board in May 2015. Project selection was based on the criteria of project readiness, bridge restoration or preservation, and pavement rehabilitation or preservation.

UNANIMOUS CONSENT On Request by **Monks**, granted by unanimous consent, the FY 2016 budget for the Idaho Transportation Department, was reopened.

CARRIED: **Original Motion**

Idaho Transportation Department
Contract Construction & Right-of-Way Acquisition
New Ongoing Revenue: H312 and H132
Supplemental

Moved by **Monks**, seconded by **Youngblood**, to approve for introduction $0 General Funds, $49,886,700 Dedicated Funds, $0 Federal Funds for a total of $49,886,700 with FTP of 0.00

Ayes: 20
Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
Nays: 0
Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell**.

CARRIED: **Original Motion**

Idaho Transportation Department
Strategic Initiatives Program Fund
Supplemental

Moved by **Youngblood**, seconded by **Monks**, to approve for introduction $0 General Funds, $54,700,000 Dedicated Funds, $0 Federal Funds for a total of $54,700,000 with FTP of 0.00

Ayes: 20
Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
Nays: 0
Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell.**

DEPARTMENT OF ADMINISTRATION

PRESENTER: **Robyn Lockett, Principal Analyst, Division of Budget and Policy Analysis**

Analyst Robyn Lockett presented the FY 2016 Supplemental Appropriation Request for the Department of Administration. This request is broken into three parts.

First, a request for approval to introduce $229,300 one-time from the General Fund for legal fees related to the Idaho Education Network lawsuit. This is the amount the department believes will be necessary to complete the appeal of Syringa Networks, LLC versus Idaho Department of Administration. The items being contested are the ruling by the District Court regarding the validity of two state-wide blanket purchase orders and the award of all legal fees, all of which are yet to be determined.

Second, is a request for the Department of Administration: Information Technology, to transfer Grant Funds to Public Schools.

Third, is a supplemental request from the Department of Administration: Information Technology to return the Albertson Foundation Grant. These funds were granted by the J.A. and Katherine Albertson Family Foundation. The Albertson Family granted these funds originally to be used for the build-out of the Idaho Education Network and because the funds were not used the request is to have them returned.

UNANIMOUS CONSENT On Request by **Mortimer**, granted by unanimous consent, the FY2016 budget for the Department of Administration, was reopened.

CARRIED: **Original Motion**

Department of Administration
Purchasing
Legal fees for the IEN Lawsuit
Supplemental

Moved by **Mortimer**, seconded by **Keough**, to approve for introduction $229,300 General Funds, $0 Dedicated Funds, $0 Federal Funds for a total of $229,300 with FTP of 0.00

Ayes: 20
Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
Nays: 0
Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell.**

CARRIED: **Original Motion**:

Department of Administration
Information Technology
Transfer Grant Funds to Public Schools
Fund Transfer

Moved by **Mortimer**, seconded by **Gannon**, to approve for introduction $0 General Funds, $176,000 Dedicated Funds, $0 Federal Funds for a total of $176,000 with FTP of 0.00

Ayes: 20
Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
Nays: 0
Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell**.

CARRIED: **Original Motion**

Department of Administration
Information Technology
Return Albertson Foundation Grant
Supplemental

Moved by **Mortimer**, seconded by **Horman**, to approve for introduction $0 General Funds, $461,800 Dedicated Funds, $0 Federal Funds for a total of $461,800 with FTP of 0.00

Ayes: 20
Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
Nays: 0
Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell.**

REVISION: **Chairman Bell** requested to shift the agenda to allow for appropriations to be heard on the Department of Labor and Self-Governing Agencies, before the Catastrophic Health Program and the Department of Health and Welfare.

DEPARTMENT OF LABOR

PRESENTER: **Keith Bybee, Principal Analyst, Division of Budget and Policy Analysis**

Analyst Keith Bybee presented the FY 2016 Supplemental Appropriation Request for the Employment Services program through the Department of Labor. This supplemental is in two parts. First, the Board of Education received a federal grant in June of 2012, the Department of Labor has been contracting with the board to build the Statewide Longitudinal Data System (SLDS) for higher education by providing information about students in the system that have joined the workforce. The objective of this grant is to expand the capacity of the post-secondary education of the SLDS to include workforce data and improve teacher preparation programs, manage research requests, and provide access to workforce outcomes. Second, this Supplemental includes unemployment insurance fraud prevention, with the intent on improving the integrity of the unemployment insurance program by detecting and preventing benefit fraud.

UNANIMOUS CONSENT On Request by **Mortimer**, granted by unanimous consent, the Fiscal Year 2016 budget for the Department of Labor, was reopened.

CARRIED: **Original Motion**

Department of Labor
Employment Services
Longitudinal Data System and Other Activities
Supplemental

Moved by **Mortimer**, seconded by **Horman**, to approve for introduction $0 General Funds, $1,553,100 Dedicated Funds, $0 Federal Funds for a total of $1,553,100 with FTP of 0.00
OE Shift FTP: Fed(10.00) to Misc 10.00

Ayes: 20
Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
Nays: 0
Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell.**

CARRIED: **Original Motion**

Department of Labor
Unemployment Insurance Administration
Fraud Prevention
Supplemental

Moved by **Mortimer**, seconded by **Keough**, to approve for introduction $0 General Funds, $255,000 Dedicated Funds, $0 Federal Funds for a total of $255,000 with FTP of 0.00

Ayes: 20
Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
Nays: 0
Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell**.

SELF-GOVERNING AGENCIES

PRESENTER: **Keith Bybee, Principal Analyst, Division of Budget and Policy Analysis**
Analyst Keith Bybee presented to the committee the FY 2016 Supplemental Appropriation Request for the Division of Building Safety. This supplemental appropriation is for a new school security program at the Division of Building Safety. This supplemental will allow the Division of Building Safety to review the original 75 inspections, initiate an additional 75 security assessments, and begin to identify a model approach to school security inspections in FY 2016

UNANIMOUS CONSENT: On Request by **Horman**, granted by unanimous consent, the Fiscal Year 2016 budget for the Self-Governing Agencies, Division of Building Safety, was reopened.

CARRIED: **Original Motion**

Self-Governing Agencies
Building Safety
School Safety Inspections
Supplemental

Moved by **Horman**, seconded by **Johnson**, to approve for introduction $0 General Funds, $300,000 Dedicated Funds, $0 Federal Funds for a total of $300,000 with FTP of 0.00
OE

Ayes: 20

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
Nays: 0
Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell**.

DEPARTMENT OF HEALTH AND WELFARE

PRESENTER: **Jared Tatro, Principal Analyst, Division of Budget and Policy Analysis**
Analyst Jared Tatro presented to the committee the FY 2016 Supplemental Appropriation Requests for the Catastrophic Health Care Program, the Department of Health and Welfare: Psychiatric Hospitalization, and Indirect Support Services/Independent Councils.

As a result of increased medical reviews, implementation of a dual application for Medicaid eligibility and determination of being indigent, more Idahoans have insurance than historical levels for the past two years. This has resulted in an excess of General Funds being made available in both the FY 2015 and FY 2016. Without legislative action, these funds could not have been transferred back to the General Fund.

The FY 2016 supplemental appropriation to the Department of Health and Welfare/Psychiatric Hospitalization, will provide ongoing dedicated and federal fund appropriation for personnel costs. For the past several years, the hospital has had to rely on and transfer personnel costs from other department programs to meet payroll needs. Unlike many state agencies, the hospital does not have the ability to leave positions open or vacant because it needs to maintain adequate staffing levels for patient and staff safety. As for the Independent Support Services the FY 2016 appropriation request will reduce the need for already appropriated General Funds that have been previously appropriated for IT projects. The department has been receiving federal dollars as a result of an enhanced revenue rate (EPR) for various IT projects including: the Medicaid Readiness Initiative, and System Modernization.

For the Domestic Violence Council, the requested appropriation will be used to provide additional oversight for programs that receive funds related to the Victim of Crimes Act (VOCA). VOCA funds are awarded to local community-based organizations and public agencies, throughout Idaho, that provide services directly to victims of crime.

UNANIMOUS CONSENT: On Request by **Schmidt**, granted by unanimous consent, the Fiscal Year 2016 budget for the Catastrophic Health Care Program, Catastrophic Health Care Program, was reopened.

CARRIED: **Original Motion**

Catastrophic Health Care Program
Reduce Excess OT Funding
Fund Transfer

Moved by **Schmidt**, seconded by **Malek**, to approve for introduction $0 General Funds, $28,892,700 Dedicated Funds, $0 Federal Funds for a total of $28,892,700 with FTP of 0.00

Ayes: 19
Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
Nays: 0
Ab/Ex: 1
Thayn

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell**.

UNANIMOUS CONSENT: On Request by **Schmidt**, granted by unanimous consent, the Fiscal Year 2016 budget for the Department of Health and Welfare, was reopened.

CARRIED: **Original Motion**

Department of Health and Welfare
Psychiatric Hospitalization
State Hospital South
Personnel Funding Shortfall
Supplemental

Moved by **Schmidt**, seconded by **Malek**, to approve for introduction $0 General Funds, $273,100 Dedicated Funds, $238,500 Federal Funds for a total of $511,600 with FTP of 0.00

Ayes: 19
Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
Nays: 0
Ab/Ex: 1
Thayn

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell**.

CARRIED: **Original Motion**

Supplemental
Department of Health and Welfare
Indirect Support Services
Federal Earned Revenue Rate
Supplemental

Moved by **Schmidt**, seconded by **Malek**, to approve for introduction $0 General Funds, $0 Dedicated Funds, $1,349,800 Federal Funds for a total of $1,349,800 with FTP of 0.00
OE

Ayes: 19
Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
Nays: 0
Ab/Ex: 1
Gibbs

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell**.

CARRIED: **Original Motion**

Department of Health and Welfare
Independent Councils
Domestic Violence Council
Victim of Crimes Act- Additional Oversight
Supplemental

Moved by **Schmidt**, seconded by **Malek**, to approve for introduction $0 General Funds, $0 Dedicated Funds, $14,900 Federal Funds for a total of $14,900 with FTP of 1.00
$1,000 is OT (OE)

Ayes: 20
Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
Nays: 0
Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell.**

ADJOURN: There being no further business to come before the committee, Chairman Bell adjourned the committee at 9:22 AM.

_____
Representative Bell
Chair

_____
Christi Cox
Secretary

AMENDED AGENDA #1

JOINT FINANCE-APPROPRIATIONS COMMITTEE

9:00 A.M.
Room C310
Monday, January 18, 2016

Martin Luther King Jr. State Holiday

TIME	DESCRIPTION	PRESENTER
	HEALTH & HUMAN SERVICES WEEK	
9:00-9:40	Department of Health & Welfare Overview	*Director Dick Armstrong* *Dept of Health & Welfare*
9:40-9:50	*Break*	
9:50-10:30	Indirect Support Services LBB Page 2-27	*David Taylor* *Deputy Director*
10:30-11:00	Public Health Services LBB Page 2-63	*Elke Shaw-Tulloch* *Division Administrator*

MINUTES

JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE:	Monday, January 18, 2016
TIME:	9:00 A.M.
PLACE:	Room C310
MEMBERS:	Senators Co-chairman Keough, Bair, Mortimer, Brackett, Nuxoll, Johnson, Thayn, Guthrie, Schmidt, Lacey Representatives Co-chairman Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
ABSENT/ EXCUSED:	None
CONVENED:	Chairman Keough convened the meeting at 9:00 A.M.
STAFF PRESENT:	Tatro

HEALTH AND HUMAN SERVICES

AGENCY PRESENTATION: **DEPARTMENT OF HEALTH AND WELFARE (DHW)**
Overview

PRESENTER: **Richard Armstrong, Director**

To view the Director's presentation, please click on the following link: Department of Health & Welfare Overview

Besides a brief budget overview, **Armstrong** discussed the Department's five proposals for the coming year: 1) Primary Care Access Program (PCAP), 2) employee CEC, 3) establishing a third community crisis center, 4) impact of Supreme Court's ruling on Supported Living Services under Medicaid, and 5) benefit use in major programs. He reviewed FY 2017 budget recommendations by fund source, by program and by category.

The Governor has proposed an all-Idaho initiative (not health insurance) known as the Primary Care Access Program (PCAP) which connects uninsured adults earning less than 100% of poverty with a provider to coordinate primary and preventive healthcare services. PCAP is for Idaho adults in the "Gap" who do not qualify for Medicaid or for a tax credit to purchase health insurance. Participants must share costs through an income-based sliding fee and actively participate in their care plan. The program does not provide comprehensive services such as hospitalization or specialty care and it is not an entitlement program. Enrollment is subject to available funding. PCAP is based on Patient-Centered Medical Homes (PCMH) where teams of practitioners take a proactive and comprehensive role to treat and coordinate healthcare needs. The primary care provided is responsible for a patient's basic preventive, physical and mental health needs. If approved the program would begin January 1, 2017, with a recommended budget of $19.3 million in dedicated funds through the end of the FY 2017 fiscal year. Ongoing funding for FY 2018 would total $30 million.

Armstrong thanked the Committee for the 3% CEC increase last year and then discussed the Department's turnover rate and employee survey data. Employee turnover of 15% last year was the highest it had been for several years. Exit interviews indicated the main factor was low pay; employees going to new jobs reported an average increase in pay of 26%. Employee retention is critical so the Governor's proposal for another 3% CEC for FY 2017 was well received.

Crisis centers provide safe, voluntary, effective and efficient alternatives to jails and hospital emergency rooms. Idaho currently has centers in eastern and northern Idaho and the Department has budgeted for a third crisis center at a cost of $1.7 million.

After being sued by a group of Medicaid providers, in 2012 Idaho was order by the federal court to increase reimbursement rates for Supported Living Services within the Medicaid program. In April of 2015 the U. S. Supreme Court vacated the lower court's order for higher rates and informed Idaho it needed to reinstate previously approved rates and collect three years' worth of overpayments from providers which would have cost over $55 million. The Department was concerned that hundreds of participants would lose their ability to live independently because some providers could be put out of business. In December of 2015, Idaho Medicaid was notified that it would not be required to collect back payments but rates needed to revert back to 2012 rates. Medicaid developed temporary rates that will go into effect on February 1, 2016. A survey of all 63 agencies involved will be conducted in order to do a cost analysis to establish appropriate rate which will take about six months; rates will then be adjusted accordingly. The Department had planned to revert $10 million for FY 16 and another $10 million for FY 2017, but the amount to be reverted is now uncertain. The Director assured JFAC he will keep the Committee informed regarding this matter.

Armstrong provided an updated chart showing public assistance use by Idaho citizens which covers Food Stamps, Medicaid, cash assistance and subsidized child care for working parents. Also included in the chart are the number of people who applied through Your Health Idaho insurance exchange and qualified for a tax credit. Approximately 77,000 Idahoans have applied and qualified for a tax credit to offset insurance costs. Exchange and tax credits have become very important to the State's catastrophic program costs; where once indigent costs were skyrocketing they have now declined.

Indirect Support Services

PRESENTER: **David N. Taylor, CPA, CFE, Deputy Director**

To view the presentation, please click on the following link: Indirect Support Services

Besides the FY 2017 budget recommendation from the Governor, **Taylor** also discussed a report on some legislative intent language, commented on the Department's audit findings and provided other pertinent information. Support Services budget is 1.5% or $42 million of the total Health and Welfare budget of $2.78 billion. He also discussed the $42 million budget by fund source and object. As the name implies, Support Services provides administrative services in support of the Department's programs including the Office of Financial Services, the Division of Information Technology Services, the Division of Operational Services, and the Bureau of Audits and Investigations.. **Taylor** expressed thanks to his staff and to the Governor for the three percent merit-based pay increase for state employees.

There are five items in the Governor's budget recommendation: one FY 16 supplemental for $1.3 million (federal appropriation), Program Maintenance replacement item (one-time) of $1.287 million for vehicles, and IT equipment, and following three line items: 1) $261,400 for the criminal History Unit staffing, 2) a workload shift to the Attorney General's Office, and 3) creation of the Primary Care Access Program for $794,400. **Taylor** also discussed some intent language in last year's House Bill 288 wherein Support Services provide reports bi-annually to Legislative Services Office and the Division of Financial Management comparing the total cost from all funding sources used for the MPIU and the collections related to those efforts.

Of the ten audit findings assigned to Support Services for resolution, three are related to "period of availability," three are attached to Federal Funding Accountability and Transparency Act (FFATA) reporting, and two are associated with cash draws and financial reporting, and the remaining two are connected with TANF. The Department disagrees with the Period of Availability finding and believes adopting the recommendation would require the Department to transition from Idaho's current cash accounting methodology and change to a very expensive and unnecessary accrual accounting system. **Taylor** has received correspondence from the SNAP program that they will uphold legislative audit's conclusion. The Department of Health and Welfare has corrected or submitted the required reports and is developing policies and processes to fix the FFATA findings. Regarding the Child Care and TANF financial reporting, Legislative Audit reviewed the process for Child Care reporting and determined the amounts submitted are now supported with adequate documentation and they have closed the Child Care portion of the finding. TANF officials indicated they do not sustain the findings nor legislative audit's recommendation; therefore, the Department considers the remaining portion of finding 2013–213 resolved. Finding 2014–210 relates to the Department's federal cash draw process; to ensure compliance DHW has hired additional staff to assist with the monitoring and review of the cash draw process. Legislative Audit will perform audit procedures on the cash draw calculations as part of the 2015 Single Audit fieldwork to determine if DHW has addressed that finding. Regarding 2014–212 for Medicaid and CHIP Financial Reporting, DHW has submitted the necessary report adjustments and improved its quarterly reporting process. Legislative Audit is currently reviewing the work and will report on it in March of 2016.

Taylor gave the Committee a heads-up on a possible request the Department will make during the 2017 legislative session stating the following: 1) During the 2010 legislative session, DHW made an ongoing request of $1.4 million in General Funds to maintain critical services, 2) In February, 2010, due to declining State revenue, DHW offered to utilize available Social Service Block Grant (SSBG) funds instead of the $1.4 million general fund request, 3) the 2015 SSBG award was approximately $500,000 below the 2010 and 2011 amount so the SSBG funds will soon be depleted.

Division of Public Health

PRESENTER: **Elke Shaw-Tulloch, MHS, Division Administrator**

To view the presentation, please click on the following link: Public Health Services

The status of a legislative audit was discussed; the Department implemented procedures to review the subrecipient indirect cost rate plans on a rotating two-year schedule. Procedures include a review of subrecipients' indirect cost allocation plans, including calculations and supporting documents, and verification that costs are allowable.

Public Health is supported by the following eight bureaus: Newborn Screening, Physical Activity and Nutrition, Healthcare Shortage Designations, Vital Records Management, Time Sensitive Emergencies, Public Health Accreditation, Laboratory Testing, and Epidemiology. The mission of Public Health is preventing communicable disease and other health threats through targeted efforts, supporting and encouraging healthy lifestyles, healthy communities and healthy environments, and partnering with the health care system.

The FY 2017 Public Health by appropriation is $114.7 million; information was also provided by fund source and by category. The Governor recommended the following: 1) $170,000 in general funds to replace the state communications radio console and antiquated phone system; 2) $596,000 for vaccine coverage for TRICARE-insured children serving approximately 7,700 children; 3) $128,000 in general funds for the Expanded Access Program for Epidiolex coverage); 4) $83,300 in federal spending authority to E-WIC transition; 5) $20,000 in general funds for a new 100–foot irrigation well at the State Public Health Laboratory; 6) $1,256,700 for cessation services, NRT and evaluation, and $1,450,000 for media and sponsorships to enroll people in cessation services for a total of $2.706,700, one-time, from the Millennium Fund, and 7) replacement and repair items for $140,200.

ADJOURNED: There being no further business, Chairman Keough adjourned at 10:45 A.M.

Senator Keough
Chair

Peggy Moyer
Secretary

AGENDA

JOINT FINANCE-APPROPRIATIONS COMMITTEE

8:00 A.M.
Room C310
Tuesday, January 19, 2016

HEALTH AND HUMAN SERVICES WEEK

TIME	DESCRIPTION	PRESENTER
8:00-8:30	**Office of Performance Evaluations Special Hearing:** Idaho Behavioral Health Plan	*Lance McCleve* *Principal Evaluator* *Ryan Langrill, PhD* *Senior Evaluator*
	Department of Health and Welfare:	
8:30-9:10	Division of Medicaid LBB 2-35	*Lisa Hettinger* *Division Administrator*
9:10-9:20	*Break*	
9:20-10:00	Division of Medicaid (Continued)	
10:00-10:40	Mental Health Services LBB 2-45	*Ross Edmunds* *Division Administrator*
10:40-11:00	Healthcare Policy Initiatives LBB 2-91	*Cynthia York* *Division Administrator*

MINUTES

JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Tuesday, January 19, 2016

TIME: 8:00 A.M.

PLACE: Room C310

MEMBERS PRESENT: Senators Co-chairman Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey

Representative(s) Co-chairman Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

ABSENT/ EXCUSED:

CONVENED: **Chairman Bell** called the meeting to order at 8:00 AM

PRESENTER: **Lance McCleve, Principal Evaluator and Ryan Langril PhD, Senior Evaluator, Office of Performance Evaluations**

Office of Performance Evaluations Special Hearing: Idaho Behavioral Health Plan

Mr. McCleve introduced himself and **Ryan Langril, PhD** Senior Evaluator with the Office of Performance Evaluations. **Mr. Langril** began the presentation to the committee with a brief overview of the design and purpose of the Idaho Behavioral Health Plan. The Legislature and the Department of Health and Welfare have successfully addressed concerns about the overreliance on psychosocial rehabilitation. The department now needs to make significant improvements to Mental Health and program planning before taking its next steps. Officials expressed a desire to reform outpatient behavioral health for Medicaid patients. The department planned for changes to policy, service criteria, and oversight to bring services in line with department intent. Changes were implemented through a three-year contract estimated at $300 million.

Results included a substantial decline in PSR, and an increase in other services: most notably in family therapy. Recommendations from the department urge to continue taking steps to build capacity and services in the community. The department should formally evaluate the merit of including inpatient services in the behavioral health plan and use independent, third-party expertise for assistance in evaluating the merit of including inpatient services. Office of Performance Evaluations: Idaho Behavioral Health Plan

The Department of Health and Welfare

PRESENTER: **Lisa Hettinger, Division Administrator, Department of Health and Welfare: Division of Medicaid**

Department of Health and Welfare; Division of Medicaid

Administrator Hettinger opened the presentation to the Budget Committee with an overview of topics to be discussed including; the Legislative Audit findings, FY 2016 Legislative Intent Report, and the FY 2017 Division of Medicaid Budget Recommendation.

According to Legislative Intent Language from **H 240**, the Division of Medicaid required the delivery of reports to LSO and DFM to include the Medicaid Expenditures, Receipt Authority, and Managed Care (a biannual report). The Medicaid Expenditures report compares actual expenditures to appropriation and forecast for next FY. The Receipt Authority describes any ongoing need for additional, dedicated receipt authority to be built into the budget. Non cognizable need remains due to drug rebate volatility and increase in generic drug cost. The Managed Care Report illustrates progress in integrating managed care approaches into the medicaid system. Managed Care Initiatives have previously included Healthy Connections Case Management, Dental Services, Non-Emergent Medical Transportation, Outpatient Behavioral Health, and Managed Care for Dually Eligible. The Medicaid Patient Centered Medical Home Redesign introduces two new "Connections Tiers" to start February 1st, 2016 and enhanced case management payments for PCMH clinics.

Idaho Behavioral Health Plan:
In 2012 the committee goals for IBHP were established to change out patient behavioral health so that it enables participants to move into recovery, resilience, and wellness; provides evidence-based services and shifts to an outcomes-based services model. The IBHP-Managed Care Performance for adults decreased CBRS Utilization from 35% to 21% and increased the use of family therapy from 3% to 13%. Utilization patterns reflect the shift to evidence-based care. For children, this means CBRS utilization reduced 30% and family therapy increased 23%.

The FY 2017 IDHW Budget Recommedation:
The State of Idaho has experienced an unanticipated increase in the cost of generic drugs. The Governor's Budget Recommendation will allow for a transition for unemployed Medicaid recipients to afford generic drugs. The FY 2017 Medicaid by funding source revealed that 63.1% or $1.397 billion comes from Federal Funds, 23.2% or $514.9 million comes from the General Fund, and 12.3% or $273.13 million comes from Receipts. The smallest funding source comes from Dedicated Funds at 1.4% or $30.0 million. **Administrator Hettinger** then stood for questions.
Division of Medicaid

PRESENTER: **Ross Edmunds, Division Administrator, Mental Health Services; A Division of the Department of Health and Welfare**

Department of Health and Welfare: Mental Health Services

Administrator Edmunds brought before the committee a high-level overview of the Department of Health and Welfare: Division of Mental Health Services and their FY 2017 budget recommendation. The Behavioral Health System provides care to citizens of Idaho who live with mental illness in three categories: Individuals dealing with a mental health crisis typically short term and often life-threatening, in-need of immediate intervention, individuals with chronic, severe mental illness; typically lifelong and debilitating, require intensive long-term management and support, and individuals with serious mental illness that need ongoing maintenance; i.e. medication, check-ups, brief assistance when minor challenges manifest. The State of Idaho is currently working toward safe and stable housing for adults with chronic mental illness who may never be able to live independently. Better access to ongoing health care for people with Behavioral Health disorders and a more effective Behavioral Health system are most important priorities to the Mental Health Services and the commitment to Idaho's citizens. Crisis Centers and Crisis Intervention Teams partner with law-enforcement and local health care providers to determine the needs of individuals where law enforcement may not be as effective as medical treatment and rehabilitation. Crisis centers have the ability to serve an individual for 24 hours, and offer hospitalization for up to 5 days. Since the opening of the Eastern Idaho Crisis Center in December of 2014, 1,200 hours of law enforcement time has been saved, and 2,349 patients have been served.

Administrator Edmunds then presented the latest update and possible timeline to dismissal in regards to the Jeff D lawsuit. Creating a more effective and highly specialized care for children in the State of Idaho suffering with emotional disturbances is the primary goal for the professionals working to resolve the class-action lawsuit. Health care professionals work with the schools and homes to ensure proper service to the children of Idaho.

Administrator Edmunds concluded by enthusiastically endorsing the CEC increase recommended by the Governor and stood for questions regarding the FY 2017 Budget Recommendation. Mental Health Services

PRESENTER: **Cynthia York, Division Administrator, Healthcare Policy Initiatives: A Division of the Department of Health and Welfare**

Department of Health and Welfare: Healthcare Policy Initiatives

Administrator York began the department's Budget Request for remainder FY 2016 and FY 2017 by introducing **Casey Moyer**, Operation Project Manager for the Healthcare Policy Initiatives. Although the appropriation is 100% federal funds, the entirety of the Healthcare Policy Intiative's budget is 0.4% of the Department of Health and Welfare. The State of Idaho was awarded a Center for Medicare and Medicaid Innovation planning grant to develop the State Healthcare Innovation Plan. The Idaho Healthcare Coalition has identified several goals of SHIP, each one an operational component including: PCMH technical assistance, data gathering and analytics, and a reduction in health care costs. Medicaid is restructuring the Healthy Connections and Health Home Programs to incentivise primary health care providers to transform their clinics into patient centered medical homes. Healthcare Policy Initiatives

ADJOURN: There being no further business to come before the committee, **Chairman Bell** adjourned the committee at 10:59 AM

Representative Bell	Christi Cox
Chair	Secretary

AGENDA

JOINT FINANCE-APPROPRIATIONS COMMITTEE

8:00 A.M.
Room C310
Wednesday, January 20, 2016

HEALTH AND HUMAN SERVICES WEEK

TIME	DESCRIPTION	PRESENTER
	Department of Health and Welfare:	
8:00-8:45	Psychiatric Hospitalization LBB 2-53	*Ross Edmunds* *Division Administrator*
8:45-9:10	Substance Use Disorders Treatment and Prevention LBB 2-75	
9:10-9:30	Independent Councils: Domestic Violence Council LBB 2-21	*Luann Dettman* *Executive Director*
9:30-9:40	*Break*	
9:40-10:35	Division of Welfare LBB 2-81	*Lori Wolff* *Division Administrator*
10:35-11:00	Licensing and Certification LBB 2-95	*Tamara Prisock* *Division Administrator*

MINUTES

JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE:	Wednesday, January 20, 2016
TIME:	8:00 A.M.
PLACE:	Room C310
MEMBERS:	Senators Co-chairman Keough, Bair, Mortimer, Brackett, Nuxoll, Johnson, Thayn, Guthrie, Schmidt, Lacey Representatives Co-chairman Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
ABSENT/ EXCUSED:	None
CONVENED:	Chairman Keough convened the meeting at 8:00 A.M.
STAFF PRESENT:	Tatro
PRESENTATION:	**DEPARTMENT OF HEALTH AND WELFARE** **Psychiatric Hospitalization, Division of Behavioral Health**
PRESENTER:	**Ross Edmunds, Division Administrator**

To view the presentation, please click on the following link: Psychiatric Hospitalization

Psychiatric Hospitalization is organized into three budgeted groups: State Hospital South (SHS), State Hospital North (SHN) and Community Hospitalization. Of the $96.9 million budgeted for the Division of Behavioral Health, 39.2% or $38.1 million is for Psychiatric Hospitalization. By fund source 55.3% or $21 million is General Funds, 16.2% or $6.2 million is Federal Funds, 15.9% or $6.1 million is Dedicated Funds, and 12.6% or $4.8 million are receipts. The average daily psychiatric hospital rates are $883 for Community Hospitalization, $509 for SHN and $600 for SHS.

The following three groups are served by psychiatric hospitalization services: those with a mental health crisis (usually short term), individuals with chronic, severe mental illness (typically lifelong and debilitating), and individuals with serious mental illness who need ongoing maintenance (medication, etc.). The core functions of state hospitals are to stabilize a psychiatric condition; reduce the risk of self-harm or harm to others; assess, diagnose and treat presenting conditions; restore competency for standing trial, and to coordinate with regional mental health clinics for transition of patients.

SHS has been operating in Blackfoot since 1886, has 90 adult psychiatric beds, 16 adolescent beds, and is accredited by the Joint Commission. Adult admissions have been slowly increasing; however, there was a slight drop last year. Length of hospital stay has been decreasing. **Edmunds** discussed the following budget items: 1) a supplemental for $511,600 to cover a personnel funding shortfall, 2) $321,900 to increase staffing for life safety issues, 3) $37,600 to increase psychologist pay, 4) convert 12 temporary benefitted positions to 8.65 permanent positions, and 5) $875,200 for repair and replacement items.

SHN has been operating since 1905 in Orofino, has 60 adult psychiatric beds, and is licensed by the State of Idaho. Admission rates are trending down while length of stay is trending up. The following budget items were discussed: 1) $300,000 for staffing for life safety issues due to higher acuity levels requiring more one-on-one care, 2) $26,500 to increase psychologist pay, and 3) $116,800 for repair and replacement items.

Community Hospitalization contracts with ten private psychiatric hospitals statewide and there is central management of contracts. Funds are used to pay for patient care once an individual has been committed to state custody before a bed is available in one of the two state institutions. **Edmunds** briefly commented about the change in workforce stating that 63% of those interviewed at separation identified pay as the reason for leaving. He complimented the dedicated staff in the Division of Behavioral Health.

Substance Use Disorders Treatment and Prevention
Division of Behavioral Health

PRESENTER: **Ross Edmunds, Division Administrator**

To view the presentation, please click on the following: Substance Use Disorders Treatment and Prevention

The Substance Abuse FY 2017 budget is 17.5% or $16.9 million of the Behavioral Health appropriation of $96.9 million. Substance Use Disorders (SUD) services include treatment and recovery support, facility approval, prevention (partners with the Office of Drug Policy), and permits and inspections for tobacco retail sales. Treatment is necessary for alcohol and drug addiction. In FY 2016 the appropriation was $8.9 million. A pilot outcomes study representing several Idaho agencies has been implemented and they are collecting outcome data in the voluntary treatment population at admission, discharge, 30 days, 180 days, and 12 months post-discharge. The study will provide information on the long-term impact SUD treatment has on clients and the community. Information received during the pilot will be used to expand follow-up data collection to all clients funded through the Department of Health and Welfare. Voluntary population outcomes to date include: 1) the primary substance of use at the time of treatment: 57% alcohol; 22% amphetamines(meth); 10% opiates, 7% cannabis—marijuana; and 4% other; 2) co-occurring incidents: 62% of clients seeking treatment had significant psychiatric problems; 3) 44% completed treatment or transferred to another level of care, and 4) at the time of discharge, 92% of clients that completed treatment reported no substance use in the previous 30 days. Substance use disorders prevention is required by the federal block grant through a maintenance of effort; 20% of the grant or $1.8 million must be spent on prevention; that funding is transferred to the Office of Drug Policy for administration. There were six voluntary separations representing 36% of the workforce mostly due to structural changes and retirement. **Edmunds** expressed gratitude to the 16 FTP for their dedication and supports the Governor's 3% CEC recommendation.

Independent Councils
Domestic Violence Council

PRESENTER: **Luann Dettman, Executive Director**

To view the presentation, please click here: Independent Councils — Domestic Violence Council

The Domestic Violence Council was established to ensure the availability of assistance for victims of crime with a focus on programs assisting victims of domestic violence, sexual assault or child abuse. The Council administers federal and state funding to victims, develops standards, monitors victim service programs and offender intervention programs, and provides education and training. The Council has 35 victim service programs and 23 offender intervention programs in 32 locations throughout Idaho. In FY 2015, 18,903 victims were served (14,098 adults and 4,805 children) and 131,490 services were provided. The presentation was mainly focused on intent language regarding additional funds appropriated in FY 2016.

The presentation was mainly focused on intent language regarding additional FY 2016 VOCA funds. By way of background the Council received the following: in federal FY 2012, $2.2 million; in FY 2013, $2.4 million; in FY 2014, 2.6 million; in FY 2015, $10 million; and an estimated $10 million in FY 2016. In anticipation of the increase in FY 2015 the Council requested an increase in spending authority for FY 2016. (Several years ago the Council elected to utilize each annual award over a three-year period so if federal funding were to end, the Council could continue to fund programs for three additional years without interrupting services in order to provide time for programs to seek other funding sources.) In FY 2016, utilizing the three-year formula, the Council granted $3.9 million in VOCA funding to 35 programs. The additional $1.5 million made a large impact in services provided.

In the past the same programs applied and were funded at a consistent level. With increased funding it was necessary for the Council to insure that a framework was in place to provide enhanced/additional services for those programs receiving funds. At the same time, federal criteria required reporting quarterly rather than annually. Reporting and monitoring tools were updated and the Council took the following steps: 1) conducted a statewide needs and services assessment through Boise State University, 2) held a one-day meeting with funded programs to discuss needs, 3) contacted programs providing services by email and telephone, 4) compared victimization types from 2014 and 2015 and found child sexual abuse and elder abuse were two areas that increased considerably, and 5) compared services provided from 2014 and 2015 and found all services had increased with significant increases in advocacy and counseling. The Council then determined its highest priorities were: 1) legal services, 2) transitional housing, 3) children advocacy services, and 4) elder abuse. The Council has received 10 letters of intent from programs not previously funded that fit into their highest-priority categories.

The Council has awarded $5 million of the appropriated $8 million and **Dettman** is confident the Council will utilize the full $8 million requested in the appropriation for FY 2017.

Division of Welfare

PRESENTER: **Lori Wolff, Administrator**

To view the presentation, please click on the following link: Division of Welfare

Wolff gave an overview of the Division of Welfare including budget details, a review of current open audit findings and program participation. She presented additional information on Self Reliance Services including employment and training, child care, child support, nutrition education and healthcare.

The Division of Welfare makes up 6.8% or $188.4 million of the Department of Health and Welfare's overall budget. Almost 23% of the Division's funding supports personnel, another 23% covers operating expenditures, and 55% is for Trustee and Benefits (not including SNAP or Child Support). Funding supports 645.55 full-time positions, 19 field offices, 3 processing centers and 75 contracts providing a variety of services. Two-thirds of the Division's funding comes from federal funds, 23% from state general funds, 10% from dedicated funds, and just under 3% from receipts. If the proposed Primary Care Access Program (PCAP) is approved, it would create a third appropriation for the Division of Welfare. Receipt funds are used in Child Support and also allow Your Health Idaho to pay for eligibility services for Idaho's Insurance Marketplace. Dedicated funds would be used exclusively for PCAP.

There are three currently open audit findings in the Division of Welfare. One relates to TANF eligibility verifications and two findings relate to the Low Income Heating and Energy Assistance program. The Division has implemented corrective action on all three findings and they are in final review by Legislative Audits.

Self Reliance programs are intended to help low-income individuals and families. In FY 15 one in three Idahoans was served through a combination of programs. The largest programs served 290,000 individuals in SNAP (food stamps), 414,000 people with Child Support Services, and almost 350,000 with Medicaid services. The Division also determined eligibility for Advanced Payment of tax credit for more than 77,000 Idahoans which helps families pay for private insurance administered by Your Health Idaho. In 2015 over $178 million in tax credit was available to Idahoans to help buy health insurance.

Almost 15% of Idahoans live below the poverty line struggling with disabilities, low wages, minimal education, transportation, employment and/or health issues. The question is how to help these families and individuals become more self-reliant. There are some critical interventions that improve the effectiveness of these self-reliance programs. The average length of stay on SNAP in Idaho is 13 months. The reality for individuals who have continuously received SNAP services over the past six years is that their income is constantly below 130% of the federal poverty limit and despite being employed, it is not enough to create economic security for the individuals. The Division of Welfare invests about $8 million annually in the Employment and Training program to help people develop job skills and find or train for employment. Idaho is considered a mandatory work state; therefore, any able bodied adult who can work must be working or participating in work activities as a condition of eligibility for SNAP and cash assistance.

Idaho's Child Support Program is another critical service that can provide economic security. When child support becomes a dependable source of income, people are less likely to need government assistance. The Division administers an effective Child Support program to over 400,000 Idahoans annually. One of the Governor's budget recommendations is funding a three-year project to modernize the Child Support automated system. Another of the most important supports for working parents is to ensure they have reliable and affordable child care for children. Idaho's Child Care program known as ICCP pays a portion of a family's child care costs so parents can work or attend school; in 2015 over $25 million in child care subsidies were paid to Idaho child care providers. ICCP also provides access to early childhood education opportunities by encouraging and licensing child care providers who provide pre-K education. One of the budget recommendations is an increase in federal fund authority to increase the market rate reimbursement for ICCP providers.

Promoting healthy lifestyles is also a critical component in helping families find stability and self reliance. The Division is committed to investing in education, incentives and programs that encourage healthy behaviors, healthy eating and wise purchasing choices. Healthy lifestyles also include access to healthcare and Idaho has implemented one of the lowest cost state-based exchanges; 85,000 Idahoans have enrolled in health insurance and about 90% (77,000 individuals) qualify for tax credits. The proposed Primary Care Access Program (PCAP) is designed for those who fall below the poverty line but are not eligible for assistance through Medicaid or a tax credit. It is estimated that another 75,000 uninsured individuals would have access to primary care services. PCAP is not health insurance but it would be an important first step in helping treat chronic illness and other health issues. Under the proposed program, individuals would be assigned medical home that would provide primary care services. It is estimated the annual cost would be about $30 million.

The Governor's FY 17 budget recommendations for the Division of Welfare include: 1) $30 million annualized for the Primary Care Access Program totally funded with dedicated funds to become operational on January 1, 2017, 2) $3,571,600 (90/10 match) to support and maintain eligibility technology systems (IBES maintenance and modernization) which requires CMS approval for enhanced funding, 3) a supplemental for $2,114,300 for ongoing federal spending authority for increased payments in the Child Care program, 4) $2,400,000 one-time operating in federal fund authority to move the Child Care program automated system from the State Controller's mainframe system to the Department's eligibility system (IBES), 5) a total of $8 million to modernize Idaho's Child Support Enforcement System, and 6)$330,400 in nondiscretionary adjustments to provide cash payments to certain low-income participants who are blind, disabled, or over the age of 65.

Division of Licensing and Certification

PRESENTER: **Tamara Prisock, Division Administrator**

To view this presentation, please click on the following link: Division of Licensing and Certification

Prisock thanked the Committee for adding four Health Facility Surveyor positions to her division. She provided an update on staffing and the Division's workload and presented two budget recommendations. The purpose of the Division of Licensing and Certification is to ensure Idaho health facilities comply with federal and state statutes and rules; they exist to promote individuals' rights, well being, safety, dignity and the highest possible level of functional independence. The Division licenses and certifies 17 types of facilities, 3,400 health care and residential facilities with over 23,000 treatment beds throughout Idaho. The Division's work falls into two main categories: 1) health care facilities that require a state license or certificate to operate within the state, and 2) contractor for the Centers for Medicare and Medicaid Services (CMS) that conducts surveys for federal certification for facilities that receive Medicare and Medicaid as a source of payment.

The Division of Licensing and Certification has proposed a budget of $6.9 million which represents 0.3% of the total Department of Health and Welfare's budget of $2.78 billion. Funding comes from three sources: 61% in federal funds, 26.1% in general funds, and 12.9% in receipts; 86.6% of the budget is for Personnel Costs and 13.4% is for operating expenses.

The two biggest challenges facing the Division are retaining trained and experienced surveyors and successfully managing the workload. There are seven teams and each team works with specific facility types. Each facility type has specific state and/or federal licensing and certification requirements; therefore, managing staff is more complicated. In some cases it takes six to nine months to train a surveyor to conduct federal certification surveys. Some staffing strategies include: conducting surveys in order to improve working conditions and increase retention, getting staff feedback on how to offer support, and collaborating with ISU for recruitment of temporary surveyors.

In calendar year 2015 the Division completed 3,619 surveys and complaint investigations; complaints increased from 375 in 2014 to 444 in 2015 which created challenges in work scheduling because other work must be postponed or rescheduled in order to focus on complaints. As of December, 2015 there were a total of 227 overdue surveys and 143 overdue complaint investigations. The long-term care team is falling further behind due to employee turnover. The residential assisted living team still has a large backlog of work and receives the highest number of complaints; this team is implementing a new automated system that should increase efficiency.

The Governor's two budget recommendations include a certified family home fee increase and some transfers from Child Welfare to this division to align the Children's Licensing Unit (CLU) with other licensing and regulatory functions.

ADJOURNED: There being no further business, Chairman Keough adjourned the meeting at 10:37 A.M.

Senator Keough
Chair

Peggy Moyer
Secretary

AGENDA

JOINT FINANCE-APPROPRIATIONS COMMITTEE

8:00 A.M.
Room C310
Thursday, January 21, 2016

HEALTH AND HUMAN SERVICES WEEK

TIME	DESCRIPTION	PRESENTER
	Department of Health and Welfare:	
8:00-8:30	Services for the Developmentally Disabled LBB 2-17	*Gary Moore* *Division Administrator*
8:30-9:10	Child Welfare and Service Integration LBB 2-13; 2-71	
9:10-9:20	*Break*	
9:20-10:00	**Catastrophic Health Care Program** LBB 2-3	*Roger Christensen* *Board Chairman*
10:00-10:30	**Public Health Districts** LBB 2-101	*Maggie Mann, Director* *Southeastern Idaho Public Health*

MINUTES

JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE:	Thursday, January 21, 2016
TIME:	8:00 A.M.
PLACE:	Room C310
MEMBERS PRESENT:	Senators Co-chairman Keough, Bair, Mortimer, Brackett, Nuxoll, Johnson, Thayn, Guthrie, Schmidt, Lacey
	Representatives Co-chairman Bell, Gibbs, Miller, Youngblood, Burtenshaw, Horman, Malek, Monks, King, Gannon
ABSENT/ EXCUSED:	Schmidt
CONVENED:	**Chairman Bell** called the meeting to order at 8:00 AM

Department of Health and Welfare

PRESENTER: **Gary Moore, Division Administrator: Services for the Developmentally Disabled, Child Welfare, and Service Integration**

The Division of Family and Community Services (FACS) for the Developmentally Disabled and Child Welfare & Service Integration

Administrator Gary Moore began the presentation of the FY 2017 Budget Recommendation for the Division of the Developmentally Disabled and Child Welfare with strong enthusiasm of the Governor's recommendation for a 3% CEC increase and praising the efforts of his diligent staff. The Division of Family and Community Services, or FACS, is dedicated to the safety, well-being, and permanency of the children of Idaho whose quality of life may be obstructed by a developmental disability, or a situation of abuse or neglect.

Administrator Moore presented the accomplishments and challenges related to Idaho 211 Care line, and the Idaho KinCare Program. The State of Idaho has seen a success of 29,000 children successfully housed and cared for by family members according to FACS requirements. Moreover, with only staff of 25 employees FACS has been able to serve 8,298 families. Administrator Moore expressed concern for the department's outdated equipment and technology and directed attention to the transfer of FTP in licensing and certification. Administrator Moore then stood for questions regarding the FY 2017 Budget Recommendation. Services for the Developmentally Disabled Child Welfare and Service Integration

PRESENTER: **Roger Christensen, Board Chairman, Catastrophic Health Care Program**

Catastrophic Health Care Program

Board Chairman Roger Christensen began the presentation by introducing and recognizing members of the board and their contributions towards the efforts provided by the Catastrophic Health Care Fund.

Chairman Christensen presented an overview of what the Budget Committee could expect to see in the FY 2017 Budget Recommendation including: Cost for Medicaid determinations, Indigent Trends, Patient Reimbursements and the Five-Year Comparison of the CAT Case Load. The CAT fund five-year comparison reveals that the Catastrophic and the Indigent Fund have experienced a decline in expenditures. Providers in the counties and inconsistencies in the training program are two of the challenges driving fund requests. Improvements in the website will increase the information made available to citizen's in need of program assistance. Mr. Christensen illustrated the online process by walking the Budget Committee through the application for citizens in need. The chairman then stood for questions regarding the CAT Fund and the Budget Recommendation. Catastrophic Health Care Program

PRESENTER: **Maggie Mann, Director, Southeastern Idaho Public Health and Ken Estep, Board of Health Chairman & Trustee**

Idaho Public Health Districts

Chairman Ken Estep, began the presentation of the Idaho Public Health Districts by quoting Idaho Code, Title 39, Chapter 4: "It is the legislative intent that health districts operate and be recognized not as state agencies or departments, but as governmental entities whose creation has been authorized by the state, much in the manner as other single purpose districts." He further explained the definition associated with Public Health Districts and the responsibilities shared between them. Idaho's Public Health Districts promote health education in individuals and in communities, protect Idaho families from health threats through community preparedness, assure access to high-quality care services, and protect the environments of our communities inside buildings and public facilities.

Director Maggie Mann furthered the presentation on Idaho Public Health Districts by providing the FY 2017 Budget recommendation. She made note to the Budget Committee that Public Health Districts will not be seeking any legislation this year, but must maintain their own funds for legal representation and building maintenance. Public Health Districts stress the importance of Public Health Education insisting that homes are the most powerful lines of defense to students and disease.

Contracts and Fees: funding for contracts will come from federal levels to the Department of Health and Welfare and then be distributed accordingly. Unfortunately, these contracts simply do not cover the cost of services provided. Once the community comes to expect a service it becomes increasingly difficult to stop offering these services. Many factors contribute to funding shortfalls including: the length of time an employee has been working, geographic distance from individual to the program, IT requirements, CEC, and the list goes on. Fees may not exceed the cost of providing a service. Some fees are set in statue and

therefore are different to each local Public Health Structure. Director Mann then stood for questions regarding the Governor's Budget Recommendation. Idaho Public Health Districts

ADJOURN: There being no further business to come before the committee, **Chairman Bell** adjourned the meeting at 10:23 AM.

Representative Bell
Chair

Christi Cox
Secretary

AGENDA

JOINT FINANCE-APPROPRIATIONS COMMITTEE

8:00 A.M.
Room C310
Friday, January 22, 2016

TIME	DESCRIPTION	PRESENTER
8:00-8:30	Division of Veterans Services LBB 5-129	*David Brasuell* *Division Administrator*
8:30-8:50	Office of Drug Policy LBB 6-69	*Elisha Figueroa* *Director*
8:50-9:20	Medical Boards LBB 5-103	*Jared Tatro* *Principal Analyst*
9:20-9:30	***Break***	
9:30-10:00	Commission on Hispanic Affairs LBB 5-75	*Margie Gonzalez* *Executive Director*
10:00-10:30	**Supplemental Appropriations**	
	IDAHO STATE POLICE Restore Byrne JAG/Idle Pool Loss p.17 #30	*Richard Burns* *Principal Analyst*
	ISP Absorb Byrne JAG/Idle Pool Loss p.17 #31	
	COMM FOR THE BLIND & VISUALLY IMPAIRED Program Income p.29 #60	
	Title I Federal Grant p.29 #61	

MINUTES

JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE:	Friday, January 22, 2016
TIME:	8:00 A.M.
PLACE:	Room C310
MEMBERS:	Senators Co-chairman Keough, Bair, Mortimer, Brackett, Nuxoll, Johnson, Thayn, Guthrie, Schmidt, Lacey Representatives Co-chairman Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
ABSENT/ EXCUSED:	None
CONVENED:	Chairman Keough convened the meeting at 8:00 A.M.
STAFF PRESENT:	Tatro, Burns
PRESENTATION:	**SELF-GOVERNING AGENCIES** **Division of Veterans Services**
PRESENTER:	**Col. David E. Brasuell, Division Administrator**

To view this presentation, please click on the following link: Division of Veterans Services

The Division's mission is caring for America's heros and providing superior advocacy, excellent assistance with benefits and education, high quality long-term care, and respectful interment services in a dignified final resting place. A five-member Veterans Affairs Commission provides guidance and assists in promoting Division activities. There are three long-term care facilities in Boise, Pocatello, and Lewiston and a Veterans Cemetery in Boise. The Division serves as the state approving agency and is responsible for reviewing, approving and auditing veterans' education benefits through the Post-9–11 GI Bill program. Federal regulatory requirements continue to increase personnel and operating costs which have dramatically increased scrutiny of the criminal history process and will require reporting detailed employee and contractor staffing hours to the Centers for Medicare and Medicaid Services (CMS).

Brasuell commented that it is challenging to serve over 132,000 Idaho veterans spanning four generations across five major wars. The Office of Veterans Affairs (OVA) assists in bringing millions of dollars to Idaho each year which makes a significant contribution to Idaho's economy. Last year over $746 million in benefits came into Idaho and about $84 million moved directly through the Veterans Services Boise office. For every dollar the Division spends of state general funds, Idaho gains a return on investment of over $85 million. The number of veterans is declining, however, the number of those seeking care and benefits is increasing. As a result the workload has risen dramatically due to the number of claims filed.

Improving and expanding outreach efforts continues to be of major importance. A satellite OVA office was opened in Twin Falls in July, 2015 which allows Magic Valley veterans and their families to access services closer to home. The Division continues to partner with the Idaho Suicide Hotline and the Veterans' Courts (which are modeled on drug and mental health courts) and the Idaho Veterans Service-members & Families Coordination Council. The Council collaborates in the MyVA Communities with the goal of bringing together service providers from government and nonprofit sectors to address veteran issues in local communities. There is continued emphasis on education, on-the-job (OJT) training, and apprenticeship programs. One significant challenge is to work with the continued steady decline in federal funding for the Veterans Education Program. The Division continues to encourage increased funding for the Idaho National Guard's Tuition Assistance Program.

Residents of long-term care facilities enjoy care, fellowship, involvement and support from volunteers and caring communities. The occupancy rate averages about 90% in the three veterans homes. The two top recommendations from a 2014 needs assessment study indicated 1) the need to increase and upgrade the capacity at the facility in the Treasure Valley, and 2) to construct a 4th veterans home in northern Idaho due to current and projected bed shortage. The Post Falls community and leaders have expressed considerable interest in hosting this fourth home. It could take between 5 and 10 years before funding will be granted by the VA. To date over 5,900 veterans, spouses and eligible dependents have been interred at the Veterans Cemetery in Boise. The Division would like to have a second cemetery in eastern Idaho.

Brasuell discussed staffing needs, especially for nurses, low pay and salary inequities and the challenge to retain meritorious employees. He expressed gratitude for the 3% CEC; his office has experienced a significant turnover rate in the past three fiscal years. He discussed the following budget recommendations: 1) adding two new staff positions for $84,600, 2) hiring a project manager to oversee grant application, construction planning, and initial startup for a 4th veterans home and a second cemetery, 3) $167,800 to purchase capital outlay items, and $345,000 in dedicated funds for the Veterans Recognition Fund. There were no audit findings with the last Legislative audit.

PRESENTATION: **OFFICE OF THE GOVERNOR**
Office of Drug Policy (ODP)

PRESENTER: **Elisha Figueroa, Administrator**

To view the presentation, please click on the following link: Office of Drug Policy

The Office of Drug Policy (ODP) leads Idaho's substance abuse policy and prevention efforts by developing and implementing strategic action plans and collaborative partnerships to reduce drug use and related crime, thereby improving the health and safety of all Idahoans. The office has six full-time employees.

During the past year, ODP has accomplished several notable goals: 1) worked with the Legislature to address prescription drug abuse, specifically to allow easier access to Naloxone, 2) redesigned the "Be The Parents" campaign that advocates that parents be aware, be engaged, and be the parents to reduce underage drinking (which resulted in a national outstanding state award), and 3) began management of the prevention portion of the Federal Substance Abuse Grant (SABG) beginning July 1, 2015.

The SAPT block grant is for $1.8 million a year and funds 47 providers statewide who delivered 785 programs to 19,582 Idahoans. The grant funds evidence-based direct services with a smaller portion of the money going to community-based coalitions for environmental strategies; it also funds the dissemination of prevention-related materials and resources. The second federal grant the ODP administers is the Strategic Prevention Framework (SPF) that was awarded in August, 2013. The grant provides Idaho with $1.5 million per year for five years and funds 17 community-based organizations and three law enforcement agencies throughout Idaho to deliver environmental strategies. ODP has formed an advisory council to guide its efforts in implementing the Strategic Prevention Framework in Idaho. ODP's mission is to reduce drug use and related crime thereby improving the health and safety of all Idahoans and data is showing positive movement. Working collaboratively, Idaho has reduced the non-medical use of prescription pain relievers and underage drinking.

Figueroa discussed the following FY 17 budget recommendations which total $4,660,600: 1) requested spending authority for private donations made for marijuana education (dedicated funds), 2) requested spending authority for federal prevention block grants, and 3)requested spending authority for the SPF grant funds.

PRESENTATION: **SELF-GOVERNING AGENCIES**
Medical Boards

PRESENTER: **Jared Tatro, Principal Analyst, Budget & Policy, Legislative Services**

To view the presentation, please click on the following link: Medical Boards

The Division of Medical Boards includes five boards that regulate various medically-related professions in Idaho, they are: 1) Board of Dentistry, FY 2017 budget request for $611,400, Susan Miller, Executive Director; 2) Board of Medicine, FY 2017 budget request for $1,856,500, Anne Lawler, Executive Director; 3) Board of Nursing, FY 2017 budget request for $5,521,100, Sandra Evans, Executive Director; 4) Board of Pharmacy, FY 2017 budget request for $2,020,300, Alex Adams, Executive Director; and 5) Board of Veterinary Medicine, FY 2017 budget request for $300,600, Jodie Ellis, Executive Director.

Regarding Legislative Audits, the Board of Medicine had one finding regarding the Board's cash balance that had grown in excess of their average annual expenditures; it was recommended that the Board complete an analysis of their operations and customer needs to develop a solution for reducing their cash balance to an appropriate level. The one audit finding for the Board of Nursing indicated the Board exceeded internal policies for operating cash needs by three times, with approximately two years' expenditures worth of cash on hand; an analysis by the Legislative Audits Division showed the Board's projected cash balance at the end of FY 2015 would be approximately 170% of their FY 2016 expenditure appropriation of $1,372,900. In addition, there was an increase in receipts during even fiscal years and only a projected slight decease in the odd years and it was not anticipated that the Board's cash balance would be reduced to a 12–month reserve over the next few years.

Commission on Hispanic Affairs

PRESENTER: **Margie Gonzalez, Executive Director**

To view the presentation, please click on the following link: Commission on Hispanic Affairs

The Commission was established in 1987 as an independent entity of state government. The core functions include: 1) advising the Governor, legislature and state departments and agencies on statewide issues impacting Hispanics in Idaho, 2) serving as a liaison between the community and government entities to improve work-life quality, and 3) providing leadership, guidance, and advocacy concerning issues facing the Hispanic population in Idaho. The Commission is staffed with three full-time employees, has one office in Boise, and is overseen by a board of nine - 5 appointed by the Governor and 4 appointed from the Legislature.

Idaho has a growing Hispanic population. Hispanics are the largest minority group in Idaho representing 12.02% of the total population. The Commission conducts outreach to better assess issues affecting Hispanics by visiting communities with the highest concentration of Hispanics and providing opportunities for local people to get their questions about state government answered by Commission members. District 5 has the highest Hispanic population which includes Blaine, Camas, Cassia, Gooding, Jerome, Lincoln, Minidoka and Twin Falls Counties.

Hispanic population growth has posed challenges in the following areas: education, healthcare, economics and in social areas such as voter registration and civic involvement. Hispanic students are the fastest-growing demographic group in the education system. Enrollment in public K-12 schools increased by 93% between 2000 and 2015. The Hispanic community has continued to make important contributions in business, professions, academics, politics, and culture. The Commission leverages public and private partners to strategically improve outcomes for Hispanics statewide. Accomplishments include decreasing dropout rates in public schools and the Hispanic Youth Leadership summit attended by 550 youth throughout Idaho. The Governor's FY 2017 recommendations total $283,400.

FY 2016 SUPPLEMENTAL APPROPRIATIONS

SUPPLEMENTAL: **IDAHO STATE POLICE**
Division of Idaho State Police
Restore Byrne JAG/Idle Pool Loss

PRESENTER: **Richard Burns, Principal Analyst, Budget & Policy, Legislative Services Office**

A one-time supplemental is requested to provide for a $16,398.48 cash transfer from the General Fund to the Federal Grant Fund to cover ISP's federal fund portion of the Office of the State Treasurer IDLE Pool portfolio loss distribution. The federal Office of Justice Programs (OJP) considers this loss distribution to be unallowable as a condition of receiving federal grant awards.

Each OJP federal grant award includes a special condition that states: "The recipient is required to establish a trust fund account (the trust fund may or may not be an interest-bearing account). The fund, including any interest, may not be used to pay debts or expenses incurred by other activities beyond the scope of the Edward Byrne Memorial Justice Assistance Grant Program (JAG). The recipient also agrees to obligate the grant funds in the trust fund (including any interest earned) during the period of the grant and expend within 90 days thereafter. Any unobligated or unexpended funds, including interest earned, must be returned to the Office of Justice Programs at the time of closeout." Recent OJP correspondence further states: "unless authorizing guidance was granted by the Bureau of Justice Assistance, federal funding is not pooled with investments mitigating potential/actual losses. Losses are unallowable."

UNANIMOUS CONSENT: On request by Youngblood, granted by unanimous consent, the FY 2016 budget for the Idaho State Police was reopened.

CARRIED: **Original Motion**
Fund Transfer

Moved by Youngblood, seconded by Mortimer, to approve for introduction a $16,400 General Fund transfer to the Federal Grant Fund for FY 2016.

Ayes: 19

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 1

Thayn

The majority having voted in the affirmative, the motion has passed and

without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

SUPPLEMENTAL: **Division of Idaho State Police**
Patrol
Absorb Byrne JAG/IDLE Pool Loss

The agency requests, and the Governor recommends, a $16,400 one-time General Fund operating rescission to offset the cost of the requested supplemental appropriation and transfer.

CARRIED: **Original Motion**
Rescission

Moved by Youngblood, seconded by Mortimer, to approve for introduction $(16,400) General Funds, $0 Dedicated Funds, $0 Federal Funds for a total of $(16,400) with FTP of 0.00

Ayes: 19

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 1

Thayn

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

SUPPLEMENTAL: **OFFICE OF THE GOVERNOR**
Commission for the Blind and Visually Impaired
Program Income

PRESENTER: **Richard Burns, Principal Analyst, Budget & Policy, Legislative Services Office**

One-time funding is requested from the Rehabilitation Revenue and Refunds Fund. Receipts to this fund are based on clients being competitively employed and making substantial gainful activity for nine consecutive months out of twelve and who were Social Security recipients. Receipts are unpredictable, and vocational rehabilitation agencies are required to spend program income prior to drawing against federal grants.

UNANIMOUS CONSENT: On request by Youngblood, granted by unanimous consent, the FY 2016 budget for the Commission for the Blind and Visually was reopened.

CARRIED:

Original Motion
Moved by Youngblood, seconded by Mortimer, to approve for introduction $0 General Funds, $42,400 Dedicated Funds, $0 Federal Funds for a total of $42,400 with FTP of 0.00

Ayes: 19

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 1

Thayn

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

SUPPLEMENTAL: **Commission for the Blind and Visually Impaired**
Title I Federal Grant

Federal grants received by the commission as authorized by the Rehabilitation, Comprehensive Services and Developmental Disabilities Legislation (P.L. 88–164, P.L. 93–112, P.L. 93–516, P.L. 94–103, P.L. 94–230 and P.L. 95–602). The pertinent sections of this legislation are Title I: Vocational Rehabilitation Services, Title VI: Employment Opportunities for Individuals with Disabilities, and Title VII: Independent Living Services and Centers for Independent Living. The state matching requirements vary from program to program. Ongoing spending authority is requested for increased federal funds received under Title I. Additional General Fund match is not required.

CARRIED:

Original Motion
Moved by Youngblood, seconded by Mortimer, to approve for introduction $0 General Funds, $0 Dedicated Funds, $50,000 Federal Funds for a total of $50,000 with FTP of 0.00
OE

Ayes: 19

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 1

Thayn

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

ADJOURNED: Chairman Keough adjourned the meeting at 10:00 A.M.

_____
Senator Keough
Chair

_____
Peggy Moyer
Secretary

AGENDA

JOINT FINANCE-APPROPRIATIONS COMMITTEE

8:00 A.M.
Room C310
Monday, January 25, 2016

EDUCATION WEEK

TIME	DESCRIPTION	PRESENTER
8:00-8:05	Review of Governor's Recommendation	*Jani Revier, Administrator* *Div of Financial Mgmt*
8:05-8:50	**Supplemental Appropriations**	
	SECRETARY OF STATE Voting System Grants to Counties; p.30 #63	*Jared Hoskins* *Senior Analyst*
	DEPT OF JUVENILE CORRECTIONS Move Contract Funds to PC and OE; p.16 #27 WAN and Broadband Costs; p.16 #28 County Incentive Program Transfer; p.17 #29	
	DEPT OF AGRICULTURE Methyl Bromide Investigation; p.20 #36 Fresh Fruit & Vegetable Program; p.20 #37 Organic Food Program; p.21 #38 Specialty Crop Program Funding; p.21 #39 Janitorial Services; p.21 #40 Sheep and Goat Board Shortfall; p.22 #41	*Ray Houston* *Principal Analyst*
8:50-9:20	**State Board of Education** LBB 1-51	*Don Soltman, President* *State Board of Education*
9:20-9:30	***Break***	
9:30-10:15	**Boise State University** LBB 1-61	*President Bob Kustra*
10:15-11:00	**Idaho State University** LBB 1-61	*President Arthur Vailas*

MINUTES

JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE:	Monday, January 25, 2016
TIME:	8:00 A.M.
PLACE:	Room C310
MEMBERS PRESENT:	Senators Co-chairman Keough, Bair, Mortimer, Brackett, Nuxoll, Johnson, Thayn, Guthrie, Schmidt, Lacey Representatives Co-chairman Bell, Gibbs, Miller, Youngblood, Burtenshaw, Horman, Malek, Monks, King, Gannon
ABSENT/ EXCUSED:	None
CONVENED:	**Chairman Bell** convened the meeting at 8:00 AM

PRESENTER: **Jani Revier, Administrator, Division of Financial Management**

Revision of the Governor's Recommendation:

At the request of the Gentleman on the second floor, **Administrator Jani Revier** presented the following revision:
Active management, data-driven administration and immediate action are required to sustain Idaho's precious water resources, including reversing the decline in aquifer levels. We must exercise responsible stewardship of the resource to ensure the opportunity for future growth, development, and prosperity. The objective must be to maintain the long-term health of water resources throughout Idaho. The revised recommendation is as follows:

Transferring $6.5 million in one-time funding to the Secondary Aquifer Planning, Management, and Implementation fund—increasing the total transfer to that fund to $16.5 million.

Increasing ongoing funds for water sustainability projects by $3 million—increasing the total for those projects to $5 million.

As groundwater reductions meet the benchmarks and goals of the water settlement agreement, the State's sustatinability projects coupled with this funding will advance the needs of the water users and sustain Idaho's water resources. **Administrator Revier** then stood for questions.

SUPPLEMENTAL APPROPRIATIONS

SECRETARY OF STATE

PRESENTER: **Jared Hoskins, Senior Analyst, Division of Budget and Policy Analysis**
Secretary of State: Voting System Grants to Counties

Jared Hoskins reported in 2004, the Secretary of State received approximately $13 million in federal grant funds pursuant to the Help America Vote Act (HAVA) so the office could develop a statewide voter registration system (VRS), provide accessible voting devices in each precinct, and upgrade county voting systems. To receive these funds, however, the Secretary of State was required to demonstrate that 5% in matching state funds were available. To raise these matching state funds, the Secretary of State initiated a voting system grant program with the counties, in which the counties ultimately provided a total of $1.2 million up front with the expectation that they would receive a total of $5.9 million in return to upgrade their voting systems. Between 2004 and 2014, the Secretary of State used HAVA funds to develop a statewide VRS, provide accessible voting devices, and pay approximately $4.6 million to the counties for their voting system upgrades.

Mr. Hoskins further reported that the Secretary of State also used HAVA funds to pay for the maintenance costs of the statewide VRS, with the expectation that the office would eventually request additional funding to pay for the maintenance. Though VRS maintenance is an allowable expense under HAVA, the Secretary of State has not requested or received any additional funding to pay for it, leaving the office without sufficient HAVA funds to meet its outstanding $1.3 million obligation to the counties.

UNANIMOUS CONSENT: On Request by **Youngblood**, granted by unanimous consent, the Fiscal Year 2016 budget for the Secretary of State, Secretary of State, was reopened.

CARRIED: **Original Motion**

Secretary of State
Administration: Voting System Grants for Counties
Supplemental

Moved by **Youngblood**, seconded by **Keough**, to approve for introduction $1,300,000 General Funds, $0 Dedicated Funds, $0 Federal Funds for a total of $1,300,000 with FTP of 0.00

Ayes: 20
Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
Nays: 0
Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without

objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell**.

DEPARTMENT OF JUVENILE CORRECTIONS

PRESENTER: **Jared Hoskins, Senior Analyst, Division of Budget and Policy Analysis**

Department of Juvenile Corrections: Contract Funds

Jared Hoskins stated reported along with other state agencies, the department utilizes a managed service contract to coordinate the provision of substance use disorder services (SUDS) in the community. Prior to October of 2013, the SUDS managed services contractor provided network management and monitoring, quality assurance, and fiscal management as well as direct client services such as intake, service coordination, and customer service. The department paid for this service through the Department of Health and Welfare (DHW) via interagency billing. All these charges were paid to DHW from trustee & benefit payments, as they were client-specific claim items.

Mr. Hoskins further reported that now, the contractor only provides network management and monitoring. Other services previously provided by the contractor are now performed by department staff. All partnering agencies providing SUDS utilize the Web Infrastructure Treatment System (WITS) as its electronic health record and claims processing system. In its implementation phase, DHW paid for maintenance costs and the department was only responsible for an allocated portion of system enhancement costs. Now, the department is responsible for an allocated portion of maintenance and enhancement costs. The department now enters all authorizations for treatment and recovery support services in WITS. Prior to WITS implementation, the managed services contractor was responsible for this. Also, the department now pays and processes all SUDS claims internally, rather than paying the managed services contractor to do so.

Mr. Hoskins said that with this increased workload, the department has used a local staffing agency to assist with these administrative duties. However, the department states that it has been difficult to maintain a non-experienced temporary staff to meet its needs and desires stable and consistent administrative support.

Department of Juvenile Corrections: Broadband Costs:

Mr. Hoskins shared that prior to discontinuance of the Idaho Education Network (IEN), the Department of Juvenile Corrections paid $120,000 annually to the Department of Administration for its administrative WAN and broadband costs. Because a portion of those costs ($54,600) supported the Juniper Hills School District, they were considered E-ratable and the department received reimbursement in the amount of $49,200 (90%). Now, the department no longer receives reimbursement for the administrative portion of its broadband costs, which still amount to approximately $120,000 per year, because the department has separately contracted with a private vendor for its educational broadband services. Thus, the department requests $49,200 to offset the loss of revenue to bring its total obligation back down to $70,800.

Department of Juvenile Corrections: County Incentive Program Transfer:

Mr. Hoskins further reported on the goal of the Community Incentive Program (CIP) is to fill gaps in the community by providing services, such as counseling, behavioral therapy, family preservation services, and mentoring in order to divert juveniles away from commitment to the custody of the department.

According to the agency, the average cost of providing CIP services to a juvenile is $3,200, whereas commitment can cost up to $135,000 per juvenile. The department states that CIP programming diverts 97% of its participants from commitment. Thus, the department requests a program transfer of $100,000 in ongoing trustee & benefits payments during FY 2016 from the Institutions Program to the Community, Operations, and Program Services Program to be used for its Community Incentive Program.

UNANIMOUS CONSENT: On Request by **Youngblood**, granted by unanimous consent, the Fiscal Year 2016 budget for the Department of Juvenile Corrections, was reopened.

CARRIED: **Original Motion**

Department of Juvenile Corrections
Community-Based Substance Abuse Treatment Services
Move Contract Funds to PC and OE
Supplemental

Moved by **Youngblood**, seconded by **Schmidt**, to approve for introduction $0 General Funds, $0 Dedicated Funds, $0 Federal Funds for a total of $0 with FTP of 0.00
147,000 net zero object transfer

Ayes: 20
Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
Nays: 0
Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell**.

CARRIED: **Original Motion**

Department of Juvenile Corrections
Institutions
WAN and Broadband Costs
Supplemental

Moved by **Youngblood**, seconded by **King**, to approve for introduction $49,200 General Funds, $0 Dedicated Funds, $0 Federal Funds for a total of $49,200 with FTP of 0.00

Ayes: 19
Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Monks, Burtenshaw, King, Gannon
Nays: 0
Ab/Ex: 1
Malek

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell.**

CARRIED: **Original Motion**

Department of Juvenile Corrections
Institutions
to COPS: Community Incentive Program
Supplemental

Moved by **Youngblood**, seconded by **Schmidt**, to approve for introduction $0 General Funds, $0 Dedicated Funds, $0 Federal Funds for a total of $0 with FTP of 0.00
reduce $100,000 in TB from GF in Institutions program increase $100,000 in TB from GF for COPS program

Ayes: 19
Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Monks, Burtenshaw, King, Gannon
Nays: 0
Ab/Ex: 1

Malek

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell**.

DEPARTMENT OF AGRICULTURE

PRESENTER: **Ray Houston, Senior Analyst, Division of Budget and Policy Analysis**

Department of Agriculture: Methyl Bromide Investigation:

Ray Houston reported on the Methyl Bromide investigation. Methyl Bromide Investigation Plant Industries has revealed that the potato pest, pale cyst nematode, was detected in Eastern Idaho in 2006. In response, the ISDA and USDA established a collaborative eradication program that has involved the regulation of about 52,500 acres.

Mr. Houston futher reported that the program has included a suite of treatments including fumigation with methyl bromide (MeBr) on 2,200 acres. MeBr is an allowed use to treat the quarantine level pest and all applications were made within the EPA-approved label restrictions. However, starting in 2014, a family noticed health problems in their cattle. After extensive veterinary care and investigation, laboratory tests confirmed very high levels of bromide in alfalfa hay grown on the treated fields. Subsequently, a second family's hay, grown on treated fields, also showed high levels of bromide residue. The ISDA and USDA worked quickly to secure test samples on wheat, barley, potatoes, alfalfa, litchi tomato, corn, and straw grown on treated fields. All samples showed some level of inorganic bromide.

ISDA approached BSU and the UI about conducting a collaborative research project to answer questions about bromide uptake. The research project request in the amount of $350,000 was submitted to the USDA on September 14, 2015. Meanwhile, in the fall, ISDA moved forward with an investigation and is requesting funding as follows: $120,000 for disposal of nearly 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.

Department of Agriculture: Fresh Fruit and Vegetable Program:

Mr. Houston stated that this supplemental will allow the department to catch the Fresh Fruit and Vegetable (FF&V) Fund appropriation up with current expenditures, and allow the program to expand as the demand for services grows. Agricultural production has increased the need for additional hours worked by the staff of the FF&V Program. Food safety audit requests have also 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 specialized tests at the raw lab stations.

Mr. Houston further shared that experience has shown that fully trained staff is needed. The current fund balance and forecast revenue will support this ongoing request of $735,200 in personnel costs and $964,000 in operating expenditures from the dedicated Fresh Fruit and Vegetable Inspection Fund. Pursuant to Section 76-5303, Idaho Code, all inspectors of the fresh fruit and vegetable inspection service of the Idaho Department of Agriculture, except those positions involved in the management of the program, are non-classified employees. Although the

Legislature appropriates the moneys, these positions have traditionally been exempted from the FTP count.

UNANIMOUS CONSENT: On Request by **Bair**, granted by unanimous consent, the Fiscal Year 2016 budget for the Department of Agriculture, was reopened.

CARRIED: **Original Motion**

Department of Agriculture
Plant Industries
Methyl Bromide Investigation
Supplemental

Moved by **Bair**, seconded by **Burtenshaw**, to approve for introduction $250,000 General Funds, $0 Dedicated Funds, $0 Federal Funds for a total of $250,000 with FTP of 0.00

Ayes: 20
Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
Nays: 0
Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell**.

CARRIED: **Original Motion**

Department of Agriculture
Agricultural Inspections
Fresh Fruit & Vegetable Program
Supplemental

Moved by **Burtenshaw**, seconded by **Bair**, to approve for introduction $0 General Funds, $1,699,200 Dedicated Funds, $0 Federal Funds for a total of $1,699,200 with FTP of 0.00

Ayes: 20
Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
Nays: 0
Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without

objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell.**

EDUCATION WEEK

STATE BOARD OF EDUCATION

PRESENTER: **Dolt Soltman, President, State Board of Education**

Office of the State Board of Education

President Dolt Soltman brought before the committee a presentation on the Office of the State Board of Education. Idaho's 60% Goal is a plan for growing talent to fuel innovation and economic growth in the gem state. The State Board has set an ambitious goal that 60% of Idahoans ages 25-34 will have a degree or certificate by 2020. Idaho must grow talent within the state to fuel innovation and economic competitiveness. Increased education attainment improves the quality of life for Idahoans and drives a vibrant, diverse economy.

Idaho's increased education attainment must be responsive to businesses that will employ the workforce of the future. It is imperative Idaho leaders commit to efficiently and effectively increase postsecondary degrees and certificates. Key strategies to strengthen the pipeline include; secondary students ensure college and career readiness (Common Core State Standards), develop intentional advising along the K-20 continuum that links education with careers, and support accelerated high school to postsecondary and career pathways.

Also the idea of Transform Remediation – Secondary/Postsecondary Students. There needs to be better clarification and implementation to college and career readiness education and assessments (Assessment & Placement). The State Board of Education wants to develop a statewide model for transformation of remedial placement and support. Finally, Idaho aims to provide three options to it's college hopefuls: co-requisite model, emporium model, or accelerated model (Delivery).

President Soltman stressed the importance of structure built by the Department of Education for success is defined as postsecondary students communicating strong, clear, and guaranteed statewide articulation and transfer options (Gen. Ed). President Soltman spoke in high favor of rewarding progress and completion. It is intended that institutions establish metrics and accountability tied to institutional missions, or Performance Based Funding Initiative (PBFI). It is imperative that institutions recognize and reward performance of college students. President Soltman aims to redesign the state's current offerings of financial support for postsecondary students by leveraging partnerships that strengthen collaborations between education and business/industry partners such as; The College Access Network, and STEM Education. State Board of Education

PRESENTER: **Bob Kustra, President, Boise State University**

Boise State University

President Bob Kustra brought before the committee a high-level overview of the achievements and challenges of Boise State University, and spoke on the Governor's Budget Recommendation. President Kustra pointed out the achievements of the College of Public Service and the College of Innovation and Design. New Dean of the College of Innovation and Design, Professor Gordon Jones PhD, from Stanford University has successfully implemented Virtual Simulation courses, and created a new area of study called Professional Ethnography where graduates assimilate companies into the new economic environment through a variety of factors including consumer base and corporate culture.

The Honors Project is the first ever public-private partnership at Boise State University funding rehabilitation projects outside our nation. Private industries and work of other philanthropists front the costs of students traveling to participate in rebuilding and rehabilitating communities for graduate students in Mozambique and surrounding countries. Furthermore, the Carnegie Foundation, who ranks and rates colleges throughout the nation has ranked BSU as a Masters large university. BSU as finally broken through the threshold of an undergraduate-strong, four–year university to a doctoral research university. One that will make a great deal of difference for National Science and National Student Research and Health.

President Kustra proudly recognized the above average excellence of BSU students in relation to Idaho's 60% goal. Students at Boise State University are ahead of the game, with a graduate rate 10% higher than the Department of Labor's predictions of Boise State students. Approximately, five years after graduation, 65% of BSU graduates are working in the State of Idaho, employed full time. Proving Boise State University is a major contributor to economic development in the State of Idaho. An impressive statistic considering the gap between state funding and amount of graduate students. Despite the merit-funding for the Universities, BSU has continued to fall last in terms state-funding. **President Kustra** then enthusiastically spoke in favor of the 3% CEC state employee increase.

A new direction for Boise State University are the Cyber Security and Computer Science programs. IGEM Funding has increased a need for a higher educational software security language. In scholarship offerings, BSU is offering a new scholarship, out of the zero-based budgeting practice. The Opportunity Scholarship is a combination Pell Grant and is in association with the Tuition Lock.

President Kustra argued that BSU has twice as many students as the other state-funded Universities and is therefore in need of greater growing capacity and encouraged the budget committee to invest money where the students are. President Kustra then stood for questions regarding the Tuition Lock and addressed concerns regarding the decision made to discontinue the Community and Regionally Planning degree program, the increase in tuition, and the Doctoral Research distinction.
Boise State University

PRESENTER: **Arthur Vailas, President, Idaho State University**

Idaho State University

President Arthur Vailas brought before the committee a presentation on the Budget Recommendation for Idaho State University. President Vailas proudly discussed the retention rates of the Complete College Idaho (CCI) program and discussed the increase from 62% to 71.3% since 2012. The Bengal Bridge Program offers seven courses including: STEM Track, Arts and Composition Track, and a Foundational Track in for the high risk students. Outreach efforts have included up to 3,835 in-person phone-calls and voice mails to reach out to potential students. Enrollment in the honors program has increased by 87% since 2013. Workforce Development programs have seen significant increases in student enrollment in the areas of Cybersecurity, Health Care and Health Care Clinics, Anatomy and Physiology Labs, Family Medicine and Dental Residencies, and Energy Programs. Significant research expenditures have occurred in the academic pursuit of Innovation Programs such as; the Global Entrepreneurship, the GIS Project (using state-of-the-art could-based data management technologies), the Intellectual Property Foundation, and Bengal Pharmacy. President Vailas stood for questions regarding construction and renovation concerns and the FY 2017 Budget Recommendation. Idaho State University

ADJOURN: There being no further business to come before the committee, **Chairman Bell** adjourned the committee at 11:09 AM

Representative Bell
Chair

Christi Cox
Secretary

AGENDA

JOINT FINANCE-APPROPRIATIONS COMMITTEE

8:00 A.M.
Room C310
Tuesday, January 26, 2016

EDUCATION WEEK

TIME	DESCRIPTION	PRESENTER
8:00-8:30	Western Interstate Commission for Higher Education (WICHE)	*President David Longanecker*
8:30-9:15	North Idaho College LBB 1-79	*President Joe Dunlap*
9:15-9:30	***Break***	
9:30-10:15	College of Southern Idaho LBB 1-79	*President Jeff Fox*
10:15-11:00	College of Western Idaho LBB 1-79	*President Bert Glandon*

MINUTES

JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE:	Tuesday, January 26, 2016
TIME:	8:00 A.M.
PLACE:	Room C310
MEMBERS:	Senators Co-chairman Keough, Bair, Mortimer, Brackett, Nuxoll, Johnson, Thayn, Guthrie, Schmidt, Lacey Representatives Co-chairman Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
ABSENT/ EXCUSED:	None
CONVENED:	Chairman Keough convened the meeting at 8:00 A.M.
STAFF PRESENT:	Headlee

PRESENTATION: **WESTERN INTERSTATE COMMISSION FOR HIGHER EDUCATION (WICHE)**

PRESENTER: **David Longanecker, President**

Matt Freeman, Executive Director, Office of the State Board of Education, introduced Mr. Longanecker.

To view the presentation, please click on the following: Western Interstate Commission for Higher Education (WICHE)

WICHE is a 16–member commission working to boost access to higher education for students in the West and to ensure their success. Idaho began participating in the program in 1988 and has received funding to be part of numerous WICHE policy initiatives, including those focused on financing and financial aid, workforce policy as well as other areas. In addition, Idaho has participated in WICHE initiatives related to distance education, workforce development, and behavioral health. Thousands of students from Idaho have attended undergraduate, graduate, and professional programs in other Western states through WICHE's Student Exchange Program, saving millions of dollars because of reduced tuition rates.

Times are changing in the way education is provided, in who is educated, in the way quality is assessed, and in the way the enterprise is financed. **Longanecker** discussed three ways the delivery of education is changing regarding on-line learning, competency-based learning, and the innovation wave. The percentage of students taking at least one on-line course has increased from 10% in 2000 to 27% in 2013. In 2000, there were two institutions of higher learning using competency-based learning involving about 4,000 students whereas today the program has grown to include over 100,000 participants in numerous colleges and universities. The "innovation wave" includes new providers of degrees, new providers of courses and services, providers sponsoring boot camps and app academies, and other institutions providing credentialing (degrees, certificates, badges, etc.). This wave also includes the non-traditional aged adult population.

The way the quality of education is assessed is also changing. Now emphasis is on completion of schooling to include competency assessment for the student as well as competency for the institution. The various roles of the teacher, the institution, the governing board, and the government are still being sorted out. The way education is financed is also changing and moving to a new normal with performance funding becoming the wave of the future. Idaho happens to be a low-tuition state where affordability issues are the focus.

PRESENTATION: **North Idaho College (NIC)**

PRESENTER: **Joe Dunlan, President**

To view the presentation, please click on the following link: North Idaho College

The mission of NIC is to meet the diverse educational needs of students, employers, and northern Idaho communities through a commitment to student success, educational excellence, community engagement, and lifelong learning. NIC performs the traditional five functions of community colleges; i.e., preparing students to transfer to four-year institutions, preparing professional/technical people for the workforce, training for non-credit, short-term workforce development, assisting with adult basic education and GED, and continuing education. Core values are student success, academic excellence, diversity, stewardship and community engagement. The College serves over 5,500 students; there has been a shift from full-time to part-time students. Currently the college is comparable to 2009 enrollment levels in for-credit programs. NIC must balance the demands of current employment and its educational loads.

NIC serves the five northern Idaho counties with three outreach centers located in Sandpoint, Bonners Ferry and Kellogg. The College also operates a workforce training center in Post Falls and an aerospace center in Hayden where an additional 6,000 students are involved in both credit and non-credit programs. Although credit enrollment has declined consistent with economic recovery, NIC still touches approximately 19,000 individuals through Dual Credit, For Credit, Head Start, Workforce Training ABE/GED, and Agency on Aging programs. Over the past two years NIC has made significant investment in Complete College Idaho by instituting math and English remediation reform measures implementing intrusive advising, peer mentoring, establishing student cohorts, self-evaluation through Institutional Optimization, creating Guided Pathways, adopting a "Give Me Five" program, supporting PTECH, increasing advising and career guidance, and expanding facilities to reduce student wait lists.

NIC's FY 2017 recommended budget is $44,277,000. Primary sources of revenue include State allocation, PTE allocation, property tax and tuition; in addition NIC works to secure grant funding to augment general funds. Last year tuition and fees were $3,022 for a full-time student. The college responds to the needs of business and industry and is an integral part of economic and workforce strategies within the region. NIC is planning to construct three new buildings over the next two years for a cost of $36 million and has already secured $33.5 million. The NIC Foundation will continue fundraising to secure the additional $2.5 million needed. NIC's economic impact to the region is in excess of $170 million.

Since 2012 North Idaho College has started 17 new career and technical programs to meet the needs of business and industry while supporting economic development within the region. All of these programs were established with grant funding from the Idaho Department of Labor and the U.S. Department of Labor. The College is constructing a new 110,000 sq. ft., $20 million CTE facility next to KTEC, a collaborative technical high school on the Rathdrum prairie; no State funds are being used to fund the facility, however, NIC is requesting occupancy costs. Also in 2016, a new $8 million student wellness and recreation center will be built on the main campus. Students have been asking for this facility for over ten years and have taxed themselves to pay for it.

The NIC Foundation has raised funds for student scholarships, capital projects and mini-grants that support student and employee projects. This year over $1 million in scholarships will be awarded to over 1,000 students.

PRESENTATION: **College of Southern Idaho(CSI)**

PRESENTER: **Jeff Fox, President**

To view the presentation, please click on the following link: College of Southern Idaho

The College of Southern Idaho is celebrating its 50th anniversary this year. **Fox** expressed appreciation for: 1) enhanced employee salaries help attract and retain high quality faculty and staff, 2) funding the increased costs of health insurance, 3) recognition and funding to help recruit and retain high school students by supporting CSI's role in working to achieve a "60% solution," and 4) increased opportunities through the Opportunity Scholarship and the Adult Degree Completion Scholarship.

The mission of CSI is to provide quality educational, social, cultural, economic, and workforce development opportunities that meet the diverse needs of the communities served. CWI has assisted the College of Western Idaho and the Eastern Idaho Center. CSI has had a tremendous economic impact on the business community with an estimated $255.3 million in gross regional product that produced over 5,600 jobs. Regarding workforce development, CSI has been training partners with companies such as Bridon Cordage, Hilex Poly/Novolex, Chobani, Kapstone, Inc., Fabri-Kal, and Clif Bar providing training in electrical, plumbing, and maintenance programs with targeted training in food processing, industrial safety, welding, trucking, and law enforcement. There are five Professional-Technical Programs including Information Technology, Trades, Business, Health Occupations, and Agriculture. The CSI Foundation awarded $1,909,748 in scholarships for the 2015–16 school year.

In-district tuition at CSI for 2015–16 was $5,540 compared to $7,171 for the 4–year schools; room and board averaged $2,880 compared to $6,670 for 4–year schools. As the unemployment rate declined, the school head count also declined; however, dual credit headcount has increased. In 2014–15 CSI issued a total of 1,137 AA Degrees and Certificates. **Fox** also discussed some charts regarding changes in workforce, primary revenue sources, dual credit enrollment (which has steadily increased), and legislative funding recommendations.

PRESENTATION: **College of Western Idaho (CWI)**

PRESENTER: **Dr. Bert Glandon, President**

To view the presentation, please click on the following link: College of Western Idaho

Dr. Glandon thanked legislators for continued funding of CWI. The school's trustees are committed to provide strategic direction for CWI's future in order to meet student success. CWI's mission is committed to providing affordable access to quality teaching and learning opportunities to the residents of its service area in western Idaho. CWI offers a broad range of programs for students across the following four core themes: 1) Professional-Technical Education, 2) General Education, 3) Basic Skills Education, and 4) Community Outreach. As a new college in 2010 the accreditation process was underway; the College must demonstrate it is both fiscally responsible and sustainable. **Glandon** is hopeful initial accreditation status will be granted in 2017. The annual enrollment count for 2015 was 23,638 (13,498 for-credit students and 10,140 non-credit students.).

CWI is actively involved in the communities it serves and its commitment to Workforce Development continues to grow. The school has almost 400 business and industry partners from technology to healthcare and plumbing to manufacturing. CWI has providcd workforce training for 22 organizations which has improved the skill levels of thousands of Idahoans. CWI has partnered with regional school districts and charter schools, including 60 high school partners offering dual credit courses in addition to partnering with public and private universities and colleges to ensure seamless transitions and priority registration upon completion at CWI. The school is engaged with all government agencies and economic development groups is actively working to grow Idaho's economy.

Students, faculty and staff are very involved in social community enrichment through volunteering and civic organizations. Last academic year CWI awarded 1,409 degrees and certificates. Positive placement of professional-technical graduates exceeded 90%. This year CWI experienced a 35% increase in student enrollment for apprenticeship programs and a 22% growth in dual credit enrollment. Students achieved 26 national awards. An education at CWI has been attainable and affordable by keeping tuition costs at $136 per credit hour (for the fourth year). CWI has also implemented active advising services in financial aid and students chose to borrow 28.4% less money from the previous year which will reduce the burden of student loans after graduation.

Currently student tuition and fees make up 46.5% of CWI's revenue, state funding makes up 38.3%; additional revenue comes from grants and self-support initiatives such as Workforce Development. FY 2015 funding for Complete College Idaho supported the nursing program and occupancy costs for the Micron Center. Funding granted for FY 2016 supported the creation of two programs that target transformation of remediation and structure for student success through increased certificate attainment. The Governor's FY 2017 budget recommendations included: 1) Enrollment Funding for $500,000, 2) Student Success (Complete College Idaho) for $367,900, and Enrollment Workload Adjustment for $615,800.

Looking to the future, CWI will continue to plan and to have conversations with the communities it serves. More work needs to be done to increase the post-secondary credential attainment and address workforce skill gaps. To accomplish this CWI must expand and add critical in-demand programs and grow locations that will serve more than 30,000 students annually.

ADJOURNED: There being no further business, Chairman Keough adjourned the meeting at 10:35 A.M.

Senator Keough Chair	Peggy Moyer Secretary

AGENDA

JOINT FINANCE-APPROPRIATIONS COMMITTEE

8:00 A.M.
Room C310
Wednesday, January 27, 2016

EDUCATION WEEK

TIME	DESCRIPTION	PRESENTER
8:00-8:45	**University of Idaho** LBB 1-61	*President Chuck Staben*
8:45-9:10	**Agricultural Research & Extension Svc** LBB 1-53	*John Foltz, Dean* *College of Ag & Life Sciences*
9:10-9:20	***Break***	
9:20-9:40	**University of Idaho Special Programs** LBB 1-119	
	Forest Utilization Research	*Kurt Pregitzer, Dean* *College of Natural Resources*
	Geological Survey	*Dr. Jack McIver, VP Research*
9:40-10:15	**Health Education Programs** LBB 1-95	
	WWAMI	*Mary Barinaga, MD and* *Jeff Seegmiller, MD*
	University of Utah	*Benjamin Chan, MD*
	Family Medicine Residencies	*Dick McLandress, MD*
10:15-11:00	**Lewis-Clark State College** LBB 1-61	*President Tony Fernández*

MINUTES

JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE:	Wednesday, January 27, 2016
TIME:	8:00 A.M.
PLACE:	Room C310
MEMBERS PRESENT:	Senators Co-chairman Keough, Bair, Mortimer, Brackett, Nuxoll, Johnson, Thayn, Guthrie, Schmidt, Lacey Representatives Co-chairman Bell, Gibbs, Miller, Youngblood, Burtenshaw, Horman, Malek, Monks, King, Gannon
ABSENT/ EXCUSED:	None
CONVENED:	**Chairman Bell** called the meeting to order at 8:00 AM.
PRESENTER:	**Chuck Staben, President, University of Idaho**

University of Idaho

President Staben brought before the Budget Committee a high-level overview of the Academic excellence, accomplishments, and recommendations for FY 2017 for the University of Idaho. Enrollment at U of I includes 11,372 students 93% of whom are enrolled full time, with 3,000 full time and part time staff. U of I offers facilities in 42 of our 44 counties in Idaho and has proven itself to be a major contributor to Idaho's economic environment.

The latest economic impact study U of I graduates revealed, that graduated students receive $3.30 for every $1.00 invested, that is a 14% return and suggests that Idaho companies enhance their productivity by hiring U of I graduates. Other institution highlights include; The Vandals Idea Project, Cyber Security Excellence, and Complex Modeling Leadership. **President Staben** spoke on the Governor's Budget Recommendation for FY 2017 and the priorities within, including; the 3% CEC increase, Tuition Lock, The Opportunity Scholarship, and Complete College Idaho. President Staben concluded by standing for questions regarding the Budget Recommendation. University of Idaho

PRESENTER: **John Foltz, Dean of College of Agriculture & Life Sciences**

Agriculture Research & Extension Services

Dean Foltz brought before the Budget Committee a high-level overview of the Academic excellence, accomplishments, and recommendations for FY 2017 for the University of Idaho Agricultural and Extension Services. He proudly discussed the University of Idaho's Research and Extension in Action programs and the accomplishments seen from each. Preparation for the fire season has U of I leading the charge in response to fires with coordinated distribution and fire recovery assistance to landowners. In the Master Water Stewards Research and Extension in Action program, extensive research landed U of I with the IGEM Award and $427,172 in funding for research. The Food Safety Modernization, or FSMA is a program wherein U of I assists food manufacturers with food safety compliance for

130 Northwest Food and Dairy processors.

Dean Foltz further spoke on the research and development of the eradication of the potato pest, the pale cyst nematode and the $3.2 million dollar grant for team approach to globodera. Dean Foltz proudly presented the accomplishments of the Western Institute for the Dairy Environment (WIDE) and the Caine Veterinary Teaching Center. Dean Foltz then stood for questions regarding the Governor's Budget Recommendation. Agriculture Research and Extension Services

PRESENTER: **Kurt Pregitzer, Dean of College of Natural Resources**

Forest Utilization Research

Mr. Pregitzer presented the budget request and recommendation for the Forest Utilization Research or "FUR" project. The Wildlife Range Experiment Station created in 1939 addresses concerns with research into the forestry, wildlife and range problems. Forest Utilization Research (FUR) was a bill passed in 1976 with primary focus on mechanism for funding requirements of Idaho State, Title 38.

FUR Funding addresses a number of issues including the quantifying impacts of management decisions, advancement of Research in Forestry, Natural Resource Policy, Rangelands, and the future of Natural Resource Leaders in the State of Idaho. Four major areas of state delegation for FUR in leveraging state funds include the Policy Analysis Group (PAG), the Experimental Forest, the Forest Nursery, and the Rangeland Center. The teams work hard developing scientific solutions for the problems that face the State of Idaho. The Governor's Budget Recommendation this year includes some capital outlay for equipment with the desire to train students in real world timber sale layout and use on active research across U of I Experimental Forest units. Forest Utilization Research

PRESENTER: **Dr. Jack McIver, Vice President, Department of Research**

Geological Survey

Dr. McIver presented to the committee a brief overview of the accomplishments and challenges of the University of Idaho: Idaho Geological Survey. Idaho's geological surface is extremely prone to landslides and earthquakes. The Geological Survey has reported that Idaho is the sixth most seismically active state in the nation. The GIS Program currently has one GIS Analyst to serve Idaho's population and three state offices, an additional analyst is necessary to develop energy, minerals, and geo-hazard information to provide timely feedback to the State, industry and public. Dr. McIver stood for questions regarding the Budget Recommendation. Geological Survey

HEALTH EDUCATION PROGRAMS

PRESENTER: **Mary Baringa M.D. and Jeff Seegmiller M.D., WWAMI**

WWAMI

Dr. Barinaga presented to the committee the Worforce needs and program accomplishments of the WWAMI Expansion and Trust program. The Idaho State Board of Education: Medical Education Study Committee, provided statistic driving the request for the program expansion. Enrollment has increased from 20 students enrolled in the WWAMI program to 40 students. There is a priority placed on the medical students interested in practicing medicine in rural Idaho. There is strong support for this program expansion considering the aging population of our medical professionals in Idaho, 27% of Idaho's physicians are over the age of sixty. Studies further reveal that the cost-effective nature of the WWAMI program has allowed Idaho to receive five dollars back to every one dollar invested in the WWAMI progam. Doctors **Mary Barinaga** and **Jeff Seegmiller** stood for questions regarding the Governor's Recommendation. WWAMI

PRESENTER: Benjamin Chan M.D., University of Utah, in Association with WWAMI

University of Utah

Assistant Dean of Admissions **Benjamin Chan** and in association with Art and Science of Medicine stood before the budget committee to explain U of U's affiliation with the WWAMI programs and answer questions regarding the Budget Recommendation. U of U in association with the WWAMI program requires all students to provide a research project, showcasing clinical skills and decision making. The directive is to include education in the medical disciplines primary care opportunities to enrich experience of the Spanish speaking clinics and other under-served populations. Tertiary Care opportunities include burn surgery, pediatric cardiology, and radiation oncology. Idaho students have the opportunity to be completely integrated with all other medical students and have same access to all services and opportunities. Idaho students return to Idaho with family practice rotation, outpatient internal medicine rotation, and elective rotations. Out of the almost 4,000 applications to participate in this program, eight positions are specifically filled from Idaho.

Family Medicines Residencies

Matt Freeman, Executive Director of the Idaho State Board of Education, and **Dick McLandress, M.D.** spoke to the ROI portion of the University of Utah's recommendation and explained how the 20+ cities in Idaho are receiving treatment from the U of U School of Medicine program. Mr. Freeman then stood for questions regarding the Budget Recommendation. Family Medicine Residencies

PRESENTER: Tony Fernandez, President, Lewis-Clark State College

Lewis-Clark State College

President Fernandez brought before the committee a brief overview of the needs and accomplishments of Lewis-Clark State College. LCSC is a regional State college offering instruction in the liberal arts and sciences, professional areas tailored to the educational needs of Idaho, applied technical programs which support the local and state economy, and other educational programs designed to meet the needs of Idahoans. Education is the top priority for the 2017 Budget Recommendation. President Fernandez enthusiastically spoke in favor of the Change in Employee Compensation (3% CEC Increase), and illustrated how nearly 70% of the graduates from LCSC remain in Idaho and are employed within 6 months after graduating. Line item details include a Veterans Advisor, for the increasing population of veterans in pursuit of Higher Education. President Fernandez then stood for questions regarding the Budget Recommendation. LCSC

ADJOURN: There being no further business to come before the committee, **Chairman Bell** adjourned the committee at 10:43 AM

Representative Bell
Chair

Christi Cox
Secretary

AGENDA

JOINT FINANCE-APPROPRIATIONS COMMITTEE

8:00 A.M.
Room C310
Thursday, January 28, 2016

EDUCATION WEEK

TIME	DESCRIPTION	PRESENTER
8:00-9:00	**Public School Support** LBB 1-3	*Sherri Ybarra* *Superintendent of Public Instruction*
9:00-9:15	***Break***	
9:15-9:45	**Public School Support** Questions and Answers	
9:45-10:15	**State Board of Education** Superintendent of Public Instruction LBB 1-127	*Sherri Ybarra* *Superintendent of Public Instruction*
10:15-10:45	**Educational Services for the Deaf and Blind** LBB 1-43	*Brian Darcy, Administrator*

MINUTES

JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE:	Thursday, January 28, 2016
TIME:	8:00 A.M.
PLACE:	Room C310
MEMBERS:	Senators Co-chairman Keough, Bair, Mortimer, Brackett, Nuxoll, Johnson, Thayn, Guthrie, Schmidt, Lacey Representatives Co-chairman Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
ABSENT/ EXCUSED:	None
CONVENED:	Chairman Keough convened the meeting at 8:00 A.M.
STAFF PRESENT:	Headlee

AGENCY PRESENTATION: **PUBLIC SCHOOL SUPPORT**

PRESENTER: **Sherry Ybarra, Superintendent of Public Instruction**

To view the presentation, please click on the following link: Public School Support

The newly developed Department of Education's strategic plan will provide a road map to success in order to guide school districts with an educational philosophy, ambitions for student achievement and fiscal and operational decision making. The plan embodies the Department's strong emphasis on improving K-12 education culture in Idaho and will empower districts to provide high quality education while moving away from a rigid philosophy of over-testing, compliance, and a one-size-fits-all accountability structure. These guiding principles are: 1) the needs of children must drive any necessary change, 2) every student can learn and must have a highly effective teacher in every classroom, and 3) Current and new resources must focus on the demands of the 21st century. This strategic plan contains measurable goals and supports the line item budget requests. In addition, this plan builds on the Governor's 20 Task Force Recommendations for Improving Education which will empower school communities, direct funds to high needs students, support academic improvement strategies, and preserve site-level decision making (local control).

The 16 remaining recommendations include: transitioning to a mastery-based education system, retaining Idaho Core Standards, increasing literacy proficiency, providing advanced opportunities for all students, introducing a new, mutually responsible accountability system, empowering districts with autonomy to innovate, maintaining continuous improvement through effective planning and progress monitoring, encouraging the development of *district-wide* collaboration systems, improving high-speed bandwidth and wireless infrastructure, providing educators and students with technology in the classroom, enabling district autonomy through increased operational funding, utilizing the career ladder compensation model, funding schools through an enrollment model, emphasizing and encouraging teacher-to-teacher mentoring

and collaboration, supporting teachers and leaders with job-embedded professional learning, and finally, providing teachers with enhanced pre-service training.

The Department's strategic plan establishes three specific and measurable goals/priorities as well as strategies for achieving those goals: 1) all Idaho students persevere in life and are ready for college and careers, 2) all education stakeholders in Idaho are mutually responsible for accountability and student progress, and 3) Idaho attracts and retains great teachers and leaders.

The Governor's FY 2017 line item budget recommendations include: 1) restoration of operational (discretionary) funding comparable to FY 2009 which pays for benefits, utilities, supplies/curriculum, and transporting students to school, 2) transitioning to a career ladder funding model, 3) increased funding to support Mastery-Based Education—mastery of competencies and content, not seat time, 4) funding to implement college and career advising programs, 5) increased funding for technology that supports instruction and personalized learning, 6) funding to support wireless technology and infrastructure for Idaho school districts, 7) funding for Information Technology staffing, 8) funding which will allow local districts the flexibility of selecting their own Learning Management Systems based on districts' needs, 9) a funding increase for the administration of Student Achievement Assessments, 10) separate line items for Math Coaches, the Reading Initiative, and Remediation, 11) funding to support students with Limited English Proficiency (LEP), 12) Funding for Evaluation Training and Development as well as funding for Professional Development which is training for educators, 13) funding for Content and Curriculum support to districts, 14) $5,000,000 for Literacy Proficiency, 15) $300,000 for Building Security and Safety, 16) a new line item to establish one Idaho Rural School Centers incubator, and 17) funding for Grant Opportunities for Gifted and Talented programs, tribal language needs, bilingual education as well as grants for libraries. The Governor's General Fund budget recommendation totals $1,577,904,100 which is an overall increase of 7.5% from the previous year.

PRESENTATION: **STATE BOARD OF EDUCATION**
Department of Education

PRESENTER: **Sherri Ybarra, Superintendent of Public Instruction**

To view a copy of the presentation, please click on the following link: Department of Education.

The total FY 2017 budget request for the Department of Education is $36,729,600 which is $2,604,700 less than the FY 2016 appropriation due to decreased broadband expenses. The following budget items were discussed: 1) Change in Employee Compensation (CEC) line item request for $98,800, 2) New Assessment of Alternative Students line item request for $750,000, 3) $3,384,800 to provide expanded broadband support services to over 294,000 students in grades K-12, 4) one-time funding for $50,000 to review various testing opportunities for Idaho students, 5) a line item request for $150,000 (ongoing) funding supporting assessment items review, and 6) a line item request for $61,000 (ongoing), for annual membership in Education Commission of the States (ECS) which provides non-bias, non-partisan research and resources.

PRESENTATION: **PUBLIC SCHOOL SUPPORT**
Idaho Educational Services for the Deaf and Blind (IESDB)

PRESENTER: **Brian Darcy, Administrator**

To view the presentation, please click on the following link: Educational Services for the Deaf and Blind

The goal of IESDB is to assist school districts and state agencies in providing accessibility, quality and equity to students in the state with sensory impairments through a continuum of service and placement options. Services include operation of a school for the deaf and blind including residential and day campus programs. IESDB also operates an outreach program intended to provide services to students outside the campus area as well as early intervention and family consultation.

Outreach specialists provide in-home education to parents and children from birth to three years of age and also provide support to all school districts across Idaho. **Darcy** provided a chart showing a caseload comparison, discussed short-term programs and library services. There are currently 95 students enrolled in the campus program. Collaboration is the key to success. IESDB provides a variety of educational experiences for students to help them conquer their challenges.

The Governor's recommended FY 2017 budget is $10,312,300. Line items include $79,200 to hire one campus teacher for the deaf, $3,000 to purchase textbooks, $350,000 to replenish the contingency reserve fund, $79,200 to hire a sign language interpreter, $79,200 to hire one outreach educator, $15,000 (ongoing) for professional development for all certificated staff educators, $39,600 (ongoing) to hire one-half of an assistive technology specialist for the Outreach Services Program, and $172,300 ongoing and $17,200 one-time to reopen a cottage currently not used to house students (funding will pay for repairs, staff, and costs associated with ten new residential students).

ADJOURNED: There being no further business, Chairman Keough adjourned the meeting at 10:42 A.M.

Senator Keough
Chair

Peggy Moyer
Secretary

AGENDA

JOINT FINANCE-APPROPRIATIONS COMMITTEE

8:00 A.M.
Room C310
Friday, January 29, 2016

EDUCATION WEEK

TIME	DESCRIPTION	PRESENTER
8:00-9:00	**Office of the State Board of Education** LBB 1-89	*Matt Freeman* *Executive Director*
	Special Programs Scholarships and Grants LBB 1-119	
	Systemwide Programs LBB 1-61	
9:00-9:15	***Break***	
9:15-10:00	**Professional-Technical Education** LBB 1-101	*Dwight Johnson* *Administrator*
10:00-10:30	**Office of the Governor** STEM Action Center LBB 6-119	*Angela Hemingway* *Director*
10:30-11:00	**Idaho Public Television** LBB 1-111	*Ron Pisaneschi* *General Manager*

SENATE RECONVENES: 10:45 a.m.

HOUSE RECONVENES: 11:00 a.m.

MINUTES

JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Friday, January 29, 2016

TIME: 8:00 A.M.

PLACE: Room C310

MEMBERS PRESENT: Senators Co-chairman Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Johnson, Thayn, Guthrie, Schmidt, Lacey

Representatives Co-chairman Bell, Gibbs, Miller, Malek,, Monks, Burtenshaw, King, Gannon

Horman

CONVENED: **Chairman Bell** called the meeting to order at 8:00 AM

PRESENTER: **Matt Freeman, Executive Director, Office of the State Board of Education**

Office of the State Board of Education

Mr. Freeman presented to the budget committee the accomplishments and challenges for the The State Board of Education and the FY 2017 Budget recommendation. The board carries a facet of responsibilities to serve the educators in the State of Idaho. An interesting comparison to the State of Rhode Island illustrated the need for more full-time positions within the State Board of Education. The State of Rhode Island has approximately 143,000 public school students and 43,000 postsecondary students. Whereas in Idaho we serve nearly 300,000 public school students and approximately 72,300 postsecondary students with a quarter size the staff on the State Board of Education.

Mr. Freeman then went into the budget and planning time line. Current staff salaries remain at the bottom of the list across national in comparison, making the ability to recruit, train, and retain valuable staff members very difficult. Maintenance of current operations include Benefits, Contract Inflation, Replacement Items, SWCAP, and the 3% CEC increase are all line items recommended by the Governor. A request has been made for funding a Human Resources Specialist position, a Teacher Effectiveness Program Manager, and SLDS Analyst.

Mr. Freeman continued the presentation with an illustration of the Idaho High School Feed Back Report, which revealed high-school students post-secondary progress through spring of 2015. Community College Expansion, Carryover Authority, and Committee Updates were items presented furthering the request to approve the Governor's Budget Recommendation. Special programs operated through the State Board of Education include; Armed Forces, GEAR UP Idaho Scholarship, Idaho Opportunity Scholarship (that would be an approved $5 million dollars toward the Eligible Applicants, New Awards, and Renewal Awards. Systemwide needs include; Higher Education Research Council, and Tuition Lock Program Specialist.

Mr. Freeman stood for questions regarding the State Board of Education and the

responsibilities of the Budget Committee disbursing funds to the Universities in the State of Idaho. Throughout Education week during this Legislative Session, University Presidents have voiced their concerns regarding the disparity in funds dispersed to Universities. **David Hohn** with the Division of Financial Management stood in support of the Governor's Budget Recommendation. Office of the State Board of Education Special Programs Systemwide Programs

PRESENTER: **Dwight Johnson, State Administrator**

Professional-Technical Education

Administrator Johnson presented a high-level overview regarding the Budget Recommendation for the Division of Professional-Technical Education. The mission behind Professional-Technical Education is to prepare Idaho's youth and adults for high-skill, in-demand careers and create a skilled talent pipeline for Idaho's industry. The Workforce Gap: is an illustration comparing the skilled workforce in the State of Idaho and the amount of jobs estimated to be *in-need* of a skilled workforce by year 2025. This illustration reveals that Idaho will have a shortage of nearly 63,000 positions that will not be filled by Idaho's skilled workforce due to the need for Professional-Technical Education. The Governor's Budget Recommendation for the Department of PTE for higher education includes; program advancements in Health Care including pharmacy technicians and all health occupations, IT in areas of web-design software security and health information technology, Manufacturing including tool machining and Aerospace technology and food processing, and Transportation including aircraft maintenance and diesel technology.

Administrator Johnson continued his presentation urging the approval of Program Alignment. This program is giving high-school students a smooth transition in to secondary and post-secondary PTE Schools through career exploration, skill introduction, workplace readiness and college credit. "Skillstack Idaho" is a "Badging Platform" where students can communicate their PT achievements more efficiently to employers in the State of Idaho. Mr. Johnson urged the approval of the expansion of the Digital PTE courses, making note of our highly rural areas and the need of online education being made available. Administrator Johnson then stood for questions regarding the Governor's Budget Recommendation for the Division of Professional-Technical Education. Professional-Technical Education

PRESENTER: **Angela Hemingway, Director, Office of the Governor**

STEM Action Center

Director Angela Hemingway presented a high-level overview of the Budget Recommendation for the STEM Action Center. As dictated by Idaho Code the STEM Action Center will; conduct analyses of STEM industry and education needs, coordinate STEM education activities and workforce needs, support high-quality professional development for educators and support student STEM competitions. The mission and vision of the STEM Action Center is to connect STEM education and industry to ensure Idaho's long-term economic prosperity, and to produce a competitive workforce by implementing Idaho's k-career STEM education programs aligned with industry needs.

Director Hemingway continued to explain the Governor's proposed computer science initiative. The Stem Action Center will partner with the State Board of

Education, PTE, and other institutions of higher education to create opportunities for educators and the workforce to receive training in areas related to computer science. As a part of his recommendation, **Governor Otter** has included the funding request for a Program Manager for the computer science program. Other STEM Action Center projects include; Professional Development, STEM-Driven Competitions, and Grant Pursuit (including: school dronology, library makerspace, and STEM camp for the blind and visually impaired). Director Hemingway then stood for questions regarding the Governor's recommendation. STEM Action Center

PRESENTER: **Ron Pisaneschi, General Manager, Idaho Public Television**

Idaho Public Television

This year Idaho Public Television is celebrating it's 50th year in serving the people of Idaho. Growing services include "Idaho in Session", where live streaming takes place not only for the Idaho Legislature, but also the Supreme Court, Governor's Office events and other government entities. New this year is the live streaming of the powerpoints created by State Agencies to be seen live by the general public. PBS Learning Media, an online service for students and teachers feature more than 100,000 videos accessible free to anyone who signs up. A new position has been incorporated to facilitate the relationships with educational intities throughout the State of Idaho, the Education Specialist.

Mr. Pisaneschi then moved into the FY 2017 Budget Recommendation. The Governor is recommending funding to cover the health care costs increases of all employees from the General Fund, the 3% CEC increase, and the nine part time positions be converted to 4.48 FTP classified. Alternative funding choices are limited as IPTV cannot air commercials or charge cable and satellite companies for programming and with the FCC Spectrum Auction Impact scheduled to take place next year, concerns about the limited resources and restricted access to the public were made known to the budget committee. Mr. Pisaneschi then stood for questions. IDPTV

ADJOURN: There being no further business to come before the committee **Chairman Bell** adjourned the committee at 10:25 AM.

_____
Representative Bell
Chair

_____
Christi Cox
Secretary

AGENDA

JOINT FINANCE-APPROPRIATIONS COMMITTEE

8:00 A.M.
Room C310
Monday, February 01, 2016

TIME	DESCRIPTION	PRESENTER
8:00-8:45	**Supplementals**	
	DEPARTMENT OF AGRICULTURE Organic Food Program p.21 #38 Specialty Crop Program Funding p.21 #39 Janitorial Services p.21 #40	*Ray Houston* *Principal Analyst*
	DEPARTMENT OF WATER RESOURCES Idaho Water Center Renovation Costs p.19 #35	
	DEPARTMENT OF HEALTH AND WELFARE **Division of Welfare** Child Care Program p.9 #11	*Jared Tatro* *Principal Analyst*
	Healthcare Policy Initiatives SHIP Grant Increase p.10 #12	
	Division of Medicaid KW Lawsuit -DD Services p.7 #5 MMIS Contract Operations p.7 #6 CHIP Program p.8 #7 Medicare Part B p.8 #8	
8:45-9:05	**Department of Parks and Recreation** Lava Hot Springs Foundation LBB 4-65	*Mark Lowe* *Executive Director*
9:05-9:25	**Public Utilities Commission** LBB 5-59	*Paul Kjellander* *Commission President*
9:25-9:35	***Break***	
9:35-10:35	**Board of Land Commissioners** Department of Lands LBB 4-37	*Tom Schultz* *Director*
	Endowment Fund Investment Board LBB 4-29	*Larry Johnson* *Manager of Investments*
	House Reconvenes: 11:00 a.m.	
	Senate Reconvenes: 11:30 a.m.	

MINUTES

JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE:	Monday, February 01, 2016
TIME:	8:00 A.M.
PLACE:	Room C310
MEMBERS:	Senators Co-chairman Keough, Bair, Mortimer, Brackett, Nuxoll, Johnson, Thayn, Guthrie, Schmidt, Lacey Representatives Co-chairman Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
ABSENT/ EXCUSED:	None
CONVENED:	Chairman Keough convened the meeting at 8:00 A.M.
STAFF PRESENT:	Houston, Headlee, Tatro

FY 2016 SUPPLEMENTALS

SUPPLEMENTAL: **DEPARTMENT OF AGRICULTURE**
Agricultural Inspections
Organic Food Program

PRESENTER: **Ray Houston, Principal Analyst, Budget & Policy, Legislative Services Office**

This request is for the Idaho Organic Food Program in the amount of $65,300 from the dedicated Organic Food Products Fund. The request is for one full-time inspector funded for eight months at a cost of $24,000; operating expenditures of $17,400 for Twin Falls office space, travel and training; $15,000 for audit costs; and $8,900 onetime for a rugged laptop and vehicle costs. In 2015, two large manufacturers, Army's Kitchen and Clif Bar, moved into Idaho and significantly increased demand for organic products from Idaho certified organic producers. Also, Idaho's largest milk processors contracted with ISDA to certify their facilities. Furthermore, ISDA has seen interest from may processing sectors including oilseed, feed products, breweries, distilleries, vegetable processors, and cosmetic companies. The current staff of three is strained to meet certification and inspection needs and has declined services to Nevada and Utah producers. Fees from registration, inspection, and gross sales (Section 22–1106, Idaho Code) are adequate to cover the increased ongoing expenses, including the four-month, $21,500 annualization which brings the two-year costs to $128,200.

UNANIMOUS CONSENT: On request by Miller, granted by unanimous consent, the FY 2016 budget for the Department of Agriculture was reopened.

CARRIED:

Original Motion

Moved by Miller, seconded by Bair, to approve for introduction $0 General Funds, $65,300 Dedicated Funds, $0 Federal Funds for a total of $65,300 with FTP of 1.00
$23,900 OT

Ayes: 19

Keough, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 1

Johnson

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

SUPPLEMENTAL: **Plant Industries and Market Development**
Specialty Crop Program Funding

The request is to transfer $1 million in federal appropriation from the Plant Industries Program to the Market Development Program ($500,000 in operating expenditures and $500,000 in trustee and benefit payments). Several plant grants have been reduced over the last three years leaving unneeded appropriation. At the same time, specialty crop grant requests have exceeded the FY 2016 appropriation. The specialty crop grant program has grown beyond expectations from $121,000 in FY 2006, to $166,000 in FY 2008, to $1 million in FY 2014, to nearly $2 million in FY 2015. Eligible entities include for-profit organizations, governments, universities, and on-profit organizations. The number of sub-recipients exceeds 50. Specialty crops include fruits and vegetables, tree nuts, dried fruits, and horticulture and nursery crops, including floriculture. Value-added processing of eligible crops also qualifies. Projects are evaluated on how well they enhance the competitiveness of Idaho's specialty crops, soundness and quality of the project plan, measurable outcomes, and return on investment.

CARRIED:

Original Motion

Moved by Burtenshaw, seconded by Bair, to approve for introduction the reduction of $500,000 in operating expenditures and $500,000 in trustee and benefit payments for a total of $1 million in federal funds for the Plant Industries Program, and the increase of $500,000 in operating expenditures and $500,000 in trustee and benefit payments for a total of $1 million in federal funds for the Market Development Program, for a net change of zero dollars.

Ayes: 19

Keough, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 1

Johnson

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

SUPPLEMENTAL: **Administration**

Janitorial Services

This supplemental would transfer $8,000 from operating expenditures to personnel costs. The animal, dairy, and plant pathology laboratories are located on the second floor of the Health and Welfare building south of the Department of Agriculture's Boise headquarters. Effective November 1, 2015, the contract for janitorial services for the second floor of the Health and Welfare building expired. The Department of Agriculture hires temporary staff to clean the other buildings on campus and expended their responsibilities to clean the second floor as well. Health and Welfare has secured a contract for the remainder of their building. This supplemental would transfer eight months of the budgeted costs, or $8,000, from operating expenditures to personnel costs in the Facilities Maintenance Fund. The remaining four months are included in an FY 2017 annualization.

CARRIED:

Original Motion
Moved by Bair, seconded by Burtenshaw, to approve for introduction the reduction of $8,000 in operating expenditures in the dedicated Facilities Services Fund and a corresponding increase of $8,000 in personnel costs for a net change of zero dollars overall.

Ayes: 19

Keough, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 1

Johnson

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

SUPPLEMENTAL: **IDAHO DEPARTMENT OF WATER RESOURCES**
Management and Support Services
Idaho Water Center Renovation

PRESENTER: **Ray Houston, Principal Analyst, Budget & Policy, Legislative Services Office**

The Idaho Department of Water Resources (IDWR) requests a one-time $484,900 supplemental from the General Fund to pay for renovation of about 9,037 square feet on the fifth floor in the Idaho Water Center (IWC). This space was previously remodeled in April of 2011 and leased to the Idaho Supreme Court Law Library and University of Idaho Law School until they both vacated in July of 2015. IDWR has executed a lease with the State Appellate Public Defender (SAPD) FOR 6,600 rentable square feet. The architect estimates renovation costs for that space at $55 per square foot for a total of $363,000. Futhermore, IDWR is negotiating a lease with the Soil and Water Commission (SWCC) for 2,437 square feet. The architect estimates renovation costs to be $50 a square foot for a total of $121,900. These costs are needed to satisfy the office space requirements of the SAPD and SWCC.

UNANIMOUS CONSENT: On request by Miller, granted by unanimous consent, the FY 2016 budget for the Idaho Department of Water Resources was reopened.

CARRIED:

Original Motion
Moved by Miller, seconded by Bair, to approve for introduction $484,900 General Funds, $0 Dedicated Funds, $0 Federal Funds for a total of $484,900 with FTP of 0.00
OE

Ayes: 17

Keough, Bair, Mortimer, Brackett, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Burtenshaw, King, Gannon

Nays: 2

Nuxoll, Monks

Ab/Ex: 1

Johnson

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

SUPPLEMENTAL: **DEPARTMENT OF HEALTH AND WELFARE**
Benefits Program within Division of Welfare
Child Care Support Payments

PRESENTER: **Jared Tatro, Principal Analyst, Budget & Policy, Legislative Services Office**

As the Department completed its most recent budget review, it realized that the Division of Welfare, Benefits Program will need an additional $2.1 million in federal fund trustee and benefit appropriation to cover increased caseload costs in the Idaho Child Care Program (ICCP). Over the past couple years, the Department has seen an increase in the number of families receiving child care services as demonstrated in the Self Reliance Forecast published with caseload increases; this information can be seen on Page 2–83 of the Legislative Budget Book. Child care subsidies are provided to individuals who have an annual income up to 130% of the federal poverty level. These subsidies allow people to work or attend an accredited college while having a safe place for their children to go.

UNANIMOUS CONSENT: On request by Schmidt, granted by unanimous consent, the FY 2016 budget for the Department of Health and Welfare was reopened.

MOTION:

Original Motion
Moved by Schmidt, seconded by Malek, to approve for introduction $0 General Funds, $0 Dedicated Funds, $2,114,300 Federal Funds for a total of $2,114,300 with FTP of 0.00
T & B Cooperative Welfare Federal Fund

Ayes: 18

Keough, Johnson, Bair, Mortimer, Brackett, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Malek, Monks, Burtenshaw, King, Gannon

Nays: 1

Nuxoll

Ab/Ex: 1

Horman

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

SUPPLEMENTAL: **Healthcare Policy Initiatives**
SHIP Grant

The Department requests $1,263,800 from federal funds in operating expenditures for the State Healthcare Innovation Plan (SHIP) Grant. This additional appropriation is to align estimated needs with ongoing grant expectations. In the 2015 legislative session, funding was approved to begin the 4–year grant. SHIP is intended to transform Idaho's healthcare system by changing the standard of practice, delivering primary care through the patient-centered medical home, integrating primary care with the broader medical neighborhood of hospitals and ancillary providers, and shifting payment incentives from volume to paying for improved health outcomes. This was developed with statewide stakeholder input led by the Idaho Healthcare Coalition (IHC) during 2013 and 2014. The IHC was established through Executive Order 2014–02 in February, 2014, with the charge to lead Idaho's healthcare system transformation. Members of the IHC include primary care providers, hospital leaders, public and private payers, policymakers, employers, community members and provider associations. The plan is designed to achieve improved patient care, improved patient health, and reduced overall healthcare system costs. FY 2017 will be the second full year of the grant and legislative intent language requires the Department to provide an annual update on the grant at the start of the legislative session.

CARRIED:

Original Motion
Moved by Schmidt, seconded by Malek, to approve for introduction $0 General Funds, $0 Dedicated Funds, $1,263,800 Federal Funds for a total of $1,263,800 with FTP of 0.00
OE Cooperative Welfare Federal Fund

Ayes: 19

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 1

Horman

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

SUPPLEMENTAL:

Division of Medicaid
Medicaid Enhanced Plan
KW Lawsuit

In January, 2012, twelve developmentally disabled (DD) Medicaid participants sued the Department over changes made to their budgets. In March, 2014, the court granted class-action status in the lawsuit, which extended the suit to all developmentally disabled waiver participants (about 3,900 adults). The court also issued an injunction that the Medicaid Program restore budgets for developmentally disabled waiver participants to their highest amount since 2011, while the matter gets resolved in court. If the request is not funded the Department will be in violation of a court order. The supplemental request is for $17.6 million with $5,104,000 from the General Fund.

CARRIED:

Original Motion
Moved by Malek, seconded by Guthrie, to approve for introduction $5,104,000 General Funds, $0 Dedicated Funds, $12,496,000 Federal Funds for a total of $17,600,000 with FTP of 0.00

Ayes: 19

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 1

Horman

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

SUPPLEMENTAL: **Division of Medicaid**
Medicaid Administration and Medical Management
Medical Management Information System MMIS Contract Operations

The department requests $180,600 with $45,100 from the General Fund, to increase the amount paid to the Pharmacy Benefits Management contractor. During the 5–year initial contract no increases were provided to the contractor, however, during renegotiations, an increase was agreed upon. This fixed amount will prevent the department from paying additional fees if actual claim volumes exceed projected claim volumes. This agreed upon contract increase also included enhanced hours to allow payment for system changes as required by the Centers for Medicare and Medicaid Services (CMS). (Ongoing)

The department also requests $1,101,000 with 10% or $110,100 from the General Fund to implement the federally required financial reporting system called Transformed Medicaid Statistical Information System (TMSIS). The requirements set forth in the Affordable Care Act require the various Medicaid Management Information System (MMIS) contractors to do extensive gap analysis from existing reporting requirements, make system changes required to modify existing data, and capture and report on additional data elements. (One-time)

CARRIED:

Original Motion
Moved by Schmidt, seconded by Malek, to approve for introduction a transfer of $155,200 from trustee & benefit payments in the Cooperative Welfare General Fund that includes $45,100 ongoing and $110,100 one-time, to operating expenditures; and a transfer of $1,126,400 from trustee & benefit payments in the Cooperative Welfare Federal Fund that includes $135,500 ongoing and $990,900 one-time, to operating expenditures for a total object transfer of $1,281,600 for FY 2016.

Ayes: 18

Keough, Johnson, Bair, Mortimer, Brackett, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Malek, Monks, Burtenshaw, King, Gannon

Nays: 1

Nuxoll

Ab/Ex: 1

Horman

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

SUPPLEMENTAL: **Division of Medicaid**
Medicaid Administration and Basic Plan
CHIP Program

In April, 2015, Congress passed House Resolution 2, which included a two-year funding extension for the Children's Health Insurance Program (CHIP). This extension became effective October 1, 2015, and will end in September 2017, unless Congress takes further action. The resolution in coordination with requirements in the Affordable Care Act made the funding for Idaho 100% federal, rather than the historical 80%, which means the department requests a shift of $7, 275,000 from the General Fund to federal funds.

On October 1, 2015 distributions to the Health Insurance Access Card fund were stopped with the sunset of Section 41–405, Idaho Code. As a result, the department requests a one-time reduction from the General Fund of $330,000 and an increase of a like amount in the Health Insurance Access Card Fund to use the remaining cash in the fund. The department also requests a reduction of $114,000 in operating expenditures in the Health Insurance Access Card Fund and an increase in federal funds for operations. (One-time and ongoing)

CARRIED:

Original Motion
Moved by Malek, seconded by Schmidt, to approve for introduction $(7,605,000) General Funds, $216,000 Dedicated Funds, $7,389,000 Federal Funds for a total of $0 with FTP of 0.00

Ayes: 19

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 1

Horman

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

SUPPLEMENTAL: **Division of Medicaid**
Coordinated Medicaid Plan
Medicare Part B

Idaho Participates in the Medicare Savings Program (MSP), which prevents Medicaid from being the primary payer on the majority of the medical bills that participants incur. Basically, the state through Medicaid, pays the Medicare premiums for individuals so that Medicaid is not the primary payer of claims. Historically, increases are closer to 5% or less. However, the costs for FY 2017 are expected to increase 16%, or from $104.90 to $121.80. This increase is only being applied to state Medicaid programs, not private insurers. The total request is for $8,495,000 split between FY 2016 and FY 2017. The FY 2016 supplemental request is for $4,067,300 and the annualized amount is for $4,427,700. (Ongoing)

CARRIED:

Original Motion
Moved by Schmidt, seconded by Monks, to approve for introduction $1,415,500 General Funds, $0 Dedicated Funds, $2,651,800 Federal Funds for a total of $4,067,300 with FTP of 0.00
T & B Cooperative Welfare Funds

Ayes: 19

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 1

Horman

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

AGENCY PRESENTATION: **DEPARTMENT OF PARKS AND RECREATION**
Lava Hot Springs Foundation

PRESENTER: **Mark Lowe, Executive Director**

To view the presentation, please click on the following link: Lava Hot Springs

The Idaho Legislature established the Lava Hot Springs Foundation in 1919 to administer land in and around Lava Hot Springs which was granted to the State of Idaho by the U. S. Government in 1902. Idaho created the Foundation to manage the land which consisted of 178 acres along the Portneuf River in Bannock County. After severe flooding in the early 1960's, a rebuilding program occurred and a new swimming pool recreation complex was dedicated in August, 1969. Members of the Board of Directors are appointed by the Governor on a staggered basis, for six-year terms. Gradyn Staley, Irene Bergendorf, Steve Brown, Shawnae Somsen and Lisa Wood are the current Board members.

The mission of the Lava Hot Springs Foundation is to ensure the public has access to healthful, clean and inviting facilities for recreation and healing purposes. Over 150,000 people visited the Olympic swimming complex in 2015. The world-famous Hot Pools have 112 degree sulfur-free water, use 2.5 million gallons of water per day, and over 235,000 bathers visited in 2015. The following improvements have been made: in 2001, curly slides and a spiral staircase; in 2006 the dressing rooms at the Hot Pools were rebuilt and the 25–yard pool became an indoor facility; in 2009 speed slides were built and a new Hot Pool was constructed; in 2013 the Portneuf Kiddie Cove was constructed, and 2016 outdoor restrooms will be built at the Olympic pool. These improvements have brought increased attendance and revenue to Lava Hot Springs.

The Governor's recommended budget for FY 2017 is $2,337,200 which includes: 1) $225,000 in one-time funding to rebuild the Hot Pools customer service area, 2) one-time spending authority for $15,000 to install doors on dressing stalls, 3) $30,000 to sealcoat parking lots, and 4) one-time spending authority for $25,000 for a feasibility study on Chicken Soup Springs which is a cooperative venture with the City of Lava Hot Springs.

AGENCY PRESENTATION: **PUBLIC UTILITIES COMMISSION (PUC)**

PRESENTER: **Paul Kjellander, Commission President**

To view the presentation, please click on the following link: Public Utilities Commission

The Idaho Public Utilities Commission was established by the 12th Session of the Idaho Legislature in 1913 and oversees the intrastate operation of investor-owned electric, gas, water, telecommunications utilities, pipelines and railroads; the Commission does not regulate publicly owned municipal or cooperative utilities. The Governor appoints and the Senate confirms three commissioners for six-year terms. Newly appointed commissioners are Kris Raper and Eric Anderson.

In return for the utility's obligation to serve customers and be subject to regulatory oversight, a company is entitled to recover its prudently incurred expenses and an opportunity to earn a rate of return on its investment. The PUC's role is to ensure adequate earnings, ensure safe and reliable service and establish reasonable rates. In 2015 the PUC opened 142 cases, closed 175 cases, and issued 240 orders; there were 53 open cases as of January 1, 2016.

The PUC is a dedicated fund agency with some federal grants; operations are funded by an annual assessment of up to 0.3% on utility intrastate revenues and 1% on railroad intrastate revenues. FY 2016 assessments were 0.22481% for utilities and 0.6083% for railroads.

PRESENTATION: **BOARD OF LAND COMMISSIONERS**
Idaho Department of Lands (IDL)

PRESENTER: **Tom Schultz, Director**

To view the presentation, please click on the following link: Idaho Department of Lands

IDL is the administrative arm of the State Board of Land Commissioners (Land Board) as well as the Idaho Oil and Gas Conservation Commission. He introduced the following members of his Executive Team: David Groeschl, State Forester and Deputy Director overseeing the Forestry & Fire Division; Diane French, Deputy Director overseeing the Lands & Waterways Division; Bob Brammer, Chief Operations Officer; Andrea Ryan, Human Resource Officer. He also introduced Donna Caldwell, Emily Callihan and Debbie Buck. The Land Board is comprised of the Governor, Attorney General, State Controller, Secretary of State, and Superintendent of Public Instruction. The Land Board provides direction in managing over 2.4 million acres of state endowment trust lands and also oversees IDL in many of its regulatory and assistance duties and in managing Idaho's public trust lands and thousands of miles of land beneath Idaho's navigable waterways. IDL has the following five budgeted programs: 1)Support Services, 2) Division of Forest Resources, 3) Lands and Waterways, 4) Forest and Range Fire Protection, and 5) Board of Scaling Practices.

Schultz reviewed the Department's vision and mission and said the goal of IDL is to manage endowment lands consistent with a constitutional mandate and corresponding fiduciary trust law and principles. IDL manages approximately 973,000 acres of timbered endowment land, leases endowment lands for a number of different activities, and protects 6.3 million acres of timbered lands (mostly State and privately owned) in exchange for federal agencies protecting some endowment lands in some parts of Idaho. IDL manages the beds and banks of navigable waterways by administering the Lake Protection Act, and administers the Oil and Gas Conservation Act, the Surface Mining Act, Dredge and Placer Mining Act, Abandoned Mine Reclamation Act and the Forest Practices Act.

As part of the Comprehensive Annual Financial Report (CAFR), auditors reviewed cottage site transactions with no findings to report. Approximately 1.4 million acres of endowment surface acreage is rangeland while forest lands total over 972,000 acres. The endowment mineral estate includes over 3.3 million acres. The endowment lands and funds together are worth $3.3 billion. IDL land revenues in FY 15 hit record levels mostly from timber harvest; the auction of dozens of cottage site lots at Payette and Priest Lakes brought in another $39.5 million.

The nine endowment funds are the: Public School Endowment Fund, Agricultural College Fund at the University of Idaho, Charitable Institutions Fund, Penitentiary Fund, School of Science Fund at the University of Idaho) State Hospital South Fund, University Fund at the University of Idaho, Normal School Fund, and the Capital Permanent Fund. The Public School Endowment Fund receives most of the earnings from endowment lands and funds. Transparency and customer service is a main focus. The Department received 533 public records requests in 2015 with top subjects being encroachment permits, Oil & Gas Regulatory permits, and reclamation plans for mines and mining.

The Governor's FY 17 budget recommendation totals $59,502,300; graphs by fund source and object were presented. The following decision units were discussed: 1) $960,000 for an information management system for Lands and Waterways, 2) $113,800 for an eastern Idaho fire services coordinator, convert a part-time position to permanent, and $112,400 for four seasonal fire fighting positions in Forest and Range Fire Protection, 3) $171,000 for the Oil/Gas & Mineral program in Land and Waterways, 4) $223,500 for a remote sensing analyst and additional seasonal workers in Forest Resources Management, 5) $140,000 for Rangeland Fire Protection Associations in Forest and Range Fire Protection, 6) $79,200 for an IT systems integration analyst and IT support and $63,000 for server software and subscription in Support Services, 7) $195,000 for the Sage Grouse Initiative, 8) $150,100 for equipment and software in several programs, 9) $562,000 for the Good Neighbor Agreement in Forest Resources Management, 10) $1,350,000 to expand the Coeur d'Alene staff office and $60,000 to remodel that office, 11) to move funds from a General Fund account to a new dedicated Navigable Waterways Fund, 12) $10,100 to hire a part time check scaler, 13) $5,000,000 in Federal spending authority for Forest Legacy Projects under Forest Resources Management, 14) $50,000,000 for a one-time transfer from the General Fund to the Fire Suppression Deficiency Fund to cover estimated previous year's fire costs, and $15) 4,800, ongoing, to pay the Military Division for IDL's share of a statewide user fee for the rental of endowment land use for public safety telecommunication sites. The Department also requests a lump-sum appropriation for the Forest and Range Fire Protection program to allow flexibility necessary to effectively address fire preparedness, response and suppression efforts and costs.

At the end of the presentation, **Schultz** provided additional information regarding preparedness costs (resources to be ready in advance of an actual fire) and suppression costs (once a fire has started).

PRESENTATION: **Endowment Fund Investment Board (EFIB)**

PRESENTER: **Larry Johnson, Manager of Investment**

To view the presentation, please click on the following link: Endowment Fund Investment Board

Trust assets overseen by the nine-member Endowment Fund Investment Board total almost $2.5 billion. Board members are appointed by the Governor and confirmed by the Senate. The Board meets quarterly and is comprised of one senator, one representative, one professional educator and six members of the public familiar with financial matters. The mission of EFIB is to provide professional investment management services to stakeholders consistent with constitutional and statutory mandates. The Idaho Endowment Fund usually ranks above average relative to both public pension plans and other endowments. All Investment Board operating expenses are paid by its clients; i.e., paid from dedicated funds. The Governor's FY 2017 budget recommendation totals $675,400.

The mission of Idaho Endowments is to provide a perpetual stream of income by balancing three conflicting objectives: 1) maximizing total return over time at a prudent level of risk, 2) protecting future generations' purchasing power, and 3) providing a relatively stable and increasing payout. FY 2017 endowment distributions have been approved but not yet appropriated as follows: 1) $36,725,000 for Public Schools, 2) $15,840,000 for Universities, 3) $4,562,000 for State Hospital South, 4) $1,965,600 for the Penitentiary, 5) $1,478,000 for Juvenile Corrections, 6) $1,478,000 for State Hospital North, 7) $924,000 for the Veterans Home, and $185,000 for the Deaf & Blind School.

Objectives for determining distributions in priority order are: 1) avoid reductions in total endowment distributions, 2) maintain adequate Earnings Reserves to protect distributions from temporary income shortfalls, and 3) grow distributions and permanent corpus faster than inflation and population growth.

Total endowment fund management expenses for FY 2015 were $7,971,657 or 0.43% of assets. **Johnson** summarized his presentation by stating the governance structure of the Idaho Endowment Fund is robust, transparent and cost effective. The Funds and associated lands have performed well, therefore, distributions can be increased by 11.8% in FY 2017. Reserves remain healthy so distributions can be maintained in 2018 and beyond.

ADJOURNED: There being no further business, Chairman Keough adjourned the meeting at 10:55 A.M.

Senator Keough
Chair

Peggy Moyer
Secretary

AGENDA

JOINT FINANCE-APPROPRIATIONS COMMITTEE

8:00 A.M.
Room C310
Tuesday, February 02, 2016

TIME	DESCRIPTION	PRESENTER
8:00-9:00	**Department of Parks and Recreation** Department of Parks and Recreation LBB 4-53	*David Langhorst* *Director*
9:00-9:25	**Department of Agriculture** Soil and Water Conservation Commission LBB 5-15	*Teri Murrison* *Administrator*
9:25-9:35	***Break***	
9:35-10:00	**Office of the Governor** Office of Species Conservation LBB 6-113	*Dustin Miller* *Administrator*
10:00-11:00	**Department of Fish and Game** LBB 4-13	*Virgil Moore* *Director*

Senate Reconvenes: 11:15 a.m.

House Reconvenes: 11:00 a.m.

MINUTES

JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE:	Tuesday, February 02, 2016
TIME:	8:00 A.M.
PLACE:	Room C310
MEMBERS PRESENT:	Senators Co-chairman Keough, Bair, Mortimer, Brackett, Nuxoll, Johnson, Guthrie, Schmidt, Lacey Representatives Co-chairman Bell, Gibbs, Miller, Youngblood, Burtenshaw, Horman, Malek, Monks, King, Gannon
ABSENT/ EXCUSED:	Senator Thayne
CONVENED:	**Chairman Bell** called the meeting to order at 8:00 AM.

PRESENTER: **David Langhorst, Director, Idaho Department of Parks and Recreation**

Idaho Department of Parks and Recreation

Director Langhorst presented to the Budget Committee a high-level overview of the accomplishments and requests of the Idaho Department of Parks and Recreation. The Mission Statement of the department vows to "Improve the quality of life in the State of Idaho through outdoor recreation and resource stewardship". Director Langhorst spoke on specific line items regarding new positions needed in the department, facility repair, and equipment necessary to meet the demand for rentals and recreation. Naming rights on some of the park properties is of some concern to members of the committee, there is legislation to dictate how parks are named and proponents inside a park to follow accordingly. Director Langhorst then stood for questions regarding the FY 2017 Budget Recommendation. Department of Parks and Recreation

PRESENTER: **Teri Murrison, Administrator, Idaho Department of Agriculture**

Soil and Water Conservation Commission

Administrator Murrison brought before the Budget Committee a high-level overview of the FY 2017 Governor's Budget Recommendation for the Soil and Water Commission in the Department of Agriculture. Recommended Budget line items are prioritized as follows: Personnel, Operating, Capital, Trustee/Benefit Costs, for a total request of $3.058,500.00 and capped at 17.75 Full-Time Positions. Core functions of the Soil and Water Conservation Commission include Technical/Other Support Services, Conservation Programs, and Administration/Operations. The Conservation Programs are responsible for Incentive Programs including: The Resource Conservation and Rangeland Development Program (RCRDP), The State Revolving Fund, Water Quality Program for Agriculture (WQPA), and Conservation Improvement Grants. Conservation Programs also include Comprehensive Programs that are responsible for: the Conservation Reserve Enhancement Program (CREP), the Idaho Groundwater Quality Plan, the Idaho OnePlan, and the Carbon Sequestration.

In response to concerns about the wildfires in northern Idaho specifically, the Cleawater fire this year, Director Murrison introduced **Steve Becker,** to speak on a Comprehensive Rehabilitation Plan for the recovery of the lands devastated by the fires. As of now, there are other funding sources to consult. **Director Murrison** added that this collaborative effort was put together after the initial Budget Recommendation was in place, assessments of the damages are ongoing. Soil and Water Conservation Commission

PRESENTER: **Dustin Miller, Administrator, Office of the Governor**

Office Species Conservation

Administrator Miller presented to the committee a high-level overview of the accomplishments and requests of the Office of Species Conservation and the FY 2017 Governor's Budget Recommendation. Importance of the Governor's Sage Grouse Initiative illustrated how the Governor's task force helped develop a sage-grouse conservation plan for federal lands, struck a balance between conservation and maintaining land use activities, and the lawsuit filed from **Governor Otter** against the federal government over the final land use plans.

Current activities under the protection of the Office of Species Conservation include: salmon and steelhead recovery, sage-grouse conservation and litigation, Yellowstone grizzly-bear de-listing efforts, chinook and caribou recovery, wolverine litigation, and the Wolf Depredation Compensation. **Administrator Miller** then stood for questions regarding the Governor's Budget Recommendation. Office of Species Conservation

PRESENTER: **Virgil Moore, Director, Idaho Department of Fish and Game**

Department of Fish and Game

Director Moore presented to the Budget Committee a high-level overview of the FY 2017 Budget Recommendation for the Department of Fish and Game. Accomplishments from the FY 2016 appropriations include: The Wildlife Health and Forensic Lab, Castle Rock State Park, and Shooting Range Improvements. Director Moore enthusiastically endorsed the Governor's recommendation for a 3% CEC increase. Improvements are requested for Idaho Shooting Ranges, Fish Screening & Access programs, Game Management, Resident Hatchery Production, Hunter Education & Outreach, Wildlife Monitoring & Habitat, and Fish Tagging.

Director Moore further explained budget requests for the Dingle-Johnson Trust Fund Revenue Decline. This is based primary on the sales of fish and tackle, and boat motor fuel. Since the decline of the Trust, the Department of Fish and Game has been seeking other funding sources. The remaining line items include the Clagstone Conservation Easement, Snake River Sockeye Salmon Trap, Salmon & Steelhead Habitat Projects, and the Sage Grouse Lek Projects. The total request in an increase of 7.6% from last year. Director Moore is confident that license revenue increases this year will make up for any further funding discrepancies. Director Moore then stood for questions regarding the Governor's Budget Recommendation. Department of Fish and Game

ADJOURN: There being no further business to come before the committee, **Chairman Bell** adjourned the committee at 10:15 AM.

_____
Representative Bell
Chair

_____
Christi Cox
Secretary

AGENDA

JOINT FINANCE-APPROPRIATIONS COMMITTEE

8:00 A.M.
Room C310
Wednesday, February 03, 2016

TIME	DESCRIPTION	PRESENTER
8:00-9:00	**Department of Environmental Quality** LBB 4-3	*John Tippets* *Director*
9:00-9:20	**Office of the Governor** Office of Energy Resources LBB 6-75	*John Chatburn* *Administrator*
9:20-9:30	***Break***	
9:30-10:30	**Department of Water Resources** LBB 4-71	*Gary Spackman* *Director* *Fifth District Judge Eric Wildman* *Water Adjudication Court* *Roger Chase, Chairman* *Idaho Water Resource Board*
10:30-11:00	**State Board of Education** Division of Vocational Rehabilitation LBB 1-137	*Jane Donnellan* *Administrator*

Senate Reconvenes: 11:00 a.m.

House Reconvenes: 11:00 a.m.

MINUTES

JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE:	Wednesday, February 03, 2016
TIME:	8:00 A.M.
PLACE:	Room C310
MEMBERS:	Senators Co-chairman Keough, Bair, Mortimer, Brackett, Nuxoll, Johnson, Thayn, Guthrie, Schmidt, Lacey Representatives Co-chairman Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
ABSENT/ EXCUSED:	None
CONVENED:	Chairman Keough convened the meeting at 8:00 A.M.
STAFF PRESENT:	Houston, Headlee, Burns
AGENCY PRESENTATION:	**DEPARTMENT OF ENVIRONMENTAL QUALITY (DEQ)**
PRESENTER:	**John Tippets, Director**

To view the presentation, please click on the following link: Department of Environmental Quality

The following staff members in attendance were introduced: Jess Byrne, Deputy Director; Barry Burnell, Water Quality Division Administrator; Orville Green, Waste Management & Remediation Division Administrator; Tiffany Floyd, Air Quality Division Administrator; Dave Sande, Fiscal Officer; and Kari Kostka, Policy Analyst. Since becoming Director seven months ago, **Tippets** has had meetings with all regional offices and most departments in the state office and he found employees to be dedicated, hardworking, capable and doing a good job of serving Idaho citizens. Two of the four priorities of the Director are that employees: 1) continuously look for ways to be more efficient and effective, and 2) do their jobs with service in mind to make sure Idahoans understand and comply with laws before enforcement becomes necessary.

DEQ has about 250 employees in the State office in Boise and about 100 other employees in the six regional offices located in Coeur d'Alene, Lewiston, Boise,Twin Falls, Pocatello, and Idaho Falls. The agency's mission is to protect human health and preserve the quality of Idaho's air, land and water for use and enjoyment today and in the future. Idaho is blessed with wonderful natural resources that should be preserved in reasonable ways to serve the citizens of Idaho. DEQ implements state environmental programs pursuant to state laws and rules in lieu of EPA implementing federal programs. The state programs include the following: Clean Air Act, Clean Water Act, Safe Drinking Water Act, and the Resource Conservation and Recovery Act (includes regulation of hazardous waste, solid waste, and underground storage tanks). The advantages of Idaho regulating the various programs (primacy) include increased flexibility, better customer service, assistance before enforcement, increased public participation, lower penalties, and shorter timelines for permits and reviews.

DEQ's range of activities include: 1) monitoring air and water quality as well as contaminated land cleanup, and INL oversight; 2) permitting which includes air quality, wastewater reuse, and hazardous waste permits, approvals for solid waste disposal facilities, and working toward authorization for IPDES permits; 3) inspections related to air quality, wastewater reuse, NPDES permits, hazardous waste and underground storage tanks; and 4) outreach and assistance such as emergency response, technical assistance, public outreach, and pollution prevention.

The Governor's FY 2017 budget recommendation totals $67,351,500 with 372 FTPs which represents a 4.2% total increase over last year and a general fund increase of 10.1%. Replacement items total $569,100 and include 3 vehicles, 125 personal computers, IT hardware and software, 5 air quality monitors, water quality monitoring equipment, and INL monitoring equipment. The Director is very supportive of the Governor's 3% CEC increase. **Tippets** discussed four program enhancements: $464,200 in General Funds ($412,200 ongoing and $52,000 one-time) for the Idaho Pollutant Discharge Elimination System (IPDES) which is a program that regulates discharges to surface waters; there is a mandated application due date of September 1, 2016, 2) $160,000 in General Funds, one-time, and a one-time transfer of 1.5 FTP from federal funds to the General Fund for the Underground Storage Tank Program, 3) $60,000 fund shift from operating to personnel and also to shift .7 FTP from federal funds to the General Fund in the Air Quality Program, and 4) a transfer of $1.5 million from the Water Pollution Control Account to the Environmental Remediation account.

AGENCY PRESENTATION: **OFFICE OF THE GOVERNOR**
Office of Energy Resources (OER)

PRESENTER: **John Chatburn, Administrator**

To view the presentation, please click on the following link: Office of Energy Resources

Through Executive Order 2012–08, the Governor continued the Office of Energy Resources with the primary responsibility of coordinating energy planning and policy development in Idaho. OER coordinates the state's comments on all federal energy policy issues and documents, serves as Idaho's clearinghouse for energy information, represents Idaho in regional and national energy policy forums and processes, administers loan and financial assistance programs, and coordinates and supports the Idaho Strategic Energy Alliance (ISEA).

Major transmission projects include the Gateway West Transmission Line Project, the Boardman to Hemmingway Transmission Line Project, and the Hooper Springs Transmission Line Project. The following details progress on federal regulations regarding the Clean Air Act 11(d) Rule — Carbon Emission Standards for Existing power plants: 1) final emission guidelines were published August 3, 2015, 2) OER worked with DEQ, PUC and interested stakeholders to develop the State's comments to the Clean Energy Incentive Program (CEIP) and the Federal Plan, 3) OER submitted comments on the CEIP on December 15, 2015 and the Federal Plan on January 21, 2016, 4) EPA is to release the final federal plan in the summer of 2016, 5) Idaho must provide an initial plan submittal and request for extension to EPA by September 6, 2016, and 6) if the extension is granted, final state plans must be submitted by September of 2018.

Some of the programs OER is involved in includes: 1) Government Leading by Example, 2) DOE State Energy Program Competitive Grant, and 3) the State Energy Loan Program.

The Governor's FY 2017 budget recommendation totals $1,257,700. The three line items discussed include: 1) ongoing spending authority for $11,000 for indirect costs to enable OER to utilize indirect revenue received from federal grants, 2) one-time spending authority for $30,000 to complete administration of the Statewide Wood Energy Team (SWET) grant, and 3) shift an appropriation from the Renewable Energy Resources Fund to the Petroleum Price Violation Fund.

AGENCY PRESENTATION: **IDAHO DEPARTMENT OF WATER RESOURCES (IDWR)**

To view the powerpoint presentation, please click on the following link: Department of Water Resources

Water Adjudication Court

PRESENTER: **The Honorable Eric Wildman, District Judge, Fifth Judicial District**

Judge Wildman gave a brief update on the Coeur d'Alene-Spokane River Basin Adjudication (CSRBA), the Palouse River Basin Adjudication (PRBA), and a wrap up of the Snake River Basin Adjudication (SRBA).

The number of claims filed in Basins 91 through 95 total 11,739; there are 29 unresolved claims in Basins 91 through 93. The filing date for the Director's report for Basin 94 with 1,978 claims is scheduled for this month (February, 2016) and in Basin 95 with 7,634 claims filed, the Director's report is scheduled to be filed in the Spring of 2017. A summary of pending federal law claims indicates: Avista Corp has two, the U.S. Forest Service has nine, and the Bureau of Indian Affairs on behalf of the Coeur d'Alene Tribe has 353 with approximately 85,000 objections.

Regarding the SRBA, **Judge Wildman** signed the Final Unified Decree on August 25, 2014. Remaining claims include 1) Owyhee Federal Reserved Wild and Scenic claims (16) — settlement reached, 2) Reservoir refill claims in Basins 1, 21, 25, and 37 —settlements reached; Basin 63 has 5 claims in litigation, and Basin 65 has 2 claims in litigation, and 3) post-adjudication procedure for deferrable domestic and stockwater claims is now in effect.

Public meetings are scheduled in Potlatch and Moscow for March, 2016 for the Palouse River Basin Adjudication. Filing of the Commencement Petition is anticipated for May, 2016.

Department of Water Resources

PRESENTER: **Gary Spackman, Director**

Zero-base budgeting was used in FY 2016 for budgeting and the Director decided to use it again this fiscal year; with it they have reviewed statutory assignments and authorities, reviewed and revised cost center rankings, identified legislative concepts to address priorities, and identified budget decision units to address those priorities. The following information was discussed: 1) a graph showing FY 2016 and FY 2017 appropriations compared side by side, 2) a graph showing a 10–year appropriation comparison, and 3) a comparative summary of the Governor's recommendations.

The following budget decision units were discussed briefly: 1) $18,200 for the Idaho Water Center Sublease, 2) $716,000 for aquifer measuring and monitoring by a cash transfer from IWRB Revolving Development Fund to the Aquifer Planning and Management Fund, 3) Shift the North Idaho Adjudication staff to the General Fund, 4) $546,100 to add four FTP's to support the Surface Water Coalition-Idaho Ground Water Appropriators settlement agreement, 5) $5,000 for the Bear River Commission Assessment, 6) $125,200 to hire a technical hydrologist to be located in Coeur d'Alene, and 7) $235,700 for funding to fill two vacant FTP's to address the water right licensing backlog, and 8) $21,500,000 for Water Sustainability Projects ($16,500,000, one-time General Fund transfer and $5,000,000 General Fund ongoing).

Graphs were provided showing processing time for active transfer applications, number of "proof of beneficial use" documents filed from FY 14 to FY 15, the number of applications for permits, the number of ownership change forms submitted, and the number of water supply bank lease and rental applications pending.

The Eastern Snake Plain Aquifer Agreement was discussed where ground water users agreed to reduce water consumption by 240,000 acre feet annually, supply 50,000 acre feet of storage water annually, and measure all significant diversions of ground water. All actions in the agreement are intended to stabilize and recover the aquifer. Although the state of Idaho did not sign the agreement, the State intends to: 1) recharge the aquifer with surface water by an average of 250,000 acre feet per year, 2) form a ground water management area for water administration to address factual and legal questions, and 3) coordinate and administer installation, calibration, and data gathering from 3,500 to 4,000 wells diverting water from the aquifer.

Water Sustainability

PRESENTER: **Roger Chase, Chairman, Idaho Water Resource Board**

Water is a finite resource; therefore, it is important that Idaho ensure water supplies for existing uses, for future growth, and for environmental purposes; it starts with wise use, administration and management. The Water Board is concerned about the depletion of Idaho's water resources, especially the aquifers, and has drafted a statewide sustainability policy that will be incorporated into the Comprehensive State Water Plan after public comment. The Board's top priority is to make sure water levels in the aquifers stabilize and do not drop any more.

There is considerable emphasis on the Eastern Snake Plain Aquifer (ESPA) which is now at a crisis stage. For 40 years water levels were artificially raised because of increased surface water usage, but those levels have declined over the last 60 years due to ground water pumping. In 2015, for the first time, the water level fell below minimum flows required at Swan Falls. **Chase** discussed some charts which helped explain the concerns. Agriculture is Idaho's largest industry and is also the largest water user in the state. The Eastern Snake Plain region accounts for about one-third of Idaho's economy so the impact could be tremendous if the problem is not solved. Curtailments due to Rangen and Surface Water Coalition (SWC) delivery calls could have a significant adverse economic impact.

Aquifer recharge is the process where reclaimed water is routed to the subsurface. The most cost-effective way to get water into the ground is to divert and recharge large volumes of water by using unlined canals. Most of the recharge water is delivered through existing canals to sites known as spreading basins. The following actions have occurred to stabilize the ESPA. During the 2014–15 winter, the Water Resource Board recharged 75,000 acre feet from October 24 to March 4, and spilled 320,000 acre feet downriver. During the 2015–16 winter (through January 26, 2016) the Board recharged 33,000 acre feet and spilled 80,000 acre feet downriver. The Board has contracted with canal companies and irrigation districts to carry water. It has also created public/private partnerships and has outsourced work to canal companies.

The Board has approximately $3.7 million in recharge capacity improvement projects underway and anticipates about $8 million to be under construction by next winter and another $10 million in projects the following winter. Even with using existing canals, substantial improvements are needed to carry winter recharge water to aquifer recharge sites. The goal is to meet existing and future water demands; recharge must be ongoing to keep aquifers in balance.

Some of the current statewide water sustainability projects include: Rathdrum Prairie Aquifer; Palouse Basin Aquifer future water supply study; Lewiston-Area Deep Regional Aquifer Investigation, potential Galloway Reservoir, Treasure Valley Aquifer CAMP, recharge study, and ground water model; Arrowrock Reservoir potential enlargement; Mtn. Home Air Force Base water supply and Mtn. Home aquifer study; Upper Salmon Basin/Lemhi/Pahsimeroi flow enhancement; Wood River aquifer ground water model; Eastern Snake Plain Aquifer and Snake River efforts, and Island Park Reservoir potential enlargement. In FY 2015 the IWRB approved nine loans totaling $9.31 million.

The goal is to meet existing and future water demands. Recharge must be ongoing to keep aquifers in balance.

Director Spackman provided some ESPA recharge projects charts detailing funding, estimated project schedule, and an accelerated recharge schedule.

A legislative audit was conducted in April and May of 2014 with one finding for not depositing money when the amount reached $200 or more; the recommendation was to implement monitoring procedures to ensure all offices are depositing receipts in compliance with Idaho Code, Section 59–1014. The Audits Division is scheduled to conduct a follow-up meeting in April, 2016.

AGENCY PRESENTATION: **STATE BOARD OF EDUCATION**
Idaho Division of Vocational Rehabilitation (IDVR)

PRESENTER: **Jane Donnellan, Administrator**

To view the presentation, please click on the following link: Division of Vocational Rehabilitation

The three programs under IDVR are Extended Employment Services (EES), Council for the Deaf and Hard of Hearing (CDHH) and Vocational Rehabilitation (VR). The purpose of EES is to provide to eligible clients services that are intended to increase opportunities for clients to work in their communities. The current budget of EES is $3,908,100. EES served 760 individuals throughout FY 2015 and is in the process of implementing a new case management system. EES collaborates with other community rehabilitation programs.

The Council for the Deaf and Hard of Hearing provides increased community awareness as well as education on issues that impact individuals who are deaf and hard of hearing. The purpose of CDHH is to create an environment in which 200,000 Idahoans of all ages who are deaf and hard of hearing have an equal opportunity to participate fully as active, responsible citizens of Idaho. The Council participates as part of a statewide coalition of ten state agencies on assessing needs for transitioning youth; the program monitors transition services for students up to the age of 26 and identifies what is needed for students to transition either into post-secondary education or the workforce.

Vocational Rehabilitation assists individuals with a diverse array of disabilities to prepare, obtain, advance in and retain employment based on their unique skills and abilities. The program provides services to eligible Idahoans with disabilities to assist them to transition from unemployment to gainful employment or to maintain employment and from dependence to independence; i.e., self-sufficiency. Vocational Rehabilitation's mission is to prepare individuals with disabilities for employment and community enrichment. Some accomplishments include: 1) an 11% increase in successful employment outcomes, 2) 630% increase in wages, 3) $10 million in additional sales tax, 4) $27 million in additional state income tax, and 5) the program will generate over $3.00 in increased sales tax for every $1.00 the state invests. Clients earn an average of $11.74 per hour which is 66% of the average state wage of $17.85 and 62% above the federal/state minimum wage of $7.25 an hour.

Other benefits of IDVR include: a reduction in public support (such as food stamps, SSA benefits, etc.); 85% of participants have wages as their primary source of income. IDVR maximizes its resources with partnerships. The required match for the VR program is 21.3% of the total program. Agreements assist IDVR to make up the gap from state funding to capture more available federal grant monies. Some current partnerships are with school districts, Department of Correction, Department of Juvenile Corrections and the Department of Health and Welfare. Each dollar of partnership funds generates $3.69 in federal funds. As an example, $627,219 in partnership funds leverage $2,317,471.

A legislative audit for FY 2014 resulted in 3 findings; two of the three findings remain open. The IDVR workforce has a total of 152.5 full–time positions including 59 qualified counselors; currently five positions are vacant.

Donnellan briefly discussed the following issues: 1) the Workforce Innovation and Opportunity Act (WIOA) is a reauthorization of the Rehabilitation Act of 1973; it is designed to help job seekers access employment, education, training and support services and also matches employers with skilled workers. IDVR was required to implement changes upon enactment without final rules, 2) Pre-Employment Transition Services (PETS) requires a 15% reserve, 3) The Governor and the CEC Committee were thanked for the 3% merit increase as well as the recommendation for the discretion of directors to manage their workforce which will help in the recruitment and retention of qualified counselors.

The Governor recommended an FY 2017 budget of $27,791,900 which includes $49,900 for Employee Benefit Costs, Replacement Items for $67,600, Statewide Cost Allocation for $9,700, Change in Employee Compensation for $256,700, $316,300 for the 27th Payroll, $1,270,600 for the Workforce Innovation & Opportunity Act in order to meet the new student transition requirement of WIOA, and $340,000 to restore Extended Employment Services (EES).

Vocational Rehabilitation (VR) is an outstanding investment for the following reasons: 1) every $1.00 invested by the state returns over $3.00 in sales tax revenue, 2) increased wages for VR customers reduces public assistance, and 3) the program gives customers increased satisfaction with their personal lives.

ADJOURNED: There being no further business, Chairman Keough adjourned the meeting at 10:40 A.M.

Senator Keough
Chair

Peggy Moyer
Secretary

AGENDA

JOINT FINANCE-APPROPRIATIONS COMMITTEE

8:00 A.M.
Room C310
Thursday, February 04, 2016

TIME	DESCRIPTION	PRESENTER
8:00-9:00	**Department of Administration** LBB 6-3	*Director Robert Geddes*
9:00-9:10	***Break***	
9:10-10:00	Permanent Building Fund LBB 6-23	*Jan Frew, Administrator* *Division of Public Works*
10:00-10:45	**Idaho State Historical Society** LBB 5-81	*Janet Gallimore* *Executive Director*

Senate Reconvenes: 10:45 a.m.

House Reconvenes: 11:00 a.m.

MINUTES

JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE:	Thursday, February 04, 2016
TIME:	8:00 A.M.
PLACE:	Room C310
MEMBERS PRESENT:	Senators Co-chairman Keough, Bair, Mortimer, Brackett, Nuxoll, Johnson, Thayn, Guthrie, Schmidt, Lacey Representatives Co-chairman Bell, Gibbs, Miller, Youngblood, Burtenshaw, Horman, Malek, Monks, King, Gannon
ABSENT/ EXCUSED:	None
CONVENED:	**Chairman Bell** called the meeting to order at 8:00 AM.

PRESENTER: **Robert Geddes, Director, Idaho Department of Administration**

Idaho Department of Administration

Director Geddes began the presentation of the FY 2017 Budget Recommendation by introducing new staff members. The Department of Administration oversees the a wide spectrum of responsibilities for the State of Idaho including the; Division of Public Works which is responsible for facilities services management, statewide leasing, and design and construction; the Division of Purchasing which is responsible for statewide purchasing and contracts, and federal surplus property management; the Office of the Chief Information Officer which is responsible for security services, and the enterprise geospatial office; the Idaho Technology Authority which is responsible for the evaluation of IT systems, and implementation of the Statewide IT Strategic Plan; the Division of Insurance and Internal Support which is responsible for risk management, the Industrial Indemity Fund, Group insurance; and finally Human Resources.

Director Geddes then introduced **Greg Zickov,** Chief Information Officer for the Department of Administration. The Idaho Technological Authority carries and provides an extremely broad range of services, including: Enterprise Operations, Security Services, and Geospatial Office information. The Idaho Technology Authority is responsible for evaluating the IT Systems, Statewide IT strategic plans, and the Cybersecurity Policies

Keith Reynolds Deputy Director and Chief Financial Officer for the Department of Insurance listed the FY 2016 Supplemental Requests for the Department of Labor. Legal fees for the IEN Lawsuit, IEN Grant Transfer to Public Schools, the return of the Albertson Foundation IEN Grant, and the Fund Transfer to Insurance reserves are actions the JFAC body has already taken this legislative session, and were further discussed in the presentation. **Director Geddes** explained the remaining line items including; Replacement Items, Spending Authority Requests, and Adjustments for Revenue Increases. Director Geddes then stood for questions. Department of Administration

PRESENTER: **Jan Frew, Administrator, Idaho Division of Public Works**

Division of Public Works: The Permanent Building Fund.

Administrator Frew brought before the Budget Committee a high-level overview of the FY 2017 Budget Recommendation for the Permanent Building Fund through the Idaho Division of Public Works. The Permanent Building Fund carries a broad expansion of responsibilities. According to Idaho Code, The Permanent Building Fund "was dedicated for the purpose of building needed structures, renovations, repairs to and remodeling of existing structures at several state institutions and several agencies of state government."

Administrator Frew reported on several of the accomplishments and ongoing projects of the Permanent Building Fund. Projects and expansions this past year have included; renovations to the Capitol Building, The Capitol Annex (now, the University of Idaho Center for Law and Justice), the Fish and Game Wildlife Laboratory, Communication Site Building and Tower Schafer, Military Division Recruitment offices in three counties, Boise State University Anatomy and Physiology lab and BSU Fine Arts Building.

Administrator Frew then presented the FY 2017 Governor's Budget Recommendation. Additional requests have been included since the original recommendation was made. Concerns were raised regarding the cigarette tax as a declining source of revenue, Administrator Frew explained that other funding options are being considered. She then stood for questions regarding the Budget Recommendation. The Permanent Building Fund

PRESENTER: **Janet Gallimore, Executive Director, Idaho State Historical Society**

Idaho Historical Society

This year the Idaho State Historical Society will be celebrating its 50th year since being made apart of Idaho legislation. **Executive Director Janet Gallimore** brought before the Budget Committee a high-level overview of the FY 2017 Budget Recommendation. Requests include; a $4 million one-time General Fund support for educational exhibitions, $1.9 million in the DPW Budget to add to the approved and authorized project building budget, and a designation date to reopen the Idaho State Historical Museum in late 2017.

Director Gallimore urged the budget committee to consider project investment in terms of the impact the Idaho State Historical Society will have on Idaho's citizens. Creating an essential for education and life-long learning for the State; contributing to the economic vitality of our State by growing Idaho's cultural infrastructure and tourism; deepening Idaho's connection to our roots and build a statewide sense of community; and empower Idahoans by giving context that Idaho history provides for their present and future. The director then stood for questions regarding the Budget Recommendation. Idaho Historical Society

ADJOURN: There being no further business to come before the committee, Chairman Bell adjourned the committee at 10:15 AM.

_____
Representative Bell
Chair

_____
Christi Cox
Secretary

AGENDA

JOINT FINANCE-APPROPRIATIONS COMMITTEE

8:00 A.M.
Room C310
Friday, February 05, 2016

TIME	DESCRIPTION	PRESENTER
8:00-8:30	**Industrial Commission** LBB 5-35	*Tom Limbaugh* *Commissioner*
8:30-9:00	**Department of Insurance** LBB 5-41	*Dean Cameron* *Director*
9:00-9:10	***Break***	
9:10-9:40	**Division of Building Safety** LBB 5-67	*Kelly Pearce* *Administrator*
9:40-10:00	**State Lottery** LBB 5-97	*Jeff Anderson* *Director*
10:00-10:20	**Office of the Governor** State Liquor Division LBB 6-93	*Jeff Anderson* *Director*
10:20-10:40	**Joint Millennium Fund Committee Recommendations** LBB 6-181	*Senator Lodge, Co-chair* *Rep Wood, Acting Co-chair*

Senate Reconvenes: 10:45 a.m.

House Reconvenes: 11:00 a.m.

MINUTES

JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE:	Friday, February 05, 2016
TIME:	8:00 A.M.
PLACE:	Room C310
MEMBERS PRESENT:	Senators Co-chairman Keough, Bair, Mortimer, Brackett, Nuxoll, Johnson, Thayn, Guthrie, Schmidt, Lacey Representatives Co-chairman Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
ABSENT/ EXCUSED:	None
CONVENED:	Chairman Keough convened the meeting at 8:00 A.M.
STAFF PRESENT:	Bybee, Tatro
AGENCY PRESENTATION:	**INDUSTRIAL COMMISSION (Commission)**
PRESENTER:	**Tom Limbaugh, Commissioner**

To view the presentation, please click on the following link: Industrial Commission

The Industrial Commission administers the Worker's Compensation Law under Title 72, Idaho Code. The main functions of the Commission are to decide contested cases, administer insurance requirements, approve settlement agreements, mediate worker's compensation disputes, provide no cost return-to-work services, decide unemployment insurance appeals, and administer the Crime Victim's Compensation Program. With the exception of the Crime Victim's Compensation Program, premium tax, collected semi-annually in March and July, is the Commission's primary funding source for ongoing operations; the Commission receives no revenue from the General Fund.

The Commission is often mistaken for the State Insurance Fund. Following are some common misconceptions about the Commission: it does not pay worker's compensation benefits, it is not the State Insurance Fund, it is not an insurance company, and it does not set worker's compensation rates. The Crime Victim's Compensation Program *does* pay benefits.

In FY 2015, 34,559 accidents were reported with 39 fatalities. During the 2014 calendar year, sureties reported $231 million in total benefits paid — $150 million in Medical and $81 million in lost wages.

The Commission acts as an Administrative Court with exclusive jurisdiction of: 1) Worker's Compensation law and decides disputed worker's compensation cases including hearings, case settlements, and mediations, 2) resolves medical fee disputes, and 3) provides final decisions on unemployment appeals from the Department of Labor. The Employer Compliance Division receives Idaho business registrations from the state's online business registration program and notices of insurance cancellations from the National Council of Compensation Insurance (NCCI), and last year the Division corresponded with 14,700 employers regarding insurance coverage status. The Claims and Benefits Division: 1) collects and maintains status information on over 34,000 claims filed each year to ensure worker's compensation benefits are paid properly and timely, 2) conducts audits to ensure compliance with Idaho claims adjusting rules and in-state adjusting requirements, 3) reviews and makes approval recommendations on lump sum settlement agreements proposed between the employer and employee, and also 4) provides a Worker's Compensation Certification Program (CIWCS) for industry professionals. This Division has Electronic Data Interchange (EDI) and is upgrading to version 3.0 which is designed to decrease paper use and digitize documents; implementation date is July 1, 2017. The Rehabilitation Division, created in 1974, assists injured workers in returning to gainful employment, works with employers, medical providers, and sureties to facilitate medical recovery and return to work. In FY 2015, 1,490 injured workers returned to work. The Advisory Committee was established in 2000 to provide assistance and advice on the Idaho worker's compensation system.

The Crime Victim's Compensation Program provides financial assistance to innocent victims of crime by helping to pay for medical, psychological, sexual assault forensic examinations, wage loss, death benefits, and funeral expenses. The maximum benefit paid to a victim is $25,000. Since the program's inception, approximately 40,000 victims have been assisted. Currently 7,642 victims are actively receiving services. No General Fund dollars are used for this program; resources come from fines imposed on offenders convicted of crimes in Idaho as well as grant funds from Victims of Crime Act of 1984 (VOCA). In FY 15, $2,296,334 was paid to innocent victims of crime and service providers.

Regarding the Division of Building Safety (DBS), Senate Bill 1001 clarified the scope of workplace safety inspections and programs and transferred statutory responsibility to DBS. The FY 16 appropriation to DBS was $1,185,100 for Trustee and Benefits.

The Commission has a total of 138.25 FTP, all are permanent, benefitted employees. There are 76 classified and 62 non-classified positions. Classified employee turnover at the Commission continues to exceed the state average turnover rate. The Governor's FY 2017 budget recommendation totals $16,701,400 including replacement items, the cost of the 27th payroll, and new equipment.

AGENCY PRESENTATION: **<u>DEPARTMENT OF INSURANCE</u> (DOI)**

PRESENTER: **Dean Cameron, Director**

To view the presentation, please click on the following link: Department of Insurance

Since 1901 the Department of Insurance since 1901 has regulated the business of insurance in Idaho, is a member of the National Association of Insurance Commissioners, and its purpose is to protect policyholders and monitor the financial condition of carriers. The mission of DOI is to equitably, effectively, and efficiently administer the Idaho Insurance Code and the International Fire Code.

The value of the Department to consumers and employers is fourfold: 1) they need to know the insurance company is financially solvent, 2) they have an expectation that the insurance company will appropriately process claims, 3) they expect that the agent/producer is trustworthy, educated and licensed, and 4) insurance companies have an expectation that DOI will fairly and equitably administer the law.

DOI has two budgeted programs: the Insurance Regulation Division and the State Fire Marshal's Office. The Insurance Regulation Division consists of three bureaus and one section (IT) overseen by the Deputy Director. The three bureaus are: 1) Product Review which reviews and approves insurance policy and self-funded rates and forms, 2) meets the effective rate review standards for the individual and small group health insurance markets, certifies health plans that meet the Qualified Health Plan (QHP) standards, 4) reviews proposed increases on health plans to determine if they are "unreasonable," 5) reviews proposed increases for long-term care and other policies, and 6) works with NCCI on worker's compensation rate adjustments and review.

The Company Activities Bureau 1) monitors the financial condition of all domestic insurance entities, assures compliance with Idaho law and financial responsibility, 2) reviews applications of insurers and qualifying self-funded healthcare plans seeking to do business in Idaho, 3) licenses producers and third-party administrators, 4) collects and audits insurance premium tax returns, 5) regulates title and bail agencies, and 6) performs market conduct analyses and examinations of insurers and self-funded plans doing business in Idaho.

The Consumer Affairs/Services Bureau acts as a liaison with carriers and/or agents to thoroughly investigate and resolve complaints, ensures actions by carriers and/or agents are in compliance with Idaho insurance law and terms of the insurance contract, provides consumers with information to help understand insurance needs, and Consumer Affairs officers help consumers resolve disputes with insurance companies and agents. Within this bureau is Idaho's Senior Health Insurance Benefits Advisors (SHIBA) program which provides information, counseling and assistance on Medicare coverage issues to Idaho's senior citizens. Within Consumer Affairs the following investigations are performed: 1) consumer protection from individuals conducting the business of insurance in a dishonest manner, 2) investigation of allegations of individuals filing fraudulent insurance claims against insurance companies, 3) criminal and administrative investigations to determine whether any person has violated any provision of Title 41, Idaho Code, and 4) collaboration with the State Fire Marshal's Office on insurance-related arson investigations.

Issues facing the Department of Insurance include: 1) difficulty attracting and retaining highly qualified employees, 2) increasing the number of self-funded plans and third party administrators, 3) increasing the number of insurance agents, 4) increasing the number of seniors which puts increased pressure on SHIBA, 5) stabilizing the health insurance market and carrier issues, and 6) handling federal intervention and regulation.

The Governor's FY 2017 recommended budget of $9,556,900 includes $78,200 in Benefit Costs, $245,700 for Replacement Items, a decrease of $6,600 in statewide cost allocation, $138,900 for Change in Employee Compensation (CEC) and $164,400 for the 27th Payroll. Decision Units include $19,200 for additional desks, laptops and equipment, and $48,000 for radios, fire shelters, and gas monitors for the State Fire Marshal's Office.

The Legislative Audits Division of Legislative Services on January 29, 2015, reported two findings as the result of an audit; one finding remains open. The next scheduled review of the Department of Insurance is scheduled for the summer of 2017.

AGENCY PRESENTATION: **SELF-GOVERNING AGENCIES**
Division of Building Safety

PRESENTER: **Kelly Pearce, Administrator**

To view the presentation, please click on the following link: Division of Building Safety

The mission of the Division of Building Safety is to safeguard the citizens of Idaho through responsible administration of building and construction-related safety and licensure standards while promoting a positive business climate. The Division administers five bureaus and houses seven boards. Boards include: Heating, Ventilation and Air Conditioning, Electrical, Building Code, Plumbing, Manufactured Housing, Modular Building Advisory, and Public Works Contractor Licensing. Additional programs include: Industrial Safety, Logging Safety, Elevator Safety, Energy Code Program and the School Security Assessment Program.

The Administrator discussed several charts for Ada County including: 1) a local housing report showing sales were up 14% and permits were up 15%, 2) new construction sales between 2008 and 2015 increased by 30.1%, and 3) single-family homes sales from 2008–2015 increased by 85.3%. In 2015 the Division of Building Safety issued 16,168 licenses, 39,460 permits, completed 68,560 inspections and answered 55,963 call to their 1–800 phone number. **Administrator Pearce** showed several slides of various inspections from around the state which included corporations, schools, elevators, agriculture, and modular-manufactured housing.

The Governor's recommended FY 2017 budget totals $12,977,600 with 131 FTP's. Decision units include money for four building inspectors and one technical records specialist, funds to remodel the Meridian office, some new equipment, and the creation of a School Safety Office.

PRESENTATION: **Idaho Lottery**

PRESENTER: **Jeff Anderson, Director**

To view the presentation, please click on the following link: Idaho Lottery

The Lottery is a dedicated fund agency that receives no General Fund dollars. Its mission is to responsibly provide entertaining games with a high degree of integrity to maximize the dividend for Idaho Public Schools and the Permanent Building Fund; the Lottery's vision is to become the highest performing jurisdiction in America. The Idaho State Lottery Commission oversees the activities of the Lottery; members include Chairman Mel Fisher, Gary Michael, Craig Corbett, Susan Kerrick, and a commissioner yet to be announced to fill the vacancy left by David Keyes.

Lottery beneficiaries include Idaho Public Schools, the Permanent Building Fund, and the Bond Levy Equilization Fund. The Charitable Gaming Division provides oversight of charitable bingo and raffles to ensure games are played within the law and participants are treated fairly.

In FY 2015, Lottery activities generated an additional $1.1 million for Idaho. In addition, $12.5 million was paid to retail partners for selling product, and over $4 million was generated for local communities from charitable gaming licensees ($3.4 million for raffle and $852,000 for bingo). The forecast for FY 2016 is plus-3% in top line sales for an estimate of $46 million. The Lottery has limits on certain expenses outlined in Idaho Code as shown: administrative expenses for the coming year are forecast to be 5.6% of sales which is well below the 15% cap; retailer commissions were at 5.94% which is just below the 6% cap; and advertising/promotion remains at 1.74% well below the statutory cap of 3.5%.

The Governor's FY 2017 budget recommendation is for $5,902,600 with 45 FTP.

AGENCY PRESENTATION: **OFFICE OF THE GOVERNOR**
Idaho State Liquor Division (ISLD)

PRESENTER: **Jeff Anderson, Director**

To view the presentation, please click on the following link: State Liquor Division

ISLD is a dedicated fund agency that receives no General Fund money. Its mission is to provide **control** over the importation, distribution, sale and consumption of distilled spirits, **curtail** intemperate use of beverage alcohol and responsibly **optimize** the net revenues of the citizens of Idaho. The Division's vision is to be the most respected and highest performing purveyor of distilled spirits in the United States. ISLD is headquartered in Boise, has 171 retail liquor store locations (66 state retail stores and 105 contract stores), and 32 of Idaho's 44 counties have Sunday sales. The full-service distribution center receives and ships one million cases of product annually. The 66 state-operated stores have 84% of total ISLD sales. In FY 2015, the Division had a record distribution of $64.4 million.

Per capita consumption of distilled spirits in Idaho is well below national averages and even less when cross-border sales to Washington State consumers are factored in. It is estimated that cross-border sales amount to 7% of business. Access matters in curtailing over consumption and abuse of liquor. Idaho has only 15 retail outlets per 100,000 residents offering distilled spirits. Since 2010, forecast sales have increased by 36%, distributions have increased 45% and forecast volumes are up by 19% – the Washington effect appears to have had an impact on sales and operations. Growth in sales and profit per FTP continues to improve.

The Director is forecasting a 4% increase in sales for FY 17. The Governor's recommended budget for the coming fiscal year is $19,510,900 which includes $375,000 to remodel seven state-operated stores, $51,300 to convert four contract warehouse employees to full-time benefitted positions, and $96,400 to increase starting pay for temporary clerks

COMMITTEE REPORT: **Joint Millennium Fund Committee Annual Report and Recommendations**

PRESENTERS: **Senator Patti Anne Lodge and Representative Fred Wood, Co-Chairmen**

To view the presentation and recommendations, please click on the following link: Joint Millennium Fund Committee recommendations

Grant proposals were only considered for: 1) programs and projects related to tobacco cessation or prevention, substance abuse cessation or prevention, or tobacco or substance abuse related disease treatment, and 2) evaluation of prior year award winners. A total of 28 applications were received which included 25 for the traditional application and three for the new evaluation of prior year award winners. On a 6–4 vote, the Committee voted to recommend funding for 18 of the applicants.

UNANIMOUS CONSENT: On request by Bell, granted by unanimous consent, the recommendations of the Joint Legislative Millennium Fund Committee were accepted.

ADJOURNED: There being no further business, Chairman Keough adjourned the meeting at 9:58 A.M.

Senator Keough
Chair

Peggy Moyer
Secretary

AGENDA

JOINT FINANCE-APPROPRIATIONS COMMITTEE

8:00 A.M.
Room C310
Monday, February 08, 2016

TIME	DESCRIPTION	PRESENTER
8:00-8:45	**SUPPLEMENTALS**	
	IDAHO TRANSPORTATION DEPARTMENT **Transportation Services** GARVEE Accounting Adjustment p.25 #49 Idle Pool Fund Shift p.25 #50	*Robyn Lockett, Principal Analyst*
	Highway Operations; Contract Const. Federal Transportation Bill p.25 #51; p.28 #55	
	Contract Construction Reconciliation of Existing Fed Funds p.27 #54	
	DEPARTMENT OF ADMINISTRATION Gen Fund Transfer to Insurance Reserves p.28 #59	
	DEPARTMENT OF CORRECTION **Community Corrections** Sewer Repairs p.13 #22	*Jared Hoskins, Senior Analyst*
	Management Services IT Costs for ISCC p.11 #15	
	State Prisons Religious Activities Contract Increase p.11#16	
8:45-9:15	**State Treasurer**; LBB 6-173	*Ron Crane, State Treasurer*
9:15-9:25	***Break***	
9:25-9:55	**Secretary of State**; LBB 6-165	*Lawerence Denney, Sec of State*
9:55-10:45	**Department of Agriculture**; LBB 5-3	*Celia Gould, Director*
10:45-11:00	**Office of the Governor** Wolf Depredation Control Board; LBB 6-123	*Richard Savage, Board Member*

Senate Reconvenes: 11:00 a.m.

House Reconvenes: 11:00 a.m.

MINUTES

JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE:	Monday, February 08, 2016
TIME:	8:00 A.M.
PLACE:	Room C310
MEMBERS PRESENT:	Senators Co-chairman Keough, Bair, Mortimer, Brackett, Nuxoll, Johnson, Thayn, Guthrie, Schmidt, Lacey Representatives Co-chairman Bell, Gibbs, Miller, Youngblood, Burtenshaw, Horman, Malek, Monks, King, Gannon
ABSENT/ EXCUSED:	None
CONVENED:	**Chairman Bell** called the meeting to order at 8:00 AM.

IDAHO TRANSPORTATION DEPARTMENT

PRESENTER: **Robyn Lockett, Principal Analyst, Division of Budget and Policy Analysis**

Transportation Services

Principal Analyst Robyn Lockett presented to the Budget Committee, the Idaho Transportation Department: Transportation Services Garvee Accounting Adjustment and explained the department's request. The department is requesting $538,600 be transferred in FY 2016 from the appropriated State Highway Fund to the continuously appropriated GARVEE Capital Project and GARVEE Debt Service Funds.

GARVEE construction will be completed in FY 2016 and there are strict federal guidelines that outline how, exactly, federal funds can be approved for uses related to GARVEE. Throughout the GARVEE construction program, accounting adjustments have been made to ensure that federal funds are only used for those items that are eligible for federal reimbursement, but, in order to close out and finalize the GARVEE account, the department is requesting budget flexibility to ensure that all the appropriate funds and accounts are accurately balanced as GARVEE project close-out adjustments are needed over the next few years.

Analyst Lockett further explained the department's request for Idle Pool Fund Shift. The department requests $32,900 be transferred from the dedicated State Highway Fund to the Local Highway Trust Fund. The reason for this request is to hold harmless local entities' money placed on deposit with the department from the impact of the distribution of losses posted to the Idle Pool Portfolio (IDLE Portfolio) by the State Treasurer's Office. The department wants to keep the local transportation jurisdictions from having any loss related to their funds being held in the State Treasurer's Idle Pool Portfolio when the impaired securities were liquidated. The total impact to all of ITD's funds was $607,300, from which the department has determined that $32,900 was the Local Highway Trust Fund's portion.

UNANIMOUS CONSENT: On Request by **Monks**, granted by unanimous consent, the Fiscal Year 2016 budget for the Idaho Transportation Department, was reopened.

CARRIED: **Original Motion**

Idaho Transportation Department
Transportation Services
GARVEE Accounting Adjustment
Fund Transfer
Moved by **Monks**, seconded by **Youngblood**, to approve for introduction $0 General Funds, $1,470,800 Dedicated Funds, $0 Federal Funds for a total of $1,470,800 with FTP of 0.00

Ayes: 20
Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
Nays: 0
Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell.**

CARRIED: **Original Motion**

Idaho Transportation Department
Transportation Services
IDLE Pool Fund Shift

Moved by **Youngblood**, seconded by **Nuxoll**, to approve for introduction $0 General Funds, $32,900 Dedicated Funds, $0 Federal Funds for a total of $32,900 with FTP of 0.00

Ayes: 20
Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
Nays: 0
Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell.**

PRESENTER: **Robyn Lockett, Principal Analyst, Division of Budget and Policy Analysis**

Highway Operations: Contract Construction

Analyst Lockett began the Highway Operations Division request by explaining the division's description. The Highway Operations Division performs statewide highway maintenance functions and directs highway improvements; administers federal-aid safety improvement projects and safety tasks; protects highways from oversize, overweight, and dangerous usage; manages federal transit grant programs and encourages coordinated transportation services; develops projects to improve state and local highway systems to save lives; and coordinates transportation research efforts.

Federal Transportation Bill

Analyst Lockett presented the Highway Operations requests to the Budget Committee, and stood for questions on the Governor's Recommendation. The Governor recommends dedicated and federal fund appropriations related to the Fixing America's Surface Transportation (FAST) Act. The FAST Act is a federal multi-year transportation bill that was signed on December 4, 2015. It reauthorizes U.S. Department of Transportation programs and provides increased federal funding for highway transportation and safety. The recommendation is based on estimated apportionment tables used during congressional committee hearings. Final apportionment amounts are still pending as of early January 2016.

Analyst Lockett explained the division description of the Contract Construction & Right-of-Way Acquisition Division and the presented the FY 2017 budget requests. The Division of Contract Construction accounts for the funds necessary for highway construction projects that maintain and improve the state's highway system. The level of accomplishment in providing for the highway user is related, in part, to the funds available for contract construction.

The current and useful life of the state's infrastructure depends on sufficient funding and efficient expenditure of these funds on necessary improvements. Reappropriation represents spending authority on projects which were in progress, not yet completed, and therefore had not yet fully consumed their spending authority through the end of the prior year. As backlog is completed (especially now, due to the department's project acceleration efforts) actual expenditures in subsequent years will usually be greater than spending authority provided in subsequent years' original annual appropriation bills. Expenditures will consume all spending authority provided in the original annual appropriation bill for the year, plus some of the reappropriated spending authority carried forward from the prior year. In FY 2007, the Legislature approved **H 854** which provided bonding authority for the issuance of Grant Anticipation Revenue Vehicle (GARVEE) bonds. **H 547** of the 2014 Legislative Session revised the distribution of cigarette tax revenues to provide up to $4.7 million annually, for five years, to the GARVEE Debt Service Fund to pay the state's share of the annual bond payment. Additionally, there was a distribution to the State Highway Account to pay for highway maintenance. The amount of that distribution is variable and is contingent upon the amount of cigarette tax revenues that are generated.

Analyst Lockett continued by explaining just after Sine Die of the 2015 session, **H 312** was signed into law. It raised the gas tax by 7 cents and increased the registration fee by $21 for personal vehicles and $25 for commercial vehicles. At that time, the new revenue was estimated to generate approximately $94 million

annually. The ongoing increase in registration and motor fuels is being split 60% - 40% between the State Highway Account and local highway jurisdictions. Furthermore, the bill provided that any funds from an unrecognized General Fund revenue surplus be split equally and deposited into the Budget Stabilization Fund and the Strategic Initiative Program Fund at the end of fiscal years 2015 and 2016, after which time the surplus eliminator language sunsets. When the FY 2015 books closed in July 2015, each fund received $54.2 million.

CARRIED: **Original Motion**

Idaho Transportation Department
Highway Operations
Federal Transportation Bill
Supplemental
Moved by **Monks**, seconded by **Gannon**, to approve for introduction $0 General Funds, $43,200 Dedicated Funds, $851,200 Federal Funds for a total of $894,400 with FTP of 0.00

Ayes: 20
Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
Nays: 0
Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell.**

CARRIED: **Original Motion**

Idaho Transportation Department
Contract Construction & Right-of-Way Acquisition
Supplemental

Moved by **Monks**, seconded by **Youngblood**, to approve for introduction $0 General Funds, $1,120,900 Dedicated Funds, $13,823,700 Federal Funds for a total of $14,944,600 with FTP of 0.00
$126,700 Local State Hwy Fund

Ayes: 20
Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
Nays: 0
Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without

objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell.**

CARRIED: **Original Motion**

Idaho Transportation Department
Reconciliation of Existing Federal Funds
Supplemental

Moved by **Youngblood**, seconded by **Monks**, to approve for introduction $0 General Funds, $40,000,000 Dedicated Funds, $0 Federal Funds for a total of $40,000,000 with FTP of 0.00
$3million in OE

Ayes: 20
Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
Nays: 0
Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell**.

DEPARTMENT OF ADMINISTRATION

PRESENTER: **Robyn Lockett, Principal Analyst, Division of Budget and Policy Analysis**

Department of Administration: General Fund Transfer to Insurance Reserves

Analyst Lockett explained to the Budget Committee that the Governor recommends an FY 2016 appropriation of $13,140,000 from the General Fund to maintain the contractually required minimum beginning reserve fund balance in FY 2017 with Blue Cross of Idaho.

This amount was based on projected estimates, as of December 2015, in relation to utilization and plan costs. For informational purposes, the contractually required reserve fund balance is approximately $26 million, which is equal to 10% of the projected plan premium value in FY 2016.

The FY 2017 contract with Blue Cross of Idaho is expected to be negotiated in March or April of 2016.

UNANIMOUS CONSENT: On Request by **Johnson**, granted by unanimous consent, the Fiscal Year 2016 budget for the Department of Administration, was reopened.

CARRIED: **Original Motion**

Department of Administration
Insurance Management
Gen Fund for Insurance Reserves Shortfall
Fund Transfer

Moved by **Johnson**, seconded by **Gibbs**, to approve for introduction $13,140,000 General Funds, $0 Dedicated Funds, $0 Federal Funds for a total of $13,140,000 with FTP of 0.00

Ayes: 19
Keough, Johnson, Bair, Mortimer, Brackett, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
Nays: 1
Nuxoll
Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell.**

DEPARTMENT OF CORRECTION

PRESENTER: **Jared Hoskins, Senior Analyst, Division of Budget and Policy Analysis**

Department of Correction: Community Corrections and Sewer Repair

Analyst Jared Hoskins defined the importance of the Community Corrections Division and explained the sewer repair request as recommended by the Governor. Community Corrections includes the supervision of probationers and parolees and the operation of community work centers throughout the state.

As explained by **Mr. Hoskins,** the Community Work Centers the department requests an additional $34,000 in one-time operating expenditures from the Inmate Management Fund for emergency sewer repairs at the Idaho Falls Community Reentry Center (IF-CRC). In 2015, IF-CRC experienced a significant failure of the facility's sewer system, which required replacement of the main sewer line and the rerouting of existing infrastructure to the new sewer main line. This program lacks sufficient appropriation to cover the cost of the project.

UNANIMOUS CONSENT: On Request by **Youngblood**, granted by unanimous consent, the Fiscal Year 2016 budget for the Department of Correction, was reopened.

CARRIED: **Original Motion**

Department of Correction
Community Corrections
Community Work Centers
Sewer Repairs
Supplemental

Moved by **Youngblood**, seconded by **Lacey**, to approve for introduction $0 General Funds, $34,000 Dedicated Funds, $0 Federal Funds for a total of $34,000 with FTP of 0.00

Ayes: 20
Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
Nays: 0
Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell**.

PRESENTER: **Jared Hoskins, Senior Analyst, Division of Budget and Policy Analysis**

Management Services: IT Costs for ISCC

As explained **by Mr. Hoskins,** the department is requesting $23,700 in ongoing operating expenditures from the General Fund to pay for formula-driven increases to information technology (IT) and telecommunications costs, as billed by the Department of Administration in accordance with its new methodology. The Department of Administration provides centralized IT infrastructure and support to state agencies and then bills them pursuant to a two part formula that now accounts for an agency's proportional number of positions and its IT-related expenditures, as compared to that of the entire state. After assuming operations of the Idaho State Correctional Center (ISCC) in Boise, the department increased its number of applicable positions and IT expenditures, which, according to the new methodology, increased its allocation for these costs. The department has a base appropriation of $11,300 for IT billings and this request reflects the $23,700 needed to cover the FY 2016 bill of $35,000.

CARRIED **Original Motion**

Department of Correction
Management Services
IT Costs for ISCC
Supplemental

Moved by **Lacey**, seconded by **Youngblood**, to approve for introduction $23,700 General Funds, $0 Dedicated Funds, $0 Federal Funds for a total of $23,700 with FTP of 0.00
OE

Ayes: 20
Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
Nays: 0
Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell.**

State Prisons: Religious Activities Contract Increase

Mr. Hoskins continued to explain requests made by the DOC. The Pocatello Women's Correctional Center (PWCC) is the department's first facility designed specifically to meet the unique program needs of female offenders. It opened in 1994 and houses all custody levels. The institution has its own reception and diagnostic center, pre-release program, and work center release. The free exercise of religion is a constitutionally protected right extended to inmates in the department's custody. To accommodate that right, the department contracts with a private entity to oversee religious activities and volunteer coordination in it's facilities. This request is for $63,900 in ongoing operating expenditures from the Inmate Management Fund to increase service hours for its religious activity. The department currently has $463,100 in its base for the religious activity contract. The increase in service hours for the female population at PWCC requested here will increase the annual contract amount to $527,000.

CARRIED: **Original Motion**

State Prisons
Pocatello Women's Correctional Center
Religious Activities Contract Increase

Moved by **Nuxoll**, seconded by **Youngblood**, to approve for introduction $0 General Funds, $63,900 Dedicated Funds, $0 Federal Funds for a total of $63,900 with FTP of 0.00
OE

Ayes: 19
Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
Nays: 1
Guthrie
Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell.**

PRESENTER: **Ron Crane, State Treasurer**

State Treasurer

State Treasurer Ron Crane presented to the committee a high-level overview of the FY 2017 Budget Recommendation. This is the Treasurer's 18th year in a row to present the budget request and clarified the duties of the State Treasurer to the committee. Simply put, Ron Crane is the State of Idaho's banker. In any corporation you will see accounts receivable and accounts payable with separation of powers, such is the case with the corporation we call the State of Idaho. The State Treasurer serves as the accounts receivable and the State Controller's office serves as the accounts payable. The Controller issues warrants to pay the bills for the goods and services that have been rendered to the State. On the other hand, the State Treasurer's office accounts for every dime that comes into the State's coffers regardless of what state agency it is, it flows through the office of the State Treasurer. State Treasurer

PRESENTER: **Lawerence Denney, Secretary of State**

Secretary of State

Secretary Denny provided the FY 2017 Budget Recommendation for Office of the Secretary of State. The Secretary of State is one of seven statewide elected officials in Idaho. The officeholder's constitutional and statutory responsibilities include membership on the State Board of Land Commissioners and the Board of Examiners.

PRESENTER: **Celia Gould, Director, Department of Agriculture**

Idaho Department of Agriculture

Director Gould brought before the Budget Committee a high-level overview of the FY 2017 Budget Recommendation for the Department of Agriculture. The Department of Agriculture contains the budget for nine programs. Eight of these programs are budgeted together: Administration, Animal Industries, Agricultural Resources, Plant Industries, Agricultural Inspections, Marketing and Development, Animal Damage Control, and the Sheep and Goat Health Board. The Soil and Water Conservation Commission's budget is developed and submitted by the commission's five-member board and is appropriated in a separate appropriation bill.

The mission of the Idaho State Department of Agriculture is to guarantee that Idaho agricultural products are of high quality, disease-free, and meet federal and state laws, rules and regulations. The department protects consumers and producers from fraud and provides marketing assistance to the industry. There are eight budgeted programs: 1) The Administration Program coordinates the accounting, payroll, legal, and personnel functions. 2) Animal Industries is responsible for veterinary services, range management, dairy laboratory and dairy inspection, animal laboratory, livestock inspection, egg inspection, and animal waste management. 3) Agricultural Resources protects the public health, environment, livestock, and wildlife of the state from possible adverse effects resulting from the improper use of pesticides and fertilizers. 4) Plant Industries includes the plant, fertilizer, and seed laboratories and programs, noxious weeds, the Honey Commission, and the Invasive Species Program. 5) Agricultural Inspections includes the Bureau of Shipping Point Inspections, the Bureau of Warehouse Control, the Retail Potato Program, Hops Program, Organic Foods Program, and the Bureau of Weights and Measures. 6) The Marketing and Development Program assists Idaho food producers to increase their profitability by enhancing the marketing opportunities for their products. In FY 2009, Idaho Rural Partnership (IRP), an independent public body corporate and politic, was moved to the supervision of the Department of Agriculture. In FY 2014, IRP was moved off-budget. 7) The United States Department of Agriculture's, Animal and Plant Health Inspection Service, Wildlife Services Program operates in Idaho under a memorandum of understanding with the Idaho State Animal Damage Control Board. 8) The Sheep and Goat Health Board provides a comprehensive program involving disease and predator control. The program enables the sheep and goat industries to maintain high production standards and economic returns.

Director Gould briefly spoke on the appropriations requested in the FY 2017 Budget recommendation. 1) The Methyl Bromide Investigation 2) Fresh Fruit & Vegetable Program 3) Organic Food Program 4) Specialty Crop Program Funding 5) Janitorial Services 6) Sheep & Goat Board Shortfall and 7) Pest Control Deficiency Warrants. Director Gould then stood for questions. Department of Agriculture

PRESENTER: **Richard Savage, Board Member, Wolf Depredation Fund**

Wolf Depredation Control Board

Mr. Savage presented the Wolf Depredation Control Board's FY 2017 Budget Recommendation. Elk populations meeting the objectives of the region is important, depredation caused by wolves can hinder that dramatically. The Wolf Depredation Control Program acts as a conduit to pass moneys from the state, sportsmen, and livestock producers through the Wolf Depredation Control Board to the Wildlife Services Program under the United States Department of Agriculture Animal and Plant Health Inspection Service.

Mr. Savage stood for questions regarding the ranch families of Idaho. The Wolf Depredation Control Board requests $400,000 one-time from the General Fund for FY 2017. In 2014, the Legislature found that additional financial resources were needed to continue the implementation of Idaho's Wolf Management Plan. It established a five-member Wolf Depredation Control Board in the Governor's Office and created a set of new continuously appropriated funds and subaccounts to be administered by the Department of Agriculture, established fees of up to $110,000 per year for the livestock industry to be matched by sportsmen and allocated into the subaccounts with the expectation that the General Fund would also contribute. The responsibility of the board is to use the money for control actions against wolves when there is a depredation conflict between wolves and wildlife or between wolves and livestock. Wolf Depredation Control Board

ADJOURN: There being no further business to come before the committee, **Chairman Bell** adjourned the meeting at 10:43 AM.

Representative Bell
Chair

Christi Cox
Secretary

AGENDA

JOINT FINANCE-APPROPRIATIONS COMMITTEE

8:00 A.M.
Room C310
Tuesday, February 09, 2016

TIME	DESCRIPTION	PRESENTER
8:00-8:40	**Office of the Governor** Military Division LBB 6-99	*Major General Gary Sayler* *Director*
8:40-9:30	**Office of the Attorney General** LBB 6-29	*Lawrence Wasden* *Attorney General*
9:30-9:40	***Break***	
9:40-10:10	**State Appellate Public Defender** LBB 5-123	*Sara Thomas* *State Appellate Public Defender*
10:10- 10:40	Public Defense Reform Interim Committee Recommendations	*Representative Christy Perry, and Senator Todd Lakey, Co-chairs*
10:40-11:00	**Public Defense Commission** LBB 5-113	*Chairman Darrell Bolz, Public Defense Commission*

Senate Reconvenes: 11:00 a.m.

House Reconvenes: 11:00 a.m.

MINUTES

JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE:	Tuesday, February 09, 2016
TIME:	8:00 A.M.
PLACE:	Room C310
MEMBERS:	Senators Co-chairman Keough, Bair, Mortimer, Brackett, Nuxoll, Johnson, Thayn, Guthrie, Schmidt, Lacey Representatives Co-chairman Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
ABSENT/ EXCUSED:	None
CONVENED:	Chairman Keough convened the meeting at 8:00 A.M.
LSO STAFF:	Burns, Hoskins
AGENCY PRESENTATION:	**OFFICE OF THE GOVERNOR** **Military Division**
PRESENTER:	**Major General Gary Sayler, Adjutant General of Idaho**

To view the presentation, please click on the following link: Military Division

The Military Division has five critical priorities: 1) maintain and sustain a relevant Department of Defense force structure in Idaho, 2) coordinate statewide disaster prevention, preparedness, response and recovery, 3) organize, recruit, equip, train, and retain quality soldiers, airmen, and state employees, 4) maintain modern facilities for the Idaho Military Division, and 5) give youth a second chance to become responsible and productive citizens by helping them improve their life skills, education levels, and employment potential through the Idaho Youth ChalleNGe Academy.

Major General Sayler introduced the following members of the Military Division staff in attendance: BG Richard Turner, Ret., Assistant Adjutant General, Air Guard; BG John Goodale, Assistant Adjutant General, Army Guard; Col. Jim Heuring, Air Guard Director of Staff; COL Mike Garshak, Army Chief of Staff; CSM Steve Woodall, Senior Enlisted Leader of the IDNG; Mrs. Nancy Gollaher, State Budget Analyst and Controller; Mrs. Paula Edmiston, Human Resource Manager; and Derek Newland, Director of Idaho Youth ChalleNGe Academy.

The Idaho Military Division will have one of six new Air National Guard cyber-operations squadrons whose mission will be to combat attacks from any cyber threat, foreign or domestic, defending the state and nation in cyberspace. This new squadron will provide 71 new high-tech jobs.

The Idaho Youth ChalleNGe Academy is a 22–week in-resident and 12–month post-graduation mentorship program. The program has completed four classes with 333 graduates; the fifth class started on January 16, 2016, with 112 cadets. The goal is for cadets to either graduate from high school or earn a GED; there is an overall 80% placement rate for graduates.

Several Readiness Centers (also referred to as Armories) located throughout Idaho are being renovated at a cost of $6.3 million with the State Division of Public Works contributing $3 million and the federal government contributing $3.3 million. Renovation on the Emmett Readiness Center has been completed and centers in Rexburg, Moscow, and Wilder are between 75% and 95% completed.

The Governor's FY 2017 recommended budget is $69,783,000 broken down as follows: $6,758,800 in General Funds, $6,337,400 in Dedicated Funds, and $56,686,800 in Federal Funds. Line items in the recommendation include: 1) $50,000 for Tuition Assistance, 2) $44,800 for Radio Communication Trunk Upgrade, 3) $97,300 for the Youth ChalleNGe Program, 4) $88,000 for an IT Network Security Analyst, 5) $61,600 for a Purchasing/Accounting Assistant, 6) $51,300 for Emergency Data Network Routers, and 7) $87,000 for PSC Tower Endowment Land Rental. There were no findings with the most recent audit.

The Military Division has the following three bills being heard this legislative session: 1) House Bill 355 which amends and updates the duties of the Adjutant General as Military Chief of Staff, 2) House Bill 356 will change the name of the Idaho Bureau of Homeland Security to the Idaho Office of Emergency Management, and 3) Senate Bill 1212 will consolidate governance for emergency and public safety communications by merging the Idaho Emergency Communications Commission (ECC) and the Statewide Interoperability Executive Council (SIEC).

AGENCY PRESENTATION: **OFFICE OF THE ATTORNEY GENERAL (AG)**

PRESENTER: **Lawrence Wasden, Attorney General**

To view the presentation, please click on the following link: Office of the Attorney General

The Attorney General complimented his attorneys and staff for outstanding work this past year. His office is committed to prosecution of public corruption and defending Idaho's marketplace. He praised his team for winning a complex case before the U. S. Supreme Court. Victories come because of hard work and dedication on the part of talented employees who provide legal advice that is accurate, objective and timely. Opinions, decisions and defense of Idaho's laws will always be provided in a manner that is straightforward and firmly grounded in the Rule of Law.

Wasden highlighted the following: 1) his office recovered over $55.4 million during FY 2015 with an appropriation of $21.5 million, 2) during the past six years, the AG's office has brought in an average of more than $48 million annually (an average return of $2.51 for every dollar appropriated), and 3) continued success in defending Idaho's annual payments from the tobacco settlement with $24 million received in 2015 – the overall tobacco settlement total is more than $406 million.

Also discussed was work being done by the Internet Crimes Against Children Unit (ICAC) and the Special Prosecutions Unit. The ICAC Unit is now centralized within the Criminal Law Division and its purpose is to keep children safe from online sexual predators. From April through December, 2015, the Unit was involved in 309 investigations, made 13 arrests and executed 55 search warrants. Some of the highest-profile criminal investigations occur in the Special Prosecutions Unit. In 2015 the AG's office received 79 complaints of public corruption; 8 cases were accepted for preliminary investigation and 9 other cases are still under review. The Special Prosecutions Unit also provides prosecutorial assistance to local prosecutors, including cases where there is a possible conflict of interest.

Wasden shared details of three important matters within the Natural Resources Division. 1) The first issue is part of the complex Coeur d'Alene Spokane River Basin Adjudication where the AG's office is working with local legislators and water users to protect existing water rights and state sovereignty. There have been three separate negotiation sessions and all parties continue to meet. 2) Last summer, Idaho joined 12 other states in suing the Environmental Protection Agency and its Waters of the United States (WOTUS) rule. The Attorney General believes the rule is an overreach of federal authority. In September, a federal judge in North Dakota issued an injunction delaying the imposition of the rule. 3) There is a long-running conflict over conjunctive management of the Snake River and Eastern Snake Plain Aquifer. The settlement agreement which the Legislature will be considering this session as well as the Governor's proposed funding for managed recharge, should bring the water budget for the aquifer back into balance.

The Consumer Protection Division continues to defend the interests of Idaho's consumers from litigating against companies engaging in fraudulent behavior to holding nonprofits accountable for how charitable assets are used. It was determined that St. Luke's Medical Center violated state and federal law with the acquisition of Saltzer Medical Group, a decision upheld by the 9th Circuit Court of Appeals. A third-party has been appointed to help oversee the sale of Saltzer to another buyer. The litigation was time consuming and expensive. On another matter, some deputy attorneys general helped resolve a case involving the Public Utilities Commission that will save Idaho ratepayers over $12.2 million this year.

The Contracts & Administrative Law Division provided staff to conduct administrative hearings for Medicaid appeals that had previously been assigned to outside counsel. It required hiring two deputies and a paralegal to establish a Fair Hearing Unit. That team has assumed responsibility for all Medicaid appeals and to date over 150 cases have been resolved. Deputies assigned to Medicaid estate recovery cases have brought in more than $6.6 million in FY 2015.

In March, 2015, the U. S. Supreme Court, in a 5–4 decision, reversed a lower court's ruling providing Idaho a victory in a lawsuit over Medicaid reimbursement rates. Idaho's position was that a state has the authority to set its own rates for reimbursement and that authority cannot be usurped by providers.

The Governor's FY 2017 budget recommendation for the Office of Attorney General is $24,282,700. **Wasden's** four budget priorities are: 1) shift in existing funding for two investigator positions within the Internet Crimes Against Children Unit, 2) three legal support positions which would be paid for through the Statewide Cost Allocation plan, 3) a hearing officer to be assigned to the Oil and Gas Conservation Commission — the Department of Lands would pay the cost through SWCAP, and 4) two deputy attorneys general and a paralegal for the Civil Litigation Division to handle Risk Management cases. (This need emerged from the Office of Performance Evaluation report that projected a cost-savings to the state if the Attorney General's office managed the workload.) An increase is also requested for Special Litigation where extraordinary cases are handled.

AGENCY PRESENTATION: **SELF-GOVERNING AGENCIES**
State Appellate Public Defender (SAPD)

PRESENTER: **Sara Thomas, State Appellate Public Defender**

To view the presentation, please click on the following link: State Appellate Public Defender

SAPD provides legal representation or right to counsel to indigent persons in the following areas: 1) appeals from convictions in district court, 2) appeals from district court in post-conviction relief proceedings, 3) appeals from district court in habeas corpus proceedings, and 4) post-conviction relief proceedings in capital cases.

Prior to 1988, county public defenders were required to handle felony appeals, adding to an already burdensome caseload. That year, the SAPD was created to reduce an extraordinary burden on counties, to provide competent counsel, and to avoid paying high hourly rates to independent counsel. The services of the SAPD are only available to those counties participating in the Capital Crimes Defense Fund (CCDF); currently Jefferson County is the only county not participating. CCDF acts like an insurance program and is managed by a seven-member Board of Directors. Counties pay an annual premium based upon population; they also pay a $10,000 deductible per case and the CCDF covers any additional defense costs.

There are 23.5 employees on the SAPD staff: Administration has 2.5 people; 6 in the Capital Unit; and 15 in the Appellate Unit. The Appellate Unit handles direct appeals, habeas corpus appeals, and post-conviction appeals. The workload for the Appellate Unit exceeds the national standard by more than double. In FY 2015, 702 cases were filed compared to 641 in FY 2014. There are costs associated with cases which the SAPD cannot handle due to an ethical conflict of interest which requires the case being assigned to outside counsel with whom SAPD contracts.

The Capital Unit handles post-conviction proceedings in district court, consolidated appeals, and interlocutory appeals in post-conviction. The status of capital cases has a direct effect on budget requests. There are parts of a case that require the expenditure of funds (during the investigative phase or during an evidentiary hearing), and other times, the need for operating funds is at a minimum (such as an appeal to the Idaho Supreme Court). **Thomas** reviewed the status of the following four cases: Azad Abdullah, Timothy Dunlap, Erick Virgil Hall (I), and Erick Virgil Hall (II). Each capital case requires both personnel and operating funds. Capital case filings are increasing. From 2008 to 2014 a total of four death notices were filed, in 2015 four death notices were filed, in 2016 one additional death notice has been filed and five capital cases are currently scheduled for trial. The budget request for capital case costs is $94,900. The needed funds for a capital case can change within a given fiscal year depending on the changing status of a case. Funds for capital cases are reverted to the General Fund if they are not expended during the fiscal year.

The Governor's FY 2017 recommended budget totals $2,661,600 including personnel costs of $2,111,500 and operating costs of $550,100 (including $207,500 for non-capital conflict costs and $94,900 for capital case costs). **Thomas** is planning to restructure some operating expenditures since SAPD is not paying a facilities lease (due to unforeseen circumstances which caused her office to relocate to a temporary space) and use those funds to purchase an upgrade to the electronic case management system (latest version of Prolaw) for $19,000 and use another $29,000 for capital cases since the funds needed exceed what has been appropriated for capital cases.

INTERIM COMMITTEE REPORT: **Public Defense Reform Interim Committee Committee Recommendations**

PRESENTERS: **Representative Christy Perry, Co-Chair**
Senator Todd Lakey, Co-Chair

Representative Perry provided the following background material. The Sixth Amendment of the Constitution of the United States provides that the accused shall enjoy the right to the assistance of counsel in all criminal prosecutions and the vindication of the Sixth Amendment right to counsel is ultimately a state responsibility. In 2009 the National Legal Aid and Defender Association (NLADA) conducted a study which suggested that Idaho is not adequately satisfying its Sixth Amendment obligations. That same year the Idaho Criminal Justice Commission formed the Public Defense Subcommittee (PDS) to develop recommendations for improvement of Idaho's public defense system.

In 2013, PDS made recommendations to the Legislature and three bills were passed as well as a House Concurrent Resolution. PDS continued to meet through 2013 and in January of 2014, recommended a $300,000 initial budget for the Subcommittee. During the 2014 Legislative session, House Bill 542 which created the Public Defense Commission became law, and House Bill 634 which provided a General Fund appropriation of $300,000 also became law. The Public Defense Reform Interim Committee met throughout 2014 and the following legislation became law in 2015: HB 102, reclassifying curfew violations as infractions; HB 104, reclassifying littering violations as infractions; HB 159, reclassifying certain tobacco offenses as infractions; HB 161, reclassifying

certain fish and game violations as infractions, SB 1145 appropriated $304,300 to the Public Defense Commission for FY 2016; HB 195, reclassifying certain firework offenses as infractions; Senate Concurrent Resolution 103 was adopted continuing the Public Defense Reform Interim Committee; SB 1030 making codifier corrections to require defending attorneys to represent indigent defendants "upon...assignment" under Section 9–853, Idaho Code.

In February 2016 the Public Defense Reform Interim Committee voted to recommend legislation and funding for the Public Defense Commission in the amount of $5,482,800 for FY 2017.

PRESENTATION: **Public Defense Commission**

PRESENTER: **Darrell Bolz, Chairman**

To view the presentation, please click on the following link: Public Defense Commission

The Public Defense Commission was created by statute in 2014. Pursuant to Section 19–849 Idaho Code, the Commission consists of seven members as follows: 1) two members of the Legislature, one from each chamber, 2) one person appointed by the Chief Justice of the Idaho Supreme Court, and 3) four people appointed by the Governor to include representatives from the Idaho Association of Counties, Office of the State Appellate Public Defender, and the Juvenile Justice Commission, as well as an attorny with experience defending indigent persons. The seven members are: Darrell Bolz, Chairman; Sara Thomas, State Appellate Public Defender, Vice Chair; Linda Copple Trout, Interim Administrative Director of the Courts; Kimber Ricks, Idaho Association of Counties; William Wellman, Defending Attorney; Chuck Winder, Senator; and Christy Perry, House of Representatives.

The Commission is charged with promulgating administrative rules regarding training and continuing legal educational requirements for defending attorneys and uniform data reporting requirements for annual reports. It is also charged with making recommendations to the Idaho Legislature regarding Idaho's public defense delivery system, including: core requirements for contracts between counties and private attorneys for the provision of indigent defense services; qualification and experience standards for defending attorneys; enforcement mechanisms; and funding issues.

The Governor's FY 2017 budget recommendation is for $314,100 including Personnel Costs for $132,700, Operating Expenditures for $71,400, and Trustee/Benefits (for training) for $110,000. The following three trainings were held in 2015: Idaho Juvenile PD training in Boise with 23 people attending; Idaho PD Summit with 133 people attending, and the Idaho Capitol Defense Seminar with 32 people attending. There are four trainings scheduled for 2016 with locations in Boise, Sun Valley, and Twin Falls. To date there are two trainings scheduled for FY 2017.

ADJOURNED: There being no further business, Chairman Keough adjourned the meeting at 10:08 A.M.

Senator Keough
Chair

Peggy Moyer
Secretary

AGENDA

JOINT FINANCE-APPROPRIATIONS COMMITTEE

8:00 A.M.
Room C310
Wednesday, February 10, 2016

TIME	DESCRIPTION	PRESENTER
8:00-9:00	**Department of Correction**	*Director Kevin Kempf*
	Management Services LBB 3-11	
	State Prisons LBB 3-17	
	County & Out-of-State Placement LBB 3-29	
	Correctional Alternative Placement Program (CAPP) LBB 3-33	
9:00-9:10	***Break***	
9:10-9:40	Community Corrections LBB 3-37	
	Education and Treatment LBB 3-45	
	Medical Services LBB 3-49	
9:40-10:20	**Special Hearing:** Justice Reinvestment *Implementation, Status, Cost Savings, and Use of FY 2016 Appropriations*	*Kevin Kempf, Director Dept of Correction* *Sandy Jones, Exec Director Pardons and Parole*
10:20-11:00	Commission of Pardons and Parole LBB 3-53	*Sandy Jones Executive Director*

Senate Reconvenes: 11:00 a.m.

House Reconvenes: 11:00 a.m.

MINUTES

JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE:	Wednesday, February 10, 2016
TIME:	8:00 A.M.
PLACE:	Room C310
MEMBERS PRESENT:	Senators Co-chairman Keough, Bair, Mortimer, Brackett, Nuxoll, Johnson, Thayn, Guthrie, Schmidt, Lacey Representatives Co-chairman Bell, Gibbs, Miller, Youngblood, Burtenshaw, Horman, Malek, Monks, King, Gannon
ABSENT/ EXCUSED:	None

CONVENED: **Chairman Bell** called the meeting to order at 8:00 AM

DEPARTMENT OF CORRECTION

PRESENTER: **Kevin Kempf, Director, Idaho Department of Correction**

Management Services

Director Kempf opened the budget presentation for the Department of Correction by introducing the Board of Directors for the Department; **Debbie Feild**, **David McCusky**, and **Cindy Wilson**. Management services is held as a top priority for the Director and members of the board, as such there is great change on the horizon for the management services. Positions that need reconsideration, and movement in the management ladder. Justice assessment program is a plan, to go from 12 programs into 5 programs, regarding the inmate transition into rehabilitation and release. Director Kempf urged the committee to understand the need to simplify and modernize the prison release system and create significant change with researched-based programs that work.

Reformation of restrictive housing or solitary confinement is necessary. Sending an inmate into segregation has been ineffective and may be considered an antiquated way to deal with offenders. Director Kempf strongly urged the need to research ways to hold offenders accountable in a meaningful way to produce change in the general population inmates. **Director Kempf** recognized that a presentation to the Budget Committee would not be complete and transparent without speaking on the Balla Attorney Fees Management Services.

Director Kempf spoke on the need for a better access control system. This refers to the systems in place currently that monitor the staff walking in and out of the facilities. These systems need to be updated and monitored to enhance the security features. Reorganization of the Decentralized Offender Programs is necessary to enhance security of staff members and provide the right housing necessary for offenders. The Closure of the Unit 24: the facility referred to as “Unit 24” was a temporary housing facility used to support the population of prison inmates. This facility was later deemed unsafe for staff members and inmates after a fire and inmate riot. This facility has been closed and investigation is ongoing. Food service

operations for our state prisons is another priority for the director as he explained the current food service provider is a third-party vendor "Trinity". There is interest in moving away from the third-party, private vendor and making the food-service production a state responsibility.

Director Kempf continued the Budget Presentation by explaining the Security Retention Plan. In the past six months significant effort has been placed on a culture of leadership developing staff to understand how valuable staff is to the Department of Correction. Past economic trends reflect that as the economy grows, staff members flee the DOC pursuant of more fulfilling employment wether it be a raise in wages or otherwise. However, the most recent economic boom resulted in the smallest turnover the DOC has seen in historic trends. Staff members are staying with the Department of Correction, and growing in value.

State Prisons

Director Kempf continued the Budget Presentation for the Department of Correction by listing significant updates needed in particular hardware and software used by the DOC including: new security cameras, access control security, and electronic doors. Director Kempf provided an example of the food production and delivery service made available to inmates and stressed the importance of food safety and security concerns for the food service providers.

Community and Out of State Placements

The County and Out-of-State Placement Program provides funding to house and provide medical care for offenders placed in county jails and in out-of-state prison facilities. In FY 2009, this program was moved from Prison Administration and established as a separate program.

Correctional Alternative Placement Program

Director Kempf explained the needs associated with the Correctional Alternative Placement Program (CAPP) and the differences between the FY 2016 fund delegation and FY 2017 request. At the highest point in FY 2016 the CAPP program would need an additional $1,142,100, and the FY 2017 request is still under revision by the Governor, The Executive Budget will reflect most recent forecasts. Plans to defund Out-of-State for FY 2017 will reduces the General Fund Base by $2,933,700. Director Kempf was proud to share that due to the accomplishments of those involved with the Justice Reinvestment all inmates housed in out-of state facilities will be returning and will return by April 1. The County jail beds usage realties are lower than previous expectations and the Department of Correction will be enthusiastically returning $859,700 to General Fund.

Community Corrections:

Director Kempf explained to the budget committee the difference in FY 2016 delegation of funds and the FY 2017 requests to adequately meet the needs of the Community Corrections within the Department of Correction. Originally, the JFAC body appropriated $500,000. However, the department's ongoing training plan anticipates needing $295,000, and will be requesting to use $205,000 remaining for training costs associated with the Justice Program Assessment. Director Kempf will be requesting to convert four positions from the Unit 24 closure into Probation and Parole Officers for additional Probation and Parole staff. As a safety precaution, the department will be requesting new radios for district 7. Various law enforcement agencies in Eastern Idaho need to upgrade their technology's encryption protection, which at the present time makes it impossible for officers to radio for assistance. Security cameras, updated control systems, fire alarms, and vehicles will all be items requesting consideration in the FY 2017 request.

Education and Treatment

Director Kempf addressed concerns pertaining to the decentralizing the Offenders Programs. The DOC is going to defund the Program Manager, and distribute in headquarters at the Idaho Correctional Institution-Orofino, then immeadiatley following the Correctional Program Coordinator in headquarters became a Probation/Parole Officer.

Medical Services

Medical services inside the DOC has always been population driven and as such, the initial request anticipated in FY 2016, was higher than reality. Director Kempf enthusiastically promoted how the DOC will be returning $417,200 to the General Fund. for FY 2017 however, the request accounts for a projected 3% per diem increase and forecasted inmate population growth, due to the out-of-state inmates' return. This means more inmates under medical per diem. Director Kempf made attempts to address the Hepatitis C concerns inside Idaho Prisons. Investigation and evaluation of alternative treatments are being explored, there should be several different ways to provided treatment at a lower cost. Until conclusive decisions are made the DOC is requesting $5,469,800 Onetime General Funds to cover the cost of treatment. This will be for approximately 43 inmates.
Department of Corrections

PRESENTER: **Kevin Kempf, Director, Department of Correction and Sandy Jones, Executive Director, Pardons and Parole**

Special Hearing: Justice Reinvestment, Implementation, Status, Cost Savings, and Use of FY 2016 Appropriations

Justice Reinvestment is a data-driven approach to improve public safety, reduce corrections, and related criminal justice spending and reinvest savings in strategies that can decrease crime and reduce recidivism.

JRI Strategies:
Putting resources towards the safety of society from high-risk offenders is simply more important than using the same resources towards low-risk offenders. it is important we learn to do less with low-risk offenders. New electronic devices an online supplements is an effective low-cost way yo observe and supervise low-risk offenders. The Justice Program Assessment found that the therapeutic communities were not serving the purpose intended and the programs and were therefore cut from the program. Justice Reinvestment

PRESENTER: **Sandy Jones, Executive Director, Pardons and Parole**

Commission for Pardons and Parole

The Idaho Commission for Pardons & Parole is charged with the responsibility for parole (inmates selected for release by the commission after serving at least the minimum portion of their sentence), commutation (modification of an offender's sentence), and pardon (forgiveness of a sentence). The commission's goal is to provide the highest degree of protection to society while providing offenders the opportunity to become responsible members of society. The five commission members are appointed by the Governor to five-year terms and are subject to confirmation by the Idaho State Senate.

Director Sandy Jones presented the overview of the Budget Request for the Department of Pardons and Paroles. The presentation included accomplishments and challenges of the Department and the implementation of JRI and the evidence decision making model. Pardons and Parole works closely with the Department of Justice as the JRI is best implemented. The Director then invited a member of the Board and Chair of the Department of Criminal Justice at Boise State University. She extensively explained the Parole Commissions Hearing process and the time consuming 125 cases in 5 days have that have to be prep and heard. Pardons and Parole

ADJOURN: There being no further business to be brought before the committee **Chairman Bell** adjourned the meeting at 10:45 AM.

Representative Bell
Chair

Christi Cox
Secretary

AGENDA

JOINT FINANCE-APPROPRIATIONS COMMITTEE

8:00 A.M.
Room C310
Thursday, February 11, 2016

TIME	DESCRIPTION	PRESENTER
8:00-8:40	**Judicial Branch** LBB 3-57	*Justice Linda Copple Trout* *Administrative Dir of the Courts* *Idaho Supreme Court*
8:40-8:50	**Judicial Council**	*David Cantrill, Executive Director* *Idaho Judicial Council*
8:50-9:35	**Department of Juvenile Corrections** LBB 3-65	*Sharon Harrigfeld, Director*
9:35-9:45	***Break***	
9:45-10:30	**State Controller** LBB 6-39	*Brandon Woolf, State Controller*
10:30-11:00	**State Independent Living Council** LBB 2-109	*Mel Leviton, Executive Director*

Senate Reconvenes: 11:00 a.m.

House Reconvenes: 10:30 a.m.

MINUTES

JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE:	Thursday, February 11, 2016
TIME:	8:00 A.M.
PLACE:	Room C310
MEMBERS:	Senators Co-chairman Keough, Bair, Mortimer, Brackett, Nuxoll, Johnson, Thayn, Guthrie, Schmidt, Lacey Representatives Co-chairman Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
ABSENT/ EXCUSED:	None
CONVENED:	Chairman Keough convened the meeting at 8:00 A.M.
STAFF PRESENT:	Hoskins, Burns, Lockett
AGENCY PRESENTATION:	**JUDICIAL BRANCH** **Idaho Supreme Court**
PRESENTER:	Senior Justice Linda Copple Trout, Interim Administrative Director of the Courts

To view the presentation, please click on the following link: The Idaho Judiciary

Senior Judge Barry Wood, the Interim Deputy Administrative Director of the Courts, was introduced. The mission and Constitutional mandate of the Idaho Courts (the third branch of government) is to provide fair, timely, and impartial justice. The Courts are guided by core values of integrity, fairness, independence, respect, excellence and innovation.

FY 2016 state funding for the Idaho Courts was $65.3 million and the Governor's 2017 recommended budget is $67.7 million ($42.9 million in General Funds, $23.9 million in Dedicated Funds, and $1.8 million in Federal Funds). Counties also play a critical role in funding the Courts. By statute, counties are responsible for facilities, staff, supplies, and other expenses of the district court; counties bear a substantial portion of the costs of court operations. When court costs, fees and fines are ordered by judges, Idaho Code provides the method by which those amounts are processed by county court clerks and then distributed to various accounts.

The Judiciary is in the process of replacing its legacy technology system with a new system called iCourt which includes Odyssey, the case management system through which the Idaho courts will process and track court cases. However, iCourts is much broader than this; it includes electronic filing which will allow attorneys and self-represented litigants to file cases and other court documents online. There is a public portal that will allow members of the public to view the court record and some court documents online. There is also a module called Guide and File which includes interactive forms and interviews that guide self-represented litigants through the process of electronically preparing and filing divorce, custody, civil protection and small claims cases. The pilot deployment of iCourt in Twin Falls last summer was successful. Idaho's counties will greatly benefit from the iCourt project by maximizing the efficiency and effectiveness of

court business processes and allowing trial courts to make the best use of their resources. For FY 2017 the Governor's recommendation is for $2,000,000 for court technology (the third of five one-time appropriations). Revenue comes from filing fees for infraction, misdemeanor and felony convictions. Since revenues are not coming into the Technology Fund as projected two years ago, the Courts will monitor the situation to see if additional funding is needed and notify the Legislature.

The recruitment and retention of highly qualified judges is essential. Idaho is rated at the bottom in judicial salaries compared to surrounding western states. Compensation continues to be a priority for the Judiciary. The Courts are requesting consideration of at least the same percentage level of CEC that other state employees may receive; separate legislation would be required for any compensation increase. The Court would also request the statutorily set compensation for judicial leadership positions from a fixed $2,000 per year to 3% of the salary. This year that would amount to $26,400 and would also require legislation.

Problem-solving courts (Drug Court, Mental Health Court and Family Court Services Fund) allow offenders to be treated in the community, allowing families to stay together while still being held accountable. It promotes the policy goals of the Justice Reinvestment Initiative by improving public safety, slowing recidivism rates, and keeping more offenders in the community at a far lower cost to the State. (The average annual cost of drug court per offender is under $4,000 compared to that of prison which costs about $21,000.) The judiciary is requesting a shift in funding to help stabilize the Drug Court Fund. In 2010, the Legislature added a new funding source called the Emergency Surcharge which provided that 80% of the monies collected would go into the Drug Court Fund and 20% would go to the Court's Technology Fund. However, funds going into that account have been declining which means the Courts have been relying on a declining revenue source to pay salaries and operate many court programs. The Courts worked on a solution and came up with two options, either option would result in a net cost to the General Fund of approximately $865,000.

State and federal law require that the Idaho courts be open and accessible to every person and that no individual be prohibited from meaningful participation in the courts as a result of a communication disability or limited proficiency in the English language. The Supreme Court has the ultimate responsibility for providing access to the courts. It is critical that language access services be provided equally in every county. Therefore, the Court is requesting a total of $442,600 ($248,600 ongoing, and $194,000 one-time) to meet the demand for sufficient and qualified interpreter services. Last year language access services were provided in 45 different languages. The budget request will provide additional funding in areas where the need is greatest and growing the fastest. These funds will also be used to ensure effective communications with people who have a hearing, vision, or speech disability, including video remote interpreting (VRI) services when an interpreter is not available.

The Court would like to establish a Judicial Excellence and Education Program to enhance judicial performance, education and wellness throughout a judge's service. The program would provide feedback to every trial judge on how that judge is performing and provide training to help build skills in listening and communication, fairness and impartiality, case management and leadership. The Court is also requesting $39,500 in ongoing operating expenditures from the General Fund to cover the cost of recent changes to per diem rates. Judges routinely travel to other counties or districts to hear cases where caseloads are high.

In closing, **Senior Judge Trout** discussed the following changes and accomplishments of the past year: 1) the success of the pilot iCourt deployment, 2) there is a new Chief Justice (Jim Jones), and a new Court of Appeals Judge (Molly Huskey). There are two new magistrates judges, one in Kootenai County and one in Canyon County, which has made judicial workloads more manageable and reduced the need for senior judges. 3) In September, 2015, the Idaho Law and Justice Learning Center, a collaborative effort between the Legislature, University of Idaho College of Law and the Supreme Court, opened in Boise. It houses the State Law Library and some of the Judiciary's education training facilities as well as serving as a campus for second and third year law students from the University of Idaho. 4) Regarding water adjudication, three of the five basins in the Coeur d'Alene-Spokane River Basin Adjudication have been substantially completed, the petition for the Palouse River Basin Adjudication is scheduled to be filed this spring, and the last one will conclude sometime next year. 5) Idaho's problem-solving courts continue to receive national recognition. Bonneville County Mental Health Court was selected by the Council of State Governments (CSG) as a national learning site, which will serve as a resource to others across the country seeking to start or expand a mental health court. Idaho's Judiciary is a dynamic organization continually striving to innovate and achieve excellence.

PRESENTATION: **Idaho Judicial Council**

PRESENTER: **David Cantrill, Executive Director**

To view the presentation, please click on the following link: Idaho Judicial Council

The Idaho Judicial Council is empowered by statute to nominate persons to the Governor for appointment to vacancies on the Supreme Court, Court of Appeals, and District Courts, and to make recommendations to the Supreme Court for the removal, discipline, and retirement of judicial officers. The Council also conducts studies for the improvement of administration of justice, makes reports to the Supreme Court and Legislature, and carries out such duties as assigned by law. Current members of the Judicial Council are Chief Justice Jim Jones; Honorable Thomas J. Ryan, District Judge; Honorable Thomas H. Borresen, Adjunct Magistrate Member; Joel P. Hazel, Elizabeth S. Chavez, Kathy Simpson, and David W. Cantrill, Executive Director.

The newly appointed Executive Director practiced trial law for 50 years prior to his appointment to the Judicial Council two months ago. The following process is used to select and thoroughly vet all candidates: 1) notice is given to all Idaho attorneys about judicial openings, 2) a background investigation thoroughly vetting each applicant including criminal, credit report, Idaho State Bar, criminal case records check, and information from the Idaho State Tax Commission, 3) surveys are sent to all attorneys and are available to members of the public at each county clerk's office, 4) a personal interview with each applicant by the Idaho Judicial Council, and 5) the names of two to four candidates are sent to the Governor.

In 2015 there were five vacancies, one on the Court of Appeals and four District Judge positions; there were between nine and twelve applicants for each of the five vacancies. In 2015, a chart showed there were 86 complaints filed against attorneys and during that same year, the Council responded to over 51 requests for ethics opinions from judges.

AGENCY PRESENTATION: **IDAHO DEPARTMENT OF JUVENILE CORRECTIONS (IDJC)**

PRESENTER: **Sharon Harrigfeld, Director**

To view the presentation, please click on the following link: Department of Juvenile Corrections

Harrigfeld commended her 410 employees for their dedication and commitment for the care and safety of the juveniles in custody. The staff works diligently every day with juveniles, families, victims, and each other to support the overall Department processes and community partners. The number of juveniles in custody is lower than they have ever been which means juveniles are getting the services they need in their communities. Juveniles committed to IDJC are high risk and many are high need. Because of the lower numbers, ratios are closer to the national industry standards so staff has been able to effectively address the risks and needs of the more complex juveniles. IDJC employees are the true heroes behind the young people who are rehabilitated.

Idaho's recidivism numbers are strong, averaging around 30%, when compared to other states. Other measures of juvenile justice system success include better family functioning, education attainment and skill development.

The Director expressed appreciation for FY 2016 additions of two service coordinators and four teachers as well as the 3% CEC. **Harrigfeld** also expressed appreciation for supplementals providing funding for the Substance Use Disorder system, the education network and broadband. The $100,000 invested in community programs helps reduce the number of juveniles in state custody. Federal funds have decreased dramatically from $3 million in the year 2000 to less than $500,000. IDJC is requesting $130,000 in inflationary adjustments and also requesting use of the IDJC Endowment Income Fund for replacement items. Also requested is another clinician position, a maintenance craftsman position, and $25,300 in ongoing operating expenditures and $55,000 in ongoing trustee and benefit payments to provide POST training to county juvenile detention and probation officers, and $6,600 for an existing FTP. The Department would like to transfer an additional $50,000 in trustee and benefits from the Institutions program to Community Operations and Programs to be used for the Community

Incentive Program, and an ongoing operating expenditure from the General Fund for travel costs.

IDJC'S strategic plan is a working document with cascading goals which are in the process of being developed; when finished, there will be action steps and strategies for each job classification and performance evaluations will be based on those steps. The Director's Dashboard provides IDJC staff with instant access to critical performance information so employees can monitor their outcomes. The Department has been working on a program that matches current juveniles with juveniles committed to IDJC in the past to obtain information that will aid in refining population forecasting. The Department has come up with four distinct risk needs profiles for males and three unique profiles for females.

The overarching goal of the juvenile justice system is to support positive social development of young people who become involved in the system, and thereby assure the safety of communities.

AGENCY PRESENTATION: **OFFICE OF THE STATE CONTROLLER (SCO)**

PRESENTER: **Brandon D. Woolf, Idaho State Controller**

To view the presentation, please click on the following link: Idaho State Controller

On the FY 2014 Comprehensive Annual Financial Report (CAFR) audit, there were two items referenced by the auditors; SCO is implementing both recommendations and awaiting final closure.

The State Controller, Idaho's chief fiscal officer and a member of the Executive Branch of government, is responsible for providing state government with all state accounting and payroll services and for running state government's primary data center. The State Controller is also Idaho's state Social Security Administrator. **Woolf** introduced his leadership team and provided an organization chart showing the following four divisions in the office: Administration, Accounting, Payroll, and the Computer Service Center. Administration provides the infrastructure and services needed to function as a state agency. Accounting pays the state's bills, processes fund transfers for agencies, accounts for the people's money, and reports on financial activities. Payroll pays approximately 25,000 state employees across all branches of government including the university system. The Computer Service Center provides IT services to the state's accounting and payroll operations as well as to other agencies.

The State Controller gave a progress report on three ongoing initiatives: 1) Affordable Care Act (ACA) compliance is a challenging project and the office has worked with LSO, Group Insurance, Division of Human Resources, and the Division of Financial Management to ensure compliance with the law. SCO has completed programming to certify the offering of insurance coverage to state employees, implemented ACA lookback measurement periods, and met the employee reporting requirements. 2) Regarding Social Security 218 compliance, SCO is working diligently toward meeting this federal compliance mandate. Idaho is one of only seven states to provide guidance to local governments. 3) SCO has made progress in helping PERSI connect their Idaho Retirement Information System (IRIS) to the state's financial system.

The Governor's FY 2017 **amended** budget recommendation is for $15,147,900 (with a $994,000 reduction explained below). After the budget was submitted in September, 2015, SCO found they did not need a line item for $994,000 which would have covered increased costs associated with processing payroll and accounting transactions. External business partners changed their plans and timelines thus leaving sufficient operating capital. Another factor that will allow for this reversion is having carryover authority for the Computer Service Center which will help reduce the General Fund impact on the FY 17 budget. In the future when the customer base normalizes, most of the data center's computing environment costs will shift to the General Fund at which time an additional appropriation will be needed.

The capital outlay request of $69,900 covers the replacement of obsolete personnel computer workstations and hardware. Another line item request for $350,000 will complete a Request For Information (RFI) of potential solutions from qualified vendors to modernize the accounting, financial, payroll, HR and procurement infrastructure. SCO is also requesting carryover of remaining unspent ongoing General Fund money in the Payroll Division for compliance with the federal healthcare mandate, the Affordable Care Act (ACA).

AGENCY PRESENTATION: **STATE INDEPENDENT LIVING COUNCIL (SILC)**

PRESENTER: **Mel Leviton, Executive Director**

To view the presentation, please click on the following link: State Independent Living Council

The State Independent Living Council (SILC) was created in response to the federal Rehabilitation Act Amendment of 1992 to carry out the powers and duties set forth in 29 U.S.C. Section 796(b) and 34 CFR 364.21. SILC is a unique state entity. It is not a single department of state government unto itself, nor is it a part of any of the twenty (20) departments of state government authorized by the Idaho Constitution or of the departments prescribed by Idaho Code. As provided in Chapter 12, Title 56, Idaho Code, "It is legislative intent that the Idaho State Independent Living Council operate and be recognized not as a state agency or department, but as a governmental entity whose creation has been authorized by the state, much in the same manner as other single purpose districts."

There are 208,830 (1.1%) Idahoans who report having a disability according to the U. S. Census Bureau, of those 105,862 are of working age (18 to 64). SILC is engaged in activities that assist people with disabilities to live and work in their chosen communities and have a greater voice in obtaining services that are cost-effective, consumer-driven, self-directed and community-based. The Governor appoints 22 individuals from across Idaho to the Independent Living Council; each member of the Council is appointed for a three-year term. At least 51% of people with disabilities must make up the Council and they cannot work for a state agency or CIL. Membership can include parents of children or adults with disabilities, advocates for people with disabilities, CIL representatives, service providers and/or business representatives. Non-voting members can include people from the Division of Vocational Rehabilitation, Commission for the Blind and Visually Impaired, Department of Health and Welfare, Division of Special Education in the Department of Education, and/or the Idaho Commission on Aging.

Responsibilities of SILC and partner agencies are to: 1) develop, monitor, review and evaluate the implementation of the State Plan for Independent Living (SPIL), 2) support the Centers for Independent Living (CILs) and advocate for Independing Living (IL) Services provided through state and federal programs, and 3) gather information, conduct studies and analysis, develop model policies, conduct training on the IL Philosophy, outreach to unserved/underserved populations, and carry out demonstrations to expand and improve independent living services and community living across the state.

Five core services of Centers for Independent Living (CILS) under WIOA include: independent living skills training, information and referral, advocacy (individual and systemic), peer support, and transition services. SILC accomplishments include helping with: voter accessibility, accessible parking and transportation, disability awareness training to domestic violence organizations, Medicaid for workers with disabilities, and an activity known as "Hands Around the Capitol," 25th Anniversary of the ADA.

The Governor's FY 2017 recommended budget is $649,200 with 4.0 FTPs. The one decision unit is for expanding outreach and training for $21,000.

ADJOURNED: There being no further business, Chairman Keough adjourned the meeting at 10:00 A.M.

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Senator Keough
Chair

_____
Peggy Moyer
Secretary

AGENDA

JOINT FINANCE-APPROPRIATIONS COMMITTEE

8:00 A.M.
Room C310
Friday, February 12, 2016

TIME	DESCRIPTION	PRESENTER
8:00-8:30	**Self-Governing Agencies** Commission for Libraries LBB 5-89	*Ann Joslin, State Librarian*
8:30-9:00	**Office of the Governor** Commission on the Arts LBB 6-57	*Michael Faison, Executive Director*
9:00-9:20	**Office of the Governor** Public Employee Retirement System (PERSI) LBB 6-107	*Don Drum, Executive Director*
9:20-9:30	***Break***	
9:30-10:00	**Dept of Revenue and Taxation** Board of Tax Appeals LBB 6-149	*Lee Heinrich, Board Member* *Steven Wallace, Director*
10:00-10:30	**Department of Labor** LBB 5-47	*Ken Edmunds, Director*
10:30-11:00	**Self-Governing Agencies** Regulatory Boards LBB 5-117	*Keith Bybee, Principal Analyst* *Budget & Policy Analysis, LSO*

Senate Reconvenes: 10:45

House Reconvenes: 11:00

MINUTES

JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE:	Friday, February 12, 2016
TIME:	8:00 A.M.
PLACE:	Room C310
MEMBERS PRESENT:	Senators Co-chairman Keough, Bair, Mortimer, Brackett, Nuxoll, Johnson, Thayn, Guthrie, Schmidt, Lacey Representatives Co-chairman Bell, Gibbs, Miller, Youngblood, Burtenshaw, Horman, Malek, Monks, King, Gannon
ABSENT/ EXCUSED:	None

CONVENED: **Chairman Bell** called the meeting to order at 8:00 AM.

PRESENTER: **Ann Joslin, State Librarian, Self-Governing Agencies: Commission for libraries**

Self-Governing Agencies: Commission for Libraries

State Librarian Ann Joslin brought before the budget committee a thorough overview of the FY 2017 Budget Recommendation. Libraries in the State of Idaho serve numerous purposes to members and stakeholders in every community across the State. Libraries help to strengthen the State's talent pipeline by offering such programs as the Learning Express Library, the Libraries Linking Organization, the Vocational & Career Collection, and the Small Business Reference Center. Libraries use a meta-analysis to illustrate the support to rural sustatinability by supporting the education of community values (i.e. Fire protection and Quality of the Library). Broad band in public libraries is a critical resource. Public libraries need more broadband. Idaho's public libraries are significant consumers of broadband for internet connectivity and should be included in statewide planning for broadband connectivity. Commission for Libraries

PRESENTER: **Michael Faison, Executive Director, Office of the Governor: Commission on the Arts**

Office of the Governor: Commission on the Arts

Director Faison presented to the Budget Committee the FY 2017 Budget Recommendation. Frugality, of course is something the Commission on the Arts is very accustomed to. In the current fiscal year, the State Partnership Agreement with the National Endowment for the Arts comprises about half of the Commission's budget. This is then matched by the funds appropriated by the JFAC body. We have seen a decrease in budget of 20% since fiscal years 2008–2012. The Commission is responsible for disbursing and managing the State Art grants requiring matching funds by individuals and organizations. The Commission then leverages local dollars and in-kind commitments, multiplying statewide cooperation to provide 'Arts' access to Idahoans who desire it, in every region of our State.

Research on the correlation between early arts experiences and childhood development show strong evidence that early arts participation provides tangible benefits to children's social and emotional development. For twelve years, the Commission has partnered with the Idaho State Department of Education to offer summer programs and collaborate on internship opportunities. Director Faison concluded by addressing inquiries regarding the 2017 Budget Recommendation. Commission on the Arts

PRESENTER: **Don Drum, Executive Director, Office of the Governor: Public Employee Retirement System**

Office of the Governor: Public Employee Retirement System (PERSI)

Executive Director Don Drum, presented to the committee a high-level overview of the Office of the Governor's Public Employee Retirement System (PERSI). Planning for the coming year is an important priority to the state employees across Idaho's landscape. A volatile economy is difficult to make predictions with and considering the amortization drop, it is important the State of Idaho have the right programs in place. According to Idaho Code, the Board must act if the amortization period for the fund's unfunded actuarial liability (UAAL) exceeds 25 years. In this matter, the most common option would be to recommend a rate adjustment, which would occur on January 1st of the second year following the most recent valuation. Of course, the Board receives valuation each year, and understands the economic realities that all employers and members face at this time. The following includes a list of Funds managed by PERSI: The PERSI Total Return Fund, which includes the PERSI Base Plan and the Choice 401(k), the Sick Leave Insurance Fund, the Firefighter's retirement Fund, and the Judges Retirement Fund. Director Drum concluded by addressing inquiries regarding the Governor's Budget Recommendation. Public Employee Retirement System

PRESENTER: **Lee Heinrich, Board Member and Steven Wallace, Director, Department of Revenue and Taxation: Board of Tax Appeals**

Department of Revenue and Taxation: Board of Tax Appeals

Board Members **Lee Heinrich** and **Steven Wallace** presented to the budget committee the FY 2017 Budget Recommendation for the Department of Revenue and Taxation's Board of Tax Appeals. Director Wallace explained to the committee, the Idaho Board of Tax Appeals operates as an independent entity and not under the Idaho State Tax Commission nor the Local Taxing Authorities. Since its inception, the Board of Tax Appeals hears the majority of tax appeals in the State of Idaho and evaluates disputes and exemptions. Each member can work up to 80 days per year and work from home, drive their own cars and pay specific expenses. Observation is made available to the public. The hearings often are in regards to the property tax assessments. Members of the public choose to come to the Board of Tax Appeals, to make their claims. Director Wallace concluded by explaining the graphs created to illustrate the Board of Tax Appeals Valorem Decision in the four quadrants of the State of Idaho. Board of Tax Appeals

PRESENTER: **Ken Edmunds, Director, Department of Labor**

Idaho Department of Labor

Director Ken Edmunds brought before the committee a high-level overview of the accomplishments and challenges of the Idaho Department of Labor. The Idaho Department of Labor's main function is to administer Unemployment Compensation (UC), a social insurance program. Also, It is designed to provide benefits to most individuals out of work, generally through no fault of their own, for periods between jobs. Director Edmunds briefly ran through the graphs illustrating the unemployment rates, wages and earnings in Idaho, the percentage change in Idaho jobs, and the workforce gap. The workforce gap is a similar graph used by members of the education committee to illustrate the gap between the amount of positions in need of skilled laborers and the amount of skilled laborers available to fill those positions in the State of Idaho, the graph shows a difference of 63,000. Unemployment Insurance is broken into two parts including; Unemployment Tax Collections and Unemployment Benefit Payments. The Department of Labor estimates a decrease in claimants from 39,400 in 2015, to 38,600 claimants in 2016. As a result, fund balance for the UI trustfund, the State Reserve Fund, Penalty & Interest, and Workforce training will be subject to fluctuation. For purposes of Budget Request, the Department of Labor is organized into six programs: Unemployment Insurance Administration, Employment Services, Wage and Hour, Career Information Services, the Human Rights Commission, and Serve Idaho. Services made available to the public include: 25 local offices, Worforce Investment Act Programs, and New Initiatives targeting under-represented groups, PTE, and Veterans Partnership. The Workforce Development Training Fund, 2016 Legislative Proposal includes changes to the; Expansion of the funds used to include innovative training solutions; retraining as an allowable activity; and extend program sunset clause to 2022. Director Edmunds then stood for questions. Department of Labor

PRESENTER: **Keith Bybee, Principal Analyst, Budget and Policy Analysis**
Self-Governing Agencies: Regulatory Boards

Self-Governing Agencies: Regulatory Boards

Principal Analyst Keith Bybee presented the Department of Regulatory Boards and the Budget recommendation to the Budget Committee. The Regulatory Boards are part of the Department of Self-Governing Agencies, and the Bureau of Occupational Licenses which serves 30 boards and commissions. Each professional board and commission regulates certain professions in Idaho. Brief descriptions of each can be found inside the legislative budget book section five, page 117.

The Board of Accountancy ensures that standards are maintained for certified public accountants and licensed public accountants in Idaho. The Board of Professional Engineers and Land Surveyors develops and maintains qualification standards for professional engineers and land surveyors. The Bureau of Occupational Licenses provides administrative, investigative, financial, and legal services to 30 professional licensing boards and commissions. The Outfitters and Guides Licensing Board regulates the outfitting and guiding industry for the purposes of safeguarding the health, safety, and welfare of the public. The Real Estate Commission licenses real estate brokers and agents and enforces compliance with Idaho real estate license law. The commission develops and administers an education program to meet statutory pre-license and continuing education requirements.

With **S 1046** of 2015, the Legislature approved the addition of two new board members who will be in place for all of FY 2017. The board stipend must be adjusted to include the new members. Mr. Bybee explained how travel and additional operating expenses are also adjusted to reflect related cost increases. Regulatory Boards

ADJOURN: There being no further business to come before the committee, **Chairman Bell** adjourned the committee at 10:25 AM.

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Representative Bell
Chair

_____
Christi Cox
Secretary

AGENDA

JOINT FINANCE-APPROPRIATIONS COMMITTEE

8:30 A.M.
Room C310
Monday, February 15, 2016

PRESIDENTS' DAY

TIME	DESCRIPTION	PRESENTER
8:30-8:50	**Special Hearing** Cyber Security Task Force Update	*Lieutenant Governor Brad Little*
8:50-9:30	**Department of Commerce** LBB 5-23	*Megan Ronk, Director*
9:30-10:10	**State Tax Commission** LBB 6-155	*Ken Roberts, Chairman*

Senate Reconvenes: 10:45
House Reconvenes: 10:00

MINUTES

JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE:	Monday, February 15, 2016
TIME:	8:30 A.M.
PLACE:	Room C310
MEMBERS:	Senators Co-chairman Keough, Bair, Mortimer, Brackett, Nuxoll, Johnson, Thayn, Guthrie, Schmidt, Lacey Representatives Co-chairman Bell, Gibbs, Miller, Youngblood, Burtenshaw, Horman, Malek, Monks, Burtenshaw, King, Gannon
ABSENT/ EXCUSED:	None
CONVENED:	Chairman Keough convened the meeting at 8:00 A.M.
STAFF PRESENT:	Burns, Bybee
SPECIAL HEARING:	**IDAHO CYBERSECURITY TASK FORCE**
PRESENTER:	**Brad Little, Lieutenant Governor, Task Force Chairman**

To view the presentation, please click on the following link: Idaho Cybersecurity Task Force

Cyber attacks are increasing in frequency and boldness, costing Idaho businesses and taxpayers untold billions of dollars each year. Idaho's thriving business community, along with state agencies that provide essential services, face real threats posed by cyber criminals throughout the world.

In November, 2012, an employee at the Department of Revenue in South Carolina opened a phishing email which compromised 3.8 million Social Security numbers as well as 387,000 credit and debit card numbers. The ongoing cost to South Carolina taxpayers has been over $60 million including $27 million earmarked in 2014 and three years of credit monitoring services at a cost of $6 million a year.

The Task Force which was created in 2015 will work on strengthening Idaho's defenses to proactively protect government and citizen data and infrastructure. The days of purchasing off-the-shelf products are over. Idaho continues to prepare to meet cybersecurity threats, whether from viruses, malware, security breaches or outright theft of personal and private information. The objectives of the Task Force are to develop policies, programs and strategies across state government to detect vulnerabilities and prevent attacks, protecting citizen information and to promote a culture of cybersecurity awareness in which all Idahoans are vigilant and aware of vulnerabilities and cyber risks.

Members of the Task Force are: Brad Little, Lt. Governor; Brad Richy, Bureau of Homeland Security; Bob Geddes, Department of Administration; Brian Ness, Department of Transportation; Virgil Moore, Department of Fish and Game; Dean Cameron, Department of Insurance; Ken Edmunds, Department of Labor; Rich Jackson, Tax Commission; Don Drum, PERSI; Ralph Powell, Idaho State Police; Max Davis-Johnson, Boise State University, and Dan Ewart, University of Idaho.

The Task Force began meeting in September, 2015; private sector and local government people addressed the November meeting. The focus of the February 2016 meeting was to have state agencies do data self-assessment surveys. After that information is received the Task Force will provide the Governor with recommendations. A Cyber Task Force Report should be forthcoming in the Fall of 2017. There is a plan to form a Cyber Public/Private Collaborative Group.

Best practices will require all state agencies and the three branches of government to upgrade cyber training and monitoring and to assure that hardware, software and data are cyber resilient. It will require changes in purchasing, upgrading, and implementing technology. Without adequate cyber defenses, Idaho citizens' privacy and economic security could be jeopardized. Idaho should be able to leverage the best practices of more advanced state agencies within Idaho, private industry, and look to other states if needed. The bulk of the cyber problem appears to be human—causes which will require more awareness and training. Some current software and hardware deficiencies could increase vulnerabilities. Cyber experts predict that economic growth could be depressed in states without robust internal cyber organizations. Lack of action could also affect Idaho's bond rating, 911 systems, and utilities.

AGENCY PRESENTATION: DEPARTMENT OF COMMERCE

PRESENTER: Megan Ronk, Director

To view the presentation, please click on the following link: Department of Commerce

Director Ronk outlined several recent national statistics important to Idaho: 1) ranked first in the United States for the largest percentage gains in private sector employment in the last year according to the Bureau of Labor Statistics, 2) fifth highest growth rate based on three-year GDP growth, and 3) outpaced the nation in 10 of 15 industry categories which measures job growth. Idaho has recently received notoriety by several publications for its economic and business climate. In the past year, Idaho was ranked: second Best City (Boise) for Millennial Entrepreneurs, (Thumbtack); fifth Best Economic Outlook (Heartland Institute); fifth Economic Health Index (Bloomberg); and sixth Best State to Start a Small Business (Entepreneur Magazine).

When Governor Otter was first elected, his goal was to attain Project 60 or $60 billion in Gross Domestic Product (GDP). The next phase of the program was launched in May, 2014 and known as Accelerate Idaho which was designed to emphasize Idaho's commitment to being a national and global leader for economic growth and prosperity. The initiative was based on three key priorities: advancing individuals, elevating industry, and strengthening communities. Idaho needs to advance educational opportunities and increase the earning potential for all of its citizens; a world-class workforce can lead Idaho into the new global economy. Idaho businesses are already key contributors to national and global economies. By further supporting industries, creating consistent business environments and embracing innovation, Idaho's economy can be elevated. Strong and resilient communities are the backbone of Idaho's heritage. More positive changes can be effected by offering community trainings, anticipating infrastructure needs, and rallying neighbors for regional collaboration.

The Department of Commerce and the Department of Agriculture have international teams that work closely to support Idaho companies pursuing new market opportunities throughout the world. Both Departments jointly manage trade offices in Mexico, Taiwan and China; organize industry-specific trade shows; manage the Governor's trade missions and a variety of services to help companies explore which foreign markets may be the best fit for their products or services. Small businesses make up 88% of Idaho's exporters. Idaho had experienced steady growth in exports until the recession, then bounced back, but the value of exports have declined over the past two years, especially in the semiconductor and mining areas. In 2015, Idaho achieved its highest revenue-generating year on record for lodging tax collections with over 8% growth. Statewide marketing efforts, strategic planning, and content marketing is attracting more business and leisure visitors to Idaho. It is anticipated that lodging tax collections will continue to increase due to increased demand. Idaho Tourism, through the Idaho Travel Council, awarded nearly $3.95 million in tourism marketing funding to nonprofit organizations in Idaho. The Department is also leveraging funds with the Idaho Recreation Tourism Initiative in creating greater collaboration with other state agencies to promote and expand recreation opportunities.

The Director discussed the organization chart for the Department of Commerce which has the following three divisions: 1) Chief Operating Officer has oversight over the Department and is responsible for the Administration Division focused on public relations and the fiscal /Human Resources responsibilities, 2) Business Development and Marketing is focused on external promotion and marketing efforts, including tourism and IGEM, and 3) Industry and Community Services which consists of both the international and community development teams tasked with working with communities to ensure they are poised for growth opportunities.

The Department manages almost $10 million in grant programs including CDGG, RCBG, and Gem Grants that are focused on infrastructure, the Opportunity Fund, the Rural Economic Development Professional program that supports economic development in 19 communities, and the IGEM grant program. The IGEM-Commerce program funds research to be commercialized where university researchers and industry experts partner to bring viable technologies and products from the university to market. IGEM grant funds do not go to the industry partner but go directly to Idaho's research universities to support their industry partnerships with preferential consideration given to projects that have an Idaho industry partner. Further, IGEM also requires its industry partners to provide a financial investment in each IGEM project. The Idaho Opportunity fund is used to support infrastructure needs for business expansion projects and is awarded directly to cities and counties at the Director's discretion; the performance-based structure of this program ensures that companies must meet key milestones before funds are awarded

The Tax Reimbursement Incentive (TRI) has helped Idaho become competitive on a national and global scale for attracting new jobs and capital investment to the state. It is a performance-based program that provides a refundable tax credit of up to 30% for up to 15 years on all income, payroll and sales taxes for qualifying projects. To qualify in urban communities with a population of 25,000 or more, a company must create 50 new jobs that collectively pay above the average county wage where the jobs are located; in rural communities with a population of less than 25,000, the company must create 20 jobs that pay above the average county wage. Because it is a performance-based tool, the credit is not issued until the minimum job and wage requirements are met; the credit is calculated based on the taxes actually paid. It has been a very successful program with a return on investment of 423%. Of the 25 approved TRI projects, 13 are existing Idaho companies and 12 companies are new to Idaho; 14 are located in rural communities and 11 are in urban communities. Since TRI's inception in July of 2014, the 25 projects approved are projected to create over 4,000 jobs.

The Governor's FY 2017 recommended budget amount is $36,232,700 with 43 FTP's. The only line item recommended is for additional support for the IGEM project for $29,600 in dedicated spending authority to use unspent fund balances. It includes a transfer of $17,000 from the Small Business Assistance Fund to the IGEM Fund. The fund shift would be used to support additional IGEM grants in FY 17. The Department of Commerce supports the following Governor's recommendations in several other agencies' budgets: 1) the Governor's K-through Career Initiative, 2) funding for the STEM Action Center (a computer science initiative), 3) funding for a community college in eastern Idaho, and 4) expanding access to Professional-Technical education programs.

AGENCY PRESENTATION: **DEPARTMENT OF REVENUE AND TAXATION**
State Tax Commission

PRESENTER: **Ken A. Roberts, Chairman**

To view the presentation, please click on the following link: State Tax Commission

The Commission's mission is to administer the state's tax laws in a fair, timely, and cost effective manner to benefit all Idaho citizens. The primary focus is to provide outstanding customer service in all interactions and activities. Some of the customer service accomplishments include: 1) improved Taxpayer Access Point (TAP) to expand online services for taxpayers and tax preparers, 2) created an Idaho Taxpayer Rights brochure to educate taxpayers on their rights when dealing with the Tax Commission, 3) added extensive enhancements to the Commission's website including information on security, tax fraud, aircraft and sales taxes, building contractors, and repair shops, etc., 4) implemented new techniques to fight tax fraud, 5) implemented additional customer surveys to measure performance and to implement ways to improve interactions with taxpayers, 6) expanded education and outreach efforts, and administered fuels tax increase and related distribution changes. **Chairman Roberts** acknowledged the Commission's Revenue Operations Administrator Doreen Warren who was the recipient of the Federation of Tax Administrators 2016 Harley T. Duncan Award for Leadership and Service; it is a national award given annually to an individual who has demonstrated sustained and significant service in the administration of state taxes.

One of the main purposes of the State Tax Commission is to collect revenue. Just over $3.8 billion was submitted for collection in FY 2015 for all tax types. Income taxes, individual and corporate combined, make up the largest share of gross collections at 52.5%. The percentage of other taxes collected include sales tax at 38.0%, fuels taxes for 6.7%, and all remaining taxes amount to 2.0%. The Tax Commission provides over 95% (or $2.9 billion) of revenue that goes into the General Fund. A chart was presented that compared growth rates from 2003 (the first year the GenTax database/processing system was used) through 2015, confirming that the Commission's efficiency was due to more sophisticated computerization.

Several of the Commission's challenges were discussed: 1) fraud and identity theft cases are growing rapidly which is pulling staff from other areas to work fraud/identity theft cases, 2) protecting Idaho's investment in GenTax, the state's taxpayer database/processing system, which needs continual upgrades to maintain customer service and maintain security, 3) enhancing customer service, and 4) workforce management (retirement, compensation, attract/retain qualified employees).

The Governor's recommended FY 2017 budget totals $41,676,700 which includes replacement items for $517,300 and the following line items: 1) GenTax Software Maintenance for $550,000, $363,500 for Refund Fraud Prevention, $177,500 for additional Personnel in Tax Appeals, and some other miscellaneous items. The State Tax Commission's goal is to reduce backlog in processing tax returns.

ADJOURNED: There being no further business, Chairman Keough adjourned the meeting at 9:53 A.M.

Senator Keough
Chair

Peggy Moyer
Secretary

AGENDA

JOINT FINANCE-APPROPRIATIONS COMMITTEE

8:00 A.M.
Room C310
Tuesday, February 16, 2016

TIME	DESCRIPTION	PRESENTER
8:00-8:30	**Change in Employee Compensation (CEC)** Committee Recommendations LBB Front End pages 24,25	*Senator Jim Patrick and Representative Neil Anderson, Co-chairs*
8:30-9:15	**Idaho State Police** LBB 3-75	*Colonel Ralph Powell, Director*
9:15-9:30	***Break***	
	Germane Committee Reports	
9:30-9:45	Senate Agricultural Affairs	*Chairman Jim Rice*
9:45-10:00	House Judiciary, Rules & Administration	*Chairman Rich Wills*
10:00-10:15	Senate Judiciary and Rules	*Chairman Patti Anne Lodge*
10:15-10:30	House Education	*Chairman Reed DeMordaunt*

Senate Reconvenes:

House Reconvenes: 11:00 a.m.

MINUTES

JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE:	Tuesday, February 16, 2016
TIME:	8:00 A.M.
PLACE:	Room C310
MEMBERS PRESENT:	Senators Co-chairman Keough, Bair, Mortimer, Brackett, Nuxoll, Johnson, Thayn, Guthrie, Schmidt, Lacey Representatives Co-chairman Bell, Gibbs, Miller, Youngblood, Burtenshaw, Horman, Malek, Monks, King, Gannon
ABSENT/ EXCUSED:	None

CONVENED: **Chairman Bell** called the meeting to order at 8:00 AM

PRESENTER: **Senator Jim Patrick and Representative Neil Anderson, Co-Chairs of the Change in Employee Compensation (CEC)**

Committee Recommendations

The Joint Change in Employee Compensation (CEC) Committee has completed its hearings and deliberations. The committee received many reports, including the statutory requirements of Idaho's compensation system, two updates from the Office of Performance Evaluations, and an explanation from both the Division of Human Resources and the Division of Financial Management on the Governor's recommendation. In addition, the committee heard public testimony and received information on the group healthcare plan and retirement system.

The CEC Committee recognizes that the goal of Idaho's total compensation system for state employees is to fund a competitive salary and benefit package that will attract qualified applicants to the work force, retain employees who have a commitment to public service excellence, motivate employees to maintain a high level of productivity, and reward employees for outstanding performance. The CEC committee spent a great deal of time discussing the impact of the total compensation package for our employees (total compensation package is defined as salary, health benefits, and retirement benefits), and how the compensation package, when measured as a whole, compares to other private and public sectors. The committee also deliberated about how the employee health insurance plan is currently structured. The committee has concerns about the increased cost in health insurance and the appropriations recommended. The House and Senate leadership convene an interim committee to discuss health insurance and total compensation.

UNANIMOUS CONSENT : On request by **Senator Keough**, and without objection the Change in Employee Compensation Report was accepted by the Budget Committee.

PRESENTER: **Colonel Ralph Powell, Director, Idaho State Police**

Idaho State Police

Colonel Powell presented to the Budget Committee a high-level overview of the The Idaho State Police and the challenges and achievements faced by Idaho's Police force. The mission of the ISP is to continue providing public safety across the State of Idaho through law enforcement excellence. The Idaho State Police has been building successful partnerships with not only other law enforcement agencies but other state agencies as well, such as the Military Division, Idaho Transportation Department (ITD), and Health & Welfare's Emergency Medical Services. These agency partnerships have provided statewide cohesion on many projects and proven effective for collaboration with Strategic Planning, Highway Safety and Communications.

The Idaho State Police receives the majority of its funding from dedicated funding sources. These sources include user fees or taxes that are collected to finance a specific service or project. Federal funds received by ISP include those used directly for ISP programs, or passed through to other state and local units of government for other criminal justice activities. The Peace Officers Standards and Training Academy (POST) delivers training and technical assistance to all levels of law enforcement throughout the state, by providing both basic and specialized training programs for all commissioned peace officers, adult and juvenile corrections officers, and dispatchers. POST receives funding from fees collected on issued citations and court fees. Citations and subsequent court fees have decreased and accordingly, so has the revenue.

ISP submitted a Capital Budget Request for FY 2015 to the Division of Public Works for construction of the District IV Combined Facility in Pocatello, which will house Patrol, Investigations, Forensic Lab, and POST. With the completion of this facility, ISP will reach collocation of services in five of the six districts. District 6, located in Idaho Falls, will be the final step to a complete transition.

To conclude **Colonel Powell** briefly spoke on the ISP request for new Communications Center Radio Consoles and the Brands Division Electronic Inspection and Animal Traceability programs. Colonel Powell then stood for questions regarding the Budget Recommendation. Idaho State Police

Germane Committee Reports

PRESENTER: **Senator Jim Rice, Chairman, Senate Agricultural Affairs**

Senate Agricultural Affairs Committee

Senator Rice brought before the committee a brief overview of issues discussed inside the Senate Agricultural Affairs Committee. Water resources have been an area of contention, as well as hay price reduction, and commodities out of Portland. International products including yogurt and animal export have also been areas of heavy discussion. Idaho ships a fresher product with more convenience and higher quality in packaging. Senator Rice then stood for questions regarding the Committee's progress.

PRESENTER: **Representative Rich Wills, Chairman, House Judiciary, Rules and Administration Committee**

House Judiciary, Rules and Administration Committee

Representative Wills discussed the significant need for the Idaho State Troopers, Justice Reinvestment, and for the Department of Correction. Many of the individuals that have been re-incarcerated for a minor offenses, are backing up Idaho's court system and costing tax payers a great deal of money regardless of the significant drop in court fees and problem solving courts.

Acknowledgement was made toward **Director Kempf** as he has made serious changes to the Department of Correction and the leadership policies inside the DUI, Veteran, and Drug Courts. Special thanks was also made mention to **Director Sandy Jones** for Pardons, Parole, and Probations. Discussion about harsher punishment for parole violators is ongoing as is the policies on bonds. Special mention was also made to the Juvenile Justice and the teams of individuals who work on behalf Idaho's at-risk youth.

PRESENTER: **Senator Patti Anne lodge, Chairman, Senate Judiciary and Rules Committee**

Senate Judiciary and Rules Committee

As a result of illness, **Senator Lodge** was absent from committee and the Joint Finance-Appropriations Committee did not hear from the Senate Judiciary and Rules Committee.

PRESENTER: **Representative Reed DeMordaunt, Chairman, House Education Committee**

House Education Committee

Representative DeMordaunt presented to the committee concerns and accomplishments of the House Education Committee. The House Education Committee has accomplished some great things for Education in the State of Idaho. Last year the Career Ladder was implemented and commitments have been made to continue along this path and change the discussion in education to focus on outcomes.

Last year legislation passed regarding the charter school debt reserve, special mention was made to make sure dollars are allocated appropriately. Literacy has jumped in Idaho, then plateaued and the professional development opportunities may experience some change. Currently, 36,000 kids basic and below basic and proficient learn to read from kindergarten through third grade and then read to learn for the rest of their lives. Idaho needs to address the issue of illiteracy and change Idaho's classroom technology.

Professional development, needs to have focused dollars and understanding of how the technology can be used in mastery of competency-based and mastery-based education. Higher education programs at CWI and other community colleges in line with the 60% goal need to capture 5% each year for the next four years. An ambitious goal for the college community, but not an unattainable one. Also, the

Rural School Initiative was created to answer the concerns about how Idaho can do a better job in its rural communities. A strong commitment to education and a strong stewardship over the dollars are most important priorities for the House Education Committee.

ADJOURN: There being no further business to come before the committee, **Chairman Bell** adjourned the committee at 10:24 AM.

_____
Representative Bell
Chair

_____
Christi Cox
Secretary

AGENDA

JOINT FINANCE-APPROPRIATIONS COMMITTEE

8:00 A.M.
Room C310
Wednesday, February 17, 2016

TIME	DESCRIPTION	PRESENTER
8:00-8:15	**Senate Health and Welfare**	*Chairman Lee Heider*
8:15-8:30	**House Health and Welfare**	*Chairman Fred Wood*
8:30-8:45	**Senate Resources and Environment**	*Chairman Steve Bair*
8:45-9:05	**Management Review** Commission on Aging	*April Renfro, Division Manager* *LSO Audits*
9:05-9:30	**Office of the Governor** Commission on Aging LBB 6-49	*Sam Haws, Administrator*
9:30-9:45	**Senate Education**	*Chairman Dean Mortimer*

Senate Reconvenes: 10:30 a.m.

House Reconvenes: 11:00 a.m.

MINUTES

JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE:	Wednesday, February 17, 2016
TIME:	8:00 A.M.
PLACE:	Room C310
MEMBERS:	Senators Co-chairman Keough, Bair, Mortimer, Brackett, Nuxoll, Johnson, Thayn, Guthrie, Schmidt, Lacey
	Representatives Co-chairman Bell, Gibbs, Miller, Youngblood, Burtenshaw, Horman, Malek, Monks, King,
ABSENT/ EXCUSED:	Gannon
CONVENED:	Chairman Keough convened the meeting at 8:00 A.M.
STAFF PRESENT:	Headlee, Tatro, Bybee, Houston,

GERMANE COMMITTEE REPORTS

PRESENTATION: **Senate Health and Welfare Committee**

PRESENTER: **Senator Lee Heider, Chairman**

The three main health and welfare issues facing Idahoans during this legislative session are: 1) Primary Care Access, 2) Behavioral Health, and 3) Suicide Prevention. Medicaid expansion has not been palatable to the majority of the Legislature. Another option would be a primary care access program. Although the initial funding proposal was not approved this week by the House State Affairs Committee, alternative funding may yet be forthcoming. It is important to the people in the "GAP" population to have a program implemented to care for their needs. Should PCAP legislation proceed, hopefully, the Joint Finance-Appropriations Committee would find a way to fund the program. Currently, Community Health Centers (CHC) deliver coordinated medical, dental and behavioral health services focusing on wellness, prevention, and chronic disease management. There are 72 clinics across 47 communities in Idaho that serve 156,651 patients in 2014.

In December of 2014, Idaho was awarded about $40 million in grant funding over a four-year period to implement the State Healthcare Innovation Plan (SHIP) which would reform the healthcare delivery system to focus on health outcomes while remaining patient-centered. SHIP promotes the delivery of services through clinics known as Patient-Centered Medical Homes (PCMH) that develop a partnership between the patient, the primary care physician, and the clinical team. Within this model, those without insurance or adequate funds would be able to obtain medical care and become active participants in their healthcare decisions. The Legislature should continue to promote and support CHC's and PCMH's. When people have primary care that focuses on prevention of chronic illnesses, it leads to more positive outcomes and reduces the burden on society for healthcare costs.

In 2014, the Legislature provided for the development and operation of Behavioral Health Community Crisis Centers to be developed as funding became available. Behavioral Health Centers are voluntary outpatient facilities operating 24/7 year round to provide evaluation, intervention and referral for individuals experiencing crises due to behavioral health conditions, including chronic and serious mental illnesses. The first two Crisis Centers have been established in Idaho Falls and Coeur d'Alene. The next Center should be located in southern Idaho; **Chairman Heider** would like it to be located in Magic Valley.

The next item discussed was Suicide Prevention which is the second leading cause of death of Idahoans between the ages of 15 and 34. Idaho has one of the highest suicide rates. In 2014 Idaho had the 9th highest suicide rate, 46% higher than the national average, with 320 suicides. Idaho should create a statewide suicide prevention coalition with public/private supporters focused on prevention, training, and education. The goal for the coalition would be to grow and become a funded 501(c)(3) non-profit that would advocate for mental health policies and programs.

PRESENTATION: **House Health and Welfare Committee**

PRESENTER: **Representative Fred Wood, Chairman**

The House and Senate Health and Welfare Committees held a public hearing last Friday, February 12, 2016, and two main themes were expressed. Everyone who testified about healthcare requested the expansion of Medicaid similar to the Healthy Idaho plan. People want healthcare benefits for the GAP population. Second, many citizens were very concerned about issues within the foster care program housed in the Department of Health and Welfare.

The child support enforcement IT system in the Division of Welfare needs to be funded and modernize in order to significantly reduce operating costs and increase efficiency. Suicide and suicide rates are cause for great concern. The Committee requested that JFAC fully fund the suicide hotline and fully fund the requests of the Health Quality Planning Commission's Idaho Suicide Prevention Plan.

Behavioral health boards need guidance regarding goals, mission, vision, and values; any funding should be tied to performance goals. Healthcare for the GAP population is a work in progress but the Committee agreed what is currently happening is unfair. It is important to find an equitable and effective solution to healthcare issues facing the GAP population.

Perhaps the most urgent need for all Idahoans in the healthcare arena is behavioral health services. The House Health and Welfare Committee recommends funding as many crisis centers as the funding will allow and also recommends full funding of Allumbaugh House in Boise to help alleviate the shortage of behavorial health services. Another recommendation was to increase the personal home care rate as the budget permits; an hourly rate of $16.50 per hour was suggested.

PRESENTATION: **Senate Resources and Environment Committee**

PRESENTER: **Senator Steve Bair, Chairman**

Chairman Bair said the Senate Resources and Environment Committee is working continually on improving gas and oil leases and statutes. Regarding the Department of Lands, Lands and Waterways budget, Line Item 5 for Gas and Oil Support, the Governor has recommended that one administrative assistant position be funded. Water issues have also been discussed extensively in Senate Resources and Environment Committee. The recharge program needs to be accelerated. A number of recharge sites still need to be identified; preliminary engineering has been done. It will take about six years to get to the point of recharging the required 250,000 acre feet per year. He encouraged the Joint Finance-Appropriations Committee to fund the $7.5 million (2.5 million one time and $5.0 million ongoing) needed for water sustainability (recharge) projects within the budget for the Water Resources Board.

OFFICE OF THE GOVERNOR
Commission on Aging

MANAGEMENT REVIEW: **Legislative Services Office**
Audits Division

PRESENTER: **April Renfro, Division Manager**

To view the presentation, please click on the following link: Management Review — Idaho Commission on AgingAudit Report

A management review of the Idaho Commission on Aging (Commission) covered the fiscal years ended 2013, 2014, and 2015. The review covered general administrative procedures and accounting controls to determine that activities were properly recorded and reported. The review was also conducted to address specific legislative intent language included in House Bill 248 from the 2015 Legislative Session.

The following two findings related to the management review: 1) fuel and vehicle insurance purchases were not in compliance with state policies or Idaho Code, and 2) purchasing and travel requests lacked documentation of prior approval as required by Commission policy. The Audits Division recommended that the Commission comply with state fiscal policies and Idaho Code as policies relate to the purchase of fuel and insurance for state vehicles.

There were three findings related to the specific legislative intent language in House Bill 248. The three findings were: 1) evaluation and compliance with budget laws and proper accounting procedures, 2) evaluation of the funding distribution formula used by the Commission, along with the potential impact of changing the formula, and the steps necessary to change the formula, and 3) an analysis of revenues and expenditures associated with the operations and management of the local planning and service areas. These three findings did not include recommendations for improvement; therefore, no corrective action was required. The Commission has reviewed the report and provided responses to recommendations made by the audit team.

PRESENTATION: **Idaho Commission on Aging (Commission)**

PRESENTER: **Sam Haws, Administrator**

To view the presentation, please click on the following link: Commission on Aging

The Commission's mission and vision is to provide access to services and programs that contribute to seniors and persons with disabilities to remain independent for as long as possible. The Older Americans Act, enacted in 1965, celebrated its 50th anniversary in 2015. The Commission is committed to use its taxpayer dollars in the most efficient and effective way to provide essential services to clients. The Commission is staffed with 13 full-time and 3 temporary positions; there has been zero turnover for four years.

Core programs for the Commission include: 1) home-delivered meals for homebound persons, 2) congregate meals — generally served at senior centers, 3) disease prevention/health promotions (nutrition counseling/physical fitness), 4)National Family Caregiver Support Program (NFCSP), 5) Nutrition Services Incentive Program (NSIP) (a supplement to service providers based on the number of meals served), 6) Senior Community Services Employment Program (SCSEP) helps train low-income, unemployed seniors, 7) Supportive Services-Transportation, Legal Assistance, Information Assistance, Outreach, etc., 8) elder abuse prevention, 9) Adult Protection and 10) State Ombudsman — problem resolution for residents in long-term care facilities.

The Adult Protection program is State mandated and funded with state General Funds. The Commission is directed to investigate allegations of abuse, neglect, self-neglect and/or exploitation involving vulnerable adults. The Ombudsman Program is federally mandated to protect the health, safety, welfare, and rights of those persons receiving care in assisted living, skilled nursing and other long-term care facilities. All of the Area Agencies on Aging (AAA) have an Ombudsman program.

Commission support programs include: 1) Medicare Improvements for Patients and Providers Act (MIPPA), 2) Senior Medicare Patrol (SMP), 3) The Aging and Disability Resource Center (ADRC), 4) Idaho's Lifespan Respite Program, 5) The Idaho Model Approaches to Statewide Legal Services Delivery System — Phase II, 6) Commodity Supplemental Food Program (CSFP), and 7) The Idaho Model Approaches to Statewide Legal Services Delivery System (grant) involving the Senior Legal Hotline and the"Senior Legal Guidebook." While all services are important, it is often a combination of support programs that makes a difference.

The Commission's funding sources come from the Older Americans Act, state general funds, U. S. Department of Agriculture, and the U. S. Department of Labor. The Commission contracts with the AAA's to plan and implement coordinated delivery of services; the plan must mirror the Commission's four-year State Plan. (AAA's are not employed by the Commission.) Allocation of funds to the AAA's is determined by using a weighted Intra-State Funding Formula which is ultimately approved by the federal Administration for Community Living. Priorities are given to the percentage of elders based within that population, economic status, minorities, and rural locations. The six AAA's cover all 44 Idaho counties. The Commission has been operating Area III since July of 2014 and continues to work on designating a new AAA.

The Governor recommended an FY 2017 budget of $12,570,600 with 13 FTP's. The remainder of the Administrator's remarks were in response to the Management Report (Audit) discussed above. The Commission welcomed the review and thanked the Legislative Services audit staff for their recommendations to help strengthen internal controls. Regarding Finding 1 (fuel and vehicle purchases), as of July, 2015, the Commission discontinued using P-cards for fuel purchases and began using the appropriate fuel cards. The Commission generally agrees with the finding concerning insurance for AAA vehicles and has implemented the audit recommendation. The finding regarding lack of documentation for purchasing and travel requests has been corrected and the recommendation has been implemented.

PRESENTATION: **Senate Education Committee**

PRESENTER: **Senator Dean Mortimer, Chairman**

The Senate Education Committee listed the following as the priorities for education funding, starting with the most important: 1) continue funding the Career Ladder, 2) restoration of Discretionary Spending bringing it to the 2009 level per support unit which conveys to trustees/superintendents the State trusts their expertise – support units from 2009 to 2016 are an extra 1067 units, 3) [tied with #4] College and Career Counseling is important and necessary because it is the means to provide career education and mentoring needed to encourage students to prepare for the future, 4) [tied with #3] Classroom Technology is equal in priority with #3, and 5) Literacy Proficiency and Professional Development.

ADJOURNED: There being no further business, Chairman Keough adjourned the meeting at 9:32 A.M.

Senator Keough
Chair

Peggy Moyer
Secretary

AGENDA

JOINT FINANCE-APPROPRIATIONS COMMITTEE

8:00 A.M.
Room C310
Thursday, February 18, 2016

TIME	DESCRIPTION	PRESENTER
8:00-9:30	**Statewide Budget Decisions-JFAC Adjusted**	*Paul Headlee, Deputy Manager Budget & Policy Analysis*
9:30-9:45	*Break*	
9:45-11:00	**Public Hearing for Budget-Related Issues**	

Senate Reconvenes: 11:00 a.m.
House Reconvenes: 11:00 a.m.

MINUTES

JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Thursday, February 18, 2016

TIME: 8:00 A.M.

PLACE: Room C310

MEMBERS PRESENT: Senators Co-chairman Keough, Bair, Mortimer, Brackett, Nuxoll, Johnson, Thayn, Guthrie, Schmidt, Lacey

Representatives Co-chairman Bell, Gibbs, Miller, Youngblood, Burtenshaw, Horman, Malek, Monks, King, Gannon

ABSENT/ EXCUSED: None

CONVENED: **Chairman Bell** called the meeting to order 8:00 AM.

STATEWIDE BUDGET DECISIONS — JFAC ADJUSTED

PRESENTER: **Paul Headlee, Deputy Director of the Division of Budget and Policy Analysis**

FY 2016 General Fund Revenue for Budget Setting

Mr. Headlee explained to the committee that the Joint Finance-Appropriations Committee is to adopt and use the Governor's and Economic Outlook & Revenue Assessment Committee's recommended General Fund revenue projection of $3,183,609,000 for the purpose of setting and modifying state agency budgets.

CARRIED: **Original Motion**

FY 2016 General Fund Revenue for Budget Setting
Language

Moved by **Johnson**, seconded by **Keough**, to approve to Adopt Gov's Rec and EORAC revenue projection $3,183,609,000

Ayes: 19
Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Monks, Burtenshaw, King, Gannon
Nays: 0
Ab/Ex: 1
Malek

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell**.

PRESENTER: **Paul Headlee, Deputy Manager, Division of Budget and Policy Analysis**

FY 2017 General Fund Revenue for Budget-Setting

Mr. Headlee then explained to the committee for FY 2017, the Joint Finance-Appropriation Committee is to adopt and use the Governor's and Economic Outlook & Revenue Assessment Committee's recommended General Fund revenue projection of $3,340,372,000 for the purpose of setting state agency budgets.

CARRIED: **Original Motion**

FY 2017 General Fund Revenue for Budget Setting
Language

Moved by **Gibbs**, seconded by **Johnson**, to approve for introduction $0 General Funds, $0 Dedicated Funds, $0 Federal Funds for a total of $0 with FTP of 0.00 Adopt Gov's Rec and EORAC revenue projection $3,340,372,000

Ayes: 19
Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Monks, Burtenshaw, King, Gannon
Nays: 0
Ab/Ex: 1
Malek

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell**.

PRESENTER: **Paul Headlee, Deputy Manager, Division of Budget and Policy Analysis**

SECTION 1. BENEFIT CHANGES:
To include $1,040 increase for health insurance per eligible full-time FTP, changes in variable benefits, and fund shifts by agency as recommended by the Governor.

CARRIED: **Original Motion**

JFAC Adjusted FY 2017
Appropriation

Moved by **Keough**, seconded by **Bair**, to approve for introduction $10,335,000 General Funds, $7,179,000 Dedicated Funds, $3,470,100 Federal Funds for a total of $20,984,100 with FTP of 0.00, for Benefit Changes

Ayes: 18
Keough, Johnson, Bair, Mortimer, Brackett, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Monks, Burtenshaw, King, Gannon
Nays: 1
Nuxoll

Ab/Ex: 1
Malek

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell.**

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UNANIMOUS CONSENT: On request by **Gibbs**, granted by unanimous consent, to accept the following language:

SECTION 2. INFLATIONARY ADJUSTMENTS:
Inflationary Adjustments: The JFAC Body will not include the agency's request or the Governor's recommendation for money from the General Fund, dedicated funds, or federal funds for inflationary adjustments in the JFAC Adjusted. Committee members may, at their discretion, add back funding in their motions on a case-by-case basis.

UNANIMOUS CONSENT: On request by **Mortimer**, granted by unanimous consent, to accept the following language for Section 3 and Section 4:

SECTION 3. REPLACEMENT ITEMS:

The Joint Financial-Appropriations Committee will not include the agency's request or the Governor's recommendation for one-time funding for replacement operating expenditures and capital outlay from the General Fund, dedicated, or federal funds. Committee members may, at their discretion, add funding in their motions on a case-by-case basis.

SECTION 4. STATEWIDE COST ALLOCATION:

To include the Governor's recommendation for adjustments for fees for the Attorney General, risk management, State Controller, and State Treasurer.

UNANIMOUS CONSENT: On request by **Keough,** granted by unanimous consent, to approve for introduction $1,829,300 General Funds, $964,600 Dedicated Funds, $178,300 Federal Funds for a total of $2,972,200 with FTP of 0.00
Unanimous Consent Statewide Cost Allocation (SWCAP).

SECTION 5. ANNUALIZATIONS:
To include the Governor's recommendation of $5,500 for statewide elected officials salary increases, $73,800 to the Judicial Branch to complete the funding for new magistrate judge positions partially funded in FY 2016, $270,400 for the full costs of the supplemental approved to the Department of Lands for fire preparedness, and adjustments to the Department of Health and Welfare, the Board of Pharmacy, the Department of Agriculture, and to the Idaho Transportation Department.

UNANIMOUS CONSENT: On request by **Keough**, and granted by unanimous consent, to approve for introduction $(493,200) General Funds, $8,709,000 Dedicated Funds, $5,600,800 Federal Funds for a total of $13,816,600 with FTP of 0.00 for Annualizations

SECTION 6. CHANGE IN EMPLOYEE COMPENSATION:
To include funding for a 3% pay increase for permanent employees for state agencies and institutions, the onetime costs for the 3% CEC associated with the 27th payroll, and ongoing fund shifts as recommended by the Governor and the CEC Committee.

UNANIMOUS CONSENT: On request by **Mortimer**, and granted by unanimous consent to introduce $18,114,600 General Funds, $13,099,900 Dedicated Funds, $6,024,200 Federal Funds for a total of $37,238,700 with FTP of 0.00 for Change in Employee Compensation (CEC).

SECTION 7. 27TH PAYROLL:
To include one-time funding for the 27th payroll for state agencies and institutions for state agencies and institutions; and one-time fund shifts as recommended by the Governor and the CEC Committee.

UNANIMOUS CONSENT: On request by **Bair**, and granted by unanimous consent to approve for introduction $20,210,300 General Funds, $15,515,100 Dedicated Funds, $6,895,600 Federal Funds for a total of $42,621,000 with FTP of 0.00, for the 27th Payroll.

SECTION 8. ELECTED OFFICIALS PAY INCREASE:
To include funding for pay raises for statewide elected officials and judges approved in prior legislative sessions.

UNANIMOUS CONSENT: On request by **Keough**, and granted by unanimous consent, to approve for introduction $46,700 General Funds, $0 Dedicated Funds, $0 Federal Funds for a total of $46,700 with FTP of 0.00, for Elected Officials Pay Increase.

SECTION 9. 3% BASE SALARY INCREASE FOR THE CLASSIFIED STAFF AND ADMINISTRATORS IN PUBLIC SCHOOLS:
The 3% base salary increase for classified staff and administrators in Public Schools: This would be to include the staff recommendation for funding a 3% base salary increase for classified staff and administrators in Public Schools.

UNANIMOUS CONSENT: On request by **Horman**, and granted by unanimous consent, to approve for introduction $6,338,700 General Funds, $0 Dedicated Funds, $0 Federal Funds for a total of $6,338,700 with FTP of 0.00 for the 3% Base Salary Increase for Classified Staff and Administrators in Public Schools.

PRESENTER: **Paul Headlee, Deputy Manager, Division of Budget and Policy Analysis**
FY 2017 JFAC Adjusted Continued:

NONDISCRETIONARY ADJUSTMENTS:

UNANIMOUS CONSENT: On request by **Horman**, and granted by unanimous consent, to approve for introduction $64,680,700 General Funds, $36,402,500 Dedicated Funds, $41,286,500 Federal Funds for a total of $142,369,700 with FTP of 0.00 for Nondiscretionary Adjustments.

ENDOWMENT ADJUSTMENTS:

UNANIMOUS CONSENT: On request by **Mortimer**, and granted by unanimous consent, to approve for introduction $(3,262,700) General Funds, $4,438,000 Dedicated Funds, $0 Federal Funds for a total of $1,175,300 with FTP of 0.00 for Endowment Adjustments.

PUBLIC HEARING FOR BUDGET RELATED ISSUES

PRESENTER: **Rob Winslow, Executive Director, Idaho Association of School Administrators:**
Mr. Winslow opened his testimonial by thanking JFAC for their commitment to the education of the students in the state of Idaho. There are two major priorities for association this year. The first, is the strong support shown for the Idaho Career Ladder that certainly supports recruitment and retention and second, the operational funding that is so vital for the fiscal stability of our school districts.

PRESENTER: **Wayne Hoffman, President, Idaho Freedom Foundation**
Mr. Hoffman shared with the Budget Committee many concerns associated with the economic platform of JFAC and the possible recession projected to occur at the end of this fiscal year. He urged the committee to consult what might be considered a more realistic spending practice and made mention that public notice should be made available to specific morning meetings.

Objection was made to the comments about public notification, as it is the protocol of the JFAC administrative staff to post agendas publicly and welcome members of the public to the proceedings.

PRESENTER: **Robin Nettinga, Associate Executive Director, Idaho Education Association**
Director Nettinga began her testimonial by expressing her gratitude and the heartfelt thanks offered on behalf of the IEA for the opportunities funded in previous sessions. Every student should have the opportunity at excellence and the association thanks the Budget Committee for the priority they have placed on Idaho's public schools.

Training and maintaining qualified staff continues to be a major priority. **Director Nettinga** urged the committee to continue placing high priority on Idaho's teachers to further the recruitment of qualified applicants to the teaching field and keep the best and brightest teaching graduates in Idaho. IEA is asking the Budget Committee to consider the following priorities while making budget decisions for Idaho's Public Schools: 1) The Career Ladder Funding; 2) Operational Funding; and 3) Professional Development Programs.

The Director concluded by thanking the Budget Committee again for their hard work and high priority placed in Idaho's public schools.

PRESENTER: **Karen Echeverria, Executive Director, Idaho School Boards Association**

Director Echeverria briefly testified on behalf of the Education Committee the exciting news that in November of 2014, Idaho included charter schools as full members of the association and remain the only State in the United States that has done that. Idaho School Board Association represents 114 of the 115 school districts and 36 of the 48 charter schools that exist in Idaho.

Director Echeverria echoed the priorities previously stated regarding the Career Ladder Funding and the Operational Funding so vital to the training and professional development of Idaho's teachers. She then stood for questions regarding the activity of the Idaho School Boards Association.

ADJOURN: There being no further business to come before the committee, **Chairman Bell** adjourned the committee at 9:48 AM.

_____
Representative Bell
Chair

_____
Christi Cox
Secretary

AGENDA

JOINT FINANCE-APPROPRIATIONS COMMITTEE

8:00 A.M.
Room C310
Friday, February 19, 2016

TIME	DESCRIPTION	PRESENTER
8:00-10:30	**SUPPLEMENTALS & DEFICIENCY WARRANTS**	
	DEPARTMENT OF CORRECTION **Management Services** BALLA Attorney Fees p.11 #14	*Jared Hoskins* *Senior Analyst*
	Community Corrections Additional PC/OE p.14 #25	
	State Prisons Offender Intervention Training p.12 #17	
	Community Corrections JRI Training Savings p.14 #23	
	County & Out-of-State Placement Bed Utilization p.13 #20	
	Correctional Alternative Placement Bed Utilization p.13 #21	
	Medical Services Bed Utilization p.15 #26	
	State Prisons Close Unit 24/Reallocate Staff p.12 #18 Change Food Service Delivery p.12 #19	
	Community Corrections Add Probation & Parole Staff p.14 #24	
	SELF-GOVERNING AGENCIES **Division of Veteran Services** Restore Patient Invested Funds p.24 #48	*Jared Tatro* *Principal Analyst*
	IDAHO DEPARTMENT OF LANDS **Forest and Range Fire Protection/Suppression** Fire Deficiency Warrants	*Ray Houston* *Principal Analyst*

Senate Reconvenes:

House Reconvenes: 11:00 a.m.

MINUTES

JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE:	Friday, February 19, 2016
TIME:	8:00 A.M.
PLACE:	Room C310
MEMBERS:	Senators Co-chairman Keough, Bair, Mortimer, Brackett, Nuxoll, Johnson, Thayn, Guthrie, Schmidt, Lacey Representatives Co-chairman Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
ABSENT/ EXCUSED:	None
CONVENED:	Chairman Keough convened the meeting at 8:00 A.M.
STAFF PRESENT:	Headlee, Hoskins, Tatro, Houston

FY 2016 SUPPLEMENTALS

SUPPLEMENTAL: **DEPARTMENT OF CORRECTION**
Management Services
Balla Attorney Fees

PRESENTER: **Jared Hoskins, Senior Analyst, Budget & Policy Analysis, Legislative Services**

On August 11, 2015, in the Walter D. Balla, et al. v. Idaho State Board of Correction court case, the US District Court for the District of Idaho found that the department acted with "improper purpose" when it prevented the court's special master from appreciating the true extent to which "dry cells" were used at the Idaho State Correctional Institution (ISCI) and the true extent to which it failed to keep adequate records related to mental health care. In so finding, the court sanctioned the department by: (a) extending the case's compliance monitoring period until September 1, 2017; (b) requiring the department to affirmatively move to terminate the compliance plan and meet the burden of proving that no ongoing constitutional violations exist; and (c) requiring the department to pay the attorney fees incurred by the plaintiffs in pursuing their motion for sanctions. Thus, the department requests this supplemental appropriation of $332,400 in one-time operating expenditures from the General Fund to pay the attorney fees associated with the plaintiffs' recent Motion for Sanctions, as ordered by the court.

UNANIMOUS CONSENT: On request by Youngblood, granted by unanimous consent, the FY 2016 budget for the Department of Correction was reopened.

CARRIED:

Original Motion
Moved by Youngblood, seconded by Mortimer, to approve for introduction $250,000 General Funds, $0 Dedicated Funds, $0 Federal Funds for a total of $250,000 with FTP of 0.00

Ayes: 18

Keough, Johnson, Bair, Mortimer, Nuxoll, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 2

Brackett, Thayn

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

Community Corrections
Community Supervision
Additional Personnel Costs/Operating Expenditures

This is a request for a total ongoing amount of $343,200 for various operating expenditures and personnel costs related, in part, to the increased demand placed on the Community Supervision Program by the Justice Reinvestment Initiative (JRI). Of the total amount requested in operating expenditures, $69,000 from the General Fund is for additional office space due to recent increases in FTP; $49,600 from the Parolee Supervision Fund is for collection costs related to the cost of supervision; $20,000 from the Parolee Supervision Fund is for additional uniforms; and $15,000 from the Parolee Supervision Fund is for inmate incentives required by the JRI Response Matrix. In personnel costs, $189,600 from the Parolee Supervision Fund is requested to provide sufficient appropriation to meet current personnel obligations in that particular fund.

CARRIED:

Original Motion
Moved by Nuxoll, seconded by Youngblood, to approve for introduction $0 General Funds, $343,200 Dedicated Funds, $0 Federal Funds for a total of $343,200 with FTP of 0.00

Ayes: 19

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 1

Thayn

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

State Prisons
Prisons Administration
Offender Intervention Training/ JRI Training Savings
Fund Transfer

The department requests an ongoing transfer of $205,000 in operating expenditures from the General Fund between Community Supervision and Prisons Administration in order to provide training related to recent changes in the department's offender programming. The Council of State Governments (CSG) recently conducted a Justice Program Assessment (JPA), which concluded that much of the department's programming is outdated and not evidence-based. To address the JPA findings, the department is phasing-in program changes, beginning with substance abuse and sex offender programs. The department currently has an ongoing appropriation of $500,000 to provide training related to the Justice Reinvestment Initiative (JRI). However, the department indicates that it only needs $295,000 for JRI-related training. Thus, the department desires to use this $205,000 in savings from JRI-related training to provide training on substance abuse and sex offender program curricula.

CARRIED:

Original Motion
Moved by Nuxoll, seconded by Youngblood, to approve for introduction
$205,000 General Funds, $0 Dedicated Funds, $0 Federal Funds for a total of $205,000 with FTP of 0.00
reduce OE Community Supervision increase OE Prisons Administration

Ayes: 20

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

State Prisons
Prisons Administration
Offender Intervention Training/JRI Training Savings

Though it was not presented in the agency request or the governor's recommendation, the department recently learned that it could use what was left of JRI-related federal grant funds for offender intervention training. The federal grant is pass-through grant from the Bureau of Justice Assistance made available as a sub award through the Council on State Governments. It is a dollar-for-dollar reimbursement grant, which will allow the department to increase its training budget by 53% (from 500,000 to 763,000) without the need for additional state funds. The grant is the last of the federal funds made available for JRI, and is only available through the end of this fiscal year, which is why the request is presented as a supplemental.

CARRIED:

Original Motion
Moved by Nuxoll, seconded by Youngblood, to approve for introduction $0 General Funds, $0 Dedicated Funds, $263,700 Federal Funds for a total of $263,700 with FTP of 0.00
Ayes: 20

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

County & Out-of-State Placement
Correctional Alternative Placement
Medical Services
Bed Utilization

The following three adjustments amount to a total decrease of $2,157,100 in operating expenditures from the General Fund in FY 2016 in order to align the department's budgets for County & Out-of-State Placement ($860,800), Correctional Alternative Placement ($408,000), and Medical Services ($888,300) with updated offender forecasts and bed utilization counts.

CARRIED:

Original Motion
Moved by Youngblood, seconded by Nuxoll, to approve for introduction $(2,157,100) General Funds, $0 Dedicated Funds, $0 Federal Funds for a total of $(2,157,100) with FTP of 0.00

Ayes: 20

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

State Prisons
Community Corrections: ISCI
Close Unit 24 — Reallocate Staff

This is a multifaceted request to reorganize the department by reallocating 11.00 FTP from Unit 24 at Idaho State Correctional Institution (ISCI), along with $667,800 in personnel costs from the General Fund, among programs. Unit 24 was a Correctional Industries warehouse converted to temporary inmate housing. The department was originally provided with $557,400 in FY 2010, offset by a reduction in the County and Out-of-State Placement program, to establish Unit 24 and add 200 beds at ISCI. Due to ongoing safety concerns, the department chose to close Unit 24 in May of 2015. Of the 11.00 FTP and $667,800 that have been requested to be removed from ISCI's budget in separate decision units, these adjustments would reduce ISCI's FTP count by 11.00 and its associated General Fund appropriation by $667,800.

CARRIED:

Original Motion
Moved by Nuxoll, seconded by Youngblood, to approve for introduction $(667,800) General Funds, $0 Dedicated Funds, $0 Federal Funds for a total of $(667,800) with FTP of (11.00)
Idaho State Correctional Institution

Ayes: 20

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

State Prisons
Community Corrections: ISCC
Change Food Service Delivery

Reclasssify 7.00 FTP from correctional officers to food service personnel and transfer them to the Idaho State Correctional Center (ISCC), along with $419,400 in General Fund personnel costs.

CARRIED:

Original Motion
Moved by Nuxoll, seconded by Youngblood, to approve for introduction $419,400 General Funds, $0 Dedicated Funds, $0 Federal Funds for a total of $419,400 with FTP of 7.00
ISCC

Ayes: 20

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

Community Corrections:
Community Supervision
Add Probation & Parole Staff

Reclassify 4.00 FTP from correctional officers to probation and parole officers and transfer them to Community Supervision, along with $248,400 in General Fund appropriation.

CARRIED:

Original Motion
Moved by Nuxoll, seconded by Youngblood, to approve for introduction $248,400 General Funds, $0 Dedicated Funds, $0 Federal Funds for a total of $248,400 with FTP of 4.00
Community Supervision

Ayes: 20

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

SUPPLEMENTAL:

SELF-GOVERNING AGENCIES
Division of Veterans Services
Restore Patient-Invested Funds
Fund Transfer

To account for the losses in interest from the State Treasurer IDLE pool, the division is requesting a $1,500 appropriation and cash transfer from the Veterans Home Endowment Income Fund to the continuously appropriated Resident Trust Funds. Resident Trust Funds are held by the division with the purpose of safeguarding, managing, and accounting for the personal funds of its residents. While these resident funds received positive interest in prior years, many of the current residents were not in a veterans home during those years and therefore the division believes the residents' funds should not be subject to the losses. To reduce the risk of this happening again in the future, the State Treasurer has introduced legislation this session to allow for an alternative in investing. The cash balance in the Federal Grant Fund at the start of FY 2016 was $5,939,800.

UNANIMOUS CONSENT:

On request of Youngblood, granted by unanimous consent, the FY 2016 budget for the Division of Veterans Services was reopened.

CARRIED:

Original Motion
Moved by Youngblood, seconded by Thayn, to approve for introduction $0 General Funds, $0 Dedicated Funds, $1,500 Federal Funds for a total transfer of $1,500 to the continuously appropriated Resident Trust Funds.

Ayes: 20

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

DEFICIENCY WARRANT:

IDAHO DEPARTMENT OF LANDS
Forest and Range Fire Protection
Fire Deficiency Warrants
Fund Transfer

This request will catch up the appropriation to account for the cost of the 2015 fire season. There would still be an estimated $2 to $3 million outstanding obligation. However, these estimates change over time as reimbursements are settled.

UNANIMOUS CONSENT: On request by Youngblood, granted by unanimous consent, the FY 2016 budget for the Department of Lands was reopened.

CARRIED:

Original Motion
Moved by Gibbs, seconded by Johnson, to approve for introduction $60,000,000 General Funds, $0 Dedicated Funds, $0 Federal Funds for a total of $60,000,000 with FTP of 0.00 to be transferred to the Fire Suppression Deficiency Fund.

Ayes: 20

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

ADJOURNED: There being no further business, Chairman Keough adjourned the meeting.

Senator Keough
Chair

Peggy Moyer
Secretary

AGENDA

JOINT FINANCE-APPROPRIATIONS COMMITTEE

8:00 A.M.
Room C310
Monday, February 22, 2016

BUDGET SETTING

SUBJECT	DESCRIPTION	PRESENTER
LBB 5-29	**Department of Finance**	*Keith Bybee* *Principal Analyst*
	Office of the Governor	
LBB 6-93	Liquor Division	
	Self-Governing Agencies	
LBB 5-117	Regulatory Boards	
LBB 5-97	State Lottery	
LBB 4-29	**Endowment Fund Investment Board**	*Ray Houston* *Principal Analyst*
	Governor's Office	
LBB 6-75	Office of Energy Resources	
LBB 5-59	**Public Utilities Commission**	
LBB 4-65	**Lava Hot Springs Foundation**	

Senate Reconvenes: 10:30 a.m.
House Reconvenes: 11:00 a.m.

MINUTES

JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Monday, February 22, 2016

TIME: 8:00 A.M.

PLACE: Room C310

MEMBERS: Senators Co-chairman Keough, Bair, Mortimer, Brackett, Nuxoll, Johnson, Thayn, Guthrie, Schmidt, Lacey

Representatives Co-chairman Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

ABSENT/ EXCUSED: None

CONVENED: **Chairman Bell** called the meeting to order at 8:00 AM.

PRESENTER: **Keith Bybee, Principal Analyst, Division of Budget and Policy Analysis Department of Finance**

Rep. Youngblood disclosed he has a possible conflict of interest under applicable law; he does plan to vote on the issue currently before the committee. **Senator Mortimer** disclosed he has a possible conflict of interest under applicable law; he does plan to vote on the issue currently before the committee.

Mr. Bybee read through each line item addressed in the budget request for the Department of Finance. Beginning with a base of $7,619,200 include $66,600 for benefit cost increases, also include $143,300 for replacement items, $9,400 reduction for Statewide Cost Allocation, $159,900 for change in employee compensation, and include $190,700 for the 27th pay period; for FY 2017 the motion will be to move $8,170,300 from dedicated funds and cap full-time equivalent positions at 64. This motion would further include the JFAC adjusted budget for benefit cost increases, Statewide Cost Allocation, a 3% CEC, and the 27th pay period.

Additionally, this motion would include replacement items as recommended: software upgrades, copier leases, computer supplies and three servers. This is a maintenance of current operations budget. Overall, this budget is a 5.4% increase above the FY 2016 appropriation.

CARRIED: **Original Motion**
Department of Finance
Appropriation

Moved by **Youngblood**, seconded by **Johnson**, to approve for introduction $0 General Funds, $8,170,300 Dedicated Funds, $0 Federal Funds for a total of $8,170,300 with FTP of 64.00

Ayes: 20
Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw,

King, Gannon
Nays: 0
Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell.**

UNANIMOUS CONSENT: On request by **Youngblood,** granted by unanimous consent, the following legislative intent language was accepted:

The Department of Finance is hereby granted continuous appropriation authority for reimbursement of persons to whom an Idaho court awards actual damages resulting from acts constituting violations of the Idaho Residential Mortgage Practices Act by a mortgage broker, mortgage lender or mortgage loan originator who was licensed or required to be licensed, per Section 26-31-109, Idaho Code.

PRESENTER: **Keith Bybee, Principal Analyst, Division of Budget and Policy Analysis**

Office of the Governor: Liquor Division

Mr. Bybee read through each line item addressed in the budget request for the Office of the Governor: Liquor Division. Beginning with a base of $17,191,700 include $230,200 for benefit cost increases, $349,600 for replacement items, $27,300 for Statewide Cost Allocation, $264,900 for change in employee compensation, and also include $324,500 for the 27th pay period. An additional $375,000 will be added for line item 1, this will include 4 FTP and $51,300 for line item 2, $160,000 for line item 3, and 6 FTP for line item 4. $96,400 will also be included for line item 5. This will cap full-time equivalent positions at 222.

Additionally this motion would include replacement items as recommended which are: store update and upgrades, computer equipment, power supply for data recovery, and a reach truck for the warehouse.

Finally, this budget includes five line items and includes a request for a relocation or remodel of seven state run liquor stores with 4 FTP and $51,300 to convert contractors to state employees. This will produce savings and ensure undue turnover does not occur for these positions. There will be a remodel to the upstairs office space complete with building improvements, and office furniture. Pay increases for temporary clerks will include a 3% CEC increase, which for the past two years have not included increases for temporary employees. This will ensure the Division will be able to keep long time clerks from leaving the organization. Overall, this budget is an 5.8% increase above the FY 2016 appropriation.

Mr. Bybee addressed concerns regarding the FTPs from the temporary positions. Members from the Division of Financial Management stood to answer questions about the requests not recommended by the Governor.

CARRIED: **Original Motion**
Office of the Governor
State Liquor Division
Appropriation

Moved by **Gibbs**, seconded by **Johnson**, to approve for introduction $0 General Funds, $19,670,900 Dedicated Funds, $0 Federal Funds for a total of $19,670,900 with FTP of 222.00

Ayes: 17
Keough, Johnson, Bair, Mortimer, Brackett, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
Nays: 3
Nuxoll, Thayn, Guthrie
Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell**.

PRESENTER: **Keith Bybee, Principal Analyst, Division of Budget and Policy Analysis**
Self-Governing Agencies: Regulatory Boards

Rep. Monks disclosed he has a possible conflict of interest under applicable law.

Mr. Bybee read through each line item addressed in the budget request for Self-Governing Agencies: Regulatory Boards. Beginning with a base of $6,813,600, and include $67,100 for benefit cost increases, $17,000 for inflationary adjustments, $6,400 for replacement items, also include $2,100 for Statewide Cost Allocation, $106,200 for change in employee compensation, and include $127,200 for the 27th pay period. This request also includes line item 1 for $18,000, line item 3 for $65,300, line item 4 for 2 FTP and $97,600, line item 5 for 2 FTP and $144,300, line item 6 for $19,000, and line item 7 for $100,000.

Once carried, this motion will move $7,583,800 from dedicated funds, and cap full-time equivalent positions at 68. This motion includes the JFAC adjusted budget for benefit cost increases, Statewide Cost Allocation, a 3% CEC, and the 27th pay period. Additionally, this motion would include replacement items as recommended which include computers and a printer.

Finally, this budget includes 6 lines items, plus Line item 7 which provides $100,000 to the Real Estate Commission for programming services to rewrite its internal licensing system.

Mr. Bybee explained that all commission functions are conducted through the licensing system, including: issuing licenses, recording continuing education and exam scores, tracking enforcement matters, and maintaining certification of instructors, courses, and providers. This a mission-critical line item. Overall, this budget is an 11.0% increase above the FY 2016 original appropriation.

CARRIED: **Original Motion**
Self-Governing Agencies
Regulatory Boards
Appropriation

Moved by **King**, seconded by **Gibbs**, to approve for introduction $0 General Funds, $7,583,800 Dedicated Funds, $0 Federal Funds for a total of $7,583,800 with FTP of 68.00

Ayes: 19
Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Monks, Burtenshaw, King, Gannon
Nays: 0
Ab/Ex: 1
Malek

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell**.

PRESENTER: **Keith Bybee, Principal Analyst, Division of Budget and Policy Analysis**

Self-Governing Agencies: State Lottery

Mr. Bybee read through each line item addressed in the budget request for the State Lottery. Beginning with a base of $5,666,000, include $45,400 for benefit cost increases, $33,200 for replacement items, a reduction of $12,800 for Statewide Cost Allocation, $76,800 for change in employee compensation, and include $93,300 for the 27th pay period. For FY 2017, this action would call for $5,902,600 from dedicated funds and cap full-time equivalent positions at 45.

This action will include the JFAC adjusted budget for benefit cost increases, Statewide Cost Allocation, a 3% CEC, and the 27th pay period, and replacement items as recommended which include a security card access system, and computers. Overall, this budget is a 3.6% increase above the FY 2016 original appropriation.

CARRIED: **Original Motion**
Self-Governing Agencies
State Lottery
Appropriation

Moved by **King**, seconded by **Gibbs**, to approve for introduction $0 General Funds, $5,902,600 Dedicated Funds, $0 Federal Funds for a total of $5,902,600 with FTP of 45.00

Ayes: 17
Keough, Johnson, Mortimer, Brackett, Nuxoll, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Monks, Burtenshaw, King, Gannon
Nays: 2
Bair, Thayn
Ab/Ex: 1

Malek

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell.**

UNANIMOUS CONSENT: On request by **King**, granted by unanimous consent, the following legislative intent language was accepted:

It is legislative intent that amounts necessary to pay prizes, retailer commissions, advertising and promotional costs, and gaming supplier vendor fees based on sales shall be continuously appropriated to the State Lottery under the provisions of Section 67-7428, Idaho Code.

PRESENTER: **Ray Houston, Principal Analyst, Division of Budget and Policy Analysis**

Board of Land Commissioners
Endowment Fund Investment Board

Mr. Houston explained to the committee the request for the Endowment Fund Investment Board. The EFIB is responsible for managing the investments of the Land Grant Endowment Funds, the State Insurance Fund, and other moneys as required by law. Other moneys include the Island Trail in Coeur d'Alene for the Department of Parks and Recreation, the investment for the Water Treatment Plant for DEQ, and two endowments for the Idaho Department of Fish and Game. Funding for the organization impart comes from the listed agencies and at the end of FY 2015 there was approximately 2.54 billion dollars being managed. Mr. Houston then read through each line item in the budget request.

CARRIED: **Original Motion**
Board of Land Commissioners
Endowment Fund Investment Board
Appropriation

Moved by **Burtenshaw**, seconded by **Lacey**, to approve for introduction $0 General Funds, $675,400 Dedicated Funds, $0 Federal Funds for a total of $675,400 with FTP of 3.70

Ayes: 19
Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Monks, Burtenshaw, King, Gannon
Nays: 0
Ab/Ex: 1

Malek

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell.**

UNANIMOUS CONSENT: On request by **Burtenshaw**, granted by unanimous consent, the following legislative intent language was accepted.

SECTION 3: The Endowment Fund Investment Board is hereby granted continuous appropriation authority for consulting fees, bank custodial fees, and portfolio-related external costs for the period July 1, 2016, through June 30, 2017.

SECTION 4: It is the intent of the legislature that for fiscal year 2017, the Endowment Fund Investment Board transfer $63,158,400 as follows: $36,724,800 from the Public School Earnings Reserve Fund to the Public School Income Fund; $1,347,600 from the Agricultural College Earnings Reserve Fund to the Agricultural College Income Fund; $5,544,000 from the Charitable Institutions Earnings Reserve Fund to the Charitable Institutions Income Fund; $4,262,400 from the Normal School Earnings Reserve Fund to the Normal School Income Fund; $1,965,600 from the Penitentiary Earnings Reserve Fund to the Penitentiary Income Fund; $4,708,800 from the Scientific School Earnings Reserve Fund to the Scientific School Income Fund; $4,562,400 from the Mental Hospital Earnings Reserve Fund to the Mental Hospital Income Fund; and $4,042,800 from the University Earnings Reserve Fund to the University Income Fund.

PRESENTER: **Ray Houston, Principal Analyst, Division of Budget and Policy Analysis**

Office of the Governor
Office of Energy Resources

Mr. Houston explained that the Office of Energy Resources was originally created by **Governor Andrus** through Executive Order (EO) in 1975. Those responsibilities were assigned to the Idaho Department of Water Resources in 1981. Program authority was modified by EO 2001-06 when energy standards for building codes were transferred to the Division of Building Safety. On October 19, 2007, **Governor Otter** issued EO 2007-15 reestablishing the Office of Energy Resources within the Office of the Governor. That Executive Order was replace in 2011 and again in 2012.

The office is funded through the Indirect Cost Recovery Fund, the Renewable Energy Resource Fund, miscellaneous revenues, the Petroleum Price Violation Fund and federal grants. **Mr. Houston** then read through the line items requested and recommended for the Office of Energy Resources.

CARRIED: **Original Motion**
Office of the Governor
Office of Energy Resources
Appropriation

Moved by **Lacey**, seconded by **King**, to approve for introduction $0 General Funds, $815,700 Dedicated Funds, $442,000 Federal Funds for a total of $1,257,700 with FTP of 8.00

Ayes: 19
Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Monks, Burtenshaw, King, Gannon
Nays: 0

Ab/Ex: 1

Malek

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell.**

PRESENTER: **Ray Houston, Principal Analyst, Division of Budget and Policy Analysis**

Public Utilities Commission

Mr. Houston read through the line items requested for the Public Utilities Commission. He explained that the commission oversees the intrastate operation of investor-owned electric, gas, water, telecommunications utilities, pipelines, and railroads. The commission does not regulate publicly owned municipal, or cooperative utilities. The commission serves the citizens and utilities of Idaho by determining fair, just and reasonable rates for utility commodities and services to be delivered safely, reliably, and efficiently, and by ensuring safe and adequate rail services within the state.

Programs are funded by the Public Utilities Commission (PUC) Fund which consists of fees collected from the regulated utilities (telephone, power, natural gas, and water corporations) in the amount of, not more than 0.3% of their intrastate revenues (Section 61-1004, Idaho Code) and from railroad corporations, not more than 1% of the gross operating revenues derived from the intrastate business. In prior years, General Fund expenditures for the salaries and benefits of the commissioners (Section 61-1009, Idaho Code) were reimbursed to the General Fund at year-end from the Public Utilities Commission Fund. However, beginning in FY 2001, the law was changed and commissioners' salaries are now paid from the PUC Fund.

There is an Inflationary Adjustment: This request is for 3% contract inflation for the building lease at 472 Washington Street in Boise, Idaho. The lease, with the Department of Lands, is based on three components: office space, storage space and parking. The commission requests replacement items in the amount of $10,500 for seven laptops, $9,600 for eight personal computers, $4,000 for 20 monitors, $4,000 for four printers, $12,000 for a multi-function copier, $3,500 for network equipment, $4,200 for software updates, $4,800 for four desks, $3,200 for four chairs, and 2,400 for two file cabinets for a total of $58,200.

Line item 1, requests to move certain incumbents to policy. This request will move nine existing incumbents, who have successfully worked in the same job class for eight years or more to the policy midpoint of their respective pay grades. In line item 2, the Governor recommends a 3% salary increase for each of the three commissioners.

CARRIED: **Original Motion**
Public Utilities Commission
Appropriation

Moved by **Schmidt**, seconded by **King**, to approve for introduction $0 General Funds, $5,992,000 Dedicated Funds, $324,300 Federal Funds for a total of $6,316,300 with FTP of 52.00

Ayes: 19
Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Monks, Burtenshaw, King, Gannon
Nays: 0
Ab/Ex: 1
Malek

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell**.

PRESENTER: **Ray Houston, Principal Analyst, Division of Budget and Policy Analysis**

Lava Hot Springs Foundation

Mr. Houston explained the requests and recommendations for the Lava Hot Springs Foundation. The land administered by the Lava Hot Springs Foundation, consisting of 178 acres along the Portneuf River in Bannock County, was purchased from the tribal government by the federal government in 1902. Later that year, the federal government ceded the land to the state of Idaho, with the provision that the state reserve the land for public use under such regulation as the state may prescribe.

Requested replacement items include $30,000 to replace six pumps and motors; $50,000 to replace or repair decks; $10,000 for swimming pool equipment; $35,000 to replace a 1994 pickup with 170,000 miles; and $6,000 to replace four computers.

The request also includes four line items. Line item 1, is to re-configure the customer service area. The foundation requests a $225,000 one-time appropriation for this to offer improvement to the world famous hot pools to provide better flow. Line item 2, requests a $15,000 appropriation to install doors on dressing room stalls at both the Olympic swimming complex and the hot pools. When the dressing rooms were built, curtains were used in lieu of doors as a cost savings measure. The curtains are less than optimal to provide privacy to customers changing into swimwear. Line item 3, is a request for a $30,000 appropriation to seal coat parking areas, except the newly resurfaced West Park. Lastly line item 4, is a request for a $25,000 appropriation to conduct a hot water engineering study in order to determine the feasibility of developing the city-owned Chicken Soup Springs. The city will be applying for geothermal development grants through the Department of Energy and United States Geological Survey. Currently, most of the water from these springs is flowing into the Portneuf River with only a small

portion of the water being diverted for building heat. Availability of hot water could benefit future walkways, parking structures, and buildings.

CARRIED: **Original Motion**
Department of Parks and Recreation
Lava Hot Springs Foundation
Appropriation

Moved by **Lacey**, seconded by **Burtenshaw**, to approve for introduction $0 General Funds, $2,337,200 Dedicated Funds, $0 Federal Funds for a total of $2,337,200 with FTP of 13.80

Ayes: 19
Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Monks, Burtenshaw, King, Gannon
Nays: 0
Ab/Ex: 1
Malek

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell.**

ADJOURN: There being no further business to come before the committee, **Chairman Bell** adjourned the meeting at 9:05 AM.

Representative Bell
Chair

Christi Cox
Secretary

AGENDA

JOINT FINANCE-APPROPRIATIONS COMMITTEE

8:00 A.M.
Room C310
Tuesday, February 23, 2016

BUDGET SETTING

SUBJECT	DESCRIPTION	PRESENTER
LBB 2-101	**Public Health Districts**	*Jared Tatro* *Principal Analyst*
	Self-Governing Agencies	
LBB 5-129	Division of Veterans Services	
LBB 5-103	Medical Boards	
	Office of the Governor	
LBB 6-69	Office of Drug Policy	
LBB 6-49	Commission on Aging	
	Office of the Governor	*Robyn Lockett*
LBB 6-89	Division of Human Resources	*Principal Analyst*
LBB 6-107	Public Employee Retirement System (PERSI)	
LBB 6-57	Commission on the Arts	

Senate Reconvenes: 10:30 a.m.

House Reconvenes: 11:00 a.m.

MINUTES

JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE:	Tuesday, February 23, 2016
TIME:	8:00 A.M.
PLACE:	Room C310
MEMBERS:	Senators Co-chairman Keough, Bair, Mortimer, Brackett, Nuxoll, Johnson, Thayn, Guthrie, Schmidt, Lacey Representatives Co-chairman Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
ABSENT/ EXCUSED:	None
CONVENED:	Chairman Keough convened the meeting at 8:00 A.M.
STAFF PRESENT:	Tatro, Lockett

BUDGET SETTING: **SETTING FY 2017 APPROPRIATIONS**

PUBLIC HEALTH DISTRICTS

PRESENTER: **Jared Tatro, Principal Budget and Policy Analyst, Legislative Services Office**

MOTIONS: **Original Motion**

Moved by Schmidt, seconded by King, to approve for introduction $9,507,700 General Funds, $0 Dedicated Funds, $0 Federal Funds for a total of $9,507,700 with FTP of 0.00

Substitute Motion

Moved by Nuxoll, seconded by Monks, to approve for introduction $9,289,500 General Funds, $0 Dedicated Funds, $0 Federal Funds for a total of $9,289,500 with FTP of 0.00

FAILED: **Amended Substitute Motion**

Moved by Johnson, seconded by Bell, to approve for introduction $9,295,400 General Funds, $0 Dedicated Funds, $0 Federal Funds for a total of $9,295,400 with FTP of 0.00

Ayes: 9

Keough, Johnson, Brackett, Thayn, Bell, Gibbs, Miller, Youngblood, Burtenshaw

Nays: 11

Bair, Mortimer, Nuxoll, Guthrie, Schmidt, Lacey, Horman, Malek, Monks, King, Gannon

Ab/Ex: 0

CARRIED: **Vote on Substitute Motion**
Ayes: 11

Keough, Johnson, Brackett, Nuxoll, Thayn, Bell, Gibbs, Miller, Youngblood, Monks, Burtenshaw

Nays: 9

Bair, Mortimer, Guthrie, Schmidt, Lacey, Horman, Malek, King, Gannon

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

SELF-GOVERNING AGENCIES
Division of Veterans Services

CARRIED: **Original Motion**

Moved by Johnson, seconded by Gibbs, to approve for introduction $1,056,400 General Funds, $17,651,300 Dedicated Funds, $16,792,500 Federal Funds for a total of $35,500,200 with FTP of 333.00

Ayes: 20

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

Medical Boards

DISCLOSURES: Pursuant to Senate Rule 39(H), Senator Schmidt disclosed he has a possible conflict of interest under applicable law; he does plan to vote on the issue currently before the Committee.

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

Original Motion

Moved by Schmidt, seconded by Nuxoll, to approve for introduction $0 General Funds, $6,302,900 Dedicated Funds, $0 Federal Funds for a total of $6,302,900 with FTP of 48.20

CARRIED:

Substitute Motion

Moved by King, seconded by Miller, to approve for introduction $0 General Funds, $6,309,900 Dedicated Funds, $0 Federal Funds for a total of $6,309,900 with FTP of 48.20

Ayes: 10

Johnson, Mortimer, Brackett, Bell, Gibbs, Miller, Youngblood, Burtenshaw, King, Gannon

Nays: 9

Keough, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Horman, Malek, Monks

Ab/Ex: 1

Bair

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

OFFICE OF THE GOVERNOR
Office of Drug Policy

CARRIED:

Original Motion

Moved by Schmidt, seconded by Gibbs, to approve for introduction $320,700 General Funds, $3,500 Dedicated Funds, $4,336,400 Federal Funds for a total of $4,660,600 with FTP of 6.00

Ayes: 18

Keough, Johnson, Mortimer, Brackett, Nuxoll, Thayn, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 2

Bair, Guthrie

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

Commission on Aging
Original Motion

CARRIED: Moved by Malek, seconded by Lacey, to approve for introduction $4,531,000 General Funds, $0 Dedicated Funds, $8,039,600 Federal Funds for a total of $12,570,600 with FTP of 13.00

Ayes: 18

Keough, Johnson, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 1

Schmidt

Ab/Ex: 1

Bair

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

UNANIMOUS CONSENT: On request by Malek, granted by unanimous consent, the intent language shown below was accepted.

INTENT LANGUAGE: MANAGEMENT REVIEW IMPLEMENTATION REPORT. In February 2016, the Idaho Legislative Services Office, Audits Division released Management Report 18715. This report was conducted per legislative intent language found in House Bill 248 from the 2015 legislative session. The purpose of the report was to evaluate compliance with budget laws, proper accounting procedures, and understand the funding formula associated with the local planning and services areas. Therefore it is the intent of the legislature that the Idaho Commission on Aging use the management report to improve the processes and procedures of the commission and to implement all recommendations and findings outlined in the report for compliance. Further, the commission shall provide a written report to the Legislative Services Office that contains a status update on the implementation of each recommendation and finding, an update on any changes to the state plan or funding formula, and feedback from each AAA and from each Aging Commissioner. The report shall be submitted no later than December 31, 2016.

REGION THREE AAA STATUS UPDATE: It is the intent of the Legislature that the Idaho Commission on Aging provide quarterly updates to the Legislative Services Office on the selection and contract issuance for a new Area Agency on Aging (AAA) in Southwest Idaho's Region 3. This report shall include a list of potential entities willing and able to manage the AAA and include a detailed breakdown of all budget transactions, both forecasted and realized that are related to the selection and transfer of responsibilities from the state Commission on Aging to the new AAA umbrella organization. The first report shall be submitted no later than October 1, 2016, the second report shall be submitted no later than January 1, 2017, the third report shall be submitted no later than April 1, 2017 and the fourth report shall be submitted no later than June 30, 2017.

OFFICE OF THE GOVERNOR
Division of Human Resources

PRESENTER: **Robyn Lockett, Principal Budget & Policy Analyst, Legislative Services Office**

CARRIED: **Original Motion**

Moved by Johnson, seconded by Gibbs, to approve for introduction $0 General Funds, $1,808,200 Dedicated Funds, $0 Federal Funds for a total of $1,808,200 with FTP of 12.00

Ayes: 20

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

UNANIMOUS CONSENT: On request by Johnson, granted by unanimous request, the following intent language was accepted.

INTENT LANGUAGE: LEGISLATIVE INTENT: Of the amount appropriated in Section ____ of this act, the Division of Human Resources shall pay the Division of Career Technical Education for the cost of providing statewide management and human resources training. The payment amount shall be equal to the Miscellaneous Revenue Fund expenditures in fiscal year 2017 within the Related Services Program of the Division of Career Technical Education, less any unencumbered balance remaining on June 30, 2016.

EMPLOYEE COMPENSATION: It is the intent of the Legislature to progress toward the goal of funding a competitive salary and benefit package that will attract qualified applicants, retain employees committed to public service excellence, motivate employees to maintain high standards of productivity, and reward employees for outstanding performance. Consequently, the Division of Human Resources shall leave the current salary structure in place for FY 2017 and continue the job classifications that are currently on pay line exception to address specific employee recruitment or retention issues.

Public Employee Retirement System (PERSI)

CARRIED: **Original Motion**

Moved by Monks, seconded by Gibbs, to approve for introduction $0 General Funds, $7,825,800 Dedicated Funds, $0 Federal Funds for a total of $7,825,800 with FTP of 66.00
Ayes: 20

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

UNANIMOUS CONSENT: On request by Monks, granted by unanimous consent, the following intent language was accepted.

INTENT LANGUAGE: LEGISLATIVE INTENT. Notwithstanding Section 59–1311 (4)(d), Idaho Code, moneys appropriated in Section ____ of this act for the Portfolio Investment Program are for administrative costs of the Portfolio Investment Program as provided in Section 59–1311 (3), Idaho Code. Amounts necessary to pay all other investment expenses related to the Portfolio Investment Program are perpetually appropriated to the Public Employee Retirement System Board as provided in Section 59–1311 (4)(a), (b), and (c), Idaho Code.

Commission on the Arts

Original Motion

Moved by Horman, seconded by Johnson, to approve for introduction $782,900 General Funds, $106,100 Dedicated Funds, $1,067,000 Federal Funds for a total of $1,956,000 with FTP of 10.00

FAILED:

Substitute Motion

Moved by Schmidt, seconded by Lacey, to approve for introduction $832,900 General Funds, $106,100 Dedicated Funds, $1,067,000 Federal Funds for a total of $2,006,000 with FTP of 10.00

Ayes: 3

Schmidt, Lacey, Gannon

Nays: 17

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King

Ab/Ex: 0

CARRIED:

Vote on Original Motion

Ayes: 19

Keough, Johnson, Bair, Mortimer, Brackett, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 1

Nuxoll

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

ADJOURNED: There being no further business, Chairman Keough adjourned the meeting at 9:12 A.M.

Senator Keough
Chair

Peggy Moyer
Secretary

AGENDA

JOINT FINANCE-APPROPRIATIONS COMMITTEE

8:00 A.M.
Room C310
Wednesday, February 24, 2016

BUDGET SETTING

SUBJECT	DESCRIPTION	PRESENTER
LBB 6-99	**Office of the Governor** Military Division FY 2016 Supplemental- Federal Funds FY 2017 Appropriation	*Richard Burns* *Principal Analyst*
LBB 2-109	**State Independent Living Council**	
LBB 1-111	**State Board of Education** Idaho Public Television	
LBB 6-165	**Secretary of State**	*Jared Hoskins* *Senior Analyst*
LBB 3-65	**Department of Juvenile Corrections**	

Senate Reconvenes:

House Reconvenes: 11:00 a.m.

MINUTES

JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Wednesday, February 24, 2016

TIME: 8:00 A.M.

PLACE: Room C310

MEMBERS: Senators Co-chairman Keough, Bair, Mortimer, Brackett, Nuxoll, Johnson, Thayn, Guthrie, Schmidt, Lacey

Representatives Co-chairman Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

ABSENT/ EXCUSED: None

CONVENED: **Chairman Bell** called the meeting to order at 8:00 AM.

PRESENTER: **Richard Burns, Principal Analyst, Division of Budget and Policy Analysis**

Office of the Governor: Military Division
FY 2016 Supplemental –Federal Funds

Mr. Burns explained the amounts and protocol for the supplemental to the Military Division's budget request of $3,500,000. The department most recently received a federal grant for $6,460,490 for the Army Operations and Maintenance Cooperative Agreement. The purpose of the Federal/State Cooperative Agreements Program is to operate and maintain the Gowen Field training complexes, desert training range facilities, the 25 readiness centers and nine maintenance shops located throughout the state. The division had enough in spending authority to cover $2,960,490 of the amount. This request is for spending authority in the amount of $3.5 million in federal funds. Official confirmation from the gentleman on the second floor has not been received about whether or not the spending authority has been recommended; however, it was members of the Department of Financial Management who brought this to the attention of the Committee and recommended that action be taken.

UNANIMOUS CONSENT: On request by **Gibbs**, granted by unanimous consent, the Fiscal Year 2016 budget for the Office of the Governor, Military Division, was reopened.

CARRIED: **Original Motion**
Office of the Governor
Military Division
Supplemental

Moved by **Gibbs**, seconded by **Keough**, to approve for introduction $0 General Funds, $0 Dedicated Funds, $3,500,000 Federal Funds for a total of $3,500,000 with FTP of 0.00

Ayes: 20
Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt,

Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
Nays: 0
Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell.**

PRESENTER: **Richard Burns, Principal Analyst, Division of Budget and Policy Analysis**

Office of the Governor: Military Division: FY 2017 Appropriation

Mr. Burns proceeded with the FY 2017 Appropriation and Governor's recommendation for the Military Division. First, the committees's attention was drawn to line item 8, to hire a statewide interoperability coordinator (SWIC). Initially, this request was to move $78,000 from personnel cost to hire this position; the department has since opted to remove this from the total request.

Mr. Burns then reviewed the total for replacement items is $748,300 which includes $51,000 for 21 desktop and laptop computers, $161,500 for servers and peripheral equipment, $60,000 for two vehicles, $116,800 in emergency data network routers, $225,000 for microwave equipment, $85,000 for battery banks, and $49,000 for test and calibration equipment. Mr. Burns further examined the change in employee compensation, more specifically the Military Compensation. Normally when it relates to change in employee compensation in previous years, the Committee has used that to fund the COLA increase that the federal government allots. The COLA increase for FY 2017 will be 1.17%. However, the Governor has opted to provide the full 3% CEC increase for the Military Division which will eliminate the Military Compensation, or the step increases for 133 employees who were scheduled for increases in FY 2015, as authorized by Section 59-1603(9), Idaho Code. The Governor's recommendation to fund the full 3% CEC increase will satisfy both line items. Mr. Burns concluded by reading all remaining line items within the FY 2017 budget request.

CARRIED: **Original Motion**
Office of the Governor
Military Division
Appropriation

Moved by **Gibbs**, seconded by **Johnson**, to approve for introduction $6,661,500 General Funds, $6,337,400 Dedicated Funds, $56,686,800 Federal Funds for a total of $69,685,700 with FTP of 319.80

Ayes: 20
Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
Nays: 0
Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell.**

UNANIMOUS CONSENT: On request by **Schmidt**, granted by unanimous consent, the following legislative intent language was accepted for the FY 2017 budget.

The Military Division is hereby granted continuous appropriation authority for the Bureau of Homeland Security's Miscellaneous Revenue Fund for the period July 1, 2016, through June 30, 2017, for the purpose of covering incurred costs arising out of hazardous substance incidents.

PRESENTER: **Richard Burns, Principal Analyst, Division of Budget and Policy Analysis**

State Independent Living Council

Mr. Burns explained to the Budget Committee the $35,000 line item request of the State Independent Living Council (SILC) for FY 2017. Of that amount, $21,000 would be used for outreach and training to transition youth into the workplace, as required under the Workforce Opportunities and Innovation Act (WIOA); and $14,000 would be used to provide community education related to emergency preparedness as recommended by the Federal Emergency Management Agency (FEMA). He went on to explain the Governor had recommended funding to meet the requirements of the Workforce Opportunities and Innovation Act, but did not recommend the latter.

Mr. Burns further explained that SILC was seeking an amendment to their FY 2017 budget request to transfer up to $89,900 from their Federal Grant Fund to the State Independent Living Council (Ded) Fund in order to resolve an outstanding accounting issue surrounding federal reimbursements that were received and erroneously deposited into the Federal Grant Fund.

CARRIED: **Original Motion**
State Independent Living Council
Appropriation

Moved by **King**, seconded by **Johnson**, to approve for introduction $124,100 General Funds, $351,700 Dedicated Funds, $173,400 Federal Funds for a total of $649,200 with FTP of 4.00

Ayes: 19
Keough, Johnson, Bair, Mortimer, Brackett, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
Nays: 0
Ab/Ex: 1
Nuxoll

The majority having voted in the affirmative, the motion has passed and without

objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell.**

CARRIED: **Original Motion**
State Independent Living Council
Fund Transfer

Moved by **King**, seconded by **Schmidt**, to approve for introduction $0 General Funds, $0 Dedicated Funds, $89,900 Federal Funds for a total of $89,900 with FTP of 0.00. An appropriation and transfer of up to $89,900 from the Federal Fund to the Dedicated Fund.

Ayes: 20
Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
Nays: 0
Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell.**

PRESENTER: **Richard Burns, Principal Analyst, Division of Budget and Policy Analysis**

State Board of Education
Idaho Public Television

Mr. Burns explained to the committee that the department is requesting to shift $433,800 in personnel costs and six positions from the Miscellaneous Revenue Fund to the General Fund. According to IPTV, dedicated funds are less predictable, are not increasing, and cannot sufficiently provide for ongoing personnel cost increases. Granting this fund shift will help ensure the sustainability of the administration and maintenance of the statewide delivery system that provides a broadcast signal to nearly all regions of the entire state. While the Governor did not recommend that fund shift, he did recommend the full 3% CEC increase.

CARRIED: **Original Motion**
State Board of Education
Idaho Public Television
Appropriation

Moved by **Horman**, seconded by **Lacey**, to approve for introduction $3,022,100 General Funds, $6,272,500 Dedicated Funds, $0 Federal Funds for a total of $9,294,600 with FTP of 64.48

Ayes: 18
Keough, Johnson, Bair, Mortimer, Brackett, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Burtenshaw, King, Gannon
Nays: 2
Nuxoll, Monks

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell.**

PRESENTER: **Jared Hoskins, Senior Analyst, Division of Budget and Policy Analysis**

Secretary of State

Mr. Hoskins explained FY 2017 budget requests and recommendations for this agency. The Secretary of State is one of seven statewide elected officials in Idaho. The officeholder's constitutional and statutory responsibilities include membership on the State Board of Land Commissioners and the Board of Examiners.

Line items specific to the Secretary of State include a request for $627,000 in ongoing operating expenditures from the General Fund to pay for maintenance of the statewide voter registration system (VRS). The VRS was designed to decrease the possibility of fraud, improve the process of voter registration, and strengthen the integrity of the Idaho electoral system. Also requested is a one-time amount from the General Fund to pay for election costs.

Finally, the Secretary of State is requesting $6,700 in a one-time amount from the General Fund for all four members of the Commission on Uniform State Laws to attend the annual National Conference of Commissioners on Uniform State Laws, which will be held in Stowe, Vermont.

CARRIED: **Original Motion**
Secretary of State
Appropriation

Moved by **Monks**, seconded by **Johnson**, to approve for introduction $3,175,600 General Funds, $0 Dedicated Funds, $0 Federal Funds for a total of $3,175,600 with FTP of 27.00

Ayes: 19
Keough, Johnson, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
Nays: 0
Ab/Ex: 1
Bair

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell**.

PRESENTER: **Jared Hoskins, Senior Analyst, Division of Budget and Policy Analysis**

Department of Juvenile Corrections

Mr. Hoskins explained to the Budget Committee the requests and recommendations for the FY 2017 budget for the Department of Juvenile Corrections. This program provides day-to-day administrative services and support for the Idaho Department of Juvenile Corrections (IDJC). Services include the director's office, fiscal, human resources, information technology, purchasing, inventory, facility and vehicle management, and interstate compact administration. This division also includes a Quality Improvement Services Bureau to promote evidence-based juvenile correctional practices using a performance-based standards process.

CARRIED: **Original Motion**
Department of Juvenile Corrections
Appropriation

Moved by **Miller**, seconded by **Gannon**, to approve for introduction $40,967,500 General Funds, $7,304,500 Dedicated Funds, $3,130,600 Federal Funds for a total of $51,402,600 with FTP of 412.00

Ayes: 19
Keough, Johnson, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horan, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0
Ab/Ex: 1
Bair

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell**.

ADJOURN: There being no further business to come before the Committee, **Chairman Bell** adjourned the meeting at 8:55 AM.

Representative Bell
Chair

Christi Cox
Secretary

AGENDA

JOINT FINANCE-APPROPRIATIONS COMMITTEE

8:00 A.M.
Room C310
Thursday, February 25, 2016

BUDGET SETTING

SUBJECT	DESCRIPTION	PRESENTER
	State Board of Education	*Paul Headlee*
LBB 1-95	Health Education Programs	*Deputy Division Manager*
LBB 1-119	Special Programs	
LBB 1-89	Office of the State Board of Education	
	Self-Governing Agencies	*Keith Bybee*
LBB 5-67	Division of Building Safety	*Principal Analyst*
LBB 5-35	**Industrial Commission**	
LBB 5-41	**Department of Insurance**	
LBB 5-47	**Department of Labor**	

Senate Reconvenes: 10:30 a.m.
House Reconvenes: 11:00 a.m.

MINUTES

JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE:	Thursday, February 25, 2016
TIME:	8:00 A.M.
PLACE:	Room C310
MEMBERS:	Senators Co-chairman Keough, Bair, Mortimer, Brackett, Nuxoll, Johnson, Thayn, Guthrie, Schmidt, Lacey Representatives Co-chairman Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
ABSENT/ EXCUSED:	None
CONVENED:	Chairman Keough convened the meeting at 8:00 A.M.
STAFF PRESENT:	Headlee, Bybee

SETTING FY 2017 APPROPRIATIONS

STATE BOARD OF EDUCATION
Health Education Programs

PRESENTER: **Paul Headlee, Deputy Division Manager, Budget & Policy, Legislative Services**

CARRIED **Original Motion**

Moved by Mortimer, seconded by Horman, to approve for introduction $13,514,000 General Funds, $317,200 Dedicated Funds, $0 Federal Funds for a total of $13,831,200 with FTP of 24.80
C/O ded funds: Dental Education program

Ayes: 19

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Burtenshaw, King, Gannon

Nays: 1

Monks

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

Special Programs

3 MOTIONS: **Original Motion**

Moved by Brackett, seconded by Schmidt, to approve for introduction $15,430,100 General Funds, $0 Dedicated Funds, $1,724,400 Federal Funds for a total of $17,154,500 with FTP of 42.13

Substitute Motion

Moved by King, seconded by Gannon, to approve for introduction $20,430,100 General Funds, $0 Dedicated Funds, $1,724,400 Federal Funds for a total of $22,154,500 with FTP of 42.13

FAILED: **Amended Substitute Motion**

Moved by Miller, seconded by Nuxoll, to approve for introduction $13,430,100 General Funds, $0 Dedicated Funds, $1,724,400 Federal Funds for a total of $15,154,500 with FTP of 42.13

Ayes: 7

Nuxoll, Thayn, Guthrie, Bell, Miller, Youngblood, Monks

Nays: 13

Keough, Johnson, Bair, Mortimer, Brackett, Schmidt, Lacey, Gibbs, Horman, Malek, Burtenshaw, King, Gannon

Ab/Ex: 0

FAILED: **Vote on Substitute Motion**
Ayes: 3
Schmidt, King, Gannon
Nays: 17

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw

Ab/Ex: 0

CARRIED: **Vote on Original Motion**
Ayes: 18

Keough, Johnson, Bair, Mortimer, Brackett, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Burtenshaw, King, Gannon

Nays: 2

Nuxoll, Monks

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

UNANIMOUS CONSENT: Upon request by Senator Brackett, granted by unanimous consent, the intent language shown below was accepted.

INTENT LANGUAGE: SECTION 3. LEGISLATIVE INTENT. Moneys appropriated from the General Fund to the Scholarship and Grants Program for the period July 1, 2015 to June 30, 2016, that are unexpended and unencumbered on June 30, 2016, are hereby appropriated and shall be transferred by the State Controller to the Opportunity Scholarship Program Account created in Section 33-4303, Idaho Code.

SECTION 4. LEGISLATIVE INTENT. Due to staffing changes within the University of Idaho's Geological Survey Program, it is the intent of the Legislature that during the time period July 1, 2016, to June 30, 2017, the Geological Survey Program is to provide services in eastern Idaho that are equivalent to or better than the services currently being provided in that region. The Board of Education shall report to the Joint Finance-Appropriations Committee, prior to the committee's 2016 fall interim meeting, on the services provided by that program.
SECTION 5. An emergency existing therefor, which emergency is hereby declared to exist, Section 3 of this act shall be in full force and effect on and after its passage and approval.

Office of the State Board of Education

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

CARRIED: **Original Motion**

Moved by Horman, seconded by Lacey, to approve for introduction $2,877,000 General Funds, $717,900 Dedicated Funds, $2,736,100 Federal Funds for a total of $6,331,000 with FTP of 28.75
C/O fed funds and Charter School Authorizers Fund

Ayes: 18

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, Gannon

Nays: 0

Ab/Ex: 2

Thayn, King

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

SELF-GOVERNING AGENCIES
Division of Building Safety

PRESENTER: **Keith Bybee, Principal Budget & Policy Analyst, Legislative Services Office**

CARRIED: **Original Motion**

Moved by Horman, seconded by Mortimer, to approve for introduction $0 General Funds, $12,620,000 Dedicated Funds, $87,600 Federal Funds for a total of $12,707,600 with FTP of 126.00

Ayes: 19

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, Gannon

Nays: 0

Ab/Ex: 1

King

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

INDUSTRIAL COMMISSION

CARRIED: **Original Motion**

Moved by Monks, seconded by Johnson, to approve for introduction $0 General Funds, $15,891,000 Dedicated Funds, $800,000 Federal Funds for a total of $16,691,000 with FTP of 138.25

Ayes: 19

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, Gannon

Nays: 0

Ab/Ex: 1

King

The majority having voted in the affirmative, the motion has passed and without

objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

DEPARTMENT OF INSURANCE

CARRIED: **Original Motion**

Moved by Youngblood, seconded by Johnson, to approve for introduction $0 General Funds, $8,860,300 Dedicated Funds, $696,600 Federal Funds for a total of $9,556,900 with FTP of 73.50

Ayes: 19

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, Gannon

Nays: 0

Ab/Ex: 1

King

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

DEPARTMENT OF LABOR

UNANIMOUS CONSENT: On request by Senator Schmidt, granted by unanimous consent, the FY 2017 budget for the Department of Labor will be held subject to the call of the chair so committee members will have an opportunity to review reports received today on the Workforce Development Training Fund that were requested through legislative intent, Section 7, Senate Bill 1192, from the 2015 Legislative Session.

ADJOURNED: There being no further business, Chairman Keough adjourned the meeting at 9:25 A.M.

Senator Keough
Chair

Peggy Moyer
Secretary

AGENDA

JOINT FINANCE-APPROPRIATIONS COMMITTEE

8:00 A.M.
Room C310
Friday, February 26, 2016

BUDGET SETTING

SUBJECT	DESCRIPTION	PRESENTER
	Office of the Governor	*Ray Houston, Principal Analyst*
LBB 6-113	Office of Species Conservation	
LBB 4-13	**Department of Fish and Game**	
	Department of Health and Welfare	*Jared Tatro, Principal Analyst*
LBB 2-35	Division of Medicaid	
LBB 2-81	Division of Welfare	
LBB 2-63	Public Health Services	

Senate Reconvenes:

House Reconvenes: 10:30 a.m.

MINUTES

JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE:	Friday, February 26, 2016
TIME:	8:00 A.M.
PLACE:	Room C310
MEMBERS:	Senators Co-chairman Keough, Bair, Mortimer, Brackett, Nuxoll, Johnson, Thayn, Guthrie, Schmidt, Lacey Representatives Co-chairman Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
ABSENT/ EXCUSED:	Burtenshaw
CONVENED:	**Chairman Bell** called the meeting to order at 8:00 AM.

PRESENTER: **Ray Houston, Principal Analyst, Division of Budget and Policy Analysis**

Office of the Governor: Office of Species Conservation

Mr. Houston explained to the committee the purpose of the Office of Species Conservation and the FY 2017 budget request. The Office of Species Conservation was created in 2000. Idaho Law established an agency within the Office of the Governor for the purpose of:
1) providing coordination and cooperation among and between various state and federal agencies with responsibilities for species management under the Endangered Species Act (ESA); 2) developing an integrated state policy toward those species; 3) soliciting and reviewing scientific information; 4) negotiating and implementing conservation plans and agreements; 5) providing the resources and authority necessary to recommend an appropriate management plan for species that may be de-listed under the ESA; and 6) facilitating the development and use of federal and state programs and incentives to provide protections for non-federal landowners willing to assist in the management of federally listed endangered species, threatened species, and petitioned species.

Special line items included in this request are as follows:
Additional one-time funding for the Governor's Sage-Grouse Conservation Strategy to allocate funds towards fire prevention, suppression, and habitat restoration; additional funding for coordination and outreach travel costs; and conversion of a benefited temporary position to 0.63 full-time equivalent position.

CARRIED: **Original Motion**
Office of the Governor
Office of Species Conservation
Appropriation

Moved by **Miller**, seconded by **Brackett**, to approve for introduction $538,100 General Funds, $515,000 Dedicated Funds, $12,825,300 Federal Funds for a total of $13,878,400 with FTP of 12.63

Ayes: 17
Keough, Johnson, Bair, Mortimer, Brackett, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, King, Gannon
Nays: 0
Ab/Ex: 3

Nuxoll, Thayn, Burtenshaw

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell.**

UNANIMOUS CONSENT: On request by **Miller**, granted by unanimous consent, the following legislative intent language was accepted.

SECTION 3. Notwithstanding any other provisions of law, it is the intent of the Legislature that the Office of Species Conservation (OSC) shall be tasked with administering state appropriated funds not to exceed $500,000 for the period July 1, 2016, through June 30, 2017, for sage-grouse conservation actions, including fire prevention, fire suppression, habitat restoration on nonfederal lands and additional sage-grouse lek monitoring.

PRESENTER: **Ray Houston, Principal Analyst, Division of Budget and Policy Analysis**
Department of Fish and Game

Mr. Houston explained to the committee the complex recommendations and requests made by the Department of Fish and Game. Concerns of committee members were raised by line item 10; The Clagstone Conservation Easement Wildlife in Bonner County.

The department requests federal fund appropriation to purchase its share of a conservation easement. The Clagstone Meadows Forest Legacy project is composed of 13,000 acres of contiguous private forest land. The landowner, Stimson Lumber Company, wishes to sell the development rights valued at $12.6 million to keep the land in timber production in perpetuity. This transaction will help protect the region's drinking water, protect wetlands, maintain habitat (for elk, deer, moose, bear, forest grouse, waterfowl and a variety of native species), retain local timber jobs, and allow for non-motorized public access to private property.

The landowner will donate 25% of the value or $3.125 million, and the USDA awarded $5.5 million through the Idaho 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.

FAILED: **Substitute Motion**
Department of Fish and Game
Appropriation

Moved by **Monks**, seconded by **Guthrie**, to approve for introduction $0 General Funds, $57,571,500 Dedicated Funds, $46,498,800 Federal Funds for a total of $104,070,300 with FTP of 558.00

Ayes: 3
Mortimer, Guthrie, Monks
Nays: 14
Keough, Johnson, Bair, Brackett, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, King, Gannon
Ab/Ex: 3
Nuxoll, Thayn, Burtenshaw

CARRIED: **Original Motion**
Department of Fish and Game
Appropriation

Moved by **Miller**, seconded by **Lacey**, to approve for introduction $0 General Funds, $57,571,500 Dedicated Funds, $48,498,800 Federal Funds for a total of $106,070,300 with FTP of 558.00
Ayes: 14
Keough, Johnson, Bair, Brackett, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, King, Gannon
Nays: 3
Mortimer, Guthrie, Monks
Ab/Ex: 3
Nuxoll, Thayn, Burtenshaw

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell.**

DEPARTMENT OF HEALTH AND WELFARE

PRESENTER: **Jared Tatro, Principal Analyst, Division of Budget and Policy Analysis**

Division of Medicaid

Mr. Tatro explained the operations of the Division of Medicaid, and the FY 2017 budget requests and recommendations. The Division of Medicaid is responsible for administering plans to finance and deliver health services for people at risk due to low income and other factors, such as youth, old age, pregnancy, or disability. Services are provided pursuant to state and federal Medicaid requirements.

The division is organized into four budgeted programs: 1) The Medicaid Administration & Medical Management Program which includes expenditures for administration of a comprehensive program of medical coverage to eligible recipients in Idaho; 2) The Coordinated Medicaid Plan, where beneficiaries covered in this plan primarily consist of those who are age 65 and older; 3) The Enhanced Medicaid Plan where beneficiaries are medicaid-eligible group(s) primarily made up of children and adults (non-elderly) with disabilities, or other individuals with special health needs, such as foster children; and 4) The Basic Medicaid Plan: Where beneficiaries are medicaid-eligible group(s) primarily consisting of Pregnant Women and Children (PWC), Family Medicaid and Idaho's Children Health Insurance Program (CHIP). These populations are assumed to be in average health, with average levels of disease.

CARRIED: **Original Motion**
Department of Health and Welfare
Division of Medicaid
Appropriation

Moved by **Schmidt**, seconded by **Malek**, to approve for introduction $519,607,200 General Funds, $303,144,800 Dedicated Funds, $1,411,052,500 Federal Funds for a total of $2,233,804,500 with FTP of 209.00

Ayes: 16
Keough, Johnson, Bair, Mortimer, Brackett, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Malek, Monks, King, Gannon
Nays: 0
Ab/Ex: 4
Nuxoll, Thayn, Horman, Burtenshaw

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell.**

UNANIMOUS CONSENT: On request by **Schmidt**, granted by unanimous consent, the legislative intent language shown below was accepted.

GENERAL FUND TRANSFERS. As appropriated, the State Controller shall make transfers from the General Fund to the Cooperative Welfare Fund, periodically, as requested by the director of the Department of Health and Welfare and approved by the Board of Examiners.

TRUSTEE AND BENEFIT PAYMENTS. Notwithstanding the provisions of Section 67-3511, Idaho Code, funds budgeted in the trustee and benefit payments expenditure class shall not be transferred to any other expense class during fiscal year 2017.

PROGRAM INTEGRITY. Notwithstanding any other provisions of law, it is hereby declared to be the intent of the Legislature that the Department of Health and Welfare shall be required to provide those services authorized or mandated by law in each program, only to the extent of funding and available resources appropriated for each budgeted program.

UNANIMOUS CONSENT: On request by **Schmidt**, granted by unanimous consent, the legislative intent language shown below was accepted.

MEDICAID TRACKING REPORT. The Department of Health and Welfare, Medicaid Division and Indirect Support Services Division, shall deliver on a monthly basis to the Legislative Services Office and the Division of Financial Management a report that compares the Medicaid budget as appropriated, distributed by month for the year, to actual expenditures and remaining forecasted expenditures for the year. The report shall also include a forecast, updated monthly, of the next fiscal year's anticipated trustee and benefit expenditures. The format of the report, and the information included therein, shall be determined by the Legislative Services Office and the Division of Financial Management.

TRANSFER OF APPROPRIATIONS. Notwithstanding the provisions of, Idaho Code, funding provided for the trustee and benefit payments expenditure class in the Medicaid Division may be transferred in excess of ten percent (10%) among the Coordinated Medicaid Plan, Enhanced Medicaid Plan, Basic Medicaid Plan, and Medicaid Administration and Medical Management Program, but shall not be transferred to any other budgeted programs or expenditure class within the Department of Health and Welfare during fiscal year 2017.

MEDICAID MANAGED CARE IMPLEMENTATION. The Medicaid Division shall provide reports biannually to the Legislative Services Office and the Division of Financial Management, on progress in integrating managed care approaches into the state Medicaid system. The format of the report, and information contained therein, shall be determined by the Legislative Services Office and the Division of Financial Management. The first report shall be submitted no later than December 31, 2016 and the second report shall be submitted no later than June 30, 2017.

REPORT ON FLEXIBLE RECEIPT AUTHORITY. The Medicaid Division shall provide a report annually, at time of budget submission, to the Legislative Services Office and the Division of Financial Management that describes the need for having additional dedicated receipt authority built into the budget. The additional dedicated

fund appropriation is not to be considered when calculating the estimated need for ongoing Medicaid costs, but rather to be held in reserve and used in lieu of General Funds when non-cognizable receipts are received by the department.

PRESENTER: **Jared Tatro, Principal Analyst, Division of Budget and Policy Analysis**

Division of Welfare:

The Division of Welfare, also known as Self-Reliance, provides assistance and support services for eligible families and individuals. Programs administered by the division include: Child Support; Supplemental Nutrition Assistance Program (SNAP or Food Stamps); Child Care; Temporary Assistance for Families in Idaho (TAFI also known as TANF); and Aid to the Aged, Blind, and Disabled (AABD). The division also administers several programs through contracts with local partner organizations that provide food, energy assistance, telephone assistance, and weatherization assistance. In addition, the division determines Medicaid eligibility for the department and the state insurance exchange.

CARRIED: **Original Motion**
Department of Health and Welfare
Division of Welfare
Appropriation

Moved by **Malek**, seconded by **Bair**, to approve for introduction $40,798,000 General Funds, $6,928,100 Dedicated Funds, $121,223,600 Federal Funds for a total of $168,949,700 with FTP of 635.55

Ayes: 18
Keough, Johnson, Bair, Mortimer, Brackett, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, King, Gannon
Nays: 0
Ab/Ex: 2
Nuxoll, Burtenshaw

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell.**

UNANIMOUS CONSENT: On request by **Malek**, granted by unanimous consent, the legislative intent language shown below was accepted.

ACTUAL AND FORECAST DETAIL REPORTING: The Division of Welfare shall deliver the Self-Reliance Programs Forecast biannually to the Legislative Services Office and Division of Financial Management. The report shall include monthly caseload details for Temporary Assistance for Needy Families (TANF), Child Care, Medicaid, Advanced Premium Tax Credit (APTC), Aid to the Aged, Blind and Disabled (AABD), Food Stamps, and Child Support programs. The Self-Reliance Program's Forecast shall also include expenditure details for all of the named programs with the exception of Medicaid. The format of the report, and any additional information contained therein, shall be determined by the Legislative Services Office and Division of Financial Management. The first report shall be

submitted no later than December 31, 2016, and the second report shall be submitted no later than June 30, 2017.

PRESENTER: **Jared Tatro, Principal Analyst, Division of Budget and Policy Analysis**

Public Health Services:

Mr. Tatro explained to the Committee the Division of Public Health Services and the FY 2017 budget request. The three services under Public Health Services include: the Physical Health Services, the Emergency medical Services, and the Laboratory Services.

CARRIED: **Original Motion**
Department of Public Health and Welfare
Public Health Services
Appropriation

Moved by **Schmidt**, seconded by **Malek**, to approve for introduction $7,771,900 General Funds, $41,993,400 Dedicated Funds, $63,285,100 Federal Funds for a total of $113,050,400 with FTP of 233.34
1 FTP for business analyst is one-time

Ayes: 17
Keough, Johnson, Bair, Brackett, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, King, Gannon
Nays: 1
Mortimer
Ab/Ex: 2
Nuxoll, Burtenshaw

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell.**

UNANIMOUS CONSENT: On request by **Schmidt**, granted by unanimous consent, the legislative intent language shown below was accepted.

LEGISLATIVE INTENT REGARDING TRICARE VACCINES. The Legislature continues to recognize the potential gap in coverage created by TRICARE's refusal to participate in the Idaho Immunization Program. The Legislature continues to support and encourage the executive branch in its efforts to negotiate a solution with TRICARE that does not rely on state funded support. Further, it is the intent of the Legislature that moneys appropriated to purchase TRICARE vaccinations are to be used solely for that purpose and any moneys not expended for TRICARE vaccines are to be reverted back to the General Fund at the close of the fiscal year or as soon thereafter as is practicable.

REPORT ON ACCREDITATION STATUS. It is the intent of the Legislature that the Department of Health and Welfare, Division of Public Health Services, provide an annual report to Legislative Services Office and the Division of Financial Management, on the status of becoming an accredited state agency. The format of the report, and the information included therein, shall be determined by the

Legislative Services Office and the Division of Financial Management. The report shall be submitted no later than December 31, 2016.

ADJOURN: There being no further business to come before the Committee, **Chairman Bell** adjourned the meeting at 9:37 AM.

Representative Bell	Christi Cox
Chair	Secretary

AGENDA

JOINT FINANCE-APPROPRIATIONS COMMITTEE

8:00 A.M.
Room C310
Monday, February 29, 2016

BUDGET SETTING

SUBJECT	DESCRIPTION	PRESENTER
	Department of Health and Welfare	*Jared Tatro*
LBB 2-63	Public Health Services- *Clarification*	*Principal Analyst*
	Self-Governing Agencies	*Robyn Lockett*
LBB 5-89	Commission for Libraries	*Principal Analyst*
LBB 6-39	**State Controller**	
	Public School Support	*Paul Headlee*
LBB 1-13	Administrators	*Deputy Division Manager*
LBB 1-17	Teachers	
LBB 1-21	Operations	
LBB 1-27	Children's Programs	
LBB 1-33	Facilities	
LBB 1-37	Central Services	
LBB 1-43	Educational Services for the Deaf and Blind	

Senate Reconvenes: 10:45 a.m.

House Reconvenes: 10:30 a.m.

MINUTES

JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE:	Monday, February 29, 2016
TIME:	8:00 A.M.
PLACE:	Room C310
MEMBERS:	Senators Co-chairman Keough, Bair, Mortimer, Brackett, Nuxoll, Johnson, Thayn, Guthrie, Schmidt, Lacey Representatives Co-chairman Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
ABSENT/ EXCUSED:	Malek
CONVENED:	Chairman Keough convened the meeting at 8:00 A.M.
STAFF PRESENT:	Tatro, Lockett, Headlee

DEPARTMENT OF HEALTH AND WELFARE
Public Health Services

PRESENTER:	**Jared Tatro, Principal Budget & Policy Analyst, Legislative Services Office**
CLARIFICATION:	**Analyst Tatro** clarified the following information on a budget item on the agenda on Friday, February 26, 2016, for Public Health Services in the Department of Health and Welfare. Of the $971,100 budgeted for line item 39 for the Suicide Prevention & Awareness Program, $5,000 would be one-time and $966,100 would be ongoing.
UNANIMOUS CONSENT:	On request by Schmidt, granted by unanimous consent, the clarification stated above was accepted.

BUDGET SETTING: **SETTING FY 2017 APPROPRIATIONS**

SELF-GOVERNING AGENCIES
Commission for Libraries

PRESENTER: **Robyn Lockett, Principal Budget & Policy Analyst, Legislative Services Office**

Original Motion

Moved by King, seconded by Lacey, to approve for introduction $3,897,300 General Funds, $70,000 Dedicated Funds, $1,633,000 Federal Funds for a total of $5,600,300 with FTP of 37.50

CARRIED: **Substitute Motion**

Moved by Mortimer, seconded by Bair, to approve for introduction $3,822,300 General Funds, $70,000 Dedicated Funds, $1,633,000 Federal Funds for a total of $5,525,300 with FTP of 37.50

Ayes: 17

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Monks, Burtenshaw

Nays: 2

King, Gannon

Ab/Ex: 1

Malek

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

STATE CONTROLLER

PRESENTER: **Robyn Lockett, Principal Budget & Policy Analyst, Legislative Services Office**

CARRIED: **Original Motion**

Moved by Gibbs, seconded by Mortimer, to approve for introduction $7,524,400 General Funds, $7,798,300 Dedicated Funds, $0 Federal Funds for a total of $15,322,700 with FTP of 95.00

Ayes: 19

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 1

Malek

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

UNANIMOUS CONSENT: On request by Gibbs, granted by unanimous consent, the intent language shown below was accepted.

INTENT LANGUAGE: The moneys assessed by the Division of Financial Management in accordance with Section 67-3531, Idaho Code, for State Controller services shall be placed in the Indirect Cost Recovery Fund. On June 30, 2017, the State Controller shall transfer the amount assessed in the statewide cost allocation plan from the Indirect Cost Recovery Fund to the state General Fund.

NON-GENERAL FUND REAPPROPRIATION AUTHORITY. There is hereby reappropriated to the State Controller any unexpended and unencumbered balances appropriated or reappropriated to the State Controller for the Computer Service Center program for fiscal year 2016 to be used for nonrecurring expenditures in that program for the period of July 1, 2016, through June 30, 2017.

GENERAL FUND REAPPROPRIATION AUTHORITY. There is hereby reappropriated to the State Controller any unexpended and unencumbered General Fund balances appropriated or reappropriated to the State Controller for the Statewide Payroll Division for federal IRS reporting requirements due to the Affordable Care Act for fiscal year 2016 to be used for nonrecurring expenditures in that program for the period of July 1, 2016, through June 30, 2017.

PUBLIC SCHOOL SUPPORT
Administrators

PRESENTER: **Paul Headlee, Deputy Division Manager, Budget & Policy, Legislative Services Office**

CARRIED: **Original Motion**

Moved by Mortimer, seconded by Horman, to approve for introduction $86,798,500 General Funds, $0 Dedicated Funds, $0 Federal Funds for a total of $86,798,500 with FTP of 0.00

Ayes: 19

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 1

Malek

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

UNANIMOUS CONSENT: On request by Mortimer, granted by unanimous consent, the intent language shown below was accepted.

INTENT LANGUAGE: Administrators Division

Section 4. That Section 33-1004E, Idaho Code, be, and the same is hereby amended to read as follows:

(1) To determine the apportionment for instructional staff, take the amounts indicated on the career ladder table plus the amounts associated with the additional education allocation amounts pursuant to section 33-1004B, Idaho Code, and calculate the weighted average. The amount so determined shall be multiplied by the district staff allowance for instructional staff determined as provided in section 33-1004(2), Idaho Code. Full-time instructional staff salaries shall be determined from a salary schedule developed by each district and submitted to the state department of education. No full-time instructional staff member shall be paid less than the minimum dollar amount on the career ladder residency compensation rung pursuant to section 33-1004B, Idaho Code, for the applicable fiscal year. If an instructional staff member has been certified by the national board for professional teaching standards, the staff member shall receive two thousand dollars ($2,000) per year for five (5) years from the year in which national board certification was earned. The district staff allotment shall be increased by two thousand dollars ($2,000) for each national board certified instructional staff person and pupil service staff member who earned national board certification; provided however, that no such awards shall be paid for the period July 1, 2010, through June 30, 2011, nor shall any liabilities accrue or payments be made pursuant to this section in the future to any individuals who would have otherwise qualified for a payment during this stated time period. The resulting amount is the district's salary-based apportionment for instructional staff and pupil service staff. For purposes of this section, teachers qualifying for the salary increase shall be those who have been recognized as national board certified teachers as of July 1 of each year.

(2) To determine the apportionment for pupil service staff, first determine the district average experience and education index by placing all eligible district certificated pupil service employees on the statewide index pursuant to section 33-1004A, Idaho Code. The resulting average is the district index. The district pupil service staff index shall be multiplied by the instructional base salary of twenty-four thousand fifty-five dollars ($24,055). The amount so determined shall be multiplied by the district staff allowance for pupil service staff determined pursuant to section 33-1004(3), Idaho Code. The pupil service staff salary allocation shall be further increased by the amount necessary for each full-time equivalent pupil service staff member placed on the experience and education index to be allocated at least the minimum salary mandated by this section. Full-time pupil service staff salaries shall be determined from a salary schedule developed by each district and submitted to the state department of education. The resulting amount is the district's salary-based apportionment for pupil service staff. No full-time pupil service staff member shall be paid less than thirty-two thousand seven hundred three dollars ($32,703).

(3) To determine the apportionment for district administrative staff, first determine the district average experience and education index by placing all

eligible certificated administrative employees on the statewide index provided in section 33-1004A, Idaho Code. The resulting average is the district index. Districts with an index above the state average index shall receive their actual index but not more than the state average plus .03 for the school year 1994-95, and shall receive their actual index but not more than the state average index plus .06 for the 1995-96 school year, and thereafter shall receive their actual district index. The district administrative staff index shall be multiplied by the base salary of thirty-~~three~~ four thousand one hundred ~~sixteen~~ nine dollars ($~~33,116~~ 34,109).

The amount so determined shall be multiplied by the district staff allowance for administrative staff determined as provided in section 33-1004(4), Idaho Code. The resulting amount is the district's salary-based apportionment for administrative staff.

(4) To determine the apportionment for classified staff, multiply nineteen thousand eight hundred twenty-six dollars ($19,826) by the district classified staff allowance determined as provided in section 33-1004(5), Idaho Code. The amount so determined is the district's apportionment for classified staff.

(5) The district's salary-based apportionment shall be the sum of the apportionments calculated in subsections (1), (2), (3) and (4) of this section, plus the benefit apportionment as provided in section 33-1004F, Idaho Code.

Section 5. It is the intent of the Legislature that notwithstanding Section 33-320, Idaho Code, the distribution to each school district and charter school for strategic planning and training shall be up to $4,000 for the period July 1, 2016, to June 30, 2017

Teachers

Original Motion

CARRIED: Moved by Horman, seconded by Mortimer, to approve for introduction $840,733,000 General Funds, $0 Dedicated Funds, $15,000,000 Federal Funds for a total of $855,733,000 with FTP of 0.00

Ayes: 19

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 1

Malek

The majority having voted in the affirmative, the motion has passed and

without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

UNANIMOUS CONSENT: On request by Horman, granted by unanimous consent, the following intent language was accepted.

INTENT LANGUAGE: Teachers Division

Section 4. LEGISLATIVE INTENT. It is the intent of the Legislature that of the moneys appropriated in Section 3 of this act, $13,000,000 shall be distributed for professional development that supports instructors and pupil services staff to increase student learning. Professional development efforts should be measurable, provide the instructors and pupil service staff with a clear understanding of their progress, and be incorporated into their performance evaluations. When possible, efforts should focus on teacher mentoring. Funding shall be distributed by a formula prescribed by the Superintendent of Public Instruction and the Superintendent shall, to the extent possible, track usage and effectiveness of professional development efforts at the state and local level through the newly-created professional development portal.

Section 5. LEGISLATIVE INTENT. It is the intent of the Legislature for the purposes of this act, the term "distributed"; means moneys that are transferred to school districts and public charter schools, with no funds withheld for any other contract or administrative costs.

Operations

Original Motion

Moved by Horman, seconded by Mortimer, to approve for introduction $570,746,700 General Funds, $42,724,800 Dedicated Funds, $0 Federal Funds for a total of $613,471,500 with FTP of 0.00

FAILED: **Substitute Motion**

Moved by Lacey, seconded by Schmidt, to approve for introduction $575,746,700 General Funds, $42,724,800 Dedicated Funds, $0 Federal Funds for a total of $618,471,500 with FTP of 0.00

Ayes: 4

Schmidt, Lacey, King, Gannon

Nays: 15

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Bell, Gibbs, Miller, Youngblood, Horman, Monks, Burtenshaw

Ab/Ex: 1
Malek

CARRIED: **Vote on Original Motion**

Ayes: 19

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 1

Malek

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

UNANIMOUS CONSENT: On request by Horman, granted by unanimous consent, the following intent language was accepted.

INTENT LANGUAGE: Operations Division

Section 4. That Section 33-1004E, Idaho Code, be, and the same is hereby amended to read as follows:

(1) To determine the apportionment for instructional staff, take the amounts indicated on the career ladder table plus the amounts associated with the additional education allocation amounts pursuant to section 33-1004B, Idaho Code, and calculate the weighted average. The amount so determined shall be multiplied by the district staff allowance for instructional staff determined as provided in section 33-1004(2), Idaho Code. Full-time instructional staff salaries shall be determined from a salary schedule developed by each district and submitted to the state department of education. No full-time instructional staff member shall be paid less than the minimum dollar amount on the career ladder residency compensation rung pursuant to section 33-1004B, Idaho Code, for the applicable fiscal year. If an instructional staff member has been certified by the national board for professional teaching standards, the staff member shall receive two thousand dollars ($2,000) per year for five (5) years from the year in which national board certification was earned. The district staff allotment shall be increased by two thousand dollars ($2,000) for each national board certified instructional staff person and pupil service staff member who earned national board certification; provided however, that no such awards shall be paid for the period July 1, 2010, through June 30, 2011, nor shall any liabilities accrue or payments be made pursuant to this section in the future to any individuals who would have otherwise qualified for a payment during this stated time period. The resulting amount is the district's salary-based apportionment for instructional staff and pupil service staff. For purposes of this section, teachers qualifying for the salary increase shall be those who have been recognized as national board certified teachers as of July 1 of each year.

(2) To determine the apportionment for pupil service staff, first determine the district average experience and education index by placing all eligible district certificated pupil service employees on the statewide index pursuant to section 33-1004A, Idaho Code. The resulting average is the district index. The district

pupil service staff index shall be multiplied by the instructional base salary of twenty-four thousand fifty-five dollars ($24,055). The amount so determined shall be multiplied by the district staff allowance for pupil service staff determined pursuant to section 33-1004(3), Idaho Code. The pupil service staff salary allocation shall be further increased by the amount necessary for each full-time equivalent pupil service staff member placed on the experience and education index to be allocated at least the minimum salary mandated by this section. Full-time pupil service staff salaries shall be determined from a salary schedule developed by each district and submitted to the state department of education. The resulting amount is the district's salary-based apportionment for pupil service staff. No full-time pupil service staff member shall be paid less than thirty-two thousand seven hundred three dollars ($32,703).

(3) To determine the apportionment for district administrative staff, first determine the district average experience and education index by placing all eligible certificated administrative employees on the statewide index provided in section 33-1004A, Idaho Code. The resulting average is the district index. Districts with an index above the state average index shall receive their actual index but not more than the state average plus .03 for the school year 1994-95, and shall receive their actual index but not more than the state average index plus .06 for the 1995-96 school year, and thereafter shall receive their actual district index. The district administrative staff index shall be multiplied by the base salary of thirty-three thousand one hundred sixteen dollars ($33,116).

The amount so determined shall be multiplied by the district staff allowance for administrative staff determined as provided in section 33-1004(4), Idaho Code. The resulting amount is the district's salary-based apportionment for administrative staff.

(4) To determine the apportionment for classified staff, multiply ~~nineteen~~ twenty thousand ~~eight~~ four hundred twenty-~~six~~ one dollars ($~~19,826~~ 20,421) by the district classified staff allowance determined as provided in section 33-1004(5), Idaho Code. The amount so determined is the district's apportionment for classified staff.

(5) The district's salary-based apportionment shall be the sum of the apportionments calculated in subsections (1), (2), (3) and (4) of this section, plus the benefit apportionment as provided in section 33-1004F, Idaho Code.

Section 5. Pursuant to the provisions of Section 33-1018, Idaho Code, for the period July 1, 2016, through June 30, 2017, it is estimated that the appropriation of state funds to the Public Schools Educational Support Program/Division of Operations will result in total discretionary funds of $25,696 per support unit.

Section 6. Of the moneys appropriated in Section 3 of this act, $2,500,000 shall be distributed for public school information technology staff costs. Such moneys shall be distributed pursuant to a formula, with a minimum distribution per school district and public charter school, determined by the Superintendent of Public Instruction.

Section 7. Of the moneys appropriated in Section 3 of this act, $18,000,000 shall be distributed for classroom technology and classroom technology

infrastructure that assists teachers and students in effective and efficient instruction or learning. Funding shall be distributed based on a formula prescribed by the Superintendent of Public Instruction.

Section 8. The Superintendent of Public Instruction shall distribute an amount not to exceed $3,000,000 to school districts and charter schools based on the support units used to calculate salary-based apportionment. Moneys so distributed shall be used to implement and operate an instructional management system of their choice that meets the individual learning needs and progress of all students. An instructional management system must include individual student learning plans, monitoring of interventions, integration with a district's Student Information System (SIS), and analysis of student and classroom levels of learning.

Section 9. For the purposes of this appropriation, the term "distributed"; means moneys that are transferred to school districts and public charter schools with no funds withheld for any other contract or administrative costs.

Children's Division

CARRIED: **Original Motion**

Moved by Schmidt, seconded by Mortimer, to approve for introduction $33,775,900 General Funds, $4,024,900 Dedicated Funds, $249,115,000 Federal Funds for a total of $286,915,800 with FTP of 0.00

Ayes: 19

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 1

Malek

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

UNANIMOUS CONSENT: On request by Schmidt, granted by unanimous consent, the following intent language was accepted.

INTENT LANGUAGE:

Children's Division

Section 4. The Idaho Digital Learning Academy (IDLA), created pursuant to Chapter 55, Title 33, Idaho Code, shall utilize state appropriated funds for the period July 1, 2016, through June 30, 2017, to achieve the following:

(1) Tuition charged by IDLA to Idaho school districts and charter schools shall not exceed $75.00 per enrollment.

(2) Provide remedial coursework for students failing to achieve proficiency in one or more areas of Idaho's standards-based tests.

(3) Pursuant to State Board of Education rule, IDAPA 08.02.03, provide advanced learning opportunities for students.

(4) Pursuant to State Board of Education rule, IDAPA 08.02.03, work with institutions of higher education to provide dual credit coursework.

(5) The preceding list shall not be construed as excluding other instruction and training that may be provided by the Idaho Digital Learning Academy.

Section 5. Notwithstanding the provisions of any law to the contrary, of the moneys appropriated in Section 3 of this act, up to $4,024,900 from funds determined by available tobacco, cigarette and lottery income tax revenues accruing, appropriated or distributed to the Public School Income Fund pursuant to Sections 63-2506, 63-2552A, and 63-3067, Idaho Code, for the period July 1, 2016, through June 30, 2017, shall be distributed to school districts and charter schools through a combination of a base amount of $2,000 plus a prorated amount based on the prior year average daily attendance. Such funds shall be used to develop and implement school safety improvements and/or to facilitate and provide substance abuse prevention programs in the public school system.

Section 6. Of the moneys appropriated in Section 3 of this act, $2,150,000 shall be distributed for literacy programs in kindergarten through grade three, and $4,715,000 shall be distributed for remedial coursework for students failing to achieve proficiency on Idaho's standards-based achievement tests in dollar amounts determined by the Superintendent of Public Instruction. The superintendent shall report to the Joint Finance-Appropriations Committee and the Senate and House Education committees by no later than February 1, 2018, on the uses of funds and effectiveness of the programs and efforts.

Section 7. Pursuant to Section 33-1617, Idaho Code, of the moneys appropriated in Section 3 of this act, $3,820,000 shall be distributed for support of programs for students with non-English or limited English proficiency, as follows:

(1) The Superintendent of Public Instruction shall distribute $3,370,000 to school districts pro rata, based upon the population of limited English proficient students under criteria established by the department.

(2) The Superintendent of Public Instruction shall distribute $450,000 for a competitive grant program to assist school districts in which the population of English language learners must meet Annual Measurable Achievement Objectives (AMAOs) in math or reading, as defined in federal law. This amount shall be distributed annually to school districts in three-year grant cycles, contingent on appropriation and the ability of grantees to meet program objectives.

(3) The superintendent shall develop the program elements and objectives

governing the use of these funds and include a program evaluation component. The purpose of these funds is to improve student English language skills to allow for better access to the educational opportunities offered in public schools. The superintendent shall report to the Joint Finance-Appropriations Committee and the Senate and House Education committees by no later than February 1, 2018, on the program design, uses of funds and program effectiveness.

Section 8. It is legislative intent that the Superintendent of Public Instruction shall compile information concerning the numbers of students enrolling in advanced opportunities courses according to the provisions of Chapter 16, Title 33, Idaho Code, whether coursework is successfully completed, and expenditures for fiscal year 2017. As nearly as possible, the report shall contain information about enrollment of this student population in post-high school education. A report containing such information shall be posted on the website of the State Department of Education no later than December 31, 2017.

Section 9. PUBLIC SCHOOL INCOME FUND TRANSFER TO COMMISSION ON HISPANIC AFFAIRS. There is hereby appropriated and the State Controller shall transfer in accordance with Section 63-2552A(3) on July 1, 2016, or as soon thereafter as is practicable, $80,000 from the Public School Income Fund to the Commission on Hispanic Affairs Miscellaneous Revenue Fund to be used for substance abuse prevention efforts in collaboration with the state department of education.

Section 10. Of the funds appropriated in section 3 of this act, and pursuant to Section 33-1024, Idaho code, $110,000 is to be distributed to, and expended by, the Idaho Digital Learning Academy to continue the development and maintenance of an internet-based portal of available online, nonsectarian K-12 or dual credit courses. The Idaho Digital Learning Academy is to collaborate with the State Department of Education on this effort.

Section 11. PUBLIC SCHOOL INCOME FUND TRANSFER TO IDAHO STATE POLICE. There is hereby appropriated and the State Controller shall transfer in accordance with Section 63-2552A(3) on July 1, 2016, or as soon thereafter as is practicable, $200,000 from the Public School Income Fund to the Idaho State Police Miscellaneous Revenue Fund for the purpose of increasing toxicology lab capacity in Forensic Services.

Section 12. Of the funds appropriated in section 3 of this act, $1,000,000 shall be distributed by the Superintendent of Public Instruction for professional training and screening for gifted and talented students and instructors. Funding will be distributed based on a formula prescribed by the Superintendent of Public Instruction that includes a base amount and an amount based on the number of identified gifted and talented students.

Section 13. For the purposes of this appropriation, the term "distributed"; means moneys that are transferred to school districts, public charter schools, and the Idaho Digital Learning Academy with no funds withheld for any other contract or administrative costs.

Facilities

CARRIED: **Original Motion**

Moved by Thayn, seconded by Mortimer, to approve for introduction $18,958,000 General Funds, $30,452,500 Dedicated Funds, $0 Federal Funds for a total of $49,410,500 with FTP of 0.00

Ayes: 19

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 1

Malek

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

UNANIMOUS CONSENT: On request by Thayn, granted by unanimous consent, the following intent language was accepted.

INTENT LANGUAGE: Facilities Division

Section 2. Of the moneys appropriated to the Public Schools Educational Support Program/Division of Facilities, the amount necessary to fund the provisions of Section 33-906, Idaho Code, is hereby transferred and appropriated to the Bond Levy Equalization Fund. If the funding appropriated in Section 1 of this act is insufficient to meet the requirements of Section 33-906, Idaho Code, the difference shall be included in the year-end reconciliation used to calculate funding available to meet the requirements of Section 33-1018, Idaho Code, notwithstanding any laws to the contrary.

Section 3. Notwithstanding the provisions of Section 63-2520(b)(4), Idaho Code, the amount of revenue distributed to the General Fund shall be $9,947,500 for the period July 1, 2016, through June 30, 2017.

Central Services

CARRIED: **Original Motion**

Moved by Horman, seconded by Mortimer, to approve for introduction $15,262,500 General Funds, $0 Dedicated Funds, $0 Federal Funds for a total of $15,262,500 with FTP of 0.00

Ayes: 19

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 1

Malek

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

UNANIMOUS CONSENT: On request by Horman, granted by unanimous consent, the following intent language was accepted.

INTENT LANGUAGE: Central Services Division

Section 4. Of the moneys appropriated in Section 3 of this act, up to $2,775,300 shall be expended for the support of literacy programs, for intervention services for non-Title I schools that fail to achieve proficiency on Idaho's standards-based achievement tests, for math initiative programs and regional math labs, and for evaluation of the programs for students with non-English or limited English proficiency. The Superintendent of Public Instruction shall report to the Joint Finance-Appropriations Committee, the Senate Education Committee and the House Education Committee, by no later than February 1, 2017, on the uses of funds and effectiveness of the programs and efforts.

Section 5. Of the moneys appropriated in Section 3 of this act, the Superintendent of Public Instruction may expend up to $1,758,500 for the development or administration of student assessments, including a college entrance exam for 11th grade students, an exam for 10th grade students that provides preparation for the college entrance exam and end-of-course examinations for high school science subjects.

Section 6. Of the moneys appropriated in Section 3 of this act, the Superintendent of Public Instruction may expend or distribute up to $300,000 for professional development and training that promotes the effective and consistent evaluation of teacher and administrator performance, pursuant to standards established by the State Board of Education.

Section 7. Of the moneys appropriated in Section 3 of this act, $2,100,000 of one-time moneys shall be expended or distributed in whole or pro rata, by the Superintendent of Public Instruction for the installation, repair, replacement

and support of a wireless technology infrastructure, in each public school serving high school grades, of sufficient capacity to support utilization of mobile computing devices by all users in the following ways:

a) Expend for any current contracts entered into by the State Department of Education for wireless technology infrastructure; or

b) Distribute $21.00 per student, certified staff, and administrative staff to school districts and charter schools that have wireless technology infrastructures that meet or exceed the standards established in Idaho Code and that opted, in fiscal year 2014, to not participate in the statewide contract for such services.

Section 8. Of the moneys appropriated in Section 3 of this act, the Superintendent of Public Instruction may expend up to $3,388,700 for professional development and teacher training, and to develop a portal to track usage and effectiveness of professional development efforts at the state and local levels. Of this amount, $750,000 shall be passed through to the Office of the State Board of Education on July 1, 2016, or as soon as practicable, to be expended for school improvement evaluations.

Section 9. CONTENT AND CURRICULUM – DIGITAL CONTENT AND CREDIT RECOVERY. Of the moneys appropriated in Section 3 of this act, up to $3,250,000 may be expended for the purchase of content and curriculum that includes up to $950,000 for digital content, up to $650,000 to provide a statewide approach for credit recovery and an alternative pathway to graduation, up to $1,200,000 for adaptive math instruction, and up to $450,000 for research-based program to assist with the instruction of students with non-English or limited English proficiency.

Section 10. If the funds that are appropriated and transferred to the Public School Income Fund and the funds appropriated from the General Fund in Section 1 of this act exceed the actual expenditures for the specified purposes, the difference shall be included in the year-end reconciliation used to calculate funding available to meet the requirements of Section 33-1018, Idaho Code, notwithstanding any laws to the contrary. If the funding amounts specified in Section 5 and Section 7 of this act are insufficient to meet the actual expenditures, the difference shall be included in the year-end reconciliation used to calculate funding available to meet the requirements of Section 33-1018, Idaho Code, notwithstanding any laws to the contrary.

Section 11. CONTENT AND CURRICULUM – TECHNOLOGY. Of the funds appropriated in Section 3 of this act, an amount not to exceed $1,000,000 may be expended by the Superintendent of Public Instruction to contract for services that provide technology education opportunities and/or information technology certifications to students, including faculty, that prepare students for college, career or the workplace. Funding shall be awarded for project(s) that include three or more of the following components:

1. Certification of skills and competencies;
2. Professional development for teachers;
3. Integration with curriculum standards;
4. Online access to research-based content and curriculum; or
5. Instructional software for classroom use.

The Superintendent of Public Instruction shall provide a report to the Joint Finance-Appropriations Committee, the Senate Education Committee and the House Education Committee by February 1, 2017 regarding the number and type of certificates earned by students and faculty.

Section 12. Of the funds appropriated in section 3 of this act, and pursuant to Section 33-1024, Idaho code, up to $40,000 may be expended by the Superintendent of Public Instruction to continue the development and maintenance of an internet-based portal of available online, nonsectarian K-12 or dual credit courses. The State Department of Education is to collaborate with the Idaho Digital Learning Academy on this effort.

Section 13. For the purposes of this appropriation, the term "distributed"; means moneys that are transferred to school districts and public charter schools with no funds withheld for any other contract or administrative costs. The term "expended"; means moneys that pay for the cost of contracts that provide services to school districts, public charter schools or students, or pay for the State Department of Education's cost of administering the programs for which the moneys are allocated.

Educational Services for the Deaf and Blind

CARRIED: **Original Motion**

Moved by Miller, seconded by Brackett, to approve for introduction $9,794,800 General Funds, $294,000 Dedicated Funds, $223,500 Federal Funds for a total of $10,312,300 with FTP of 0.00

Ayes: 18

Keough, Johnson, Bair, Mortimer, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 2

Brackett, Malek

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

ADJOURNED: There being no further business, Chairman Keough adjourned the meeting at 9:52 A.M.

Senator Keough
Chair

Peggy Moyer
Secretary

AGENDA

JOINT FINANCE-APPROPRIATIONS COMMITTEE

8:00 A.M.
Room C310
Tuesday, March 01, 2016

BUDGET SETTING

SUBJECT	DESCRIPTION	PRESENTER
LBB 3-57	**Judicial Branch**	*Jared Hoskins* *Senior Analyst*
LBB 6-29	**Attorney General**	
	Self-Governing Agencies	
LBB 5-113	Public Defense Commission	
	Idaho State Police	*Richard Burns* *Principal Analyst*
LBB 3-83	Brand Inspection	
LBB 3-87	Division of Idaho State Police	
LBB 3-97	POST Academy	
LBB 3-101	Racing Commission	
	Self-Governing Agencies	
LBB 5-75	Commission on Hispanic Affairs	

Senate Reconvenes: 10:30 a.m.

House Reconvenes: 10:30 a.m.

MINUTES

JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Tuesday, March 01, 2016

TIME: 8:00 A.M.

PLACE: Room C310

MEMBERS: Senators Co-chairman Keough, Bair, Mortimer, Brackett, Nuxoll, Johnson, Thayn, Guthrie, Lacey

Representatives Co-chairman Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

ABSENT/ EXCUSED: Schmidt

CONVENED: **Chairman Bell** called the meeting to order at 8:00 AM.

PRESENTER: **Jared Hoskins, Senior Analyst, Division of Budget and Policy Analysis**

Judicial Branch

Mr. Hoskins read through each line item pertaining to the Supreme Court FY 2017 budget request. The Judicial Branch is requesting $2,000,000 in one-time capital outlay from the General Fund to implement the third year of the five-year project to replace the statewide computerized case management system (ISTARS). The proposed transition was a move toward a modern, 24/7 web-based case management system which would include; electronic financial payment processing; electronic filing and service of court documents; electronic records access; video conferencing; and new equipment. Along with line items requesting Judicial CEC and leadership salary increase, the Judicial Branch is also requesting $39,500 in ongoing operating expenditures from the General Fund to cover the cost of recent changes to increases in per diem rates established by the Board of Examiners.

CARRIED: **Original Motion**
Judicial Branch
Appropriation

Moved by **Gibbs**, seconded by **Youngblood**, to approve for introduction $38,651,200 General Funds, $26,183,400 Dedicated Funds, $1,875,300 Federal Funds for a total of $66,709,900 with FTP of 322.00

Ayes: 19
Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
Nays: 0
Ab/Ex: 1
Schmidt

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell.**

PRESENTER: **Jared Hoskins, Senior Analyst, Division of Budget and Policy Analysis**

Attorney General

Mr. Hoskins explained to the budget committee the division budget requests for the Office of the Attorney General for FY 2017. In the first line item $62,700 is being requested in personnel costs from the General Fund to hire a full-time paralegal to assist the four deputy attorneys general assigned to the Idaho State Police. It is part of the Attorney General's ongoing effort to bring outside agency staff, who are employed by other state agencies but supervised by DAGs, into the office's workforce and budget. Also requested is $60,900 in personnel costs from the General Fund to hire a full-time legal secretary to assist the DAG assigned to the Department of Health & Welfare in Region III.

The Attorney General's Office is further requesting funding for positions including; a full-time hearing officer to hear contested cases for the Department of Lands; two additional investigator positions in-house for the agency's Internet Crimes Against Children Program; two Deputy Attorney Generals and one paralegal to provide representation for the state in risk management cases; and one paralegal assigned to the State Tax Commission.

$28,900 in operating expenditures and capital outlay is being requested to purchase new software and equipment, along with $8,700 to purchase polygraph equipment to conduct investigative polygraphs and pre-employment examinations. **Mr. Hoskins** concluded the FY 2017 budget request by standing for questions in regards to the budget request.

CARRIED: **Original Motion**
Attorney General
Appropriation

Moved by **Youngblood**, seconded by **Burtenshaw**, to approve for introduction $22,699,900 General Funds, $413,800 Dedicated Funds, $1,169,000 Federal Funds for a total of $24,282,700 with FTP of 205.60

Ayes: 19
Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
Nays: 0
Ab/Ex: 1
Schmidt

The majority having voted in the affirmative, the motion has passed and without

objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell.**

PRESENTER: **Jared Hoskins, Senior Analyst, Division of Budget and Policy Analysis**
Self-Governing Agencies: Public Defense Commission

Mr. Hoskins presented the maintenance budget as requested by the Public Defense Commission and stood for questions regarding the Governor's Budget Recommendation.

CARRIED: **Original Motion**
Self-Governing Agencies
Public Defense Commission
Appropriation

Moved by **Guthrie**, seconded by **Youngblood**, to approve for introduction $314,100 General Funds, $0 Dedicated Funds, $0 Federal Funds for a total of $314,100 with FTP of 1.50

Ayes: 19
Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
Nays: 0
Ab/Ex: 1
Schmidt

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell**.

PRESENTER: **Richard Burns, Principal Analyst, Division of Budget and Policy Analysis**
Idaho State Police: Brand Inspection

Mr. Burns explained to the budget committee the requests and recommendations pertaining to the Brand Inspection Program through the Idaho State Police. The Brand Inspection Program provides protection to the livestock industry from losses by theft and illegal slaughter. The department is requesting funding to purchase software that will provide for electronic livestock inspection of animals and animal traceability. In anticipation of that request being approved, Brand Inspection is also requesting $15,000 in one-time funds to purchase computers, tablets, and printers; and $35,000 in ongoing funds to pay for monthly telephone access fees, along with office and computer supplies.

CARRIED: **Original Motion**
Idaho State Police
Brand Inspection
Appropriation

Moved by **Youngblood**, seconded by **Lacey**, to approve for introduction $0 General Funds, $2,924,300 Dedicated Funds, $0 Federal Funds for a total of $2,924,300 with FTP of 36.84

Ayes: 19
Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
Nays: 0
Ab/Ex: 1
Schmidt

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell.**

PRESENTER: **Richard Burns, Principal Analyst, Division of Budget and Policy Analysis**

Idaho State Police: Division of the Idaho State Police

Mr. Burns explained to the budget committee the Division of the Idaho State Police and specific line items inside the FY 2017 budget request. The Division of the Idaho State Police provides administrative and policy support to the entire department. Included within this program are the director's office, legal services, human resources, financial services, and procurement.

Mr. Burns explained the division's request for personnel cost realignment: The 2006 Idaho Legislature passed **H 602aa,** which created a dedicated funding source specifically for Project CHOICE (Creating Hope, Opportunity and Incentives for Career Employment). Project CHOICE is an ongoing pay plan with career ladders for Idaho State Police (ISP) commissioned officers, dispatch personnel, and forensics personnel; and is funded with a $3.00 vehicle registration fee. During the downturn in the economy and in order to avoid trooper layoffs, the decision was made to use the cash balance accumulated in the Project CHOICE Fund to maintain 20 trooper positions. ISP is requesting that the ILEF cover the remaining balance due Project CHOICE to bring that fund back to the original agreed purpose of recruitment and retention. This will allow the department to implement the fifth and final year of Project CHOICE awards. The Governor's recommendation takes into account the higher cost of health insurance and a 3% change in employee compensation.

CARRIED: **Original Motion**
Idaho State Police
Division of Idaho State Police
Appropriation

Moved by **Youngblood**, seconded by **Lacey**, to approve for introduction $27,130,200 General Funds, $33,631,500 Dedicated Funds, $8,475,300 Federal Funds for a total of $69,237,000 with FTP of 504.34

Ayes: 19
Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
Nays: 0
Ab/Ex: 1
Schmidt

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell.**

PRESENTER: **Richard Burns, Principal Analyst, Division of Budget and Policy Analysis**

Idaho State Police: POST Academy

Mr. Burns explained to the budget committee the FY 2017 maintenance request for the Peace Officers Standards and Training Academy. POST delivers training and technical assistance to all levels of law enforcement throughout the state, by providing both basic and specialized training programs for all commissioned peace officers, adult and juvenile corrections officers, and dispatchers. Mr. Burns concluded this presentation by standing for question regarding the Governor's budget recommendation.

CARRIED: **Original Motion**
Idaho State Police
POST Academy
Appropriation

Moved by **Lacey**, seconded by **Mortimer**, to approve for introduction $0 General Funds, $4,405,400 Dedicated Funds, $257,400 Federal Funds for a total of $4,662,800 with FTP of 28.67

Ayes: 18
Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Lacey, Bell, Gibbs, Miller, Horman, Malek, Monks, Burtenshaw, King, Gannon
Nays: 0
Ab/Ex: 2
Schmidt, Youngblood

The majority having voted in the affirmative, the motion has passed and without

objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell.**

PRESENTER: **Richard Burns, Principal Analyst, Division of Budget and Policy Analysis**

Idaho State Police: Racing Commission

Mr. Burns presented the FY 2017 Racing Commission budget request to the budget committee. The Racing Commission maintains horse racing requirements that protect racing participants and the public from illegal actions surrounding racing operations. The commission appoints a director and a secretary to perform the year-round operations as well as state stewards, veterinarians, mutual inspectors and licensing clerks during the racing season to ensure the honest operation of the pari-mutuel system and compliance with the Idaho Racing Act. Mr. Burns concluded this presentation by standing for questions regarding the Governor's recommendation.

CARRIED: **Original Motion**
Idaho State Police
Racing Commission
Appropriation

Moved by **Lacey**, seconded by **King**, to approve for introduction $0 General Funds, $625,500 Dedicated Funds, $0 Federal Funds for a total of $625,500 with FTP of 3.00

Ayes: 18
Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Lacey, Bell, Gibbs, Miller, Horman, Malek, Monks, Burtenshaw, King, Gannon
Nays: 0
Ab/Ex: 2

Schmidt, Youngblood

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell**.

PRESENTER: **Richard Burns, Principal Analyst, Division of Budget and Policy Analysis**

Self-Governing Agencies
Commission on Hispanic Affairs

Mr. Burns explained to the budget committee, the Idaho Commission on Hispanic Affairs (ICHA) and the FY 2017 budget request. Idaho Commission on Hispanic Affairs was established by the Legislature in 1987. The commission provides various services to the Hispanic community and serves as a liaison between the community and government entities. Working toward economic, educational, and social equality, the commission addresses issues facing Idaho's Hispanic community. The commission also provides recommendations to the Governor, Legislature, state agencies, and other organizations on issues of interest or concern

to Hispanic people.

The nine-member commission currently meets on a quarterly basis. According to Idaho Code, the commission is directed to "gather and disseminate information and conduct hearings, conferences, investigations, and special studies on problems and programs concerning Hispanic people; and to meet and exercise its powers at any place within the state."

In FY 2015, due to budget limitations, the board held only two of their meetings in locations other than the Boise area. A portion of the travel costs for staff and board members was paid for by board members and with grants. Ongoing funding is requested to cover commission member travel costs.

CARRIED:

Original Motion
Self-Governing Agencies
Commission on Hispanic Affairs
Appropriation

Moved by **Lacey**, seconded by **Gibbs**, to approve for introduction $134,300 General Funds, $106,100 Dedicated Funds, $43,000 Federal Funds for a total of $283,400 with FTP of 3.00

Ayes: 18
Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Lacey, Bell, Gibbs, Miller, Horman, Malek, Monks, Burtenshaw, King, Gannon
Nays: 0
Ab/Ex: 2
Schmidt, Youngblood

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell**.

ADJOURN: There being no further business to come before the committee, **Chairman Bell** adjourned the meeting at 8:48 AM.

Representative Bell
Chair

Christi Cox
Secretary

AGENDA

JOINT FINANCE-APPROPRIATIONS COMMITTEE

8:00 A.M.
Room C310
Wednesday, March 02, 2016

BUDGET SETTING

SUBJECT	DESCRIPTION	PRESENTER
	Public Schools Support	*Paul Headlee*
LBB 1-21	Operations- *Add One Section of Intent Language*	*Deputy Division Manager*
	Office of the Governor	*Cathy Holland-Smith*
LBB 6-85	Executive Office of the Governor	*Division Manager*
LBB 6-81	Division of Financial Management	
	Legislative Branch	
LBB 6-135	Legislative Services Office	
LBB 6-139	Office of Performance Evaluations	
	Department of Health and Welfare	*Jared Tatro*
LBB 2-45	Mental Health Services	*Principal Analyst*
LBB 2-53	Psychiatric Hospitalization	
LBB 2-75	Substance Abuse Treatment and Prevention	
LBB 2-3	**Catastrophic Health Care Program**	

Senate Reconvenes:

House Reconvenes: 10:30 a.m.

MINUTES

JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Wednesday, March 02, 2016

TIME: 8:00 A.M.

PLACE: Room C310

MEMBERS: Senators Co-chairman Keough, Bair, Mortimer, Brackett, Nuxoll, Johnson, Thayn, Guthrie, Schmidt, Lacey

Representatives Co-chairman Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

ABSENT/ EXCUSED: Schmidt

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

STAFF PRESENT: Holland-Smith, Headlee, Tatro

BUDGET SETTING: **SETTING FY 2017 APPROPRIATIONS**

PUBLIC SCHOOL SUPPORT
Operations Division

PRESENTER: **Paul Headlee, Deputy Division Manager, Budget & Policy, Legislative Services Office**

The section of intent language shown below was inadvertently left out of the motion packet used to set the FY 201 Public Schools Educational Support Program on February 29, 2016. The language shown below is standard language that allows the State Department of Education to move moneys among six divisions allowing year-end reconciliation and to make the discretionary funds distribution.

UNANIMOUS CONSENT: On request by Horman, granted by unanimous consent, the FY 2017 Public School Support Program, Operations Division, was reopened.

UNANIMOUS CONSENT: On request by Horman, granted by unanimous consent, the intent language shown below was accepted.

INTENT LANGUAGE: Section 10. For the period July 1, 2016, through June 30, 2017, the State Department of Education is hereby granted the authority to transfer appropriations among the Administrators, Teachers, Operations, Children's Programs, and Facilities Divisions of the Public Schools Educational Support Program budget, in any amount necessary to comply with the public school funding provisions of appropriations and the Idaho Code. Additionally, appropriations may be transferred from the Central Services Division to the other divisions of the Public Schools Educational Support Program.

OFFICE OF THE GOVERNOR
Executive Office of the Governor

CARRIED:

Original Motion
Moved by Johnson, seconded by Gibbs, to approve for introduction $2,160,500 General Funds, $0 Dedicated Funds, $0 Federal Funds for a total of $2,160,500 with FTP of 22.00 with lump sum authority.

Ayes: 19

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 1

Schmidt

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

Division of Financial Management

CARRIED:

Original Motion
Moved by Gibbs, seconded by Johnson, to approve for introduction $1,769,800 General Funds, $45,000 Dedicated Funds, $0 Federal Funds for a total of $1,814,800 with FTP of 15.00.

Ayes: 19

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 1

Schmidt

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

LEGISLATIVE BRANCH
Legislative Services Office

PRESENTER: **Cathy Holland-Smith, Division Manager, Budget & Policy, Legislative Services Office**

CARRIED:

Original Motion
Moved by Monks, seconded by Johnson, to approve for introduction $5,112,500 General Funds, $2,580,300 Dedicated Funds, $0 Federal Funds for a total of $7,692,800 with FTP of 64.00. The motion includes carryover authority for the Professional Services Fund, and no cap on FTP, and lump sum authority.

Ayes: 19

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 1

Schmidt

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

Office of Performance Evaluations

CARRIED:

Original Motion
Moved by Gibbs, seconded by Johnson, to approve for introduction $889,200 General Funds, $0 Dedicated Funds, $0 Federal Funds for a total of $889,200 with FTP of 8.00. The motion includes no cap on FTP and lump sum authority.

Ayes: 19

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 1

Schmidt

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

DEPARTMENT OF HEALTH AND WELFARE
Mental Health Services

PRESENTER: **Jared Tatro, Principal Budget & Policy Analyst, Legislative Services Office**

Original Motion
Moved by Malek, seconded by King, to approve for introduction $32,289,300 General Funds, $1,723,400 Dedicated Funds, $8,693,900 Federal Funds for a total of $42,706,600 with FTP of 288.23

FAILED

Substitute Motion
Moved by Bair, seconded by Nuxoll, to approve for introduction $31,982,600 General Funds, $1,723,400 Dedicated Funds, $8,693,900 Federal Funds for a total of $42,399,900 with FTP of 288.23

Ayes: 8

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Gibbs

Nays: 10

Guthrie, Lacey, Bell, Miller, Youngblood, Horman, Malek, Burtenshaw, King, Gannon

Ab/Ex: 2

Schmidt, Monks

ORIGINAL MOTION CARRIED:

Vote on Original Motion
Ayes: 16

Keough, Johnson, Mortimer, Brackett, Thayn, Guthrie, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Burtenshaw, King, Gannon

Nays: 2

Bair, Nuxoll

Ab/Ex: 2

Schmidt, Monks

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

UNANIMOUS CONSENT:

On request by Malek, granted by unanimous consent, the intent language shown below was accepted.

INTENT LANGUAGE: LIMITING TRANSFER OF LEGISLATIVE APPROPRIATIONS. Notwithstanding the provisions of Section 67-3511, Idaho Code, Cooperative Welfare (General) Fund moneys appropriated to the Division of Mental Health and the Psychiatric Hospitalization Division may be transferred between divisions, but shall not be transferred to any other division or program within the Department of Health and Welfare without legislative approval.

PROVIDING FOR THE EDUCATIONAL NEEDS OF CHILDREN IN THE CARE OF THE DEPARTMENT. It is the finding of the Legislature that the Department of Health and Welfare is responsible for the educational needs of school-age children placed in their custody by the courts for either child protective or for mental health issues. If the Department of Health and Welfare places a child in a licensed residential treatment facility that includes a non-public accredited school, and it is determined by the Department of Health and Welfare that it is in the best interest of the child to be educated at the residential treatment facility, then it is the responsibility of the Department of Health and Welfare to pay for such education at the rate of $71.05 per student per educational day. This intent language does not preclude other Idaho state agencies from exercising their responsibility to ensure a free and appropriate education for these students within the requirements of federal disability law. The fiscal impact of this language is approximately $690,000 from existing appropriations.

INTERAGENCY PAYMENT FOR JUVENILE DETENTION CLINICIANS CONTRACT. The Children's Mental Health Program shall, no later than July 16, 2016, make an interagency payment of $327,000 from the Cooperative Welfare (General) Fund to the Department of Juvenile Corrections to be used for the purchase of contract clinician services with juvenile detention facilities in Idaho, for the period July 1, 2016, through June 30, 2017.

UNANIMOUS CONSENT: On request by Malek, granted by unanimous consent, the intent language shown below was accepted.

INTENT LANGUAGE: Behavioral Health Crisis Center Location. It is the intent of the Legislature that $1,013,300 of the amount provided in section 1, for the Adult Mental Health Program, of this act, is for a Behavioral Health Crisis Center, to be located in Health and Welfare Region 5. Further, it is the intent of the Legislature that $506,700 of the amount provided in section 1, for the Adult Mental Health Program, of this act, is for a Behavioral Health Crisis Center, to be located in Health and Welfare Region 4.

UNANIMOUS CONSENT: On request by Malek, granted by unanimous consent, the intent language shown below was accepted.

INTENT LANGUAGE: Idaho Falls Behavioral Health Crisis Center. It is the intent of the Legislature that the Behavioral Health Community Crisis Center located in Idaho Falls, share its two-year plan, as required by contract with the Department of Health and Welfare that will demonstrate to what extent the region will provide financial support from local sources for ongoing operations of the center. The contractually required plan is to be submitted to Legislative Services Office no later than December 31, 2016. Further it is the expectation that all other community crisis centers will be required to share their two-year plan as required by their contract with the Department of Health and Welfare upon completion of two-years of operations.

UNANIMOUS CONSENT: On request by Malek, granted by unanimous consent, the intent language shown below was accepted.

INTENT LANGUAGE: GENERAL FUND REAPPROPRIATION AUTHORITY. There is hereby reappropriated to the Department of Health and Welfare for the Adult Mental Health Program, up to $715,000 of the unexpended and unencumbered balance of the Cooperative Welfare (General) Fund moneys as appropriated for fiscal year 2016, to be used for nonrecurring expenditures related to the implementation of Behavioral Health Community Crisis Centers to be located in Health and Welfare Region 4 and Region 5, for the period July 1, 2016, through June 30, 2017.

Psychiatric Hospitalization

DISCLOSURE: **Disclosure of Possible Conflict of Interest**
Pursuant to Senate Rule 39(H), Senator Nuxoll disclosed she has a possible conflict of interest under applicable law; she does plan to vote on the issue currently before the Committee.

CARRIED:

Original Motion
Moved by Nuxoll, seconded by Bair, to approve for introduction $20,441,400 General Funds, $11,470,800 Dedicated Funds, $6,163,400 Federal Funds for a total of $38,075,600 with FTP of 391.35

Ayes: 19

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 1

Schmidt

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

Substance Abuse Treatment and Prevention

CARRIED: **Original Motion**
Moved by Nuxoll, seconded by Malek, to approve for introduction $2,471,500 General Funds, $1,186,200 Dedicated Funds, $13,165,100 Federal Funds for a total of $16,822,800 with FTP of 16.00

Ayes: 19

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 1

Schmidt

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

CATASTROPHIC HEALTH CARE PROGRAM

PRESENTER: **Jared Tatro, Principal Budget & Policy Analyst, Legislative Services Office**

CARRIED: **Original Motion**
Moved by Guthrie, seconded by Malek, to approve for introduction $18,000,000 General Funds, $0 Dedicated Funds, $0 Federal Funds for a total of $18,000,000 with FTP of 0.00

Ayes: 18

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Guthrie, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 2

Thayn, Schmidt

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

ADJOURNED: There being no further business, Chairman Keough adjourned the meeting at 9:30 A.M.

Senator Keough
Chair

Peggy Moyer
Secretary

AGENDA

JOINT FINANCE-APPROPRIATIONS COMMITTEE

8:00 A.M.
Room C310
Thursday, March 03, 2016

BUDGET SETTING

SUBJECT	DESCRIPTION	PRESENTER
LBB 4-37	**Department of Lands**	*Ray Houston* *Principal Analyst*
LBB 4-71	**Department of Water Resources**	
LBB 4-51	**Department of Parks and Recreation**	
DRAFT RWH020	**Commissioner Salaries** Public Utilities Commission State Tax Commission Industrial Commission	
	Department of Revenue and Taxation	*Keith Bybee* *Principal Analyst*
LBB 6-149	Board of Tax Appeals	
LBB 6-155	State Tax Commission	
LBB 5-23	**Department of Commerce**	
LBB 5-47	**Department of Labor**	

Senate Reconvenes: 10:30 a.m.

House Reconvenes: 10:30 a.m.

MINUTES

JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE:	Thursday, March 03, 2016
TIME:	8:00 A.M.
PLACE:	Room C310
MEMBERS:	Senators Co-chairman Keough, Bair, Mortimer, Brackett, Nuxoll, Johnson, Thayn, Guthrie, Schmidt, Lacey Representatives Co-chairman Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
ABSENT/ EXCUSED:	None
CONVENED:	**Chairman Bell** called the meeting to order at 8:00 AM.

PRESENTER: **Ray Houston, Principal Analyst, Division of Budget and Policy Analysis**

Board of Land Commissioners: Department of Lands

The Department of Lands has five budgeted programs. 1) The Support Services Program; 2) The Division of Forest Resources; 3) The Lands and Waterways Program; 4) The Forest and Range Fire Protection Program, and 5) The Board of Scaling Practices.

Mr. Houston explained the funding procedures, requests, and the FY 2017 budget recommendation for the Idaho Department of Lands. In FY 2015 about 11% of the funding came from General Funds, 16% from the dedicated Department of Lands Fund, and moneys inside the non-endowment related activities. Specific requests for this budget include: the Lands Information System Phase 2 Lands and Waterways, this funding is requested to implement the second phase of the Land Information Management System for Lands and Waterways; funding for a full-time permanent eastern Idaho fire services coordinator to handle administrative duties such as maintaining the Private Fire Program, developing and updating agreements with local fire service organizations and local governments, assisting as a line officer, and coordinating with other agencies on existing and emerging fire management issues; funding to convert part-time positions to permanent positions; four additional seasonal wildland fire-fighting staff and training costs; $482,100 for the Oil and Gas Conservation Program to ensure that the Oil and Gas Conservation Commission can fulfill its duties; additional equipment for the Forest Resources Management Program.

Mr. Houston stood for questions regarding the Forest Legacy Projects and responded to concerns raised by committee members. The department requests $5 million in ongoing federal appropriation for forest legacy projects. The Forest Legacy Program was established by the federal Cooperative Forestry Assistance Act of 1978 to protect environmentally important forest lands threatened with conversion to non-forest use. As the state administrator, the Department of Lands uses federal grant money to purchase conservation easements, often in conjunction with other non-profit or state agencies, on private forestlands.

The Clagstone Meadows Forest Legacy project is composed of 13,000 acres of contiguous private forest land in Bonner County.

FAILED: **Substitute Motion**
Board of Land Commissioners
Department of Lands
Appropriation

Moved by **Nuxoll**, seconded by **Guthrie**, to approve for introduction $5,344,900 General Funds, $42,562,900 Dedicated Funds, $6,617,600 Federal Funds for a total of $54,525,400 with FTP of 291.10

Ayes: 4
Nuxoll, Thayn, Guthrie, Monks
Nays: 16
Keough, Johnson, Bair, Mortimer, Brackett, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Burtenshaw, King, Gannon
Ab/Ex: 0

CARRIED: **Original Motion**
Board of Land Commissioners
Department of Lands
Appropriation

Moved by **Burtenshaw**, seconded by **Brackett**, to approve for introduction $5,344,900 General Funds. $42,562,900 Dedicated Funds. $11,617,600 Federal Funds for a total of $59,525,400 with FTP of 291.10

Ayes: 16
Keough, Johnson, Bair, Mortimer, Brackett, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Burtenshaw, King, Gannon
Nays: 4
Nuxoll, Thayn, Guthrie, Monks
Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell.**

UNANIMOUS CONSENT: On request by **Burtenshaw**, granted by unanimous consent, the legislative intent language shown below was accepted:

SECTION 4. RE-APPROPRIATION. There is hereby re-appropriated to the Department of Lands any unexpended and unencumbered balances appropriated or re-appropriated for the Forest Resources Management Program for fiscal year 2016, from federal funds for trustee and benefit payments, to be used for the Forest Legacy Program for the period July 1, 2016 through June 30, 2017.

PRESENTER: **Ray Houston, Principal Analyst, Division of Budget and Policy Analysis**

Department of Water Resources

Mr. Houston explained to the committee the budget requests and recommendations for FY 2017, for the Department of Water Resources. Specific line items include: additional appropriation from the dedicated Miscellaneous Revenue Fund in order to spend money received from lessees in the Idaho Water Center; $716,000 be transferred from the Revolving Development Fund to the Aquifer Planning and Management Fund; shift $79,500 in personnel costs from the dedicated Northern Idaho Adjudication Fund to the General Fund because cash in the dedicated fund is rapidly declining (fund balance of $62,700 at end of FY 2015); $543,300 for the Surface Water Settlement Agreement; funding to re-establish an office in Salmon, Idaho; funding for water sustainability projects and cash transfers.

CARRIED: **Original Motion**
Department of Water Resources
Appropriation

Moved by **Bair**, seconded by **Burtenshaw**, to approve for introduction $18,630,800 General Funds, $7,465,600 Dedicated Funds, $2,278,300 Federal Funds for a total of $28,374,700 with FTP of 155.00
Ayes: 20
Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
Nays: 0
Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell.**

UNANIMOUS CONSENT: On request by **Bair**, granted by unanimous consent, the legislative intent language shown below was accepted:

SECTION 3. CASH TRANSFER. There is hereby appropriated to the Department of Water Resources and the State Controller shall transfer $716,000 from the Revolving Development Fund to the Aquifer Planning and Management Fund, on July 1, 2016, or as soon thereafter as practicable, for the period July 1, 2016, through June 30, 2017.

SECTION 4. CASH TRANSFER. Of the amount appropriated in Section 1 of this act to the Planning and Technical Services Program from the Economic Recovery Reserve Fund for lump sum, the State Controller shall transfer $2,500,000 to the Secondary Aquifer Planning, Management and Implementation Fund, on July 1, 2016, or as soon thereafter as practicable, for the period July 1, 2016, through June 30, 2017.

SECTION 5. CASH TRANSFER. Of the amount appropriated in Section 1 of this act to the Planning and Technical Services Program from the General Fund for lump sum, the State Controller shall transfer $5,000,000 to the Secondary Aquifer Planning, Management and Implementation Fund, on July 1, 2016, or as soon

thereafter as practicable, for the period July 1, 2016 through June 30, 2017.

SECTION 6. CASH TRANSFER. There is hereby appropriated to the Department of Water Resources and the State Controller shall transfer $100,400 from the General Fund to the Miscellaneous Revenue Fund, on July 1, 2016, or as soon thereafter as practicable, for the period July 1, 2016, through June 30, 2017. Such moneys shall be credited to the Priest Lake Outlet Subaccount.

UNANIMOUS CONSENT: On request by **Brackett**, granted by unanimous consent, the legislative intent language shown below was accepted:

SECTION 7. LEGISLATIVE INTENT. It is the intent of the Legislature that the Idaho Water Resource Board sell the Pristine Springs property for the appraised value, and that the proceeds be deposited to the General Fund.

PRESENTER: **Ray Houston, Principal Analyst, Division of Budget and Policy Analysis**

Department of Parks and Recreation

Mr. Houston presented to the budget committee the FY 2017 program maintenance requests for the Idaho Department of Parks and Recreation. There are twelve line items in this request to fund maintenance to the public facilities used to service Idaho parks and campgrounds.

CARRIED: **Original Motion**
Department of Parks and Recreation
Appropriation

Moved by **Miller**, seconded by **Lacey**, to approve for introduction $3,336,700 General Funds, $31,396,400 Dedicated Funds, $4,897,800 Federal Funds for a total of $39,630,900 with FTP of 150.89

Ayes: 20
Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
Nays: 0
Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell.**

UNANIMOUS CONSENT: On request by **Miller**, granted by unanimous consent, the legislative intent language shown below was accepted.

SECTION 3. EXEMPTIONS FROM PROGRAM TRANSFER LIMITATIONS. Notwithstanding Section 67-3511(1) and (2), Idaho Code, trustee and benefit payments appropriated for grants in the Management Services Program may be transferred to capital outlay in the Capital Development Program or to capital outlay in the Park Operations Program to reflect grants awarded to the Department of Parks and Recreation for the period July 1, 2016 through June 30, 2017. Legislative appropriations shall not be transferred from one fund to another unless expressly approved by the Legislature.

SECTION 4. RE-APPROPRIATION. There is hereby re-appropriated to the Department of Parks and Recreation any un-expended and unencumbered balances appropriated or re-appropriated to the Department of Parks and Recreation for the Capital Development Program for fiscal year 2016 to be used for nonrecurring expenditures in that program for the period July 1, 2016 through June 30, 2017.

PRESENTER: **Ray Houston, Principal Analyst, Division of Budget and Policy Analysis**

Commissioner Salary Increases: DRAFT RWH020

The Budget Committee adopted the draft for Public Utilities, State Tax Commission, Industrial Commission, then moved for the appropriation for commissioner salaries.

CARRIED: **Original Motion**

Public Utilities Commission
State Tax Commission
Industrial Commission

Moved by **Johnson**, seconded by **Gibbs**, to approve for introduction **DRAFT RWH020, Commissioner Salary Increases.**

Ayes: 16
Keough, Johnson, Bair, Mortimer, Brackett, Schmidt, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
Nays: 2
Nuxoll, Guthrie
Ab/Ex: 2
Thayn, Lacey

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell**.

CARRIED: **Original Motion**

Public Utilities Commission
State Tax Commission
Industrial Commission
Appropriation

Moved by **Johnson**, seconded by **Gibbs**, to approve for introduction $10,400 General Funds, $23,900 Dedicated Funds, $0 Federal Funds for a total of $34,300 ongoing to be used for 3% commissioner salary increases effective July 1, 2016.

Ayes: 16
Keough, Johnson, Bair, Mortimer, Brackett, Schmidt, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
Nays: 2
Nuxoll, Guthrie
Ab/Ex: 2
Thayn, Lacey

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell.**

PRESENTER: **Keith Bybee, Principal Analyst, Division of Budget and Policy Analysis**

Department of Revenue and Taxation
Board of Tax Appeals

Mr. Bybee explained each budgeted program, and FY 2017 budget requests for the Board of Tax Appeals. The Board of Tax Appeals provides taxpayers the opportunity to appeal their ad valorem assessed valuations from a county board of equalization or tax decisions from the Idaho State Tax Commission. The three-member board provides an opportunity for appellants and respondents to present testimony and evidence at a quasi-judicial board hearing, rather than through a district court trial which can necessitate legal representation and expense.

CARRIED: **Original Motion**
Department of Revenue and Taxation
Board of Tax Appeals
Appropriation

Moved by **Johnson**, seconded by **Monks**, to approve for introduction $565,300 General Funds, $0 Dedicated Funds, $0 Federal Funds for a total of $565,300 with FTP of 5.00

Ayes: 17
Keough, Johnson, Bair, Mortimer, Nuxoll, Guthrie, Schmidt, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
Nays: 0
Ab/Ex: 3
Brackett, Thayn, Lacey

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell.**

Department of Revenue and Taxation:
State Tax Commission

Mr. Bybee explained each budgeted program and FY 2017 budget requests for the State Tax Commission. The State Tax Commission currently has five budgeted programs: General Services, Audit, Collections, Revenue Operations, and Property Tax.

1) The General Services Program consists of the Commissioners, Administrative Section, Legal Section, Tax Policy Section, Information Technology Section, Human Resources, Strategic Development Services, and the Management Services Division. This organizational structure provides for centralized management, policy development, legal, personnel, fiscal, and computer services.

2) The Audit Program conducts audits on all tax types administered by the agency by the authority of Idaho Code and the Multistate Tax Compact; conducts discovery and enforcement efforts directed at non-filers.

3) The Collections Program operates from the administrative office in Boise and works from and oversees five field office locations; it is also responsible for collecting delinquent taxes for all tax types, and for providing frontline taxpayer services at the offices or over the phone.

4) Revenue Operations administers the voluntary tax compliance program. Activities include: a) registering permit holders for sales, withholding, hotel/motel, special fuels, beer, wine, cigarette and tobacco taxes; b) ensuring that all individuals and licensed businesses are mailed proper tax forms for reporting; c) establishing taxpayer liability, as well as processing revenue and refund documents submitted by taxpayers; and d) maintaining a records system capable of providing individuals with tax documents.

5) The Property Tax Program, formerly County Support, provides oversight and technical support in the administration of the property tax system, working to ensure fair, equitable, and accurate property taxation. The program is required to: annually appraise all class three operating property, as required by Section 63-2215, Idaho Code; examine property tax levies of all taxing districts to ensure compliance with Idaho Code; develop forms, procedures and computer software necessary for county assessors to appraise property; develop an assessor's manual in order to facilitate uniformity of appraisals; and to administer property tax relief through the Circuit Breaker Program.

Mr. Bybee then stood for questions regarding the budget request.

FAILED: **Substitute Motion**
Department of Revenue and Taxation
State Tax Commission

Moved by **Guthrie**, seconded by **Nuxoll**, to approve for introduction $34,974,700 General Funds, $7,490,000 Dedicated Funds, $8,000 Federal Funds for a total of $42,472,700 with FTP of 449.00

Ayes: 5
Bair, Mortimer, Nuxoll, Guthrie, Monks
Nays: 13
Keough, Johnson, Brackett, Schmidt, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Burtenshaw, King, Gannon
Ab/Ex: 2 Thayn, Lacey

CARRIED: **Original Motion**

Department of Revenue and Taxation
State Tax Commission
Appropriation

Moved by **Youngblood**, seconded by **Schmidt**, to approve for introduction $35,152,200 General Funds, $7,490,000 Dedicated Funds, $8,000 Federal Funds for a total of $42,650,200 with FTP of 451.00

Ayes: 18
Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Guthrie, Schmidt, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
Nays: 0
Ab/Ex: 2
Thayn, Lacey

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell.**

PRESENTER: **Keith Bybee, Principal Analyst, Division of Budget and Policy Analysis**

Department of Commerce

The Idaho Department of Commerce is dedicated to creating jobs, generating economic growth, creating economic opportunities, and advancing the well-being and prosperity of Idaho citizens. The agency offers many economic development programs to both existing and new businesses to the state, and is committed to ensuring access to services and information for all its customers and partners. **Mr. Bybee** then read through the line items and recommendations for the FY 2017 budget request for the Department of Commerce.

CARRIED: **Original Motion**
Department of Commerce
Appropriation

Moved by **Monks**, seconded by **Mortimer**, to approve for introduction $5,713,800 General Funds, $14,254,000 Dedicated Funds, $16,264,900 Federal Funds for a total of $36,232,700 with FTP of 43.00

Ayes: 15
Keough, Johnson, Bair, Mortimer, Guthrie, Schmidt, Bell, Gibbs, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
Nays: 0
Ab/Ex: 5
Brackett, Nuxoll, Thayn, Lacey, Miller

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell.**

UNANIMOUS CONSENT: On request by **Monks**, granted by unanimous consent, the following intent language was accepted:

SECTION 3. There is hereby appropriated to the Department of Commerce and the State Controller shall transfer $17,000 from the Small Business Assistance Fund to the Idaho Global Entrepreneurial Mission Fund, on or after July 1, 2016, or as soon as is practicable.

PRESENTER: **Keith Bybee, Principal Analyst, Division of Budget and Policy Analysis**

Department of Labor

Mr. Bybee read through each line item as it pertained to the FY 2017 budget request for the Department of Labor, then addressed concerns voiced by members of the budget committee.

CARRIED: **Original Motion**
Department of Labor
Appropriation

Moved by **Mortimer**, seconded by **Gibbs**, to approve for introduction $389,600 General Funds, $34,931,000 Dedicated Funds, $69,498,600 Federal Funds for a total of $104,819,200 with FTP of 700.00

Ayes: 17
Keough, Johnson, Bair, Mortimer, Brackett, Guthrie, Schmidt, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
Nays: 0
Ab/Ex: 3
Nuxoll, Thayn, Lacey

The majority having voted in the affirmative, the motion has passed and without

objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell.**

UNANIMOUS CONSENT: On request by **Mortimer**, granted by unanimous consent, the legislative intent language shown below was accepted:

SECTION 3. It is the intent of the Legislature that the Department of Labor shall present a report to the Joint Finance-Appropriations Committee by January 1, 2017, detailing FY 2017 operating costs for all the local Department of Labor offices. The costs shall be reported at the sub-object level and include the number of personnel and the projected annual number of hours worked by position. Additionally, this report shall include revenues for the local offices, by fund source, and include a five-year projection for those fund sources.

ADJOURN: There being no further business to come before the committee, **Chairman Bell** adjourned the meeting at 10:15 AM.

_____
Representative Bell
Chair

_____
Christi Cox
Secretary

AGENDA

JOINT FINANCE-APPROPRIATIONS COMMITTEE

8:00 A.M.
Room C310
Friday, March 04, 2016

BUDGET SETTING

SUBJECT	DESCRIPTION	PRESENTER
	Idaho Transportation Department	*Robyn Lockett*
LBB 5-143	Transportation Service	*Principal Analyst*
LBB 5-151	Motor Vehicles	
LBB 5-155	Highway Operations	
LBB 5-161	Contract Construction & Right-of-Way Acquisition	
	Self-Governing Agencies	
LBB 5-81	Idaho State Historical Society	
	State Board of Education	*Richard Burns*
LBB 1-137	Division of Vocational Rehabilitation	*Principal Analyst*
	Office of the Governor	
LBB 6-63	Commission for the Blind and Visually Impaired	
LBB 6-143	**Lieutenant Governor**	
	Judicial Branch	*Jared Hoskins*
	Trailer to House Bill 461:	*Senior Analyst*
	Redirection of Emergency Surcharge	

Senate Reconvenes:

House Reconvenes: 10:00 a.m.

MINUTES

JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE:	Friday, March 04, 2016
TIME:	8:00 A.M.
PLACE:	Room C310
MEMBERS:	Senators Co-chairman Keough, Bair, Mortimer, Brackett, Nuxoll, Johnson, Thayn, Guthrie, Schmidt, Lacey Representatives Co-chairman Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
ABSENT/ EXCUSED:	None
CONVENED:	Chairman Keough convened the meeting at 8:00 A.M.
STAFF PRESENT:	Holland-Smith, Lockett, Burns, Hoskins
CLARIFICATION:	The vote on March 3, 2017, on the FY 2017 Department of Commerce appropriation was recorded correctly as 15 ayes, 0 nays, and 5 absent.
UNANIMOUS CONSENT:	On request by Bell, granted by unanimous consent, the clarification shown above was accepted.
BUDGET SETTING:	**SETTING FY 2017 APPROPRIATIONS**
	IDAHO TRANSPORTATION DEPARTMENT **Transportation Services**
PRESENTER:	**Robyn Lockett, Principal Budget & Policy Analyst, Legislative Services Office**
CARRIED:	**Original Motion** Moved by Youngblood, seconded by Brackett, to approve for introduction $0 General Funds, $32,911,600 Dedicated Funds, $1,184,500 Federal Funds for a total of $34,096,100 with FTP of 203.70 **Ayes: 19** Keough, Johnson, Bair, Mortimer, Brackett, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon **Nays: 0** **Ab/Ex: 1** Nuxoll

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

Motor Vehicles

CARRIED:

Original Motion
Moved by Monks, seconded by Youngblood, to approve for introduction $0 General Funds, $32,715,500 Dedicated Funds, $2,600,000 Federal Funds for a total of $35,315,500 with FTP of 236.00

Ayes: 19

Keough, Johnson, Bair, Mortimer, Brackett, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 1

Nuxoll

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

Highway Operations

CARRIED:

Original Motion
Moved by Brackett, seconded by Youngblood, to approve for introduction $0 General Funds, $160,937,200 Dedicated Funds, $33,949,700 Federal Funds for a total of $194,886,900 with FTP of 1,238.30

Ayes: 19

Keough, Johnson, Bair, Mortimer, Brackett, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 1

Nuxoll

The majority having voted in the affirmative, the motion has passed and

without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

Contract Construction & Right-of-Way Acquisition

CARRIED:

Original Motion
Moved by Monks, seconded by Brackett, to approve for introduction $0 General Funds, $127,911,800 Dedicated Funds, $263,674,800 Federal Funds for a total of $391,586,600 with FTP of 0.00

Ayes: 19

Keough, Johnson, Bair, Mortimer, Brackett, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 1

Nuxoll

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

UNANIMOUS CONSENT: On request by Monks, granted by unanimous consent, the intent language shown below was accepted.

INTENT LANGUAGE: **LEGISLATIVE INTENT - CONTINUOUSLY APPROPRIATED MONEYS**. It is legislative intent that all moneys transferred to the Local Bridge Inspection Fund and to the Railroad Grade Crossing Protection Fund, as provided in Section 63-2412, Idaho Code, are hereby continuously appropriated to the Idaho Transportation Department for the stated purposes of those funds.

LEGISLATIVE INTENT - TOURISM AND PROMOTION FUND. There is hereby appropriated and the State Controller is directed to transfer $25,000 from the State Highway Fund to the Tourism and Promotion Fund in the Department of Commerce during fiscal year 2017. This transfer will provide the matching fund support of the Gateway Visitor Centers.

REAPPROPRIATION AUTHORITY. There is hereby reappropriated to the Idaho Transportation Department any unexpended and unencumbered balance of money categorized as the State Highway Fund for the Contract Construction and Right-of-Way Acquisition program as appropriated or reappropriated for fiscal year 2016, to be used for nonrecurring expenditures, for the period July 1, 2016 through June 30, 2017. Furthermore, there is hereby reappropriated to the Idaho Transportation Department any unexpended and unencumbered balance of money in the Strategic Initiatives Program Fund as appropriated or reappropriated for fiscal year 2016, to be used for nonrecurring expenditures, for the period July 1, 2016 through June 30, 2017.

REAPPROPRIATION AUTHORITY FOR AIRPORT DEVELOPMENT GRANTS. There is hereby reappropriated to the Idaho Transportation Department any unexpended and unencumbered balance of money categorized as the State Aeronautics Fund as appropriated or reappropriated for trustee and benefits payments to be used for Airport Development Grants for fiscal year 2016, to be used for nonrecurring expenditures, for the period July 1, 2016 through June 30, 2017.

BOND PAYMENT AUTHORIZATION. The federal GARVEE bond payment for fiscal year 2017 is approximately $53,408,200. The Idaho Transportation Board is hereby authorized to transfer up to $4,800,000 from within the State Highway Account to the GARVEE Debt Service Fund to pay the state match as required for federal funds committed to pay the annual scheduled debt service for fiscal year 2017.

SELF-GOVERNING AGENCIES
Idaho State Historical Society

CARRIED: **Original Motion**

Moved by Schmidt, seconded by Gibbs, to approve for introduction $2,776,800 General Funds, $9,912,000 Dedicated Funds, $1,564,200 Federal Funds for a total of $14,253,000 with FTP of 49.00
Carryover for Historical Museum Exhibits Dedicated Fund FY 2018

Ayes: 17

Keough, Bair, Mortimer, Brackett, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 3

Johnson, Nuxoll, Youngblood

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

STATE BOARD OF EDUCATION
Division of Vocational Rehabilitation

CARRIED: **Original Motion**

Moved by Guthrie, seconded by Gibbs, to approve for introduction $8,336,100 General Funds, $2,046,900 Dedicated Funds, $17,408,900 Federal Funds for a total of $27,791,900 with FTP of 152.50

Ayes: 16

Keough, Bair, Mortimer, Brackett, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Horman, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 4

Johnson, Nuxoll, Youngblood, Malek

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

UNANIMOUS CONSENT: On request by Guthrie, granted by unanimous consent, the following JFAC intent language was accepted.

JFAC INTENT LANGUAGE: **JFAC INTENT**. It is the intent of the Joint Senate Finance - House Appropriations Committee that the Division Administrator work with providers to understand the impact that the level of fee for services set by the administrator relates to the providers' ability to recruit and retain qualified workers who can deliver services in a safe and effective manner, and that the administrator report back to JFAC next legislative session on the results of the review and any recommendations.

OFFICE OF THE GOVERNOR
Commission for the Blind and Visually Impaired

CARRIED: **Original Motion**
Moved by Lacey, seconded by Horman, to approve for introduction $1,455,500 General Funds, $327,700 Dedicated Funds, $3,181,300 Federal Funds for a total of $4,964,500 with FTP of 40.12

Ayes: 16

Keough, Bair, Mortimer, Brackett, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Horman, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 4

Johnson, Nuxoll, Youngblood, Malek

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

LIEUTENANT GOVERNOR
Original Motion

Moved by Guthrie, seconded by Thayn, to approve for introduction $170,000 General Funds, $0 Dedicated Funds, $0 Federal Funds for a total of $170,000 with FTP of 3.00

Ayes: 18

Keough, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 2

Johnson, Youngblood

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

JUDICIAL BRANCH

PRESENTER: **Jared Hoskins, Senior Budget & Policy Analyst, Legislative Services Office**

As a short-term solution to General Fund reductions in 2010 and 2011, the Legislature passed H687 (2010), which placed an emergency surcharge on infraction, misdemeanor, and felony convictions beginning in April of 2010. Of the total amount generated by the surcharge, 80% was designated to assist in sustaining Idaho court operations, such as drug courts, mental health courts, family court services, domestic violence courts, and court assistance offices. Over time, these dedicated funds were also used to pay for "other court services," which include senior judge days, salaries for the seven trial court administrators, and 16 statewide personnel. Although the surcharge was originally intended to sunset on June 30, 2013, the Judicial Branch proposed the removal of the sunset provision, and the Legislature supported the removal through H103 (2013). H461 (2016), redirects 80% of the emergency surcharge revenue to the General Fund, which is estimated to be $2,898,500 in FY 2017. This new General Fund revenue will partially offset the increased cost to the General Fund attributable to the proposal to shift the appropriation for "other court services" from the Drug Court, Mental Health Court, and Family Court Services Fund to the General Fund. Part 1 of this proposal was already accomplished with the General Fund appropriation of $865,000 for senior judges. Part 2 of this proposal, which is contained herein, will shift the remaining FTP, personnel costs, and operating expenditures appropriated for "other court services" to the General Fund.

CARRIED:

Original Motion

Moved by Gibbs, seconded by King, to approve for introduction $2,949,000 General Funds, $(2,949,000) Dedicated Funds, $0 Federal Funds for a total of $0 with FTP of 0.00

Ayes: 19

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 1

Youngblood

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

ADJOURNED: There being no further business, Chairman Keough adjourned the meeting at 8:50 A.M.

Senator Keough
Chair

Peggy Moyer
Secretary

AGENDA

JOINT FINANCE-APPROPRIATIONS COMMITTEE

8:00 A.M.
Room C310
Monday, March 07, 2016

BUDGET SETTING

SUBJECT	DESCRIPTION	PRESENTER
LBB 6-171	**State Treasurer**	*Jared Hoskins* *Senior Analyst*
	Self-Governing Agencies	
LBB 5-123	State Appellate Public Defender	
	State Board of Education	*Paul Headlee* *Deputy Division Manager*
LBB 1-61	College and Universities	
LBB 1-79	Community Colleges	
LBB 1-127	Superintendent of Public Instruction	

Senate Reconvenes: 10:00 a.m.

House Reconvenes: 10:30 a.m.

MINUTES

JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Monday, March 07, 2016

TIME: 8:00 A.M.

PLACE: Room C310

MEMBERS: Senators Co-chairman Keough, Bair, Mortimer, Brackett, Nuxoll, Johnson, Thayn, Guthrie, Schmidt, Lacey

Representatives Co-chairman Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

ABSENT/ EXCUSED: None

CONVENED: **Chairman Bell** called the meeting to order at 8:00 AM.

PRESENTER: **Jared Hoskins, Senior Analyst, Division of Budget and Policy Analysis**

State Treasurer

Mr. Hoskins presented to the budget committee the FY 2017 budget request and recommendation for the State Treasurer. Specific line items include an appropriation to enlist a third party to audit financial statements for the various investment pools managed by the State Treasurer and intent language to be adopted.

CARRIED: **Original Motion**

State Treasurer

Appropriation

Moved by **Guthrie**, seconded by **Youngblood**, to approve for introduction $1,405,600 General Funds, $2,630,200 Dedicated Funds, $0 Federal Funds for a total of $4,035,800 with FTP of 26.00

Ayes: 19
Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Monks, Burtenshaw, King, Gannon
Nays: 0
Ab/Ex: 1
Malek

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell**.

UNANIMOUS CONSENT: On request by **Guthrie**, granted by unanimous consent, the legislative intent language shown below was accepted:

STATE TREASURER LGIP FUND REAPPROPRIATION AUTHORITY. There is hereby reappropriated to the State Treasurer any unexpended and unencumbered balances of moneys in the State Treasurer Local Government Investment Pool Fund as appropriated for fiscal year 2016, to be used for nonrecurring expenditures, for the period July 1, 2016, through June 30, 2017.

CONFERENCE-RELATED ACTIVITIES. It is the intent of the Legislature that no more than $10,000 from the General Fund, as appropriated in Section 1 of this act, shall be spent on various conference-related activities including, but not limited to, sponsorships, in-kind donations, and information booths. No moneys appropriated in Section 1 of this act from dedicated funds shall be used for conference-related activities unless otherwise provided by Idaho Code; provided, however, that in no event shall more than a total of $10,000 from any fund source or combination thereof be used for said conference related activities.

PAYMENT OF BANK SERVICE FEES. Of the amount appropriated in Section 1 of this act, $435,900 from the General Fund and $192,400 from the Professional Services Fund or so much thereof as is necessary, is to be used solely and only for the payment of bank service fees for the period July 1, 2016, through June 30, 2017.

UNANIMOUS CONSENT: On request by **Guthrie**, granted by unanimous consent, the legislative intent language shown below was accepted:

MITIGATION OF BANK SERVICE FEES. The State Treasurer shall continue to make all efforts reasonably necessary to reduce or eliminate bank service fees associated with the State Treasurer's bank accounts including, but not limited to, entering into competitive bidding for bank services. Said fees include, but are not limited to, those associated with processing warrants, merchant services, account maintenance, balance and compensation services, general account services, depository services, paper disbursement services, automated clearinghouse services, electronic data interchange payment services, wire and transfer services, file transmission, client analysis, image retrieval, account reconciliation, and other miscellaneous services. On or before September 1, 2016, the State Treasurer shall report to the Legislature regarding the specific efforts made to reduce or eliminate bank service fees; the outcomes of those efforts; an estimate of the savings realized, or expected to be realized, as a result of those efforts; and a plan on how the State Treasurer will continue to make all efforts reasonably necessary to reduce or eliminate bank service fees.

PRESENTER: **Jared Hoskins, Senior Analyst, Division of Budget and Policy Analysis**

Self-Governing Agencies: State Appellate Pubic Defender

Mr. Hoskins explained to the budget committee the FY 2017 budget request for the Office of the State Appellate Public Defender. The Office of the State Appellate Public Defender Program accounts for the general operating, personnel, and capital outlay costs of the office.

This request contains two line items specific to the FY 2017 budget.
1) $39,500 from the General Fund to cover an increase in office space lease costs. The agency issued a request for proposals to seek new office space and eventually executed a ten-year sublease with the Department of Water Resources on June 15, 2015 to rent 6,600 square feet in the Water Center. The initial annual cost of the sublease is $17.50 per square foot, per year ($115,500) with annual increases of $1,650. The SAPD has $76,000 in the 2017 Base for office space lease costs and this line item represents the additional amount needed for the Water Center sublease.

2) $5,000 in one-time operating expenditures from the General Fund to cover the cost of a one-time licensing fee for Voice Over Internet Protocol (VOIP) software. VOIP systems, which have become the industry standard, enable the use of the Internet as a transmission medium for telephone calls rather than traditional circuit transmissions. The Department of Administration's phone system utilizes VOIP and the SAPD has opted in to the department's system. The department has already provided the SAPD with refurbished phones at no cost, leaving only the licensing fee to be paid by the SAPD.

Mr. Hoskins then stood for questions regarding the Governor's Recommendation.

CARRIED: **Original Motion**
Self-Governing Agencies
Office of the State Appellate Public Defender
Appropriation

Moved by **Gannon**, seconded by **Youngblood**, to approve for introduction $2,636,600 General Funds, $25,000 Dedicated Funds, $0 Federal Funds for a total of $2,661,600 with FTP of 23.00
Ayes: 19
Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Monks, Burtenshaw, King, Gannon
Nays: 0
Ab/Ex: 1
Malek

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell.**

UNANIMOUS CONSENT: On request by **Gannon**, granted by unanimous consent, the legislative intent language shown below was accepted:

OUTSIDE COUNSEL COSTS. Of the amount appropriated in Section 1 of this act, $207,500 from the General Fund, or so much thereof as is necessary, shall be used solely to pay outside counsel for non-capital appeals in which a conflict of interest is identified and only to the extent such costs are exclusive of, and can be identified and accounted for separately and distinctly from, capital representation costs and the operating, personnel, and capital outlay costs of the Office of the State Appellate Public Defender Program. Any remaining unexpended and unencumbered amounts not so used shall revert to the General Fund.

CAPITAL REPRESENTATION COSTS. Of the amount appropriated in Section 1 of this act, $94,900 from the General Fund, or so much thereof as is necessary, shall be used solely for costs directly related to the provision of representation in capital cases and only to the extent such costs are exclusive of, and can be identified and accounted for separately and distinctly from, outside counsel costs of non-capital appeals and the operating, personnel, and capital outlay costs of the Office of the State Appellate Public Defender Program. Such costs may include, but are not limited to, consultation with experts; travel, lodging, and per diem for expert and lay witnesses; depositions; investigation; employee travel associated with witness interviews; court reporting and transcription services; expert witness fees; outside counsel in the event of a conflict of interest; and preparation of trial exhibits.

STATE BOARD OF EDUCATION

PRESENTER: **Paul Headlee, Deputy Division Manager, Division of Budget and Policy Analysis**

Colleges and Universities

The College and Universities Division includes the following five programs: Boise State University (BSU), Idaho State University (ISU), University of Idaho (UI), Lewis-Clark State College (LCSC), and the System-wide Program, which includes funding for programs and efforts that benefit all four institutions.

The Legislature appropriates both general and dedicated funds to this division. Dedicated funds include endowment funds and revenue from tuition and fees. Federal funds and other "local funds" from specific user fees are not appropriated by the Legislature.

Original Motion

Moved by **Gannon**, seconded by **King**, to approve for introduction $285,864,800 General Funds, $270,271,000 Dedicated Funds, $0 Federal Funds for a total of $556,135,800 with FTP of 4,386.83. Carryover for previous non-General Fund moneys

CARRIED: **Substitute Motion**
State Board of Education
College and Universities
Appropriation

Moved by **Horman**, seconded by **Mortimer**, to approve for introduction $279,546,500 General Funds, $276,589,300 Dedicated Funds, $0 Federal Funds for a total of $556,135,800 with FTP of 4,386.83
Carryover authority for previous non-General Fund moneys

Ayes: 16
Keough, Johnson, Bair, Mortimer, Brackett, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Burtenshaw
Nays: 4
Nuxoll, Monks, King, Gannon
Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell.**

UNANIMOUS CONSENT: On request by **Horman**, granted by unanimous consent, the legislative intent language shown below was accepted:

SECTION 3. LEGISLATIVE INTENT. It is the intent of the Legislature that 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 and promote accountability and information transfer throughout the higher education system.

(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 4. LEGISLATIVE INTENT. It is the intent of the Legislature that the President of State Board of Education shall provide a written report to the Joint Finance-Appropriations Committee, the Senate Education Committee, and the House Education Committee on the implementation and effectiveness of the funding appropriated for the Complete College Idaho initiative. Reporting shall address the $2,759,700 appropriated in fiscal year 2015, the $2,033,800 appropriated in fiscal year 2016, and $2,000,000 included in Section 1 of this act. The Board may use the measures of effectiveness submitted by the institutions in their budget requests or develop other measures as necessary. Reporting to the Legislature should occur no later than February 1, 2017.

SECTION 5. LEGISLATIVE INTENT. It is the intent of the Legislature that the cybersecurity lab that will be funded through the appropriation to Boise State University in Section 1 of this act will include collaboration with the

Idaho National Laboratory (INL) and that its assets will be available for further collaboration with the University of Idaho and Idaho State University by utilization of the Idaho Regional Optical Network (IRON), thereby taking advantage of computing resources at each institution and the INL.

PRESENTER: **Paul Headlee, Deputy Division Manager, Division of Budget and Policy Analysis**

Community Colleges

Mr. Headlee explained to the budget committee Idaho's community colleges and the program's budget request. Community colleges in Idaho provide two-year associate degrees and academic transfer programs; ensure adequate knowledge for those entering para-professional levels of the labor market; provide skills and knowledge to those seeking professional licenses; and provide adult education and community service programs.

Mr. Headlee read through each individual line item inside the budget request and stood for questions regarding the Governor's Recommendation.

CARRIED: **Original Motion**
State Board of Education
Community Colleges
Appropriation

Moved by **Miller**, seconded by **Keough**, to approve for introduction $36,919,000 General Funds, $600,000 Dedicated Funds, $0 Federal Funds for a total of $37,519,000 with FTP of 0.00

Ayes: 18
Keough, Johnson, Bair, Mortimer, Brackett, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Burtenshaw, King, Gannon
Nays: 2
Nuxoll, Monks
Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell.**

UNANIMOUS CONSENT: On request by **Horman**, granted by unanimous consent, the legislative intent language shown below was accepted:

SECTION 3. LEGISLATIVE INTENT. It is the intent of the Legislature that of the amount appropriated from the General Fund in Section 1, Subsections I. - .III of this Act, an amount not to exceed $70,000 may be expended by the Office of the State Board of Education for systemwide needs including, but not limited to, projects to promote accountability and information transfer throughout the higher education system.

SECTION 4. LEGISLATIVE INTENT. It is the intent of the Legislature that for the $1,227,400 appropriated from the General Fund in FY 2016 and the $575,500 appropriated in Section 1 of this act for the Complete College Idaho initiative and CWI's Student Success effort, the president of the State Board of Education shall provide a written report to the Joint Finance-Appropriations Committee, the Senate Education Committee, and the House Education Committee on the implementation and effectiveness of the individual institution's efforts. The Board may use the measures of effectiveness as submitted by the institutions in their FY 2017 budget requests or develop other measures as necessary. Reporting to the Legislature should occur no later than February 1, 2017.

PRESENTER: **Paul Headlee, Deputy Division Manager, Division of Budget and Policy Analysis**

State Board of Education: Superintendent of Public Instruction

Mr. Headlee presented the budget recommendation for the State Superintendent of Public Instruction and explained to the budget committee the purpose and requests specific to the FY 2017 budget. The State Superintendent of Public Instruction serves as the executive officer of the department and has the responsibility for carrying out policies, procedures, and duties authorized by law or established by the State Board of Education. The primary goals of the State Department of Education are to: 1) meet all statutory regulations as they relate to public schools; 2) provide services to the 115 school districts and 48 public charter schools in Idaho in terms of activities that will maintain or improve educational opportunities for children; and 3) provide leadership in all areas of public education to focus attention on and help resolve problems faced by education in Idaho.

After reading through each line item requested by the Superintendent of Public Instruction, **Mr. Headlee** then stood for questions regarding the Governor's Recommendation.

UNANIMOUS CONSENT: On request by **Mortimer**, granted by unanimous consent, the Fiscal Year 2016 budget for the State Board of Education, Superintendent of Public Instruction, was reopened.

CARRIED: **Original Motion**

Rescission

Moved by **Mortimer**, seconded by **Keough**, to approve for introduction $(5,500,000) General Funds, $0 Dedicated Funds, $0 Federal Funds for a total of $(5,500,000) with FTP of 0.00

Ayes: 20
Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
Nays: 0
Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell**.

CARRIED: **Original Motion**

Appropriation
State Board of Education
Superintendent of Public Instruction

Moved by **Mortimer**, seconded by **Horman**, to approve for introduction $14,184,800 General Funds, $6,619,900 Dedicated Funds, $17,386,100 Federal Funds for a total of $38,190,800 with FTP of 142.00

Ayes: 20
Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
Nays: 0
Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell**.

UNANIMOUS CONSENT: On request by **Mortimer**, granted by unanimous consent, the legislative intent language shown below was accepted:

SECTION 3. Notwithstanding any laws to the contrary, it is the intent of the Legislature that for the time period of July 1, 2016 through June 30, 2017, distributions of funds appropriated in Section 1 of this act for reimbursement of the non E-rate portion of self-procured broadband costs shall be made only to the following E-rate eligible entities: public schools grades K-12, the Idaho digital learning academy, the Idaho department of juvenile corrections education programs, and the school for the deaf and the blind.

ADJOURN: There being no further business to come before the Committee, **Chairman Bell** adjourned the meeting at 9:47 AM.

Representative Bell
Chair

Christi Cox
Secretary

AGENDA

JOINT FINANCE-APPROPRIATIONS COMMITTEE

8:00 A.M.
Room C310
Tuesday, March 08, 2016

BUDGET SETTING

SUBJECT	DESCRIPTION	PRESENTER
	Office of the Governor	*Ray Houston*
LBB 6-123	Wolf Depredation Control Board	*Principal Analyst*
LBB 5-15	**Soil and Water Conservation Commission**	
LBB 4-3	**Department of Environmental Quality**	
	Department of Health and Welfare	*Jared Tatro*
LBB 2-71	Service Integration	*Principal Analyst*
LBB 2-13	Child Welfare	
LBB 2-17	Services for the Developmentally Disabled	
	Department of Administration	*Robyn Lockett*
LBB 6-5	Department of Administration	*Principal Analyst*
LBB 6-19	Bond Payment Program	
LBB 6-23	Permanent Building Fund	
LBB 6-15	Capitol Commission	

Senate Reconvenes: 10:30 a.m.

House Reconvenes:

MINUTES

JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE:	Tuesday, March 08, 2016
TIME:	8:00 A.M.
PLACE:	Room C310
MEMBERS:	Senators Co-chairman Keough, Bair, Mortimer, Brackett, Nuxoll, Johnson, Thayn, Guthrie, Schmidt, Lacey Representatives Co-chairman Bell, Gibbs, Miller, Youngblood, Burtenshaw, Horman, Chadderdon (Malek), Monks, Burtenshaw, King, Gannon
ABSENT/ EXCUSED:	None
CONVENED:	Chairman Keough convened the meeting at 8:00 A.M.
STAFF PRESENT:	Houston, Tatro, Lockett

BUDGET SETTING: **SETTING FY 2017 APPROPRIATIONS**

OFFICE OF THE GOVERNOR
Wolf Depredation Control Board

PRESENTER: **Ray Houston, Principal Budget & Policy Analyst, Legislative Services Office**

Original Motion
Fund Transfer
Moved by Schmidt, seconded by Johnson, to approve for introduction $110,000 General Funds, $0 Dedicated Funds, $0 Federal Funds for a total of $110,000 with FTP of 0.00

CARRIED: **Substitute Motion**

Fund Transfer
Moved by Burtenshaw, seconded by Horman, to approve for introduction $400,000 General Funds, $0 Dedicated Funds, $0 Federal Funds for a total of $400,000 with FTP of 0.00
Ayes: 15

Keough, Bair, Mortimer, Brackett, Thayn, Guthrie, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw

Nays: 5

Johnson, Nuxoll, Schmidt, King, Gannon

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without

objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

DEPARTMENT OF AGRICULTURE
Soil and Water Conservation Commission

Original Motion
Moved by Miller, seconded by Johnson, to approve for introduction $2,686,500 General Funds, $472,000 Dedicated Funds, $0 Federal Funds for a total of $1,158,500 with FTP of 17.75

FAILED: **Substitute Motion**

Moved by Guthrie, seconded by Thayn, to approve for introduction $2,686,500 General Funds, $372,000 Dedicated Funds, $0 Federal Funds for a total of $3,058,500 with FTP of 17.75

Ayes: 8

Mortimer, Thayn, Guthrie, Lacey, Gibbs, Monks, Burtenshaw, King

Nays: 12

Keough, Johnson, Bair, Brackett, Nuxoll, Schmidt, Bell, Miller, Youngblood, Horman, Malek, Gannon

Ab/Ex: 0

CARRIED: **Vote on Original Motion**

Ayes: 17

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Burtenshaw, King, Gannon

Nays: 3

Thayn, Guthrie, Monks

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

UNANIMOUS CONSENT: On request by Miller, granted by unanimous consent, the intent language shown below for Sections 3 and 4 was accepted.

LEGISLATIVE INTENT: **Section 3. LEGISLATIVE INTENT**. It is the intent of the legislature that $100,000 of the amount appropriated in section 1 of this act for trustee and benefit payments is to be distributed equally between the 50 soil and water conservation districts in addition to the amounts authorized under Section 22-2727, Idaho Code.

UNANIMOUS CONSENT: On request by Johnson, granted by unanimous consent, the following legislative intent language was accepted.

LEGISLATIVE INTENT: **Section 4. LEGISLATIVE INTENT**. It is the intent of the legislature that $100,000 of the amount appropriated in Section 1 of this act for trustee and benefit payments is to be granted to the Nez Perce Soil and Water Conservation District as the lead for the Central Idaho Wildfire Restoration Group. Such moneys shall be leveraged to the extent possible for a regional effort to identify and prioritize restoration of private and municipal lands damaged by the 2015 wildfires.

DEPARTMENT OF ENVIRONMENTAL QUALITY

CARRIED:

Original Motion
Moved by Bair, seconded by Burtenshaw, to approve for introduction $17,908,000 General Funds, $11,290,800 Dedicated Funds, $38,133,800 Federal Funds for a total of $67,332,600 with FTP of 372.00

Ayes: 19

Keough, Johnson, Bair, Mortimer, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 1

Brackett

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

UNANIMOUS CONSENT: On request by Bair, granted by unanimous consent, the legislative intent language shown below was accepted.

LEGISLATIVE INTENT: **Section 3**. **CASH TRANSFER**. There is hereby appropriated to the Department of Environmental Quality and the State Controller shall transfer $1,500,000 from the Water Pollution Control Fund to the Environmental Remediation Basin Fund, through monthly installments or as practicable for the period July 1, 2016, through June 30, 2017.

Section 4. LEGISLATIVE INTENT. It is the intent of the Legislature that moneys deposited into the Environmental Remediation Basin Fund are to be used for remediation of the Coeur d'Alene Basin in accordance with the superfund contract with the Environmental Protection Agency. The Department of Environmental Quality shall file an annual report each year with the Governor, the Legislature, and the Coeur d'Alene Basin Environmental Improvement Project Commission on the remediation progress and the expenditures involved.

Section 5. LEGISLATIVE INTENT. It is the intent of the Legislature that

the appropriation of moneys from the Water Pollution Control Fund in this act specifically supersedes the provisions of Section 39-3630, Idaho Code.

Note: Costs listed in 39-3630 include Water Pollution Control Bonds, the match for wastewater loans, the match for drinking water loans, and contracts pursuant to Chapter 36, water quality law. This intent removes any doubt that moneys may be used to pay for the state's match of the CDA remediation, they may be used for costs of administering grants to municipalities for planning waste water projects, and they may be used within DEQ's operating budget for the Lake Management Plan, the Beneficial Use Reconnaissance Monitoring Program, and other water quality programs.

DEPARTMENT OF HEALTH AND WELFARE
Service Integration

PRESENTER: **Jared Tatro, Principal Budget & Policy Analyst, Legislative Services Office**

CARRIED:

Original Motion
Moved by Bair, seconded by Schmidt, to approve for introduction $734,300 General Funds, $69,500 Dedicated Funds, $5,239,700 Federal Funds for a total of $6,043,500 with FTP of 35.00

Ayes: 20

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 0
The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

UNANIMOUS CONSENT: On request by Bair, granted by unanimous consent, the following legislative intent language was accepted.

INTENT LANGUAGE: **HEAD START APPROPRIATION FROM TEMPORARY ASSISTANCE FOR NEEDY FAMILIES FUNDS**. At a minimum, the Department of Health and Welfare is directed to maintain Head Start appropriations paid from federal Temporary Assistance for Needy Families funds at the same level as was paid to the Head Start Program in fiscal year 2007.

Child Welfare

CARRIED:

Original Motion
Moved by Schmidt, seconded by Monks, to approve for introduction $20,846,000 General Funds, $1,046,900 Dedicated Funds, $43,831,900 Federal Funds for a total of $65,724,800 with FTP of 388.75

Ayes: 20

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

UNANIMOUS CONSENT: On request by Schmidt, granted by unanimous consent, the legislative intent language shown below was accepted.

INTENT LANGUAGE: **LEGISLATIVE INTENT**. It is the finding of the Legislature that the Department of Health and Welfare is responsible for the educational needs of school-age children placed in their custody by the courts for either child protective or for mental health issues. If the Department of Health and Welfare places a child in a licensed residential treatment facility that includes a non-public accredited school, and it is determined by the Department of Health and Welfare that it is in the best interest of the child to be educated at the residential treatment facility, then it is the responsibility of the Department of Health and Welfare to pay for such education at the rate of $71.05 per student per educational day. This intent language does not preclude other Idaho state agencies from exercising their responsibility to ensure a free and appropriate education for these students within the requirements of federal disability law. The fiscal impact of this language is approximately $690,000 from existing appropriations.

CARRIED:

Services for the Developmentally Disabled
Original Motion
Moved by Nuxoll, seconded by Bair, to approve for introduction $13,066,200 General Funds, $2,492,500 Dedicated Funds, $15,721,600 Federal Funds for a total of $31,280,300 with FTP of 307.71

Ayes: 20

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

DEPARTMENT OF ADMINISTRATION

PRESENTER: **Robyn Lockett, Principal Budget & Policy Analyst, Legislative Services Office**

CARRIED:

Original Motion

Moved by Monks, seconded by Lacey, to approve for introduction $3,335,700 General Funds, $16,939,000 Dedicated Funds, $0 Federal Funds for a total of $20,274,700 with FTP of 138.00

Ayes: 20

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

UNANIMOUS CONSENT: On request by Monks, granted by unanimous consent, the following legislative intent language was accepted.

LEGISLATIVE INTENT: **ADMINISTRATION: NOTIFICATION OF CONTRACT RENEWALS OR EXTENSIONS**. The director of the Department shall notify the Legislature prior to any contract extensions or renewals in excess of $1,000,000. As part of the budget submission process, the Department shall submit a list of contracts due for renewal in the upcoming fiscal year that exceed $1,000,000 on an annual basis. Further, the director shall notify the members of legislative leadership, the JFAC chairmen and the germane committee chairmen, in writing, of any proposed early contract renewal or extension at least 90 days prior to signing the contract.

HEALTH INSURANCE PREMIUM. The Office of Group Insurance shall maintain the current health insurance program structure and benefit package for state employees. The office shall also maintain the employer and employee cost sharing split recommended by the Governor and the Legislature's Joint Change in Employee Compensation Committee.

Cash Transfer for Elected Officials' Rent

CARRIED:

Original Motion
Fund Transfer
Moved by Monks, seconded by Lacey, to approve for introduction $0 General Funds, $1,737,500 Dedicated Funds, $0 Federal Funds for a total of $1,737,500 with FTP of 0.00
for Elected Official Rent

Ayes: 19

Keough, Johnson, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 1

Bair

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

UNANIMOUS CONSENT: On request by Monks, granted by unanimous consent, the legislative intent language shown below was accepted.

INTENT LANGUAGE: The Director of the Department of Administration is encouraged to undertake and complete a study of the state's group insurance plan to include, but not be limited to, consideration of the costs and benefits of allowing the current insurance plans' grandfathered status to lapse, as well as the structural plan changes that will be required as a result; consideration of a self-insured plan or a fully-insured plan structure; and development of a list of changes to the employee group insurance benefit package, as well as potential statutory changes outlining the minimum employee group insurance benefit plan design that will comply with the Patient Provider and Affordable Care Act should the legislature adopt structural plan changes. The Director is also encouraged to report an analysis of the findings to the Legislature.

Bond Payments
Original Motion

CARRIED:

Moved by Gannon, seconded by Lacey, to approve for introduction $4,330,000 General Funds, $7,973,000 Dedicated Funds, $0 Federal Funds for a total of $12,303,000 with FTP of 0.00

Ayes: 19

Keough, Johnson, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King,

Gannon

Nays: 0

Ab/Ex: 1

Bair

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

CARRIED:

Permanent Building Fund
Original Motion
Moved by Lacey, seconded by Monks, to approve for introduction $0 General Funds, $29,626,700 Dedicated Funds, $0 Federal Funds for a total of $29,626,700 with FTP of 0.00

Ayes: 20

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

UNANIMOUS CONSENT: On request by Lacey, granted by unanimous consent, the following legislative intent language was accepted.

INTENT LANGUAGE: **ALLOCATION OF FUNDS FOR SPECIFIC PROJECTS**. Moneys appropriated in Section ___ of this act, or so much thereof as in each case may be necessary, shall be used for the purpose of paying the cost of any land, building, equipment, or the rebuilding, renovation or repair of buildings, installations, facilities or structures at the places, institutions and agencies, or their successors, including those listed in this section. The Permanent Building Fund Advisory Council is hereby authorized and directed to anticipate revenues accruing to the Permanent Building Fund for the purpose of undertaking the construction, renovation, repair and acquisitions therein authorized, without delay, and to determine the priority of construction pursuant to which the work hereunder will be undertaken.

UTILIZATION OF MATCHING FUNDS. It is legislative intent that the moneys appropriated in this act may be made available for matching any allocation of moneys now in existence or hereafter made available by agencies of the United States and/or private donations; and it is further the express intention

of the Legislature to authorize the Division of Public Works to expend, for the purpose of paying the cost of any land, building, equipment or the rebuilding, renovation or repair of buildings, moneys appropriated for public works to various agencies as part of the respective agency operating budgets; provided the express approval by the Permanent Building Fund Advisory Council is granted to make application for such moneys in each instance.

EXEMPTION OF APPROPRIATIONS FROM CERTAIN PROVISIONS. All appropriations made herein shall be exempt from the provisions of Chapter 36, Title 67, and Section 67-3516, Idaho Code, but shall be available for expenditure only after allotment in accordance with the other provisions of Chapter 35, Title 67, Idaho Code, and all appropriations made hereunder shall be subject to the provisions of Section 67-5711, Idaho Code, except as otherwise provided herein.

REALLOCATION OF PROJECT SAVINGS. It is the intent of the Legislature that the Division of Public Works have the flexibility to allocate any savings or unused appropriation from any capital, line-item project to any other requested and funded capital project. The reallocation of such appropriation must be approved by the Permanent Building Fund Advisory Council prior to the funds being spent.

EMERGENCY CLAUSE. An emergency existing therefor, which emergency is hereby declared to exist, $2,897,000 worth of funding for three projects in section ____ of this act shall be in full force and effect on and after its passage and approval.

CARRIED:

Capitol Commission
Original Motion
Moved by Gannon, seconded by Lacey, to approve for introduction $0 General Funds, $2,342,000 Dedicated Funds, $0 Federal Funds for a total of $2,342,000 with FTP of 0.00

Ayes: 20

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

CARRIED:

Original Motion
Fund Transfer
Moved by Gannon, seconded by Lacey, to approve for introduction $0 General Funds, $200,000 Dedicated Funds, $0 Federal Funds for a total of $200,000 with FTP of 0.00
Ayes: 20

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

UNANIMOUS CONSENT: On request by Gannon, granted by unanimous consent, the legislative intent language shown below was accepted.

INTENT LANGUAGE: **REAPPROPRIATION AUTHORITY**. There is hereby reappropriated to the Department of Administration for the Idaho State Capitol Commission any unexpended and unencumbered balances of moneys categorized as dedicated funds in the Capitol Commission Operating Fund as appropriated for fiscal year 2016, to be used for nonrecurring expenditures in the Capitol Commission Operating Fund, for the period July 1, 2016, through June 30, 2017.

The director of the Department of Administration shall prepare a maintenance schedule for the Idaho State Capitol Building. The director shall present the schedule, and a plan to implement the schedule, to the Legislative Council in the fall of 2016. The maintenance schedule should include, but not be limited to, an annual plan as well as a five-year plan to address routine maintenance, repairs, and upkeep of the Statehouse and its grounds.

ADJOURNED: There being no further business, Chairman Keough adjourned the meeting at 9:30 A.M.

Senator Keough
Chair

Peggy Moyer
Secretary

Michael Jeppson
Committee Assistant

AGENDA

JOINT FINANCE-APPROPRIATIONS COMMITTEE

8:00 A.M.
Room C310
Wednesday, March 09, 2016

BUDGET SETTING

SUBJECT	DESCRIPTION	PRESENTER
	Department of Administration	*Robyn Lockett*
LBB 6-23	Permanent Building Fund: Reopen FY 2016	*Principal Analyst*
	Department of Correction	*Jared Hoskins*
LBB 3-11	Management Services	*Senior Analyst*
LBB 3-17	State Prisons	
LBB 3-29	County and Out-of-State Placement	
LBB 3-33	Correctional Alternative Placement Program (CAPP)	
LBB 3-37	Community Corrections	
LBB 3-45	Education and Treatment	
LBB 3-49	Medical Services	
LBB 3-53	**Commission for Pardons and Parole**	

Senate Reconvenes:

House Reconvenes:

MINUTES

JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE:	Wednesday, March 09, 2016
TIME:	8:00 A.M.
PLACE:	Room C310
MEMBERS:	Senators Co-chairman Keough, Bair, Mortimer, Brackett, Nuxoll, Johnson, Thayn, Guthrie, Schmidt, Lacey Representatives Co-chairman Bell, Gibbs, Miller, Youngblood, Horman, Chadderdon (Malek), Monks, Burtenshaw, King, Gannon
ABSENT/ EXCUSED:	None
CONVENED:	**Chairman Bell** called the meeting to order at 8:00 AM.

PRESENTER: **Robyn Locket, Principal Analyst, Division of Budget and Policy Analysis**

Department of Administration: Permanent Building Fund

Clarification made to the previous day's action for the Permanent Building Fund required reopening the FY 2016 Permanent Building Fund budget to accept intent language approved on March 8, 2016.

UNANIMOUS CONSENT: On request by **Lacey**, granted by unanimous consent, the Fiscal Year 2016 budget for the Department of Administration, Permanent Building Fund, was reopened and the following intent language was accepted:

EMERGENCY CLAUSE. An emergency existing therefore, which emergency is hereby declared to exist, $2,897,000 worth of funding for three projects in section [blank] of this act shall be in full force and effect on and after its passage an approval.

PRESENTER: **Jared Hoskins, Principal Analyst, Division of Budget and Policy Analysis**

Department of Correction
Management Service

Mr. Hoskins presented to the budget committee the FY 2017 Management Services budget request under the Department of Correction. Management Services includes a department-wide oversight of information services, construction, financial services, inmate placement, central records, research & quality assurance, human resources, and the director's office. **Mr. Hoskins** then read through each individual line item as it pertains to the department's request and concluded by addressing concerns raised around the Governor's Recommendation.

CARRIED: **Original Motion**
Department of Correction
Management Services
Appropriation

Moved by **Youngblood**, seconded by **Monks**, to approve for introduction $13,931,600 General Funds, $1,354,600 Dedicated Funds, $0 Federal Funds for a total of $15,286,200 with FTP of 142.00

Ayes: 17
Keough, Johnson, Bair, Mortimer, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
Nays: 1
Nuxoll
Ab/Ex: 2
Brackett, Thayn

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell**.

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PRESENTER: **Jared Hoskins, Principal Analyst, Division of Budget and Policy Analysis**

State Prisons:

Mr. Hoskins presented the budget request for FY 2017 for Idaho State Prisons. The department's responsibilities include; Prisons Administration and the nine adult correctional institutions in Idaho. The Idaho State Correctional Institution, South Idaho Correctional Institution, Idaho Maximum Security Institution, and the South Boise Women's Correctional Center are located south of Boise and comprise the single largest complex of institutions.

According to the department, turnover in the security ranks has been high. While they have been able to successfully recruit new correctional officers, retaining those individuals has proven difficult. For example, the department employs nearly 800 correctional officers, yet 67% have less than two years' experience with the agency. This relative inexperience poses potential security risks. The inability to retain existing staff means more overtime liabilities at 1.5 times the actual hours worked. In addition, the department invests about $15,000 in training each new correctional officer to prepare them for the challenges they will confront in an institutional setting. **Mr. Hoskins** continued by listing the line items requested in the FY 2017 budget. These include; new security cameras, a new Access Control System, funding for new door operators for ISCI, a recycling program, funding to re-organize the Decentralize Offender Program, a reclassification of Headquarter Staff (which the Governor did not recommend), and the department's share of a statewide user fee for the rental of land used for public safety telecommunication sites.

Mr. Hoskins then stood for questions regarding the Governor's recommendation.

CARRIED: **Original Motion**
Department of Correction
State Prisons
Appropriation

Moved by **Bair**, seconded by **Youngblood**, to approve for introduction $106,710,400 General Funds, $10,971,300 Dedicated Funds, $1,243,300 Federal Funds for a total of $118,925,000 with FTP of 1,420.50

Ayes: 19
Keough, Johnson, Bair, Mortimer, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
Nays: 0
Ab/Ex: 1
Brackett

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell.**

PRESENTER: **Jared Hoskins, Principal Analyst, Division of Budget and Policy Analysis**

County and Out-of-State Placement Division

Mr. Hoskins explained to the committee the The County and Out-of-State Placement Program and the FY 2017 budget request made by the department. The County and Out-of-State Placement Program provides funding to house and provide medical care for offenders placed in county jails and in out-of-state prison facilities. The department requests one line item, an additional $1,142,100 in ongoing operating expenditures from the General Fund in FY 2016 in order to align its County & Out-of-State Placement budget with updated offender forecasts and bed utilization estimates. **Mr. Hoskins** then stood for questions regarding the Governor's Budget Recommendation.

CARRIED: **Original Motion**
Department of Correction
County and Out-of-State Placement
Appropriation

Moved by **Monks**, seconded by **Youngblood**, to approve for introduction $11,460,000 General Funds, $0 Dedicated Funds, $0 Federal Funds for a total of $11,460,000 with FTP of 0.00

Ayes: 19
Keough, Johnson, Bair, Mortimer, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
Nays: 0

Ab/Ex: 1
Brackett

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell.**

PRESENTER: **Jared Hoskins, Principal Analyst, Division of Budget and Policy Analysis**

Correctional Alternative Placement:

Mr. Hoskins explained to the budget committee the Correctional Alternative Placement Program (CAPP) and the budget request made. CAPP is a privately built, owned and operated treatment facility that provides intensive residential substance abuse and cognitive programming for parole violators, reentry offenders, and retained jurisdiction offenders. This program will help probation and parole officers more effectively manage their offenders and it will help improve the transition of offenders from prison to the community. **Mr. Hoskins** then stood for questions regarding the Governor's Recommendation.

CARRIED: **Original Motion**
Department of Correction
Correctional Alternative Placement
Appropriation

Moved by **Youngblood**, seconded by **Bair**, to approve for introduction $9,548,200 General Funds, $200,000 Dedicated Funds, $0 Federal Funds for a total of $9,748,200 with FTP of 0.00

Ayes: 19
Keough, Johnson, Bair, Mortimer, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
Nays: 0
Ab/Ex: 1
Brackett

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell**.

PRESENTER: **Jared Hoskins, Principal Analyst, Division of Budget and Policy Analysis**

Department of Community Corrections

Mr. Hoskins presented to the budget committee the FY 2017 budget requests for the Community Corrections with the Idaho Department of Correction. Community Corrections includes the supervision of probationers and parolees and the operation of community work centers throughout the state. The department requests an additional $34,000 in one-time operating expenditures from the Inmate Management Fund for emergency sewer repairs at the Idaho Falls Community Reentry Center; $205,000 in operating expenditures from the General Fund between Community Supervision and Prisons Administration in order to provide training related to recent changes in the department's offender programming; reorganize the department by reallocating 12.00 FTP from Unit 24 at Idaho State Correctional Institution; $343,200 for various operating expenditures and personnel costs related, in part, to the increased demand placed on the Community Supervision Program by the Justice Reinvestment Initiative; and a request to fund year two of the department's Security Retention Plan.

Mr. Hoskins then stood for questions regarding the Governor's Budget Recommendation

CARRIED:

Original Motion
Department of Correction
Community Corrections
Appropriation

Moved by **Bair**, seconded by **Monks**, to approve for introduction $21,314,900 General Funds, $10,913,900 Dedicated Funds, $66,200 Federal Funds for a total of $32,295,000 with FTP of 392.35

Ayes: 19
Keough, Johnson, Bair, Mortimer, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
Nays: 0
Ab/Ex: 1
Brackett

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell.**

PRESENTER: **Jared Hoskins, Principal Analyst, Division of Budget and Policy Analysis**

Education and Treatment

Mr. Hoskins explained to the budget committee how it is the policy of the Idaho Department of Correction to provide treatment and education to offenders who fall within its jurisdiction. All offenders are assessed to determine their medical condition, programmatic needs, education level, and mental health.

Mr. Hoskins then read through the line items specific to this budget request including the decentralized offender program and the re-classification of headquarter staff. **Mr. Hoskins** then stood for questions regarding the Governor's Budget Recommendation.

CARRIED: **Original Motion**
Department of Correction
Education and Treatment
Appropriation

Moved by **Monks**, seconded by **Bair**, to approve for introduction $7,811,900 General Funds, $0 Dedicated Funds, $0 Federal Funds for a total of $7,811,900 with FTP of 18.00

Ayes: 19
Keough, Johnson, Bair, Mortimer, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
Nays: 0
Ab/Ex: 1
Brackett

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell**.

PRESENTER: **Jared Hoskins, Principal Analyst, Division of Budget and Policy Analysis**

Medical Services

Mr. Hoskins explained to the budget committee the The Medical Services Program budget requests and line items specific to the department. The Medical Services includes costs paid to a medical service provider for Idaho offenders housed in state prisons and community work centers. Should an offender who is housed in a county jail or an out-of-state facility develop medical issues, that offender will be transferred to a state facility and receive treatment under the medical services contract. If the offender cannot be transferred to a state facility, the state will then pay the cost of catastrophic medical services. Controversy surrounded the request for Hepatitis-C treatment as **Mr. Hoskins** explained. The department is requesting $5,469,800 in one-time operating expenditures to pay for Hepatitis-C treatment for 45 inmates.

The department further requests to have payment for contract medical services

provided to offenders housed in state-operated prison facilities, and the privately-operated Correctional Alternative Placement Program. **Mr. Hoskins** then stood for questions regarding the Governor's budget recommendation.

CARRIED:

Original Motion
Department of Correction
Medical Services
Appropriation

Moved by **Youngblood**, seconded by **Bair**, to approve for introduction $41,554,200 General Funds, $3,241,100 Dedicated Funds, $0 Federal Funds for a total of $44,795,300 with FTP of 0.00

Ayes: 19
Keough, Johnson, Bair, Mortimer, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
Nays: 0
Ab/Ex: 1
Brackett

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell.**

PRESENTER: **Jared Hoskins, Principal Analyst, Division of Budget and Policy Analysis**

Commission for Pardons and Parole

Mr. Hoskins explained to the budget committee the Idaho Commission for Pardons & Parole and the budget request being made. The Commission for Pardons and Parole is charged with the responsibility for parole (inmates selected for release by the commission after serving at least the minimum portion of their sentence), commutation (modification of an offender's sentence), and pardon (forgiveness of a sentence). The commission's goal is to provide the highest degree of protection to society while providing offenders the opportunity to become responsible members of society.

Mr. Hoskins reviewed the line items in the budget request including the request for $55,600 in ongoing personnel costs from the General Fund so the commission can reposition some of its existing staff to more technical roles and responsibilities. This process would involve the reclassification of at least six positions. Also requested is $23,000 in one-time capital outlay from the General Fund to purchase a digital recording system to be used at all parole and revocation hearings. In the past, a staff member was required to be present at the hearings to take minutes. According to the commission, however, this process is cumbersome and potentially inaccurate. Thus, the commission requests a digital recording system to increase timeliness and accuracy. Mr. Hoskins then stood for questions regarding the Governor's budget recommendation.

CARRIED: **Original Motion**
Department of Correction
Commission for Pardons and Parole
Appropriation

Moved by **Youngblood**, seconded by **Monks**, to approve for introduction $2,898,300 General Funds, $70,700 Dedicated Funds, $0 Federal Funds for a total of $2,969,000 with FTP of 33.00

Ayes: 19
Keough, Johnson, Bair, Mortimer, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
Nays: 0
Ab/Ex: 1
Brackett

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell**.

ADJOURN: There being no further business to come before the committee, **Chairman Bell** adjourned the meeting at 9:07 AM.

Representative Bell
Chair

Christi Cox
Secretary

AGENDA

JOINT FINANCE-APPROPRIATIONS COMMITTEE

8:00 A.M.
Room C310
Thursday, March 10, 2016

BUDGET SETTING

SUBJECT	DESCRIPTION	PRESENTER
	Department of Agriculture Supplemental: Invasive Species Inspections	*Ray Houston* *Principal Analyst*
LBB 5-5	Department of Agriculture	
	State Board of Education	*Paul Headlee* *Deputy Division Manager*
LBB 1-53	Agricultural Research and Extension Service	
LBB 1-101	Career-Technical Education	
	Office of the Governor	
LBB 6-119	STEM Action Center	
	State Board of Education Reopen FY 2017 Office of the State Board of Ed: Add Funding for School Improvement Projects	
	Department of Health and Welfare	*Jared Tatro* *Principal Analyst*
LBB 2-27	Indirect Support Services	
LBB 2-21	Independent Councils	
LBB 2-95	Licensing and Certification	
LBB 2-91	Healthcare Policy Initiatives	
	State Treasurer	
LBB 6-181	Idaho Millennium Fund	
	TRAILER BILLS	
	Public Defense Commission Trailer to H504: Public Defense Reform	*Jared Hoskins* *Senior Analyst*
	Division of Building Safety Trailer to H514: Ofc of School Safety & Security	*Keith Bybee* *Principal Analyst*
	Idaho Transportation Dept/ Idaho State Police Trailer to H343: Distribution of Special Fuel Tax	*Robyn Lockett* *Principal Analyst*
	Idaho State Police Trailer to H528: Sexual Assault Evidence Kits	*Richard Burns* *Principal Analyst*

Senate Reconvenes: 10:30 a.m.

House Reconvenes: 10:30 a.m.

MINUTES

JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE:	Thursday, March 10, 2016
TIME:	8:00 A.M.
PLACE:	Room C310
MEMBERS:	Senators Co-chairman Keough, Bair, Mortimer, Brackett, Nuxoll, Johnson, Thayn, Guthrie, Schmidt, Lacey Representatives Co-chairman Bell, Gibbs, Miller, Youngblood, Horman, Chadderdon (Malek), Monks, Burtenshaw, King, Gannon
ABSENT/ EXCUSED:	None
STAFF PRESENT:	Houston, Headlee, Tatro, Hoskins, Bybee, Lockett, Burns, Holland-Smith
CONVENED:	Senator Keough convened the meeting at 8:00 A.M.

SUPPLEMENTAL: **DEPARTMENT OF AGRICULTURE**
Plant Industries
Invasive Species Inspections

PRESENTER: **Ray Houston, Principal Budget & Policy Analyst, Legislative Services Office**

Idaho's inspection stations are placed on major highways at or near the Idaho state line. This strategy is taken to maximize contact with boats that are travelling into the state from impacted states. Boats that have been in mussel-infested states recently (within the last 30 days), watercraft coming from another state (especially commercially hauled boats), boats that show a lot of dirt, grime, or slime below the waterline or boats that have standing water on board are considered "High-risk" to the state of Idaho.

High-risk inspections are intense and include a thorough inspection of the exterior and interior parts of the boat. The inspection includes a thorough and complete visual and tactile inspection of all portions of the boat, including compartments, bilge, trailer and any equipment, gear, ropes or anchors. If any biological material is found on the boat or equipment, the inspectors conduct a roadside "hotwash" of the watercraft. This is done to prevent the spread of other invasive species such as New Zealand mudsnail, Eurasian watermilfoil and hydrilla.

More than 300,000 inspections have been conducted in Idaho under this program since 2009. Through these inspections 145 mussel-fouled boats have been intercepted in Idaho since July of 2009.

UNANIMOUS CONSENT: On request by Gibbs, granted by unanimous consent, the FY 2016 budget for the Department of Agriculture, was reopened.

CARRIED:

Original Motion
Moved by Gibbs, seconded by Bair, to approve for introduction $0 General Funds, $300,000 Dedicated Funds, $0 Federal Funds for a total of $300,000 with FTP of 0.00. One-time

Ayes: 19

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 1

Bell

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

BUDGET SETTING:

SETTING FY 2017 APPROPRIATIONS

DEPARTMENT OF AGRICULTURE

PRESENTER: **Ray Houston, Principal Budget & Policy Analyst, Legislative Services Office**

CARRIED:

Original Motion
Moved by Bair, seconded by Burtenshaw, to approve for introduction $8,489,300 General Funds, $26,024,500 Dedicated Funds, $5,914,700 Federal Funds for a total of $40,428,500 with FTP of 200.00

Ayes: 20

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

UNANIMOUS CONSENT: On request by Bair, granted by unanimous consent, the following legislative intent language was accepted.

INTENT LANGUAGE: **SECTION 3. LEGISLATIVE INTENT**. It is the intent of the Legislature that the Department of Agriculture (ISDA) maximize the use the appropriation provided from the Invasive Species Fund to enhance the boat inspection program to minimize the chances of spreading zebra and quagga mussels into Idaho waters. Furthermore, it is the intent of the legislature that ISDA leverage inspection activities to secure federal funding to the extent possible to further enhance invasive species detection and prevention efforts.

STATE BOARD OF EDUCATION
Agricultural Research & Extension Service

PRESENTER: **Paul Headlee, Deputy Division Manager, Budget & Policy, Legislative Services Office**

CARRIED:

Original Motion
Moved by Burtenshaw, seconded by Lacey, to approve for introduction $30,516,700 General Funds, $24,000 Dedicated Funds, $0 Federal Funds for a total of $30,540,700 with FTP of 297.01

Ayes: 20

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

CARRIED:

Division of Career-Technical Education
Original Motion
Moved by Guthrie, seconded by Thayn, to approve for introduction $62,057,600 General Funds, $977,900 Dedicated Funds, $8,813,700 Federal Funds for a total of $71,849,200 with FTP of 563.46
Carryover for dedicated and federal funds for post-secondary program only.

Ayes: 20

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

OFFICE OF THE GOVERNOR
STEM Action Center

CARRIED:

Original Motion
Moved by Mortimer, seconded by Bell, to approve for introduction $2,321,700 General Funds, $100,000 Dedicated Funds, $0 Federal Funds for a total of $2,421,700 with FTP of 2.00

Ayes: 20

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

STATE BOARD OF EDUCATION
Office of the State Board of Education (OSBE)
K-12 School Improvement Evaluations

UNANIMOUS CONSENT:

On request by Mortimer, granted by unanimous consent, the FY 2017 budget for the State Board of Education was reopened.

This appropriation would add $750,000 of deducated funds to the Office of the State Board of Education's Administration Program for FY 2017. This additional appropriation is necessary to allow the use of the $750,000 that the State Department of Education is directed to pass through to OSBE from the Public Schools Support Program, Central Services Division.

CARRIED:

Original Motion
Moved by Mortimer, seconded by Horman, to approve for introduction $0 General Funds, $750,000 Dedicated Funds, $0 Federal Funds for a total of $750,000 with FTP of 0.00

Ayes: 20

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

DEPARTMENT OF HEALTH AND WELFARE((DHW)
Indirect Support Services

PRESENTER: **Jared Tatro, Principal Budget & Policy Analyst, Legislative Services Office**

CARRIED:

Original Motion
Moved by Bair, seconded by Schmidt, to approve for introduction $17,141,200 General Funds, $3,125,800 Dedicated Funds, $20,456,200 Federal Funds for a total of $40,723,200 with FTP of 291.60

Ayes: 20

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

UNANIMOUS CONSENT: On request by Bair, granted by unanimous consent, the following legislative intent language was accepted.

INTENT LANGUAGE:

MEDICAID TRACKING REPORT. The Department of Health and Welfare, Medical Assistance Services Division and Indirect Support Services Division shall deliver on a monthly basis to the Legislative Services Office and Division of Financial Management a report that compares the Medicaid budget as appropriated, distributed by month for the year, to actual expenditures and remaining forecasted expenditures for the year. The report shall also include a forecast, updated monthly, of the next fiscal year's anticipated trustee and benefit expenditures. The format of the report, and the information included therein, shall be determined by the Legislative Services Office and Division of Financial Management.

MEDICAID PROGRAM INTEGRITY COLLECTIONS. It is the intent of the Legislature that the Indirect Support Services Division provide reports biannually to the Legislative Services Office and Division of Financial Management comparing the total costs from all funding sources used for the Medicaid Program Integrity Unit and the collections related to those efforts. The format of the report, and information contained therein, shall be determined by the Legislative Services Office and the Division of Financial Management. The first report shall be submitted no later than December 31, 2016 and the second report shall be submitted no later than June 30, 2017.

PROGRAM TRANSFER REPORT. The Department of Health and Welfare, Indirect Support Services Division shall provide to the Legislative Services Office and the Division of Financial Management three reports with each report providing information that compares the Department budget as appropriated to the estimated expenditures of the Department for each budget unit to include transfers of FTP authority between and amongst budget units; transfers of appropriation, by fund, between and amongst budget units; and transfers of funds by expense class, between and amongst budget units. The first report shall be submitted no later than November 1, 2016, the second report shall be submitted no later than March 1, 2017 and the third report shall be submitted no later than June 30, 2017.

UNANIMOUS CONSENT:

On request by Bair, granted by unanimous consent, the following new legislative intent language was accepted.

INTENT LANGUAGE:

VACANCY REPORT: The Department of Health and Welfare, Indirect Support Services Division shall provide to the Legislative Services Office and the Division of Financial Management on a monthly basis, a staff vacancy report that compares filled positions to authorized positions for each budgeted program. The format of the report, and information contained therein, shall be determined by the Legislative Services Office and the Division of Financial Management.

CARRIED:

Independent Councils
Original Motion
Moved by Schmidt, seconded by Bair, to approve for introduction $128,000 General Funds, $554,600 Dedicated Funds, $8,318,700 Federal Funds for a total of $9,001,300 with FTP of 10.00

Ayes: 20

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

UNANIMOUS CONSENT: On request by Schmidt, granted by unanimous consent, the following legislative intent was accepted.

INTENT LANGUAGE: **REPORTING ON USE OF ADDITIONAL VOCA FUNDS**. The Domestic Violence Council shall provide a report to the Legislative Services Office and the Division of Financial Management that describes the status of the additional Federal Victims of Crime Act (VOCA) funds that were appropriated in fiscal year 2016. These funds were provided to the council by the federal government with little notice and at an amount that more than doubled the normal distribution. The format of the report, and the information included therein, shall be determined by the Legislative Services Office and the Division of Financial Management. The report shall be provided no later than December 31, 2016.

CARRIED:

Licensing and Certification
Original Motion
Moved by Schmidt, seconded by Bair, to approve for introduction $1,804,700 General Funds, $808,100 Dedicated Funds, $4,906,100 Federal Funds for a total of $7,518,900 with FTP of 67.90

Ayes: 20

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

UNANIMOUS CONSENT: On request by Schmidt, granted by unanimous consent, the following legislative intent language was accepted.

INTENT LANGUAGE: **REPORT ON FACILITY LICENSING AND CERTIFICATION WORKLOAD AND CASELOAD**. It is the intent of the Legislature that the Department of Health and Welfare, Licensing and Certification Program, provide quarterly reports to Legislative Services Office and the Division of Financial Management, on the status of facility licensing and certifications, as well as staff workload and caseload issues. For the past several years the program has noted staffing issues related to retention which in turn has created a large backlog of facility inspections and licensures. The format of the report, and the information included therein, shall be determined by the Legislative Services Office and the Division of Financial Management. The first report shall be submitted no later than October 1, 2016, the second report shall be submitted no later than January 1, 2017, the third report shall be submitted no later than April 1, 2017 and the fourth report shall be submitted no later than June 30, 2017.

CARRIED

Healthcare Policy Initiatives
Original Motion
Moved by Schmidt, seconded by Bair, to approve for introduction $0 General Funds, $0 Dedicated Funds, $10,235,900 Federal Funds for a total of $10,235,900 with FTP of 7.00

Ayes: 20

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

UNANIMOUS CONSENT: On request by Schmidt, granted by unanimous consent, the following legislative intent language was accepted.

INTENT LANGUAGE: **REPORTING ON IMPLEMENTATION OF THE SHIP GRANT**. The Healthcare Policy Initiatives Program shall report on an annual basis, the status of the State Healthcare Innovation Plan (SHIP) to the Legislative Services Office and the Division of Financial Management. The report shall include comments and suggestions from private insurers, private providers, and other active stakeholders on the process of moving from the current fee-for-service medical model to a capitated model of healthcare delivery. The report should also include results of any performance metrics required by the grant, in addition to updates on potential solutions for the State of Idaho. This report shall be submitted no later than December 31, 2016.

STATE TREASURER
Idaho Millennium Fund

CARRIED:

Original Motion
Moved by Johnson, seconded by Monks, to approve for introduction $0 General Funds, $9,587,000 Dedicated Funds, $0 Federal Funds for a total of $9,587,000 with FTP of 0.00

Ayes: 20

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

UNANIMOUS CONSENT: On request by Johnson, granted by unanimous request, the following legislative intent language was accepted.

INTENT LANGUAGE: Notwithstanding any other provision of law to the contrary, on June 30, 2017, or as soon thereafter as is practicable, any remaining unexpended and unencumbered balance of moneys appropriated in this act shall be reverted to the Idaho Millennium Income Fund.

UNANIMOUS CONSENT: On request by Gibbs, granted by unanimous consent, the following legislative intent language was accepted.

INTENT LANGUAGE: Notwithstanding any other provision of law to the contrary, on June 30, 2017, or as soon thereafter as is practicable, the State Controller, at the request of the State Treasurer, shall transfer any remaining unexpended and unencumbered balance of moneys in the Idaho Millennium Income Fund to the Idaho Millennium Permanent Endowment Fund.

TRAILER BILLS: **SETTING FY 2017 APPROPRIATIONS — TRAILER BILLS**

SELF-GOVERNING AGENCIES
Public Defense Commission
Trailer to H504: Public Defense Reform

PRESENTER: **Jared Hoskins, Senior Budget & Policy Analyst, Legislative Services Office**

H504 is the product of the Public Defense Reform Interim Committee, which studied the issue of public defense for three years at the direction of the Legislative Council. The purpose of the bill is to improve the quality of trial-level indigent defense services by providing funding to counties and creating standards with which counties must comply. The bill requires the Public Defense Commission to promulgate rules regarding: procedures for the creation, oversight, implementation, enforcement, and modification of indigent defense standards; requirements for contracts between counties and private attorneys for the provision of indigent defense services; data reporting requirements; procedures for grant applications by which counties can apply for state funds to offset the cost of compliance with indigent defense standards; and procedures for administrative review of commission decisions. The total fiscal impact of the bill in FY 2017 amounts to $5,482,800 from the General Fund 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 for the Public Defense Commission.

CARRIED:

Original Motion
Moved by Gannon, seconded by Johnson, to approve for introduction
$5,482,800 General Funds, $0 Dedicated Funds, $0 Federal Funds for a total of $5,482,800 with FTP of 4.50
$13,400 is one-time

Ayes: 19

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 1

Thayn

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

SELF-GOVERNING AGENCIES
Division of Building Safety
Trailer to H514: Office of School Safety and Security

PRESENTER: **Keith Bybee, Principal Budget & Policy Analyst, Legislative Services Office**

HB 514 creates an office of School Safety and Security in the Division of Building Safety. The Office will provide Idaho educators with on-site security assessments and training, identify areas of vulnerability and provide technical assistance for improvement of safety and security at schools statewide. The Division of Building Safety staff is in every school building, every year, for safety inspections. This bill proposes to leverage those existing resources to establish a process and resources to also assess for security vulnerabilities.

Funding for this new program will come from the General Fund. The Governor's recommendation includes 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 laptops computers. Additionally, the recommendation includes an object transfer of $247,500 from operating expenditures to personnel costs. When the supplemental appropriation was passed, it provided additional funds for the contractors conducting the security assessments. After FY 2016, the office of school safety and security will conduct the assessments using the formats created from the current year appropriation.

CARRIED:

Original Motion
Moved by Horman, seconded by Mortimer, to approve for introduction $270,000 General Funds, $0 Dedicated Funds, $0 Federal Funds for a total of $270,000 with FTP of 5.00
Transfer $247,500 from OE to PC in School Security Account Fund

Ayes: 18

Keough, Johnson, Bair, Mortimer, Brackett, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 1

Nuxoll

Ab/Ex: 1

Thayn

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

IDAHO TRANSPORTATION DEPARTMENT (ITD)
IDAHO STATE POLICE
Trailer Appropriation to H343
Distribution of Special Fuel Tax

PRESENTER: **Robyn Lockett, Principal Budget & Policy Analyst, Legislative Services Office**

This trailer bill clarifies the distribution of Tax Revenue from Tax on Special Fuels. House Bill 312 raised the tax on motor fuel from 25 cents per gallon to 32 cents per gallon. Motor fuel, by definition, includes special fuels, which includes diesel fuel. Inadvertently, the enacted version of H312 did not amend the distribution of special fuels in the same manner as the rest of the fuel increase (60% ITD and 40% locals). H343 makes the fund distribution a 60/40 split and is retroactive to July 1, 2015.

As per current law, the Idaho State Police has continued to receive 5% of the special fuels tax collection on the additional 7 cents, but have been holding those funds in anticipation of H343 being a "fix" to the distribution formula.

The estimated amount of the transfer from Idaho State Police to the locals will be approximately $580,000 should the trailer appropriation be signed by the Governor prior to March 31, 2016. The amount transferred from ITD to the locals will be approximately $1,200.00.

CARRIED:

Original Motion
Moved by Brackett, seconded by Monks, to appropriate from the Idaho Law Enforcement Fund, the amount collected from the special fuel tax pursuant to Section 63–2402, Idaho Code, for the period July 1, 2015, through the end of the month following passage and approval of this act. The State Controller shall transfer that amount to the Locah Highway Distribution Fund, as soon as practicable, for the period July 1, 2015, through June 30, 2016, as a result of changes made in the special fuels distribution pursuant to House Bill 353, as enacted by the Second Regular Session of the Sixty-third Legislature.

Ayes: 19

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 1

Thayn

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

CARRIED: Moved by Brackett, seconded by Monks, to appropriate from the State Highway Account (dedicated), the excess amount collected from the special fuel tax pursuant to Section 63–2402, Idaho Code, for the period July 1, 2015, through the end of the month following passage and approval of this act. The State Controller shall transfer that amount to the Local Highway Distribution Fund, as soon as practicable, for the period July 1, 2015, through June 30, 2016, as a result of changes made in the special fuels distribution pursuant to House Bill 343, as enacted by the Second Regular Session of the Sixty-third Idaho Legislature.

IDAHO STATE POLICE
Forensic Services
Trailer to H528: Sexual Assault Evidence Kits

PRESENTER: **Richard Burns, Principal Budget & Policy Analyst, Legislative Services Office**

The purpose of the legislation is to create and codify systems used by law enforcement, health care facilities, and the Idaho State Police (ISP) Forensics Laboratory in the processing of sexual assault evidence kits in the State of Idaho. It also creates a system of tracking and reporting to require an annual audit and report about the collection of evidence and testing given to the Idaho State Legislature on an annual basis. Currently there are not statutes that address sexual assault kit evidence collection in Idaho. This legislation would provide a consistent process to better support victims, law enforcement, health care facilities, and the forensics laboratory.

CARRIED: **Original Motion**
Moved by Gannon, seconded by Lacey, to approve for introduction $222,300 General Funds, $0 Dedicated Funds, $0 Federal Funds for a total of $222,300 with FTP of 3.00

Ayes: 15

Keough, Johnson, Brackett, Nuxoll, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Burtenshaw, King, Gannon

Nays: 4

Bair, Mortimer, Guthrie, Monks

Ab/Ex: 1

Thayn

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

CLARIFICATION: **STATE BOARD OF EDUCATION**
Division of Career-Technical Education

UNANIMOUS CONSENT: On request by Guthrie, granted by unanimous consent, to clarify that the earlier motion on this date included carryover authority of dedicated and federal funds for the entire Division of Career-Technical Education and provided exceptions to budget laws that will allow funds to be transferred among object codes for the Post-Secondary Program only.

IDAHO STATE POLICE
Forensic Services
Trailer to H528: Sexual Assault Evidence Kits

OBJECTION TO UNANIMOUS CONSENT: There was an **objection** to a unanimous consent request by **Monks** to reverse his vote on the trailer bill to H528 (ISP, Forensic Services, Sexual Assault Evidence Kits).

MOTION RULED OUT OF ORDER Monks moved that he be allowed to change his earlier vote on this date on the trailer bill to H528 (ISP, Forensic Services, Sexual Assault Evidence Kits). Chairman Keough ruled the motion was out of order based on Senate rules.

ADJOURNED: There being no further business, Chairman Keough adjourned the meeting at 10:31 A.M.

Senator Keough
Chair

Peggy Moyer
Secretary

AMENDED AGENDA #2

JOINT FINANCE-APPROPRIATIONS COMMITTEE

8:00 A.M.
Room C310
Wednesday, March 16, 2016

BUDGET SETTING

DESCRIPTION	PRESENTER
TRAILER BILLS	
Secretary of State FY 2016 Trailer to S1297: Online Voter Registration	*Jared Hoskins* *Senior Analyst*
Legislature FY 2016: Constitutional Defense Fund	*Cathy Holland Smith* *Division Manager*
Department of Administration FY 2016: IEN Legal Fees, Syringa Lawsuit	*Robyn Lockett* *Principal Analyst*
Commission for Libraries FY 2017 Trailer to S1334: Education Opportunity Resource	
Office of the State Board of Education FY 2017 Trailer to H459: Community College Startup	*Paul Headlee* *Deputy Div Manager*
Superintendent of Public Instruction FY 2017 Trailer to S1333: Broadband Infrastructure Grants	
STEM Action Center FY 2017 Trailer to S1279: STEM Fund Creation FY 2017 Trailer to H379aaS: STEM Program Addition	
Department of Lands FY 2017: Fire Suppression Deficiency Fund	*Ray Houston* *Principal Analyst*
Self-Governing Agencies- Division of Building Safety FY 2017: H514 School Security Program Fund Clarification	*Keith Bybee* *Principal Analyst*

Senate Reconvenes:

House Reconvenes: 10:00 a.m.

MINUTES

JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE:	Wednesday, March 16, 2016
TIME:	8:00 A.M.
PLACE:	Room C310
MEMBERS:	Senators Co-chairman Keough, Bair, Mortimer, Brackett, Nuxoll, Johnson, Thayn, Guthrie, Schmidt, Lacey Representatives Co-chairman Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
ABSENT/ EXCUSED:	None
CONVENED:	**Chairman Bell** called the meeting to order at 8:00 AM.

PRESENTER: **Cathy Holland-Smith, Division Manager, Division of Budget and Policy Analysis**

Director Cathy Holland-Smith gave instruction and explanation of the trailer bills to be voted on in Committee. Motions made by potential House and Senate sponsors will follow the agenda accordingly.

PRESENTER: **Jared Hoskins, Senior Analyst, Division of Budget and Policy Analysis**

Secretary of State
FY 2016 Trailer to S 1297: Online Voter Registration

CARRIED: **Original Motion**

Moved by **Gibbs**, seconded by **Johnson**, to approve for introduction $258,000 General Funds, $0 Dedicated Funds, $0 Federal Funds for a total of $258,000 with FTP of 0.00

Ayes: 18
Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Youngblood, Horman, Malek, Monks, King, Gannon
Nays: 0
Ab/Ex: 2
Miller, Burtenshaw

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell.**

UNANIMOUS CONSENT: On request by **Gibbs**, granted by unanimous consent, the legislative intent language shown below was accepted:

RE-APPROPRIATION AUTHORITY. There is hereby re-appropriated to the Secretary of State any unexpended and unencumbered balances of moneys as appropriated in Section 1 of this act for fiscal year 2016, to be used for nonrecurring expenditures related to the online voter registration system, for the period July 1, 2016, through June 30, 2017.

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

Legislative Branch: FY 2016 Constitutional Defense Fund

CARRIED: **Original Motion**

Fund Transfer

Moved by **Keough**, seconded by **Mortimer**, to approve for introduction $2,000,000 General Funds, $0 Dedicated Funds, $0 Federal Funds for a total of $2,000,000. Cash transfer from General Fund to Dedicated Fund (net zero).

Ayes: 17
Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Youngblood, Horman, Malek, Monks, Burtenshaw
Nays: 1
King
Ab/Ex: 2
Miller, Gannon

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell**.

REOPEN FY 2016 BUDGET FOR DEPARTMENT OF ADMINISTRATION
IEN Legal Fees, Syringa Lawsuit

PRESENTER: **Robyn Lockett, Principal Analyst, Division of Budget and Policy Analysis**

UNANIMOUS CONSENT: On request by **Johnson**, granted by unanimous consent, the Fiscal Year 2016 budget for the Department of Administration, was reopened.

CARRIED: **Original Motion**
Department of Administration
IEN Legal Fees, Syringa Lawsuit
Appropriation

Moved by **Johnson**, seconded by **Nuxoll**, to approve for introduction $971,700 General Funds, $0 Dedicated Funds, $0 Federal Funds for a total of $971,700 for the period July 1, 2015, through June 30, 2016.
Ayes: 19
Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Youngblood, Horman, Malek, Monks, Burtenshaw, King,

Gannon
Nays: 0
Ab/Ex: 1
Miller

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell.**

UNANIMOUS CONSENT: On request by **Johnson**, granted by unanimous consent, the legislative intent language shown below was accepted:

It is the intent of the Legislature that these funds shall be used exclusively for the payment of attorney fees, costs, and expenses in Syringa Networks, LLC v. Idaho Department of Administration, et al, as determined by the Idaho district courts. If the final settlement amount plus accrued interest is less than the amount appropriated in this section, then the Department of Administration shall revert such appropriation to the General Fund on or before June 30, 2016.

PRESENTER: **Robyn Lockett, Principal Analyst, Division of Budget and Policy Analysis**

Self-Governing Agencies: Commission for Libraries
FY 2017: Trailer to S 1334: Educational Opportunity Resource Act

CARRIED: **Original Motion**

Self-Governing Agencies
Idaho Commission for Libraries
Trailer to S 1334: Education Opportunity Resource Act
Appropriation

Moved by **Malek**, seconded by **Schmidt**, to approve for introduction $180,000 General Funds, $0 Dedicated Funds, $0 Federal Funds for a total of $180,000 with FTP of 0.00

Ayes: 19
Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
Nays: 0
Ab/Ex: 1
Miller

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell.**

UNANIMOUS CONSENT: On request by **Malek**, granted by unanimous consent, the legislative intent language shown below was accepted:

It is the intent of the Legislature that any services using appropriations provided for in this act, including Wi-Fi on personal devices, shall be compliant with Section 33–2741, Idaho Code.

PRESENTER: **Paul Headlee, Deputy Division Manager, Budget and Policy Analysis**

State Board of Education
Office of the State Board of Education
FY 2017 Trailer to H 459: Community College Startup

CARRIED: **Original Motion**

Fund Transfer

Moved by **Horman**, seconded by **Mortimer**, to approve for introduction $5,000,000 General Funds, $0 Dedicated Funds, $0 Federal Funds for a total of $5,000,000 with FTP of 0.00

Ayes: 17
Keough, Johnson, Bair, Mortimer, Brackett, Thayn, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Burtenshaw, King, Gannon
Nays: 3
Nuxoll, Guthrie, Monks
Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell.**

CARRIED: **Original Motion**

Appropriation

Moved by **Horman**, seconded by **Mortimer**, to approve for introduction $0 General Funds, $5,000,000 Dedicated Funds, $0 Federal Funds for a total of $5,000,000 with FTP of 0.00

Ayes: 17
Keough, Johnson, Bair, Mortimer, Brackett, Thayn, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Burtenshaw, King, Gannon
Nays: 3
Nuxoll, Guthrie, Monks
Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell.**

PRESENTER: **Paul Headlee, Deputy Division Manager, Budget and Policy Analysis**

State Board of Education
Superintendent of Public Instruction
Trailer to S 1333: Broadband Infrastructure Improvement Grant Fund

CARRIED: **Original Motion**

Fund Transfer
Moved by **Malek**, seconded by **Mortimer**, to approve for introduction $2,700,000 General Funds, $0 Dedicated Funds, $0 Federal Funds for a total of $2,700,000 with FTP of 0.00

Ayes: 20
Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
Nays: 0
Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell**.

CARRIED: **Original Motion**

Appropriation
Moved by **Malek**, seconded by **Mortimer**, to approve for introduction $0 General Funds, $2,700,000 Dedicated Funds, $0 Federal Funds for a total of $2,700,000 with FTP of 0.00

Ayes: 20
Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
Nays: 0
Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell**.

PRESENTER: **Paul Headlee, Deputy Division Manager, Budget and Policy Analysis**

CARRIED: **Original Motion**

Office of the Governor
STEM Action Center
Trailer to S 1279: STEM Education Fund
Appropriation

Moved by **Mortimer**, seconded by **Horman**, to approve for introduction $0 General Funds, $2,000,000 Dedicated Funds, $0 Federal Funds for a total of $2,000,000 with FTP of 0.00

Ayes: 20
Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
Nays: 0
Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell.**

CARRIED: **Original Motion**

Appropriation

Moved by **Mortimer**, seconded by **Horman**, to approve for introduction $0 General Funds, $2,000,000 Dedicated Funds, $0 Federal Funds for a total of $2,000,000.

Ayes: 20
Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
Nays: 0
Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell.**

CARRIED: **Original Motion**

Office of the Governor
STEM Action Center
Trailer to H 379aaS: STEM Program Addition
Appropriation

Moved by **Horman**, seconded by **Mortimer**, to approve for introduction $99,000 General Funds, $0 Dedicated Funds, $0 Federal Funds for a total of $99,000 with FTP of 1.00. ($95,000 is ongoing and $4,000 is one-time)

Ayes: 18
Keough, Johnson, Bair, Mortimer, Brackett, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Monks, Burtenshaw, King, Gannon
Nays: 0
Ab/Ex: 2
Nuxoll, Malek

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell.**

PRESENTER: **Ray Houston, Principal Analyst, Division of Budget and Policy Analysis**

Board of Land Commissioners
Department of Lands
Forest and Range Fire Protection
Fire Suppression Deficiency Warrants

UNANIMOUS CONSENT: On request by **Keough**, granted by unanimous consent, the Fiscal Year 2017 budget for the Board of Land Commissioners, Department of Lands, was reopened.

CARRIED: **Original Motion**

Fund Transfer

Moved by **Keough**, seconded by **Gibbs**, to approve for introduction $34,500,000 General Funds, $0 Dedicated Funds, $0 Federal Funds for a total of $34,500,000, one-time transfer to Fire Suppression Fund for FY 2017.

Ayes: 13
Keough, Johnson, Bair, Brackett, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Burtenshaw, King
Nays: 4
Thayn, Guthrie, Monks, Gannon
Ab/Ex: 3
Mortimer, Nuxoll, Malek

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell.**

PRESENTER:	**Keith Bybee, Principal Analyst, Budget and Policy Analysis**
	Self-Governing Agencies **Division of Building Safety** **Trailer Appropriation to H 514**
UNANIMOUS CONSENT:	On request by **Horman**, granted by unanimous consent, the Fiscal Year 2017 budget for Self-Governing Agencies, Division of Building Safety, was reopened.
UNANIMOUS CONSENT:	On Request by **Horman**, and granted by unanimous consent, the legislative intent language shown below was accepted: It is the intent of the Legislature that the Miscellaneous Revenue Fund referenced in Section 33–5804 (5), Idaho Code, of House Bill 514, as enacted by the Second Regular Session of the Sixty-third Idaho Legislature, shall be known as the Miscellaneous Revenue/School Security Assessment Fund.
ADJOURN:	There being no further business to come before the Committee, **Chairman Bell** adjourned the meeting at 9:18 AM.

Representative Bell
Chair

Christi Cox
Secretary

AGENDA

JOINT FINANCE-APPROPRIATIONS COMMITTEE

8:00 A.M.
Room C310
Friday, March 18, 2016

BUDGET SETTING

DESCRIPTION	PRESENTER
Public School Support	*Paul Headlee* *Deputy Division Manager*
FY 2017 Trailer to H526: Statewide Literacy Interventions	
FY2017 Trailer to H570: Local Innovation School Act	
FY2017 Trailer to H571: Career Ladder Evaluations	

Senate Reconvenes:

House Reconvenes: 10:00 a.m.

MINUTES

JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE:	Friday, March 18, 2016
TIME:	8:00 A.M.
PLACE:	Room C310
MEMBERS:	Senators Co-chairman Keough, Bair, Mortimer, Brackett, Nuxoll, Johnson, Thayn, Guthrie, Schmidt, Lacey Representatives Co-chairman Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
ABSENT/ EXCUSED:	None
STAFF PRESENT:	Headlee
CONVENED:	Chairman Keough convened the meeting at 8:00 A.M.

TRAILER BILLS: **SETTING FY 2017 APPROPRIATIONS – TRAILER BILLS**

PUBLIC SCHOOL SUPPORT
Children's Programs
Trailer to H526: Literacy Interventions

PRESENTER: **Paul Headlee, Deputy Division Manager, Budget & Policy, Legislative Services Office**

H526 has passed both the House and Senate and expands reading interventions for students in grades K through three. The interventions are to be directed to students scoring basic or below basic on fall reading screening assessments or the alternative reading screening assessment. Scoring basic and below basic are considered to be below grade level. The hours of intervention that will now be required for students scoring below basic is a minimum of 60 hours and for students scoring basic is a minimum of 30 hours. According to the H526 fiscal note, funding appropriated for this effort will be distributed to school districts and charter schools based on the number of students scoring basic or below basic, of which, the past three-year average is 36,926 students. This action would appropriate $9,100,000 for this effort, and therefore, would provide school districts and charter schools approximately $246 per student. Funding for this effort was requested at $2,000,000 by the Superintendent of Public Instruction and recommended by the Governor at $10,700,000.

CARRIED:

Original Motion
Moved by Horman, seconded by Mortimer, to approve for introduction $9,100,000 General Funds, $0 Dedicated Funds, $0 Federal Funds for a total of $9,100,000 with FTP of 0.00

Ayes: 19

Keough, Johnson, Bair, Mortimer, Brackett, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 1

Nuxoll

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

Operations
Trailer to H570: Innovation School Act

H570 has passed the House and has passed the Senate Education Committee. H570 would establish the local innovation school act to allow schools to evaluate existing laws and rules and request waivers to allow them to respond in innovative ways to local needs through the creation of up to ten innovation schools around the state. Teachers, principals, superintendents, and school boards will have the opportunity to receive waivers in exchange for clearly demonstrating student outcomes and meeting well-defined goals. The fiscal note for H570 requires $100,000 annually. Of this amount, H570 directs $10,000 to be provided to those schools entering innovation school agreements and that the funding be used by a planning team for planning purposes.

CARRIED:

Original Motion
Moved by Horman, seconded by Mortimer, to approve for introduction $100,000 General Funds, $0 Dedicated Funds, $0 Federal Funds for a total of $100,000 with FTP of 0.00

Ayes: 19

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, Gannon

Nays: 1

King

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

Central Services
Trailer to H571: Career Ladder Evaluation

H571 has passed the House and is on the Third Reading Calendar in the Senate. One of the provisions of this legislation moves the requirement to review career ladder teacher evaluations from the State Department of Education to the Office of the State Board of Education (OSBE). To accomplish this, funding needs to be moved from the Public School Support Program to OSBE. The amount appropriated for this purpose in the Public Schools budget is $600,000. Therefore, the two actions shown below move this amount from the Public Schools budget to OSBE.

CARRIED:

Original Motion
Moved by Mortimer, seconded by Bell, to approve for introduction $(600,000) General Funds, $0 Dedicated Funds, $0 Federal Funds for a total of $(600,000) with FTP of 0.00
FY 2017 Reduction

Ayes: 20

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

STATE BOARD OF EDUCATION
Office of State Board of Education (OSBE)
OSBE ADMINISTRATION
Trailer to H571: Career Ladder Evaluations

CARRIED:

Original Motion
Moved by Mortimer, seconded by Horman, to approve for introduction $600,000 General Funds, $0 Dedicated Funds, $0 Federal Funds for a total of $600,000 with FTP of 0.00

Ayes: 20

Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

ADJOURNED: There being no further business, Chairman Keough adjourned the meeting at 8:22 A.M.

Senator Keough
Chair

Peggy Moyer
Secretary

AGENDA

JOINT FINANCE-APPROPRIATIONS COMMITTEE

8:00 A.M.
Room C310
Tuesday, March 22, 2016

BUDGET SETTING

	DESCRIPTION	PRESENTER
LBB 6-57	**Office of the Governor** Commission on the Arts FY 2017 Appropriation	*Robyn Lockett* *Principal Analyst*
	State Board of Education, Special Programs Trailer to H477aa,aaS: Post-secondary Credit Scholarships	*Paul Headlee* *Deputy Division Manager*
	Public School Support FY 2017 Transfer to Charter Schools Debt Reserve §33-5217 IC	
LBB 4-37	**Department of Lands** FY 2017 Appropriation Reconsideration	*Ray Houston* *Principal Analyst*
LBB 4-13	**Department of Fish and Game** FY 2017 Appropriation Reconsideration	
LBB 4-49 LBB 4-25	**Department of Lands (DU 19)** **Department of Fish and Game (DU 10)** FY 2017 Forest Legacy Conservation Easement	
	Judicial Branch Trailer to S1420: Judicial Pay Increase	*Jared Hoskins* *Senior Analyst*
	Legislative Branch FY 2016 Transfer to Legislative Legal Defense Fund §67-451A IC	*Cathy Holland-Smith* *Division Manager*

Senate Reconvenes:

House Reconvenes: 10:30 a.m.

MINUTES

JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE:	Tuesday, March 22, 2016
TIME:	8:00 A.M.
PLACE:	Room C310
MEMBERS:	Senators Co-chairman Keough, Bair, Mortimer, Brackett, Nuxoll, Johnson, Thayn, Guthrie, Schmidt, Lacey Representatives Co-chairman Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshow, King, Gannon
ABSENT/ EXCUSED:	None
CONVENED:	**Chairman Bell** called the meeting to order at 8:00 AM.

PRESENTER: **Robyn Lockett, Principal Analyst, Division of Budget and Policy Analysis**

Office of the Governor
Commission on the Arts
New FY 2017 Appropriation

S 1368 passed the Senate but was then defeated on the House floor. This budget was caught up in the House for reasons other than the merits of the Commission's budget itself, which is why this motion is the same as the previous appropriation, with one exception: $100 was added to the Miscellaneous Revenue Fund and the moneys in that fund come from sources other than state or federal funds.

Original Motion

Moved by **Horman**, seconded by **King**, to approve for introduction $782,900 General Funds, $106,200 Dedicated Funds, $1,067,000 Federal Funds for a total of $1,956,100 with FTP of 10.00

CARRIED: **Substitute Motion**

Moved by **Schmidt**, seconded by **Lacey**, to approve for introduction $782,900 General Funds, $106,300 Dedicated Funds, $1,067,000 Federal Funds for a total of $1,956,200 with FTP of 10.00

Ayes: 10
Keough, Mortimer, Brackett, Thayn, Guthrie, Schmidt, Lacey, Malek, King, Gannon
Nays: 9
Johnson, Bair, Nuxoll, Bell, Miller, Youngblood, Horman, Monks, Burtenshaw
Ab/Ex: 1
Gibbs

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell**.

PRESENTER: **Paul Headlee, Deputy Division Manager, Division of Budget and Policy Analysis**

State Board of Education: Special Programs
Scholarships and Grants
Trailer to H 477aa,aaS: Post-Secondary Credit Scholarships

CARRIED: **Original Motion**

Moved by **Thayn**, seconded by **Horman**, to approve for introduction $0 General Funds, $1,000,000 Dedicated Funds, $0 Federal Funds for a total of $1,000,000 with FTP of 0.00

Ayes: 19
Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
Nays: 0
Ab/Ex: 1
Gibbs

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell**.

PRESENTER: **Paul Headlee, Deputy Division Manager, Division of Budget and Policy Analysis**

Public School Support:
FY 2017 Transfer ERRF to Charter Schools Debt Reserve Fund

CARRIED: **Original Motion**

State Board of Education
Special Programs
Scholarships and Grants
Transfer ERRF to Charter School Debt Reserve Fund
Fund Transfer

Moved by **Youngblood**, seconded by **Mortimer**, to approve for introduction $0 General Funds, $750,000 Dedicated Funds, $0 Federal Funds for a total of $750,000 with FTP of 0.00

Ayes: 19
Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0
Ab/Ex: 1
Gibbs

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell**.

PRESENTER: **Ray Houston, Principal Analyst, Division of Budget and Policy Analysis**

Board of Land Commissioners
Department of Lands
Reconsideration of FY 2017 Appropriation

This proposed legislation matches **H 599** with one exception. It removes funding for the Forest Legacy Projects.

UNANIMOUS CONSENT: On request by **Bracket**, granted by unanimous consent, the FY 2017 budget for the Department of Lands was reopened.

CARRIED: **Original Motion**

Moved by **Brackett**, seconded by **Burtenshaw**, to approve for introduction $5,344,900 General Funds, $42,562,900 Dedicated Funds, $6,617,600 Federal Funds for a total of $54,525,400 with FTP of 291.10
Lump Sum for Forest and Range Fire Protection Program Only

Ayes: 19
Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
Nays: 0
Ab/Ex: 1
Gibbs

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell.**

PRESENTER: **Ray Houston, Principal Analyst, Division of Budget and Policy Analysis**

Department of Fish and Game
Reconsideration of FY 2017 Appropriation

This proposed legislation matches **H 565** with one exception. It does not provide funding for the Clagstone Meadows Conservation Easement.

UNANIMOUS CONSENT: On Request by **Brackett**, granted by unanimous consent, the Fiscal Year 2017 budget for the Department of Fish and Game, was reopened.

CARRIED: **Original Motion**

Moved by **Brackett**, seconded by **Youngblood**, to approve for introduction $0 General Funds, $57,571,500 Dedicated Funds, $46,498,800 Federal Funds for a total of $104,070,300 with FTP of 558.00

Ayes: 20
Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
Nays: 0
Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell.**

PRESENTER: **Ray Houston, Principal Analyst, Division of Budget and Policy Analysis**

Department of Lands and the Department of Fish and Game
FY 2017 Forest Legacy Conservation Easement
At the request of **Senator Keough**, this proposed legislation was held subject to the call of the chair.

PRESENTER: **Jared Hoskins, Principal Analyst, Division of Budget and Policy Analysis**

Judicial Branch
Trailer to S 1420: Judicial Pay Increase
District Courts and Magistrate Division

CARRIED: **Original Motion**

Moved by **Youngblood**, seconded by **Bair**, to approve for introduction $815,700 General Funds, $0 Dedicated Funds, $0 Federal Funds for a total of $815,700 with FTP of 0.00

Ayes: 20
Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
Nays: 0
Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell**.

PRESENTER: **Cathy Holland-Smith, Division Manager, Division of Budget and Policy Analysis**

Legislative Branch
Legislative Legal Defense Fund
Fund Transfer

There was a special presentation from **Representative Bedke**, Speaker of the House of Representatives and **Senator Hill,** President Pro Tem of the Senate.

The Speaker and Pro Tem addressed the committee regarding the costs of the ongoing lawsuit, and the details of the State's debits during litigation. Both spoke to the need to find a responsible resolution to avoid a lawsuit with tort claims in excess of $11 million. The Speaker stated that there was no "good way" out of this legal battle, but this approach was the most fiscally prudent choice to make, and reminded the committee that the goal was to move past this issue and provide internet access to our rural communities. The Pro Tem added that the committee regularly appropriates to agencies for expenses not yet incurred, including litigation settlement. Both gentlemen thanked the committee for the professional deliberation and indicated leadership would respect the committee's decision.

CARRIED: **Original Motion**

Moved by **Keough**, seconded by **Gibbs**, to approve for introduction $8,000,000 General Funds to be transferred to the Dedicated Fund.

Ayes: 19
Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, Gannon
Nays: 1
King
Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell.**

ADJOURN: There being no further business to come before the Committee, **Chairman Bell** adjourned the meeting at 9:03 AM.

Representative Bell
Chair

Christi Cox
Secretary

AGENDA

JOINT FINANCE-APPROPRIATIONS COMMITTEE

8:30 A.M.
Room C310
Wednesday, March 23, 2016

BUDGET SETTING

	DESCRIPTION	PRESENTER
LBB 4-49	**Department of Lands (DU 19)** FY 2017 Forest Legacy Conservation Easement	*Ray Houston* *Principal Analyst*
LBB 4-25	**Department of Fish and Game (DU 10)** FY 2017 Forest Legacy Conservation Easement	

Senate Reconvenes:

House Reconvenes:

MINUTES

JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE:	Wednesday, March 23, 2016
TIME:	8:30 A.M.
PLACE:	Room C310
MEMBERS:	Senators Co-chairman Keough, Bair, Mortimer, Brackett, Nuxoll, Johnson, Thayn, Guthrie, Schmidt, Lacey Representatives Co-chairman Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
ABSENT/ EXCUSED:	None
STAFF PRESENT:	Houston
CONVENED:	Chairman Keough convened the meeting at 8:00 A.M.

BOARD OF LAND COMMISSIONERS
Department of Lands

UNANIMOUS CONSENT: On request by Johnson, granted by unanimous consent, the FY 2017 budget for the Department of Lands was reopened.

Forest Resources Management
Forest Legacy Conservation Easement

The Department of Lands (IDL) requests $5 million in one-time federal appropriation and the Department of Fish and Game requests $2 million in one-time federal appropriation to purchase a conservation easement. The Forest Legacy Program (FLP) was established by the federal Cooperative Forestry Assistance Act of 1978 to protect environmentally important forest lands threatened with conversion to non-forest use. As the state administrator, the Department of Lands uses federal grant money (Land and Water Conservation Fund) to purchase conservation easements, often in conjunction with other non-profit or state agencies, on private forestlands. The Clagstone Meadows Forest Legacy project is composed of over 13,000 acres of contiguous private forest land in Bonner County. The landowner wishes to sell the development rights, valued at $12.6 million, to keep the land in timber production in perpetuity. This transaction will help protect the region's drinking water, protect wetlands, retain local timber jobs, and allow for non-motorized public access to private property. The landowner will donate 25% of the value or $3.125 million, the USDA awarded $5.5 million to the IDL, the Trust for Public Land will raise $2 million, and Idaho Department of Fish and Game will contribute $2 million to complete the transaction. IDL has $500,000 of base federal funding, and is requesting an additional $5 million appropriation to pass the USDA federal funds through to the landowner. The Department of Fish and Game also requests $2 million in one-time federal appropriation from federal Pittman-Robertson moneys (excise taxes).

CARRIED: **Original Motion**

Moved by Johnson, seconded by Gibbs, to move an additional $5,000,000 from federal funds in trustee and benefit payments to the Department of Lands for the Forest Resources Management Program for fiscal year 2017, one-time.

Ayes: 17

Keough, Johnson, Bair, Mortimer, Brackett, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 3

Nuxoll, Thayn, Guthrie

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

UNANIMOUS CONSENT: On request by Johnson, granted by unanimous consent, the following carryover language was approved.

CARRYOVER LANGUAGE: REAPPROPRIATION. There is hereby reappropriated to the Department of Lands any unexpended and unencumbered balances appropriated or reappropriated for the Forest Resources Management Program for fiscal year 2016, from federal funds for trustee and benefit payments, to be used for the Forest Legacy Program for the period July 1, 2016 through June 30, 2017.

DEPARTMENT OF FISH & GAME
Wildlife
Forest Legacy Conservation Easement

UNANIMOUS CONSENT: On request by Gibbs, granted by unanimous consent, the FY 2017 budget for the Department of Fish and Game was reopened.

The Department of Fish and Game requests $2 million in one-time federal appropriation to purchase a conservation easement. See a more detailed description shown above for the Department of Lands.

CARRIED: Moved by Gibbs, seconded by Malek, to move an additional $2,000,000 from federal funds in capital outlay to the Department of Fish and Game for the Wildlife Program for fiscal year 2017, one-time.

Ayes: 16

Keough, Johnson, Bair, Brackett, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 4

Mortimer, Nuxoll, Thayn, Guthrie

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Keough.

UNANIMOUS CONSENT: On request by Bell, granted by unanimous consent, the following legislative intent language was approved.

INTENT LANGUAGE: Section 4. The Forest Legacy Program (FLP) is a federal program that supports state efforts to protect environmentally sensitive forests through the use of conservation easements. It is the intent of the Legislature that moneys appropriated in this act shall be used by the Idaho Department of Lands, and the Department of Fish and Game to purchase the Clagstone Meadows conservation easement, in Bonner County, on behalf of the state of Idaho.

UNANIMOUS CONSENT: On request by Gibbs, granted by unanimous consent, the following legislative intent language was approved.

LEGISLATIVE INTENT: Section 5. It is the intent of the Legislature that the conservation easement shall stipulate public access to certain properties for hunting, fishing and outdoor activities, provided that the owner may close access for short periods of time because of safety concerns during timber harvest, treatment and property maintenance activities, and because of fire and other natural disasters, or because of public misuse. Furthermore, it is the intent of the Legislature that the land classification shall not be devalued, and that future property taxes owed by the landowner shall not be diminished because of the conservation easement.

ADJOURNED: There being no further business, Chairman Keough adjourned the meeting at 8:48 A.M.

Senator Keough
Chair

Peggy Moyer
Secretary

AGENDA

JOINT FINANCE-APPROPRIATIONS COMMITTEE

8:00 A.M.
Room C310
Thursday, March 24, 2016

BUDGET SETTING

DESCRIPTION	PRESENTER
Department of Health and Welfare Healthcare Policy Initiatives Trailer to H644: Health Grant Program for the Medically Underserved	*Jared Tatro* *Principal Analyst*

Senate Reconvenes:

House Reconvenes: 10:00 a.m.

MINUTES

JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Thursday, March 24, 2016

TIME: 8:00 A.M.

PLACE: Room C310

MEMBERS: Senators Co-chairman Keough, Bair, Mortimer, Brackett, Nuxoll, Johnson, Thayn, Guthrie, Schmidt, Lacey

Representatives Co-chairman Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

ABSENT/ EXCUSED: None

CONVENED: **Chairman Bell** called the meeting to order at 8:00 AM.

PRESENTER: **Jared Tatro, Principal Analyst, Division of Budget and Policy Analysis**

Department of Health and Welfare
Health Care Policy Initiatives
Trailer to H 644: Health Grant Program for Medically Underserved

Representative Bell disclosed she has a possible conflict of interest under applicable law; she does plan to vote on the issue currently before the Committee. **Representative Malek** disclosed he has a possible conflict of interest under applicable law; he does plan to vote on the issue currently before the Committee.

Original Motion
Moved by **Schmidt**, seconded by **Guthrie**, to hold the proposed legislation in Committee.

Substitute Motion
Moved by **Thayn**, seconded by **Malek**, to approve for introduction $400,000 General Funds, $5,000,000 Dedicated Funds, $0 Federal Funds for a total of $5,400,000. Transfer $5,000,000 from the Millennium Fund to the Millennium Income Fund.

CARRIED: **Amended Substitute Motion**

Moved by **Keough**, seconded by **Gibbs**, to approve for introduction $400,000 General Funds, $5,000,000 Dedicated Funds, $0 Federal Funds for a total of $5,400,000. Transfer $5 million from the Millennium Fund to the Millennium Income Fund — include fund source clarification.

Ayes: 13
Keough, Johnson, Bair, Brackett, Thayn, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw
Nays: 6
Mortimer, Nuxoll, Guthrie, Lacey, King, Gannon
Ab/Ex: 1
Schmidt

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell.**

ADJOURN: There being no further business to come before the committee, **Chairman Bell** adjourned the meeting at 8:27 A.M.

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Representative Bell
Chair

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Christi Cox
Secretary